

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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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, 2019 and 2018, and the related statements of activities, functional expenses 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 accounting 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, 2019 and 2018, 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 Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers* effective January 1, 2019. The Corporation also adopted Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to these matters.

### **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**

April 1, 2020

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 171,070	\$ 441,785
Cash and cash equivalents - restricted	174,516	14,462
Accounts receivable	44,082	17,442
Current portion of notes receivable	82,838	89,908
Current portion of notes receivable - related party	78,500	78,500
Prepaid expenses	24,957	21,643
Total current assets	575,963	663,740
Property and equipment:		
Land	2,106,488	2,106,488
Construction in process	2,860,307	1,767,813
Buildings and improvements	934,278	920,740
Road and rail Improvements	97,000	97,000
Furniture and equipment	137,389	126,247
Total property and equipment	6,135,462	5,018,288
Less accumulated depreciation	(389,389)	(346,510)
Net property plant and equipment	5,746,073	4,671,778
Other assets:		
Investment in Precision Stock	75,000	75,000
Investment in SEPA	4,367,904	4,344,995
Notes receivable, less current portion	2,066,072	1,579,903
Notes receivable, less current portion - related party	490,625	569,125
Total other assets	6,999,601	6,569,023
Total assets	\$ 13,321,637	\$ 11,904,541

See Notes to the Financial Statements

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

	2019	2018
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 52,217	\$ 276,355
Real estate taxes payable	4,679	3,606
Interest payable	284	435
Due to city and county	161,338	168,408
Accrued expenses	12,582	13,117
Deferred rent revenue	7,114	6,942
Current maturities of long-term debt	5,793	5,765
Current portion of capital lease payable	3,230	3,073
Total current liabilities	247,237	477,701
<b>Long term liabilities:</b>		
Due to city and county	5,640,408	4,013,903
Long-term debt, net of current maturities	-	5,764
Capital lease payable, net of current portion	1,034	4,264
Total long term liabilities	5,641,442	4,023,931
 Total liabilities	 5,888,679	 4,501,632
<b>Net assets:</b>		
Without donor restrictions	7,258,442	7,388,447
With donor restrictions	174,516	14,462
Total net assets	7,432,958	7,402,909
 Total liabilities and net assets	 \$ 13,321,637	 \$ 11,904,541

See Notes to the Financial Statements

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions - City of Jamestown	\$ 393,460	\$ 154,303	\$ 547,763
Contributions - Stutsman County	95,532	42,902	138,434
Rents	86,703	-	86,703
Increase in SEPA investment	22,909	-	22,909
Expense reimbursement - SEPA	257	-	257
Expense reimbursement - Chamber	14,867	-	14,867
Expense reimbursement - Cntrl Vly Hlth Dist	7,800	-	7,800
Miscellaneous	8,314	-	8,314
Released from restrictions	37,151	(37,151)	-
Total support and revenue	666,993	160,054	827,047
Expenses:			
Project services, grants	191,284	-	191,284
Operational costs	539,854	-	539,854
Repayment of lease income	65,860	-	65,860
Total expenses	796,998	-	796,998
Change in net assets	(130,005)	160,054	30,049
Net assets - beginning of year	7,388,447	14,462	7,402,909
Net assets - end of year	\$ 7,258,442	\$ 174,516	\$ 7,432,958

See Notes to the Financial Statements

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

	Without Donor Restrictions	With Donor Restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </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	263,077	(263,077)	-
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	122,500	-	122,500
Total expenses	<u>984,442</u>	<u>-</u>	<u>984,442</u>
Change in net assets	<u>44,456</u>	<u>3,112</u>	<u>47,568</u>
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 FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Economic Development	Management and General	Total
Project services, grants	\$ 191,284	\$ -	\$ 191,284
Repayment of lease income	65,860	-	65,860
Salaries	132,207	120,032	252,239
Payroll taxes	9,901	9,010	18,911
Employee benefits	29,381	27,662	57,043
Shared office space	16,399	26,756	43,155
Telephone and internet	1,156	3,468	4,624
Professional training	4,859	540	5,399
Travel	1,107	3,320	4,427
Vehicle lease	1,580	4,739	6,319
Postage and printing	252	756	1,008
Marketing and recruiting	34,847	-	34,847
Dues and subscriptions	4,766	530	5,296
Professional fees	21,571	2,397	23,968
Rent	2,125	6,374	8,499
Office supplies	1,512	168	1,680
Office equipment	3,970	441	4,411
Real estate taxes	382	624	1,006
Interest	-	769	769
Insurance	-	3,436	3,436
Bank and service charges	73	72	145
Meetings and conferences	11,156	1,240	12,396
Repairs and maintenance	-	5,592	5,592
Depreciation and amortization	21,440	21,439	42,879
Miscellaneous	-	1,805	1,805
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 555,828</u>	<u>\$ 241,170</u>	<u>\$ 796,998</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/coun	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>\$ 749,354</u>	<u>\$ 235,088</u>	<u>\$ 984,442</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**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	2019	2018
Cash flows from operating activities:		
Change in net assets	\$ 30,049	\$ 47,568
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	42,879	42,221
Land transferred to city	-	6,011
(Gain) loss on disposition of assets	-	87,659
Refund of previously capitalized costs paid to City/County	-	1,350
Earnings from equity method investment	(22,909)	(257,102)
Changes in operating assets and liabilities:		
Accounts receivable	(26,640)	2,272
Prepaid expenses	(3,314)	(2,355)
Accounts payable	(224,138)	274,186
Real estate taxes payable	1,073	(599)
Interest payable	(151)	(420)
Due to city and county	526,941	164,394
Accrued expenses	(535)	594
Deferred revenue	172	(2,862)
Net cash provided (used) by operating activities	323,427	362,917
Cash flows from investing activities:		
Issuance of notes receivable	(579,165)	(343,238)
Collection of notes receivable	178,566	178,806
Proceeds from sale of fixed assets	-	122,500
Cash paid for purchase of fixed assets	(1,117,174)	(1,770,029)
Net cash provided (used) by investing activities	(1,517,773)	(1,811,961)
Cash flows from financing activities:		
Advance from City and County for airport park project	1,092,494	1,815,000
Payments on capital lease payable	(3,073)	(2,922)
Payments on notes payable	(5,736)	(5,765)
Net cash provided (used) by financing activities	1,083,685	1,806,313
Net change in cash and cash equivalents	(110,661)	357,269
Cash and cash equivalents - beginning of year	456,247	98,978
Cash and cash equivalents - end of year	\$ 345,586	\$ 456,247
Cash and cash equivalents	\$ 171,070	\$ 441,785
Cash and cash equivalents - restricted	174,516	14,462
	\$ 345,586	\$ 456,247
<u>Schedule of other cash flow information:</u>		
Cash paid during the year for interest	\$ 486	\$ 683

See Notes to the Financial Statements

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019 AND 2018**

**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, 2019 and 2018 are collectible.

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**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, 2019 and 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

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**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.

**Revenue and Revenue Recognition**

The Corporation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

The Corporation recognizes revenue from reimbursement of expenses during the period the expenses were incurred.

**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.

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**Reclassifications**

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

**Implementations of New Accounting Standards**

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The Corporation has implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08.

In November 2016, FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*. This ASU provides additional guidance related to transfers between cash and restricted cash and how entities present, in their statements of cash flows, the cash receipts and cash payments that directly affect the restricted cash accounts. The Corporation has retrospectively adopted the provisions of the ASU in the accompanying financial statements.

In May 2014, the Financial Accounting Standards Board ("FASB") issued a new accounting standard (ASC Topic 606) that replaces substantially all existing accounting guidance, including industry specific guidance, related to the recognition of revenue from contracts with customers. The new accounting standard is intended to provide a more robust framework for addressing revenue issues, improve comparability of revenue recognition practices, and provide more robust disclosures. Under the new standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB has issued several subsequent amendments and clarifications to the original standard.

The Corporation adopted the requirements of the new standard (as amended) as of January 1, 2019, utilizing the modified retrospective method of transition. Therefore, the Corporation's comparative financial information has not been adjusted and continues to be reported under ASC Topic 605. The Corporation applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. The Corporation has determined that the application of the new guidance will not materially impact the timing or amount of revenue recognized and substantially all the Corporation's revenue will continue to be recognized at a point in time. Accordingly, no adjustment to beginning net assets was required and the adoption of the standard did not have a material impact on the Corporation's financial condition, results of operations or cash flows as of and for the year ended December 31, 2019.

As required by the new standard, we have expanded our disclosures related to revenues with contacts from customers. See Note 13 for additional information.

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**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 66% and 17% of the total revenue, respectively, during the year ended December 31, 2019, and 58% and 15% of total revenue during the year ended December 31, 2018.

**Concentration of Credit Risk**

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federal insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC). The Corporation maintains their cash deposits in large, well-capitalized financial institutions. The Corporation has not experienced any losses in such accounts nor does the Corporation believe it is exposed to any significant credit risk on cash accounts.

**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 \$22,909 and \$257,102 were recorded in the statement of activities for the years ended December 31, 2019 and 2018, respectively.

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, 2019 and 2018 are as follows:

<b>Condensed Balance Sheet</b>	<u>2019</u>	<u>2018</u>
Assets	\$ 15,892,382	\$ 16,679,496
Liabilities	9,669,410	10,489,162
Members' equity	6,222,972	6,190,334
 <b>Condensed Statement of Operations</b>		
Revenue	\$ 1,565,349	\$ 1,326,731
Expenses	<u>1,532,711</u>	<u>960,436</u>
Net income	<u>\$ 32,638</u>	<u>\$ 366,295</u>



**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**NOTE 4 NOTES RECEIVABLE**

Notes receivable at December 31, 2019 and 2018 consist of the following:

FOOTNOTE DISCLOSURE

	<u>2019</u>	<u>2018</u>
<p>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.</p>	\$ 1,866,848	\$ 1,401,695
<p>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.</p>	282,062	268,116
<p>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.</p>	<u>569,125</u>	<u>647,625</u>
	2,718,035	2,317,436
<p>Less current portion</p>	<u>(161,338)</u>	<u>(168,408)</u>
<p>Notes receivable, long-term portion</p>	<u>\$ 2,556,697</u>	<u>\$ 2,149,028</u>

Anticipated future collections on notes receivable as of December 31, 2019 is as follows:

2020	\$ 161,338
2021	161,707
2022	130,542
2023	124,050
2024	131,041
Thereafter	<u>2,009,357</u>
	<u>\$ 2,718,035</u>

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**NOTE 5 LONG TERM DEBT / SPECIAL ASSESSMENTS**

Long-term debt at December 31, 2019 and 2018 consists of the following:

Payee	Date of Loan or Renewal	Interest Rate	12/31/19 Balance	12/31/2018 Balance	Payments Due
City of Jamestown	10/1/2013	3.36%	\$ 5,793	\$ 11,529	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>(5,793)</u>	<u>(5,765)</u>	
Long term portion of long-term debt			<u>\$ -</u>	<u>\$ 5,764</u>	

The principal maturities on notes payable are as follows:

2020	<u>\$ 5,793</u>
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**NOTE 6 LEASE AGREEMENTS**

**Lessor**

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, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Building	\$ 546,794	\$ 540,617
Less accumulated depreciation	<u>(151,766)</u>	<u>(136,987)</u>
	<u>\$ 395,028</u>	<u>\$ 403,630</u>

Minimum future lease income under non-cancellable operating leases with a term in excess of one year as of December 31, 2019 for each of the subsequent years is as follows:

2020	\$ 68,263
2021	7,221

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**Lessee**

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>
2020	\$ 20,349
2021	15,500
2022	12,207
2023	12,573
2024	12,950
Thereafter	27,078
	<u>\$ 100,657</u>

Rent and lease expense was \$14,818 and \$16,313 for the years ended December 31, 2019 and 2018, 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 \$10,714 and \$7,936 at December 31, 2019 and 2018, respectively. Amortization in the amount of \$2,976 of the capital lease is included in depreciation expense within the statement of activities for 2019 and 2018.

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, 2019:

<u>Year ending December 31,</u>	<u>Amount</u>
2020	\$ 3,370
2021	1,044
Less: Amount representing interest	(150)
Present value of lease payments	<u>\$ 4,264</u>

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**NOTE 8 RETIREMENT PLAN**

The Corporation allows employee to setup their own retirement 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 \$12,578 to the plan for the year ended December 31, 2019 and \$12,261 for the year ended December 31, 2018.

**NOTE 9 ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES**

It is the opinion of management that the Corporation have 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, 2019 and 2018, respectively.

**NOTE 11 LIQUIDITY AND AVAILABILITY**

The following reflects Jamestown/Stutsman Development Corporation's financial assets as of December 31, 2019 and 2018, 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, 2019 and 2018 for general expenditures:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$171,070	\$441,785
Cash and cash equivalents - restricted	174,516	14,462
Accounts receivable	44,082	17,442
Current portion of notes receivable	82,838	89,908
Current portion of notes receivable - related party	<u>78,500</u>	<u>78,500</u>
Total financial assets	551,006	642,097
Grantor-imposed restrictions:		
Money restricted by grantor for investment in capital assets	(94,522)	(318,094)
Money restricted for repayment to city and county	(161,338)	(168,408)
Money restricted by grantor for grants and other purposes	<u>(79,994)</u>	<u>(14,462)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$215,152</u>	<u>\$141,133</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

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

**NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes or periods.

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Funds received for Train ND grant	\$ 11,250	\$ 11,250
Funds received for loans not yet disbursed	64,264	-
Funds received for Airport Park project	94,522	-
Other miscellaneous purpose	4,480	3,212
	<u>          </u>	<u>          </u>
Total net asset with donor restrictions	<u>\$ 174,516</u>	<u>\$ 14,462</u>

Net assets with donor restrictions that were released for the use of restricted purposes was \$37,151 and \$263,077 for the years ended December 31, 2019 and 2018, respectively.

**NOTE 13 REVENUE RECOGNITION IN ACCORDANCE WITH FASB ASC 606**

The Corporation's revenue from exchange transactions with all being recognized at a point in time and consist of the following:

	<u>2019</u>	<u>2018</u>
Expense reimbursement - SEPA	\$ 257	\$ 257
Expense reimbursement - Chamber	14,867	16,397
Expense reimbursement - Central Valley Health District	7,800	-
	<u>          </u>	<u>          </u>
Total revenue from contracts with customers	<u>\$ 22,924</u>	<u>\$ 16,654</u>

Accounts receivable from contracts with customers were as follows:

	<u>2019</u>	<u>2018</u>
Beginning of year	\$ 2,438	\$ 1,221
End of year	1,289	2,438

**NOTE 14 NEW ACCOUNTING PRONOUNCEMENTS**

**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, 2020, and interim periods within fiscal years beginning after December 15, 2021.

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2019 AND 2018**

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

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

**NOTE 15 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, 2019, \$2.2 million has been incurred in costs on this contract.

**NOTE 16 SUBSEQUENT EVENTS**

Subsequent to December 31, 2019, the world was impacted by a pandemic caused by a virus named COVID-19. Federal, state and local governments have since implemented various restrictions on travel, public gatherings, and business operations which have negatively impacted several organizations. As the Corporation's revenues are largely subsidized by local government entities, management does not anticipate the pandemic to impact revenue significantly, however we are unable to determine what impact the current economic situation has on loan recipient's future ability to meet repayment obligations to which the Corporation has made loans to. Subsequent events have been evaluated through April 1, 2020, which is the date these financial statements were available to be issued.

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2019**

	<u>Operations</u>	<u>Incentive</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 171,070	\$ -	\$ -	\$ 171,070
Cash and cash equivalents - restricted	-	174,516	-	174,516
Accounts receivable	26,953	32,461	(15,332)	44,082
Current portion of notes receivable	-	82,838	-	82,838
Current portion of notes receivable - related party	-	78,500	-	78,500
Prepaid expenses	14,069	10,888	-	24,957
Total current assets	<u>212,092</u>	<u>379,203</u>	<u>(15,332)</u>	<u>575,963</u>
Property and equipment:				
Land	-	2,106,488	-	2,106,488
Construction in process	-	2,860,307	-	2,860,307
Buildings and improvements	387,484	546,794	-	934,278
Road and rail improvements	-	97,000	-	97,000
Furniture and equipment	137,389	-	-	137,389
Total property and equipment	<u>524,873</u>	<u>5,610,589</u>	<u>-</u>	<u>6,135,462</u>
Less accumulated depreciation	<u>(221,457)</u>	<u>(167,932)</u>	<u>-</u>	<u>(389,389)</u>
Net property plant and equipment	<u>303,416</u>	<u>5,442,657</u>	<u>-</u>	<u>5,746,073</u>
Other assets:				
Investment in Precision Stock	-	75,000	-	75,000
Investment in SEPA	-	4,367,904	-	4,367,904
Notes receivable, less current portion	-	2,066,072	-	2,066,072
Notes receivable, less current portion - related party	-	490,625	-	490,625
Total other assets	<u>-</u>	<u>6,999,601</u>	<u>-</u>	<u>6,999,601</u>
 Total assets	 <u>\$ 515,508</u>	 <u>\$ 12,821,461</u>	 <u>\$ (15,332)</u>	 <u>\$ 13,321,637</u>

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**DETAILED STATEMENT OF FINANCIAL POSITION - CONTINUED**  
**DECEMBER 31, 2019**

	<u>Operations</u>	<u>Incentive</u>	<u>Eliminations</u>	<u>Total</u>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Accounts payable	\$ 22,285	\$ 45,264	\$ (15,332)	\$ 52,217
Real estate taxes payable	2,384	2,295	-	4,679
Interest payable	284	-	-	284
Due to city and county	-	161,338	-	161,338
Accrued expenses	12,582	-	-	12,582
Deferred rent revenue	-	7,114	-	7,114
Current maturities of long-term debt	3,532	2,261	-	5,793
Current portion of capital lease payable	3,230	-	-	3,230
Total current liabilities	<u>44,297</u>	<u>218,272</u>	<u>(15,332)</u>	<u>247,237</u>
Long term liabilities:				
Due to city and county	-	5,640,408	-	5,640,408
Capital lease payable, net of current portion	1,034	-	-	1,034
Total long term liabilities	<u>1,034</u>	<u>5,640,408</u>	<u>-</u>	<u>5,641,442</u>
Total liabilities	<u>45,331</u>	<u>5,858,680</u>	<u>(15,332)</u>	<u>5,888,679</u>
Net assets:				
Without donor restrictions	470,177	6,788,265	-	7,258,442
With donor restrictions	-	174,516	-	174,516
Total net assets	<u>470,177</u>	<u>6,962,781</u>	<u>-</u>	<u>7,432,958</u>
Total liabilities and net assets	<u>\$ 515,508</u>	<u>\$ 12,821,461</u>	<u>\$ (15,332)</u>	<u>\$ 13,321,637</u>



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

	<u>Operations</u>	<u>Incentive</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 130,100	\$ 311,685	\$ -	\$ 441,785
Cash and cash equivalents - restricted	-	14,462	-	14,462
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>
<b>LIABILITIES AND NET ASSETS</b>				
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 rent 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 ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<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	\$ 393,460	\$ -	\$ 154,303	\$ 547,763
Contributions - Stutsman County	95,532	-	42,902	138,434
Rents	17,300	69,403	-	86,703
Increase in SEPA investment	-	22,909	-	22,909
Expense reimbursement - SEPA	257	-	-	257
Expense reimbursement - Chamber	14,867	-	-	14,867
Expense reimbursement - Central Valley Health District	7,800	-	-	7,800
Miscellaneous	8,314	-	-	8,314
Released from restrictions	-	37,151	(37,151)	-
Total support and revenue	<u>537,530</u>	<u>129,463</u>	<u>160,054</u>	<u>827,047</u>
Expenses:				
Project services, grants	-	191,284	-	191,284
Operational costs	501,758	38,096	-	539,854
Repayment of lease income	-	65,860	-	65,860
Total expenses	<u>501,758</u>	<u>295,240</u>	<u>-</u>	<u>796,998</u>
Change in net assets	35,772	(165,777)	160,054	30,049
Net assets - beginning of year	<u>434,405</u>	<u>6,954,042</u>	<u>14,462</u>	<u>7,402,909</u>
Net assets - end of year	<u>\$ 470,177</u>	<u>\$ 6,788,265</u>	<u>\$ 174,516</u>	<u>\$ 7,432,958</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
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
Repayments 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, as originally stated	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 EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Operations</u>	<u>Incentive</u>	<u>Total</u>
Operational expenses			
Salaries	\$ 252,239	\$ -	\$ 252,239
Payroll taxes	18,911	-	18,911
Employee benefits	57,043	-	57,043
Shared office space	37,410	5,745	43,155
Telephone and internet	4,624	-	4,624
Professional training	5,399	-	5,399
Travel	4,427	-	4,427
Vehicle lease	6,319	-	6,319
Postage and printing	1,008	-	1,008
Marketing and recruiting	34,847	-	34,847
Dues and subscriptions	5,296	-	5,296
Professional fees	20,788	3,180	23,968
Rent	-	8,499	8,499
Office supplies	1,680	-	1,680
Office equipment	4,411	-	4,411
Real estate taxes	-	1,006	1,006
Interest	675	94	769
Insurance	3,436	-	3,436
Bank and service charges	145	-	145
Meetings and conferences	12,396	-	12,396
Repairs and maintenance	5,592	-	5,592
Depreciation and amortization	24,867	18,012	42,879
Miscellaneous	245	1,560	1,805
	<u>501,758</u>	<u>38,096</u>	<u>539,854</u>
Total operational expenses	<u>\$ 501,758</u>	<u>\$ 38,096</u>	<u>\$ 539,854</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>          </u>	<u>          </u>	<u>          </u>
Total operational expenses	<u>\$ 499,664</u>	<u>\$ 39,438</u>	<u>\$ 539,102</u>

**JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION**  
**BUDGET VERSUS ACTUAL - OPERATIONS**  
**FOR THE YEAR DECEMBER 31, 2019**

	Unaudited Budget	Actual	Favorable (Unfavorable)
Support and revenue			
Contributions - City of Jamestown	\$ 387,000	\$ 393,460	\$ 6,460
Contributions - Stutsman County	94,700	95,532	832
Contributions - other sources	2,000	-	(2,000)
Rents	29,100	17,300	(11,800)
Expense reimbursements - SEPA	-	257	257
Expense reimbursement - Central Valley	-	7,800	7,800
Expense reimbursement - Chamber	17,000	14,867	(2,133)
Miscellaneous	300	8,314	8,014
	<u>530,100</u>	<u>537,530</u>	<u>7,430</u>
Total support and revenue			
Expenses			
Salaries	247,000	252,239	(5,239)
Payroll taxes	18,750	18,911	(161)
Employee benefits	57,400	57,043	357
Shared office space	55,978	37,410	18,568
Telephone and internet	4,500	4,624	(124)
Professional training	5,000	5,399	(399)
Travel	5,150	4,427	723
Vehicle lease	6,360	6,319	41
Postage and printing	1,200	1,008	192
Marketing and recruiting	66,000	34,847	31,153
Dues and subscriptions	5,000	5,296	(296)
Professional fees	22,000	20,788	1,212
Office supplies	2,400	1,680	720
Office equipment	8,200	4,411	3,789
Interest	-	675	(675)
Insurance	1,600	3,436	(1,836)
Bank and service charges	500	145	355
Meetings and conferences	17,500	12,396	5,104
Repairs and maintenance	4,000	5,592	(1,592)
Depreciation	23,500	24,867	(1,367)
Miscellaneous	1,000	245	755
	<u>553,038</u>	<u>501,758</u>	<u>51,280</u>
Total expenses			
Change in net assets	<u>\$ (22,938)</u>	<u>\$ 35,772</u>	<u>\$ 58,710</u>