

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



**FINANCIAL STATEMENTS**  
**June 30, 2020**

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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, 2020, 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, 2020, 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 February 26, 2021, 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  
February 26, 2021

## **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, 2020. 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 \$2,349 to \$1,226,646, and the net position of the business-type activities decreased by \$1,094,489 or 7.4 percent to \$13,695,763.
- In the City's governmental activities, revenues increased by \$1,925 to \$1,289,571, and expenses increased by \$16,956, or 1.3 percent to \$1,287,222. In the business-type activities, revenues decreased by \$282,320, or 8.0 percent to \$3,256,267, while expenses increased by \$200,657, or 4.8 percent to \$4,350,756.

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

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

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

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

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

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

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

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

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

## **FUND FINANCIAL STATEMENTS**

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

The City has two kinds of funds:

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

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

## NET POSITION

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Current and Other Assets	\$ 884,578	\$ 803,235	\$ 3,250,406	\$ 3,110,705	\$ 4,134,984	\$ 3,913,940
Capital Assets	1,743,023	1,802,648	21,260,278	22,275,104	23,003,301	24,077,752
Deferred Outflows	199,894	229,916	714,383	610,637	914,277	840,553
Total Assets	<u>2,827,495</u>	<u>2,835,799</u>	<u>25,225,067</u>	<u>25,996,446</u>	<u>28,052,562</u>	<u>28,832,245</u>
Current Liabilities	22,463	24,201	374,823	380,860	397,286	405,061
Deferred Inflows	268,877	245,679	276,784	262,452	545,661	508,131
Long-Term Debt Outstanding	289,952	300,000	7,969,500	7,926,923	8,259,452	8,226,923
Net pension liability	799,435	790,066	2,358,726	2,055,956	3,158,161	2,846,022
Net OPEB liability	220,122	251,556	549,471	580,003	769,593	831,559
Total Liabilities	<u>1,600,849</u>	<u>1,611,502</u>	<u>11,529,304</u>	<u>11,206,194</u>	<u>13,130,153</u>	<u>12,817,696</u>
Net Position:						
Invested in Capital Assets, net of debt	1,453,071	1,502,648	13,290,778	14,348,181	14,743,849	15,850,829
Restricted	31,644	24,406	724,216	497,805	755,860	522,211
Unrestricted	<u>(258,069)</u>	<u>(302,757)</u>	<u>(319,231)</u>	<u>(55,734)</u>	<u>(577,300)</u>	<u>(358,491)</u>
Total Net Position	<u>\$ 1,226,646</u>	<u>\$ 1,224,297</u>	<u>\$ 13,695,763</u>	<u>\$ 14,790,252</u>	<u>\$ 14,922,409</u>	<u>\$ 16,014,549</u>

The net position of the City's governmental activities increased by \$2,349, from \$1,224,297 in 2019 to \$1,226,646 in 2020. The net position of the business-type activities decreased by 7.4 percent, from \$14,790,252 in 2019 to \$13,695,763 in 2020. The net position from one activity generally cannot be used to make up for any deficits in the other activities.

**NET POSITION, continued**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
<b>Revenues</b>						
<u>Program Revenues</u>						
Charges for Service	\$ 73,364	\$ 73,468	\$ 3,204,902	\$ 3,422,417	\$ 3,278,266	\$ 3,495,885
Operating Grants & Contributions	126,313	62,629	-	-	126,313	62,629
Capital Grants & Contributions	55,878	69,966	\$ 42,871	\$ 108,831	98,749	178,797
<u>General Revenue</u>						
Taxes	211,102	225,134	-	-	211,102	225,134
License fees	782,628	775,834	-	-	782,628	775,834
Other Grants & Contributions	-	-	-	-	-	-
Investment Earnings	-	-	8,494	7,339	8,494	7,339
Donations	-	-	-	-	-	-
Gain on disposal of fixed assets	-	-	-	-	-	-
Miscellaneous	40,286	80,615	-	-	40,286	80,615
<b>Total Revenue</b>	<u>1,289,571</u>	<u>1,287,646</u>	<u>3,256,267</u>	<u>3,538,587</u>	<u>4,545,838</u>	<u>4,826,233</u>
<b>Program Expenses</b>						
General Government	362,408	401,396	-	-	362,408	401,396
Public Safety - Police	420,873	441,123	-	-	420,873	441,123
Public Safety - Fire	121,612	109,180	-	-	121,612	109,180
Parks and Recreation	11,878	17,498	-	-	11,878	17,498
Sanitation	72,613	71,031	-	-	72,613	71,031
Public Works	286,431	225,478	-	-	286,431	225,478
Cemetery	441	4,520	-	-	441	4,520
Community Development	-	-	-	-	-	-
Interest on Long-term Debt	10,966	-	-	-	10,966	-
Sewer and Water	-	-	4,350,756	4,150,099	4,350,756	4,150,099
<b>Total Program Expenses</b>	<u>1,287,222</u>	<u>1,270,226</u>	<u>4,350,756</u>	<u>4,150,099</u>	<u>5,637,978</u>	<u>5,420,325</u>
<b>Net Change In Net Position</b>	<u>\$ 2,349</u>	<u>\$ 17,420</u>	<u>\$ (1,094,489)</u>	<u>\$ (611,512)</u>	<u>\$ (1,092,140)</u>	<u>\$ (594,092)</u>

The City's total revenue decreased by 5.8 percent and the total cost of all programs increased by 4.0 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 decreased to \$3,256,267 in 2020, or 8.0 percent, while total expenses increased to \$4,350,756, or 4.8 percent. The decrease in revenues and increase in expenses resulted in a decrease in net position by \$1,094,489. Capital grants and contributions decreased by \$65,960 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 decreased by \$217,515. This revenue source makes up 98.4 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 2020</u>	<u>FY 2019</u>	<u>Variance</u>
Taxes	\$ 211,102	\$ 225,134	\$ (14,032)
Licenses and permits	782,628	775,834	6,794
Intergovernmental	159,392	100,847	58,545
Charges for Services	73,364	73,468	(104)
Other Revenues	<u>63,086</u>	<u>112,360</u>	<u>(49,274)</u>
Total Revenues	<u>1,289,572</u>	<u>1,287,643</u>	<u>1,929</u>
General Administration	\$ 307,282	\$ 353,002	\$ (45,720)
Public Safety	495,302	499,834	(4,532)
Public Works	241,260	217,569	23,691
Sanitation	70,533	70,511	22
Other	4,612	14,503	(9,891)
Capital Outlay	66,488	496,819	(430,331)
Debt Service	<u>22,081</u>	<u>-</u>	<u>22,081</u>
Total Expenditures	<u>1,207,558</u>	<u>1,652,238</u>	<u>(444,680)</u>
Excess (Deficiency) of Revenues over Expenditures before transfers	<u>\$ 82,014</u>	<u>\$ (364,595)</u>	<u>\$ 446,609</u>

Revenues for the City's governmental activities increased by \$1,929, while total expenditures decreased by 26.9 percent. Governmental activities excess (deficiency) of revenues over expenditures before transfers increased by \$446,609. The City's major source of revenue in the governmental activities is licenses and permits, which makes up 60.7 percent of total revenues. This revenue source increased by \$6,794 in 2020.

## 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	\$ 215,000	\$ 211,102	\$ (3,898)
Licenses and permits	779,525	782,628	3,103
Intergovernmental	50,270	125,333	75,063
Charges for Services	68,000	73,364	5,364
Municipal Aid Fund	36,050	34,108	(1,942)
Other Revenues	<u>57,215</u>	<u>63,037</u>	<u>5,822</u>
Total Revenues	<u>\$ 1,206,060</u>	<u>\$ 1,289,572</u>	<u>\$ 83,512</u>

**Table A-5**

### Condensed Governmental Activities - Expenditures

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Government	\$ 355,075	\$ 307,282	\$ (47,793)
Public Safety	500,100	495,302	(4,798)
Sanitation	70,500	70,533	33
Public Works	219,700	214,390	(5,310)
Recreation	5,800	4,171	(1,629)
Cemetery	500	441	(59)
Municipal Aid Fund	56,250	26,870	(29,380)
Transfer in (out)	32,560	22,081	(10,479)
Debt Service	22,100	-	(22,100)
Capital Outlay	<u>47,500</u>	<u>66,488</u>	<u>18,988</u>
Total Expenditures	<u>\$ 1,310,085</u>	<u>\$ 1,207,558</u>	<u>\$ (102,527)</u>

The City budgeted for a total of \$1,206,060 in revenues for 2020, but ended up having revenues of \$1,289,572, which put the City 6.9 percent over the revenue budget. A total of \$1,310,085 was budgeted for expenses, but expenditures totaled \$1,207,558 at the end of 2020. The City was under budget on the expenses by \$102,527 or 7.8 percent as detailed above.

## CAPITAL ASSETS

The City has a total of \$48,061,331 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 \$185,615 from last year's total investment of \$47,875,716. The major capital additions included a police vehicle for \$54,488, a fire vehicle for \$12,000, two utility vehicles for \$44,348, and various utility equipment for \$132,777.

**Table A-6**

**Capital Assets at Year End Without Depreciation**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
Land & Improvements	\$ 698,519	\$ 698,519	\$ -	\$ -	\$ 698,519	\$ 698,519
Buildings & Improvements	1,026,435	1,032,035	-	-	1,026,435	1,032,035
Vehicles & Equipment	1,184,656	1,112,567	-	-	1,184,656	1,112,567
Infrastructure Assets	435,128	435,128	-	-	435,128	435,128
Water & Sewer System	-	-	44,716,593	44,597,467	44,716,593	44,597,467
Total Capital Assets	<u>\$ 3,344,738</u>	<u>\$ 3,278,249</u>	<u>\$ 44,716,593</u>	<u>\$ 44,597,467</u>	<u>\$ 48,061,331</u>	<u>\$ 47,875,716</u>

## DEBT

This year the City has \$8,259,452 in long-term debt, a \$32,529 increase from last year's total of \$8,226,923. The City business activities refinanced the revenue bonds with a net economic gain of \$523,010.

**Table A-7**

**Debt Outstanding at Year End**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
Note Payable	\$ 289,952	\$ 300,000	\$ 3,339,500	\$ 3,520,423	\$ 3,629,452	\$ 3,820,423
Revenue Bond Payable	-	-	4,630,000	4,406,500	4,630,000	4,406,500
Total Debt Outstanding	<u>\$ 289,952</u>	<u>\$ 300,000</u>	<u>\$ 7,969,500</u>	<u>\$ 7,926,923</u>	<u>\$ 8,259,452</u>	<u>\$ 8,226,923</u>

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

The City's elected officials consider many factors when setting the fiscal year 2021 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, 2020**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets			
Cash	\$ 565,940	\$ 1,866,373	\$ 2,432,313
Certificates of deposit	-	362,000	362,000
Receivables, net	280,467	275,420	555,887
Internal balances	9,182	(9,182)	-
Other current assets	-	31,579	31,579
Total current assets	<u>855,589</u>	<u>2,526,190</u>	<u>3,381,779</u>
Noncurrent assets			
Restricted cash	28,989	724,216	753,205
Capital assets			
Land	542,094	208,100	750,194
Plant and sewer system, net	-	21,007,250	21,007,250
Depreciable buildings, property, and equipment, net	840,210	44,928	885,138
Infrastructure, net	360,719	-	360,719
Total noncurrent assets	<u>1,772,012</u>	<u>21,984,494</u>	<u>23,756,506</u>
Total assets	<u>2,627,601</u>	<u>24,510,684</u>	<u>27,138,285</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pension	118,161	500,850	619,011
Deferred outflows - OPEB	81,733	213,533	295,266
Total deferred outflows of resources	<u>199,894</u>	<u>714,383</u>	<u>914,277</u>
Total assets and deferred outflows of resources	<u>\$ 2,827,495</u>	<u>\$ 25,225,067</u>	<u>\$ 28,052,562</u>
<b>LIABILITIES AND NET POSITION</b>			
Current liabilities			
Accounts payable	\$ 20,530	\$ 53,235	\$ 73,765
Accrued payroll taxes	-	27,974	27,974
Accrued interest	1,933	75,235	77,168
Customer deposits	-	218,379	218,379
Current portion of long-term obligations	10,483	392,139	402,622
Total current liabilities	<u>32,946</u>	<u>766,962</u>	<u>799,908</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations	279,469	7,577,361	7,856,830
Net pension liability	799,435	2,358,726	3,158,161
Net OPEB liability	220,122	549,471	769,593
Total noncurrent liabilities	<u>1,299,026</u>	<u>10,485,558</u>	<u>11,784,584</u>
Total liabilities	<u>1,331,972</u>	<u>11,252,520</u>	<u>12,584,492</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pension	157,393	67,228	224,621
Deferred inflows - OPEB	111,484	209,556	321,040
Total deferred inflows of resources	<u>268,877</u>	<u>276,784</u>	<u>545,661</u>
Net position			
Net investment in capital assets	1,453,071	13,290,778	14,743,849
Restricted for:			
Debt service	-	286,290	286,290
Depreciation	-	276,421	276,421
Other purposes	31,644	161,505	193,149
Unrestricted	<u>(258,069)</u>	<u>(319,231)</u>	<u>(577,300)</u>
Total net position	<u>1,226,646</u>	<u>13,695,763</u>	<u>14,922,409</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,827,495</u>	<u>\$ 25,225,067</u>	<u>\$ 28,052,562</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, 2020

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
<b>Primary government</b>							
<b>Governmental activities</b>							
General government	\$ 362,408	\$ -	\$ 22,750	\$ -	\$ (339,658)	\$ -	\$ (339,658)
Public safety - police	420,873	-	93,063	21,770	(306,040)	-	(306,040)
Public safety - fire	121,612	-	10,500	-	(111,112)	-	(111,112)
Public works	286,431	-	-	34,108	(252,323)	-	(252,323)
Parks and recreation	11,878	-	-	-	(11,878)	-	(11,878)
Sanitation	72,613	73,364	-	-	751	-	751
Cemetery	441	-	-	-	(441)	-	(441)
Interest on long-term debt	10,966	-	-	-	(10,966)	-	(10,966)
Total governmental activities	1,287,222	73,364	126,313	55,878	(1,031,667)	-	(1,031,667)
<b>Business-type activities</b>							
Water & Sewer	4,350,756	3,204,902	-	42,871	-	(1,102,983)	(1,102,983)
<b>Total primary government</b>	<b>\$ 5,637,978</b>	<b>\$ 3,278,266</b>	<b>\$ 126,313</b>	<b>\$ 98,749</b>	<b>(1,031,667)</b>	<b>(1,102,983)</b>	<b>(2,134,650)</b>
<b>General revenues</b>							
Taxes							
Property taxes, levied for general purposes					211,102	-	211,102
License fees							
Franchise					95,068	-	95,068
Payroll					348,590	-	348,590
Insurance premiums					305,695	-	305,695
Other fees					33,275	-	33,275
Investment earnings					-	8,494	8,494
Miscellaneous					40,286	-	40,286
Total general revenues					1,034,016	8,494	1,042,510
<b>Change in net position</b>					2,349	(1,094,489)	(1,092,140)
<b>Net position - beginning</b>					1,224,297	14,790,252	16,014,549
<b>Net position - ending</b>					\$ 1,226,646	\$ 13,695,763	\$ 14,922,409

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

**CITY OF JAMESTOWN, KENTUCKY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 565,940	\$ 28,989	\$ 594,929
Receivables, net	277,812	2,655	280,467
Due from other funds	9,182	-	9,182
Total assets	<b>\$ 852,934</b>	<b>\$ 31,644</b>	<b>\$ 884,578</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 20,530	\$ -	\$ 20,530
Total liabilities	20,530	-	20,530
Fund balances			
Restricted	-	31,644	31,644
Assigned to			
Capital projects	35,522	-	35,522
Cemetery	22,765	-	22,765
Public safety	21,932	-	21,932
Unassigned	752,185	-	752,185
Total fund balances	832,404	31,644	864,048
Total liabilities and fund balances	<b>\$ 852,934</b>	<b>\$ 31,644</b>	<b>\$ 884,578</b>

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

Fund balances reported above	\$ 864,048
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,743,023
Net deferred inflows/outflows related to the long-term net pension/OPEB liability are not reported in the funds.	(68,983)
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.	(1,309,509)
Accrued interest for governmental debt	(1,933)
Net position of governmental activities	<b>\$ 1,226,646</b>

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, 2020

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ 211,102	\$ -	\$ 211,102
Licenses and permits	782,628	-	782,628
Intergovernmental	125,333	34,059	159,392
Charges for services	73,364	-	73,364
Other revenues	63,037	49	63,086
	<u>1,255,464</u>	<u>34,108</u>	<u>1,289,572</u>
<b>EXPENDITURES</b>			
Current			
General administration	307,282	-	307,282
Public safety-police	413,112	-	413,112
Public safety-fire	82,190	-	82,190
Sanitation	70,533	-	70,533
Public works	214,390	26,870	241,260
Parks and recreation	4,171	-	4,171
Cemetery	441	-	441
Capital outlay	66,488	-	66,488
Debt service	-	22,081	22,081
	<u>1,158,607</u>	<u>48,951</u>	<u>1,207,558</u>
Excess (deficiency) of revenues over expenditures	<u>96,857</u>	<u>(14,843)</u>	<u>82,014</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in (out)	<u>(22,081)</u>	<u>22,081</u>	<u>-</u>
Total other financing sources (uses)	<u>(22,081)</u>	<u>22,081</u>	<u>-</u>
<b>Net change in fund balances</b>	<b>74,776</b>	<b>7,238</b>	<b>82,014</b>
Fund balances-beginning	<u>757,628</u>	<u>24,406</u>	<u>782,034</u>
<b>Fund balances-ending</b>	<u>\$ 832,404</u>	<u>\$ 31,644</u>	<u>\$ 864,048</u>
Reconciliation to government-wide change in net position:			
Net change in fund balances			\$ 82,014
Add: Capital outlay			66,488
Add: Debt service			22,081
Less: Interest on long-term obligations			(10,966)
Less: Depreciation on governmental activities			(126,112)
Less: Increase in net pension liability			(31,170)
Add: Decrease in net OPEB liability			14
Change in net position Governmental Activities			<u>\$ 2,349</u>

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



**CITY OF JAMESTOWN, KENTUCKY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2020**

	<u><b>Business-type Activities Water &amp; Sewer</b></u>
<b>ASSETS</b>	
Current assets	
Cash	\$ 1,866,373
Certificates of deposit	362,000
Receivables, net	275,420
Other current assets	<u>31,579</u>
Total current assets	<u>2,535,372</u>
Noncurrent assets	
Restricted cash and cash equivalents	724,216
Capital assets	
Land, easements and buildings	208,100
Vehicle and equipment	233,829
Plant and sewer equipment	44,274,664
Less: accumulated depreciation	<u>(23,456,315)</u>
Total noncurrent assets	<u>21,984,494</u>
Total assets	<u>24,519,866</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows - pension	500,850
Deferred outflows - OPEB	<u>213,533</u>
Total deferred outflows of resources	<u>714,383</u>
Total assets and deferred outflows of resources	<u>\$ 25,234,249</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 53,235
Accrued payroll payable	27,974
Due to other funds	9,182
Accrued interest payable	75,235
Customer deposits	218,379
Current portion of long-term obligations	<u>392,139</u>
Total current liabilities	<u>776,144</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	7,577,361
Net pension liability	2,358,726
Net OPEB liability	<u>549,471</u>
Total noncurrent liabilities	<u>10,485,558</u>
Total liabilities	<u>11,261,702</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - pension	67,228
Deferred inflows - OPEB	<u>209,556</u>
Total deferred inflows of resources	<u>276,784</u>
<b>NET POSITION</b>	
Net investment in capital assets	13,290,778
Restricted for:	
Debt service	286,290
Depreciation	276,421
Other purposes	161,505
Unrestricted	<u>(319,231)</u>
Total net position	<u>13,695,763</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 25,234,249</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, 2020**

	<b>Business-type Activities Water &amp; Sewer</b>
<b>Operating revenues</b>	
Charges for services	\$ 3,176,914
Other income	27,988
Total operating revenues	3,204,902
<b>Operating expenses</b>	
Office	434,494
Water production	1,085,360
Water distribution	567,414
Sewer treatment	765,339
Depreciation and amortization	1,138,952
Total operating expenses	3,991,559
Operating (loss)	(786,657)
<b>Non-operating revenues (expenses)</b>	
Interest and investment revenue	8,494
Bond issuance cost	(157,054)
Interest expense	(202,143)
Total non-operating (expense)	(350,703)
(Loss) before capital contributions	(1,137,360)
<b>Capital contributions</b>	
Water and sewer tap fees	42,871
Total capital contributions	42,871
<b>Change in net position</b>	(1,094,489)
Total net position - beginning	14,790,252
<b>TOTAL NET POSITION - ENDING</b>	<b>\$ 13,695,763</b>

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, 2020

	<u><b>Business-type Activities Water &amp; Sewer</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 3,256,374
Payments to suppliers	(999,622)
Payments for employee services and benefits	<u>(1,724,109)</u>
Net cash provided by operating activities	<u>532,643</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions	42,871
Purchase of capital assets	(131,129)
Principal paid on capital debt	(4,587,423)
Bond issuance cost	(157,054)
Proceeds from loans and bonds	4,630,000
Interest paid on capital debt	<u>(187,828)</u>
Net cash (used in) capital and related financing activities	<u>(390,563)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	8,494
Proceeds from sale of capital asset	<u>7,000</u>
Net cash provided by investing activities	<u>15,494</u>
Net increase in cash	157,574
Cash - beginning of the year	<u>2,433,015</u>
<b>CASH - END OF THE YEAR</b>	<u><b>\$ 2,590,589</b></u>
<b>Reconciliation of operating (loss) to net cash provided by operating activities:</b>	
Operating (loss)	\$ (786,657)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,138,952
Net pension liability	179,416
Net OPEB liability	3,413
Change in assets and liabilities:	
Receivables, net	18,856
Other current assets	(983)
Accounts payables	(49,135)
Accrued payroll payable	(3,835)
Customer deposits	<u>32,616</u>
Net cash provided by operating activities	<u><b>\$ 532,643</b></u>

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

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

**Basis of Presentation**

**Government-wide Financial Statements**

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

**Fund Financial Statements**

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

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

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2020

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**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, 2020**

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**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, 2020**

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

**Budgeting**

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

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

**Pensions**

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

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

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

**Other Accounting Policies**

Accounts receivable are stated less an allowance for doubtful accounts.

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

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

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

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

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**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 February 26, 2021, 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, 2020, 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, 2020 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, 2020 totaled \$3,636,413, of which \$746,912 was covered by FDIC, and \$2,889,501 was covered by pledged collateral. The book balance of the City's deposits totaled \$3,547,518.

**Statement of Cash Flows**

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

Cash – unrestricted	\$ 1,866,373
Cash – restricted	<u>724,216</u>
	<u>\$ 2,590,589</u>



**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**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:

	<b>General Fund</b>	<b>Nonmajor Funds</b>	<b>Governmental Funds Total</b>
<b>Governmental Funds:</b>			
Taxes	\$ 102,985	\$ -	\$ 102,985
Licenses, permits, billings	107,284	-	107,284
Charges for service	6,148	-	6,148
Intergovernmental	73,468	2,655	76,123
Other	<u>7,050</u>	<u>-</u>	<u>7,050</u>
Gross Receivables	296,935	2,655	299,590
Less: allowance for uncollectible	<u>(19,123)</u>	<u>-</u>	<u>(19,123)</u>
Net Receivables	<u>\$ 277,812</u>	<u>\$ 2,655</u>	<u>\$ 280,467</u>
<b>Total</b>			
<b>Business-Type Activities:</b>			
Customer	\$ 295,300		
Less: allowance for uncollectible	<u>(19,880)</u>		
Net Receivables	<u>\$ 275,420</u>		

**4. CAPITAL ASSETS**

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

	<b>Balance July 1, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2020</b>
<b>Governmental Activities:</b>				
Capital assets not depreciated:				
Land	\$ 532,170	\$ 9,924	\$ -	\$ 542,094
Capital assets that are depreciated:				
Land improvements	166,349	-	(9,924)	156,425
Buildings and improvements	1,032,035	-	(5,600)	1,026,435
Vehicles and equipment	<u>1,112,568</u>	<u>72,088</u>	<u>-</u>	<u>1,184,656</u>
Total	<u>2,310,952</u>	<u>72,088</u>	<u>(15,524)</u>	<u>2,367,516</u>
Total non-infrastructure assets	2,843,122	82,012	(15,524)	2,909,610
Infrastructure assets	<u>435,128</u>	<u>-</u>	<u>-</u>	<u>435,128</u>
Total capital assets	<u>3,278,250</u>	<u>82,012</u>	<u>(15,524)</u>	<u>3,344,738</u>
Less accumulated depreciation:				
Land improvements	81,677	8,397	-	90,074
Buildings and improvements	448,568	23,897	-	472,465
Vehicles and equipment	881,827	82,940	-	964,767
Infrastructure	<u>63,531</u>	<u>10,878</u>	<u>-</u>	<u>74,409</u>
Total	<u>1,475,603</u>	<u>126,112</u>	<u>-</u>	<u>1,601,715</u>
Capital assets, net	<u>\$ 1,802,647</u>	<u>\$ (44,100)</u>	<u>\$ (15,524)</u>	<u>\$ 1,743,023</u>

**CITY OF JAMESTOWN, KENTUCKY**  
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**4. CAPITAL ASSETS (continued)**

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

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2020</b>
<b>Business-type Activities:</b>				
Land and easements	\$ 208,100	\$ -	\$ -	\$ 208,100
Water and sewer system	44,153,886	132,777	(12,000)	44,274,663
Construction in progress	46,000	-	(46,000)	-
Vehicles and equipment	<u>189,482</u>	<u>44,348</u>	<u>-</u>	<u>233,830</u>
Total	<u>44,597,468</u>	<u>177,125</u>	<u>(58,000)</u>	<u>44,716,593</u>
Less accumulated depreciation:	<u>22,322,363</u>	<u>1,138,952</u>	<u>(5,000)</u>	<u>23,456,315</u>
Capital assets, net	<u>\$ 22,275,105</u>	<u>\$ (961,827)</u>	<u>\$ (53,000)</u>	<u>\$ 21,260,278</u>

Depreciation expense was charged to the Governmental functions as follows:

General government	\$ 47,045
Police	29,858
Fire	39,422
Parks and recreation	7,707
Sanitation	<u>2,080</u>
Total depreciation expense	<u>\$ 126,112</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 4.50% to provide funds for expansion of the water and sewer system. The balance of this bond was refinanced under the Series 2020A bond issued on December, 5, 2019.

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 of this bond was refinanced under the Series 2020A bond issued on December, 5, 2019.

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 2.25% to 3.00%) for the purpose of retiring portions of the 1981, 1988, and 1991 Issues. All bonds maturing after April 27, 2004, were replaced with the 2004 Issue. This action constituted a defeasance of the bonds maturing on or after April 27, 2004 from the 1981, 1988, and 1991 Issues. The balance of this bond was refinanced under the Series 2020A bond issued on December, 5, 2019.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 4.50% to provide funds for the expansion of the water system. The balance of this bond was refinanced under the Series 2020A bond issued on December 5, 2019.

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

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

<b>Fiscal year</b>	<b>Principal</b>	<b>Interest</b>	<b>Fees</b>	<b>Total</b>
2021	\$ 210,000	\$ 60,178	\$ 12,732	\$ 282,910
2022	175,000	115,631	11,500	302,131
2023	175,000	111,694	11,063	297,757
2024	180,000	107,756	10,625	298,381
2025	185,000	103,706	10,175	298,881
2026-2030	890,000	455,531	43,875	1,389,406
2031-2035	815,000	354,656	33,263	1,202,919
2036-2040	820,000	248,250	23,163	1,091,413
2041-2045	895,000	125,100	12,675	1,032,775
2046-2047	<u>285,000</u>	<u>11,250</u>	<u>1,838</u>	<u>298,088</u>
	<u>\$ 4,630,000</u>	<u>\$ 1,693,752</u>	<u>\$ 170,909</u>	<u>\$ 6,494,661</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, 2020, totaled \$1,966,570. Service fees are charged in addition to the semi-annual payment. The following is a schedule of future maturities:

<b>Fiscal year</b>	<b>Principal</b>	<b>Interest</b>	<b>Fees</b>	<b>Total</b>
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	101,432	6,158	3,079	110,669
2026-2030	513,191	24,566	12,332	550,089
2031-2035	523,642	14,308	7,153	545,103
2036-2039	<u>426,617</u>	<u>3,941</u>	<u>1,965</u>	<u>432,523</u>
	<u>\$ 1,966,570</u>	<u>\$ 77,641</u>	<u>\$ 38,849</u>	<u>\$ 2,083,060</u>

**CITY OF JAMESTOWN, KENTUCKY**  
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**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, 2020, totaled \$1,372,930. The loan bears interest at a rate of 1%. The following is a schedule of future maturities:

Fiscal year	Principal	Interest	Fees	Total
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	85,666	10,173	2,035	97,874
2026-2030	441,384	37,811	7,562	486,757
2031-2035	463,956	15,238	3,048	482,242
2036	<u>47,680</u>	<u>238</u>	<u>48</u>	<u>47,966</u>
	<u>\$ 1,372,930</u>	<u>\$ 112,572</u>	<u>\$ 22,516</u>	<u>\$ 1,508,018</u>

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

Current portion of KIA water expansion loan	\$ 99,824
Current portion of KIA sewer expansion loan	82,315
Current portion of revenue bonds	<u>210,000</u>
Total current portion	<u>392,139</u>
Long-term portion of KIA water expansion loan	1,866,746
Long-term portion of KIA sewer expansion loan	1,290,615
Long-term portion of revenue bonds	<u>4,420,000</u>
Total long-term portion	<u>7,577,361</u>
Total debt	<u>\$ 7,969,500</u>

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

	Balance July 1, 2019	Additions	Payments	Balance June 30, 2020
Bonds and notes payable	<u>\$ 7,926,923</u>	<u>\$ 4,630,000</u>	<u>\$ 4,587,423</u>	<u>\$ 7,969,500</u>

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 obligation of this reserve account was fulfilled due to the refinancing of the aforementioned bonds. The balance of this reserve at June 30, 2020, totaled \$44,339.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**6. BOND ORDINANCE REQUIREMENTS**

**Notes Payable (continued)**

**Debt Service Reserve** – This reserve is required to maintain a balance equal to the debt service reserve requirement of the Series 2020A bond. The balance of this reserve at June 30, 2020, totaled \$92,800.

**Depreciation reserve** – The obligation of this reserve account was fulfilled due to the refinancing of the bond issuances listed below. The balance of this reserve at June 30, 2020, totaled \$276,421.

\$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, 2020, totaled \$161,505.

**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 2020, the City made no draws on the line of credit and as of June 30, 2020, 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, 2020, totaled \$289,952.

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

Fiscal year	Principal	Interest	Total
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	12,262	9,819	22,081
2026-2030	69,048	41,356	110,404
2031-2035	84,013	26,391	110,404
2036-2039	<u>80,143</u>	<u>8,180</u>	<u>88,323</u>
	<u>\$ 289,952</u>	<u>\$ 129,584</u>	<u>\$ 419,536</u>

**CITY OF JAMESTOWN, KENTUCKY**  
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**7. GOVERNMENTAL ACTIVITIES - LONG-TERM DEBT (CONTINUED)**

**Notes Payable (continued)**

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

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2019</b>	<b>Additions</b>	<b>Payments</b>	<b>June 30, 2020</b>
Notes payable	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 10,048</u>	<u>\$ 289,952</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, 2020, 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, 2020, participating employers contributed 24.06% of each employee's wages for non-hazardous job classifications and 39.58% 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 19.33% to the pension trust for non-hazardous job classifications and 30.06% 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**  
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**8. RETIREMENT PLAN (CONTINUED)**

For the year ended June 30, 2020, the City contributed \$187,163 or 100% of the required contribution for non-hazardous job classifications, and \$21,498, for the year ended June 30, 2020, 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, 2020, the City reported a liability for its proportionate share of the net pension liability as follows:

<b>Total Net</b>		
<b>Pension Liability</b>	<b>Non-hazardous</b>	<b>Hazardous</b>
\$ 3,158,161	\$ 2,653,075	\$ 505,086

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, and rolled forward using generally accepted actuarial procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The City's proportionate share at June 30, 2019 was as follows:

<b>Non-hazardous</b>	<b>Hazardous</b>
.0377%	.0183%

The proportionate share at June 30, 2019 remained the same for non-hazardous and decreased .0044% for hazardous to the proportionate share as of June 30, 2018.

**CITY OF JAMESTOWN, KENTUCKY**  
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**8. RETIREMENT PLAN (CONTINUED)**

For the year ended June 30, 2020, the City recognized pension expense of \$419,171. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual results	\$ 89,201	\$ 11,210
Changes of assumptions	317,549	-
Net difference between projected and actual earnings on Plan investments	-	49,916
Changes in proportion and differences between City contributions and proportionate share of contributions	3,600	163,495
City contributions subsequent to the measurement date	<u>208,661</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 619,011</u></b>	<b><u>\$ 224,621</u></b>

The \$208,661 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, 2021. 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,**

2021	\$ 125,498
2022	\$ 34,523
2023	\$ 22,217
2024	\$ 3,491

*Actuarial Assumptions* – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Non-hazardous**

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

**Hazardous**

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

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

The actuarial assumptions used in the June 30, 2018 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, 2018) to the plan's fiscal year ending June 30, 2019.



**CITY OF JAMESTOWN, KENTUCKY**  
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**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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
<b>Growth</b>	<b>62.50%</b>	
US Equity	18.75%	4.30%
Non-US Equity	18.75%	4.80%
Private Equity	10.00%	6.65%
Special credit/high yield	15.00%	2.60%
<b>Liquidity</b>	<b>14.50%</b>	
Core Bonds	13.50%	1.35%
Cash	1.00%	0.20%
<b>Diversifying Strategies</b>	<b>23.00%</b>	
Real Estate	5.00%	4.85%
Opportunistic	3.00%	2.97%
Real Return	15.00%	4.10%
<b>Total</b>	<b>100.00%</b>	<b>6.25%</b>

*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 24-year amortization period of the unfunded actuarial accrued liability. The actuarial determined contribution rate is adjusted to reflect the phase in of anticipated gains on actuarial value of assets over the first four years of the projection period. The discount rate does not use a municipal bond rate.

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

	<b>Non-hazardous</b>		<b>Hazardous</b>	
	<b>Discount rate</b>	<b>City's proportionate share of net pension liability</b>	<b>Discount rate</b>	<b>City's proportionate share of net pension liability</b>
1% decrease	5.25%	\$ 3,318,245	5.25%	\$ 631,470
Current discount rate	6.25%	\$ 2,653,075	6.25%	\$ 505,086
1% increase	7.25%	\$ 2,098,663	7.25%	\$ 401,468

*Payable to the Pension Plan* – At June 30, 2020, the City reported a payable of \$18,160 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020. The payable includes both the pension and insurance contribution allocation.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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, 2020, the employer’s contribution was 4.76% to the insurance trust for non-hazardous job classifications and 9.52% 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 \$46,161, or 100% of the required contribution for non-hazardous job classifications, and \$6,808, or 100% of the required contribution for hazardous job classifications.

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

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

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

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

*OPEB Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources* – At June 30, 2020, the City reported a liability for its proportionate share of the net OPEB liability as follows:

<b>Total Net OPEB Liability</b>	<b>Non-hazardous</b>	<b>Hazardous</b>
\$ <u>769,593</u>	\$ <u>634,332</u>	\$ <u>135,261</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward using generally accepted actuarial procedures. The City's proportion of the net OPEB liability was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. The City's proportionate share at June 30, 2019 was as follows:

<b>Non-hazardous</b>	<b>Hazardous</b>
.0377%	.0183%

The proportionate share at June 30, 2019 remained the same for non-hazardous and decreased .0044% for hazardous to the proportionate share as of June 30, 2018.

For the year ended June 30, 2020, the City recognized OPEB expense of \$70,591. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual results	\$ -	\$ 216,556
Changes of assumptions	228,580	1,511
Net difference between projected and actual earnings on Plan investments	-	35,952
Changes in proportion and differences between City contributions and proportionate share of contributions	-	67,021
City contributions subsequent to the measurement date	<u>66,686</u>	<u>-</u>
<b>Total</b>	<u>\$ 295,266</u>	<u>\$ 321,040</u>

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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

The \$66,686 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, 2021. Contributions also include an allocation for the implicit subsidy of \$13,717, which are required to be recognized as deferred outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

<b>Year ending June 30,</b>		
2021	\$	(16,083)
2022	\$	(23,274)
2023	\$	(14,905)
2024	\$	(21,384)
2025	\$	(14,478)
2026	\$	(2,336)

*Actuarial Assumptions* – The total OPEB liability in the June 30, 2019 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	3.30 to 10.30%, varies by service, including inflation
Investment rate of Return	6.25%, net of Plan investment expense, including inflation
Healthcare trend:	

Pre – 65: Initial trend starting at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 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 10 years.

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

The actuarial assumptions used in the June 30, 2018 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, 2019 was based on an actuarial valuation date of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date (June 30, 2018) to the plan's fiscal year ending June 30, 2019.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (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 real rate of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
<b>Growth</b>	<b>62.50%</b>	
US Equity	18.75%	4.30%
Non-US Equity	18.75%	4.80%
Private Equity	10.00%	6.65%
Special credit/high yield	15.00%	2.60%
<b>Liquidity</b>	<b>14.50%</b>	
Core Bonds	13.50%	1.35%
Cash	1.00%	0.20%
<b>Diversifying Strategies</b>	<b>23.00%</b>	
Real Estate	5.00%	4.85%
Opportunistic	3.00%	2.97%
Real Return	15.00%	4.10%
<b>Total</b>	<b>100.00%</b>	<b>6.25%</b>

*Discount Rate* – The discount rate used to measure the total OPEB liability was 5.68% and 5.69% for non-hazardous and hazardous classifications, respectively. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 3.56%, as reported in Fidelity Index’s “20 –Year Municipal GO AA Index” as of June 28, 2019. 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, 2020**

**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	4.68%	\$	849,745	4.69%	\$	188,717
Current discount rate	5.68%	\$	634,332	5.69%	\$	135,261
1% increase	6.68%	\$	456,847	6.69%	\$	91,871

*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	\$	471,756	\$	94,117
Current trend rate	\$	634,332	\$	135,261
1% increase	\$	831,475	\$	185,455

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

*Payable to the OPEB Plan* – At June 30, 2020, the City reported a payable of \$5,254 for the outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2020.

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

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**10. PROPERTY TAX CALENDAR**

Property taxes for fiscal year 2020 were levied in October 2019, 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:

<b>Description</b>	<b>Date Per K.R.S. 134.020</b>
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.

**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. COVID-19 PANDEMIC**

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.

**13. SUBSEQUENT EVENTS**

On September 3, 2020, the City of Jamestown paid the entire \$289,952 balance on the loan from the Bank of Jamestown for the development of a sports complex. In addition to paying the principal above, the City of Jamestown paid \$4,893 in interest.

In November 2020, the City of Jamestown obtained financing through the USDA Rural Development for \$994,000 at a rate of 1.125% for a membrane at the utility plant.

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON**  
**GENERAL FUND**  
**for the year ended June 30, 2020**

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>MUNICIPAL TAXATION</b>				
General property taxes	\$ 190,000	\$ 190,000	\$ 186,811	\$ (3,189)
P.I.L.O.T.	3,000	3,000	2,934	(66)
Motor vehicle taxes	<u>22,000</u>	<u>22,000</u>	<u>21,357</u>	<u>(643)</u>
Total municipal taxation	<u>215,000</u>	<u>215,000</u>	<u>211,102</u>	<u>(3,898)</u>
<b>LICENSES, PERMITS AND BILLINGS</b>				
Occupational license fees	335,000	351,000	348,590	(2,410)
Insurance license	300,000	300,000	305,695	5,695
Net profits license fees	12,000	11,500	11,500	-
Franchise fees	85,000	95,000	95,068	68
Alcohol license fees	<u>25,020</u>	<u>22,025</u>	<u>21,775</u>	<u>(250)</u>
Total licenses, permits and billings	<u>757,020</u>	<u>779,525</u>	<u>782,628</u>	<u>3,103</u>
<b>INTERGOVERNMENTAL</b>				
State fire aid	10,500	10,500	10,500	-
Grants	-	21,770	21,770	-
CARES Act	-	-	73,468	73,468
KLEFPF	16,000	18,000	19,595	1,595
LGEAF	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total intergovernmental	<u>26,700</u>	<u>50,270</u>	<u>125,333</u>	<u>75,063</u>
<b>CHARGES FOR SERVICE</b>				
Sanitation fees	<u>68,000</u>	<u>68,000</u>	<u>73,364</u>	<u>5,364</u>
<b>OTHER REVENUE</b>				
Donations	10,000	10,000	16,100	6,100
Fire department	500	500	400	(100)
Interest	500	500	487	(13)
Arrest fees	1,200	1,200	1,574	374
Law enforcement citation fees	6,500	7,500	6,650	(850)
Cemetery	9,510	5,015	8,880	3,865
Miscellaneous	<u>30,000</u>	<u>32,500</u>	<u>28,946</u>	<u>(3,554)</u>
Total other	<u>58,210</u>	<u>57,215</u>	<u>63,037</u>	<u>5,822</u>
<b>TOTAL REVENUE</b>	<u>\$ 1,124,930</u>	<u>\$ 1,170,010</u>	<u>\$ 1,255,464</u>	<u>\$ 85,454</u>

**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON**  
**GENERAL FUND**  
**for the year ended June 30, 2020**

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>GENERAL ADMINISTRATION</b>				
Elected officials compensation	\$ 21,200	\$ 21,200	\$ 21,187	\$ (13)
Fringe benefits and payroll tax	50,000	52,500	51,344	(1,156)
Printing and advertising	5,500	6,000	4,520	(1,480)
Professional fees	30,000	46,000	42,187	(3,813)
Maintenance and repairs	10,000	1,800	1,764	(36)
Travel	1,000	150	-	(150)
Utilities	95,000	95,000	98,534	3,534
Telephone	3,000	3,000	2,563	(437)
Small equipment purchases	-	-	377	377
Insurance and bonds	10,000	6,900	6,874	(26)
Technical supplies	500	500	500	-
Postage	3,500	3,500	3,511	11
Office supplies	3,000	3,000	2,813	(187)
Miscellaneous supplies	3,000	2,000	1,882	(118)
Dues and subscriptions	1,200	800	911	111
Community development	70,850	84,225	39,815	(44,410)
Festivals and holidays	8,000	28,500	28,500	-
Total administration	<u>315,750</u>	<u>355,075</u>	<u>307,282</u>	<u>(47,793)</u>
<b>PUBLIC SAFETY - POLICE</b>				
Police salaries	250,000	250,000	247,823	(2,177)
Fringe benefits and payroll taxes	90,000	85,000	82,718	(2,282)
Dispatch	25,000	25,000	25,000	-
Printing and advertising	100	100	-	(100)
Professional fees	500	500	-	(500)
Uniforms	1,500	3,000	2,720	(280)
Maintenance and repairs	5,000	7,500	7,257	(243)
Travel	4,000	1,000	693	(307)
Ammunition	500	-	-	-
Telephone	2,500	3,700	3,393	(307)
Small equipment purchases	5,000	2,600	2,553	(47)
Insurance and bonds	26,000	25,000	24,814	(186)
Technical supplies	3,000	3,100	4,759	1,659
Postage	100	100	5	(95)
Office Supplies	500	200	208	8
Motor fuel	12,000	10,500	10,018	(482)
Investigative expense	400	-	-	-
Miscellaneous materials and supplies	500	800	801	1
Education and certification	-	-	350	350
Dues and subscriptions	500	500	-	(500)
Total public safety - police	<u>\$ 427,100</u>	<u>\$ 418,600</u>	<u>\$ 413,112</u>	<u>\$ (5,488)</u>

**CITY OF JAMESTOWN, KENTUCKY**  
**REQUIRED SUPPLEMENTARY BUDGETARY COMPARISON**  
**GENERAL FUND**  
**for the year ended June 30, 2020**

	<u>Enacted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>PUBLIC SAFETY - FIRE</b>				
Firefighter allowances	\$ 12,000	\$ 12,000	\$ 10,500	\$ (1,500)
Professional fees	1,000	1,000	966	(34)
Uniforms	1,000	-	-	-
Maintenance and repairs	3,000	4,000	3,897	(103)
Vehicle maintenance	3,000	1,000	-	(1,000)
Vehicle repair	3,000	31,000	30,643	(357)
Telephone	2,200	2,200	2,107	(93)
Small equipment purchase	500	-	-	-
Insurance	10,500	10,500	10,489	(11)
Technical supplies	1,500	500	259	(241)
Heating supplies	4,000	3,000	2,922	(78)
Motor fuel and lubricants	6,500	4,000	3,788	(212)
Miscellaneous material and supplies	500	1,500	1,310	(190)
Equipment repair	1,000	-	-	-
Dues and subscriptions	100	100	-	(100)
Education and certification	200	200	-	(200)
State fire aid expenses	10,500	10,500	15,309	4,809
Total public safety - fire	<u>60,500</u>	<u>81,500</u>	<u>82,190</u>	<u>690</u>
<b>SANITATION</b>				
Outside services	<u>75,000</u>	<u>70,500</u>	<u>70,533</u>	<u>33</u>
<b>PUBLIC WORKS</b>				
Salaries	125,000	115,000	113,541	(1,459)
Fringe benefits	65,000	66,000	64,654	(1,346)
Uniforms	600	600	600	-
Maintenance and repairs	7,500	17,000	15,669	(1,331)
Insurance	18,000	11,500	11,407	(93)
Technical supplies	1,000	1,000	809	(191)
Motor fuel	6,000	5,200	4,405	(795)
Telephone	400	400	364	(36)
Small equipment purchase	1,200	3,000	2,941	(59)
Total public works	<u>224,700</u>	<u>219,700</u>	<u>214,390</u>	<u>(5,310)</u>
<b>PARKS AND RECREATION</b>	<u>10,500</u>	<u>5,800</u>	<u>4,171</u>	<u>(1,629)</u>
<b>CEMETERY</b>	<u>10,100</u>	<u>500</u>	<u>441</u>	<u>(59)</u>
<b>CAPITAL OUTLAY</b>	<u>-</u>	<u>47,500</u>	<u>66,488</u>	<u>18,988</u>
<b>TOTAL EXPENDITURES</b>	<u>1,123,650</u>	<u>1,199,175</u>	<u>1,158,607</u>	<u>(40,568)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out)	<u>-</u>	<u>(32,560)</u>	<u>(22,081)</u>	<u>10,479</u>
Total other financing sources (uses)	<u>-</u>	<u>(32,560)</u>	<u>(22,081)</u>	<u>10,479</u>
<b>Net change in fund balances</b>	<u>\$ 1,280</u>	<u>\$ (61,725)</u>	<u>\$ 74,776</u>	<u>\$ 136,501</u>

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

<b>Reporting Fiscal Year (Measurement Date)</b>	<b>2014 (2013)</b>	<b>2015 (2014)</b>	<b>2016 (2015)</b>	<b>2017 (2016)</b>	<b>2018 (2017)</b>	<b>2019 (2018)</b>	<b>2020 (2019)</b>
City's proportion of the net pension liability	0.0473%	0.0473%	0.0423%	0.0433%	0.0393%	0.0377%	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	\$ 2,653,075
City's covered employee payroll	\$ 1,024,619	\$ 1,084,182	\$ 995,271	\$ 1,027,887	\$ 959,081	\$ 928,974	\$ 951,998
City's share of the net pension liability (asset) as a percentage of its covered employee payroll	168.88%	141.44%	182.87%	207.25%	240.14%	247.41%	278.68%
Plan fiduciary net position as a percentage of the total pension liability	61.22%	66.80%	59.97%	55.50%	53.32%	53.54%	50.45%

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 Seven Fiscal Years**

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

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

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Contractually required employer contribution	\$ 129,559	\$ 148,967	\$ 126,897	\$ 127,664	\$ 133,963	\$ 134,515	\$ 154,414	\$ 187,163
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>	<u>187,163</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 969,758
Employer contributions as a percentage of covered-employee payroll	12.64%	13.74%	12.75%	12.42%	13.97%	14.48%	16.22%	19.30%

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

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Contractually required employer contribution	\$ 47,083	\$ 51,855	\$ 48,410	\$ 32,643	\$ 34,391	\$ 28,471	\$ 25,899	\$ 21,498
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>	<u>21,498</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 71,516
Employer contributions as a percentage of covered-employee payroll	20.08%	21.77%	20.73%	20.26%	21.71%	22.97%	24.87%	30.06%

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 Four Fiscal Years**

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<b>Reporting Fiscal Year (Measurement Date)</b>	<b>2017 (2016)</b>	<b>2018 (2017)</b>	<b>2019 (2018)</b>	<b>2020 (2019)</b>
City's proportion of the net OPEB liability	0.0433%	0.0393%	0.0377%	0.0377%
City's proportionate share of the net OPEB liability (asset)	\$ 620,460	\$ 791,029	\$ 670,102	\$ 634,332
City's covered employee payroll	\$ 1,027,887	\$ 959,081	\$ 928,974	\$ 951,998
City's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	60.36%	82.48%	72.13%	66.63%
Plan fiduciary net position as a percentage of the total OPEB liability	unavailable	52.39%	57.62%	60.44%

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 Four Fiscal Years**

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<b>Reporting Fiscal Year (Measurement Date)</b>	<b>2017 (2016)</b>	<b>2018 (2017)</b>	<b>2019 (2018)</b>	<b>2020 (2019)</b>
City's proportion of the net OPEB liability	0.0303%	0.0289%	0.0227%	0.0183%
City's proportionate share of the net OPEB liability (asset)	\$ 142,549	\$ 238,561	\$ 161,457	\$ 135,261
City's covered employee payroll	\$ 161,120	\$ 158,413	\$ 123,957	\$ 104,137
City's share of the net OPEB liability (asset) as a percentage of its covered employee payroll	88.47%	150.59%	130.25%	129.89%
Plan fiduciary net position as a percentage of the total OPEB liability	unavailable	58.99%	64.24%	64.44%

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

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

	2013	2014	2015	2016	2017	2018	2019	2020
Contractually required employer contribution	\$ 71,145	\$ 55,835	\$ 48,967	\$ 47,694	\$ 45,423	\$ 43,662	\$ 50,075	\$ 46,161
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>	<u>46,161</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 969,758
Employer contributions as a percentage of covered-employee payroll	6.94%	5.15%	4.92%	4.64%	4.74%	4.70%	5.26%	4.76%

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

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Contractually required employer contribution	\$ 40,992	\$ 33,181	\$ 31,713	\$ 20,446	\$ 14,812	\$ 10,637	\$ 10,903	\$ 6,808
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>	<u>6,808</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 71,516
Employer contributions as a percentage of covered-employee payroll	17.49%	13.93%	13.58%	12.69%	9.35%	8.58%	10.47%	9.52%

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

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**

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**1. GENERAL INFORMATION**

**Contributions**

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

**Payroll**

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

**2. CHANGES OF ASSUMPTIONS**

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

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

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

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

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

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

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

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

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

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

**CITY OF JAMESTOWN, KENTUCKY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**

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

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

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

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

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

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

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

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

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

## **SUPPLEMENTARY INFORMATION**

**CITY OF JAMESTOWN, KENTUCKY  
BUDGETARY COMPARISON  
NONMAJOR GOVERNMENTAL FUNDS  
for the year ended June 30, 2020**

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	<b>Enacted Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>MUNICIPAL ROAD AID FUND</b>				
<b>REVENUES</b>				
Intergovernmental	\$ 36,000	\$ 36,000	\$ 34,059	\$ (1,941)
Interest	50	50	49	(1)
<b>TOTAL REVENUES</b>	<b>\$ 36,050</b>	<b>\$ 36,050</b>	<b>\$ 34,108</b>	<b>\$ (1,942)</b>
<b>EXPENDITURES</b>				
Maintenance	\$ 56,250	\$ 56,250	\$ 26,870	\$ (29,380)
<b>TOTAL EXPENDITURES</b>	<b>\$ 56,250</b>	<b>\$ 56,250</b>	<b>\$ 26,870</b>	<b>\$ (29,380)</b>
 <b>DEBT SERVICE FUND</b>				
<b>REVENUES</b>				
Transfers in	\$ 22,000	\$ 22,000	\$ 22,081	\$ 81
<b>TOTAL REVENUES</b>	<b>\$ 22,000</b>	<b>\$ 22,000</b>	<b>\$ 22,081</b>	<b>\$ 81</b>
<b>EXPENDITURES</b>				
Debt service	\$ 22,000	\$ 22,000	\$ 22,081	\$ 81
<b>TOTAL EXPENDITURES</b>	<b>\$ 22,000</b>	<b>\$ 22,000</b>	<b>\$ 22,081</b>	<b>\$ 81</b>

**CITY OF JAMESTOWN, KENTUCKY  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2020**

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	<b>Municipal Road Aid Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 28,989	\$ -	\$ 28,989
Accounts receivable	2,655	-	2,655
Total assets	\$ 31,644	\$ -	\$ 31,644
<b>LIABILITIES AND FUND BALANCE</b>			
Restricted fund balance	\$ 31,644	\$ -	\$ 31,644
Total liabilities and fund balance	\$ 31,644	\$ -	\$ 31,644



**CITY OF JAMESTOWN, KENTUCKY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
for the year ended June 30, 2020**

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	<b>Municipal Road Aid Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Intergovernmental	\$ 34,059	\$ -	\$ 34,059
Interest	49	-	49
Total revenues	34,108	-	34,108
<b>EXPENDITURES</b>			
Maintenance	26,870	-	26,870
Debt service	-	22,081	22,081
Total expenditures	26,870	22,081	48,951
Excess revenues over (under) expenditures before other sources (uses)	7,238	(22,081)	(14,843)
<b>OTHER FINANCING SOURCES</b>			
Transfers from other funds	-	22,081	22,081
<b>Excess revenues and other sources over (under) expenditures</b>	7,238	-	7,238
Fund balances, July 1, 2019	24,406	-	24,406
<b>FUND BALANCES - JUNE 30, 2020</b>	<b>\$ 31,644</b>	<b>\$ -</b>	<b>\$ 31,644</b>

**CITY OF JAMESTOWN, KENTUCKY**  
**COMBINING STATEMENT OF OPERATING REVENUES AND EXPENSES**  
**PROPRIETARY FUND**  
**for the year ended June 30, 2020**

	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,236,446	\$ 940,468	\$ 3,176,914
Penalties	15,607	10,405	26,012
Other revenue	1,976	-	1,976
Total operating revenues	2,254,029	950,873	3,204,902
<b>OPERATING EXPENSES</b>			
Salaries and wages	543,920	280,375	824,295
Outside services	484,363	236,457	720,820
Payroll taxes	12,480	8,320	20,800
Insurance	25,833	25,833	51,666
Utilities	285,255	131,920	417,175
Telephone	7,299	4,806	12,105
Professional services	51,774	40,000	91,774
Materials and supplies	199,424	7,626	207,050
Chemicals	115,873	91,434	207,307
Sludge expense	-	22,092	22,092
Analytical	11,651	3,921	15,572
Fuel and lube	10,283	3,383	13,666
Advertising	700	700	1,400
Uniforms	2,000	1,000	3,000
Maintenance and repairs	164,874	53,928	218,802
Travel and lodging	435	1,914	2,349
Postage	9,253	6,168	15,421
Dues and subscriptions	952	943	1,895
Training	3,266	2,081	5,347
Miscellaneous	18	53	71
Depreciation and amortization	745,571	393,381	1,138,952
Total operating expenses	2,675,224	1,316,335	3,991,559
<b>Operating income (loss)</b>	<b>\$ (421,195)</b>	<b>\$ (365,462)</b>	<b>\$ (786,657)</b>



**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, 2020, 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 February 26, 2021.

**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  
February 26, 2021