

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
JAMESTOWN, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jamestown/Stutsman Development Corporation
Jamestown, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of Jamestown/Stutsman Development Corporation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Basis for Qualified Opinion

As disclosed in Note 1 to the financial statements, Jamestown/Stutsman Development Corporation records the community share notes receivable at the total amount to be repaid. In our opinion, the community share notes receivable are programmatic loans that should be recorded at their current present value with a contribution expense also being recorded to conform with accounting principles generally accepted in the United States of America. Quantification of the effects on the financial statements of the preceding practice is not practicable.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Jamestown/Stutsman Development Corporation as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Jamestown/Stutsman Development Corporation adopted the provisions of FASB Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, in 2018. This resulted in changes to accounting policies regarding classification of net assets. New disclosures were added regarding liquidity and availability, and disclosures related to the functional allocation of expenses were expanded. Our opinion is not modified with respect to this matter.

Other Matters

Correction of an Error

As described in Note 13 to the financial statements, a prior period adjustment has been made to properly record payables and correctly state net assets. Our opinion is not modified with respect to this matter.

Report on Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements except for the effects on the supplementary information of the auditor's qualification.



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

March 28, 2019

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 456,247	\$ 98,978
Accounts receivable	17,442	19,714
Current portion of notes receivable	89,908	93,357
Current portion of notes receivable - related party	78,500	78,500
Prepaid expenses	21,643	19,288
Total current assets	663,740	309,837
Property and equipment:		
Land	2,106,488	2,113,849
Construction in process	1,767,813	4,437
Buildings and improvements	920,740	1,215,122
Road and rail Improvements	97,000	97,000
Furniture and equipment	126,247	124,017
Total property and equipment	5,018,288	3,554,425
Less accumulated depreciation	(346,510)	(392,935)
Net property plant and equipment	4,671,778	3,161,490
Other assets:		
Investment in Precision Stock	75,000	75,000
Investment in SEPA	4,344,995	4,087,893
Notes receivable, less current portion	1,579,903	1,333,522
Notes receivable, less current portion - related party	569,125	647,625
Total other assets	6,569,023	6,144,040
Total assets	\$ 11,904,541	\$ 9,615,367

See Notes to the Financial Statements

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2018 AND 2017

	2018	2017
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 276,355	\$ 2,169
Real estate taxes payable	3,606	4,205
Interest payable	435	855
Due to city and county	168,408	171,857
Accrued expenses	13,117	12,523
Deferred revenue	6,942	9,804
Current maturities of long-term debt	5,765	5,765
Current portion of capital lease payable	3,073	2,923
Total current liabilities	477,701	210,101
Long term liabilities:		
Due to city and county	4,013,903	2,031,060
Long-term debt, net of current maturities	5,764	11,529
Capital lease payable, net of current portion	4,264	7,336
Total long term liabilities	4,023,931	2,049,925
Total liabilities	4,501,632	2,260,026
Net assets:		
Without donor restrictions	7,388,447	7,343,991
With donor restrictions	14,462	11,350
Total net assets	7,402,909	7,355,341
Total liabilities and net assets	\$ 11,904,541	\$ 9,615,367

See Notes to the Financial Statements

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions - City of Jamestown	\$ 390,974	\$ 207,602	\$ 598,576
Contributions - Stutsman County	94,031	58,587	152,618
Rents	90,701	-	90,701
Increase in SEPA investment	257,102	-	257,102
Expense reimbursement - SEPA	257	-	257
Expense reimbursement - Chamber	16,397	-	16,397
Gain (loss) on disposition of assets	(87,659)	-	(87,659)
Miscellaneous	4,018	-	4,018
Released from restrictions	<u>263,077</u>	<u>(263,077)</u>	<u>-</u>
Total support and revenue	<u>1,028,898</u>	<u>3,112</u>	<u>1,032,010</u>
Expenses:			
Project services, grants	250,384	-	250,384
Operational costs	539,102	-	539,102
Repayment of lease income	65,095	-	65,095
Repayment of funds to city/county	1,350	-	1,350
Return of land	6,011	-	6,011
Repayment of funds to USDA	<u>122,500</u>	<u>-</u>	<u>122,500</u>
Total expenses	<u>984,442</u>	<u>-</u>	<u>984,442</u>
Change in net assets	44,456	3,112	47,568
Net assets - beginning of year	<u>7,343,991</u>	<u>11,350</u>	<u>7,355,341</u>
Net assets - end of year	<u>\$ 7,388,447</u>	<u>\$ 14,462</u>	<u>\$ 7,402,909</u>

See Notes to the Financial Statements

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions - City of Jamestown	\$ 386,982	\$ 580,354	\$ 967,336
Contributions - Stutsman County	93,562	95,790	189,352
Rents	74,629	-	74,629
Increase in SEPA investment	239,989	-	239,989
Interest income	119	-	119
Expense reimbursement - SEPA	664	-	664
Expense reimbursement - Chamber	16,932	-	16,932
Gain (loss) on disposition of assets	(417)	-	(417)
Miscellaneous	12,092	-	12,092
Released from restrictions	955,900	(955,900)	-
Total support and revenue	<u>1,780,452</u>	<u>(279,756)</u>	<u>1,500,696</u>
Expenses:			
Project services, grants	196,855	-	196,855
Operational costs	534,146	-	534,146
Repayment of lease income	57,266	-	57,266
Repayment of funds to USDA	350,737	-	350,737
Return of escrow	1,454	-	1,454
Total expenses	<u>1,140,458</u>	<u>-</u>	<u>1,140,458</u>
Change in net assets	<u>639,994</u>	<u>(279,756)</u>	<u>360,238</u>
Net assets - beginning of year, as originally stated	6,753,913	291,106	7,045,019
Prior period adjustment	<u>(49,916)</u>	<u>-</u>	<u>(49,916)</u>
Net assets - beginning of year, restated	<u>6,703,997</u>	<u>291,106</u>	<u>6,995,103</u>
Net assets - end of year	<u>\$ 7,343,991</u>	<u>\$ 11,350</u>	<u>\$ 7,355,341</u>

See Notes to the Financial Statements

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Economic Development	Management and General	Total
Project services, grants	250,384	\$ -	\$ 250,384
Repayment of lease income	65,095	-	65,095
Repayment of funds to city/county	1,350		1,350
Return of land	6,011		6,011
Repayment of funds to USDA	122,500	-	122,500
Salaries	128,482	112,675	241,157
Payroll taxes	9,676	8,464	18,140
Employee benefits	29,265	26,924	56,189
Shared office space	18,922	30,872	49,794
Telephone and internet	1,041	3,122	4,163
Professional training	5,425	603	6,028
Travel	1,230	3,691	4,921
Vehicle lease	1,580	4,739	6,319
Postage and printing	270	811	1,081
Marketing and recruiting	34,947	-	34,947
Dues and subscriptions	3,139	349	3,488
Professional fees	25,583	2,842	28,425
Rent	2,499	7,495	9,994
Office supplies	780	87	867
Office equipment	3,552	395	3,947
Real estate taxes	6	10	16
Interest	-	1,118	1,118
Insurance	-	1,979	1,979
Bank and service charges	70	70	140
Meetings and conferences	16,436	1,826	18,262
Repairs and maintenance	-	4,674	4,674
Depreciation and amortization	21,111	21,110	42,221
Miscellaneous	-	1,232	1,232
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 749,354</u>	<u>\$ 235,088</u>	<u>\$ 984,442</u>

See Notes to the Financial Statements

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Economic Development	Management and General	Total
Project services, grants	\$ 196,855	\$ -	\$ 196,855
Repayment of lease income	57,266	-	57,266
Repayment of funds to city/county	350,737	-	350,737
Return of escrow	1,454	-	1,454
Salaries	125,001	114,771	239,772
Payroll taxes	9,396	8,667	18,063
Employee benefits	27,169	24,534	51,703
Shared office space	16,678	27,212	43,890
Telephone and internet	1,087	3,259	4,346
Professional training	6,340	704	7,044
Travel	1,180	3,538	4,718
Vehicle lease	1,742	5,227	6,969
Postage and printing	297	891	1,188
Marketing and recruiting	45,289	-	45,289
Dues and subscriptions	2,260	251	2,511
Professional fees	16,759	1,862	18,621
Rent	843	2,528	3,371
Office supplies	2,786	309	3,095
Office equipment	3,074	342	3,416
Real estate taxes	2,721	4,440	7,161
Interest	-	2,220	2,220
Insurance	-	3,052	3,052
Bank and service charges	105	104	209
Meetings and conferences	14,398	1,600	15,998
Repairs and maintenance	-	1,864	1,864
Depreciation and amortization	24,375	24,374	48,749
Miscellaneous	-	897	897
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 907,812</u>	<u>\$ 232,646</u>	<u>\$ 1,140,458</u>

See Notes to the Financial Statements

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 47,568	\$ 360,238
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	42,221	48,749
Land transferred to city	6,011	-
(Gain) loss on disposition of assets	87,659	417
Refund of previously capitalized costs paid to City/County	1,350	-
Earnings from equity method investment	(257,102)	(240,143)
Changes in operating assets and liabilities:		
Accounts receivable	2,272	26,067
Prepaid expenses	(2,355)	(4,658)
Accounts payable	274,186	(272,123)
Real estate taxes payable	(599)	4,205
Interest payable	(420)	855
Due to city and county	164,394	44,839
Accrued expenses	594	1,053
Deferred revenue	(2,862)	3,133
Net cash provided (used) by operating activities	362,917	(27,368)
Cash flows from investing activities:		
Issuance of notes receivable	(343,238)	(213,444)
Collection of notes receivable	178,806	168,602
Proceeds from sale of fixed assets	122,500	-
Cash paid for purchase of fixed assets	(1,770,029)	(173,458)
Net cash provided (used) by investing activities	(1,811,961)	(218,300)
Cash flows from financing activities		
Advance from City and County for airport park project	1,815,000	-
Payments on capital lease payable	(2,922)	(2,637)
Payments on notes payable	(5,765)	(5,764)
Net cash provided (used) by financing activities	1,806,313	(8,401)
Net change in cash and cash equivalents	357,269	(254,069)
Cash and cash equivalents - beginning of year	98,978	353,047
Cash and cash equivalents - end of year	\$ 456,247	\$ 98,978
<u>Schedule of other cash flow information:</u>		
Cash paid during the year for interest	\$ 683	\$ 1,365
<u>Supplemental noncash disclosures:</u>		
Fixed assets acquired through capital lease payable	\$ -	\$ 12,896

See Notes to the Financial Statements

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Jamestown/Stutsman Development Corporation (the "Corporation") is organized to improve business conditions of the City of Jamestown and Stutsman County, North Dakota, to attract new primary sector businesses and industry, and support existing business and industry. The Corporation is primarily supported by the City of Jamestown and Stutsman County.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America, (GAAP), as codified by the Financial Accounting Standards Board.

Financial statement presentation follows the recommendation of the Accounting Standards Codification Topic 958, Accounting for Not-for-Profit Entities. The codification requires the Corporation to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net assets without donor restrictions represent the expendable resources that are available for operations at management's discretion. Net assets with donor restrictions represent resources restricted by donors as to purpose or by the passage of time as well as resources whose use by the Corporation is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Corporation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers all highly liquid debt instruments with a maturity of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. The Corporation believes all accounts receivable at December 31, 2018 are collectible.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

Notes Receivable

The Corporation participates in the PACE and Flex PACE loan programs with the Bank of North Dakota. Notes receivable consist of loans receivable from businesses as part of interest buy down agreements made in accordance with the PACE and Flex PACE programs. The note receivable agreements are set up in which the business does not begin repayment on their loan from the Corporation until the original loan with the Bank of North Dakota and the participating bank is paid off. The carrying amount of the notes receivable is reduced by management's best estimate of the amount that will not be collected. Management has determined all notes receivable are collectible as of December 31, 2018.

Management has elected to record the notes receivable at the full amount that is to be repaid by the business less the allowance. Accounting principles generally accepted in the United States of America require programmatic loans be recorded at their current present value based upon the discount rate and the terms of the agreement. Also, contribution expense should be recorded for the difference between the actual interest rate being charged to the business and the current market rate at the time of agreement.

Investments – Precision Stock

The Corporation acquired 75,000 shares of no par value common stock of Precision Results Manufacturing, Inc. in Jamestown, North Dakota in a prior year for \$75,000. The shares are to be repurchased by Precision Results Manufacturing in the future at a mutually agreed upon time and value. This investment is accounted for at cost.

Investment in SEPA

The Jamestown/Stutsman Development Corporation owns a 70.19% limited partnership interest in Spiritwood Energy Park Association, LLC, whose purpose is to own and manage an industrial park with energy and transportation infrastructure near Spiritwood, North Dakota. This investment is accounted for as an equity investment. Under the equity method the investment is increased by the Corporation's share of the investee's earnings and reduced by distributions received. The Corporation's share of the earnings from this investment is shown as "increase in SEPA investment" on the statement of activities.

Property and Equipment

Property and equipment is stated at cost and depreciated over the estimated useful lives on straight-line method. Additions and betterments with a cost greater than \$150 on a per item basis are capitalized, whereas expenditures for maintenance and repairs are charged to expense. The estimated useful lives of the assets are as follows:

<u>Asset</u>	<u>Life</u>
Buildings and improvements	10 - 50 years
Rail spur	30 years
Road and rail improvements	20 years
Furniture and equipment	3 - 10 years

Depreciation expense aggregated \$42,221 and \$48,749 for the years ended December 31, 2018 and 2017, respectively.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

Due to City and County

In conjunction with the City and County participating in the community portion of the PACE and Flex PACE loan programs and new jobs training loan program, the Corporation has entered into an agreement with the City and County that all loan payments, including principal and interest, and any other funds received by the Corporation shall be returned to the City and County based upon their proportion of the initial contribution. As such, this liability represents the original amount contributed by the City and County that is owed back to each. The interest portion will be paid to City and County as it's collected.

Income Taxes

The Corporation is a not-for-profit organization and has been recognized as tax-exempt pursuant to Section 501 (c)(6) of the U.S. Internal Revenue Code. Therefore, the Organization is not subject to income tax for Corporation related activities, however it is subject to unrelated business income tax on its portion of taxable income of activities unrelated to its tax exempt purpose.

The Corporation's policy is to evaluate the likelihood that uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue code and Regulations, Revenue Rulings, court decisions, and other evidence.

Functional Expenses

The financial statements report certain categories of expense that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include building related expenses, which are allocated on a square footage basis, operational costs including salaries and benefits, which allocated on the basis of estimates of time and effort.

Use of Estimates

The presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Implementation of New Accounting Standard

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 11). The ASU has been applied retrospectively to all periods presented.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

Reclassifications

Certain accounts in the prior period have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 2 CONCENTRATIONS

Sources of Revenue

Jamestown/Stutsman Development Corporation is primarily supported by the City of Jamestown through sales tax revenues and Stutsman County through a dedicated mill levy. Revenue from the City and County accounted for 62% and 16% of the total revenue, respectively, during the year ended December 31, 2018, and 49% and 9% of total revenue during the year ended December 31, 2017.

Concentration of Credit Risk

The Corporation maintains cash on deposit at various financial institutions. The deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution. As of December 31, 2018, all deposits of the Corporation were insured or covered by a pledge of assets from the financial institution.

NOTE 3 INVESTMENT IN SEPA

The Corporation invested in Spiritwood Energy Park Association, LLC. This investment, representing 70.19% interest, is accounted for under the equity method as described in Note 1. Earnings of \$257,102 and \$239,988 were recorded in the statement of activities for the years ended December 31, 2018 and 2017.

Spiritwood Energy Park Association, LLC uses the accrual method of accounting. Its condensed financial statements, which were obtained from their audited financial statements as of and for the years ending December 31, 2018 and 2017 are as follows:

Condensed Balance Sheet	<u>2018</u>	<u>2017</u>
Assets	\$ 16,679,496	\$ 17,131,760
Liabilities	10,489,162	11,307,721
Members' equity	6,190,334	5,824,039
 Condensed Statement of Operations		
Revenue	\$ 1,326,731	\$ 1,401,478
Expenses	<u>960,436</u>	<u>1,059,345</u>
Net income	<u>\$ 366,295</u>	<u>\$ 342,133</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 4 NOTES RECEIVABLE

Notes receivable at December 31, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
PACE and Flex PACE Community Share receivables at December 31, 2018 and 2017 consist of receivables from businesses as part of interest buy down agreements made in accordance with the PACE and Flex PACE programs with the Bank of North Dakota. Loans bear an interest rate of 2% or 5% with terms of repayment over two or five years. All receivables are secured by a personal guarantee and / or real estate with the exception of the loans to the Jamestown Regional Airport Authority and the Jamestown Rowhomes Limited Partnership.	\$ 1,401,695	\$ 1,085,475
 New Jobs Credit receivables at December 31, 2018 and 2017 consist of receivables from businesses that participated in the New Jobs Credit from Income Tax Withholding program. Loans bear an interest rate of 1% and are paid back in quarterly payments that coincide with the state income tax reporting requirements over a period of ten years. All loans are secured by assignment of New Jobs Tax credit from income tax withholding.	 268,116	 332,809
 4% note receivable from FAARMS, starting March 1, 2003, due in monthly payments of \$152 (including principle and interest) amortized over 20 years with an option to purchase the building. The option to purchase the building was exercised during 2018 and the receivable paid in full.	 -	 8,595
 0% note receivable from Spiritwood Energy Park Association, LLC (related party), dated March 17, 2015, due in monthly payments of \$6,542 starting two years from the date of the note.	 <u>647,625</u>	 <u>726,125</u>
Less current portion	2,317,436	2,153,004
Notes receivable, long-term portion	(168,408)	(171,857)
	<u>\$ 2,149,028</u>	<u>\$ 1,981,147</u>

Anticipated future collections on notes receivable as of December 31, 2018 is as follows:

2019	\$ 168,408
2020	159,658
2021	154,408
2022	123,201
2023	116,635
Thereafter	<u>1,595,126</u>
	<u>\$ 2,317,436</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 5 LONG TERM DEBT / SPECIAL ASSESSMENTS

Long-term debt at December 31, 2018 and 2017 consists of the following:

Payee	Date of Loan or Renewal	Interest Rate	12/31/18 Balance	12/31/2017 Balance	Payments Due
City of Jamestown	10/1/2013	3.36%	\$ 11,529	\$ 17,294	Annual payments of \$5,765, plus interest, each February 15th through February 2020. Secured by real estate.
Less current portion of long-term debt			<u>(5,765)</u>	<u>(5,765)</u>	
Long term portion of long-term debt			<u>\$ 5,764</u>	<u>\$ 11,529</u>	

The principal maturities on notes payable are as follows:

2019	\$ 5,765
2020	5,764
Total	<u>\$ 11,529</u>

NOTE 6 LEASE AGREEMENTS

Lessee

The Corporation has entered into various operating lease agreements for the rental of its office space in the CED building, pasture land and another building. The investment in property under lease at December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Building	\$ 540,617	\$ 837,628
Less accumulated depreciation	(136,987)	(210,372)
	<u>\$ 403,630</u>	<u>\$ 627,256</u>

Minimum future lease income under non-cancellable operating leases with a term in excess of one year as of December 31, 2018 for each of the subsequent years is as follows:

2019	\$ 75,316
2020	68,263
2021	7,221

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

Lessor

In August 2017, the Corporation entered into a 39-month vehicle lease agreement with monthly payments of approximately \$527.

Effective December 2015, the Corporation entered into a 6-year land lease with Jamestown Municipal Airport Authority with annual payments of approximately \$3,483. The Corporation is granted an option to renew the lease for an addition 5-year term. The lease rate is adjusted annually based on the most current average consumer price index.

The future required annual payments under these agreements are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2019	\$ 20,997
2020	20,349
2021	11,851
2022	12,207
2023	12,573
Thereafter	40,028
	<u>\$ 118,005</u>

Rent and lease expense was \$16,313 and \$11,332 for the years ended December 31, 2018 and 2017, respectively.

NOTE 7 CAPITAL LEASE

The Corporation has entered into a capital lease obligation with an unrelated party for office equipment in May 2016. The economic substance of this lease is that the Corporation is financing the acquisition of the asset through the lease, and accordingly, it is recorded in the Corporation's assets and liabilities. The lease asset is included in furniture and equipment at a capitalized cost of \$14,880, with accumulated depreciation of \$7,936 and \$4,960 at December 31, 2018 and 2017, respectively. Amortization in the amount of \$2,976 of the capital lease is included in depreciation expense within the statement of activities for 2018 and 2017.

The lease obligation is payable to LEAF Capital Funding, LLC in monthly installments of approximately \$281, including interest through April 2021.

The following is a schedule of years of future minimum payments required under the capital lease together with the present value as of December 31, 2018:

<u>Year ending December 31,</u>	<u>Amount</u>
2019	\$ 3,370
2020	3,370
2021	1,043
Less: Amount representing interest	(446)
Present value of lease payments	<u>\$ 7,337</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 8 RETIREMENT PLAN

The Corporation has a SEP IRA Plan. The Corporation's contribution is 5.12% of eligible employees' compensation. To be eligible, an employee must be at least 21 years old, have performed at least one year of service in the five years immediately preceding, and receive total compensation in excess of \$500 per year. The Corporation contributed \$12,261 to the plan for the year ended December 31, 2018 and \$12,016 for the year ended December 31, 2017.

NOTE 9 ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

It is the opinion of management that the Corporation has no uncertain tax positions that would be subject to change upon examination. The federal and state income tax returns of the Corporation are subject to examination by the IRS, generally for three years after they were filed.

NOTE 10 RELATED PARTY ACTIVITY

The Corporation owns 70.19% of Spiritwood Energy Park Association, LLC (SEPA). The Corporation loaned money to SEPA in 2015, see note 4 for further details of the loan. The balance of this note receivable was \$569,125 and \$647,625 at December 31, 2018 and 2017, respectively.

NOTE 11 LIQUIDITY AND AVAILABILITY

The following reflects Jamestown/Stutsman Development Corporation's financial assets as of December 31, 2018 and 2017, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of grantor restrictions. The following table reflects the Corporation's financial assets due within one year of the statement of financial position as of December 31, 2018 and 2017 for general expenditures:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$456,247	\$ 98,978
Accounts receivable	17,442	19,714
Current portion of notes receivable	89,908	93,357
Current portion of notes receivable - related party	<u>78,500</u>	<u>78,500</u>
Total financial assets	642,097	290,549
Grantor-imposed restrictions:		
Money restricted by grantor for investment in capital assets	(318,094)	-
Money restricted for repayment to city and county	(168,408)	(171,857)
Money restricted by grantor for grants and other purposes	<u>(14,462)</u>	<u>(11,350)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$141,133</u>	<u>\$107,342</u>

In addition to financial assets available to meet general expenditures over the year, the Corporation operates with an annual budget and anticipates its general expenditures by collecting sufficient contributions from the City of Jamestown and Stutsman County, along with rental income from the Chamber. The statement of cash flows identifies the sources and uses of the Corporations cash shows positive cash generated by operations of \$362,917 for the fiscal year ended December 31, 2018.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 12 NEW ACCOUNTING PRONOUNCEMENTS

ASU 2014-09, Revenue from Contracts with Customers (Topic 606)

During 2014, the Financial Accounting Standards Board (FASB) issued a new standard related to revenue recognition. ASU2014-09, upon its effective date, replaces almost all existing revenue recognition guidance, including industry-specific guidance, in current U.S. GAAP. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be effective for the Company for annual periods beginning after December 15, 2018, and interim periods within annual reporting periods beginning after December 15, 2019.

ASU 2018-08, Contributions Received and Contributions made (Topic 958)

During 2018, the FASB issued an accounting standards update intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU is effective for the Organization for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

ASU 2016-18, Statement of Cash Flows (Topic 230)

During 2016, the FASB issued guidance that amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning of period and end of period total amounts shown on the statement of cash flows. The ASU is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.

ASU 2016-02, Leases (Topic 842)

During 2016, the FASB issued guidance to change the accounting for leases. The main provision of ASU 2016-02 is that lessees will be required to recognize lease assets and lease liabilities for most long-term leases, including those classified as operating leases under GAAP. The ASU is effective for the Company for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020.

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

With the exception of the new standards discussed above, we have not identified any other new accounting pronouncements that have potential significance to the Corporation's financial statements.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2018 AND 2017

NOTE 13 PRIOR PERIOD ADJUSTMENTS

A prior period adjustment has been made to the Corporation's 2017 financial statements to properly reflect amounts due to the City and County of \$49,916 related to contributions received in a prior year used to purchase land for future development that were recorded as revenue. When the eventual sale of this land occurs, the proceeds are to be returned to the City and County. The effect of this adjustment was an increase in payables due to the City and County and a decrease in net assets without donor restrictions.

NOTE 14 COMMITMENTS

During 2018, the Corporation entered into a contract for the development of land at the Jamestown Airport Business Park for \$2.3 million. As of December 31, 2018, \$1.4 million has been incurred in costs on this contract.

NOTE 15 SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 28, 2019, which is the date these financial statements were available to be issued.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
DETAILED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

	<u>Operations</u>	<u>Incentive</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 130,100	\$ 326,147	\$ -	\$ 456,247
Accounts receivable	15,253	15,004	(12,815)	17,442
Current portion of notes receivable	-	89,908	-	89,908
Current portion of notes receivable - related party	-	78,500	-	78,500
Prepaid expenses	13,374	8,269	-	21,643
Total current assets	<u>158,727</u>	<u>517,828</u>	<u>(12,815)</u>	<u>663,740</u>
Property and equipment:				
Land	-	2,106,488	-	2,106,488
Construction in process	-	1,767,813	-	1,767,813
Buildings and improvements	380,123	540,617	-	920,740
Road and rail Improvements	-	97,000	-	97,000
Furniture and equipment	126,247	-	-	126,247
Total property and equipment	<u>506,370</u>	<u>4,511,918</u>	<u>-</u>	<u>5,018,288</u>
Less accumulated depreciation	<u>(196,589)</u>	<u>(149,921)</u>	<u>-</u>	<u>(346,510)</u>
Net property plant and equipment	<u>309,781</u>	<u>4,361,997</u>	<u>-</u>	<u>4,671,778</u>
Other assets:				
Investment in Precision Stock	-	75,000	-	75,000
Investment in SEPA	-	4,344,995	-	4,344,995
Notes receivable, less current portion	-	1,579,903	-	1,579,903
Notes receivable, less current portion - related party	-	569,125	-	569,125
Total other assets	<u>-</u>	<u>6,569,023</u>	<u>-</u>	<u>6,569,023</u>
 Total assets	 <u>\$ 468,508</u>	 <u>\$ 11,448,848</u>	 <u>\$ (12,815)</u>	 <u>\$ 11,904,541</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
DETAILED STATEMENT OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2018

	<u>Operations</u>	<u>Incentive</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 4,753	\$ 284,417	\$ (12,815)	\$ 276,355
Real estate taxes payable	1,432	2,174	-	3,606
Interest payable	435	-	-	435
Due to city and county	-	168,408	-	168,408
Accrued expenses	13,117	-	-	13,117
Deferred revenue	-	6,942	-	6,942
Current maturities of long-term debt	3,515	2,250	-	5,765
Current portion of capital lease payable	3,073	-	-	3,073
Total current liabilities	<u>26,325</u>	<u>464,191</u>	<u>(12,815)</u>	<u>477,701</u>
Long term liabilities:				
Due to city and county	-	4,013,903	-	4,013,903
Long-term debt, net of current maturities	3,514	2,250	-	5,764
Capital lease payable, net of current portion	4,264	-	-	4,264
Total long term liabilities	<u>7,778</u>	<u>4,016,153</u>	<u>-</u>	<u>4,023,931</u>
Total liabilities	<u>34,103</u>	<u>4,480,344</u>	<u>(12,815)</u>	<u>4,501,632</u>
Net assets:				
Without donor restrictions	434,405	6,954,042	-	7,388,447
With donor restrictions	-	14,462	-	14,462
Total net assets	<u>434,405</u>	<u>6,968,504</u>	<u>-</u>	<u>7,402,909</u>
Total liabilities and net assets	<u>\$ 468,508</u>	<u>\$ 11,448,848</u>	<u>\$ (12,815)</u>	<u>\$ 11,904,541</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
DETAILED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

	<u>Operations</u>	<u>Incentive</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 87,628	\$ 11,350	\$ -	\$ 98,978
Accounts receivable	19,589	14,908	(14,783)	19,714
Current portion of notes receivable	-	93,357	-	93,357
Current portion of notes receivable - related party	-	78,500	-	78,500
Prepaid expenses	15,538	3,750	-	19,288
Total current assets	<u>122,755</u>	<u>201,865</u>	<u>(14,783)</u>	<u>309,837</u>
Property and equipment:				
Land	-	2,113,849	-	2,113,849
Construction in process	-	4,437	-	4,437
Buildings and improvements	377,494	837,628	-	1,215,122
Road and rail Improvements	-	97,000	-	97,000
Furniture and equipment	124,017	-	-	124,017
Total property and equipment	<u>501,511</u>	<u>3,052,914</u>	<u>-</u>	<u>3,554,425</u>
Less accumulated depreciation	<u>(172,863)</u>	<u>(220,072)</u>	<u>-</u>	<u>(392,935)</u>
Net property plant and equipment	<u>328,648</u>	<u>2,832,842</u>	<u>-</u>	<u>3,161,490</u>
Other assets:				
Investment in Precision Stock	-	75,000	-	75,000
Investment in SEPA	-	4,087,893	-	4,087,893
Notes receivable, less current portion	-	1,333,522	-	1,333,522
Notes receivable, less current portion - related party	-	647,625	-	647,625
Total other assets	<u>-</u>	<u>6,144,040</u>	<u>-</u>	<u>6,144,040</u>
Total assets	<u>\$ 451,403</u>	<u>\$ 9,178,747</u>	<u>\$ (14,783)</u>	<u>\$ 9,615,367</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
DETAILED STATEMENT OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2017

	<u>Operations</u>	<u>Incentive</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 2,169	\$ 14,783	\$ (14,783)	\$ 2,169
Real estate taxes payable	4,205	-	-	4,205
Interest payable	855	-	-	855
Due to city and county	-	171,857	-	171,857
Accrued expenses	12,523	-	-	12,523
Deferred revenue	-	9,804	-	9,804
Current maturities of long-term debt	3,515	2,250	-	5,765
Current portion of capital lease payable	2,923	-	-	2,923
Total current liabilities	<u>26,190</u>	<u>198,694</u>	<u>(14,783)</u>	<u>210,101</u>
Long term liabilities:				
Due to city and county	-	2,031,060	-	2,031,060
Long-term debt, net of current maturities	7,029	4,500	-	11,529
Capital lease payable, net of current portion	7,336	-	-	7,336
Total long term liabilities	<u>14,365</u>	<u>2,035,560</u>	<u>-</u>	<u>2,049,925</u>
Total liabilities	<u>40,555</u>	<u>2,234,254</u>	<u>(14,783)</u>	<u>2,260,026</u>
Net assets:				
Without donor restrictions	410,848	6,933,143	-	7,343,991
With donor restrictions	-	11,350	-	11,350
Total net assets	<u>410,848</u>	<u>6,944,493</u>	<u>-</u>	<u>7,355,341</u>
Total liabilities and net assets	<u>\$ 451,403</u>	<u>\$ 9,178,747</u>	<u>\$ (14,783)</u>	<u>\$ 9,615,367</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
DETAILED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Operations</u>	<u>Incentive</u>		<u>Total</u>
		<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
Support and revenue:				
Contributions - City of Jamestown	\$ 390,974	\$ -	\$ 207,602	\$ 598,576
Contributions - Stutsman County	94,031	-	58,587	152,618
Rents	19,075	71,626	-	90,701
Increase in SEPA investment	-	257,102	-	257,102
Interest income	-	-	-	-
Expense reimbursement - SEPA	257	-	-	257
Expense reimbursement - Chamber	16,397	-	-	16,397
Gain (loss) on disposition of assets	-	(87,659)	-	(87,659)
Miscellaneous	4,018	-	-	4,018
Released from restrictions	-	263,077	(263,077)	-
Total support and revenue	<u>524,752</u>	<u>504,146</u>	<u>3,112</u>	<u>1,032,010</u>
Expenses:				
Project services, grants	-	250,384	-	250,384
Operational costs	499,664	39,438	-	539,102
Repayment of lease income	-	65,095	-	65,095
Repayment of funds to city/county	-	1,350	-	1,350
Return of land to City of Jamestown	-	6,011	-	6,011
Repayment of grant funds to USDA	-	122,500	-	122,500
Total expenses	<u>499,664</u>	<u>484,778</u>	<u>-</u>	<u>984,442</u>
Change in net assets	<u>25,088</u>	<u>19,368</u>	<u>3,112</u>	<u>47,568</u>
Net assets - beginning of year	410,848	6,933,143	11,350	7,355,341
Transfers	<u>(1,531)</u>	<u>1,531</u>	<u>-</u>	<u>-</u>
Net assets - end of year	<u>\$ 434,405</u>	<u>\$ 6,954,042</u>	<u>\$ 14,462</u>	<u>\$ 7,402,909</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
DETAILED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Operations</u>	<u>Incentive</u>		<u>Total</u>
		<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
Support and revenue:				
Contributions - City of Jamestown	\$ 386,982	\$ -	\$ 580,354	\$ 967,336
Contributions - Stutsman County	93,562	-	95,790	189,352
Rents	17,125	57,504	-	74,629
Increase in SEPA investment	-	239,989	-	239,989
Interest income	-	119	-	119
Expense reimbursement - SEPA	664	-	-	664
Expense reimbursement - Chamber	16,932	-	-	16,932
Gain (loss) on disposition of assets	(417)	-	-	(417)
Miscellaneous	2,740	9,352	-	12,092
Released from restrictions	-	955,900	(955,900)	-
Total support and revenue	<u>517,588</u>	<u>1,262,864</u>	<u>(279,756)</u>	<u>1,500,696</u>
Expenses:				
Project services, grants	-	196,855	-	196,855
Operational costs	494,367	39,779	-	534,146
Repayment of lease income	-	57,266	-	57,266
Repayment of funds to city/county	-	350,737	-	350,737
Return of escrow	-	1,454	-	1,454
Total expenses	<u>494,367</u>	<u>646,091</u>	<u>-</u>	<u>1,140,458</u>
Change in net assets	<u>23,221</u>	<u>616,773</u>	<u>(279,756)</u>	<u>360,238</u>
Net assets - beginning of year, as originally stated	372,787	6,381,126	291,106	7,045,019
Prior period adjustment	-	(49,916)	-	(49,916)
Net assets - beginning of year, restated	<u>372,787</u>	<u>6,331,210</u>	<u>291,106</u>	<u>6,995,103</u>
Transfers	<u>14,840</u>	<u>(14,840)</u>	<u>-</u>	<u>-</u>
Net assets - end of year	<u>\$ 410,848</u>	<u>\$ 6,933,143</u>	<u>\$ 11,350</u>	<u>\$ 7,355,341</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
DETAILED STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Operations</u>	<u>Incentive</u>	<u>Total</u>
Operational expenses			
Salaries	\$ 241,157	\$ -	\$ 241,157
Payroll taxes	18,140	-	18,140
Employee benefits	56,189	-	56,189
Shared office space	44,106	5,688	49,794
Telephone and internet	4,163	-	4,163
Professional training	6,028	-	6,028
Travel	4,921	-	4,921
Vehicle lease	6,319	-	6,319
Postage and printing	1,081	-	1,081
Marketing and recruiting	34,947	-	34,947
Dues and subscriptions	3,488	-	3,488
Professional fees	23,475	4,950	28,425
Rent	-	9,994	9,994
Office supplies	867	-	867
Office equipment	3,947	-	3,947
Real estate taxes	-	16	16
Interest	948	170	1,118
Insurance	1,979	-	1,979
Bank and service charges	120	20	140
Meetings and conferences	18,262	-	18,262
Repairs and maintenance	4,674	-	4,674
Depreciation and amortization	23,727	18,494	42,221
Miscellaneous	1,126	106	1,232
	<u>\$ 499,664</u>	<u>\$ 39,438</u>	<u>\$ 539,102</u>
Total operational expenses	<u>\$ 499,664</u>	<u>\$ 39,438</u>	<u>\$ 539,102</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
DETAILED STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Operations</u>	<u>Incentive</u>	<u>Total</u>
Operational expenses			
Salaries	\$ 239,772	\$ -	\$ 239,772
Payroll taxes	18,063	-	18,063
Employee benefits	51,703	-	51,703
Shared office space	37,850	6,040	43,890
Telephone and internet	4,346	-	4,346
Professional training	7,044	-	7,044
Travel	4,718	-	4,718
Vehicle lease	6,969	-	6,969
Postage and printing	1,188	-	1,188
Marketing and recruiting	45,289	-	45,289
Dues and subscriptions	2,511	-	2,511
Professional fees	14,771	3,850	18,621
Rent	-	3,371	3,371
Office supplies	2,795	300	3,095
Office equipment	3,416	-	3,416
Real estate taxes	5,097	2,064	7,161
Interest	1,917	303	2,220
Insurance	3,052	-	3,052
Bank and service charges	209	-	209
Meetings and conferences	15,998	-	15,998
Repairs and maintenance	1,864	-	1,864
Depreciation and amortization	24,898	23,851	48,749
Miscellaneous	897	-	897
	<u> </u>	<u> </u>	<u> </u>
Total operational expenses	<u>\$ 494,367</u>	<u>\$ 39,779</u>	<u>\$ 534,146</u>

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
BUDGET VERSUS ACTUAL - OPERATIONS
FOR THE YEAR DECEMBER 31, 2018

	Unaudited Budget	Actual	Favorable (Unfavorable)
Support and revenue			
Contributions - City of Jamestown	\$ 385,680	\$ 390,974	\$ 5,294
Contributions - Stutsman County	93,408	94,031	623
Contributions - other sources	-	-	-
Rents	19,500	19,075	(425)
Expense reimbursements - SEPA	-	257	257
Expense reimbursement - incentive	-	-	-
Expense reimbursement - Chamber	15,000	16,397	1,397
Loss on sale of assets	-	-	-
Miscellaneous	5,300	4,018	(1,282)
	<u>518,888</u>	<u>524,752</u>	<u>5,864</u>
Total support and revenue			
Expenses			
Salaries	244,500	241,157	3,343
Payroll taxes	19,250	18,140	1,110
Employee benefits	54,500	56,189	(1,689)
Shared office space	51,853	44,106	7,747
Telephone and internet	5,000	4,163	837
Professional training	5,000	6,028	(1,028)
Travel	5,150	4,921	229
Vehicle lease	4,650	6,319	(1,669)
Postage and printing	1,500	1,081	419
Marketing and recruiting	67,000	34,947	32,053
Dues and subscriptions	5,000	3,488	1,512
Contract services	-	-	-
Professional fees	17,000	23,475	(6,475)
Office supplies	1,700	867	833
Office equipment	8,000	3,947	4,053
Real estate taxes	7,863	-	7,863
Interest	-	948	(948)
Insurance	2,190	1,979	211
Bank and service charges	500	120	380
Meetings and conferences	17,500	18,262	(762)
Repairs and maintenance	2,000	4,674	(2,674)
Depreciation	20,600	23,727	(3,127)
Miscellaneous	1,250	1,126	124
	<u>542,006</u>	<u>499,664</u>	<u>42,342</u>
Total expenses			
Change in net assets	<u>\$ (23,118)</u>	<u>\$ 25,088</u>	<u>\$ 48,206</u>