CITY OF JAMESTOWN
Stutsman County, North Dakota

REPORT ON FINANCIAL STATEMENTS
(with supplementary information)
Year Ended December 31, 2009

CITY OF JAMESTOWN
Stutsman County, North Dakota
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Schauer & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
Ronald R. Fuchs, CPA
Duane R. Dunn, CPA
Robert A. Platz, CPA

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
CITY OF JAMESTOWN
Jamestown, North Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **CITY OF JAMESTOWN, NORTH DAKOTA,** as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the contents. These financial statements are the responsibility of **CITY OF JAMESTOWN, NORTH DAKOTA'S** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **CITY OF JAMESTOWN, NORTH DAKOTA,** as of December 31, 2009 and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2010, on our consideration of **CITY OF JAMESTOWN, NORTH DAKOTA'S** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 43 through 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and

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comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **CITY OF JAMESTOWN, NORTH DAKOTA'S** basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements of **CITY OF JAMESTOWN, NORTH DAKOTA.** The combining non-major fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 basic 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 basic financial statements as a whole.

Schauer & Associates, P.C.

SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants

September 16, 2010

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CITY OF JAMESTOWN
Stutsman County, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2009

As management of the **CITY OF JAMESTOWN**, we offer readers of the **CITY OF JAMESTOWN'S** financial statements this narrative overview and analysis of the financial activities of the **CITY OF JAMESTOWN** for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the additional information presented in the accompanying basic financial statements, the fund financial statements and the notes to the financial statements.

Financial Highlights

- The net assets of the **CITY OF JAMESTOWN** increased by $6,324,723 or 15% as a result of current year operations. Net assets of our business type activities increased by $1,368,540 and net assets of our governmental activities increased by $4,956,183 or 19%.
- Total revenues from all sources were $25,827,120. Revenue from governmental activities was $19,063,154 and revenues from business type activities were $6,763,966.
- Total cost of all programs was $19,502,397. This was comprised of $13,908,656 in governmental activities and $5,593,741 in business type activities.
- Governmental net assets totaled $30,886,984.
- Governmental funds revenues exceeded expenditures by $4,741,548.
- Unreserved fund balance for the general fund was $2,341,687, 28.6% of the total general fund expenditures.

Using This Annual Report

This annual report presents the following three components of the financial statements:
1. Government-wide financial statements provide information for the City as a whole.
2. Fund financial statements provide detailed information for the City's significant funds.
3. Notes to the financial statements provide additional information that is essential to understanding the government-wide and fund statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the **CITY OF JAMESTOWN'S** finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information on how the City's net assets changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

Both the Statement of Net Assets and the Statement of Activities present information as follows:

- Governmental activities – this includes most of the City's basic services, which are primarily supported by property and sales taxes, interest income, user fees and intergovernmental revenues.
- Business-type activities – this includes those services which are intended to recover all or a significant part of their costs through user fees.

The government-wide financial statements include not only the City (*known as the primary government)*, but also two legally separate entities for which the City is financially accountable. The *component units* are the Jamestown Regional Airport Authority and the Alfred Dickey Public Library. Financial information for these component units is reported separately from the financial information presented for the primary government. Separately issued financial statements are available from their administrative offices as noted in footnote 1 B in the notes to the financial statements.

The government-wide financial statements begin on page 11.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The **CITY OF JAMESTOWN**, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements provide detailed information about the City's significant funds – not the City as a whole. The City's funds can be divided into three categories – governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental fund statements provide a detailed short-term view of the government operations and the basic services it provides, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the City's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the government-wide financial statements.

The **CITY OF JAMESTOWN** maintains 53 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances for the general fund, and the following major funds; equipment replacement fund, city sales tax fund, special assessment deficiency fund, and the construction fund. Data from the 48 other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The **CITY OF JAMESTOWN** adopts an annually appropriated budget for all governmental and proprietary funds. Budgetary comparison schedules for the general and major special revenue funds are required to be presented and are included in the required supplementary information section on pages 43 – 46 of this report.

The governmental fund financial statements begin on page 13.

Proprietary Funds. The **CITY OF JAMESTOWN** maintains two types of proprietary funds. Enterprise funds are used to report activities that charge for services it provides to outside customers. The Enterprise funds are presented as business-type activities in the government-wide statements. The **CITY OF JAMESTOWN** uses enterprise funds to account for its water utility, sewer utility, sanitation, solid waste and water meter deposits. Internal Service funds are used to report activities that provide services to other City programs and activities. The **CITY OF JAMESTOWN** uses an internal service fund to account for the self-funded insurance program. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The internal service fund is shown in a single column in the proprietary fund financial statements.

The basic proprietary fund statements begin on page 17.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the **CITY OF JAMESTOWN'S** own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund statement is found on page 20.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 – 42 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining fund statements and other schedules can be found on pages 48 – 55.

Financial Analysis of the City as a Whole

The following tables present condensed information on the City's Net Assets and Changes in Net Assets for the fiscal years ended December 31, 2009 and 2008.

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the **CITY OF JAMESTOWN**, assets exceeded liabilities by $48,595,305 at the close of the most recent fiscal year.

Table I
NET ASSETS
December 31, 2009 and 2008

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
ASSETS						
Current assets	$ 18,302,891	$ 13,935,287	$ 8,463,964	$ 7,907,596	$ 26,766,855	$ 21,842,883
Noncurrent assets	209,398	209,398			209,398	209,398
Capital assets	23,052,830	22,451,205	24,969,632	25,486,871	48,022,462	47,938,076
Total Assets	41,565,119	36,595,890	33,433,596	33,394,467	74,998,715	69,990,357
LIABILITIES						
Current liabilities	2,063,782	2,014,664	1,440,000	1,469,055	3,503,782	3,483,719
Long-term liabilities	8,614,353	8,657,856	14,285,275	15,579,913	22,899,628	24,237,769
Total Liabilities	10,678,135	10,672,520	15,725,275	17,048,968	26,403,410	27,721,488
NET ASSETS						
Invested in capital assets, net of related debt	12,834,891	12,418,134	9,371,664	8,600,459	22,206,555	21,018,593
Restricted	8,029,552	8,827,706	6,319,951	5,596,085	14,349,503	14,423,791
Unrestricted	10,022,541	4,677,530	2,016,706	2,148,955	12,039,247	6,826,485
Total Net Assets	$ 30,886,984	$ 25,923,370	$ 17,708,321	$ 16,345,499	$ 48,595,305	$ 42,268,869

Invested in capital assets consists of land, buildings, infrastructure and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the **CITY OF JAMESTOWN'S** net assets ($14,349,503) represents resources that are restricted by external restrictions on how they may be used. The remaining balance of unrestricted net assets ($12,039,247) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2009, the **CITY OF JAMESTOWN** is able to report positive balances in all of the three categories of net assets, both for the government as a whole, as well as for its governmental activities and business-type activities.

Table II
CHANGES IN NET ASSETS
Years Ending December 31, 2009 and 2008

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
REVENUES						
Program revenues						
Charges for services	$ 455,208	$ 457,295	$ 6,656,412	$ 6,382,962	$7,111,620	$6,840,257
Operating grants	4,626,587	946,353			4,626,587	946,353
Capital grants	17,182	24,070			17,182	24,070
General revenues						
Property taxes, general	2,616,818	2,362,702			2,616,818	2,362,702
Property taxes, debt service	2,431,426	2,410,482			2,431,426	2,410,482
State aid distribution	560,660	555,024			560,660	555,024
Miscellaneous taxes	812,793	488,160			812,793	488,160
Sales taxes	2,017,291	1,944,535			2,017,291	1,944,535
Investment earnings	257,629	356,303	107,554	122,124	365,183	478,427
Repayment of economic development funds	4,435,987	369,808			4,435,987	369,808
Miscellaneous	730,400	1,002,033			730,400	1,002,033
Gain on sale of assets	101,173	127,272			101,173	127,272
Total Revenues	19,063,154	11,044,037	6,763,966	6,505,086	25,827,120	17,549,123
EXPENSES						
General government	805,394	723,350			805,394	723,350
Public safety	2,771,442	2,553,469			2,771,442	2,553,469
Public works	5,374,988	3,977,413			5,374,988	3,977,413
Flood control	2,617,728				2,617,728	
Health	45,075	42,527			45,075	42,527
Civic center	693,318	590,442			693,318	590,442
Interest on long-term debt	320,433	333,555			320,433	333,555
Visitor's promotion	395,553	374,539			395,553	374,539
Business and industrial development	884,725	1,684,547			884,725	1,684,547
Water utility			2,053,017	1,827,369	2,053,017	1,827,369
Sewer utility			1,941,019	2,018,057	1,941,019	2,018,057
Sanitation			677,678	603,919	677,678	603,919
Solid waste			910,326	983,925	910,326	983,925
Water meter deposits			11,701	9,425	11,701	9,425
Total Expenses	13,908,656	10,279,842	5,593,741	5,442,695	19,502,397	15,722,537
Excess before transfers	5,154,498	764,195	1,170,225	1,062,391	6,324,723	1,826,586
Transfers	(198,315)	(142,840)	198,315	142,840		
Prior period adjustments	7,431	(4,513)			7,431	(4,513)
Change in net assets	4,963,614	616,842	1,368,540	1,205,231	6,332,154	1,822,073
BEGINNING NET ASSETS	25,923,370	25,306,528	16,339,781	15,134,550	42,263,151	40,441,078
ENDING NET ASSETS	$ 30,886,984	$ 25,923,370	$17,708,321	$16,339,781	$48,595,305	$ 42,263,151

Financial Analysis of the Government's Funds

The **CITY OF JAMESTOWN** uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the **CITY OF JAMESTOWN'S** *governmental funds* is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the **CITY OF JAMESTOWN'S** financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the **CITY OF JAMESTOWN'S** governmental funds reported combined ending fund balances of $15,763,482, an increase of $4,741,548. The *governmental funds unreserved/ undesignated fund balance* is ($310,075). The remainder of fund balances is reserved to indicate that it is not available for new spending because it has already been committed.

The general fund is the chief operating fund of the **CITY OF JAMESTOWN.** At the end of the current fiscal year, unreserved fund balance of the general fund was $2,341,687. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 28.6% of total general fund expenditures. Total general fund cash at year end is $749,877.

The **CITY OF JAMESTOWN'S** general fund balance decreased by $64,803, during the current fiscal year.

The debt service funds have a total fund balance of $5,489,040, all of which is reserved for the payment of debt service.

Proprietary Funds

The **CITY OF JAMESTOWN'S** proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate financial information for the water utility, sewer utility, sanitation and solid waste, all of which are considered to be major funds of the **CITY OF JAMESTOWN.**

General Fund Budgetary Highlights

There were no changes to the original budgets for 2009. Differences between the budgeted and actual amounts in the general fund consisted of total revenues being $2,194,302 more than budgeted. This was mostly due to estate taxes and FEMA reimbursements for flood damage. The total general government expenditures were $2,807,697 more than budgeted mainly due to the flood control expenses which were not budgeted.

Capital Assets

The **CITY OF JAMESTOWN'S** investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounts to $48,022,462 (net of accumulated depreciation). This

investment in capital assets includes land, buildings, infrastructure and equipment. The total value of land owned by the City has not been determined and will be added when it can be determined.

Major capital asset events during the current fiscal year included the following:

- Approximately $380,000 was spent on the start of construction projects
- Approximately $1,300,000 was spent on acquiring equipment and vehicles

Capital Assets
(Net of Accumulated Depreciation)
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Land	$ 7,200	$ 60,000	$ 67,200
Construction in progress	451,855	120,149	572,004
Buildings	1,766,164	13,322,284	15,088,448
Infrastructure	18,445,422	10,407,143	28,852,565
Equipment	2,382,189	1,060,056	3,442,245
Total Capital Assets (Net of Depreciation)	$ 23,052,830	$ 24,969,632	$ 48,022,462

Additional information on the **CITY OF JAMESTOWN'S** capital assets can be found in note 5 on pages 30 – 33 of this report.

Long-Term Debt

At year end the City had total long-term debt of $26,176,628, a decrease of $1,267,957 over the prior year. Note 6 to the financial statements provides more detail on the City's long-term debt.

The city issued new debt for Special Assessment Refunding Improvement Bonds in the amount of $1,780,000, and Water Treatment Revenue Bonds in the amount of $108,958.

The **CITY OF JAMESTOWN** continues to receive a rating of A2 from the rating agencies for their bonds.

Table IV
Long-Term Liabilities
December 31, 2009

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	$	$ 14,046,000	$ 14,046,000
Special assessment bonds	10,217,939		10,217,839
Landfill closure costs		1,551,968	1,551,968
Compensated absences	233,414	127,307	360,721
Total	$ 10,451,353	$ 15,725,275	$ 26,176,628

Economic Factors and Next Year's Budgets and Rates

2009 construction activities included Ag Country Farm Credit Services constructing a new office building valued at $1,212,588 in the I-94 Business Park, Quality Inn completing a $600,000 renovation of their motel facility, construction of a 35 unit apartment building valued at $2,112,500 and a 62 unit apartment building valued at $4,146,000, construction of a large 124 unit storage garage facility valued at $425,000, the demolition and reconstruction of the McDonalds restaurant valued at $627,000, and construction started on a new $1,450,000 church facility. Construction of a new Regional Medical Facility continued with a total construction value to date of $22,790,000. Single family home construction continued at a modest pace.

2010 construction activities include major improvements and renovation to the City Water Treatment Plant Facility in excess of $4,000,000, construction of a chemical and seed facility by Allied Agronomy, possible construction of a medical clinic adjacent to the new Regional Medical Facility currently under construction, major renovations to the Farmers Union State Office building, a new retail facility for Mac's Hardware Supply, an office building, construction of a new facility for Buffalo City Diesel Repair, construction of approximately 12 new single family homes and continued construction on the Great River Energy coal-fired steam generation facility in the Spiritwood Energy Park.

Taxable valuations in the City for 2009 were $27,437,676, an increase of $1,320,265 or 5.1%. The mill levy for the City of Jamestown in 2009 increased by 8.47 mills to 134.96.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives to the citizens of Jamestown. If you have any questions on this report or need further information, contact the **CITY OF JAMESTOWN'S** City Administrator at 102 3rd Avenue SE, Jamestown, North Dakota 58401.

CITY OF JAMESTOWN
Stutsman County, North Dakota
Statement of Net Assets
December 31, 2009

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and equivalents	$ 12,910,032	$ 8,214,142	$ 21,124,174	$ 39,637
Certificates of deposit over three months				301,476
Accounts receivable	8,787	726,077	734,864	14,205
Internal balances	476,255	(476,255)		
Due from other governmental agencies	4,907,817		4,907,817	448,296
Prepaid expenses				2,767
Restricted cash				85,420
Property held for resale	209,398		209,398	
Capital assets				
Land and improvements not being depreciated	7,200	60,000	67,200	449,705
Construction in progress	451,855	120,149	572,004	1,078,547
Buildings	3,820,064	21,280,041	25,100,105	2,224,718
Infrastructure	30,634,887	12,920,826	43,555,713	10,062,060
Equipment	4,586,271	3,216,048	7,802,319	960,426
Other capital assets				789,569
Less: Accumulated Depreciation	(16,447,447)	(12,627,432)	(29,074,879)	(6,015,410)
Net Capital Assets	23,052,830	24,969,632	48,022,462	9,549,615
Total Assets	41,565,119	33,433,596	74,998,715	10,441,416
LIABILITIES				
Accounts payable and accrued expenses	226,782		226,782	84,409
Long-term liabilities				
Due within one year				
Bonds, capital leases and contracts	1,837,000	1,440,000	3,277,000	24,496
Due in more than one year				
Bonds, capital leases and contracts	8,380,939	14,157,968	22,538,907	51,422
Compensated absences	233,414	127,307	360,721	10,162
Total Liabilities	10,678,135	15,725,275	26,403,410	170,489
NET ASSETS				
Invested in capital assets, net of related debt	12,834,891	9,371,664	22,206,555	9,473,698
Restricted for:				
Capital projects	652,683	3,049,899	3,702,582	
Debt service	6,518,032	1,944,292	8,462,324	
Other projects	858,837	1,325,760	2,184,597	85,420
Unrestricted	10,022,541	2,016,706	12,039,247	711,809
Total Net Assets	$ 30,886,984	$ 17,708,321	$ 48,595,305	$ 10,270,927

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Statement of Activities
Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$ 805,394	$	$	$	$ (805,394)	$	$ (805,394)	$
Public safety	2,771,442	22,900	460,365	17,182	(2,270,995)		(2,270,995)	
Public works	5,374,988	86,617	2,176,159		(3,112,212)		(3,112,212)	
Flood control	2,617,728		1,990,063		(627,665)		(627,665)	
Health	45,075				(45,075)		(45,075)	
Civic center	693,318	345,691			(347,627)		(347,627)	
Interest on long-term debt	320,433				(320,433)		(320,433)	
Visitor's promotion	395,553				(395,553)		(395,553)	
Business and industrial development	884,725				(884,725)		(884,725)	
Total Governmental Activities	13,908,656	455,208	4,626,587	17,182	(8,809,679)		(8,809,679)	
Business-Type Activities								
Water utility	2,053,017	2,496,072				443,055	443,055	
Sewer utility	1,941,019	2,483,314				542,295	542,295	
Sanitation	677,678	1,234,621				556,943	556,943	
Solid waste	910,326	429,955				(480,371)	(480,371)	
Water Meter deposits	11,701	12,450				749	749	
Total Business-Type Activities	5,593,741	6,656,412				1,062,671	1,062,671	
Total Primary Government	19,502,397	7,111,620	4,626,587	17,182	(8,809,679)	1,062,671	(7,747,008)	
Component Units								
Jamestown Municipal Airport Authority	1,905,202	162,562		1,321,318				(421,322)
Alfred Dickey Public Library	393,075	8,148	18,963					(365,964)
Total Component Units	2,298,277	170,710	18,963	1,321,318				(787,286)
General Revenues:								
Taxes:								
Property taxes, levied for general purposes					2,616,818		2,616,818	614,974
Property taxes, levied for debt service					2,431,426		2,431,426	
State aid distribution					560,660		560,660	
Miscellaneous taxes					812,793		812,793	
Sales taxes					2,017,291		2,017,291	
Unrestricted investment earnings					257,629	107,554	365,183	7,618
Miscellaneous - repayment of economic development funds					4,435,987		4,435,987	
Miscellaneous					730,400		730,400	56,646
Special item - gain on sale of assets					101,173		101,173	50
Transfers					(198,315)	198,315		
Total General Revenues, Special Items, and Transfers					13,765,862	305,869	14,071,731	679,288
Change in Net Assets					4,956,183	1,368,540	6,324,723	(107,998)
Net Assets - Beginning					25,923,370	16,339,781	42,263,151	10,357,925
Prior period adjustment					7,431		7,431	21,000
Net Assets - Ending					$ 30,886,984	$ 17,708,321	$ 48,595,305	$ 10,270,927

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Balance Sheet
Governmental Funds
December 31, 2009

	General Fund	Equipment Replacement	City Sales Tax	Special Assessment Deficiency	Construction	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	$ 749,877	$ 2,603,623	$ 5,600,000	$ 110,727	$	$ 3,570,808	$ 12,635,035
Taxes receivable, net	2,078,167					1,981,594	4,059,761
Due from other funds	99,096	416,557	1,297,250	2,050,966			3,863,869
Receivable from other governments	566,922			75,918	16,262	188,953	848,055
Other receivables						8,786	8,786
Total Assets	$ 3,494,062	$ 3,020,180	$ 6,897,250	$ 2,237,611	$ 16,262	$ 5,750,141	$ 21,415,506
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 173,285	$	$	$	$ 30,433	$ 684	$ 204,402
Due to other funds					3,213,136	176,738	3,389,874
Deferred revenue	979,090					1,078,658	2,057,748
Total Liabilities	1,152,375				3,243,569	1,256,080	5,652,024
Fund Balances:							
Reserved for:							
Debt service				2,237,611		3,251,429	5,489,040
Capital projects						603,021	603,021
Economic development			6,897,250				6,897,250
Equipment replacement		3,020,180					3,020,180
Special projects						64,066	64,066
Unreserved	2,341,687				(3,227,307)		(885,620)
Unreserved, reported in non-major:							
Special revenue funds						575,545	575,545
Total Fund Balances	2,341,687	3,020,180	6,897,250	2,237,611	(3,227,307)	4,494,061	15,763,482
Total Liabilities and Fund Balances	$ 3,494,062	$ 3,020,180	$ 6,897,250	$ 2,237,611	$ 16,262	$ 5,750,141	$ 21,415,506

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2009

Total Fund Balance, Governmental Funds	$	15,763,482
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		23,262,228
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		2,057,745
The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.		254,882
Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.		(10,451,353)
Net Assets of Governmental Activities in the Statement of Net Assets	$	30,886,984

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2009

	General Fund	Equipment Replacement	City Sales Tax	Special Assessment Deficiency	Construction	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	$ 2,711,558	$	$	$	$	$ 2,449,420	$ 5,160,978
Sales and miscellaneous taxes	357,522		2,017,291			455,270	2,830,083
Fees and fines	136,025						136,025
Licenses and permits	276,559						276,559
Intergovernmental	3,984,333				641,120	582,190	5,207,643
Charges for services	368,591					86,617	455,208
Investment earnings	47,561	49,624	70,411	27,609		57,185	252,390
Miscellaneous	65,578		4,435,988	3,271	121,133	620	4,626,590
Total Revenues	7,947,727	49,624	6,523,690	30,880	762,253	3,631,302	18,945,476
EXPENDITURES							
Current:							
General government	562,095						562,095
Public safety	2,531,587					45,680	2,577,267
Public works	1,788,157	583			2,776,387	106,108	4,671,235
Health	45,075						45,075
Flood control	2,617,728						2,617,728
Civic center	627,772						627,772
Visitor's promotion						394,123	394,123
Business and industrial development			884,725				884,725
Debt Service:							
Principal						1,792,000	1,792,000
Interest and other charges						343,938	343,938
Capital outlay	8,730	568,370			260,115	510,263	1,347,478
Total Expenditures	8,181,144	568,953	884,725		3,036,502	3,192,112	15,863,436
Excess (deficiency) of revenues over expenditures	(233,417)	(519,329)	5,638,965	30,880	(2,274,249)	439,191	3,082,041
OTHER FINANCING SOURCES (USES)							
Proceeds from issue of bonds					1,740,547		1,740,547
Transfers in	608,508	422,570			132,481	37,500	1,201,059
Transfers out	(439,894)	(113,322)	(279,996)	(27,695)	(379,215)	(159,253)	(1,399,375)
Total other financing sources and uses	168,614	309,248	(279,996)	(27,695)	1,493,813	(121,753)	1,542,231
SPECIAL ITEM							
Proceeds from sale of land			117,276				117,276
Net change in fund balances	(64,803)	(210,081)	5,476,245	3,185	(780,436)	317,438	4,741,548
Fund Balances - Beginning	2,406,490	3,230,261	1,421,005	2,234,426	(2,446,871)	4,176,624	11,021,934
Fund Balances - Ending	$ 2,341,687	$ 3,020,180	$ 6,897,250	$ 2,237,611	$ (3,227,307)	$ 4,494,061	$ 15,763,482

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds:	$	4,741,548
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation $938,647 exceeded capital outlays $1,347,478 in the current period.		408,831
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.		(16,103)
Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.		(112,732)
Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which net proceeds exceeded repayments.		51,453
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, it also includes the amortization of bond issue costs		(29,234)
Some expenses reported in the statement of activities do not require the use of current financial resources, such as compensated absences, and these are not reported as expenditures in governmental funds.		(26,027)
Internal service funds are used by management to charge the costs of certain activities, such as health care, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		(61,553)
Change in Net Assets of Governmental Activities	$	4,956,183

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Statement of Net Assets
Proprietary Funds
December 31, 2009

	Enterprise Funds						
	Water Utility	Sewer Utility	Sanitation	Solid Waste	Water Meter Deposits	Total	Internal Service Funds
ASSETS							
Current assets:							
Cash and cash equivalents	$ 1,526,906	$ 3,614,945	$ 500,000	$ 2,451,487	$ 120,803	$ 8,214,141	$ 275,000
Accounts receivable, net	273,009	324,407	128,662			726,078	
Total Current Assets	1,799,915	3,939,352	628,662	2,451,487	120,803	8,940,219	275,000
Non-current assets:							
Capital assets:							
Land				60,000		60,000	
Construction in progress	120,149					120,149	
Infrastructure	6,018,291	5,924,730	977,805			12,920,826	
Buildings	3,042,329	5,991,260	2,618,701	9,627,751		21,280,041	
Equipment and furniture	320,867	1,093,472	492,732	1,308,977		3,216,048	
Less accumulated depreciation	(3,811,745)	(4,038,033)	(1,173,832)	(3,603,822)		(12,627,432)	
Total non-current assets	5,689,891	8,971,429	2,915,406	7,392,906		24,969,632	
Total Assets	7,489,806	12,910,781	3,544,068	9,844,393	120,803	33,909,851	275,000
LIABILITIES							
Current Liabilities:							
Due to other funds			455,884			455,884	18,109
Accrued health insurance benefits							22,379
Bonds, notes and loans payable	285,000	965,000		190,000		1,440,000	
Total Current Liabilities	285,000	965,000	455,884	190,000		1,895,884	40,488
Non-current liabilities:							
Compensated absences	59,880	27,453	21,096	18,877		127,306	
Closure and postclosure costs				1,551,968		1,551,968	
Bonds, notes and loans payable	4,155,000	7,156,000		1,295,000		12,606,000	
Total non-current liabilities	4,214,880	7,183,453	21,096	2,865,845		14,285,274	
Total Liabilities	4,499,880	8,148,453	476,980	3,055,845		16,181,158	40,488
NET ASSETS							
Invested in capital assets, net of related debt	1,249,891	850,429	2,915,406	4,355,938		9,371,664	
Restricted for debt service	482,456	1,234,981		226,855		1,944,292	
Restricted for capital projects	990,723	1,615,138		444,038		3,049,899	
Restricted for other purposes				1,325,760		1,325,760	
Unrestricted	266,856	1,061,780	151,682	435,957	120,803	2,037,078	234,512
Total Net Assets	$ 2,989,926	$ 4,762,328	$ 3,067,088	$ 6,788,548	$ 120,803	$ 17,728,693	$ 234,512

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2009

	Enterprise Funds						
	Water Utility	Sewer Utility	Sanitation	Solid Waste	Water Meter Deposits	Total	Internal Service Funds
OPERATING REVENUES							
Charges for services	$ 2,492,897	$ 2,477,523	$ 1,234,075	$ 419,040	$	$ 6,623,535	$ 672,375
Miscellaneous	3,176	5,793	547	10,915	12,450	32,881	
Total Operating Revenues	2,496,073	2,483,316	1,234,622	429,955	12,450	6,656,416	672,375
OPERATING EXPENSES							
Personal services	912,395	538,177	438,369	385,526		2,274,467	
Contractual services	55,662	58,730	44,588	26,222		185,202	
Utilities	170,158	353,652		43,187		566,997	
Repairs and maintenance	190,587	326,060	1,395	82,253		600,295	
Other supplies and expenses	377,222	122,735	69,294	47,885		617,136	
Insurance claims and expenses	16,046		4,591	6,338		26,975	759,637
Sundry expenses	24,820	44,198	4	27,398	11,702	108,122	
Depreciation	184,544	266,565	114,398	246,027		811,534	
Total Operating Expenses	1,931,434	1,710,117	672,639	864,836	11,702	5,190,728	759,637
Operating Income (Loss)	564,639	773,199	561,983	(434,881)	748	1,465,688	(87,262)
NON-OPERATING REVENUES (EXPENSES)							
Interest and investment revenue	21,762	50,645	2,311	31,486	1,350	107,554	5,240
Interest expense	(114,293)	(226,600)		(41,750)		(382,643)	
Net non-operating revenues (expenses)	(92,531)	(175,955)	2,311	(10,264)	1,350	(275,089)	5,240
Income (loss) before contributions and transfers	472,108	597,244	564,294	(445,145)	2,098	1,190,599	(82,022)
Transfers in	188,097	296,654		864,003		1,348,754	
Transfers out	(328,340)	(97,210)	(676,848)	(48,040)		(1,150,438)	
Change in net assets	331,865	796,688	(112,554)	370,818	2,098	1,388,915	(82,022)
Total net assets - beginning	2,658,061	3,965,640	3,179,642	6,417,730	118,705	16,339,778	316,534
Total net assets - ending	$ 2,989,926	$ 4,762,328	$ 3,067,088	$ 6,788,548	$ 120,803	$ 17,728,693	$ 234,512

Change in net assets, per above	1,388,915
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with Business Activities.	(20,375)
Change in Business-Type Activities in Net Assets per Government-Wide Financial Statements	$ 1,368,540

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2009

	Enterprise Funds						
	Water Utility	Sewer Utility	Sanitation	Solid Waste	Water Meter Deposits	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 2,444,614	$ 2,373,943	$1,231,586	$ 419,040	$ 12,450	$6,481,633	$ 672,375
Payments to suppliers	(872,688)	(905,374)	(115,281)	(209,531)	(11,702)	(2,114,576)	
Payments to employees	(900,382)	(536,572)	(435,303)	(383,221)		(2,255,478)	
Payments on claims	(16,046)		(4,591)	(6,338)		(26,975)	(792,358)
Internal activity - payment from (to) other funds	161,019	286,402	349,900	579,140	18,705	1,395,166	54,743
Other receipts	3,176	5,793	547	10,915		20,431	
Net Cash Provided by (Used in) Operating Activities	819,693	1,224,192	1,026,858	410,005	19,453	3,500,201	(65,240)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfer in	188,097	296,654		864,003		1,348,754	
Transfers out	(328,340)	(97,210)	(676,848)	(48,040)		(1,150,438)	
Net Cash Provided by (Used in) Noncapital Financing Activities	(140,243)	199,444	(676,848)	815,963		198,316	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition & construction of capital assets	(137,155)	(20,606)	(2,321)	(134,217)		(294,299)	
Proceeds from issue of capital debt	108,958					108,958	
Principal paid on capital debt	(286,816)	(943,000)		(185,000)		(1,414,816)	
Interest paid on capital debt	(114,293)	(226,600)		(41,750)		(382,643)	
Net Cash Used in Capital and Related Financing Activities	(429,306)	(1,190,206)	(2,321)	(360,967)		(1,982,800)	
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends	21,762	50,645	2,311	31,486	1,350	107,554	5,240
Net Cash Provided by Investing Activities	21,762	50,645	2,311	31,486	1,350	107,554	5,240
Net increase (decrease) in cash and cash equivalents	271,906	284,075	350,000	896,487	20,803	1,823,272	(60,000)
Cash and cash equivalents, January 1	1,255,000	3,330,870	150,000	1,555,000	100,000	6,390,870	335,000
Cash and cash equivalents, December 31	$ 1,526,906	$ 3,614,945	$ 500,000	$ 2,451,487	$ 120,803	$8,214,141	$ 275,000
RECONCILIATION OF OPERATING INCOME LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES							
Operating Income (Loss)	$ 564,639	$ 773,199	$ 561,983	$ (434,881)	$ 748	$1,465,688	$ (87,262)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation expense	184,544	266,565	114,398	246,027		811,534	
Change in Assets and Liabilities							
Receivables, net	(48,283)	(103,579)	(2,489)			(154,351)	
Due to (from) other funds	161,019	286,402	349,900	579,140	18,705	1,395,166	54,743
Accounts payable	(54,239)			17,414		(36,825)	(32,721)
Compensated absences	12,013	1,605	3,066	2,305		18,989	
Net Cash Provided by (Used in) Operating Activities	$ 819,693	$ 1,224,192	$1,026,858	$ 410,005	$ 19,453	$3,500,201	$ (65,240)

The accompanying notes are an integral part of these financial statements

CITY OF JAMESTOWN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 90,308
Receivables:	
Due from other governments	424,437
Total Assets	514,745
LIABILITIES	
Due to other governments	514,745
Total Liabilities	$ 514,745
NET ASSETS	
Held in trust for benefits and other purposes	

The accompanying notes are an integral part of these financial statements

1. Summary of Significant Accounting Policies

The City's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The City's government-wide financial statements apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The City's more significant accounting policies are described below.

A. Description of the Reporting Entity

CITY OF JAMESTOWN is a municipal corporation governed by an elected five member council. As of 1978, the City adopted a home rule charter.

B. Reporting Entity

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The Jamestown Regional Airport Authority operates the City's airport facility. The Authority's budget is subject to approval by the city council.

The Alfred Dickey Public Library operates the City's public library. The Library's budget is subject to approval by the city council.

The component unit condensed financial information reflects these discretely presented units. Complete financial statements for each of the individual component units may by obtained from their respective administrative offices as follows:

Administrative Offices

Jamestown Regional Airport Authority Jamestown Airport Jamestown, ND 58401	Alfred Dickey Public Library 105 SE 3rd Jamestown, ND 58401

Governmental accounting standards require reasonable separation between the primary government (including its blended component units) and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note references or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable to the City and to its component units.

B. Reporting Entity – continued

Condensed Component Unit Financial Statements

	Jamestown Regional Airport Authority	Alfred Dickey Public Library
ASSETS		
Current assets	$ 283,493	$ 608,307
Capital assets	9,125,766	423,850
Total Assets	9,409,259	1,032,157
LIABILITIES		
Current liabilities	103,092	5,813
Long-term liabilities	51,422	10,162
Total Liabilities	154,514	15,975
NET ASSETS		
Invested in capital assets	9,049,848	423,850
Restricted		85,420
Unrestricted	204,897	506,912
Total Net Assets	$ 9,254,745	$ 1,016,182
REVENUES		
Program Revenues		
Charges for services	$ 162,562	$ 8,148
Operating grants and contributions		18,963
Capital grants	1,321,318	
General revenues		
Property taxes	179,184	435,790
Other revenues	58,753	5,561
Total Revenues	1,721,817	468,462
EXPENDITURES		
Operating	950,954	304,466
Projects and materials	954,248	88,609
Total Expenditures	1,905,202	393,075
Change in Net Assets	(183,385)	75,387
Prior period adjustment	21,000	
Net Assets beginning of year	9,417,130	940,795
Net Assets end of year	$ 9,254,745	$ 1,016,182

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are

C. Basis of Presentation – continued

financed through taxes, intergovernmental revenues and other non exchange revenues. Business-type activities are financed in whole or in part by fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include (1) fines, fees and charges for services to customers that benefit from the services provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. General revenues, including taxes, are those revenues that are not properly classified as program revenue.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues and expenditures.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund or meets the following criteria:

1. Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and

2. Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

3. In addition, any other governmental fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Governmental Funds

Governmental funds are utilized to account for most of the City's governmental functions. The City's major governmental funds are as follows:

General Fund - The General Fund is the operating fund of the City and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Basis of Presentation – continued

Equipment Replacement Fund - This fund is used to account for the transfer of monies from the different funds to finance the purchase of major equipment.

City Sales Tax Fund - This fund is used to account for the portion of sales tax collections dedicated to economic development and payments are made towards economic development projects.

Special Assessment Deficiency Fund - This fund is used to account for the sale of lots received for tax deficiencies and pay off the taxes due on the associated lots.

Construction Fund –This fund is used to account for the issue of bonds and the construction of major construction projects for the City.

The City reports the following major enterprise funds:

Water Utility Fund – This fund is used to account for the provision of water services to the residents of the City.

Sewer Utility Fund – This fund is used to account for the provision of sewer services to the residents of the City.

Sanitation Fund – This fund is used to account for the provision of garbage pickup services to the residents of the City.

Solid Waste Fund – This fund is used to account for the provision of landfill services to the residents of the City.

In addition, the City reports the following fund types:

Internal Service Fund – These funds are used to account for services provided to other City departments, or other governments, on a cost reimbursement basis. The Health Insurance Fund is used to account for the cost of providing health insurance to City employees.

Agency Funds – These funds are used to account for assets held by the City as agent for other individuals, private organizations, or other governmental units and /or funds.

D. Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The City's internal service fund also uses the accrual basis of accounting.

D. Basis of Accounting – continued

Governmental funds and agency funds follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of its fiscal year. Expenditures are recorded when the related fund liability is incurred, except for interest not matured on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property tax revenue is recorded as revenue in the year the tax is levied in the government-wide financial statements. Property tax revenues in the governmental funds are recorded when it becomes available.

Property taxes are levied and certified no later than October 10 and the property taxes attach as an enforceable lien on property as of January 1 and are due and payable at that time. The first installment of taxes becomes delinquent March 1 and the second installment on October 15. The taxes are collected by the County Treasurer and remitted to the City on a monthly basis.

State general and categorical aids and other entitlements are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred revenue. Amounts received prior to the entitlement period are also recorded as deferred revenue.

Revenues susceptible to accrual include property taxes, expenditure-driven grant programs, and interest income. Fines, permits and fees are not susceptible to accrual because they are not measurable until received in cash.

For governmental fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arises when resources are received before the City has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

E. Measurement Focus

On the government-wide Statement of Net Assets and Statement of Activities governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

E. Measurement Focus – continued

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds, and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity.

Liabilities for claims, judgments, compensated absences and pension contributions that will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

G. Deposits and Investments

The City maintains deposits at depository banks that are members of the Federal Reserve System. North Dakota laws require all public deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentality's, all bonds and notes guaranteed by the United States government, federal land bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies, or instrumentality's, or by any county, city, township, school district, park district, or other political subdivision of the State of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing body, and bonds issued by any other state of the United States or such other securities approved by the banking board.

Interest rate risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. North Dakota State Statute limits political subdivisions to invest their surplus funds in:

1. Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentality's, or organizations created by an act of Congress.

G. Deposits and Investments - continued

2. Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above.

3. Certificates of deposit fully insured by the Federal Deposit Insurance Corporation or by the state.

4. Obligations of the state.

The City has no investments other than demand and time deposits.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2009, the City's deposits were not fully insured or collateralized with securities held by the financial institutions in the City's name. (See note 2)

H. Cash Flow Information

The City considers cash and cash equivalents in proprietary funds for purposes of the statement of cash flows to be cash on hand, demand deposits and all highly liquid investments with a maturity of three months or less to be cash equivalents.

I. Capital Assets

Government-Wide Statements

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported as assets in the fund financial statements. All capital assets are recorded at cost (or estimated historical cost). The assets are updated for additions and retirements during the City's year. The City has established a capitalization threshold of $5,000 and having a useful life in excess of two years. Donated capital assets are recorded at their fair market value at the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The City's land and construction in progress are capitalized but are not depreciated. All the remaining capital assets are depreciated over their estimated useful lives on a straight-line basis. The City has established the following useful lives:

Buildings	25 to 50 years
Infrastructure	50 to 60 years
Equipment	5 to 20 years
Other capital assets	10 years

I. Capital Assets - continued

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

J. Long-Term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide financial statements. The long-term debt consists primarily of bonds and compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources. The payment of principal and interest are reported as expenditures.

K. Compensated Absences

The City allows employees to accumulate up to a maximum of 960 hours of sick leave. On termination no payment is made for unused sick leave. Vacation can be carried over up to 40 hours per year. Any vacation not taken is paid for upon termination. The amount to be paid from current resources is not significant.

L. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

1. Invested in capital asset, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt.

2. Restricted net assets – consists of net assets with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, b) law through constitutional provisions or enabling legislation.

3. Unrestricted net assets – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

L. Equity Classifications - continued

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is reserved and unreserved, with unreserved further split between designated and undesignated. Reserved fund balances represent amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative management plans that are subject to change. Undesignated fund balance amounts represent amounts available for use in future periods.

2. Cash and Cash Equivalents

The City maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and cash equivalents." The following summary presents the amount of the City's deposits which are fully insured or collateralized with securities held by the City or its agent in the City's name (category 1), those deposits which are collateralized with securities held by the pledging financial institutions trust department or agent in the City's name (category 2), and those deposits which are not collateralized (category 3) at December 31, 2009. The City's cash on hand of $1,130 and the component unit's cash on hand of $334 have been excluded from the amounts shown below.

Primary Government	Category 1	Category 2	Category 3	Bank Balance	Carrying Amount
Cash deposits	$ 482,046	$ 2,336,522	$1,134,614	$ 2,920,367	$ 2,458,043
Certificates of deposit	500,000	21,009,235		18,665,000	18,665,000
Fiduciary funds	90,308			90,308	90,308
Component funds	455,757			455,757	426,199
Total Deposits	$ 1,528,111	$ 23,345,757	$1,134,614	$ 22,131,432	$21,639,550

3. Interfund Receivables, Payables and Transfers

Cash of all funds is commingled into pooled cash. Separate cash balances are maintained for each fund in the records of the City. When a fund overdraws its share of pooled cash it is shown as a liability of that fund and a receivable of a fund with a positive cash balance since the actual deficit balance in any particular fund is not a bank deficit balance.

Balances due to/from other funds at December 31, 2009, consist of the following:

Due to the General fund from the Construction Fund	$ 99,096
Due to the Equipment Replacement Fund from the Construction Fund	416,557
Due to the City Sales Tax Fund from the Construction Fund	1,120,510
Due to the City Sales Tax Fund from other governmental funds	176,738
Due to the Special Assessment Deficiency Fund from the Construction Fund	2,050,966
Due from Business Type Activities to the Construction Fund	(473,993)
	$ 3,389,874

3. Interfund Receivables, Payables and Transfers - continued

Transfers to/from other funds at December 31, 2009, consist of the following:

From the Construction Fund to the General Fund to reimburse engineering fees	$ 167,327
From the General Fund to the Equipment Replacement Fund to finance equipment purchases	275,315
From other governmental funds to the General Fund to close out certain funds	83,908
From Business-Type Activities to the Equipment Replacement Fund to finance equipment purchases	144,370
From other governmental funds to the Equipment Replacement Fund to finance equipment purchases	2,885
From other governmental funds to Business-Type Activities to purchase radios	48,937
Between Business-Type Activities to fund Solid Waste	732,110
From City Sales Tax to fund Wastewater Treatment	279,996
From equipment replacement to Business-Type Activities for equipment purchases	113,322
From Construction to Business-type Activities for construction projects	174,388
From other governmental funds to the Construction Fund to finance project	23,523
From Construction to other governmental funds for bonds	37,500
From Civic Center to General Fund to record revenues generated	164,579
From Business-Type Activities to Construction to partially fund new water wells	108,958
From Business-Type Activities to General Fund as budgeted	165,000
From Special Assessment Deficiency to General Fund to transfer interest	27,695
	$ 2,549,813

4. Property Held for Resale

Property held for resale was obtained in the settlement of litigation. The property is being held only for resale. The property is currently valued at cost.

5. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

Primary Government

Governmental Activities	12/31/08	Additions	Deletions	12/31/09
Capital assets not being depreciated				
Land	$ 7,200	$	$	$ 7,200
Construction in progress	191,740	260,115		451,855
Total capital assets not being depreciated	198,940	260,115		459,055
Capital assets being depreciated				
Buildings	3,820,064			3,820,064
Infrastructure	30,634,887			30,634,887
Equipment	3,818,813	1,173,698	406,240	4,586,271
Total capital assets being depreciated	38,273,764	1,173,698	406,240	39,041,222

5. Capital Assets - continued

	12/31/08	Additions	Deletions	12/31/09
Less accumulated depreciation for:				
Buildings	1,977,356	76,545		2,053,901
Infrastructure	11,671,604	517,861		12,189,465
Equipment	2,163,141	344,242	303,302	2,204,081
Total accumulated depreciation	15,812,101	938,648	303,302	16,447,447
Net capital assets being depreciated	22,461,663	235,050	102,938	22,593,775
Governmental Activities capital assets, net	$22,660,603	$ 495,165	$ 102,938	$23,052,830
Business-Type Activities				
Capital assets not being depreciated				
Land	$ 60,000	$	$	$ 60,000
Construction in progress		120,149		120,149
Total capital assets not being depreciated	60,000	120,149		180,149
Capital assets being depreciated				
Buildings	21,280,041			21,280,041
Infrastructure	12,920,826			12,920,826
Equipment	3,041,901	174,147		3,216,048
Total capital assets being depreciated	37,242,768	174,147		37,416,915
Less accumulated depreciation				
Buildings	7,545,144	412,614		7,957,758
Infrastructure	2,295,076	218,607		2,513,683
Equipment	1,975,678	180,313		2,155,991
Total accumulated depreciation	11,815,898	811,534		12,627,432
Net capital assets being depreciated	25,426,870	(637,387)		24,789,483
Business-Type Activities capital assets, net	$25,486,870	$ (517,238)	$	$ 24,969,632

Discretely Presented Component Units

Activity for Jamestown Municipal Airport Authority for the year ended December 31, 2009 follows:

	12/31/08	Additions	Deletions	12/31/09
Capital assets not being depreciated				
Land	$ 443,705	$	$	$ 443,705
Construction in progress	697,009	329,892		1,026,901
Total capital assets not being depreciated	1,140,714	329,892		1,470,606

5. Capital Assets - continued

	12/31/08	Additions	Deletions	12/31/09
Capital assets being depreciated				
Infrastructure	10,062,060			10,062,060
Buildings	1,906,825			1,906,825
Equipment	826,560	17,435		843,995
Total capital assets being depreciated	12,795,445	17,435		12,812,880
Less accumulated depreciation for:				
Infrastructure	4,142,706	374,911		4,517,617
Buildings	205,738	36,469		242,207
Equipment	362,826	35,070		397,896
Total accumulated depreciation	4,711,270	446,450		5,157,720
Net capital assets being depreciated,	8,084,175	(429,015)		7,655,160
Capital Assets, Net	$9,224,889	$ (99,123)	$	$ 9,125,766

Activity for Alfred Dickey Public Library for the year ended December 31, 2009 follows:

	12/31/08	Additions	Deletions	12/31/09
Capital assets not being depreciated				
Land	$ 6,000	$	$	$ 6,000
Prepaid building costs	45,752	5,895		51,647
Total capital assets not being depreciated	51,752	5,895		57,647
Capital assets being depreciated				
Building	317,893			317,893
Equipment	115,855	576		116,431
Books, periodicals and audiovisual	753,405	80,484	44,320	789,569
Total capital assets being depreciated	1,187,153	81,060	44,320	1,223,893
Less accumulated depreciation for:				
Building	273,576	4,290		277,866
Equipment	97,328	7,409		104,737
Books, periodicals and audiovisual	451,009	68,398	44,320	475,087
Total accumulated depreciation	821,913	80,097	44,320	857,690
Net capital assets being depreciated	365,240	963		366,203
Capital assets, net	$ 416,992	$ 6,858	$	$ 423,850

5. Capital Assets - continued

Depreciation expense by function:

Governmental Activities		Business-Type Activities	
General government	$ 28,128	Water utility	$ 184,544
Public safety	161,649	Sewer utility	266,565
Public works	688,401	Sanitation	114,398
Civic center	60,470	Solid waste	246,027
Total	$ 938,648	Total	$ 811,534

6. Long-Term Obligations

Governmental activities include the following types of long-term debt:

Special assessment bonds are issued to provide for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking fund that has been set up to accumulate the taxes collected by the County from the property owners who directly benefit from each project.

Refunding Improvement Bonds

$1,865,000 2001 Series H bonds due in annual installments of $20,000 to $240,000 through May 1, 2016, interest at 4.0% to 5.0%	$ 180,000
$750,000 2002 Series J bonds due in annual installments of $50,000 to $55,000 through May 1, 2017, interest at 2.0% to 4.30%	400,000
$1,310,000 2003 Series K bonds due in annual installments of $20,000 to $355,000 through May 1, 2011, interest at 1.15% to 3.4%	40,000
$1,325,000 2003 Series L bonds due in annual installments of $190,000 through May 1, 2010, interest at 1.25% to 2.90%	190,000
$737,990 Series 1999A water treatment assessment due in annual installments of $50,000 to $60,000 through September 1, 2014, interest at 2.5%	295,000
$454,641 Series 1999B clean water assessment due in annual installments of $30,000 to $35,000 through September 1, 2014, interest at 2.5%	175,000
$1,135,000 2004 Series M bonds due in annual installments of $155,000 to $160,000 through May 1, 2011, interest at 1.45% to 3.40%	320,000
$1,145,000 2005 Series N bonds due in annual installments of $30,000 to $175,000 through May 1, 2020, interest at 3.125% to 4.000%	775,000

6. Long-Term Obligations - continued

$1,309,568 Wastewater Treatment Assessment Warrant of 2004 due in annual installments of $55,000 to $85,000 through September 1, 2024, interest at 2.5%	1,080,000
$1,820,000 2006 Series O bonds due in annual installments of $10,000 to $250,000 through May 1, 2021, interest at 4.0% to 4.4%	1,095,000
$1,520,000 2007 Series P bonds due in annual installments of $200,000 to $220,000 through May 1, 2014, interest at 3.75%	1,100,000
$1,467,998 2007B improvements bonds replace sanitary sewer mains due in annual installments of $74,998 to $79,000 through September 1, 2026, interest at 2.5%	1,316,000
$1,875,000 2008 Series Q bonds due in annual installments of $235,000 to $375,000 through May 1, 2015, interest at 2.20% to 3.25%	1,640,000
$1,780,000 2009 Series R bonds due in annual installments of $235,000 to $255,000 through May 1, 2016, interest at 1.25% to 3.000%	1,780,000
	$ 10,386,000

Business-Type activities include the following types of long-term debt:

Revenue bonds are backed by the revenues from the Enterprise Funds to pay the debt service.

Revenue Bonds

$1,581,406 water treatment bonds of 1993 due in annual installments of $75,000 to $95,000 through October 1, 2014, interest at 2.5%	$ 455,000
$1,214,702 solid waste treatment bonds of 1993 due in annual installments of $60,000 to $80,000 through October 14, 2015, interest at 2.5%	445,000
$9,375,000 waste water treatment bonds of 1996 (series A) exempt, due in annual installments of $450,000 to $585,000 through September 1, 2016, interest at 2.5%	3,820,000
$6,925,000 waste water treatment bonds of 1996 (series B) taxable, due in annual installments of $330,000 to $435,000 through September 1, 2016, interest at 2.5%	2,825,000
$2,277,487 solid waste treatment bonds of 1997 due in annual installments of $105,000 to $140,000 through September 1, 2017, interest at 2.5%	1,040,000

6. Long-Term Obligations - continued

$370,000 water and sewer revenue bonds of 2002 due in annual installments of $20,000 to $30,000 through September 1, 2016, interest at 2.5%	190,000
$2,534,604 water treatment revenue bonds of 2005 due in annual installments of $104,604 to $155,000 through September 1, 2025, interest at 2.5%	2,100,000
$1,475,346 master lift station revenue bonds of 2005 due in annual installments of $57,346 to $93,000 through September 1, 2026, interest at 2.5%	1,286,000
$2,388,000 water treatment revenue bonds of 2007, due in annual installments of $90,000 to $135,000 through September 1, 2026 interest at 2.5%	1,885,000
	$ 14,046,000

Conduit Debt. From time to time, the City has issued Municipal Industrial Development Act Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2009, the aggregate principal amount payable for the six outstanding series issued is $8,591,200.

The following is a summary of long-term obligation transactions for the year ended December 31, 2009:

	12/31/08	Additions	Reductions	12/31/09	Due Within One Year
Governmental Activities					
Long-term debt					
Special assessment bonds	$10,398,000	$ 1,780,000	$ 1,792,000	$ 10,386,000	$ 1,837,000
Special assessment warrants	2,310		2,310		
Issue costs	(157,841)	(39,453)	(29,233)	(168,061)	
Total Long-Term Debt	10,242,469	1,740,547	1,765,077	10,217,939	1,837,000
Compensated absences	207,387	26,027		233,414	
Governmental Activities Long Term Liabilities	$ 10,449,856	$1,766,574	$1,765,077	$10,451,353	$ 1,837,000

6. Long-Term Obligations - continued

	12/31/08	Additions	Reductions	12/31/09	Due Within One Year
Business-Type Activities					
Long-term debt					
Revenue bonds	$ 15,351,858	$ 108,958	$1,414,816	$14,046,000	$1,440,000
Landfill closure costs	1,534,554	17,414		1,551,968	
Compensated absences	108,317	18,990		127,307	
Business-Type Activities Long Term Liabilities	$ 16,994,729	$ 145,362	$1,414,816	$15,725,275	$1,440,000

Annual debt service requirements to maturity (not including compensated absences) are as follows:

	Governmental Activities Special Assessment Bonds		Business-Type Activities Revenue Bonds	
Year Ending	Principal	Interest	Principal	Interest
2010	$ 1,837,000	$ 301,330	$ 1,440,000	$ 418,270
2011	1,672,000	248,343	1,477,000	374,951
2012	1,467,000	199,502	1,513,000	330,514
2013	1,337,000	154,669	1,545,000	285,020
2014	1,102,000	115,532	1,586,000	238,541
2015 – 2019	1,965,000	276,350	4,120,000	608,975
2020 – 2024	849,000	95,425	1,761,000	249,123
2025 - 2026	157,000	6,688	604,000	24,112
Total	$ 10,386,000	$ 1,397,839	$ 14,046,000	$ 2,529,506

7. Pension Plan

A. Plan Description

The City provides pension benefits for employees of the City including Park Board employees but excluding employees of the Alfred Dickey Public Library, through the Retirement Plan of the City of Jamestown (single employer plan).

All employees who are employed for more than 20 hours a week and more than five months a year, with one year of continuous service, are eligible to participate. Benefits are 50% vested at five years of credited service and thereafter an additional 10% per year until they are 100% vested at 10 years of service.

A member may retire with an age and service benefit after completing 25 years of credited service and attaining the normal retirement age of 65. The retirement benefit for employees terminating after January 1, 1998, payable monthly for life equals 1.2% of a member's average monthly earnings multiplied by credited service (maximum 30). For those participant's that are age 60 or older as of January 1, 1998,

7. Pension Plan - continued

their benefit will be the greater of the benefit calculated as stated previously or 60% of average monthly earnings minus 75% of his social security benefit, reduced 1/25 for each year of credited service less than 25 at normal retirement date. The minimum benefit shall be the accrued benefit under the old benefit formula as of January 1, 1998. If a member has less than 25 years of credited service the benefit is determined by taking the above formula times the fraction of the years of credited service divided by 25. A member's average monthly earnings is the average pay over the highest five consecutive years of employment. A member may retire early and receive a percentage of the accrued benefit based on the number of years retired early as long as the member has earned at least ten years credited service, is within ten years of normal retirement, and has the employer's approval.

Benefit provisions and all other requirements are established by City ordinance. Employees are not required to contribute to the Plan. The City is required to make all contributions necessary to fund the Plan using the actuarial basis specified by City ordinance. There are no related party transactions.

B. Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Plan on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Plan.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 2010. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7% a year compounded annually, (b) projected salary increases of 4% a year compounded annually, attributable to inflation, and (c) no post retirement benefit increases.

Accumulated pension benefit obligation in excess of assets was $944,117 at December 31, 2009, as follows:

	January 1, 2010
Accumulated pension benefit obligation:	$
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	2,163,034
Current employees	
100% vested	3,974,324
Non vested	10,645
Total pension benefit obligation	6,148,003
Net assets available for benefits at market (cost unavailable)	5,203,886
Accumulated pension benefit obligation in excess of assets	$ 944,117

7. Pension Plan - continued

Effective January 1, 2009, the actuarial cost method changed from the entry age normal with 10 year level dollar amortization cost method to entry age normal with closed 30 year level dollar amortization method and the mortality tables changed from 1983 Group Annuity Mortality table to RP2000 combined healthy mortality table. Effective January 1, 2010, the actuarial cost method will be changed to entry age normal with closed 10 year level dollar amortization. Effective January 1, 2008, The City began participation in the North Dakota Public Employees Retirement System. Employees were allowed to transfer to the ND PERS at that time.

C. Actuarially Determined Contribution Requirements and Contributions Made

The Plan's funding policy provides for actuarially determined periodic contributions at rates necessary to accumulate sufficient assets to pay benefits when due.

The significant actuarial assumptions used to compute the actuarially determined contribution rate are the same as those used to compute the pension benefit obligation as described in B above.

The contributions to the Plan of $123,358 for 2010 will be made in accordance with actuarially determined requirements computed through actuarial valuations performed as of January 1, 2010. The contribution, made entirely by the City, consists of normal costs plus amortization of any unfunded liability and was 3.05% of current covered payroll for 2009.

D. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten year trend information may be found on page 47 of the City's financial statements. For the three years ended 2009, 2008 and 2007, available assets were sufficient to fund 96, 90, and 112 percent, respectively, of the pension benefit obligation. The Plan went from an underfunded plan of $589,210 in 2008 to an underfunded plan of $944,117 in 2009. There was no unfunded pension benefit obligation for the year ending 2007. The City's contributions for the years ended 2009, 2008 and 2007 were 3.05, 11.15, and 3.69 percent, respectively, of annual covered payroll, all made in accordance with actuarially determined requirements.

8. North Dakota Public Employees Retirement System

The City participates in the North Dakota Public Employees' Retirement System (NDPERS) administered by the State of North Dakota. Following is a brief description of the plan.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan covering substantially all classified employees of the City. The plan provides retirement, disability and death benefits. If an active employee dies with less than three years of credited service, a death benefit equal to the value of the employee's accumulated contributions, plus interest, is paid to the employee's beneficiary. If the employee has earned more than three years of credited service, the surviving spouse will be entitled to a single payment refund, lifetime monthly payments in an amount equal to 50% of the employee's accrued

8. North Dakota Public Employees Retirement System - continued

normal retirement benefit, 60 monthly payments equal to the employee's accrued normal retirement benefit calculated as if the employee were age 65 the day before death occurred or monthly payments in an amount equal to the employees' accrued 100% joint and survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the employee's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible employees who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits that are equal to 25% of their final average salary with a minimum benefit of $100. To qualify under this section, the employee must meet the criteria established by the Retirement Board for being considered totally disable.

Employees are entitled to unreduced monthly pension benefits equal to 2.0% of their final average salary for each year of service beginning when the sum of age and years of credited service equal or exceed 85, or at normal retirement age (65). The plan permits early retirement at ages 55-64, with three or more years of service.

Benefit and contribution provisions are administered in accordance with chapter 54-52 of the North Dakota Century Code. This state statute requires that 4% of the participant's salary be contributed to the plan by either the employee or by the employer under a "salary reduction" agreement. The City has not elected to implement a salary reduction agreement. The City is required to contribute 4.12% of each participant's salary as the employer share. In addition to the 4.12% employer contribution the employer is required to contribute 1% of each participating employee's gross wage to a prefunded retiree health insurance program. The required contributions are determined using an entry age normal actuarial funding method and are included in state statute. The North Dakota Retirement Board was created by the State Legislature and is the governing authority of NDPERS. The City's required and actual contributions to NDPERS for the years ended December 31, 2009 and 2008 were $164,204 and $142,095, respectively. This is the second year of the City's participation in NDPERS.

NDPERS issues a publicly available financial report that includes financial statements and the required supplementary information for NDPERS. That report may be obtained by writing to NDPERS; 400 East Broadway, Suite 505; PO Box 1657; Bismarck, ND 58502-1657.

9. Cobra Benefits

Under the Consolidated Omnibus Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured before the first day of the month for the actual month covered. This program is offered for a period of 18 months after the employee's termination date. There is no cost to the City.

10. Risk Management

The City is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; health care of its employees and natural disasters. The City is self insured for employee health insurance. The City has established a separate fund to account for this activity: Group Health Insurance. Each participating fund makes payments to the group health insurance fund. Such payments are displayed on the financial statement as revenues and expenditures/expenses to the extent that the charge to the other funds is based on the actual expenses of the funds plus an additional amount for catastrophic losses. Payments in excess of these amounts, if any, are reported as operating transfers.

The City has contracted with third party administrators (TPAS) to administer the employee health insurance programs and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop loss coverage to limit the City's exposure to losses. The specific and aggregate stop loss coverage is as follows:

Health insurance – The City is self-insured for $20,000 per individual per year with the aggregate stop loss attachment point of 120% of expected plan benefits incurred during the contract year.

A reconciliation of claims payable for the years ended December 31, 2009 and 2008, is as follows:

	2009	2008
Claims payable, January 1	$ 55,100	$ 25,898
Add: Claims incurred	488,456	366,047
Less: Claims paid	(521,177)	(336,845)
Claims payable, December 31	$ 22,379	$ 55,100

Claims payable are based on claims paid in January, February and March of 2010 for claims incurred in 2009.

The City participates in the North Dakota Insurance Reserve Fund (NDIRF) entity risk pool established by certain municipalities ("Members") to provide liability coverage. The City's payments to NDIRF are displayed on the financial statements as expenditures/expenses in the appropriate funds.

The purpose of the NDIRF is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the Members and other parties included within the scope of coverage of the NDIRF.

The city does not exercise any control over the activities of the NDIRF.

The City's risk for workers' compensation is covered by premiums paid to the North Dakota Workforce Safety and Insurance. It was created by the Legislature of the State of North Dakota. The City's risk for property coverage is covered by premiums paid to the North Dakota State Fire and Tornado fund. The Fund was established by the State of North Dakota to insure political subdivisions and certain other

10. Risk Management - continued

entities against loss to public buildings and permanent contents from damage caused by fire, tornadoes and other types of risks.

For insured programs, there have been no significant reductions in insurance coverage. Settled claims have not exceeded commercial insurance coverage for the current year or the three prior years.

11. Closure and Post-closure Care Costs

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City has calculated a liability as of the financial statement date. The estimated landfill closure and post-closure care liability at December 31, 2009, is $541,526 representing the cumulative amount to date based on 15 percent of the estimated capacity used to date. An additional $1,010,442 is the remaining balance of the estimated cost of closure and post-closure care for the remaining capacity. These amounts are based on what it would cost to perform all closure and post-closure care in 2009. The City expects to close the landfill in the year 2019. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The City is required by state and federal regulations to demonstrate the financial assurance mechanism established for closure and post-closure costs. The City must meet the following test:

1. A ratio of current assets to current liabilities greater than one and five-tenths or a current rating for the owner's or operator's most recent bond issuance of AAA,AA or A as issued by Standard and Poor's or Aaa, Aa or A as issued by Moody's; and

2. Net working capital and tangible net worth each at least six times the sum of the current cost estimates for closure or post-closure, whichever is applicable; and

3. Tangible net worth of at least ten million dollars; and

4. Assets located in the United States amounting to at least six times the current cost estimates for closure or post-closure care, whichever is applicable.

The City is in compliance with the above requirements.

12. Litigation

The City is party to various legal proceedings which normally occur in government operations. These legal proceedings and negotiations are not likely to have a material adverse impact on the affected funds of the City.

13. Joint Venture

The Jamestown/Stutsman Development 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.

The Corporation issued separate financial statements available at their offices located at 210 10th Street NE, Jamestown, North Dakota.

As of December 31, 2009, the City's share of equity investments entered into by the Corporation was $60,000 and the City's share of loans made by the Corporation was $1,610,774.

14. Federal and State Grants

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

15. Construction Commitments

As of December 31, 2009, the City had outstanding construction contracts for projects totaling approximately $356,000 with costs incurred to December 31, 2009 of $115,000 leaving about $241,000 remaining on the contracts. Shortly after December 31, 2009, the City signed two additional contracts totaling $5,132,247.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JAMESTOWN
Stutsman County, North Dakota
Required Supplementary Information
Budget and Actual (with Variances)
General Fund
Year Ended December 31, 2009

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	$ 2,442,500	$ 2,442,500	$ 2,414,594	$ (27,906)
Sales and miscellaneous taxes	92,500	92,500	357,522	265,022
Fees and fines	187,000	187,000	136,025	(50,975)
Licenses and permits	269,085	269,085	276,559	7,474
Intergovernmental	1,337,900	1,337,900	3,417,605	2,079,705
Charges for services	125,250	125,250	98,992	(26,258)
Investment earnings	80,000	80,000	45,975	(34,025)
Miscellaneous	172,795	172,795	154,060	(18,735)
Total Revenues	4,707,030	4,707,030	6,901,332	2,194,302
EXPENDITURES				
Current:				
General government	548,400	548,400	538,876	9,524
Public safety	2,471,855	2,471,855	2,500,963	(29,108)
Public works	1,454,215	1,454,215	1,786,308	(332,093)
Flood control			2,483,279	(2,483,279)
Health	45,075	45,075	45,075	
Civic center	437,975	437,975	444,158	(6,183)
Capital Outlay	59,340	59,340	25,898	33,442
Total Expenditures	5,016,860	5,016,860	7,824,557	(2,807,697)
Excess (deficiency) of revenues over expenditures	(309,830)	(309,830)	(923,225)	(613,395)
OTHER FINANCING SOURCES (USES)				
Transfers in	450,000	450,000	443,929	(6,071)
Transfers out	(275,315)	(275,315)	(275,089)	226
Total Other Financing Sources and Uses	174,685	174,685	168,840	(5,845)
SPECIAL ITEM				
Proceeds from sale of capital assets	5,000	5,000		(5,000)
Net change in fund balances	(130,145)	(130,145)	(754,385)	(624,240)
Fund Balances - Beginning	2,475,696	2,475,696	2,475,696	
Fund Balances - Ending	$ 2,345,551	$ 2,345,551	$ 1,721,311	$ (624,240)

CITY OF JAMESTOWN
Stutsman County, North Dakota
Required Supplementary Information
Budget and Actual (with Variances)
Notes to RSI - General Fund
Year Ended December 31, 2009

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	$	6,901,332
Differences - budget to GAAP		
Taxes receivable collected in first 60 days of the year are not considered revenues for budgetary purposes		296,964
Grants accrued are not considered revenues for budgetary purposes		566,922
The net proceeds from the civic center are included in the budget		182,509
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$	7,947,727

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$	7,824,557
Accounts payable at year end are not included in the budget		173,285
The expenses from promotion, revolving and concession funds are not included in the budget		183,302
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	$	8,181,144

Note B - Excess of Expenditures Over Appropriations

Expenditures in the General Fund exceeded appropriations by $2,807,697. All expenditures were approved by the City Council. These expenditures were all funded by available fund balances.

CITY OF JAMESTOWN

Stutsman County, North Dakota
Required Supplementary Information
Budget and Actual (with Variances)
Notes to RSI - General Fund
Year Ended December 31, 2009

Note C - Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1 Prior to September 10, the City Administrator submits to the City Council a proposed operating budget for the year beginning January1. The operating budget includes proposed expenditures and the means of financing them. Annual appropriations lapse at year end.

2 Public hearings are conducted to obtain taxpayer comment.

3 Prior to October 1st, the budget is legally enacted through the passage of an ordinance.

4 Formal budgetary integration is employed as a management control device for the year.

CITY OF JAMESTOWN
Stutsman County, North Dakota
Required Supplementary Information
Budget and Actual (with Variances)
Major Special Revenue Funds
Year Ended December 31, 2009

	Equipment Replacement				City Sales Tax			
	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Sales and miscellaneous taxes	$	$	$	$	$ 1,950,400	$ 1,950,400	$ 2,017,291	$ 66,891
Investment earnings	96,000	96,000	49,624	(46,376)	75,655	75,655	70,411	(5,244)
Miscellaneous					201,585	201,585	4,435,988	4,234,403
Total revenues	96,000	96,000	49,624	(46,376)	2,227,640	2,227,640	6,523,690	4,296,050
EXPENDITURES								
Current:								
General government								
Public works			583	(583)				
Business and industrial development					1,762,000	1,762,000	884,725	877,275
Capital Outlay	889,475	889,475	568,370	321,105				
Total Expenditures	889,475	889,475	568,953	320,522	1,762,000	1,762,000	884,725	877,275
Excess (deficiency) of revenues over expenditures	(793,475)	(793,475)	(519,329)	274,146	465,640	465,640	5,638,965	5,173,325
OTHER FINANCING SOURCES (USES)								
Transfers in	422,570	422,570	422,570					
Transfers out			(113,322)	(113,322)	(280,000)	(280,000)	(279,996)	4
Total other financing sources and uses	422,570	422,570	309,248	(113,322)	(280,000)	(280,000)	(279,996)	4
SPECIAL ITEM								
Proceeds from sale of capital assets							117,276	117,276
Net change in fund balances	(370,905)	(370,905)	(210,081)	160,824	185,640	185,640	5,476,245	5,290,605
Fund balances - beginning	3,230,261	3,230,261	3,230,261		1,421,005	1,421,005	1,421,005	
Fund balances - ending	$ 2,859,356	$ 2,859,356	$ 3,020,180	$ 160,824	$ 1,606,645	$ 1,606,645	$ 6,897,250	$ 5,290,605

CITY OF JAMESTOWN
Stutsman County, North Dakota
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2009

ANALYSIS OF PENSION PLAN FUNDING PROGRESS (UNAUDITED)

Year	Net Assets Available for Benefits	Accumulated Pension Benefit Obligation	Percentage Funded	Assets in Excess of Pension Benefit Obligation	Annual Covered Payroll
2000	$ 3,416,281	$ 2,655,341	129%	$ 760,940	$ 3,203,154
2001	3,506,176	2,982,374	118%	523,802	3,379,725
2002	3,495,572	3,254,865	107%	240,707	3,686,297
2003	4,111,171	3,615,029	114%	496,142	3,729,400
2004	4,559,930	4,016,239	114%	543,691	3,746,309
2005	4,932,797	4,413,979	112%	518,818	3,857,879
2006	5,581,862	4,885,109	115%	696,753	4,145,745
2007	5,825,462	5,242,002	112%	583,460	1,599,525 *
2008	5,428,991	6,018,201	90%	(589,210)	1,511,299
2009	5,203,886	6,148,003	96%	(944,117)	1,580,432

*effective January 1, 2008 partial switch to North Dakota Public Employees Retirement System

OTHER SUPPLEMENTARY INFORMATION

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Balance Sheet
Other Governmental Funds
December 31, 2009

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Debt Service	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	$ 619,294	$ 547,634	$ 2,403,880	$ 3,570,808
Taxes receivable, net		105,050	1,876,544	1,981,594
Receivable from other governments	188,953			188,953
Other receivables	8,786			8,786
Total Assets	$ 817,033	$ 652,684	$ 4,280,424	$ 5,750,141
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 684	$	$	$ 684
Due to other funds	176,738			176,738
Deferred revenue		49,663	1,028,995	1,078,658
Total Liabilities	177,422	49,663	1,028,995	1,256,080
Fund Balances:				
Reserved for:				
Debt service			3,251,429	3,251,429
Other purposes	64,066	603,021		667,087
Unreserved	575,545			575,545
Total Fund Balances	639,611	603,021	3,251,429	4,494,061
Total Liabilities and Fund Balances	$ 817,033	$ 652,684	$ 4,280,424	$ 5,750,141

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended December 31, 2009

	Nonmajor Special Reveues	Nonmajor Capital Projects	Nonmajor Debt Service	Total Other Governmental Funds
REVENUES				
Property taxes	$	$ 143,552	$ 2,305,868	$ 2,449,420
Sales and miscellaneous taxes	455,270			455,270
Intergovernmental	578,975	3,215		582,190
Charges for services	86,617			86,617
Investment earnings	7,962	8,270	40,953	57,185
Miscellaneous	620			620
Total Revenues	1,129,444	155,037	2,346,821	3,631,302
EXPENDITURES				
Current:				
Public safety	45,680			45,680
Public works	98,812	7,296		106,108
Visitor's promotion	394,123			394,123
Principal			1,792,000	1,792,000
Interest and other charges			343,938	343,938
Capital outlay	444,874	65,389		510,263
Total Expenditures	983,489	72,685	2,135,938	3,192,112
Excess of revenues over expenditures	145,955	82,352	210,883	439,191
OTHER FINANCING SOURCES (USES)				
Transfers in			37,500	37,500
Transfers out	(51,822)		(107,431)	(159,253)
Total other financing sources and uses	(51,822)		(69,931)	(121,753)
Net change in fund balances	94,133	82,352	140,952	317,438
Fund balances - beginning	545,478	520,669	3,110,477	4,176,624
Fund balances - ending	$ 639,611	$ 603,021	$ 3,251,429	$ 4,494,061

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Vector Control	Special Projects	Visitor's Promotion	Visitor's Promotion Capital Construction	Traffic Safety Task Force	Safe Shelter Grant	City Taxi
ASSETS							
Cash and cash equivalents	$ 168,862	$ 43,312	$ 321,105	$ 69,007	$ 1,624	$	$ 15,384
Receivable from other governments						684	11,549
Other receivables	8,786						
Total Assets	$ 177,648	$ 43,312	$ 321,105	$ 69,007	$ 1,624	$ 684	$ 26,933
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$	$	$	$	$	$ 684	$
Due to other funds							
Total Liabilities						684	
Fund balances:							
Reserved for:							
Other purposes		32,066		32,000			
Unreserved	177,648	11,246	321,105	37,007	1,624		26,933
Total Fund Balances	177,648	43,312	321,105	69,007	1,624		26,933
Total Liabilities and Fund Balances	$ 177,648	$ 43,312	$ 321,105	$ 69,007	$ 1,624	$ 684	$ 26,933

FEMA Firefighter Assistance Grant	ND Highway Safety	2006 Justice Assistance Grant	Justice Assistance Grant	2007 Justice Assistance Grant	DES Homeland Security	Total Nonmajor Special Revenue Funds
$	$	$	$	$	$	$ 619,294
	1,015		6,114	6,101	163,490	188,953
						8,786
$	$ 1,015	$	$ 6,114	$ 6,101	$ 163,490	$ 817,033
$	$	$	$	$	$	$ 684
766	267		6,114	6,101	163,490	176,738
766	267		6,114	6,101	163,490	177,422
						64,066
(766)	748					575,545
(766)	748					639,611
$	$ 1,015	$	$ 6,114	$ 6,101	$ 163,490	$ 817,033

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended December 31, 2009

	Vector Control	Special Projects	Visitor's Promotion	Visitor's Promotion Capital Construction	Traffic Safety Task Force	Safe Shelter Grant	City Taxi
REVENUES							
Sales and miscellaneous taxes	$	$	$ 389,016	$ 66,254	$	$	$
Intergovernmental						2,553	40,172
Charges for services	86,617						
Investment earnings	2,490	642	3,908	922			
Miscellaneous	482		138				
Total Revenues	89,589	642	393,062	67,176		2,553	40,172
EXPENDITURES							
Current:							
Public safety						2,553	
Public works	62,486						36,326
Visitor's promotion			343,769	50,354			
Capital outlay							
Total Expenditures	62,486		343,769	50,354		2,553	36,326
Excess of revenues over expenditures	27,103	642	49,293	16,822			3,846
OTHER FINANCING SOURCES (USES)							
Transfers in							
Transfers out	(2,885)						
Total other financing sources and uses	(2,885)						
Net change in fund balances	24,218	642	49,293	16,822			3,846
Fund balances - beginning	153,430	42,670	271,812	52,185	1,624		23,087
Fund balances - ending	$ 177,648	$ 43,312	$ 321,105	$ 69,007	$ 1,624	$	$ 26,933

FEMA Firefighter Assistance Grant	ND Highway Safety	2006 Justice Assistance Grant	Justice Assistance Grant	2007 Justice Assistance Grant	DES Homeland Security	Total Nonmajor Special Revenue Funds
$	$	$	$	$	$	$ 455,270
83,526	3,847	979	6,114	10,089	431,695	578,975
						86,617
						7,962
						620
83,526	3,847	979	6,114	10,089	431,695	1,129,444
6,132	3,769	979	480	10,089	21,678	45,680
						98,812
						394,123
78,160			5,634		361,080	444,874
84,292	3,769	979	6,114	10,089	382,758	983,489
(766)	78				48,937	145,955
					(48,937)	(51,822)
						(51,822)
(766)	78					94,133
	670					545,478
$ (766)	$ 748	$	$	$	$	$ 639,611

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2009

	Civic Center Construction	Public Building Site	Building Fund City Hall	Total Nonmajor Capital Projects Funds
ASSETS				
Cash and cash equivalents	$ 9,229	$ 503,448	$ 34,957	$ 547,634
Taxes receivable, net		105,050		105,050
Total Assets	$ 9,229	$ 608,498	$ 34,957	$ 652,684
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred revenue	$	$ 49,663	$	$ 49,663
Total Liabilities		49,663		49,663
Fund balances:				
Reserved	9,229	558,835	34,957	603,021
Total Fund Balances	9,229	558,835	34,957	603,021
Total Liabilities and Fund Balances	$ 9,229	$ 608,498	$ 34,957	$ 652,684

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended December 31, 2009

	Civic Center Construction	Public Building Site	Building Fund City Hall	Total Nonmajor Capital Projects Funds
REVENUES				
Property taxes	$	$ 143,552	$	$ 143,552
Intergovernmental		3,215		3,215
Investment earnings	87	7,717	466	8,270
Total Revenues	87	154,484	466	155,037
EXPENDITURES				
Current:				
Public works		7,296		7,296
Capital outlay		65,389		65,389
Total Expenditures		72,685		72,685
Net change in fund balances	87	81,799	466	82,352
Fund balances - beginning	9,142	477,036	34,491	520,669
Fund balances - ending	$ 9,229	$ 558,835	$ 34,957	$ 603,021

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2009

	Curb and Gutter	Series E Refunding Improvement	1999 BND (98-71)	1999 BND (99-71)	Series H Refunding Improvement	Series I Refunding Improvement	Series J Refunding Improvement	Series K Refunding Improvement
ASSETS								
Cash and cash equivalents	$ 287,232	$ 1,899	$ 187,997	$ 123,969	$ 128,573	$	$ 100,162	$ 234,860
Taxes receivable, net	74,671	3,021	60,190	26,185	55,357	7,617	52,199	21,352
Total Assets	$ 361,903	$ 4,920	$ 248,187	$ 150,154	$ 183,930	$ 7,617	$ 152,361	$ 256,212
LIABILITIES AND FUND BALANCES								
Liabilities:								
Deferred revenue	$ 59,552	$ 3,021	$ 28,965	$ 10,980	$ 43,862	$ 6,135	$ 23,722	$ 11,057
Total Liabilities	59,552	3,021	28,965	10,980	43,862	6,135	23,722	11,057
Fund balances:								
Reserved for:								
debt service	302,351	1,899	219,222	139,174	140,068	1,482	128,639	245,155
Total Fund Balances	302,351	1,899	219,222	139,174	140,068	1,482	128,639	245,155
Total Liabilities and Fund Balances	$ 361,903	$ 4,920	$ 248,187	$ 150,154	$ 183,930	$ 7,617	$ 152,361	$ 256,212

Series L Refunding Improvement	Series M Refunding Improvement	Series N Refunding Improvement	Series WWTA Refunding Improvement	Series O Refunding Improvement	Series P Refunding Improvement	Series 2007B SW Sewer	Series Q Refunding Improvement	Series R Refunding Improvement	Total Nonmajor Debt Service Funds
$ 99,649	$ 94,648	$ 118,609	$ 131,040	$ 155,416	$ 106,208	$ 521,238	$ 37,607	$ 74,773	$ 2,403,880
154,636	166,136	151,300	112,450	220,630	201,135	92,653	270,737	206,275	1,876,544
$ 254,285	$ 260,784	$ 269,909	$ 243,490	$ 376,046	$ 307,343	$ 613,891	$ 308,344	$ 281,048	$ 4,280,424
$ 72,771	$ 106,941	$ 88,361	$ 62,965	$ 94,871	$ 100,301	$ 66,450	$ 131,114	$ 117,927	$ 1,028,995
72,771	106,941	88,361	62,965	94,871	100,301	66,450	131,114	117,927	1,028,995
181,514	153,843	181,548	180,525	281,175	207,042	547,441	177,230	163,121	3,251,429
181,514	153,843	181,548	180,525	281,175	207,042	547,441	177,230	163,121	3,251,429
$ 254,285	$ 260,784	$ 269,909	$ 243,490	$ 376,046	$ 307,343	$ 613,891	$ 308,344	$ 281,048	$ 4,280,424

Series L Refunding Improvement	Series M Refunding Improvement	Series N Refunding Improvement	Series WWTA Refunding Improvement	Series O Refunding Improvement	Series P Refunding Improvement	Series 2007B SW Sewer	Series Q Refunding Improvement	Series R Refunding Improvement	Total Nonmajor Debt Service Funds
$ 194,369	$ 167,928	$ 201,722	$ 127,666	$ 292,261	$ 279,490	$ 108,123	$ 332,808	142,215	$ 2,305,868
2,072	1,955	2,701	2,185	2,551	1,657	7,813	1,322	129	40,953
196,441	169,883	204,423	129,851	294,812	281,147	115,936	334,130	142,344	2,346,821
190,000	165,000	170,000	60,000	250,000	220,000	77,000	235,000		1,792,000
8,739	13,791	30,265	34,050	50,265	46,352	41,598	50,755	16,723	343,938
198,739	178,791	200,265	94,050	300,265	266,352	118,598	285,755	16,723	2,135,938
(2,298)	(8,908)	4,158	35,801	(5,453)	14,795	(2,662)	48,375	125,621	210,883
								37,500	37,500
		(23,523)							(107,431)
		(23,523)						37,500	(69,931)
(2,298)	(8,908)	(19,365)	35,801	(5,453)	14,795	(2,662)	48,375	163,121	140,952
183,812	162,751	200,913	144,724	286,628	192,247	550,103	128,855		3,110,477
$ 181,514	$ 153,843	$ 181,548	$ 180,525	$ 281,175	$ 207,042	$ 547,441	$ 177,230	$ 163,121	$ 3,251,429

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Statement of Revenues, Expenditures and Changes in Fund
Nonmajor Debt Service Funds
Year Ended December 31, 2009

	Curb and Gutter	Series E Refunding Improvement	1999 BND (98-71)	1999 BND (99-71)	Series H Refunding Improvement	Series I Refunding Improvement	Series J Refunding Improvement	Series K Refunding Improvement
REVENUES								
Property taxes	$ 39,608	$ 710	$ 81,372	$ 39,839	$ 56,288	$ 143,390	$ 76,254	$ 21,825
Investment earnings	3,529	8	3,238	2,005	2,151	1,830	1,735	4,072
Total Revenues	43,137	718	84,610	41,844	58,439	145,220	77,989	25,897
EXPENDITURES								
Principal			55,000	35,000	40,000	225,000	50,000	20,000
Interest and other charges			10,363	6,212	10,441	5,092	16,802	2,490
Total Expenditures			65,363	41,212	50,441	230,092	66,802	22,490
Excess (deficiency) of revenues over expenditures	43,137	718	19,247	632	7,998	(84,872)	11,187	3,407
OTHER FINANCING								
Transfers in								
Transfers out						(83,908)		
Total other financing sources and uses						(83,908)		
Net change in fund balances	43,137	718	19,247	632	7,998	(168,780)	11,187	3,407
Fund balances - beginning	259,214	1,181	199,975	138,542	132,070	170,262	117,452	241,748
Fund balances - ending	$ 302,351	$ 1,899	$ 219,222	$ 139,174	$ 140,068	$ 1,482	$ 128,639	$ 245,155

LIST OF CITY OFFICIALS

Mayor	Clarice Liechty
Council	Ken Schultz
	Kelani Parisien
	Patrick Nygaard
	Charlie Kourajian
City Administrator	Jeffrey Fuchs

Schauer & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
Ronald R. Fuchs, CPA
Duane R. Dunn, CPA
Robert A. Platz, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
CITY OF JAMESTOWN
Jamestown, North Dakota

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **CITY OF JAMESTOWN, NORTH DAKOTA,** as of and for the year ended December 31, 2009, which collectively comprise the **CITY OF JAMESTOWN, NORTH DAKOTA'S** basic financial statements and have issued our report thereon dated September 16, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **CITY OF JAMESTOWN, NORTH DAKOTA'S** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the **CITY OF JAMESTOWN, NORTH DAKOTA'S** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the **CITY OF JAMESTOWN, NORTH DAKOTA'S** internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

First Community Credit Union - Suite 203 • 111 9th St. SW • P.O. Box 1808 • (701) 252-5422 • Jamestown, ND 58402-1808
American Institute of CPA's • North Dakota Society of CPA's • Private Company Practice Section

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* – continued

This report is intended solely for the information and use of management, City Council, the North Dakota State Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which upon acceptance by the **CITY OF JAMESTOWN, NORTH DAKOTA**, is a matter of public record.

Schauer & Associates, P.C.

SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants

September 16, 2010

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Schauer & Associates, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
Ronald R. Fuchs, CPA
Duane R. Dunn, CPA
Robert A. Piatz, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor and City Council
CITY OF JAMESTOWN
Jamestown, North Dakota

Compliance

We have audited the compliance of **CITY OF JAMESTOWN, NORTH DAKOTA** with the types of compliance requirements described in the Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. **CITY OF JAMESTOWN, NORTH DAKOTA'S** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **CITY OF JAMESTOWN, NORTH DAKOTA'S** management. Our responsibility is to express an opinion on **CITY OF JAMESTOWN, NORTH DAKOTA'S** compliance based on our audit.

CITY OF JAMESTOWN, NORTH DAKOTA'S basic financial statements include the operations of the Jamestown Regional Airport Authority, which received 1,280,575 in federal awards that is not included in the schedule during the year ended December 31, 2009. Our audit, described below, did not include the operations of the Jamestown Municipal Airport Authority because the component unit has separately issued financial statements prepared and presented in accordance with the OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **CITY OF JAMESTOWN, NORTH DAKOTA'S** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **CITY OF JAMESTOWN, NORTH DAKOTA'S** compliance with those requirements.

In our opinion, **CITY OF JAMESTOWN, NORTH DAKOTA**, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB A-133 – continued 2

Internal Control Over Compliance

The management of **CITY OF JAMESTOWN, NORTH DAKOTA,** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **CITY OF JAMESTOWN, NORTH DAKOTA'S,** internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **CITY OF JAMESTOWN, NORTH DAKOTA'S** internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, the North Dakota State Auditor's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. This restriction is not intended to limit the distribution of this report, which upon acceptance by the **CITY OF JAMESTOWN, NORTH DAKOTA,** is a matter of public record.

Schauer & Associates, P.C.

SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants

September 16, 2010

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CITY OF JAMESTOWN
Stutsman County, North Dakota
SUPPLEMENTARY INFORMATION – continued
Year Ended December 31, 2009

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor Program Grant Title	Federal CFDA #	Pass-Through Grantor's #	Expenditure
Department of Commerce			
Passed through State Department of Emergency Services			
Public Safety Interoperable Communications Grant	11.555	A0401-001-2007-PSICQ	$ 83,200
Department of Housing and Urban Development			
Passed Through State Department of Commerce			
Community Development Block Grants	14.228	2344-SL08-ED	32,000
	14.228	1695-CD04-SL05-ED	1,000
	14,228	1961-SL06-ED-R	1,000
Total Department of Housing and Urban Development			34,000
Department of Justice			
Direct Programs			
ARRA-Community Oriented Policing Services	16.710	2009RKWX0601	9,643
Edward Byrne Memorial Justice Assistance	16.738	2006-DJ-BX-0722	979
	16.738	2007-DJ-BX-0810	10,089
ARRA-Edward Byrne Memorial Justice Assistance	16.804	2009-SB-B9-2419	6,114
Total Direct			26,825
Passed Through State Attorney General's Office			
Edward Byrne Memorial Justice Assistance	16.738	D08-223	2,553
Total Indirect			2,553
Total Department of Justice			29,378
Department of Transportation			
Passed Through State Highway Department			
		STM-SU-2-987(031) 035	
ARRA- Highway Planning & Construction	20.205	PCN17645	673,949
Formula Grants for Other than Urbanized Areas	20.509	38-745-0807	12,136
Formula Grants for Other than Urbanized Areas	20.509	38-932-0808	16,636
State and Community Highway Safety	20.600	09-630-0909	1,200
	20.600	09-578-0409	1,781
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	09-498-1008	1,495
	20.601	09-703-1009	1,150

CITY OF JAMESTOWN
Stutsman County, North Dakota
SUPPLEMENTARY INFORMATION – Continued
Year Ended December 31, 2009

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – Continued

Federal Grantor/Pass-Through Grantor Program Grant Title	Federal CFDA #	Pass-Through Grantor's #	Expenditures
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	09-501-1008	2,697
Total Department of Transportation			711,044
Environmental Protection Agency			
Passed Through State Department of Health			
Capitalization Grants for Drinking Water State Revolving Funds (2)	66.468		108,958
Department of Energy			
Passed Through State Department of Commerce			
Local Government Energy Conservation Project	81.041	DE-FG26-07NT43202	3,215
Federal Emergency Management Agency			
Direct Programs			
Assistance to Firefighters	97.044	EMW-2008-FO-00365	83,526
Passed Through State Department of Emergency Services			
Disaster Assistance - Public Assistance - Presidentially Declared Disasters (1)	97.036	FEMA-DR-1829-ND	1,859,927
Total Federal Emergency Management Agency			1,943,453
Department of Homeland Security			
Passed Through State Department of Emergency Services			
State homeland security grant	97.073	A0418-001-2008-HQ	3,166
	97.073	A0418-002-2008-HQRR	19,923
	97.073	A0418-001-2007-HQRR	227,264
	97.073	A0403-001-2008-HQ	963
	97.073	A0401-001-2008-HQ	750
	97.073	A0401-003-2008-HQRR	68,015
	97.073	A0401-002-2008-HTRR	11,868
Law Enforcement Terrorism Prevention Grant	97.074	A0418-002-2007-LQRR	16,546
Total Department of Homeland Security			348,495
Total Expenditure of Federal Awards			$ 3,261,743

(1) - Major Programs

(2) - State Revolving Loan including commingled funds

CITY OF JAMESTOWN
Stutsman County, North Dakota
SUPPLEMENTARY INFORMATION – Continued
Year Ended December 31, 2009

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – Continued

State Revolving Loan balances at year end

1993 Water Treatment Revenue Bonds	$ 455,000
1994 Solid Waste Treatment Revenue Bonds	445,000
1996 Waste Water Treatment Revenue Bonds (Series A)	3,820,000
1996 Waste Water Treatment Revenue Bonds (Series B)	2,825,000
1997 Solid Waste Treatment Revenue Bonds	1,040,000
1999 Water Treatment Assessment Warrants	295,000
1999 Clean Water Assessment Warrants	175,000
2002 Water and Sewer Revenue Bonds	190,000
2004 Waste Water Treatment Assessment Warrant	1,080,000
2005 Water Treatment Revenue Bonds	2,100,000
2005 Master Lift Station Revenue Bonds	1,286,000
2007 Water Treatment Revenue Bonds of 2007	1,885,000

CITY OF JAMESTOWN
Stutsman County, North Dakota
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2009

A. Summary of Audit Results

Financial Statements

Type of auditors' report issued - unqualified

Internal control over financial reporting				
Material weakness(es) identified?	_____	yes	X	no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	yes	X	none reported
Noncompliance material to financial statements noted?	_____	yes	X	no

Federal Awards

Internal control over major programs				
Material weakness(es) identified?	_____	yes	X	no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	yes	X	none reported

Type of auditors' report issued on compliance for major programs - unqualified

Identification of major programs
97.036 Disaster Assistance - Public Assistance - Presidentially Declared Disasters

Dollar threshold used to distinguish between type A and Type B programs $300,000

Auditee qualified as low-risk auditee?	_____	yes	X	no

B. Findings Related to the Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards.*

1. None

C. Findings and Questioned Costs for Federal Awards Which Must Include Audit Findings as Defined in Section 510(a) of Circular A-133

2. None

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2009

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **CITY OF JAMESTOWN, NORTH DAKOTA** and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.