

CITY OF JAMESTOWN
Jamestown, Kentucky



FINANCIAL STATEMENTS
June 30, 2019

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2019, 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.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jamestown, Kentucky, as of June 30, 2019, 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.

Other Matters

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 other post-employment benefit (OPEB) schedules on pages 3-10 and 38-48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and 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.

Other 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.

The budgetary information – nonmajor governmental funds, combining nonmajor governmental fund financial statements, and combining statement of operating revenues and expenses – proprietary funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, budgetary information – nonmajor governmental funds, the combining nonmajor governmental fund financial statements, and combining statement of operating revenues and expenses – proprietary funds 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 April 13, 2020, 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 the City of Jamestown, Kentucky's internal control over financial reporting and compliance.

RFH

RFH, PLLC
Lexington, Kentucky
April 13, 2020

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, 2019. Please read in conjunction with the auditors' report on page 1 and the City's financial statements, which begin on page 11.

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 \$17,420, or 1.4 percent to \$1,224,297, and the net position of the business-type activities decreased by \$611,512 or 4.0 percent to \$14,790,252.
- In the City's governmental activities, revenues increased by \$77,988, or 6.4 percent to \$1,287,646, and expenses increased by \$72,828, or 6.0 percent to \$1,270,226. In the business-type activities, revenues increased by \$429,657, or 13.8 percent to \$3,538,587, while expenses increased by \$193,034, or 4.9 percent to \$4,150,099.

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		Business-type		Total Primary	
	Activities		Activities		Government	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Current and Other Assets	\$ 803,235	\$ 882,800	\$ 3,110,705	\$ 2,846,265	\$ 3,913,940	\$ 3,729,065
Capital Assets	1,802,648	1,420,151	22,275,104	23,317,811	24,077,752	24,737,962
Deferred Outflows	<u>229,916</u>	<u>352,787</u>	<u>610,637</u>	<u>762,551</u>	<u>840,553</u>	<u>1,115,338</u>
Total Assets	<u>2,835,799</u>	<u>2,655,738</u>	<u>25,996,446</u>	<u>26,926,627</u>	<u>28,832,245</u>	<u>29,582,365</u>
Current Liabilities	24,201	36,171	380,860	340,366	405,061	376,537
Deferred Inflows	245,679	177,577	262,452	179,580	508,131	357,157
Long-Term Debt Outstanding	300,000	-	7,926,923	8,261,641	8,226,923	8,261,641
Net pension liability	790,066	888,745	2,055,956	2,060,054	2,846,022	2,948,799
Net OPEB liability	<u>251,556</u>	<u>346,368</u>	<u>580,003</u>	<u>683,222</u>	<u>831,559</u>	<u>1,029,590</u>
Total Liabilities	<u>1,611,502</u>	<u>1,448,861</u>	<u>11,206,194</u>	<u>11,524,863</u>	<u>12,817,696</u>	<u>12,973,724</u>
Net Position:						
Invested in Capital Assets, net of debt	1,502,648	1,420,151	14,348,181	15,056,170	15,850,829	16,476,321
Restricted	24,406	83,787	497,805	504,441	522,211	588,228
Unrestricted	<u>(302,757)</u>	<u>(297,061)</u>	<u>(55,734)</u>	<u>(158,847)</u>	<u>(358,491)</u>	<u>(455,908)</u>
Total Net Position	<u>\$ 1,224,297</u>	<u>\$ 1,206,877</u>	<u>\$ 14,790,252</u>	<u>\$ 15,401,764</u>	<u>\$ 16,014,549</u>	<u>\$ 16,608,641</u>

The net position of the City's governmental activities increased by 1.4 percent, from \$1,206,877 in 2018 to \$1,224,297 in 2019. The net position of the business-type activities decreased by 4.0 percent, from \$15,401,764 in 2018 to \$14,790,252 in 2019. The net position from one activity generally cannot be used to make up for any deficits in the other activities.

NET POSITION, continued

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2018</u>
Revenues						
<u>Program Revenues</u>						
Charges for Service	\$ 73,468	\$ 70,220	\$ 3,422,417	\$ 3,069,503	\$ 3,495,885	\$ 3,139,723
Operating Grants & Contributions	62,629	64,960	-	-	62,629	64,960
Capital Grants & Contributions	69,966	25,250	\$ 108,831	\$ 34,044	178,797	59,294
<u>General Revenue</u>						
Taxes	225,134	228,117	-	-	225,134	228,117
License fees	775,834	764,216	-	-	775,834	764,216
Other Grants & Contributions	-	-	-	-	-	-
Investment Earnings	-	-	7,339	5,383	7,339	5,383
Donations	-	-	-	-	-	-
Gain on disposal of fixed assets	-	1,250	-	-	-	1,250
Miscellaneous	80,615	55,645	-	-	80,615	55,645
Total Revenue	<u>1,287,646</u>	<u>1,209,658</u>	<u>3,538,587</u>	<u>3,108,930</u>	<u>4,826,233</u>	<u>4,318,588</u>
Program Expenses						
General Government	401,396	324,658	-	-	401,396	324,658
Public Safety - Police	441,123	408,616	-	-	441,123	408,616
Public Safety - Fire	109,180	119,999	-	-	109,180	119,999
Parks and Recreation	17,498	14,797	-	-	17,498	14,797
Sanitation	71,031	85,012	-	-	71,031	85,012
Public Works	225,478	228,951	-	-	225,478	228,951
Cemetery	4,520	15,365	-	-	4,520	15,365
Community Development	-	-	-	-	-	-
Interest on Long-term Debt	-	-	-	-	-	-
Sewer and Water	-	-	4,150,099	3,957,065	4,150,099	3,957,065
Total Program Expenses	<u>1,270,226</u>	<u>1,197,398</u>	<u>4,150,099</u>	<u>3,957,065</u>	<u>5,420,325</u>	<u>5,154,463</u>
Net Change In Net Position	<u>\$ 17,420</u>	<u>\$ 12,260</u>	<u>\$ (611,512)</u>	<u>\$ (848,135)</u>	<u>\$ (594,092)</u>	<u>\$ (835,875)</u>

The City's total revenue increased by 11.8 percent and the total cost of all programs increased by 5.2 percent. 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 increased to \$3,538,587 in 2019, or 13.8 percent, while total expenses increased to \$4,150,099, or 4.9 percent. The increase in revenues and increase in expenses resulted in a decrease in net position by \$611,512. Capital grants and contributions increased by \$74,787 see the discussion on page 7 on the capital assets. The City's major source of revenue in the business-type activities is charges for service, which increased by \$352,914. This revenue source makes up 96.7 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 2019</u>	<u>FY 2018</u>	<u>Variance</u>
Taxes	\$ 225,134	\$ 228,117	\$ (2,983)
Licenses and permits	775,834	764,216	11,618
Intergovernmental	100,847	58,793	42,054
Charges for Services	73,468	70,220	3,248
Other Revenues	<u>112,360</u>	<u>87,062</u>	<u>25,298</u>
Total Revenues	<u>1,287,643</u>	<u>1,208,408</u>	<u>79,235</u>
General Administration	\$ 353,002	\$ 284,588	\$ 68,414
Public Safety	499,834	441,328	58,506
Public Works	217,569	205,142	12,427
Sanitation	70,511	85,012	(14,501)
Other	14,503	23,606	(9,103)
Capital Outlay	496,819	51,000	445,819
Debt Service	<u>-</u>	<u>14,820</u>	<u>(14,820)</u>
Total Expenditures	<u>1,652,238</u>	<u>1,105,496</u>	<u>546,742</u>
Excess (Deficiency) of Revenues over Expenditures before transfers	<u>\$ (364,595)</u>	<u>\$ 102,912</u>	<u>\$(467,507)</u>

Revenues for the City's governmental activities increased by \$79,235, while total expenditures increased by 49.5 percent. Governmental activities excess (deficiency) of revenues over expenditures before transfers increased by \$467,507. The City's major source of revenue in the governmental activities is licenses and permits, which makes up 60.3 percent of total revenues. This revenue source increased by \$11,618 in 2019.

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).

Table A-4

Condensed Governmental Activities - Revenues

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes	\$ 226,000	\$ 225,134	\$ (866)
Licenses and permits	771,230	775,834	4,604
Intergovernmental	63,090	65,329	2,239
Charges for Services	68,000	73,468	5,468
Municipal Aid Fund	35,605	35,576	(29)
Other Revenues	<u>91,755</u>	<u>112,302</u>	<u>20,547</u>
Total Revenues	<u>\$ 1,255,680</u>	<u>\$ 1,287,643</u>	<u>\$ 31,963</u>

Table A-5

Condensed Governmental Activities - Expenditures

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government	\$ 429,370	\$ 353,002	\$ (76,368)
Public Safety	510,260	499,834	(10,426)
Sanitation	75,000	70,511	(4,489)
Public Works	222,200	217,569	(4,631)
Recreation	10,500	9,983	(517)
Cemetery	6,600	4,520	(2,080)
Municipal Aid Fund	117,261	94,957	(22,304)
Debt Service	-	-	-
Capital Outlay	<u>39,000</u>	<u>401,862</u>	<u>362,862</u>
Total Expenditures	<u>\$ 1,410,191</u>	<u>\$ 1,652,238</u>	<u>\$ 242,047</u>

The City budgeted for a total of \$1,255,680 in revenues for 2019, but ended up having revenues of \$1,287,643, which put the City 2.5 percent over the revenue budget. A total of \$1,410,191 was budgeted for expenses, but expenditures totaled \$1,652,238 at the end of 2019. The City was over budget on the expenses by \$242,047 or 17.2 percent as detailed above.

CAPITAL ASSETS

The City has a total of \$47,875,716 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 \$654,833 from last year's total investment of \$47,220,883. The major capital additions included a maintenance truck for \$27,558, a police vehicle for \$46,786, land for a sports complex \$300,000, water line relocation for \$72,721 and infrastructure improvements for \$94,957.

Table A-6
Capital Assets at Year End Without Depreciation

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Land & Improvements	\$ 698,519	\$ 386,999	\$ -	\$ -	\$ 698,519	\$ 386,999
Buildings & Improvements	1,032,035	1,026,435	-	-	1,032,035	1,026,435
Vehicles & Equipment	1,112,567	1,027,827	-	-	1,112,567	1,027,827
Infrastructure Assets	435,128	340,171	-	-	435,128	340,171
Water & Sewer System	-	-	44,597,467	44,439,451	44,597,467	44,439,451
Total Capital Assets	<u>\$ 3,278,249</u>	<u>\$ 2,781,432</u>	<u>\$ 44,597,467</u>	<u>\$ 44,439,451</u>	<u>\$ 47,875,716</u>	<u>\$ 47,220,883</u>

DEBT

This year the City has \$8,226,923 in long-term debt, a \$34,718 decrease from last year's total of \$8,226,923. The City governmental activities used a credit line to borrow \$300,000 to pay for the sports complex land discussed above.

Table A-7

Debt Outstanding at Year End

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Note Payable	\$ 300,000	\$ -	\$ 3,520,423	\$ 3,700,141	\$ 3,820,423	\$ 3,700,141
Revenue Bond Payable	-	-	4,406,500	4,561,500	4,406,500	4,561,500
Total Debt Outstanding	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 7,926,923</u>	<u>\$ 8,261,641</u>	<u>\$ 8,226,923</u>	<u>\$ 8,261,641</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected officials consider many factors when setting the fiscal year 2020 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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash	\$ 572,682	\$ 1,935,210	\$ 2,507,892
Certificates of deposit	-	362,000	362,000
Receivables, net	201,169	294,276	495,445
Internal balances	9,182	(9,182)	-
Other current assets	-	30,596	30,596
Total current assets	<u>783,033</u>	<u>2,612,900</u>	<u>3,395,933</u>
Noncurrent assets			
Restricted cash	20,202	497,805	518,007
Capital assets			
Land	532,170	208,100	740,270
Plant and sewer system, net	-	22,012,303	22,012,303
Depreciable buildings, property, and equipment, net	898,881	8,701	907,582
Construction in progress	-	46,000	46,000
Infrastructure, net	371,597	-	371,597
Total noncurrent assets	<u>1,822,850</u>	<u>22,772,909</u>	<u>24,595,759</u>
Total assets	<u>2,605,883</u>	<u>25,385,809</u>	<u>27,991,692</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	143,884	442,148	586,032
Deferred outflows - OPEB	86,032	168,489	254,521
Total deferred outflows of resources	<u>229,916</u>	<u>610,637</u>	<u>840,553</u>
Total assets and deferred outflows of resources	<u>\$ 2,835,799</u>	<u>\$ 25,996,446</u>	<u>\$ 28,832,245</u>
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable	\$ 21,201	\$ 102,370	\$ 123,571
Accrued payroll taxes	-	31,809	31,809
Accrued interest	3,000	60,918	63,918
Customer deposits	-	185,763	185,763
Current portion of long-term obligations	10,048	342,423	352,471
Total current liabilities	<u>34,249</u>	<u>723,283</u>	<u>757,532</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	289,952	7,584,500	7,874,452
Net pension liability	790,066	2,055,956	2,846,022
Net OPEB liability	251,556	580,003	831,559
Total noncurrent liabilities	<u>1,331,574</u>	<u>10,220,459</u>	<u>11,552,033</u>
Total liabilities	<u>1,365,823</u>	<u>10,943,742</u>	<u>12,309,565</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension	161,316	131,885	293,201
Deferred inflows - OPEB	84,363	130,567	214,930
Total deferred inflows of resources	<u>245,679</u>	<u>262,452</u>	<u>508,131</u>
Net position			
Net investment in capital assets	1,502,648	14,348,181	15,850,829
Restricted for:			
Debt service	-	87,876	87,876
Depreciation	-	249,844	249,844
Other purposes	24,406	160,085	184,491
Unrestricted	(302,757)	(55,734)	(358,491)
Total net position	<u>1,224,297</u>	<u>14,790,252</u>	<u>16,014,549</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,835,799</u>	<u>\$ 25,996,446</u>	<u>\$ 28,832,245</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, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities							
General government	\$ 401,396	\$ -	\$ 31,847	\$ -	\$ (369,549)	\$ -	\$ (369,549)
Public safety - police	441,123	-	20,282	34,390	(386,451)	-	(386,451)
Public safety - fire	109,180	-	10,500	-	(98,680)	-	(98,680)
Public works	225,478	-	-	35,576	(189,902)	-	(189,902)
Parks and recreation	17,498	-	-	-	(17,498)	-	(17,498)
Sanitation	71,031	73,468	-	-	2,437	-	2,437
Cemetery	4,520	-	-	-	(4,520)	-	(4,520)
Total governmental activities	<u>1,270,226</u>	<u>73,468</u>	<u>62,629</u>	<u>69,966</u>	<u>(1,064,163)</u>	<u>-</u>	<u>(1,064,163)</u>
Business-type activities							
Water & Sewer	<u>4,150,099</u>	<u>3,422,417</u>	<u>-</u>	<u>108,831</u>	<u>-</u>	<u>(618,851)</u>	<u>(618,851)</u>
Total primary government	\$ 5,420,325	\$ 3,495,885	\$ 62,629	\$ 178,797	(1,064,163)	(618,851)	(1,683,014)
General revenues							
Taxes							
Property taxes, levied for general purposes					225,134	-	225,134
License fees							
Franchise					89,803	-	89,803
Payroll					340,807	-	340,807
Insurance premiums					302,305	-	302,305
Other fees					42,919	-	42,919
Investment earnings					-	7,339	7,339
Gain on disposal of capital assets					-	-	-
Miscellaneous					80,615	-	80,615
Total general revenues					<u>1,081,583</u>	<u>7,339</u>	<u>1,088,922</u>
Change in net position					17,420	(611,512)	(594,092)
Net position - beginning					<u>1,206,877</u>	<u>15,401,764</u>	<u>16,608,641</u>
Net position - ending					<u>\$ 1,224,297</u>	<u>\$ 14,790,252</u>	<u>\$ 16,014,549</u>

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

CITY OF JAMESTOWN, KENTUCKY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 572,682	\$ 20,202	\$ 592,884
Receivables, net	196,965	4,204	201,169
Due from other funds	9,182	-	9,182
Total assets	\$ 778,829	\$ 24,406	\$ 803,235
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 21,201	\$ -	\$ 21,201
Total liabilities	21,201	-	21,201
Fund balances			
Restricted	-	24,406	24,406
Assigned to			
Capital projects	49,059	-	49,059
Cemetery	14,326	-	14,326
Public safety	21,293	-	21,293
Unassigned	672,950	-	672,950
Total fund balances	757,628	24,406	782,034
Total liabilities and fund balances	\$ 778,829	\$ 24,406	\$ 803,235

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

Fund balances reported above	\$ 782,034
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,802,648
Net deferred inflows/outflows related to the long-term net pension/OPEB liability are not reported in the funds.	(15,763)
Long-term liabilities, including bonds payable and net pension and OPEB liability are not due and payable in the current period and therefore are not reported in the funds.	(1,341,622)
Accrued interest for governmental debt	(3,000)
Net position of governmental activities	\$ 1,224,297

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, 2019

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 225,134	\$ -	\$ 225,134
Licenses and permits	775,834	-	775,834
Intergovernmental	65,329	35,518	100,847
Charges for services	73,468	-	73,468
Other revenues	112,302	58	112,360
Total revenues	1,252,067	35,576	1,287,643
EXPENDITURES			
Current			
General administration	353,002	-	353,002
Public safety-police	429,076	-	429,076
Public safety-fire	70,758	-	70,758
Sanitation	70,511	-	70,511
Public works	217,569	-	217,569
Parks and recreation	9,983	-	9,983
Cemetery	4,520	-	4,520
Capital outlay	401,862	94,957	496,819
Total expenditures	1,557,281	94,957	1,652,238
Excess (deficiency) of revenues over expenditures	(305,214)	(59,381)	(364,595)
OTHER FINANCING SOURCES (USES)			
Loan proceeds	300,000	-	300,000
Total other financing sources (uses)	300,000	-	300,000
Net change in fund balances	(5,214)	(59,381)	(64,595)
Fund balances-beginning	762,842	83,787	846,629
Fund balances-ending	\$ 757,628	\$ 24,406	\$ 782,034
Reconciliation to government-wide change in net position:			
Net change in fund balances			\$ (64,595)
Add: Capital outlay			496,819
Less: Interest on long-term obligations			(3,000)
Less: Depreciation on governmental activities			(114,320)
Less: loan proceeds			(300,000)
Add: Decrease in net pension liability			13,359
Less: Increase in net OPEB liability			(10,843)
Change in net position Governmental Activities			\$ 17,420

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

CITY OF JAMESTOWN, KENTUCKY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019

	Business-type Activities Water & Sewer
ASSETS	
Current assets	
Cash	\$ 1,935,210
Certificates of deposit	362,000
Receivables, net	294,276
Other current assets	<u>30,596</u>
Total current assets	<u>2,622,082</u>
Noncurrent assets	
Restricted cash and cash equivalents	497,805
Capital assets	
Construction in progress	46,000
Land, easements and buildings	208,100
Vehicle and equipment	189,481
Plant and sewer equipment	44,153,886
Less: accumulated depreciation	<u>(22,322,363)</u>
Total noncurrent assets	<u>22,772,909</u>
Total assets	<u>25,394,991</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows - pension	442,148
Deferred outflows - OPEB	<u>168,489</u>
Total deferred outflows of resources	<u>610,637</u>
Total assets and deferred outflows of resources	<u>\$ 26,005,628</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 102,370
Accrued payroll payable	31,809
Due to other funds	9,182
Accrued interest payable	60,918
Customer deposits	185,763
Current portion of long-term obligations	<u>342,423</u>
Total current liabilities	<u>732,465</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	7,584,500
Net pension liability	2,055,956
Net OPEB liability	<u>580,003</u>
Total noncurrent liabilities	<u>10,220,459</u>
Total liabilities	<u>10,952,924</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - pension	131,885
Deferred inflows - OPEB	<u>130,567</u>
Total deferred inflows of resources	<u>262,452</u>
NET POSITION	
Net investment in capital assets	14,348,181
Restricted for:	
Debt service	87,876
Depreciation	249,844
Other purposes	160,085
Unrestricted	<u>(55,734)</u>
Total net position	<u>14,790,252</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 26,005,628</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, 2019

	Business-type Activities Water & Sewer
Operating revenues	
Charges for services	\$ 3,390,480
Other income	31,937
Total operating revenues	3,422,417
Operating expenses	
Office	427,352
Water production	890,926
Water distribution	699,101
Sewer treatment	704,901
Depreciation and amortization	1,200,723
Total operating expenses	3,923,003
Operating (loss)	(500,586)
Non-operating revenues (expenses)	
Interest and investment revenue	7,339
Interest expense	(227,096)
Total non-operating (expense)	(219,757)
(Loss) before capital contributions	(720,343)
Capital contributions	
Grants received	72,721
Water and sewer tap fees	36,110
Total capital contributions	108,831
Change in net position	(611,512)
Total net position - beginning	15,401,764
TOTAL NET POSITION - ENDING	\$ 14,790,252

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, 2019

	<u>Business-type Activities Water & Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 3,441,059
Payments to suppliers	(944,243)
Payments for employee services and benefits	<u>(1,611,072)</u>
Net cash provided by operating activities	<u>885,744</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions	108,831
Purchase of capital assets	(158,016)
Principal paid on capital debt	(334,718)
Interest paid on capital debt	<u>(228,413)</u>
Net cash (used in) capital and related financing activities	<u>(612,316)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Receipts on interfund loans	<u>79</u>
Net cash provided by noncapital financing activities	<u>79</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	<u>7,339</u>
Net cash provided by investing activities	<u>7,339</u>
Net increase in cash	280,846
Cash - beginning of the year	<u>2,152,169</u>
CASH - END OF THE YEAR	<u>\$ 2,433,015</u>
Reconciliation of operating (loss) to net cash provided by operating activities:	
Operating (loss)	\$ (500,586)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,200,723
Net pension liability	109,658
Net OPEB liability	17,813
Change in assets and liabilities:	
Receivables, net	16,542
Other current assets	(215)
Accounts payables	34,685
Accrued payroll payable	5,024
Customer deposits	<u>2,100</u>
Net cash provided by operating activities	<u>\$ 885,744</u>

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

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements

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 leases and debt principal, interest and related costs.

Proprietary Funds

Proprietary 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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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, 2019

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. City Council approved the purchase and financing of land totaling \$300,000. However, the City did not amend the budget to reflect this additional capital outlay, and thus exceeded budgeted capital outlay by \$362,862.

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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management's Review of Subsequent Events

The City has evaluated and considered the need to recognize or disclose subsequent events through April 13, 2020, 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, 2019, 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 uninured, 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 form 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, 2019 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, 2019 totaled \$3,458,087, of which \$557,869 was covered by FDIC, and \$2,900,218 was covered by pledged collateral. The book balance of the City's deposits totaled \$3,387,899.

Statement of Cash Flows

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

Cash – unrestricted	\$ 1,935,210
Cash – restricted	<u>497,805</u>
	<u>\$ 2,433,015</u>

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

3. RECEIVABLES

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

	General Fund	Nonmajor Funds	Governmental Funds Total
Governmental Funds:			
Taxes	\$ 92,341	\$ -	\$ 92,341
Licenses, permits, billings	111,142	-	111,142
Charges for service	6,078	-	6,078
Intergovernmental	-	4,204	4,204
Other	<u>8,123</u>	<u>-</u>	<u>8,123</u>
Gross Receivables	217,684	4,204	221,888
Less: allowance for uncollectible	<u>(20,719)</u>	<u>-</u>	<u>(20,719)</u>
Net Receivables	<u>\$ 196,965</u>	<u>\$ 4,204</u>	<u>\$ 201,169</u>
Total			
Business-Type Activities:			
Customer	\$ 306,762		
Less: allowance for uncollectible	<u>(12,486)</u>		
Net Receivables	<u>\$ 294,276</u>		

4. CAPITAL ASSETS

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

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 232,170	\$ 300,000	\$ -	\$ 532,170
Capital assets that are depreciated:				
Land improvements	154,829	11,520	-	166,349
Buildings and improvements	1,026,435	5,600	-	1,032,035
Vehicles and equipment	<u>1,027,825</u>	<u>84,742</u>	<u>-</u>	<u>1,112,567</u>
Total	<u>2,209,089</u>	<u>101,862</u>	<u>-</u>	<u>2,310,951</u>
Total non-infrastructure assets	2,441,259	401,862	-	2,843,121
Infrastructure assets	<u>340,171</u>	<u>94,957</u>	<u>-</u>	<u>435,128</u>
Total capital assets	<u>2,781,430</u>	<u>496,819</u>	<u>-</u>	<u>3,278,249</u>
Less accumulated depreciation:				
Land improvements	73,472	8,205	-	81,677
Buildings and improvements	424,016	24,554	-	448,570
Vehicles and equipment	808,765	73,058	-	881,823
Infrastructure	<u>55,028</u>	<u>8,503</u>	<u>-</u>	<u>63,531</u>
Total	<u>1,361,281</u>	<u>114,320</u>	<u>-</u>	<u>1,475,601</u>
Capital assets, net	<u>\$ 1,420,149</u>	<u>\$ 382,499</u>	<u>\$ -</u>	<u>\$ 1,802,648</u>

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

4. CAPITAL ASSETS (continued)

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

	Balance			Balance
	July 1, 2018	Additions	Deductions	June 30, 2019
Business-type Activities:				
Land and easements	\$ 208,100	\$ -	\$ -	\$ 208,100
Water and sewer system	44,041,870	112,016	-	44,153,886
Construction in progress	-	46,000	-	46,000
Vehicles and equipment	<u>189,481</u>	<u>-</u>	<u>-</u>	<u>189,481</u>
Total	<u>44,439,451</u>	<u>158,016</u>	<u>-</u>	<u>44,597,467</u>
Less accumulated depreciation:	<u>21,121,640</u>	<u>1,200,723</u>	<u>-</u>	<u>22,322,363</u>
Capital assets, net	<u>\$ 23,317,811</u>	<u>\$ (1,042,707)</u>	<u>\$ -</u>	<u>\$ 22,275,104</u>

Depreciation expense was charged to the Governmental functions as follows:

General government	\$ 43,979
Police	23,887
Fire	38,419
Parks and recreation	7,515
Sanitation	<u>520</u>
Total depreciation expense	<u>\$ 114,320</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

The City issued \$462,000 of City of Jamestown Water and Sewer Revenue Bonds dated March 23, 1996, at the rate of 4.5% to provide funds for expansion of the water and sewer system. The balance at June 30, 2019, totaled \$272,000.

The City issued \$269,000 of City of Jamestown Water and Sewer Revenue Bonds dated March 25, 1999, bearing interest at the rate of 4.75% to provide funds for extensions of the water and sewer system. The balance at June 30, 2019, totaled \$190,500.

Effective April 27, 2004, the City of Jamestown issued \$1,377,000 of Water and Sewer Revenue Bonds bearing a variable interest rate (ranging from 2.28% to 4.41%) for the purpose of retiring portions of the 1981, 1988, and 1991 Issues. All bonds maturing after April 27, 2004, were replaced with the current 2004 Issue. This action constitutes a defeasance of the bonds maturing on or after April 27, 2004 from the 1981, 1988, and 1991 Issues. The balance at June 30, 2019, totaled \$455,000.

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

Revenue Bonds (continued)

The City issued \$3,932,000 of City of Jamestown Waterworks and Sewer Revenue Bonds dated June 25, 2009, bearing interest at the rate of 4.5% to provide funds for the expansion of the water system. The balance at June 30, 2019, totaled \$3,489,000.

The debt service requirements for all revenue bonds are summarized as follows:

Fiscal year	Principal	Interest	Total
2020	\$ 161,500	\$ 196,768	\$ 358,268
2021	169,000	189,624	358,624
2022	130,000	183,106	313,106
2023	132,500	177,329	309,829
2024	137,000	171,386	308,386
2025-2029	726,000	759,280	1,485,280
2030-2034	673,000	604,682	1,277,682
2035-2039	699,500	451,365	1,150,865
2040-2044	799,000	286,245	1,085,245
2045-2049	<u>779,000</u>	<u>89,595</u>	<u>868,595</u>
	<u>\$ 4,406,500</u>	<u>\$ 3,109,380</u>	<u>\$ 7,515,880</u>

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 at June 30, 2019, totaled \$2,065,995. Service fees are charged in addition to the semi-annual payment. The following is a schedule of future maturities:

Fiscal year	Principal	Interest	Fees	Total
2020	\$ 99,425	\$ 8,165	\$ 4,082	\$ 111,672
2021	99,824	7,766	3,873	111,463
2022	100,213	7,373	3,683	111,269
2023	100,624	6,966	3,483	111,073
2024	101,027	6,563	3,281	110,871
2025-2029	511,237	26,613	13,356	551,206
2030-2034	521,461	16,396	8,197	546,054
2035-2039	<u>532,184</u>	<u>5,964</u>	<u>2,976</u>	<u>541,124</u>
	<u>\$ 2,065,995</u>	<u>\$ 85,806</u>	<u>\$ 42,931</u>	<u>\$ 2,194,732</u>

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

Notes Payable (continued)

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, 2019, totaled \$1,454,428. The loan bears interest at a rate of 1%. The following is a schedule of future maturities:

Fiscal year	Principal	Interest	Fees	Total
2020	\$ 81,498	\$ 14,341	\$ 2,868	\$ 98,707
2021	82,315	13,524	2,705	98,544
2022	83,140	12,699	2,540	98,379
2023	83,974	11,865	2,373	98,212
2024	84,815	11,024	2,205	98,044
2025-2029	437,003	42,192	8,438	487,633
2030-2034	459,351	19,843	3,969	483,163
2035-2039	<u>142,332</u>	<u>1,426</u>	<u>285</u>	<u>144,043</u>
	<u>\$ 1,454,428</u>	<u>\$ 126,914</u>	<u>\$ 25,383</u>	<u>\$ 1,606,725</u>

The total business-type activities long-term debt is summarized as follows:

Current portion of KIA water expansion loan	\$ 99,425
Current portion of KIA sewer expansion loan	81,498
Current portion of revenue bonds	<u>161,500</u>
Total current portion	<u>342,423</u>
Long-term portion of KIA water expansion loan	1,966,570
Long-term portion of KIA sewer expansion loan	1,372,930
Long-term portion of revenue bonds	<u>4,245,000</u>
Total long-term portion	<u>7,584,500</u>
Total debt	<u>\$ 7,926,923</u>

A summary of changes in business-type activities long-term debt is as follows:

	Balance July 1, 2018	Additions	Payments	Balance June 30, 2019
Bonds and notes payable	<u>\$ 8,261,641</u>	<u>\$ -</u>	<u>\$ 334,718</u>	<u>\$ 7,926,923</u>

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

6. BOND ORDINANCE REQUIREMENTS

Notes Payable (continued)

The revenue bond ordinances require that the following reserves be created and maintained.

Sinking Fund Reserve – This reserve is required to receive a monthly transfer of 1/120th of the average annual principal and interest requirements until the average annual debt service of the 1996, 1998, 2004 and 2009 bonds is achieved. The balance of this reserve at June 30, 2019, totaled \$87,876.

Depreciation reserve – The balance of this reserve at June 30, 2019, totaled \$249,844.

\$462,000 Bond Issue: The City is required to deposit \$230 per month into a “Funded Reserve Depreciation Account” until the account reaches \$27,600. The deposits are to resume any time the account falls below \$27,600.

\$269,000 Bond Issue: The City is required to deposit \$135 per month into a “Funded Depreciation Reserve Account”. The monthly deposits are for the life of the loan.

\$3,932,000 Bond Issue: The City is required to deposit \$1,820 per month into a “Funded Reserve Depreciation Account” until the account reaches \$218,400. The deposits are to resume any time the account falls below the \$218,400.

Emergency Reserve – This reserve is required to receive a monthly transfer of \$100 to be disbursed solely for repairing or replacing catastrophic damage. The balance of this reserve at June 30, 2019, totaled \$160,085.

7. GOVERNMENTAL ACTIVITIES - LONG-TERM DEBT

Note Payable

The City established a line of credit through the Bank of Jamestown on July 18, 2006. The available line is \$362,000, and matures on December 4, 2023. The annual interest on the line of credit is 2.40%. During fiscal year 2019, the City made no draws on the line of credit and as of June 30, 2019, the line of credit had a balance of \$0.

The City borrowed \$300,000 from the Bank of Jamestown for the purchase of land to develop a sports complex. The loan is dated February 21, 2019. Principal and interest are payable annually in the amount of \$22,081 starting on April 2, 2020. The loan bears interest at a rate of 4.0%. The balance at June 30, 2019, totaled \$300,000.

A summary of the debt maturities including interest is as follows:

Fiscal year	Principal	Interest	Total
2020	\$ 10,048	\$ 12,033	\$ 22,081
2021	10,483	11,598	22,081
2022	10,902	11,179	22,081
2023	11,338	10,743	22,081
2024	11,763	10,318	22,081
2025-2029	66,392	44,012	110,404
2030-2034	80,782	29,622	110,404
2035-2039	98,292	12,112	110,404
	<u>\$ 300,000</u>	<u>\$ 141,617</u>	<u>\$ 441,617</u>

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

7. GOVERNMENTAL ACTIVITIES - LONG-TERM DEBT (CONTINUED)

Notes Payable (continued)

A summary of changes in general long-term debt is as follows:

	Balance			Balance
	July 1, 2018	Additions	Payments	June 30, 2019
Notes payable	\$ <u> -</u>	\$ <u> 300,000</u>	\$ <u> -</u>	\$ <u> 300,000</u>

8. 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 Retirement Systems administers the CERS. The plan issues publicly available financial statements which may be downloaded from the Kentucky Retirement Systems 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, 2019, 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, 2019, participating employers contributed 21.48% of each employee's wages for non-hazardous job classifications and 35.34% 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 9. Plan members contributed 16.22% to the pension trust for non-hazardous job classifications and 24.87% 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 Retirement System are financed through employer contributions and investment earnings.

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.

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

8. RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2019, the City contributed \$154,414 or 100% of the required contribution for non-hazardous job classifications, and \$25,899, for the year ended June 30, 2019, or 100% of the required contribution for hazardous job classifications.

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.

Pension Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources – At June 30, 2019, the City reported a liability for its proportionate share of the net pension liability as follows:

Total Net		
Pension Liability	Non-hazardous	Hazardous
<u>\$ 2,846,022</u>	<u>\$ 2,298,359</u>	<u>\$ 547,663</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2018 was as follows:

Non-hazardous	Hazardous
.0377%	.0227%

The proportionate share at June 30, 2018 decreased .0016% for non-hazardous and decreased .0062% for hazardous to the proportionate share as of June 30, 2017.

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

8. RETIREMENT PLAN (CONTINUED)

For the year ended June 30, 2019, the City recognized pension expense of \$277,062. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 118,550	\$ 33,642
Changes of assumptions	282,914	-
Net difference between projected and actual earnings on Plan investments	-	33,737
Changes in proportion and differences between City contributions and proportionate share of contributions	4,255	225,822
City contributions subsequent to the measurement date	<u>180,313</u>	<u>-</u>
Total	<u>\$ 586,032</u>	<u>\$ 293,201</u>

The \$180,313 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, 2020. 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,

2020	\$ 134,205
2021	\$ 45,400
2022	\$ (52,279)
2023	\$ (14,808)

Actuarial Assumptions – The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Non-hazardous

Inflation	2.30%	
Salary increases	3.05%, average, including inflation	
Investment rate of return	6.25%, net of Plan investment expense, including inflation	

Hazardous

Inflation	2.30%	
Salary increases	3.05%, average, including inflation	
Investment rate of return	6.25%, net of Plan investment expense, including inflation	

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 actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013. The total pension liability was rolled-forward from the valuation date (June 30, 2017) to the plan's fiscal year ending June 30, 2018.

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

8. RETIREMENT PLAN (CONTINUED)

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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Equity	17.50%	
U.S. Large Cap	5.00%	4.50%
U.S. Mid Cap	6.00%	4.50%
U.S. Small Cap	6.50%	5.50%
Non-U.S. Equity	17.50%	
International Developed	12.50%	6.50%
Emerging Markets	5.00%	7.25%
Global Bonds	4.00%	3.00%
Credit Fixed	24.00%	
Global IG Credit	2.00%	3.75%
High Yield	7.00%	5.50%
EMD	5.00%	6.00%
Illiquid Private	10.00%	8.50%
Private Equity	10.00%	6.50%
Real Estate	5.00%	9.00%
Absolute Return	10.00%	5.00%
Real Return	10.00%	7.00%
Cash	<u>2.00%</u>	<u>1.50%</u>
	100.00%	6.09%

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 25-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.

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

8. RETIREMENT PLAN (CONTINUED)

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%	\$ 2,893,396	5.25%	\$ 686,182		
Current discount rate	6.25%	\$ 2,298,359	6.25%	\$ 547,663		
1% increase	7.25%	\$ 1,799,822	7.25%	\$ 433,145		

Payable to the Pension Plan – At June 30, 2019, the City reported a payable of \$18,139 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019. The payable includes both the pension and insurance contribution allocation.

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description – As more fully described in Note 8, 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 8, plan members contribute to CERS for non-hazardous and hazardous job classifications. For the year ending June 30, 2019, the employer's contribution was 5.26% to the insurance trust for non-hazardous job classifications and 10.47% 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 Retirement System are financed through employer contributions and investment earnings.

For the year ended June 30, 2019, the City contributed \$50,075, or 100% of the required contribution for non-hazardous job classifications, and \$10,903, or 100% of the required contribution for hazardous job classifications.

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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, 2019, the City reported a liability for its proportionate share of the net OPEB liability as follows:

Total Net OPEB Liability	Non-hazardous	Hazardous
\$ <u>831,559</u>	\$ <u>670,102</u>	\$ <u>161,457</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. 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, 2018 was as follows:

Non-hazardous	Hazardous
.0377%	.0227%

The proportionate share at June 30, 2018 decreased .0016% for non-hazardous and decreased .0062% for hazardous to the proportionate share as of June 30, 2017.

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

For the year ended June 30, 2019, the City recognized OPEB expense of \$99,418. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ -	\$ 96,134
Changes of assumptions	183,376	1,990
Net difference between projected and actual earnings on Plan investments	-	61,506
Changes in proportion and differences between City contributions and proportionate share of contributions	-	55,300
City contributions subsequent to the measurement date	<u>71,145</u>	<u>-</u>
Total	<u>\$ 254,521</u>	<u>\$ 214,930</u>

The \$71,145 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, 2020. Contributions also include an allocation for the implicit subsidy of \$10,167, 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:

Year ending June 30,	
2020	\$ (1,089)
2021	\$ (1,089)
2022	\$ (9,999)
2023	\$ (2,632)
2024	\$ (10,911)
2025	\$ (5,834)

Actuarial Assumptions – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Non-hazardous and Hazardous

Inflation	2.30%
Salary increases	3.05%, average, including inflation
Investment rate of return	6.25%, net of Plan investment expense, including inflation
Healthcare trend	
Pre – 65:	Initial trend starting at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Post – 65:	Initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 11 years.

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.

CITY OF JAMESTOWN, KENTUCKY
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013. The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2018 was based on an actuarial valuation date of June 30, 2017. The total OPEB liability was rolled-forward from the valuation date (June 30, 2017) to the plan's fiscal year ending June 30, 2018.

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:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. Equity	17.50%	
U.S. Large Cap	5.00%	4.50%
U.S. Mid Cap	6.00%	4.50%
U.S. Small Cap	6.50%	5.50%
Non-U.S. Equity	17.50%	
International Developed	12.50%	6.50%
Emerging Markets	5.00%	7.25%
Global Bonds	4.00%	3.00%
Credit Fixed	24.00%	
Global IG Credit	2.00%	3.75%
High Yield	7.00%	5.50%
EMD	5.00%	6.00%
Illiquid Private	10.00%	8.50%
Private Equity	10.00%	6.50%
Real Estate	5.00%	9.00%
Absolute Return	10.00%	5.00%
Real Return	10.00%	7.00%
Cash	<u>2.00%</u>	<u>1.5%</u>
	100.00%	6.09%

Discount Rate – The discount rate used to measure the total OPEB liability was 5.85% and 5.97% 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 25-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 3.56%, as reported in Fidelity Index's "20 –Year Municipal GO AA Index" as of June 30, 2018. 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, 2019

9. 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		
	City's proportionate share of net OPEB liability			City's proportionate share of net OPEB liability		
	Discount rate			Discount rate		
1% decrease	4.85%	\$	870,355	4.97%	\$	224,433
Current discount rate	5.85%	\$	670,102	5.97%	\$	161,457
1% increase	6.85%	\$	499,523	6.97%	\$	111,043

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	\$	498,897	\$	109,960
Current trend rate	\$	670,102	\$	161,457
1% increase	\$	871,902	\$	225,238

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

10. PROPERTY TAX CALENDAR

Property taxes for fiscal year 2019 were levied in October 2018, 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, 2019

11. 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.

12. SUBSEQUENT EVENTS

In December 2019, the City of Jamestown refinanced the water and sewer bonds of 1996, 1999, 2004, and 2009 with bond Series 2020A issued from the Bank of New York Mellon Trust Company for \$4,612,500.

In early 2020, various restrictions were placed on travel and business across the United States in response to the COVID-19 pandemic. The duration and pervasiveness of these restrictions are uncertain as of the date of these financial statements. The City is evaluating the impact of COVID-19 and related responses on the operations and finances of the City. Restrictions on travel and in-person meetings could result in a reduction of business conducted in the City and could negatively impact the City's revenue and expenses for an unknown period of time. At this time, a specific estimate of the impact could not reasonably be determined due to a number of unknown factors regarding the severity and duration of the event.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JAMESTOWN, KENTUCKY
REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON
GENERAL FUND
for the year ended June 30, 2019

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
MUNICIPAL TAXATION				
General property taxes	\$ 200,000	\$ 201,000	\$ 199,612	\$ (1,388)
P.I.L.O.T.	3,000	3,000	2,934	(66)
Motor vehicle taxes	<u>20,000</u>	<u>22,000</u>	<u>22,588</u>	<u>588</u>
Total municipal taxation	<u>223,000</u>	<u>226,000</u>	<u>225,134</u>	<u>(866)</u>
LICENSES, PERMITS AND BILLINGS				
Occupational license fees	317,000	336,000	340,807	4,807
Insurance license	290,000	302,000	302,305	305
Net profits license fees	12,000	12,700	12,850	150
Franchise fees	85,000	88,500	89,803	1,303
Alcohol license fees	<u>35,050</u>	<u>32,030</u>	<u>30,069</u>	<u>(1,961)</u>
Total licenses, permits and billings	<u>739,050</u>	<u>771,230</u>	<u>775,834</u>	<u>4,604</u>
INTERGOVERNMENTAL				
State fire aid	10,500	10,500	10,500	-
Grants	-	34,390	34,390	-
KLEFPF	10,000	18,000	20,282	2,282
LGEAF	<u>150</u>	<u>200</u>	<u>157</u>	<u>(43)</u>
Total intergovernmental	<u>20,650</u>	<u>63,090</u>	<u>65,329</u>	<u>2,239</u>
CHARGES FOR SERVICE				
Sanitation fees	<u>68,000</u>	<u>68,000</u>	<u>73,468</u>	<u>5,468</u>
OTHER REVENUE				
Donations	12,000	10,100	25,050	14,950
Fire department	500	250	440	190
Interest	500	500	559	59
Arrest fees	1,500	-	1,357	1,357
Law enforcement citation fees	5,000	6,600	6,797	197
Cemetery	9,505	17,205	78,099	60,894
Miscellaneous	<u>30,000</u>	<u>57,100</u>	<u>-</u>	<u>(57,100)</u>
Total other	<u>59,005</u>	<u>91,755</u>	<u>112,302</u>	<u>20,547</u>
TOTAL REVENUE	<u>\$ 1,109,705</u>	<u>\$ 1,220,075</u>	<u>\$ 1,252,067</u>	<u>\$ 31,992</u>

CITY OF JAMESTOWN, KENTUCKY
REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON
GENERAL FUND
for the year ended June 30, 2019

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
GENERAL ADMINISTRATION				
Elected officials compensation	\$ 21,200	\$ 21,200	\$ 21,187	\$ (13)
Fringe benefits and payroll tax	43,000	47,000	46,316	(684)
Printing and advertising	5,500	5,500	4,229	(1,271)
Professional fees	30,000	58,000	57,843	(157)
Maintenance and repairs	7,000	40,000	21,891	(18,109)
Travel	1,000	1,000	-	(1,000)
Utilities	100,000	95,000	95,154	154
Telephone	3,000	3,000	2,776	(224)
Small equipment purchases	-	4,270	4,270	-
Insurance and bonds	12,000	10,000	9,683	(317)
Technical supplies	500	500	562	62
Postage	3,500	3,500	468	(3,032)
Office supplies	3,000	1,500	1,223	(277)
Miscellaneous supplies	1,000	15,000	13,886	(1,114)
Dues and subscriptions	1,200	1,200	763	(437)
Community development	70,000	111,200	64,751	(46,449)
Festivals and holidays	8,000	11,500	8,000	(3,500)
	<u>309,900</u>	<u>429,370</u>	<u>353,002</u>	<u>(76,368)</u>
PUBLIC SAFETY - POLICE				
Police salaries	200,000	245,000	240,026	(4,974)
Fringe benefits and payroll taxes	95,000	86,000	87,711	1,711
Dispatch	25,000	25,000	25,000	-
Printing and advertising	100	100	-	(100)
Professional fees	500	700	682	(18)
Uniforms	2,250	7,500	7,256	(244)
Maintenance and repairs	5,000	12,000	10,881	(1,119)
Travel	2,000	4,000	3,103	(897)
Ammunition	-	410	410	-
Telephone	2,500	2,200	2,167	(33)
Small equipment purchases	5,000	5,000	11,172	6,172
Insurance and bonds	26,000	26,000	25,510	(490)
Technical supplies	2,500	3,000	2,825	(175)
Postage	100	100	7	(93)
Office Supplies	500	-	-	-
Motor fuel	8,000	14,000	11,919	(2,081)
Investigative expense	400	-	-	-
Miscellaneous materials and supplies	500	150	107	(43)
Dues and subscriptions	500	300	300	-
	<u>\$ 375,850</u>	<u>\$ 431,460</u>	<u>\$ 429,076</u>	<u>\$ (2,384)</u>

CITY OF JAMESTOWN, KENTUCKY
REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON
GENERAL FUND
for the year ended June 30, 2019

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
PUBLIC SAFETY - FIRE				
Firefighter allowances	\$ 12,000	\$ 12,000	\$ 10,300	\$ (1,700)
Professional fees	500	1,000	989	(11)
Uniforms	1,000	1,500	1,473	(27)
Maintenance and repairs	5,000	9,000	7,862	(1,138)
Vehicle maintenance	2,500	2,500	-	(2,500)
Vehicle repair	3,000	10,000	2,784	(7,216)
Telephone	2,200	2,200	1,990	(210)
Small equipment purchase	500	500	7,962	7,462
Insurance	10,000	18,000	17,065	(935)
Technical supplies	1,500	1,500	1,217	(283)
Heating supplies	4,500	3,500	2,804	(696)
Motor fuel and lubricants	5,000	6,500	5,747	(753)
Miscellaneous material and supplies	500	100	65	(35)
Equipment repair	1,000	-	-	-
Dues and subscriptions	100	-	-	-
Education and certification	200	-	-	-
State fire aid expenses	10,500	10,500	10,500	-
Total fire department	<u>60,000</u>	<u>78,800</u>	<u>70,758</u>	<u>(8,042)</u>
SANITATION				
Outside services	<u>85,000</u>	<u>75,000</u>	<u>70,511</u>	<u>(4,489)</u>
PUBLIC WORKS				
Salaries	110,000	120,000	118,427	(1,573)
Fringe benefits	60,000	60,500	61,424	924
Uniforms	600	600	600	-
Maintenance and repairs	5,000	15,000	13,095	(1,905)
Insurance	18,000	18,000	16,576	(1,424)
Technical supplies	500	1,000	908	(92)
Motor fuel	5,000	5,500	5,118	(382)
Telephone	400	400	361	(39)
Small equipment purchase	1,200	1,200	1,060	(140)
Total public works	<u>200,700</u>	<u>222,200</u>	<u>217,569</u>	<u>(4,631)</u>
PARKS AND RECREATION	<u>10,500</u>	<u>10,500</u>	<u>9,983</u>	<u>(517)</u>
CEMETERY	<u>18,000</u>	<u>6,600</u>	<u>4,520</u>	<u>(2,080)</u>
CAPITAL OUTLAY	<u>60,000</u>	<u>39,000</u>	<u>401,862</u>	<u>362,862</u>
TOTAL EXPENDITURES	<u>1,119,950</u>	<u>1,292,930</u>	<u>1,557,281</u>	<u>264,351</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Net change in fund balances	<u>\$ (10,245)</u>	<u>\$ (72,855)</u>	<u>\$ (5,214)</u>	<u>\$ 67,641</u>

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

	2014	2015	2016	2017	2018	2019
City's proportion of the net pension liability	0.0473%	0.0473%	0.0423%	0.0433%	0.0393%	0.0377%
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
City's covered employee payroll	\$ 1,024,619	\$ 1,084,182	\$ 995,271	\$ 1,027,887	\$ 959,081	\$ 928,974
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%
Plan fiduciary net position as a percentage of the total pension liability	61.22%	66.80%	59.97%	55.50%	53.32%	53.54%

Notes:

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or the assumptions used in the current fiscal year.

The measurement date of the net pension liability is one year preceding the fiscal year of the City.

The City's covered payroll reported above is payroll for the City's corresponding measurement date of the net pension liability and differs from the City's fiscal year payroll, reported on the schedule of contributions.

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

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

	2014	2015	2016	2017	2018	2019
City's proportion of the net pension liability	0.0470%	0.0470%	0.0457%	0.0303%	0.0289%	0.0227%
City's proportionate share of the net pension liability (asset)	\$ 628,642	\$ 564,789	\$ 700,843	\$ 519,928	\$ 645,634	\$ 547,663
City's covered employee payroll	\$ 234,424	\$ 238,195	\$ 233,526	\$ 161,120	\$ 158,413	\$ 123,957
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%
Plan fiduciary net position as a percentage of the total pension liability	57.74%	63.46%	57.52%	53.95%	49.78%	49.26%

Notes:

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or the assumptions used in the current fiscal year.

The measurement date of the net pension liability is one year preceding the fiscal year of the City.

The City's covered payroll reported above is payroll for the City's corresponding measurement date of the net pension liability and differs from the City's fiscal year payroll, reported on the schedule of contributions.

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

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

	2013	2014	2015	2016	2017	2018	2019
Contractually required employer contribution	\$ 129,559	\$ 148,967	\$ 126,897	\$ 127,664	\$ 133,963	\$ 134,515	\$ 154,414
Contributions relative to contractually required employer contribution	<u>129,559</u>	<u>148,967</u>	<u>126,897</u>	<u>127,664</u>	<u>133,963</u>	<u>134,515</u>	<u>154,414</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 1,024,619	\$ 1,084,182	\$ 995,271	\$ 1,027,887	\$ 959,081	\$ 928,974	\$ 951,998
Employer contributions as a percentage of covered-employee payroll	12.64%	13.74%	12.75%	12.42%	13.97%	14.48%	16.22%

Notes:

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or the assumptions used in the current fiscal year.

Contractually required employer contributions exclude the portion of contributions paid to CERS but allocated to the insurance fund of the CERS. The above contributions only include those contributions allocated directly to the CERS pension fund.

The City's covered payroll reported above is payroll for the City's corresponding fiscal year and differs from the covered payroll reported on the schedule of proportionate share of the net pension liability.

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

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

	2013	2014	2015	2016	2017	2018	2019
Contractually required employer contribution	\$ 47,083	\$ 51,855	\$ 48,410	\$ 32,643	\$ 34,391	\$ 28,471	\$ 25,899
Contributions relative to contractually required employer contribution	<u>47,083</u>	<u>51,855</u>	<u>48,410</u>	<u>32,643</u>	<u>34,391</u>	<u>28,471</u>	<u>25,899</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 234,424	\$ 238,195	\$ 233,526	\$ 161,120	\$ 158,413	\$ 123,957	\$ 104,137
Employer contributions as a percentage of covered-employee payroll	20.08%	21.77%	20.73%	20.26%	21.71%	22.97%	24.87%

Notes:

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or the assumptions used in the current fiscal year.

Contractually required employer contributions exclude the portion of contributions paid to CERS but allocated to the insurance fund of the CERS. The above contributions only include those contributions allocated directly to the CERS pension fund.

The City's covered payroll reported above is payroll for the City's corresponding fiscal year and differs from the covered payroll reported on the schedule of proportionate share of the net pension liability.

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

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

	2017	2018	2019
City's proportion of the net OPEB liability	0.0433%	0.0393%	0.0377%
City's proportionate share of the net OPEB liability (asset)	\$ 620,460	\$ 791,029	\$ 670,102
City's covered employee payroll	\$ 1,027,887	\$ 959,081	\$ 928,974
City's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	60.36%	82.48%	72.13%
Plan fiduciary net position as a percentage of the total OPEB liability	unavailable	52.39%	57.62%

Notes:

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or the assumptions used in the current fiscal year.

The measurement date of the net OPEB liability is one year preceding the fiscal year of the City.

The City's covered payroll reported above is payroll for the corresponding measurement date of the net OPEB liability and differs from the City's fiscal year payroll, reported on the schedule of contributions.

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

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

	2017	2018	2019
City's proportion of the net OPEB liability	0.0303%	0.0289%	0.0227%
City's proportionate share of the net OPEB liability (asset)	\$ 142,549	\$ 238,561	\$ 161,457
City's covered employee payroll	\$ 161,120	\$ 158,413	\$ 123,957
City's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	88.47%	150.59%	130.25%
Plan fiduciary net position as a percentage of the total OPEB liability	unavailable	58.99%	64.24%

Notes:

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or the assumptions used in the current fiscal year.

The measurement date of the net OPEB liability is one year preceding the fiscal year of the City.

The City's covered payroll reported above is payroll for the corresponding measurement date of the net OPEB liability and differs from the City's fiscal year payroll, reported on the schedule of contributions.

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

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

	2013	2014	2015	2016	2017	2018	2019
Contractually required employer contribution	\$ 71,145	\$ 55,835	\$ 48,967	\$ 47,694	\$ 45,423	\$ 43,662	\$ 50,075
Contributions relative to contractually required employer contribution	<u>71,145</u>	<u>55,835</u>	<u>48,967</u>	<u>47,694</u>	<u>45,423</u>	<u>43,662</u>	<u>50,075</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 1,024,619	\$ 1,084,182	\$ 995,271	\$ 1,027,887	\$ 959,081	\$ 928,974	\$ 951,998
Employer contributions as a percentage of covered-employee payroll	6.94%	5.15%	4.92%	4.64%	4.74%	4.70%	5.26%

Notes:

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or the assumptions used in the current fiscal year.

Contractually required employer contributions exclude the portion of contributions paid to CERS but allocated to the pension fund of the CERS. The above contributions only include those contributions allocated directly to the CERS insurance fund.

The City's covered payroll reported above is payroll for the City's corresponding fiscal year and differs from the covered payroll reported on the schedule of proportionate share of the net OPEB liability.

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

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

	2013	2014	2015	2016	2017	2018	2019
Contractually required employer contribution	\$ 40,992	\$ 33,181	\$ 31,713	\$ 20,446	\$ 14,812	\$ 10,637	\$ 10,903
Contributions relative to contractually required employer contribution	<u>40,992</u>	<u>33,181</u>	<u>31,713</u>	<u>20,446</u>	<u>14,812</u>	<u>10,637</u>	<u>10,903</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered employee payroll	\$ 234,424	\$ 238,195	\$ 233,526	\$ 161,120	\$ 158,413	\$ 123,957	\$ 104,137
Employer contributions as a percentage of covered-employee payroll	17.49%	13.93%	13.58%	12.69%	9.35%	8.58%	10.47%

Notes:

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or the assumptions used in the current fiscal year.

Contractually required employer contributions exclude the portion of contributions paid to CERS but allocated to the pension fund of the CERS. The above contributions only include those contributions allocated directly to the CERS insurance fund.

The City's covered payroll reported above is payroll for the City's corresponding fiscal year and differs from the covered payroll reported on the schedule of proportionate share of the net OPEB liability.

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

SUPPLEMENTARY INFORMATION

**CITY OF JAMESTOWN, KENTUCKY
BUDGETARY COMPARISON
NONMAJOR GOVERNMENTAL FUNDS
for the year ended June 30, 2019**

MUNICIPAL ROAD AID FUND	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental	\$ 35,000	\$ 35,545	\$ 35,518	\$ (27)
Interest	<u>100</u>	<u>60</u>	<u>58</u>	<u>(2)</u>
TOTAL REVENUES	<u>\$ 35,100</u>	<u>\$ 35,605</u>	<u>\$ 35,576</u>	<u>\$ (29)</u>
EXPENDITURES				
Maintenance	\$ 45,100	\$ 117,261	\$ -	\$ (117,261)
Capital outlay	<u>-</u>	<u>-</u>	<u>94,957</u>	<u>94,957</u>
TOTAL EXPENDITURES	<u>\$ 45,100</u>	<u>\$ 117,261</u>	<u>\$ 94,957</u>	<u>\$ (22,304)</u>

**CITY OF JAMESTOWN, KENTUCKY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2019**

	Municipal Road Aid Fund	Debt Service Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 20,202	\$ -	\$ 20,202
Accounts receivable	<u>4,204</u>	<u>-</u>	<u>4,204</u>
Total assets	<u>\$ 24,406</u>	<u>\$ -</u>	<u>\$ 24,406</u>
 LIABILITIES AND FUND BALANCE			
Fund balance	<u>\$ 24,406</u>	<u>\$ -</u>	<u>\$ 24,406</u>
Total liabilities and fund balance	<u>\$ 24,406</u>	<u>\$ -</u>	<u>\$ 24,406</u>

**CITY OF JAMESTOWN, KENTUCKY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
for the year ended June 30, 2019**

	Municipal Road Aid Fund	Debt Service Fund	Total
REVENUES			
Intergovernmental	\$ 35,518	\$ -	\$ 35,518
Interest	58	-	58
Total revenues	35,576	-	35,576
EXPENDITURES			
Capital outlay	94,957	-	94,957
Total expenditures	94,957	-	94,957
Excess revenues over (under) expenditures before other sources (uses)	(59,381)	-	(59,381)
Excess revenues and other sources over (under) expenditures	(59,381)	-	(59,381)
Fund balances, July 1, 2018	83,787	-	83,787
FUND BALANCES - JUNE 30, 2019	\$ 24,406	\$ -	\$ 24,406

CITY OF JAMESTOWN, KENTUCKY
COMBINING STATEMENT OF OPERATING REVENUES AND EXPENSES
PROPRIETARY FUND
for the year ended June 30, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 2,441,517	\$ 948,963	\$ 3,390,480
Penalties	16,948	11,298	28,246
Other revenue	<u>2,731</u>	<u>960</u>	<u>3,691</u>
 Total operating revenues	 <u>2,461,196</u>	 <u>961,221</u>	 <u>3,422,417</u>
 OPERATING EXPENSES			
Salaries and wages	540,931	272,876	813,807
Payroll taxes	449,915	214,855	664,770
Insurance	25,259	25,259	50,518
Utilities	265,541	142,957	408,498
Telephone	6,948	4,389	11,337
Professional services	37,992	48,344	86,336
Materials and supplies	333,062	4,724	337,786
Chemicals	118,829	78,182	197,011
Sludge expense	-	21,406	21,406
Analytical	14,746	7,875	22,621
Fuel and lube	10,274	4,019	14,293
Advertising	553	553	1,106
Uniforms	2,000	1,000	3,000
Maintenance and repairs	37,197	14,999	52,196
Travel and lodging	146	1,490	1,636
Postage	11,058	7,372	18,430
Loan service fee	7,311	-	7,311
Dues and subscriptions	1,152	1,076	2,228
Training	280	1,479	1,759
Miscellaneous	2,266	3,965	6,231
Depreciation and amortization	<u>805,401</u>	<u>395,322</u>	<u>1,200,723</u>
 Total operating expenses	 <u>2,670,861</u>	 <u>1,252,142</u>	 <u>3,923,003</u>
 Operating income (loss)	 <u>\$ (209,666)</u>	 <u>\$ (290,920)</u>	 <u>\$ (500,586)</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 the 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, 2019, 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 April 13, 2020.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
April 13, 2020