

**JAMESTOWN/STUTSMAN
DEVELOPMENT CORPORATION**
(a non-profit organization)

FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021
(With Independent Auditors' Report)

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Schauer & Associates, P.C.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
**JAMESTOWN/STUTSMAN
DEVELOPMENT CORPORATION**
Jamestown, North Dakota

Opinion

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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION** as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related to matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information found on pages 17 - 20 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the

INDEPENDENT AUDITORS' REPORT - continued

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 as a whole.

Schauwer & Associates, P.C.

SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants
Jamestown, North Dakota

April 25, 2023

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION

ASSETS

| | December 31 | |
|--------------------------------------------------------|---------------------------------|---------------------------------|
| | 2022 | 2021 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 248,776 | \$ 329,867 |
| Cash and cash equivalents - restricted | 1,559,139 | 590,599 |
| Accounts receivable | 59,442 | 12,591 |
| Current portion of reimbursement receivable | 18,458 | 18,458 |
| Current portion of notes receivable | 26,434 | 46,554 |
| Current portion of notes receivable - related party | 160,722 | 78,500 |
| Prepaid expenses | 16,442 | 18,065 |
| Total Current Assets | <u>2,089,413</u> | <u>1,094,634</u> |
| PROPERTY AND EQUIPMENT, at cost | | |
| Land | 49,916 | 49,916 |
| Airport park | 2,757,230 | 2,757,230 |
| Buildings and improvements | 970,422 | 970,422 |
| Furniture and equipment | 169,931 | 138,912 |
| | <u>3,947,499</u> | <u>3,916,480</u> |
| Less accumulated depreciation | 573,212 | 467,031 |
| Net Property and Equipment | <u>3,374,287</u> | <u>3,449,449</u> |
| OTHER ASSETS | | |
| Investment in Precision Stock | 75,000 | 75,000 |
| Investment in SEPA | 7,039,520 | 6,763,241 |
| Right-of-use lease asset | 55,973 | 67,081 |
| Reimbursement receivable, less current portion | 133,509 | 151,967 |
| Notes receivable, less current portion | 3,376,347 | 2,831,386 |
| Notes receivable - related party, less current portion | 348,570 | 385,958 |
| Total Other Assets | <u>11,028,919</u> | <u>10,274,633</u> |
| TOTAL ASSETS | <u><u>\$ 16,492,619</u></u> | <u><u>\$ 14,818,716</u></u> |

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS

| | December 31 | |
|----------------------------------------------|-----------------------------|-----------------------------|
| | 2022 | 2021 |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 366,192 | \$ 242,578 |
| Real estate taxes payable | 1,496 | 1,491 |
| Current portion of due to city and county | 187,156 | 125,054 |
| Accrued expenses | 20,391 | 20,430 |
| Deferred rent revenue | 7,239 | 7,081 |
| Current portion of deferred reimbursement | 18,458 | 18,458 |
| Current portion of capital lease payable | 9,286 | 8,314 |
| Current portion of lease liability | 11,642 | 11,108 |
| Income taxes payable | 3,950 | 8,473 |
| Total Current Liabilities | <u>625,810</u> | <u>442,987</u> |
| LONG-TERM LIABILITIES | | |
| Due to city and county, less current portion | 6,667,662 | 6,094,094 |
| Deferred reimbursement, less current portion | 133,509 | 151,967 |
| Capital lease payable, less current portion | 4,771 | 2,949 |
| Lease liability, less current portion | 44,331 | 67,081 |
| Total Long-Term Liabilities | <u>6,850,273</u> | <u>6,316,091</u> |
| Total Liabilities | <u>7,476,083</u> | <u>6,759,078</u> |
| NET ASSETS | | |
| Without donor restrictions | 7,457,397 | 7,469,039 |
| With donor restrictions | 1,559,139 | 590,599 |
| Total Net Assets | <u>9,016,536</u> | <u>8,059,638</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 16,492,619</u></u> | <u><u>\$ 14,818,716</u></u> |

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 and 2021

| | December 31, 2022 | | | December 31, 2021 | | |
|-----------------------------------------------|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| SUPPORT, REVENUE AND RECLASSIFICATIONS | | | | | | |
| Contributions - City of Jamestown | \$ 327,637 | \$ 632,511 | \$ 960,148 | \$ 379,773 | \$ 898,861 | \$ 1,278,634 |
| Contributions - Stutsman County | 80,949 | 140,002 | 220,951 | 91,870 | 197,742 | 289,612 |
| Grants | | 400,000 | 400,000 | | | |
| Rents | 69,263 | | 69,263 | 68,169 | | 68,169 |
| Reimbursement | 18,458 | | 18,458 | 14,158 | | 14,158 |
| Increase in SEPA investment | 276,279 | | 276,279 | 321,325 | | 321,325 |
| Expense reimbursement - SEPA | 267 | | 267 | 257 | | 257 |
| Expense reimbursement - Chamber | 16,003 | | 16,003 | 12,535 | | 12,535 |
| Loss on disposition of assets | | | | (28) | | (28) |
| PPP loan forgiveness | | | | 59,200 | | 59,200 |
| Miscellaneous | 700 | | 700 | 875 | | 875 |
| Released from restrictions | 203,973 | (203,973) | | 731,488 | (731,488) | |
| Total Support, Revenue and Reclassifications | 993,529 | 968,540 | 1,962,069 | 1,679,622 | 365,115 | 2,044,737 |
| EXPENSES | | | | | | |
| Project services, grants | 403,492 | | 403,492 | 700,685 | | 700,685 |
| Operational costs | 597,318 | | 597,318 | 531,818 | | 531,818 |
| Repayment of lease income | 4,361 | | 4,361 | 46,988 | | 46,988 |
| Total Expenses | 1,005,171 | | 1,005,171 | 1,279,491 | | 1,279,491 |
| CHANGE IN NET ASSETS | (11,642) | 968,540 | 956,898 | 400,131 | 365,115 | 765,246 |
| NET ASSETS, January 1 | 7,469,039 | 590,599 | 8,059,638 | 7,068,908 | 225,484 | 7,294,392 |
| NET ASSETS, December 31 | <u>\$ 7,457,397</u> | <u>\$ 1,559,139</u> | <u>\$ 9,016,536</u> | <u>\$ 7,469,039</u> | <u>\$ 590,599</u> | <u>\$ 8,059,638</u> |

The accompanying notes are an integral part of these financial statements.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2022 and 2021

| | December 31, 2022 | | | December 31, 2021 | | |
|---------------------------|-------------------------|---------------------------|---------------------|-------------------------|---------------------------|---------------------|
| | Economic Development | Management and General | Total | Economic Development | Management and General | Total |
| Expenses | | | | | | |
| Project services, grants | \$ 403,492 | \$ | \$ 403,492 | \$ 700,685 | \$ | \$ 700,685 |
| Repayment of lease income | 4,361 | | 4,361 | 46,988 | | 46,988 |
| Salaries | 179,809 | 76,178 | 255,987 | 157,743 | 79,802 | 237,545 |
| Payroll taxes | 13,535 | 5,735 | 19,270 | 11,760 | 5,950 | 17,710 |
| Employee benefits | 31,199 | 13,218 | 44,417 | 29,252 | 14,799 | 44,051 |
| Shared office space | 25,764 | 15,791 | 41,555 | 19,667 | 12,054 | 31,721 |
| Telephone and internet | 1,156 | 3,470 | 4,626 | 1,276 | 3,830 | 5,106 |
| Professional training | 453 | 50 | 503 | 1,245 | 139 | 1,384 |
| Travel | 254 | 764 | 1,018 | 140 | 418 | 558 |
| Postage and printing | 206 | 617 | 823 | 208 | 624 | 832 |
| Marketing and recruiting | 27,720 | | 27,720 | 34,359 | | 34,359 |
| Dues and subscriptions | 2,828 | 315 | 3,143 | 3,070 | 341 | 3,411 |
| Professional fees | 24,313 | 2,702 | 27,015 | 19,705 | 2,189 | 21,894 |
| Rent | 2,518 | 1,543 | 4,061 | 401 | 247 | 648 |
| Office supplies | 1,091 | 121 | 1,212 | 844 | 93 | 937 |
| Office equipment | 4,244 | 472 | 4,716 | 4,579 | 508 | 5,087 |
| Real estate taxes | 882 | 541 | 1,423 | 872 | 535 | 1,407 |
| Interest | | 2,108 | 2,108 | | 3,046 | 3,046 |
| Insurance | | 3,723 | 3,723 | | 2,416 | 2,416 |
| Bank and service charges | 70 | 70 | 140 | 70 | 70 | 140 |
| Meetings and conferences | 19,017 | 2,113 | 21,130 | 11,557 | 1,284 | 12,841 |
| Repairs and maintenance | | 13,526 | 13,526 | | 9,235 | 9,235 |
| Depreciation | 53,090 | 53,090 | 106,180 | 44,091 | 44,091 | 88,182 |
| Income tax expense | 12,430 | | 12,430 | 8,473 | | 8,473 |
| Miscellaneous | | 592 | 592 | | 835 | 835 |
| | <u>\$ 808,432</u> | <u>\$ 196,739</u> | <u>\$ 1,005,171</u> | <u>\$ 1,096,985</u> | <u>\$ 182,506</u> | <u>\$ 1,279,491</u> |

The accompanying notes are an integral part of these financial statements.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

| | 2022 | 2021 |
|--------------------------------------------------------------------------------------------|---------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 956,898 | \$ 765,246 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation | 106,180 | 88,182 |
| Loss on disposition of assets | | 28 |
| Earnings from equity method investment | (276,279) | (321,325) |
| (Increase) decrease in operating assets | | |
| Accounts receivable | (46,851) | 367,958 |
| Prepaid expenses | 1,623 | (1,416) |
| Increase (decrease) in operating liabilities | | |
| Accounts payable | 123,650 | (115,874) |
| Real estate taxes payable | 5 | (2,328) |
| Due to city and county | 635,670 | 203,360 |
| Accrued expenses | (39) | 220 |
| Deferred rent revenue | 158 | (191) |
| Income taxes payable | (4,523) | 8,473 |
| Net Cash Provided by Operating Activities | <u>1,496,492</u> | <u>992,333</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Collection of notes receivable | 184,768 | 156,515 |
| Refund of paving for Airport Park | | 122,194 |
| Purchase of investments | | (160,000) |
| Issue of notes receivable | (754,406) | (585,978) |
| Purchase of property and equipment | (31,018) | (25,121) |
| Net Cash Used in Investing Activities | <u>(600,656)</u> | <u>(492,390)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payments on capital lease payable | (19,423) | (7,453) |
| Net Cash Used in Financing Activities | <u>(8,387)</u> | <u>(7,453)</u> |
| Net change in cash and cash equivalents | 887,449 | 492,490 |
| Cash and cash equivalents at beginning of year | <u>920,466</u> | <u>427,976</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 1,807,915</u> | <u>\$ 920,466</u> |
| Cash and cash equivalents | \$ 248,776 | \$ 329,867 |
| Cash and cash equivalents - restricted | <u>1,559,139</u> | <u>590,599</u> |
| | <u>\$ 1,807,915</u> | <u>\$ 920,466</u> |

The accompanying notes are an integral part of these financial statements.

Schedule of other cash flow information

Cash paid during the year for interest

| 2022 | 2021 |
|----------|----------|
| \$ 2,108 | \$ 3,046 |

Noncash investing activities

Investment in SEPA

\$ 276,279 \$ 321,325

PPP Loan forgiveness

59,200

Purchase vehicle

20,074

Finance vehicle

(20,074)

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2022 and 2021

1. Summary of Significant Accounting Policies

A. 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 through sales tax revenues and Stutsman County by a dedicated mill levy.

B. Basis of Accounting

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

C. Basis of Presentation

The financial statements of **JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION** have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which 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: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Corporation. These net assets may be used at the discretion of management and the board of directors.

Net assets with donor restrictions: Net assets that 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.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

D. Cash and Cash Equivalents

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

E. Use of Estimates

The presentation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2022 and 2021

F. Accounts Receivable

Accounts receivable are carried at original invoice amount. Management determines uncollectible amounts 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, 2022 and 2021, are collectible.

G. 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 buydown 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 note 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, 2022 and 2021.

Because the notes do not accrue interest during the initial term of the loan and payoff during the initial term is at their face value, rather than a discounted note, they are recorded at their original loan balance and no interest is accrued.

H. Investment in 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, Inc. in the future at a mutually agreed upon time and value. This investment is accounted for at cost.

I. Investment in SEPA

The **JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION** owns a 78.01% as of December 31, 2022 and 2021, of the limited partnership interest in Spiritwood Energy Park Association, LLC (SEPA), 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 (decrease) in SEPA investment" on the statement of activities.

J. Property and Equipment

Property and equipment are carried at cost and depreciated over the estimated useful lives on the straight-line method. The estimated useful lives of the assets are as follows:

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2022 and 2021

J. Property and Equipment - continued

| | |
|----------------------------|----------------|
| Airport park | 50 years |
| Buildings and improvements | 10 to 50 years |
| Furniture and equipment | 3 to 10 years |

The Corporation capitalizes all property and equipment in excess of \$150; maintenance and repairs that do not improve or extend the lives of the respective assets are expensed currently. Upon disposal of fixed properties, the cost and related accumulated depreciation are removed from the accounts and the gain or loss is reflected in income.

Depreciation expense aggregated \$106,180 in 2022 and \$88,182 in 2021.

K. 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 the City and County as it is collected.

L. 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.

M. 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 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.

As of December 31, 2022, the Forms 990, *Return of Organization Exempt from Income Taxes*, and 990-T, *Exempt Organization Business Income Tax Return*, for the years ending 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they are filed.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2022 and 2021

N. Functional Expenses

The financial statements report certain categories of expenses 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 are allocated on the basis of estimates of time and effort.

2. Concentrations of Revenues

The **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 57% and 13% of the total revenue, respectively, during the year ended December 31, 2022, and 63% and 14% of total revenue during the year ended December 31, 2021.

3. Concentrations 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). Excess funds over the insured amount are covered by a pledge of assets.

4. Investment in SEPA

The Corporation invested in Spiritwood Energy Park Association, LLC (SEPA). This investment representing 78.01% interest as of December 31, 2022 and 2021, is accounted for under the equity method as described in Note 1. Earnings of \$276,279 and \$321,325 were recorded in the statement of activities for the years ended December 31, 2022 and 2021, respectively.

Spiritwood Energy Park Association, LLC uses the accrual method of accounting. It's condensed financial statements, which were obtained from their audited financial statements as of and for the years ending December 31, 2022 and 2021, are as follows:

| Condensed Balance Sheets | 2022 | 2021 |
|------------------------------------|-------------------|-------------------|
| Assets | \$ 16,963,302 | \$ 17,254,210 |
| Liabilities | 8,010,704 | 8,655,771 |
| Members' Equity | 8,952,598 | 8,598,439 |
| | | |
| Condensed Statements of Operations | | |
| Revenues | \$ 1,493,377 | \$ 1,457,815 |
| Expenses | (1,139,218) | (1,045,913) |
| Net Income | <u>\$ 354,159</u> | <u>\$ 411,902</u> |

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2022 and 2021

5. Notes Receivable

Notes receivable at December 31, 2022 and 2021, consist of the following:

| | 2022 | 2021 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| PACE and Flex PACE Community Share receivables at December 31, 2022 and 2021, 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 exceptions of the loans to the Jamestown Regional Airport Authority and the Jamestown Rowhomes Limited Partnership. | \$ 3,298,494 | \$ 2,709,909 |
| New Jobs Credit receivables at December 31, 2022 and 2021, 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. | 104,287 | 168,031 |
| 0% notes receivable from Spiritwood Energy Park Association, LLC (a related party), dated March 17, 2015, due in monthly payments of \$6,542 starting two years from the date of the note, another note dated November 1, 2022, due in monthly payments of \$6,852 | 509,292 | 464,458 |
| | 3,912,073 | 3,342,398 |
| Less current portion | 187,156 | 125,054 |
| | <u>\$ 3,724,917</u> | <u>\$ 3,217,344</u> |

Anticipated future collections on notes receivable as of December 31, 2022, is as follows:

| | |
|------------|---------------------|
| 2023 | \$ 187,156 |
| 2024 | 166,840 |
| 2025 | 140,586 |
| 2026 | 176,631 |
| 2027 | 146,545 |
| Thereafter | 3,094,315 |
| | <u>\$ 3,912,073</u> |

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2022 and 2021

6. Income Taxes Payable

Income taxes payable due to unrelated business activities consist of the following as of December 31, 2022 and 2021:

| | 2022 | 2021 |
|------------------------|-----------------|-----------------|
| Income tax expense | \$ 12,430 | \$ 8,473 |
| Estimated tax payments | 8,480 | |
| Income tax payable | <u>\$ 3,950</u> | <u>\$ 8,473</u> |

As of December 31, 2022 and 2021, the Corporation had federal net operating loss carryforwards of \$19,542 and \$260,301, respectively and state net operating loss carryforwards of \$3,054,967 and \$3,209,075, respectively, available to offset future taxable income.

7. Reimbursement Receivable/Deferred Reimbursement

The Corporation has entered into an agreement with the Jamestown Regional Airport Authority dated March 26, 2021, where they will be reimbursed at the rate of \$.70 per square foot at 0% interest over ten years with an annual payment of \$18,458.30 to recoup the costs of infrastructure development on real estate on which they have vacated an interest.

8. Lease Receivable

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, 2022 and 2021, is as follows:

| | 2022 | 2021 |
|-------------------------------|-------------------|-------------------|
| Building | \$ 562,787 | \$ 562,787 |
| Less accumulated depreciation | 198,781 | 224,160 |
| | <u>\$ 364,006</u> | <u>\$ 338,627</u> |

Minimum future lease income under non-cancellable operating leases with a term in excess of one year as of December 31, 2022, for each of the subsequent years is as follows:

| | |
|------|-----------|
| 2023 | \$ 53,040 |
| 2024 | 7,367 |

9. Lease Assets

The Corporation has entered into lease obligations with unrelated parties for office equipment and a vehicle. The economic substance of the leases 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 assets are included in furniture and equipment at a cost of \$30,778, with accumulated depreciation of \$17,884 and \$13,491 at December 31, 2022 and 2021, respectively. Depreciation of the leases in the amount of \$8,318 and \$9,566 is included in depreciation expense within the statement of activities for 2022 and 2021, respectively.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2022 and 2021

9. Lease Assets - continued

The lease obligation for the copier is payable to LEAF Capital Funding, LLC in monthly installments of approximately \$202, including interest through June 2025. The lease obligation for the vehicle is payable to Ford Credit in monthly payments of \$648 through February 2024.

The following is a schedule of years of future minimum payments required under the financing leases together with the present value as of December 31, 2022:

| Year ending December 31 | Vehicle | Copier | Total |
|------------------------------------|-----------------|-----------------|------------------|
| 2023 | \$ 7,776 | \$ 2,424 | \$ 10,200 |
| 2024 | 1,296 | 2,424 | 3,720 |
| 2025 | | 1,212 | 1,212 |
| | 9,072 | 6,060 | 15,132 |
| Less: amount representing interest | 700 | 375 | 1,075 |
| Present value of lease payments | <u>\$ 8,372</u> | <u>\$ 5,685</u> | <u>\$ 14,057</u> |

| | |
|------------------------------------------------------------|-----|
| Weighted average remaining lease term for financing leases | 1.7 |
| The weighted average discount rate for financing leases | 6.5 |

The Corporation has a land lease with Jamestown Regional Airport Authority dated June 1, 2018 to May 31, 2027. The initial terms were 96.68 acres at \$112.17 per acre with a 3% annual adjustment. In 2021, the acres were decreased to 90.63 acres.

The following schedule is a schedule of years of future minimum payments required under the operating lease as of December 31, 2022:

| Year ending December 31 | |
|-------------------------|------------------|
| 2023 | \$ 11,642 |
| 2024 | 11,991 |
| 2025 | 12,351 |
| 2026 | 12,722 |
| 2027 | 7,267 |
| | <u>\$ 55,973</u> |

Lease expense was \$15,396 and \$12,843 for the years ended December 31, 2022 and 2021, respectively.

10. Retirement Plan

The Corporation allows employees to set up 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 services at least one year of service in the five years immediately preceding, and received total compensation in excess of \$5,000 per year. The Corporation contributed \$ 11,624 to the plan for the year ended December 31, 2022 and \$11,932 for the year ended December 31, 2021.

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2022 and 2021

11. 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.

12. Availability and Liquidity

The following represents **JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION's** financial assets as of December 31, 2022 and 2021, 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, 2022 and 2021, for general expenditures:

| Financial assets at year-end: | 2022 | 2021 |
|-------------------------------------------------------------------------------------|------------|------------|
| Cash and cash equivalents | \$ 248,776 | \$ 329,867 |
| Cash and cash equivalents - restricted | 1,559,139 | 590,599 |
| Accounts receivable | 59,442 | 12,591 |
| Current portion of notes receivable | 26,434 | 46,554 |
| Current portion of notes receivable - related party | 160,722 | 78,500 |
| Total financial assets | 2,054,513 | 1,058,111 |
| Money restricted by grantor for investment in capital assets | 29,651 | 45,266 |
| Current portion of notes receivable | 187,156 | 125,054 |
| Money restricted by grantor for grants and other purposes | 1,529,488 | 545,333 |
| | 1,746,295 | 715,653 |
| Financial assets available to meet general expenditures over the next twelve months | \$ 308,218 | \$ 342,458 |

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.

13. Net Assets with Donor Restrictions

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

| | 2022 | 2021 |
|------------------------------------------------------------|-----------|-----------|
| Subject to expenditure for specified purpose: | | |
| Funds received for Intern program | \$ 90,862 | \$ 64,428 |
| Funds received for Tourism grant | 100,000 | |
| Funds received for loans not yet disbursed | 399,976 | 229,664 |
| Funds received for Airport Park project | 29,651 | 45,266 |
| Funds received for residential infrastructure | 38,121 | 43,195 |
| Funds received for James Valley Career & Technology Center | | 131,500 |

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2022 and 2021

13. Net Assets with Donor Restrictions - continued

| | | |
|--------------------------------------------------|---------------------|-------------------|
| Funds received for Buffalo City Park/Bison World | 364,485 | 75,537 |
| Funds received for rail switches | 500,000 | |
| Paybacks to City/County | <u>36,044</u> | <u>1,009</u> |
| Total net asset with donor restrictions | <u>\$ 1,559,139</u> | <u>\$ 590,599</u> |

Net assets with donor restrictions that were released for the use of the restricted purposes was \$203,973 and \$731,488 for the year ended December 31, 2022 and 2021, respectively.

14. 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:

| | 2022 | 2021 |
|---------------------------------------------|------------------|------------------|
| Expense reimbursement - SEPA | \$ 267 | \$ 257 |
| Expense reimbursement - Chamber | <u>16,003</u> | <u>12,535</u> |
| Total revenue from contracts with customers | <u>\$ 16,270</u> | <u>\$ 12,792</u> |

15. Advertising Costs

Advertising costs are charged to operations as incurred. Advertising costs incurred for the years ended December 31, 2022 and 2021, was \$16,648 and \$19,688, respectively.

16. Commitments

The Corporation has a commitment to provide an incentive package consisting of loans and grants in the amount of \$2,514,000 to a company that will construct and operate a soybean crushing plant.

17. Subsequent Events

Subsequent events were evaluated through April 25, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
SUPPLEMENTARY INFORMATION
Years Ended December 31, 2022 and 2021

DETAILED STATEMENTS OF FINANCIAL POSITION

ASSETS

| | December 31, 2022 | | | | | December 31, 2021 | | | | |
|--------------------------------------------------------|-------------------|---------------|--------------|---------------|------------|-------------------|--------------|---------------|--|--|
| | Operations | Incentive | Eliminations | Total | Operations | Incentive | Eliminations | Total | | |
| CURRENT ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ 248,776 | \$ 1,559,139 | \$ | \$ 248,776 | \$ 329,867 | \$ 590,599 | \$ | \$ 329,867 | | |
| Cash and cash equivalents - restricted | | | | 1,559,139 | | | | 590,599 | | |
| Accounts receivable | 15,313 | 52,388 | (8,259) | 59,442 | 10,609 | 7,039 | (5,057) | 12,591 | | |
| Current portion of reimbursement receivable | | 18,458 | | 18,458 | | 18,458 | | 18,458 | | |
| Current portion of notes receivable | | 26,434 | | 26,434 | | 46,554 | | 46,554 | | |
| Current portion of notes receivable - related party | | 160,722 | | 160,722 | | 78,500 | | 78,500 | | |
| Prepaid expenses | 7,495 | 8,947 | | 16,442 | 9,338 | 8,727 | | 18,065 | | |
| Total Current Assets | 271,584 | 1,826,088 | (8,259) | 2,089,413 | 349,814 | 749,877 | (5,057) | 1,094,634 | | |
| PROPERTY AND EQUIPMENT, | | | | | | | | | | |
| at cost (Note 1) | | | | | | | | | | |
| Land | | 49,916 | | 49,916 | | 49,916 | | 49,916 | | |
| Airport park | | 2,757,230 | | 2,757,230 | | 2,757,230 | | 2,757,230 | | |
| Buildings and improvements | 407,636 | 562,786 | | 970,422 | 407,636 | 562,786 | | 970,422 | | |
| Furniture and equipment | 169,931 | | | 169,931 | 138,912 | | | 138,912 | | |
| Less accumulated depreciation | 577,567 | 3,369,932 | | 3,947,499 | 546,548 | 3,369,932 | | 3,916,480 | | |
| Net Property and Equipment | 277,928 | 295,284 | | 573,212 | 242,871 | 224,160 | | 467,031 | | |
| | 299,639 | 3,074,648 | | 3,374,287 | 303,677 | 3,145,772 | | 3,449,449 | | |
| OTHER ASSETS | | | | | | | | | | |
| Investment in Precision Stock | | 75,000 | | 75,000 | | 75,000 | | 75,000 | | |
| Investment in SEPA | | 7,039,520 | | 7,039,520 | | 6,763,241 | | 6,763,241 | | |
| Right-of-use-asset— lease asset | | 55,973 | | 55,973 | | 67,081 | | 67,081 | | |
| Reimbursement receivable, less current portion | | 133,509 | | 133,509 | | 151,967 | | 151,967 | | |
| Notes receivable, less current portion | | 3,376,347 | | 3,376,347 | | 2,831,386 | | 2,831,386 | | |
| Notes receivable, less current portion - related party | | 348,570 | | 348,570 | | 385,958 | | 385,958 | | |
| Total Other Assets | | 11,028,919 | | 11,028,919 | | 10,274,633 | | 10,274,633 | | |
| TOTAL ASSETS | \$ 571,223 | \$ 15,929,655 | \$ (8,259) | \$ 16,492,619 | \$ 653,491 | \$ 14,170,282 | \$ (5,057) | \$ 14,818,716 | | |

LIABILITIES AND NET ASSETS

December 31, 2022

December 31, 2021

| | Operations | Incentive | Eliminations | Total | Operations | Incentive | Eliminations | Total |
|----------------------------------------------|------------|---------------|--------------|---------------|------------|---------------|--------------|---------------|
| CURRENT LIABILITIES | | | | | | | | |
| Accounts payable | \$ 4,614 | \$ 369,837 | \$ (8,259) | \$ 366,192 | \$ 6,809 | \$ 240,826 | \$ (5,057) | \$ 242,578 |
| Real estate taxes payable | 1,496 | | | 1,496 | 1,491 | | | 1,491 |
| Due to city and county, less current portion | | 187,156 | | 187,156 | | 125,054 | | 125,054 |
| Accrued expenses | 20,391 | | | 20,391 | 20,430 | | | 20,430 |
| Deferred rent revenue | | 7,239 | | 7,239 | | 7,081 | | 7,081 |
| Current portion of deferred reimbursement | | 18,458 | | 18,458 | | 18,458 | | 18,458 |
| Current portion of lease assets payable | 9,286 | | | 9,286 | 8,314 | | | 8,314 |
| Current portion of lease liability | | 11,642 | | 11,642 | | 11,302 | | 11,302 |
| Income taxes payable | | 3,950 | | 3,950 | | 8,473 | | 8,473 |
| Total Current Liabilities | 35,787 | 598,282 | (8,259) | 625,810 | 37,044 | 411,194 | (5,057) | 443,181 |
| LONG-TERM LIABILITIES | | | | | | | | |
| Due to city and county, less current portion | | 6,667,662 | | 6,667,662 | | 6,094,094 | | 6,094,094 |
| Deferred reimbursement, less current portion | | 133,509 | | 133,509 | | 151,967 | | 151,967 |
| Lease assets payable, less current portion | 4,771 | | | 4,771 | 14,057 | | | 14,057 |
| Lease liability, less current portion | | 44,331 | | 44,331 | | 55,779 | | 55,779 |
| Total Long-Term Liabilities | 4,771 | 6,845,502 | | 6,850,273 | 14,057 | 6,301,840 | | 6,315,898 |
| Total Liabilities | 40,558 | 7,443,784 | (8,259) | 7,476,083 | 51,101 | 6,713,034 | (5,057) | 6,759,078 |
| NET ASSETS | | | | | | | | |
| Without donor restrictions | 530,665 | 6,926,732 | | 7,457,397 | 602,390 | 6,866,649 | | 7,469,039 |
| With donor restrictions | | 1,559,139 | | 1,559,139 | | 590,599 | | 590,599 |
| Total Net Assets | 530,665 | 8,485,871 | | 9,016,536 | 602,390 | 7,457,248 | | 8,059,638 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 571,223 | \$ 15,929,655 | \$ (8,259) | \$ 16,492,619 | \$ 653,491 | \$ 14,170,282 | \$ (5,057) | \$ 14,818,716 |

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
SUPPLEMENTARY INFORMATION - continued
Years Ended December 31, 2022 and 2021

DETAILED STATEMENTS OF ACTIVITIES

| | December 31, 2022 | | | December 31, 2021 | | | | |
|-----------------------------------------------|----------------------------|--------------|-------------------------|-------------------|----------------------------|--------------|-------------------------|--------------|
| | Without Donor Restrictions | Incentive | With Donor Restrictions | Total | Without Donor Restrictions | Incentive | With Donor Restrictions | Total |
| SUPPORT, REVENUE AND RECLASSIFICATIONS | | | | | | | | |
| Contributions - City of Jamestown | \$ 327,637 | \$ | \$ 632,511 | \$ 960,148 | \$ 379,773 | \$ | \$ 898,861 | \$ 1,278,634 |
| Contributions - Stutsman County | 80,949 | | 140,002 | 220,951 | 91,870 | | 197,742 | 289,612 |
| Grants | | | 400,000 | 400,000 | | | | |
| Rents | 17,266 | | 51,997 | 69,263 | 16,928 | | | 68,169 |
| Reimbursements | | | 18,458 | 18,458 | | | | 14,158 |
| Increase in SEPA investment | | | 276,279 | 276,279 | | | | 321,325 |
| Expense reimbursement - SEPA | 267 | | | 267 | 257 | | | 257 |
| Expense reimbursement - Chamber | 16,003 | | | 16,003 | 12,535 | | | 12,535 |
| Loss on disposition of assets | | | | | (28) | | | (28) |
| PPP loan forgiveness | | | | | 59,200 | | | 59,200 |
| Miscellaneous | 700 | | | 700 | 875 | | | 875 |
| Released from restrictions | | 203,973 | (203,973) | | | 731,488 | (731,488) | |
| Total Support, Revenue and Reclassifications | 442,822 | 550,707 | 968,540 | 1,962,069 | 561,410 | 1,118,212 | 365,115 | 2,044,737 |
| EXPENSES | | | | | | | | |
| Project services, grants | | 403,492 | | 403,492 | | 700,685 | | 700,685 |
| Operational costs | 497,593 | 99,725 | | 597,318 | 454,998 | 76,820 | | 531,818 |
| Repayment of lease income | | 4,361 | | 4,361 | | 46,988 | | 46,988 |
| Total Expenses | 497,593 | 507,578 | | 1,005,171 | 454,998 | 824,493 | | 1,279,491 |
| CHANGE IN NET ASSETS | (54,771) | 43,129 | 968,540 | 956,898 | 106,412 | 293,719 | 365,115 | 765,246 |
| NET ASSETS, January 1 | 602,390 | 6,866,649 | 590,599 | 8,059,638 | 489,142 | 6,579,766 | 225,484 | 7,294,392 |
| Transfer | (16,954) | 16,954 | | | 6,836 | (6,836) | | |
| NET ASSETS, December 31 | \$ 530,665 | \$ 6,926,732 | \$ 1,559,139 | \$ 9,016,536 | \$ 602,390 | \$ 6,866,649 | \$ 590,599 | \$ 8,059,638 |

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
SUPPLEMENTARY INFORMATION - continued
Years Ended December 31, 2022 and 2021

DETAILED STATEMENTS OF EXPENSES

| | December 31, 2022 | | | December 31, 2021 | | |
|--------------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| | Operations | Incentive | Total | Operations | Incentive | Total |
| Operational Costs | | | | | | |
| Salaries | \$ 255,987 | \$ | \$ 255,987 | \$ 237,545 | \$ | \$ 237,545 |
| Payroll taxes | 19,270 | | 19,270 | 17,710 | | 17,710 |
| Employee benefits | 44,417 | | 44,417 | 44,051 | | 44,051 |
| Shared office space | 34,575 | 6,980 | 41,555 | 27,908 | 3,813 | 31,721 |
| Telephone and internet | 4,626 | | 4,626 | 5,106 | | 5,106 |
| Professional training | 503 | | 503 | 1,384 | | 1,384 |
| Travel | 1,018 | | 1,018 | 558 | | 558 |
| Postage and printing | 823 | | 823 | 832 | | 832 |
| Marketing and recruiting | 27,720 | | 27,720 | 34,359 | | 34,359 |
| Dues and subscriptions | 3,143 | | 3,143 | 3,411 | | 3,411 |
| Professional fees | 23,184 | 3,831 | 27,015 | 16,265 | 5,629 | 21,894 |
| Rent | | 4,061 | 4,061 | | 648 | 648 |
| Office supplies | 1,212 | | 1,212 | 937 | | 937 |
| Office equipment | 4,716 | | 4,716 | 5,087 | | 5,087 |
| Real estate taxes | 150 | 1,273 | 1,423 | 153 | 1,254 | 1,407 |
| Interest | 2,102 | 6 | 2,108 | 3,036 | 10 | 3,046 |
| Insurance | 3,723 | | 3,723 | 2,416 | | 2,416 |
| Bank and service charges | 120 | 20 | 140 | 140 | | 140 |
| Meetings and conferences | 21,130 | | 21,130 | 12,841 | | 12,841 |
| Repairs and maintenance | 13,526 | | 13,526 | 9,235 | | 9,235 |
| Depreciation | 35,056 | 71,124 | 106,180 | 31,189 | 56,993 | 88,182 |
| Income tax expense | | 12,430 | 12,430 | | 8,473 | 8,473 |
| Miscellaneous | 592 | | 592 | 835 | | 835 |
| | <u>\$ 497,593</u> | <u>\$ 99,725</u> | <u>\$ 597,318</u> | <u>\$ 454,998</u> | <u>\$ 76,820</u> | <u>\$ 531,818</u> |

JAMESTOWN/STUTSMAN DEVELOPMENT CORPORATION
SUPPLEMENTARY INFORMATION - continued
Years Ended December 31, 2022 and 2021

BUDGET VERSUS ACTUAL - OPERATIONS
Year Ended December 31, 2022

| | Unaudited Budget | Actual | Favorable (Unfavorable) |
|-----------------------------------|---------------------|--------------------|----------------------------|
| SUPPORT AND REVENUE | | | |
| Contributions - City of Jamestown | \$ 370,985 | \$ 327,637 | \$ (43,348) |
| Contributions - Stutsman County | 90,665 | 80,949 | (9,716) |
| Contributions - other sources | 10,000 | | (10,000) |
| Rents | 16,875 | 17,266 | 391 |
| Expense reimbursements - SEPA | 260 | 267 | 7 |
| Expense reimbursements - Chamber | 13,000 | 16,003 | 3,003 |
| Miscellaneous | 400 | 700 | 300 |
| TOTAL SUPPORT AND REVENUE | 502,185 | 442,822 | (59,363) |
| EXPENSES | | | |
| Salaries | 235,000 | 255,987 | (20,987) |
| Payroll taxes | 18,500 | 19,270 | (770) |
| Employee benefits | 48,500 | 44,417 | 4,083 |
| Shared office space | 46,450 | 34,575 | 11,875 |
| Telephone and internet | 5,000 | 4,626 | 374 |
| Professional training | 5,000 | 503 | 4,497 |
| Travel | 5,150 | 1,018 | 4,132 |
| Vehicle lease | 6,360 | | 6,360 |
| Postage and printing | 1,250 | 823 | 427 |
| Marketing and recruiting | 60,000 | 27,720 | 32,280 |
| Dues and subscriptions | 5,000 | 3,143 | 1,857 |
| Professional fees | 19,050 | 23,184 | (4,134) |
| Office supplies | 2,000 | 1,212 | 788 |
| Office equipment | 8,960 | 4,716 | 4,244 |
| Real estate taxes | 6,650 | 150 | 6,500 |
| Interest | 500 | 2,102 | (1,602) |
| Insurance | 3,300 | 3,723 | (423) |
| Bank and service charges | 250 | 120 | 130 |
| Meetings and conferences | 13,500 | 21,130 | (7,630) |
| Repairs and maintenance | 5,000 | 13,526 | (8,526) |
| Depreciation | | 35,056 | (35,056) |
| Miscellaneous | 1,000 | 592 | 408 |
| TOTAL EXPENSES | 496,420 | 497,593 | (1,173) |
| CHANGE IN NET ASSETS | \$ 5,765 | \$ (54,771) | \$ (60,536) |