

**CITY OF JAMESTOWN**  
**Jamestown, Kentucky**

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**FINANCIAL STATEMENTS**  
**June 30, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council  
City of Jamestown  
Jamestown, Kentucky

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jamestown, Kentucky, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Jamestown, Kentucky's basic financial statements as listed in the table of contents.

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, each major fund, and the aggregate remaining fund information of the City of Jamestown, Kentucky, as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Jamestown, Kentucky and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Jamestown, Kentucky's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB schedules on pages 4–11 and 37–47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Jamestown, Kentucky's basic financial statements. The budgetary information – nonmajor governmental funds, combining nonmajor governmental fund financial statements, and combining statement of operating revenues and expenses – proprietary fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary information – nonmajor governmental funds, combining nonmajor governmental fund financial statements, and combining statement of operating revenues and expenses – proprietary fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2024, on our consideration of the City of Jamestown, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Jamestown, Kentucky's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Jamestown, Kentucky's internal control over financial reporting and compliance.

**RFH**

RFH, PLLC  
Lexington, Kentucky  
January 24, 2024

## **City of Jamestown, Kentucky**

### **Management's Discussion and Analysis**

Our discussion and analysis of the City of Jamestown's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read in conjunction with the auditors' report on page 1 and the City's financial statements, which begin on page 12.

#### **FINANCIAL HIGHLIGHTS**

- The City's net position increased in the governmental activities and decreased in the business-type activities. The net position of the governmental activities increased by \$372,347 to \$1,677,031, and the net position of the business-type activities decreased by \$936,352 or 7.2 percent to \$12,109,588.
- In the City's governmental activities, revenues increased by \$274,487 to \$1,765,675 and expenses decreased by \$236,025, or 14.5 percent to \$1,393,328. In the business-type activities, revenues decreased by \$125,607, or 3.5 percent to \$3,468,377 while expenses increased by \$240,896, or 5.8 percent to \$4,404,729.

#### **OVERVIEW OF THIS ANNUAL REPORT**

This annual report consists of the management's discussion and analysis report, the independent auditors' report, the basic financial statements of the City and the independent auditors' report on compliance. The financial statements also include notes that explain in more detail some of the information in the financial statements.

The City's financial statements now present two kinds of statements, each with a different snapshot of the City's finances. The focus is both the City as a whole (government-wide) and the fund financial statements. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The fund financial statements focus on the individual funds of the City, reporting the City's operations in more detail than the government-wide statements. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year to year or government to government) and enhance the City's accountability.

#### **GOVERNMENT – WIDE FINANCIAL STATEMENTS**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the City's activities in a way that will help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

These two statements report the net position of the City and the changes in them. One can think of the City's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health or position is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, changes in property tax rates or valuation, infrastructure asset condition, and new or changed government legislation.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

**Governmental activities**—Most of the City's basic services are reported here, including general government administration, police, fire, dispatch, streets, sanitation and parks. Property taxes, licenses and permits, and grants finance most of these activities.

**Business-type activities**—The City collects fees from customers to cover the costs of the services, which includes water and sewer.

## **FUND FINANCIAL STATEMENTS**

Traditional users of government financial statements will find the fund financial statement presentation more familiar. The focus is now on the City's funds. The fund financial statements provide more information about the City's funds and not the City as a whole.

The City has two kinds of funds:

**Governmental Fund**—Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statement that explains the relationship (or differences) between them.

**Proprietary Fund**—Services for which the City charges customers a fee are generally reported in proprietary funds.

## NET POSITION

Our analysis begins with a summary of the City's Statement of Net Position, which is presented on Table A-1 followed by an explanation of the results. Changes in net position are presented in Table A-2, which is also followed by an explanation of the results.

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>
Current and Other Assets	\$ 1,044,049	\$ 1,105,994	\$ 2,840,814	\$ 3,005,711	\$ 3,884,863	\$ 4,111,705
Capital Assets	1,516,418	1,521,646	20,535,759	21,605,745	22,052,177	23,127,391
Deferred Outflows	<u>121,750</u>	<u>117,711</u>	<u>767,804</u>	<u>758,010</u>	<u>889,554</u>	<u>875,721</u>
Total Assets	<u>2,682,217</u>	<u>2,745,351</u>	<u>24,144,377</u>	<u>25,369,466</u>	<u>26,826,594</u>	<u>28,114,817</u>
Current Liabilities	27,744	388,056	386,118	391,290	413,862	779,346
Deferred Inflows	228,040	38,809	279,428	617,986	507,468	656,795
Long-Term Debt Outstanding	-	-	8,027,874	8,415,254	8,027,874	8,415,254
Net pension liability	573,758	795,587	2,638,731	2,244,558	3,212,489	3,040,145
Net OPEB liability	<u>175,644</u>	<u>168,925</u>	<u>702,638</u>	<u>654,438</u>	<u>878,282</u>	<u>823,363</u>
Total Liabilities	<u>1,005,186</u>	<u>1,391,377</u>	<u>12,034,789</u>	<u>12,323,526</u>	<u>13,039,975</u>	<u>13,714,903</u>
Net Position:						
Invested in Capital Assets, net of debt	1,516,418	1,521,646	12,507,885	13,190,491	14,024,303	14,712,137
Restricted	26,925	3,151	779,973	769,712	806,898	772,863
Unrestricted	<u>133,688</u>	<u>(220,113)</u>	<u>(1,178,270)</u>	<u>(914,263)</u>	<u>(1,044,582)</u>	<u>(1,134,376)</u>
Total Net Position	<u>\$ 1,677,031</u>	<u>\$ 1,304,684</u>	<u>\$ 12,109,588</u>	<u>\$ 13,045,940</u>	<u>\$ 13,786,619</u>	<u>\$ 14,350,624</u>

The net position of the City's governmental activities increased by \$372,347 or 28.5%, from \$1,304,684 in 2022 to \$1,677,031 in 2023. The net position of the business-type activities decreased by 7.2 percent, from \$13,045,940 in 2022 to \$12,109,588 in 2023. The net position from one activity generally cannot be used to make up for any deficits in the other activities.



## NET POSITION, continued

**Table A-2**

### Condensed Statement of Activities

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>
<b>Revenues</b>						
<u>Program Revenues</u>						
Charges for Service	\$ 84,495	\$ 74,140	\$ 3,162,074	\$ 3,159,690	\$ 3,246,569	\$ 3,233,830
Operating Grants & Contributions	63,938	170,396	-	-	63,938	170,396
Capital Grants & Contributions	318,715	38,208	\$ 187,170	\$ 427,790	505,885	465,998
<u>General Revenue</u>						
Taxes	262,960	234,433	-	-	262,960	234,433
License fees	994,825	879,407	-	-	994,825	879,407
Investment Earnings	-	-	19,133	6,504	19,133	6,504
Transfers in (out)	(100,000)	-	100,000	-	-	-
Gain on disposal of fixed assets	-	6,384	-	-	-	6,384
Miscellaneous	140,742	88,220	-	-	140,742	88,220
Total Revenue	<u>1,765,675</u>	<u>1,491,188</u>	<u>3,468,377</u>	<u>3,593,984</u>	<u>5,234,052</u>	<u>5,085,172</u>
<b>Program Expenses</b>						
General Government	415,068	691,083	-	-	415,068	691,083
Public Safety - Police	588,625	589,566	-	-	588,625	589,566
Public Safety - Fire	99,875	100,794	-	-	99,875	100,794
Parks and Recreation	33,679	19,595	-	-	33,679	19,595
Sanitation	85,721	74,444	-	-	85,721	74,444
Public Works	169,999	148,449	-	-	169,999	148,449
Cemetery	361	5,422	-	-	361	5,422
Sewer and Water	-	-	4,404,729	4,163,833	4,404,729	4,163,833
Total Program Expenses	<u>1,393,328</u>	<u>1,629,353</u>	<u>4,404,729</u>	<u>4,163,833</u>	<u>5,798,057</u>	<u>5,793,186</u>
Net Change In Net Position	<u>\$ 372,347</u>	<u>\$ (138,165)</u>	<u>\$ (936,352)</u>	<u>\$ (569,849)</u>	<u>\$ (564,005)</u>	<u>\$ (708,014)</u>

The City's total revenue increased by 2.9 percent and the total cost of all programs increased by \$4,871. On the following page is a more in-depth description of the revenues and expenses of the governmental activities.

Looking at the business-type activities, revenues for the City decreased to \$3,468,377 in 2023, or 3.5 percent, while total expenses increased to \$4,404,729, or 5.8 percent. The decrease in revenues and increase in expenses resulted in a decrease in net position by \$936,352. Capital grants and contributions decreased by \$240,620 see the discussion on page 9 on the capital assets. The City's major source of revenue in the business-type activities is charges for service, which increased by \$2,384. This revenue source makes up 91.2 percent of total business type activities revenues.

## GOVERNMENTAL ACTIVITIES

Next, the City analyzes the governmental activities and the changes in those activities, which is presented in Table A-3.

**Table A-3**

**Condensed Governmental Activities - Revenues & Expenditures**

	<u>FY 2023</u>	<u>FY 2022</u>	<u>Variance</u>
Taxes	\$ 262,960	\$ 234,433	\$ 28,527
Licenses and permits	994,825	879,407	115,418
Intergovernmental	361,792	181,809	179,983
Charges for Services	84,495	74,140	10,355
Other Revenues	<u>161,602</u>	<u>115,016</u>	<u>46,586</u>
Total Revenues	<u>1,865,674</u>	<u>1,484,805</u>	<u>380,869</u>
General Administration	\$ 372,407	\$ 662,965	\$(290,558)
Public Safety	622,362	597,870	24,492
Public Works	245,709	267,960	(22,251)
Sanitation	82,016	72,364	9,652
Other	26,333	17,310	9,023
Capital Outlay	118,480	228,540	(110,060)
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,467,307</u>	<u>1,847,009</u>	<u>(379,702)</u>
Excess (Deficiency) of Revenues over Expenditures before transfers	<u>\$ 398,367</u>	<u>\$ (362,204)</u>	<u>\$ 760,571</u>

Revenues for the City's governmental activities increased by \$380,869, while total expenditures decreased by 20.6 percent. Governmental activities excess (deficiency) of revenues over expenditures before transfers increased by \$760,571. The City's major source of revenue in the governmental activities is licenses and permits, which makes up 53.3 percent of total revenues. This revenue source increased by \$115,418 in 2023.

## BUDGET HIGHLIGHTS

Over the course of the year, the City Council revised the City budget several times. These amendments were made shortly after the beginning of the year to reflect events that may occur. The budget contains proposed expenditures and expected revenues. A comparison of the final amended budget to actual amounts is presented in the table below (Tables A-4 & A-5).

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### **Condensed Governmental Activities - Revenues**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes	\$ 239,000	\$ 262,960	\$ 23,960
Licenses and permits	972,534	994,825	22,291
Intergovernmental	83,100	325,112	242,012
Charges for Services	72,000	84,495	12,495
Municipal Aid Fund	37,042	37,299	257
Other Revenues	<u>157,616</u>	<u>161,583</u>	<u>3,967</u>
Total Revenues	<u>\$ 1,561,292</u>	<u>\$ 1,866,274</u>	<u>\$ 304,982</u>

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**Table A-5**

### **Condensed Governmental Activities - Expenditures**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government	\$ 733,200	\$ 372,407	\$ (360,793)
Public Safety	632,450	622,362	(10,088)
Sanitation	81,200	82,016	816
Public Works	234,500	232,184	(2,316)
Recreation	43,500	25,972	(17,528)
Cemetery	5,000	361	(4,639)
Municipal Aid Fund	42,442	13,525	(28,917)
Transfer in (out)	(100,600)	(100,600)	-
Debt Service	-	-	-
Capital Outlay	<u>219,071</u>	<u>118,480</u>	<u>(100,591)</u>
Total Expenditures	<u>\$ 1,890,763</u>	<u>\$ 1,366,707</u>	<u>\$ (524,056)</u>

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The City budgeted for a total of \$1,561,292 in revenues for 2023, but ended up having revenues of \$1,866,274, which put the City 19.5 percent over the revenue budget. A total of \$1,890,763 was budgeted for expenses, but expenditures totaled \$1,366,707 at the end of 2023. The City was under budget on the expenses by \$524,056 or 27.7 percent as detailed above.

## CAPITAL ASSETS

The City has a total of \$51,097,364 invested in a broad range of capital assets, including police and fire equipment and vehicles, buildings, land, infrastructure assets, and water and sewer lines. This amount represents an increase of \$303,985 from last year's total investment of \$50,793,379. The major capital additions included a lot on Main Street for \$7,000, tennis court refurbishing for \$15,020, a police vehicle and equipment for \$76,960, and various water and sewer improvements for \$185,505.

**Table A-6**

**Capital Assets at Year End Without Depreciation**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>
Land & Improvements	\$ 456,219	\$ 449,219	\$ -	\$ -	\$ 456,219	\$ 449,219
Buildings & Improvements	1,026,435	1,026,435	-	-	1,026,435	1,026,435
Vehicles & Equipment	1,512,045	1,400,565	-	-	1,512,045	1,400,565
Infrastructure Assets	490,270	490,270	-	-	490,270	490,270
Water & Sewer System	-	-	47,612,395	47,426,890	47,612,395	47,426,890
Total Capital Assets	<u>\$ 3,484,969</u>	<u>\$ 3,366,489</u>	<u>\$ 47,612,395</u>	<u>\$ 47,426,890</u>	<u>\$ 51,097,364</u>	<u>\$ 50,793,379</u>

## DEBT

This year the City has \$8,027,874 in long-term debt, a \$387,380 decrease from last year's total of \$8,415,254.

**Table A-7**

**Debt Outstanding at Year End**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2022</u>
Note Payable	\$ -	\$ -	\$ 2,789,400	\$ 2,973,998	\$ 2,789,400	\$ 2,973,998
Revenue Bond Payable	-	-	5,238,474	5,441,256	5,238,474	5,441,256
Total Debt Outstanding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,027,874</u>	<u>\$ 8,415,254</u>	<u>\$ 8,027,874</u>	<u>\$ 8,415,254</u>

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected officials consider many factors when setting the fiscal year 2024 budget. Some of the factors are the local economy, expected grant money, and anticipated tax revenue.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the citizens of the City, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Tyler McGowan, City Clerk, at P.O. Box 587, Jamestown, KY 42629.

**CITY OF JAMESTOWN, KENTUCKY**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash	\$ 412,206	\$ 1,023,985	\$ 1,436,191
Certificates of deposit	353,763	715,763	1,069,526
Receivables, net	247,614	289,607	537,221
Internal balances	7,500	(7,500)	-
Other current assets	-	38,986	38,986
Total current assets	<u>1,021,083</u>	<u>2,060,841</u>	<u>3,081,924</u>
Noncurrent assets			
Restricted cash	22,966	779,973	802,939
Capital assets			
Land	283,594	208,100	491,694
Plant and sewer system, net	-	20,312,382	20,312,382
Depreciable buildings, property, and equipment, net	851,665	15,277	866,942
Infrastructure, net	<u>381,159</u>	<u>-</u>	<u>381,159</u>
Total noncurrent assets	<u>1,539,384</u>	<u>21,315,732</u>	<u>22,855,116</u>
Total assets	<u>2,560,467</u>	<u>23,376,573</u>	<u>25,937,040</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pension	53,413	464,561	517,974
Deferred outflows - OPEB	<u>68,337</u>	<u>303,243</u>	<u>371,580</u>
Total deferred outflows of resources	<u>121,750</u>	<u>767,804</u>	<u>889,554</u>
Total assets and deferred outflows of resources	<u>\$ 2,682,217</u>	<u>\$ 24,144,377</u>	<u>\$ 26,826,594</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 27,744	\$ 43,125	\$ 70,869
Accrued payroll taxes	-	39,531	39,531
Accrued interest	-	66,547	66,547
Unearned revenue	-	-	-
Customer deposits	-	236,915	236,915
Current portion of long-term obligations	<u>-</u>	<u>389,748</u>	<u>389,748</u>
Total current liabilities	<u>27,744</u>	<u>775,866</u>	<u>803,610</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	-	7,638,126	7,638,126
Net pension liability	573,758	2,638,731	3,212,489
Net OPEB liability	<u>175,644</u>	<u>702,638</u>	<u>878,282</u>
Total noncurrent liabilities	<u>749,402</u>	<u>10,979,495</u>	<u>11,728,897</u>
Total liabilities	<u>777,146</u>	<u>11,755,361</u>	<u>12,532,507</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pension	120,325	22,912	143,237
Deferred inflows - OPEB	<u>107,715</u>	<u>256,516</u>	<u>364,231</u>
Total deferred inflows of resources	<u>228,040</u>	<u>279,428</u>	<u>507,468</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,516,418	12,507,885	14,024,303
Restricted for:			
Debt service	-	258,351	258,351
Depreciation	-	356,027	356,027
Other purposes	26,925	165,595	192,520
Unrestricted	<u>133,688</u>	<u>(1,178,270)</u>	<u>(1,044,582)</u>
Total net position	<u>1,677,031</u>	<u>12,109,588</u>	<u>13,786,619</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,682,217</u>	<u>\$ 24,144,377</u>	<u>\$ 26,826,594</u>

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

**CITY OF JAMESTOWN, KENTUCKY**  
**STATEMENT OF ACTIVITIES**  
for the year ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government</b>							
<b>Governmental activities</b>							
General government	\$ 415,068	\$ -	\$ 20,944	\$ -	\$ (394,124)	\$ -	\$ (394,124)
Public safety - police	588,625	-	31,994	282,035	(274,596)	-	(274,596)
Public safety - fire	99,875	-	11,000	-	(88,875)	-	(88,875)
Public works	169,999	-	-	36,680	(133,319)	-	(133,319)
Parks and recreation	33,679	-	-	-	(33,679)	-	(33,679)
Sanitation	85,721	84,495	-	-	(1,226)	-	(1,226)
Cemetery	361	-	-	-	(361)	-	(361)
Total governmental activities	<u>1,393,328</u>	<u>84,495</u>	<u>63,938</u>	<u>318,715</u>	<u>(926,180)</u>	<u>-</u>	<u>(926,180)</u>
<b>Business-type activities</b>							
Water & Sewer	<u>4,404,729</u>	<u>3,162,074</u>	<u>-</u>	<u>187,170</u>	<u>-</u>	<u>(1,055,485)</u>	<u>(1,055,485)</u>
<b>Total primary government</b>	<u>\$ 5,798,057</u>	<u>\$ 3,246,569</u>	<u>\$ 63,938</u>	<u>\$ 505,885</u>	<u>(926,180)</u>	<u>(1,055,485)</u>	<u>(1,981,665)</u>
<b>General revenues</b>							
Taxes							
Property taxes, levied for general purposes					262,960	-	262,960
License fees							
Franchise					112,331	-	112,331
Payroll					447,769	-	447,769
Insurance premiums					374,076	-	374,076
Other fees					60,649	-	60,649
Investment earnings					-	19,133	19,133
Miscellaneous					<u>140,742</u>	<u>-</u>	<u>140,742</u>
Total general revenues					1,398,527	19,133	1,417,660
Transfers in (out)					(100,000)	100,000	-
Total general revenues and gain on sale					<u>1,298,527</u>	<u>119,133</u>	<u>1,417,660</u>
<b>Change in net position</b>					372,347	(936,352)	(564,005)
<b>Net position - beginning</b>					<u>1,304,684</u>	<u>13,045,940</u>	<u>14,350,624</u>
<b>Net position - ending</b>					<u>\$ 1,677,031</u>	<u>\$ 12,109,588</u>	<u>\$ 13,786,619</u>

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

**CITY OF JAMESTOWN, KENTUCKY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2023**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 412,206	\$ 22,966	\$ 435,172
Certificates of deposit	353,763	-	353,763
Receivables, net	243,655	3,959	247,614
Due from other funds	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total assets	<u>\$ 1,017,124</u>	<u>\$ 26,925</u>	<u>\$ 1,044,049</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 27,744	\$ -	\$ 27,744
Total liabilities	<u>27,744</u>	<u>-</u>	<u>27,744</u>
Fund balances			
Restricted	-	26,925	26,925
Assigned to			
Capital projects	40,952	-	40,952
Cemetery	42,277	-	42,277
Public safety	96,603	-	96,603
Unassigned	<u>809,548</u>	<u>-</u>	<u>809,548</u>
Total fund balances	<u>989,380</u>	<u>26,925</u>	<u>1,016,305</u>
Total liabilities and fund balances	<u>\$ 1,017,124</u>	<u>\$ 26,925</u>	<u>\$ 1,044,049</u>

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances reported above	\$ 1,016,305
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,516,418
Net deferred inflows/outflows related to the long-term net pension/OPEB liability are not reported in the funds.	(106,290)
Long-term liabilities, including the net pension and OPEB liability are not due and payable in the current period and therefore are not reported in the funds.	<u>(749,402)</u>
Net position of governmental activities	<u>\$ 1,677,031</u>

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



**CITY OF JAMESTOWN, KENTUCKY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**for the year ended June 30, 2023**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 262,960	\$ -	\$ 262,960
Licenses and permits	994,825	-	994,825
Intergovernmental	325,112	36,680	361,792
Charges for services	84,495	-	84,495
Other revenues	161,583	19	161,602
	<u>1,828,975</u>	<u>36,699</u>	<u>1,865,674</u>
Total revenues			
<b>EXPENDITURES</b>			
Current			
General administration	372,407	-	372,407
Public safety-police	544,197	-	544,197
Public safety-fire	78,165	-	78,165
Sanitation	82,016	-	82,016
Public works	232,184	13,525	245,709
Parks and recreation	25,972	-	25,972
Cemetery	361	-	361
Capital outlay	118,480	-	118,480
	<u>1,453,782</u>	<u>13,525</u>	<u>1,467,307</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>375,193</u>	<u>23,174</u>	<u>398,367</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in (out)	<u>(100,600)</u>	<u>600</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(100,600)</u>	<u>600</u>	<u>(100,000)</u>
<b>Net change in fund balances</b>	274,593	23,774	298,367
Fund balances-beginning	<u>714,787</u>	<u>3,151</u>	<u>717,938</u>
<b>Fund balances-ending</b>	<u>\$ 989,380</u>	<u>\$ 26,925</u>	<u>\$ 1,016,305</u>
Reconciliation to government-wide change in net position:			
Net change in fund balances			\$ 298,367
Add: Capital outlay			118,480
Less: Depreciation on governmental activities			(123,709)
Add: Decrease in net pension liability			69,954
Add: Decrease in net OPEB liability			9,255
Change in net position Governmental Activities			<u>\$ 372,347</u>

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

**CITY OF JAMESTOWN, KENTUCKY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2023**

	<b>Business-type Activities Water &amp; Sewer</b>
<b>ASSETS</b>	
Current assets	
Cash	\$ 1,023,985
Certificates of deposit	715,763
Receivables, net	289,607
Other current assets	<u>38,986</u>
Total current assets	<u>2,068,341</u>
Noncurrent assets	
Restricted cash and cash equivalents	779,973
Capital assets	
Land, easements and buildings	208,100
Vehicle and equipment	176,592
Plant and sewer equipment	47,227,703
Less: accumulated depreciation	<u>(27,076,636)</u>
Total noncurrent assets	<u>21,315,732</u>
Total assets	<u>23,384,073</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows - pension	464,561
Deferred outflows - OPEB	<u>303,243</u>
Total deferred outflows of resources	<u>767,804</u>
Total assets and deferred outflows of resources	<u>\$ 24,151,877</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 43,125
Accrued payroll taxes	39,531
Due to other funds	7,500
Accrued interest	66,547
Customer deposits	236,915
Current portion of long-term obligations	<u>389,748</u>
Total current liabilities	<u>783,366</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	7,638,126
Net pension liability	2,638,731
Net OPEB liability	<u>702,638</u>
Total noncurrent liabilities	<u>10,979,495</u>
Total liabilities	<u>11,762,861</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - pension	22,912
Deferred inflows - OPEB	<u>256,516</u>
Total deferred inflows of resources	<u>279,428</u>
<b>NET POSITION</b>	
Net investment in capital assets	12,507,885
Restricted for:	
Debt service	258,351
Depreciation	356,027
Other purposes	165,595
Unrestricted	<u>(1,178,270)</u>
Total net position	<u>12,109,588</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 24,151,877</u>

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

**CITY OF JAMESTOWN, KENTUCKY**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**for the year ended June 30, 2023**

	<b>Business-type Activities Water &amp; Sewer</b>
<b>Operating revenues</b>	
Charges for services	\$ 3,134,546
Other income	<u>27,528</u>
Total operating revenues	<u>3,162,074</u>
<b>Operating expenses</b>	
Office	501,542
Water production	1,098,543
Water distribution	546,014
Sewer treatment	845,519
Depreciation and amortization	<u>1,255,489</u>
Total operating expenses	<u>4,247,107</u>
Operating (loss)	<u>(1,085,033)</u>
<b>Non-operating revenues (expenses)</b>	
Interest and investment revenue	19,133
Bond service charges	(17,337)
Interest expense	<u>(140,285)</u>
Total non-operating revenues (expenses)	<u>(138,489)</u>
(Loss) before capital contributions	(1,223,522)
<b>Capital contributions</b>	
Grants received	117,473
Water and sewer tap fees	<u>69,697</u>
Total capital contributions	<u>187,170</u>
<b>Change in net position before transfers</b>	(1,036,352)
Transfers in	<u>100,000</u>
<b>Change in net position</b>	(936,352)
Total net position - beginning	<u>13,045,940</u>
<b>TOTAL NET POSITION - ENDING</b>	<u><u>\$ 12,109,588</u></u>

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

**CITY OF JAMESTOWN, KENTUCKY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**for the year ended June 30, 2023**

	<b>Business-type Activities Water &amp; Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 3,136,430
Payments to suppliers	(1,116,762)
Payments for employee services and benefits	(1,791,487)
Net cash provided by operating activities	<u>228,181</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions	187,170
Purchase of capital assets	(185,505)
Principal paid on capital debt	(387,381)
Bond service charges	(17,337)
Interest paid on capital debt	(142,641)
Net cash (used in) capital and related financing activities	<u>(545,694)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Operating transfers from other funds	<u>100,000</u>
Net cash provided by noncapital financing activities	<u>100,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(353,763)
Interest and dividends	19,133
Net cash (used in) investing activities	<u>(334,630)</u>
Net (decrease) in cash	(552,143)
Cash - beginning of the year	<u>2,356,101</u>
<b>CASH - END OF THE YEAR</b>	<u><u>\$ 1,803,958</u></u>
<b>Reconciliation of operating (loss) to net cash provided by operating activities:</b>	
Operating (loss)	\$ (1,085,033)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,255,489
Changes in net pension items	26,974
Changes in net OPEB items	67,050
Change in assets and liabilities:	
Receivables, net	(33,961)
Other current assets	478
Accounts payables	(11,870)
Accrued payroll payable	737
Customer deposits	8,317
Net cash provided by operating activities	<u><u>\$ 228,181</u></u>

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

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Jamestown, Kentucky (the City) operates under the Mayor-Council form of government and provides the following services as authorized by its charter: public safety, public works, recreation, and community development. The accounting policies of the City of Jamestown conform to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant accounting policies.

**Reporting Entity**

The financial statements of the City of Jamestown, Kentucky include the funds, account groups and entities over which the Mayor and Council exercise significant oversight responsibility. Oversight responsibility, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, was determined on the basis of the City's ability to significantly influence operation, select the governing body, and participate in fiscal management and the scope of public service. The Jamestown Cemetery Board and the Jamestown Parks and Recreation Board are component units that are subject to the City's oversight responsibility. The Cemetery Board and Parks and Recreation Board have been included in the accompanying financial statements.

**Basis of Presentation**

**Government-wide Financial Statements**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements display information about the City as a whole. The statements distinguish between governmental and business-type activities of the City. These financial statements include the financial activities of the City except for fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. The government-wide statement of activities reflects costs of government by function for governmental activities and business-type activities. Program revenues include charges paid by recipient for the goods or services offered by the program and grants or contributions that are restricted to the program. Revenues which are not classified as program revenues are presented as general revenues of the City.

**Fund Financial Statements**

Fund financial statements report detailed information about the City. The accounts of the City are organized on the basis of funds, each of which is considered to be a separate fiscal and accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts comprised of its assets, liabilities, fund balance or net position, revenues and expenditures or expenses.

Governmental funds are those through which most governmental functions are financed. The governmental fund measurement focus is upon the determination of financial position and budgetary control over revenues and expenditures. Proprietary fund types are used to account for operations that are financed and operated in a manner similar to business enterprises - where intent of the governing body is that costs of providing services are to be financed or recovered primarily through user charges.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (continued)**

Fund Financial Statements (continued)

The following funds are used by the City of Jamestown:

**Governmental Funds**

**General Fund** – The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund. Most of the essential governmental services such as police and fire protection, community services and general administration are reported in this fund.

**Special Revenue Funds** – The Municipal Road Aid Fund accounts for the money received from the Commonwealth of Kentucky under the gasoline tax distribution program.

**Debt Service Fund** – Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Proprietary Funds**

Proprietary funds (enterprise funds) are used to account for the ongoing organizations and activities of the City, which are similar to those found in private business enterprises. The measurement focus is upon the determination of net income, financial position, and changes in cash flows.

Enterprise funds are established to account for the acquisition, operations and maintenance of the City's facilities and services which are entirely or predominantly self-supported by user charges or where the City has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The accounts are maintained on the accrual basis of accounting. The City's enterprise operations include the following:

**Water & Sewer Fund** – A proprietary fund used to account for the water and sewer utility services provided to the residents of the City of Jamestown, the operations of which are financed by user charges.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**Government-wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the City as a whole. The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for individual funds.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting (continued)**

**Fund Financial Statements**

The financial transactions of the City are recorded in individual funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred.

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and expenses are recognized when they are incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Permits, fines and forfeits, and miscellaneous revenues (except for investment earnings) are recorded as revenues when received because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available in all funds.

**Fund Balances**

Fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts constrained for a specific purpose by the City, using its highest level of decision making authority. The City Council is the highest level of decision making authority for the City of Jamestown. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City has designated the Mayor to carry the intent of the City Council.

*Unassigned* – all other spendable amounts.

It is the policy of the City to spend restricted funds first when both restricted and unrestricted funds are available. Once restricted funds are spent, the City will use committed funds first, assigned funds second and unassigned funds last.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgeting**

The City follows the procedures established pursuant to Section 91A.030 of the Kentucky Revised Statutes in establishing the budgetary data reflected in the financial statements. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts in the financial statements are as adopted by ordinance of the City and have been revised for amendments authorized during the year.

**Pensions**

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

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees' Retirement System (CERS) and additions to/deductions from CERS' fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

**Other Accounting Policies**

Accounts receivable are stated less an allowance for doubtful accounts.

Cash - The City considers all cash, both restricted and unrestricted, as cash for purposes of the Statement of Cash Flows.

Unearned revenues represent grant revenues received but unearned. Revenues are recognized when eligible expenditures are incurred.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

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



**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Policy**

Effective July 1, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-based Information Technology Arrangements. GASB Statement No. 96 requires recognition of a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability for subscription-based information technology arrangements (SBITA) that were previously classified as operating expenses. It establishes uniform guidance for SBITA accounting based on the foundational principle that SBITA are financings of the right to use vendor-provided information technology assets. Government entities are required to recognize a subscription liability and an intangible right-to-use subscription asset. These changes had no effect on the financial statements.

**Management's Review of Subsequent Events**

The City has evaluated and considered the need to recognize or disclose subsequent events through January 24, 2024, which represents the date these financials statements were available to be issued. Subsequent events past this date, as they pertain to the fiscal year ended June 30, 2023, have not been evaluated by the City.

**2. CASH AND INVESTMENTS**

KRS 66.480 authorizes the City to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United State government, bonds or certifications of indebtedness of this state, and certificates of deposits issued by or other interest-bearing accounts of any bank or savings and loan institution which have a physical presence in Kentucky and are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4). The Statute also authorizes investment in mutual funds, exchange traded funds, individual equity securities and high-quality corporate bonds that are managed by a professional investment manager and subject to additional requirements outlined in KRS 66.480.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's investment policy states that unless matched to a specific cash flow need, the City's funds should not, in general, be invested in securities maturing more than one year from the date of purchase.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City of Jamestown's deposits and investments at June 30, 2023 were entirely covered by federal depository insurance or by collateral held by the custodial banks in the City's name. Bank deposits at June 30, 2023 totaled \$3,343,828, of which \$723,924 was covered by FDIC, and \$2,619,904 was covered by pledged collateral.

**Statement of Cash Flows**

The proprietary fund type Statement of Cash Flows includes the following as cash:

Cash – unrestricted	\$ 1,023,985
Cash – restricted	<u>779,973</u>
	<u>\$ 1,803,958</u>

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**3. RECEIVABLES**

Receivables at year end of the City's major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<b>General Fund</b>	<b>Nonmajor Funds</b>	<b>Governmental Funds Total</b>
Governmental Funds:			
Taxes	\$ 121,365	\$ -	\$ 121,365
Licenses, permits, billings	140,731	-	140,731
Charges for service	7,534	-	7,534
Intergovernmental	-	3,959	3,959
Other	<u>7,041</u>	<u>-</u>	<u>7,041</u>
Gross Receivables	276,671	3,959	280,630
Less: allowance for uncollectible	<u>(33,016)</u>	<u>-</u>	<u>(33,016)</u>
Receivables, net	<u>\$ 243,655</u>	<u>\$ 3,959</u>	<u>\$ 247,614</u>
<b>Total</b>			
Business-Type Activities:			
Customer	\$ 292,171		
Less: allowance for uncollectible	<u>(2,564)</u>		
Receivables, net	<u>\$ 289,607</u>		

**4. CAPITAL ASSETS**

A summary of capital asset activity during the fiscal year is as follows:

	<b>Balance July 1, 2022</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2023</b>
<b>Governmental Activities:</b>				
Capital assets not depreciated:				
Land	\$ 276,594	\$ 7,000	\$ -	\$ 283,594
Capital assets that are depreciated:				
Land improvements	172,625	-	-	172,625
Buildings and improvements	1,026,435	-	-	1,026,435
Vehicles and equipment	<u>1,400,565</u>	<u>111,481</u>	<u>-</u>	<u>1,512,046</u>
Total	<u>2,599,625</u>	<u>118,481</u>	<u>-</u>	<u>2,711,106</u>
Total non-infrastructure assets	2,876,219	118,481	-	2,994,700
Infrastructure assets	<u>490,270</u>	<u>-</u>	<u>-</u>	<u>490,270</u>
Total capital assets	<u>3,366,489</u>	<u>118,480</u>	<u>-</u>	<u>3,484,970</u>
Less accumulated depreciation:				
Land improvements	106,868	8,397	-	115,265
Buildings and improvements	520,915	24,225	-	545,140
Vehicles and equipment	1,120,205	78,830	-	1,199,035
Infrastructure	<u>96,855</u>	<u>12,257</u>	<u>-</u>	<u>109,112</u>
Total	<u>1,844,843</u>	<u>123,709</u>	<u>-</u>	<u>1,968,552</u>
Capital assets, net	<u>\$ 1,521,646</u>	<u>\$ (5,228)</u>	<u>\$ -</u>	<u>\$ 1,516,418</u>

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**4. CAPITAL ASSETS (CONTINUED)**

A summary of capital asset activity during the fiscal year is as follows (continued):

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Business-type Activities:</b>				
Land and easements	\$ 208,100	\$ -	\$ -	\$ 208,100
Water and sewer system	47,042,198	185,503	-	47,227,701
Construction in progress	-	-	-	-
Vehicles and equipment	<u>176,592</u>	<u>-</u>	<u>-</u>	<u>176,592</u>
Total	47,426,890	185,503	-	47,612,393
Less accumulated depreciation:	<u>(25,821,145)</u>	<u>(1,255,489)</u>	<u>-</u>	<u>(27,076,634)</u>
Capital assets, net	<u>\$ 21,605,745</u>	<u>\$ (1,069,986)</u>	<u>\$ -</u>	<u>\$ 20,535,759</u>

Depreciation expense was charged to the Governmental functions as follows:

General government	\$ 55,599
Police	34,987
Fire	21,711
Parks and recreation	7,707
Sanitation	<u>3,705</u>
Total depreciation expense	<u>\$ 123,709</u>

Capital assets acquired are recorded at cost or estimated cost. Depreciation of capital assets is provided over the estimated useful lives of the respective assets using the straight-line basis. The estimated useful lives are as follows:

Infrastructure	20-40 years
Utility systems	25-40 years
Buildings and improvements	25-40 years
Land improvements	10-20 years
Machinery and equipment	5-10 years
Vehicles	3-5 years

**5. BUSINESS-TYPE ACTIVITIES – LONG-TERM DEBT**

**Revenue Bonds**

On December 5, 2019, the City of Jamestown refinanced \$4,406,500 of the 1996, 1999, 2004, and 2009 Revenue Bond Issues with the 2020A Revenue Bond for \$4,630,000. The bonds bear a coupon interest rate ranging from 2.25% to 3.00% and will mature on February 1, 2047. The new issue will reduce future debt service by \$875,470 and has a net economic gain of \$523,010. This action constitutes a defeasance of the bonds maturing on or after December 5, 2019 from the 1996, 1999, 2004, and 2009 Issues. The balance of the bonds as of June 30, 2023 totaled \$4,070,000.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**5. BUSINESS - TYPE ACTIVITIES – LONG-TERM DEBT (CONTINUED)**

**Notes Payable**

The City obtained a construction loan in connection with the water system expansion project in 2009. This loan is through the Kentucky Infrastructure Authority. The original amount of the loan was \$3,038,700 and bears interest at a rate of 0.4% and requires semi-annual payments of \$53,795 which includes principal and interest. The balance as of June 30, 2023, totaled \$1,665,899.

The City improved and expanded its sewer wastewater treatment facility in 2015. The total cost for the facility was \$3,153,000. Funding for this project was made up of the following grants and loans: CDBG grant of \$653,000 and a Kentucky Infrastructure Authority loan of \$2,500,000, with 30% of the loan forgiven upon distribution leaving a total payable amount of \$1,733,353. The loan requires semi-annual payments of \$47,919 which includes principal and interest. The balance at June 30, 2023, totaled \$1,123,501. The loan bears interest at a rate of 1%.

The City obtained a construction loan in connection with a construction project to replace waterlines and road bores around downtown Jamestown in fiscal year 2021. The original loan amount was \$500,000 with \$250,000 of the principal forgiven immediately. The loan bears an interest rate of 0.5% and requires semiannual payments of \$4,805 which includes principal and interest. The balance as of June 30, 2023 totaled \$234,473.

The City obtained a USDA Rural Development loan totaling \$974,000 dated November 2, 2020, bearing interest at the rate of 1.125% to provide funds for water treatment plant membrane replacement. The balance of the bonds as of June 30, 2023 totaled \$934,000.

Business-type activities long-term debt consists of net pension liability, net OPEB liability, revenue bonds, and three loans through Kentucky Infrastructure Authority. Proceeds from the revenue bonds and KIA loans were used for expansions and improvements to the water and sewer utility systems.

	<b>Balance</b>				<b>Balance</b>
	<b>July 1, 2022</b>	<b>Additions</b>	<b>Payments</b>		<b>June 30, 2023</b>
Direct placement debt:					
2020A Revenue bonds	\$ 4,245,000	\$ -	\$ (175,000)		\$ 4,070,000
KIA water expansion loan	1,766,523	-	(100,624)		1,665,899
KIA sewer expansion loan	1,207,475	-	(83,974)		1,123,501
KIA F19-019 loan	242,256	-	(7,783)		234,473
USDA 2020 Revenue bonds	954,000	-	(20,000)		934,000
Net pension liability	2,244,558	394,173	-		2,638,731
Net OPEB liability	<u>654,438</u>	<u>48,200</u>	<u>-</u>		<u>702,638</u>
 Total Business-type activities	 <u>\$ 11,314,250</u>	 <u>\$ 442,373</u>	 <u>\$ (387,381)</u>		 <u>\$ 11,369,242</u>

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**5. BUSINESS - TYPE ACTIVITIES – LONG-TERM DEBT (CONTINUED)**

The annual requirements to retire the water and sewer debt as of June 30, 2023, is as follows:

<b>Fiscal year</b>	<b>Principal</b>	<b>Interest</b>	<b>Fees</b>	<b>Total</b>
2024	\$ 389,748	\$ 137,032	\$ 16,702	\$ 543,482
2025	400,939	131,463	15,860	548,262
2026	407,243	125,660	15,003	547,906
2027	408,558	119,934	14,131	542,623
2028	414,883	114,098	13,256	542,237
2029-2033	1,950,573	486,800	53,753	2,491,126
2034-2038	1,724,424	344,841	33,644	2,102,909
2039-2043	1,118,831	210,513	18,391	1,347,735
2044-2048	835,542	70,631	6,265	912,438
2049-2053	169,132	16,703	156	185,991
2054-2058	147,000	8,426	-	155,426
2059-2060	<u>61,000</u>	<u>1,035</u>	<u>-</u>	<u>62,035</u>
	<u>\$ 8,027,873</u>	<u>\$ 1,767,136</u>	<u>\$ 187,161</u>	<u>\$ 9,982,170</u>

**6. RETIREMENT PLAN**

The City of Jamestown is a participating employer of the County Employees' Retirement System (CERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Public Pensions Authority administers the CERS. The plan issues publicly available financial statements which may be downloaded from the Kentucky Public Pensions Authority website.

*Plan Description* – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of state legislature.

*Contributions* – For the year ended June 30, 2023, plan members were required to contribute 5% of wages for non-hazardous job classifications and 8% of wages for hazardous job classifications. Employees hired after September 1, 2008 are required to contribute an additional 1% to cover the cost of medical insurance that is provided through CERS. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium.

The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. For the year ended June 30, 2023, participating employers contributed 26.79% of each employee's wages for non-hazardous job classifications and 49.59% of each employee's wages for hazardous job classifications. The contributions are allocated to both the pension and insurance trusts. The insurance trust is more fully described in Note 7. Plan members contributed 23.40% to the pension trust for non-hazardous job classifications and 42.81% to the pension trust for hazardous job classifications. The contribution rates are equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Public Pensions Authority are financed through employer contributions and investment earnings.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**6. RETIREMENT PLAN (CONTINUED)**

Plan members who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Plan members contribute 5% of wages to their own account for non-hazardous job classifications and 8% of wages to their own account for hazardous classifications. Plan members also contribute 1% to the health insurance fund. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of each member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. Each member's account is credited with a 4% employer pay credit for non-hazardous members, and a 7.5% pay credit for hazardous members. The employer pay credit represents a portion of the employer contribution.

For the year ended June 30, 2023, the City contributed \$319,457 or 100% of the required contribution for non-hazardous job classifications, which was allocated \$279,033 to the CERS pension funds and \$40,424 to the CERS insurance fund. The City contributed \$25,849 or 100% of the required contribution for hazardous job classifications, which was allocated \$22,315 to the CERS pension funds and \$3,534 to the CERS insurance fund.

*Benefits* – CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service.

For retirement purposes, employees are grouped into three tiers based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years service and 55 years old or 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal to 87+
	Reduced retirement	At least 10 years service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old or age 57+ and sum of service years plus age equal to 87+
	Reduced retirement	Not available

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**6. RETIREMENT PLAN (CONTINUED)**

*Pension Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources* – At June 30, 2023, the City reported a liability for its proportionate share of the net pension liability as follows:

<b>Total Net Pension Liability</b>	<b>Non-hazardous</b>	<b>Hazardous</b>
\$ 3,212,489	\$ 2,976,769	\$ 235,720

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward using generally accepted actuarial procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The City's proportionate share at June 30, 2022 was as follows:

<b>Non-hazardous</b>	<b>Hazardous</b>
0.0412%	0.0077%

The proportionate share at June 30, 2022 increased by 0.0017% for non-hazardous and decreased 0.0005% for hazardous compared to the proportionate share as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$258,367. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual results	\$ 9,943	\$ 26,509
Changes of assumptions	-	-
Net difference between projected and actual earnings on Plan investments	81,758	-
Changes in proportion and differences between City contributions and proportionate share of contributions	124,925	116,728
City contributions subsequent to the measurement date	<u>301,348</u>	<u>-</u>
Total	<u>\$ 517,974</u>	<u>\$ 143,237</u>

The \$301,348 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

**Year ending June 30,**

2024	\$ 19,611
2025	\$ 2,617
2026	\$ (38,358)
2027	\$ 89,519

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**6. RETIREMENT PLAN (CONTINUED)**

*Actuarial Assumptions* – The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Non-hazardous**

Inflation	2.30%
Salary increases	3.30% to 10.30%, varies by service, including inflation
Investment rate of return	6.25%, net of Plan investment expense, including inflation

**Hazardous**

Inflation	2.30%
Salary increases	3.55 to 19.05%, varies by service, including inflation
Investment rate of return	6.25%, net of Plan investment expense, including inflation

Mortality rates were based on the Pub-2010 General Mortality Table projected with the ultimate rates from the MP-2014 Mortality Improvement Scale using a base year of 2010. The Mortality Table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 Mortality Improvement Scale using a base year of 2019. The Mortality Table used for disabled members was PUB-2010 Disabled Mortality Table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 Mortality Improvement Scale using a base year of 2010.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018. The total pension liability was rolled-forward from the valuation date (June 30, 2021) to the plan's fiscal year ending June 30, 2022.

The long-term expected rate of return was determined by using a building-block method in which best estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of arithmetic nominal real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
<b>Growth</b>	<b>60.00%</b>	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
<b>Liquidity</b>	<b>20.00%</b>	
Core Bonds	10.00%	0.28%
Special credit/high yield	10.00%	2.28%
Cash	0.00%	-0.91%
<b>Diversifying Strategies</b>	<b>20.00%</b>	
Real Estate	7.00%	3.67%
Opportunistic	0.00%	N/A
Real Return	13.00%	4.07%
<b>Total</b>	<b>100.00%</b>	<b>4.28%</b>
<b>Long term inflation assumption</b>		<b>2.30%</b>
<b>Expected nominal return for portfolio</b>		<b>6.58%</b>



**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**6. RETIREMENT PLAN (CONTINUED)**

*Discount Rate* – The discount rate used to measure the total pension liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 30-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period. The discount rate does not use a municipal bond rate.

*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.25 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

	Non-hazardous			Hazardous		
	Discount rate	City's proportionate share of net pension liability		Discount rate	City's proportionate share of net pension liability	
1% decrease	5.25%	\$ 3,720,592		5.25%	\$ 293,629	
Current discount rate	6.25%	\$ 2,976,769		6.25%	\$ 235,720	
1% increase	7.25%	\$ 2,361,565		7.25%	\$ 188,558	

*Payable to the Pension Plan* – At June 30, 2023, the City reported a payable of \$24,526 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023. The payable includes both the pension and insurance contribution allocation.

**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

*Plan Description* – As more fully described in Note 6, the City of Jamestown participates in the County Employees' Retirement System (CERS). CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. In addition to retirement benefits, the plan provides for health insurance benefits to plan members (other postemployment benefits or OPEB). OPEB benefits may be extended to beneficiaries of plan members under certain circumstances.

*Contributions* – As more fully described in Note 6, plan members contribute to CERS for non-hazardous and hazardous job classifications. For the year ending June 30, 2023, the employer's contribution was 3.39% to the insurance trust for non-hazardous job classifications and 6.78% to the insurance trust for hazardous job classifications. Employees hired after September 1, 2008 are required to contribute an additional 1% to cover the cost of medical insurance that is provided through CERS. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 78.545(33), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. The contribution rates are equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Public Pensions Authority are financed through employer contributions and investment earnings.

**CITY OF JAMESTOWN, KENTUCKY**  
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**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

For the year ended June 30, 2023, the City contributed \$40,424, or 100% of the required contribution for non-hazardous job classifications, and \$3,534, or 100% of the required contribution for hazardous job classifications.

*Benefits* – CERS provides health insurance benefits to Plan employees and beneficiaries.

For retirement purposes, employees are grouped into three tiers based on hire date:

Tier 1	Participation date Insurance eligibility Benefit	Before July 1, 2003 10 years of service credit required Set percentage of single coverage health insurance based on service credit accrued at retirement
Tier 1	Participation date Insurance eligibility Benefit	Before September 1, 2008 but after July 1, 2003 10 years of service credit required Set dollar amount based on service credit accrued, increased annually
Tier 2	Participation date Insurance eligibility Benefit	After September 1, 2008 and before December 31, 2013 15 years of service credit required Set dollar amount based on service credit accrued, increased annually
Tier 3	Participation date Insurance eligibility Benefit	After December 31, 2013 15 years of service credit required Set dollar amount based on service credit accrued, increased annually

*OPEB Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources* – At June 30, 2023, the City reported a liability for its proportionate share of the net OPEB liability as follows:

<b>Total Net OPEB Liability</b>	<b>Non-hazardous</b>	<b>Hazardous</b>
\$ <u>878,282</u>	\$ <u>812,515</u>	\$ <u>65,767</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward using generally accepted actuarial procedures. The City's proportion of the net OPEB liability was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. The City's proportionate share at June 30, 2022 was as follows:

<b>Non-hazardous</b>	<b>Hazardous</b>
0.0412%	0.0077%

The proportionate share at June 30, 2022 increased by 0.0017% for non-hazardous and decreased 0.0005% for hazardous compared to the proportionate share as of June 30, 2021.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023

**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

For the year ended June 30, 2023, the City recognized OPEB expense of \$131,764. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual results	\$ 83,239	\$ 190,224
Changes of assumptions	139,483	117,203
Net difference between projected and actual earnings on Plan investments	35,379	-
Changes in proportion and differences between City contributions and proportionate share of contributions	39,601	56,804
City contributions subsequent to the measurement date	<u>73,878</u>	<u>-</u>
Total	<u>\$ 371,580</u>	<u>\$ 364,231</u>

The \$73,878 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Contributions also include an allocation for the implicit subsidy of \$30,011, which are required to be recognized as deferred outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

<b>Year ending June 30,</b>	
2024	\$ (10,842)
2025	\$ (6,431)
2026	\$ (51,304)
2027	\$ 4,667
2028	\$ (2,619)

*Actuarial Assumptions* – The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Non-hazardous**

Inflation	2.30%
Salary increases	3.30 to 10.30%, varies by service, including inflation
Investment rate of Return	6.25%, net of Plan investment expense, including inflation
Healthcare trend:	
Pre – 65:	Initial trend starting at 6.20% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post – 65:	Initial trend starting at 9.00% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

**Hazardous**

Inflation	2.30%
Salary increases	3.55 to 19.05%, varies by service, including inflation
Investment rate of Return	6.25%, net of Plan investment expense, including inflation
Healthcare trend:	
Pre – 65:	Initial trend starting at 6.20% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post – 65:	Initial trend starting at 9.00% at January 1, 2024, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

Mortality rates were based on the Pub-2010 General Mortality Table projected with the ultimate rates from the MP-2014 Mortality Improvement Scale using a base year of 2010. The Mortality Table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 Mortality Improvement Scale using a base year of 2019. The Mortality Table used for disabled members was PUB-2010 Disabled Mortality Table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 Mortality Improvement Scale using a base year of 2010.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018. The total OPEB liability was rolled-forward from the valuation date (June 30, 2020) to the plan's fiscal year ending June 30, 2022.

The long-term expected rate of return was determined by using a building-block method in which best estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
<b>Equity</b>	<b>60.00%</b>	
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
<b>Fixed Income</b>	<b>20.00%</b>	
Core Bonds	10.00%	0.28%
Specialty Credit/High Yield	10.00%	2.28%
Cash	0.00%	-0.91%
<b>Inflation Protected</b>	<b>20.00%</b>	
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
<b>Total</b>	<b>100.00%</b>	<b>4.28%</b>
<b>Long term inflation assumption</b>		<b>2.30%</b>
<b>Expected nominal return for portfolio</b>		<b>6.58%</b>

*Discount Rate* – The discount rate used to measure the total OPEB liability was 5.70% and 5.61% for non-hazardous and hazardous classifications, respectively. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 3.69%, as reported in Fidelity Index's "20 –Year Municipal GO AA Index." However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023

**7. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

*Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate* – The following presents the City's proportionate share of the net OPEB liability calculated using the discount rate as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Non-hazardous			Hazardous		
	Discount rate	City's proportionate share of net OPEB liability		Discount rate	City's proportionate share of net OPEB liability	
1% decrease	4.70%	\$ 1,086,203		4.61%	\$ 91,380	
Current discount rate	5.70%	\$ 812,515		5.61%	\$ 65,767	
1% increase	6.70%	\$ 586,266		6.61%	\$ 44,963	

*Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate* – The following presents the City's proportionate share of the net OPEB liability calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Non-hazardous		Hazardous	
		City's proportionate share of net OPEB liability		City's proportionate share of net OPEB liability
1% decrease		\$ 604,087		\$ 45,926
Current trend rate		\$ 812,515		\$ 65,767
1% increase		\$ 1,062,798		\$ 89,958

*OPEB plan fiduciary net position* – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report.

**8. PROPERTY TAX CALENDAR**

Property taxes for fiscal year 2023 were levied in October 2022, on the assessed property located in the City of Jamestown as of the preceding January 1. The assessments are determined by the County Property Valuation Administrator in accordance with Kentucky Revised Statutes. The due date collection periods for all taxes exclusive of vehicle taxes are as follows:

Description	Date Per K.R.S. 134.020
1. Due date for payment	Upon receipt
2. Discount of 2%	December 31
3. Face value payment period	January 1
4. 10% penalty delinquent date	January 31

These taxes are collected by the City Clerk. Vehicle taxes are collected by the County Clerk of Russell County and are due and collected in the birth month of the licensee.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2023**

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**9. RISK MANAGEMENT**

The City of Jamestown is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the City also carries commercial insurance for all other risks of loss such as worker's compensation and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON**  
**GENERAL FUND**  
**for the year ended June 30, 2023**

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>MUNICIPAL TAXATION</b>				
General property taxes	\$ 208,000	\$ 208,000	\$ 223,937	\$ 15,937
P.I.L.O.T.	3,000	3,000	2,934	(66)
Motor vehicle taxes	<u>28,000</u>	<u>28,000</u>	<u>36,089</u>	<u>8,089</u>
Total municipal taxation	<u>239,000</u>	<u>239,000</u>	<u>262,960</u>	<u>23,960</u>
<b>LICENSES, PERMITS AND BILLINGS</b>				
Occupational license fees	375,000	437,500	447,769	10,269
Insurance license	325,000	370,000	374,076	4,076
Net profits license fees	10,500	11,000	11,600	600
Franchise fees	106,000	106,000	112,331	6,331
Alcohol license fees	<u>45,013</u>	<u>48,034</u>	<u>49,049</u>	<u>1,015</u>
Total licenses, permits and billings	<u>861,513</u>	<u>972,534</u>	<u>994,825</u>	<u>22,291</u>
<b>INTERGOVERNMENTAL</b>				
State fire aid	10,500	11,000	11,000	-
Grants	-	40,100	282,035	241,935
LGEA Minerals	-	-	83	83
KLEFPF	<u>22,000</u>	<u>32,000</u>	<u>31,994</u>	<u>(6)</u>
Total intergovernmental	<u>32,500</u>	<u>83,100</u>	<u>325,112</u>	<u>242,012</u>
<b>CHARGES FOR SERVICE</b>				
Sanitation fees	<u>72,000</u>	<u>72,000</u>	<u>84,495</u>	<u>12,495</u>
<b>OTHER REVENUE</b>				
Donations	20,000	13,000	12,941	(59)
Fire department	-	-	360	360
Interest	350	300	4,812	4,512
Arrest fees	1,500	1,500	1,775	275
Law enforcement citation fees	7,000	7,800	8,003	203
Cemetery	9,010	15,016	16,370	1,354
Police forfeiture/collections	-	-	500	500
Miscellaneous	<u>30,000</u>	<u>120,000</u>	<u>116,822</u>	<u>(3,178)</u>
Total other	<u>67,860</u>	<u>157,616</u>	<u>161,583</u>	<u>3,967</u>
<b>TOTAL REVENUE</b>	<u>\$ 1,272,873</u>	<u>\$ 1,524,250</u>	<u>\$ 1,828,975</u>	<u>\$ 304,725</u>



**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON**  
**GENERAL FUND**  
**for the year ended June 30, 2023**

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>GENERAL ADMINISTRATION</b>				
Elected officials compensation	\$ 21,200	\$ 21,200	\$ 21,187	\$ (13)
Fringe benefits and payroll tax	68,000	65,000	61,585	(3,415)
Printing and advertising	8,000	5,000	4,582	(418)
Professional fees	20,000	47,000	47,024	24
Maintenance and repairs	6,500	7,700	7,932	232
Travel	1,000	1,600	1,534	(66)
Utilities	103,000	106,000	106,113	113
Telephone	3,800	4,000	3,597	(403)
Uniforms	-	200	154	(46)
Small equipment purchases	-	-	-	-
Insurance and bonds	15,000	10,900	10,827	(73)
Education and certification	500	1,300	1,245	(55)
Technical supplies	1,000	1,400	1,269	(131)
Postage	3,500	-	426	426
Office supplies	2,000	2,700	2,751	51
Miscellaneous supplies	2,000	363,000	7,103	(355,897)
Dues and subscriptions	1,500	1,200	1,063	(137)
Community development	20,000	40,000	36,715	(3,285)
Festivals and holidays	20,000	55,000	57,300	2,300
Total administration	<u>297,000</u>	<u>733,200</u>	<u>372,407</u>	<u>(360,793)</u>
<b>PUBLIC SAFETY - POLICE</b>				
Police salaries	310,000	320,000	316,301	(3,699)
Fringe benefits and payroll taxes	112,000	120,100	118,957	(1,143)
Dispatch	35,000	35,000	35,000	-
Printing and advertising	100	500	488	(12)
Professional fees	1,000	1,000	-	(1,000)
Uniforms	3,000	4,500	4,369	(131)
Maintenance and repairs	12,500	12,500	12,144	(356)
Travel	2,500	3,000	2,678	(322)
Ammunition	3,500	3,650	3,605	(45)
Telephone	2,000	2,800	2,713	(87)
Small equipment purchases	2,000	13,000	8,540	(4,460)
Insurance and bonds	12,500	13,700	13,610	(90)
Technical supplies	2,500	4,500	4,852	352
Postage	100	100	146	46
Office Supplies	500	100	67	(33)
Motor fuel	17,500	19,000	17,946	(1,054)
Miscellaneous materials and supplies	100	2,000	2,781	781
Dues and subscriptions	300	300	-	(300)
Total public safety - police	<u>\$ 517,100</u>	<u>\$ 555,750</u>	<u>\$ 544,197</u>	<u>\$ (11,553)</u>

**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON**  
**GENERAL FUND**  
**for the year ended June 30, 2023**

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>PUBLIC SAFETY - FIRE</b>				
Firefighter allowances	\$ 12,000	\$ 12,000	\$ 10,908	\$ (1,092)
Professional fees	300	3,500	3,395	(105)
Uniforms	1,000	1,400	1,366	(34)
Maintenance and repairs	3,000	3,500	3,070	(430)
Vehicle maintenance	2,500	1,200	798	(402)
Vehicle repair	2,500	12,000	10,923	(1,077)
Telephone	2,500	2,500	2,272	(228)
Small equipment purchase	1,000	-	9,694	9,694
Insurance	11,500	15,500	15,357	(143)
Technical supplies	1,000	1,000	445	(555)
Heating supplies	5,000	3,000	2,751	(249)
Motor fuel and lubricants	6,500	8,500	8,073	(427)
Miscellaneous material and supplies	500	2,000	1,677	(323)
Dues and subscriptions	100	100	-	(100)
State fire aid expenses	10,500	10,500	7,436	(3,064)
Total public safety - fire	59,900	76,700	78,165	1,465
<b>SANITATION</b>				
Outside services	73,000	81,200	82,016	816
<b>PUBLIC WORKS</b>				
Salaries	125,000	127,000	126,219	(781)
Fringe benefits	75,500	78,700	78,623	(77)
Uniforms	600	600	600	-
Maintenance and repairs	10,000	10,000	10,024	24
Insurance	7,100	7,100	7,005	(95)
Technical supplies	500	500	181	(319)
Motor fuel	13,000	9,000	7,992	(1,008)
Telephone	400	400	458	58
Small equipment purchase	1,000	1,200	1,082	(118)
Total public works	233,100	234,500	232,184	(2,316)
<b>PARKS AND RECREATION</b>	20,500	43,500	25,972	(17,528)
<b>CEMETERY</b>	5,000	5,000	361	(4,639)
<b>CAPITAL OUTLAY</b>	15,000	219,071	118,480	(100,591)
<b>TOTAL EXPENDITURES</b>	1,220,600	1,948,921	1,453,782	(495,139)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out)	-	(100,600)	(100,600)	-
Sale of property	-	-	-	-
Total other financing sources (uses)	-	(100,600)	(100,600)	-
<b>Net change in fund balances</b>	\$ 52,273	\$ (525,271)	\$ 274,593	\$ 799,864

**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTAL SCHEDULE**  
**PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - NONHAZARDOUS**  
**Last Ten Fiscal Years**

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<b>Reporting Fiscal Year (Measurement Date)</b>	<b>2014 (2013)</b>	<b>2015 (2014)</b>	<b>2016 (2015)</b>	<b>2017 (2016)</b>	<b>2018 (2017)</b>	<b>2019 (2018)</b>	<b>2020 (2019)</b>	<b>2021 (2020)</b>	<b>2022 (2021)</b>	<b>2023 (2022)</b>
City's proportion of the net pension liability	0.0473%	0.0473%	0.0423%	0.0433%	0.0393%	0.0377%	0.0377%	0.0380%	0.0395%	0.0412%
City's proportionate share of the net pension liability (asset)	\$ 1,730,395	\$ 1,533,428	\$ 1,820,100	\$ 2,130,255	\$ 2,303,165	\$ 2,298,359	\$ 2,653,075	\$ 2,911,501	\$ 2,521,368	\$ 2,976,769
City's covered employee payroll	\$ 1,024,619	\$ 1,084,182	\$ 995,271	\$ 1,027,887	\$ 959,081	\$ 928,974	\$ 951,998	\$ 969,758	\$ 1,010,103	\$ 1,138,660
City's share of the net pension liability (asset) as a percentage of its covered employee payroll	168.88%	141.44%	182.87%	207.25%	240.14%	247.41%	278.68%	300.23%	249.61%	261.43%
Plan fiduciary net position as a percentage of the total pension liability	61.22%	66.80%	59.97%	55.50%	53.32%	53.54%	50.45%	47.81%	57.33%	52.42%

**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTAL SCHEDULE**  
**PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - HAZARDOUS**  
**Last Ten Fiscal Years**

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<b>Reporting Fiscal Year (Measurement Date)</b>	<b>2014 (2013)</b>	<b>2015 (2014)</b>	<b>2016 (2015)</b>	<b>2017 (2016)</b>	<b>2018 (2017)</b>	<b>2019 (2018)</b>	<b>2020 (2019)</b>	<b>2021 (2020)</b>	<b>2022 (2021)</b>	<b>2023 (2022)</b>
City's proportion of the net pension liability	0.0470%	0.0470%	0.0457%	0.0303%	0.0289%	0.0227%	0.0183%	0.0124%	0.0082%	0.0077%
City's proportionate share of the net pension liability (asset)	\$ 628,642	\$ 564,789	\$ 700,843	\$ 519,928	\$ 645,634	\$ 547,663	\$ 505,086	\$ 373,140	\$ 218,777	\$ 235,720
City's covered employee payroll	\$ 234,424	\$ 238,195	\$ 233,526	\$ 161,120	\$ 158,413	\$ 123,957	\$ 104,137	\$ 71,516	\$ 49,140	\$ 50,308
City's share of the net pension liability (asset) as a percentage of its covered employee payroll	268.16%	237.11%	300.11%	322.70%	407.56%	441.82%	485.02%	521.76%	445.21%	468.55%
Plan fiduciary net position as a percentage of the total pension liability	57.74%	63.46%	57.52%	53.95%	49.78%	49.26%	46.63%	44.11%	52.26%	47.11%

**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTAL SCHEDULE**  
**PENSION CONTRIBUTIONS - NONHAZARDOUS**  
**Last Ten Fiscal Years**

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	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Contractually required employer contribution	\$ 148,967	\$ 126,897	\$ 127,664	\$ 133,963	\$ 134,515	\$ 154,414	\$ 187,163	\$ 194,950	\$ 259,387	\$ 279,033
Contributions relative to contractually required employer contribution	<u>148,967</u>	<u>126,897</u>	<u>127,664</u>	<u>133,963</u>	<u>134,515</u>	<u>154,414</u>	<u>187,163</u>	<u>194,950</u>	<u>259,387</u>	<u>279,033</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 1,084,182	\$ 995,271	\$ 1,027,887	\$ 959,081	\$ 928,974	\$ 951,998	\$ 969,758	\$ 1,010,103	\$ 1,138,660	\$ 1,192,449
Employer contributions as a percentage of covered-employee payroll	13.74%	12.75%	12.42%	13.97%	14.48%	16.22%	19.30%	19.30%	22.78%	23.40%

**CITY OF JAMESTOWN, KENTUCKY  
REQUIRED SUPPLEMENTAL SCHEDULE  
PENSION CONTRIBUTIONS - HAZARDOUS  
Last Ten Fiscal Years**

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	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Contractually required employer contribution	\$ 51,855	\$ 48,410	\$ 32,643	\$ 34,391	\$ 28,471	\$ 25,899	\$ 21,498	\$ 14,809	\$ 17,909	\$ 22,315
Contributions relative to contractually required employer contribution	<u>51,855</u>	<u>48,410</u>	<u>32,643</u>	<u>34,391</u>	<u>28,471</u>	<u>25,899</u>	<u>21,498</u>	<u>14,809</u>	<u>17,909</u>	<u>22,315</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 238,195	\$ 233,526	\$ 161,120	\$ 158,413	\$ 123,957	\$ 104,137	\$ 71,516	\$ 49,140	\$ 50,308	\$ 52,125
Employer contributions as a percentage of covered-employee payroll	21.77%	20.73%	20.26%	21.71%	22.97%	24.87%	30.06%	30.14%	35.60%	42.81%

**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTAL SCHEDULE**  
**PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - NONHAZARDOUS**  
**Last Seven Fiscal Years**

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<b>Reporting Fiscal Year (Measurement Date)</b>	<b>2017 (2016)</b>	<b>2018 (2017)</b>	<b>2019 (2018)</b>	<b>2020 (2019)</b>	<b>2021 (2020)</b>	<b>2022 (2021)</b>	<b>2023 (2022)</b>
City's proportion of the net OPEB liability	0.0433%	0.0393%	0.0377%	0.0377%	0.0380%	0.0395%	0.0412%
City's proportionate share of the net OPEB liability (asset)	\$ 620,460	\$ 791,029	\$ 670,102	\$ 634,332	\$ 916,739	\$ 756,916	\$ 812,515
City's covered employee payroll	\$ 1,027,887	\$ 959,081	\$ 928,974	\$ 951,998	\$ 969,758	\$ 1,010,103	\$ 1,138,660
City's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	60.36%	82.48%	72.13%	66.63%	94.53%	74.93%	71.36%
Plan fiduciary net position as a percentage of the total OPEB liability	unavailable	52.39%	57.62%	60.44%	51.67%	62.91%	60.95%

The above schedule will present 10 years of historical data, once available.

**CITY OF JAMESTOWN, KENTUCKY  
REQUIRED SUPPLEMENTAL SCHEDULE  
PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - HAZARDOUS  
Last Seven Fiscal Years**

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<b>Reporting Fiscal Year (Measurement Date)</b>	<b>2017 (2016)</b>	<b>2018 (2017)</b>	<b>2019 (2018)</b>	<b>2020 (2019)</b>	<b>2021 (2020)</b>	<b>2022 (2021)</b>	<b>2023 (2022)</b>
City's proportion of the net OPEB liability	0.0303%	0.0289%	0.0227%	0.0183%	0.0124%	0.0082%	0.0077%
City's proportionate share of the net OPEB liability (asset)	\$ 142,549	\$ 238,561	\$ 161,457	\$ 135,261	\$ 114,340	\$ 66,447	\$ 65,767
City's covered employee payroll	\$ 161,120	\$ 158,413	\$ 123,957	\$ 104,137	\$ 71,516	\$ 49,140	\$ 50,308
City's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	88.47%	150.59%	130.25%	129.89%	159.88%	135.22%	130.73%
Plan fiduciary net position as a percentage of the total OPEB liability	unavailable	58.99%	64.24%	64.44%	58.84%	66.81%	64.13%

The above schedule will present 10 years of historical data, once available.



**CITY OF JAMESTOWN, KENTUCKY  
REQUIRED SUPPLEMENTAL SCHEDULE  
OPEB CONTRIBUTIONS - NONHAZARDOUS  
Last Ten Fiscal Years**

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	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Contractually required employer contribution	\$ 55,835	\$ 48,967	\$ 47,694	\$ 45,423	\$ 43,662	\$ 50,075	\$ 46,161	\$ 48,081	\$ 47,482	\$ 40,424
Contributions relative to contractually required employer contribution	<u>55,835</u>	<u>48,967</u>	<u>47,694</u>	<u>45,423</u>	<u>43,662</u>	<u>50,075</u>	<u>46,161</u>	<u>48,081</u>	<u>47,482</u>	<u>40,424</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 1,084,182	\$ 995,271	\$ 1,027,887	\$ 959,081	\$ 928,974	\$ 951,998	\$ 969,758	\$ 1,010,103	\$ 1,138,660	\$ 1,192,449
Employer contributions as a percentage of covered-employee payroll	5.15%	4.92%	4.64%	4.74%	4.70%	5.26%	4.76%	4.76%	4.17%	3.39%

**CITY OF JAMESTOWN, KENTUCKY  
REQUIRED SUPPLEMENTAL SCHEDULE  
OPEB CONTRIBUTIONS - HAZARDOUS  
Last Ten Fiscal Years**

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	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Contractually required employer contribution	\$ 33,181	\$ 31,713	\$ 20,446	\$ 14,812	\$ 10,637	\$ 10,903	\$ 6,808	\$ 4,690	\$ 4,392	\$ 3,534
Contributions relative to contractually required employer contribution	<u>33,181</u>	<u>31,713</u>	<u>20,446</u>	<u>14,812</u>	<u>10,637</u>	<u>10,903</u>	<u>6,808</u>	<u>4,690</u>	<u>4,392</u>	<u>3,534</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 238,195	\$ 233,526	\$ 161,120	\$ 158,413	\$ 123,957	\$ 104,137	\$ 71,516	\$ 49,140	\$ 50,308	\$ 52,125
Employer contributions as a percentage of covered-employee payroll	13.93%	13.58%	12.69%	9.35%	8.58%	10.47%	9.52%	9.54%	8.73%	6.78%

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2023**

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**1. GENERAL INFORMATION**

**Contributions**

Contractually required employer contributions reported on the Schedule of Pension Contributions exclude the portion of contributions paid to CERS but allocated to the insurance fund of the CERS. The insurance contributions are reported on the Schedule of OPEB Contributions.

**Payroll**

The City's covered payroll reported on the Proportionate Share of the Net Pension Liability and the Proportionate Share of the Net OPEB Liability Schedules is one year prior to the City's fiscal year payroll as reported on the Schedule of Contributions for Pension and OPEB.

**2. CHANGES OF ASSUMPTIONS**

**June 30, 2022 – Pension and OPEB – Hazardous and Nonhazardous**

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2022, for OPEB:

- The initial healthcare trend rate for pre-65 was changed from 6.30% to 6.40%.

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2022, for pension.

**June 30, 2021 – Pension and OPEB – Hazardous and Nonhazardous**

The following change in assumptions was made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2021, for OPEB:

- The initial healthcare trend rate for pre-65 was changed from 6.40% to 6.30%. The initial healthcare trend rate for post-65 was changed from 2.90% to 6.30%.

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2021, for pension.

**June 30, 2020 – Pension and OPEB – Hazardous and Nonhazardous**

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2020, for both pension and OPEB:

- The initial healthcare trend rate for pre-65 was changed from 7% to 6.40%, which gradually decreases to an ultimate trend rate of 4.05% over a period of 14 years. The initial healthcare trend rate for post-65 was changed from 5% to 2.90%, which increases to 6.30% in 2023 and then gradually decreases to an ultimate trend rate of 4.05% over a period of 14 years.

**June 30, 2019 – Pension and OPEB – Hazardous and Nonhazardous**

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2019, for both pension and OPEB:

- The assumed rate of salary increases was increased from 3.05% to 3.3% to 10.3% on average for non-hazardous and 3.05% to 3.55% to 19.05% on average for hazardous.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2023**

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**2. CHANGES OF ASSUMPTIONS (CONTINUED)**

**June 30, 2018 – Pension and OPEB – Hazardous and Nonhazardous**

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2018 for either pension or OPEB.

**June 30, 2017 – Pension – Hazardous and Nonhazardous**

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2017:

- The assumed rate of return was decreased from 7.5% to 6.25%.
- The assumed rate of inflation was reduced from 3.25% to 2.3%.
- Payroll growth assumption was reduced from 4% to 2%

**June 30, 2016 – Pension and OPEB – Hazardous and Nonhazardous**

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2016 for either pension or OPEB.

**June 30, 2015 – Pension – Hazardous and Nonhazardous**

The following changes in assumptions were made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2015:

- The assumed rate of return was decreased from 7.75% to 7.5%.
- The assumed rate of inflation was reduced from 3.5% to 3.25%.
- The assumed rate of wage inflation was reduced from 1% to .75%.
- Payroll growth assumption was reduced from 4.5% to 4%.
- Mortality rates were based on the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females).
- For Disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.
- The assumed rates of retirement, withdrawal, and disability were updated to reflect experience more accurately.

**June 30, 2014 – Pension – Hazardous and Nonhazardous**

There were no changes in assumptions made by the Kentucky Legislature and reflected in the valuation performed as of June 30, 2014.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2023**

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**June 30, 2013 – Pension – Hazardous and Nonhazardous**

The following assumptions were made by the Kentucky Legislature and reflected in the initial valuation performed as of June 30, 2013:

- The assumed rate of return was 7.75%.
- The assumed rate of inflation was 3.5%.
- The assumed rate of wage inflation was 1%.
- Payroll growth assumption was 4.5%.
- Mortality rates were based on the 1983 Group Annuity Mortality Table for all retired members and beneficiaries as of June 30, 2006. The 1994 Group Annuity Mortality Table was used for all other members.

## **SUPPLEMENTARY INFORMATION**

**CITY OF JAMESTOWN, KENTUCKY  
BUDGETARY COMPARISON  
NONMAJOR GOVERNMENTAL FUNDS  
for the year ended June 30, 2023**

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	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>MUNICIPAL ROAD AID FUND</b>				
<b>REVENUES</b>				
Intergovernmental	\$ 39,775	\$ 36,425	\$ 36,680	\$ 255
Transfers in	-	600	600	-
Interest	<u>36</u>	<u>17</u>	<u>19</u>	<u>2</u>
<b>TOTAL REVENUES</b>	<u>\$ 39,811</u>	<u>\$ 37,042</u>	<u>\$ 37,299</u>	<u>\$ 257</u>
<b>EXPENDITURES</b>				
Public works	\$ 40,811	\$ 42,442	\$ 13,525	\$ (28,917)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 40,811</u>	<u>\$ 42,442</u>	<u>\$ 13,525</u>	<u>\$ (28,917)</u>
<b>DEBT SERVICE FUND</b>				
<b>REVENUES</b>				
Transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Debt service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF JAMESTOWN, KENTUCKY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2023**

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	<b>Municipal Road Aid Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 22,966	\$ -	\$ 22,966
Accounts receivable	<u>3,959</u>	<u>-</u>	<u>3,959</u>
Total assets	<u>\$ 26,925</u>	<u>\$ -</u>	<u>\$ 26,925</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Restricted fund balance	<u>26,925</u>	<u>-</u>	<u>26,925</u>
Total liabilities and fund balance	<u>\$ 26,925</u>	<u>\$ -</u>	<u>\$ 26,925</u>



**CITY OF JAMESTOWN, KENTUCKY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**for the year ended June 30, 2023**

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	<b>Municipal Road Aid Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Intergovernmental	\$ 36,680	\$ -	\$ 36,680
Interest	<u>19</u>	<u>-</u>	<u>19</u>
Total revenues	<u>36,699</u>	<u>-</u>	<u>36,699</u>
<b>EXPENDITURES</b>			
Public works	13,525	-	13,525
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,525</u>	<u>-</u>	<u>13,525</u>
Excess revenues over (under) expenditures before other sources (uses)	<u>23,174</u>	<u>-</u>	<u>23,174</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	<u>600</u>	<u>-</u>	<u>600</u>
<b>Excess revenues and other financing sources over (under) expenditures</b>	<u>23,774</u>	<u>-</u>	<u>23,774</u>
Fund balances, July 1, 2022	<u>3,151</u>	<u>-</u>	<u>3,151</u>
<b>FUND BALANCES - JUNE 30, 2023</b>	<u><u>\$ 26,925</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 26,925</u></u>

**CITY OF JAMESTOWN, KENTUCKY**  
**COMBINING STATEMENT OF OPERATING REVENUES AND EXPENSES**  
**PROPRIETARY FUND**  
**for the year ended June 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,404,126	\$ 730,420	\$ 3,134,546
Penalties	15,446	10,298	25,744
Other revenue	1,784	-	1,784
Total operating revenues	<u>2,421,356</u>	<u>740,718</u>	<u>3,162,074</u>
<b>OPERATING EXPENSES</b>			
Salaries and wages	638,536	321,554	960,090
Outside services	508,378	228,258	736,636
Payroll taxes	29,646	19,764	49,410
Insurance	31,180	31,181	62,361
Utilities	306,618	176,428	483,046
Telephone	7,595	4,736	12,331
Professional services	48,357	34,487	82,844
Materials and supplies	151,400	13,245	164,645
Chemicals	125,958	108,396	234,354
Sludge expense	-	32,398	32,398
Analytical	11,504	5,463	16,967
Fuel and lube	17,692	5,991	23,683
Advertising	356	355	711
Uniforms	2,200	1,000	3,200
Maintenance and repairs	53,738	23,952	77,690
Travel and lodging	2,258	273	2,531
Postage	15,565	10,373	25,938
Equipment Rental	952	943	1,895
Dues and subscriptions	2,913	2,060	4,973
Training	7,811	7,822	15,633
Miscellaneous	189	92	281
Depreciation and amortization	756,174	499,316	1,255,490
Total operating expenses	<u>2,719,020</u>	<u>1,528,087</u>	<u>4,247,107</u>
<b>Operating income (loss)</b>	<u>\$ (297,664)</u>	<u>\$ (787,369)</u>	<u>\$ (1,085,033)</u>



**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**

To the Mayor and City Council  
City of Jamestown  
Jamestown, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jamestown, Kentucky, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Jamestown, Kentucky's basic financial statements, and have issued our report thereon dated January 24, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Jamestown, Kentucky's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Jamestown, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Jamestown, Kentucky's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**RFH**

RFH, PLLC  
Lexington, Kentucky  
January 24, 2024