

**CITY OF JAMESTOWN,  
NEW YORK**

*Basic Financial Statements, Required Supplementary  
Information and Federal Awards Information for the  
Year Ended December 31, 2021 and Independent  
Auditors' Reports*



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*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and Members of the City Council  
City of Jamestown, New York:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited 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, New York (the "City"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements 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, as of December 31, 2021, and the respective changes in its 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.

We did not audit the financial statements of the Jamestown Board of Public Utilities (the "Board"), which represents 98.4% and 98.1% of the assets and revenues, respectively, of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board, is based solely on the report of the other auditors.

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

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations ("CFR"), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, the Schedule of Expenditures of Federal Awards is 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 *Governmental Auditing Standards*, we have also issued our report dated June 20, 2022 on our consideration of the City'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 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's internal control over financial reporting and compliance.

*Drescher & Malecki LLP*

June 20, 2022



**CITY OF JAMESTOWN, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2021**

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As management of the City of Jamestown, New York (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements and notes to the financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

**Financial Highlights**

- The assets and deferred outflows of resources of the City's primary government exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended December 31, 2021 by \$28,226,785 (net position). This consists of \$171,669,965 net investment in capital assets, \$2,848,871 restricted for specific purposes, and unrestricted net position of \$(146,292,051).
- The City's primary government total net position increased by \$971,373 during the year ended December 31, 2021. Governmental activities decreased the City's net position by \$2,578,488, while business-type activities increased net position by \$3,549,861. This increase was primarily due to business-type activity charges for services exceeding operating expenses.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,858,438, an increase of \$5,006,158 in comparison with the prior year's fund balance of \$2,852,280.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$6,084,988, or approximately 17.2 percent of General Fund expenditures and transfers out. This amount is *available for spending* at the City's discretion and constitutes approximately 77.0 percent of the General Fund's total fund balance of \$7,905,016 at December 31, 2021.
- The City's primary government total bonded indebtedness increased by \$4,036,089 as a result of a bond issuance of \$5,155,000 and scheduled principal payments of \$1,118,911.

**Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements**—The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government support, public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest and fiscal charges. The business-type activities of the City include the Jamestown Board of Public Utilities, the Jamestown Urban Renewal Agency, and the Jamestown Local Development Corporation blended component units.

The government-wide financial statements can be found on pages 14-15 of this report.

**Fund financial statements**—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds**—*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Grant Fund, and Capital Projects Fund, which are considered major funds.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

**Proprietary funds**—The City maintains one type of proprietary funds. An *enterprise fund* is used report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the Jamestown Board of Public Utilities, Jamestown Urban Renewal Agency, and Jamestown Local Development Corporation.



Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Jamestown Board of Public Utilities, Jamestown Urban Renewal Agency, and Jamestown Local Development Corporation, which are considered to be major funds.

The proprietary fund financial statements can be found on pages 20-22 of this report.

***Fiduciary funds***—Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The fiduciary funds are not reflected in the government-wide financial statements because the resources of the funds are not available to support the City’s own programs. The City maintains one fiduciary fund, the Custodial Fund.

The fiduciary fund financial statements can be found on pages 23-24 of this report.

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-56 of this report.

**Other information**—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City’s net pension liabilities, changes in the City’s total other postemployment benefits (“OPEB”) obligation, and the City’s budgetary comparison for the General Fund. Required Supplementary Information and the related notes to the required supplementary information can be found on pages 57-64 of this report.

Finally, the Federal Awards Information section presents the City’s Schedule of Expenditures of Federal Awards and can be found on pages 65-74 of this report.

## **Government-wide Financial Analysis**

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. In the case of the City’s primary government, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$28,226,785 at the close of the most recent fiscal year, as compared to \$27,255,412, as restated, at the close of the fiscal year ended December 31, 2020.

Table 1, shown on the following page, presents a condensed statement of net position compared to the prior year.

**Table 1—Condensed Statements of Net Position—Primary Government**

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2021	2020	2021	2020 (as restated)	2021	2020 (as restated)
Current and other assets	\$ 27,746,922	\$ 14,757,038	\$ 41,826,377	\$ 39,810,341	\$ 69,573,299	\$ 54,567,379
Noncurrent assets	52,128,937	50,353,264	142,035,331	140,356,442	194,164,268	190,709,706
Total assets	79,875,859	65,110,302	183,861,708	180,166,783	263,737,567	245,277,085
Deferred outflows of resources	30,936,748	33,900,592	9,096,344	7,599,769	40,033,092	41,500,361
Current and other liabilities	20,189,432	12,259,840	6,493,004	6,851,109	26,682,436	19,110,949
Noncurrent liabilities	203,381,391	201,231,734	13,865,259	21,606,328	217,246,650	222,838,062
Total liabilities	223,570,823	213,491,574	20,358,263	28,457,437	243,929,086	241,949,011
Deferred inflows of resources	19,953,837	15,652,885	11,660,951	1,920,138	31,614,788	17,573,023
Net position:						
Net investment in capital assets	36,857,786	35,920,838	134,812,179	134,335,348	171,669,965	170,256,186
Restricted	203,245	448,885	2,645,626	4,050,515	2,848,871	4,499,400
Unrestricted	(169,773,084)	(166,503,288)	23,481,033	19,003,114	(146,292,051)	(147,500,174)
Total net position	\$ (132,712,053)	\$ (130,133,565)	\$ 160,938,838	\$ 157,388,977	\$ 28,226,785	\$ 27,255,412

The largest portion of the City's net position, \$171,669,965, reflects its investment in capital assets (e.g. land, buildings and building improvements, infrastructure and machinery and equipment), net of accumulated depreciation and less any related debt used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The next largest portion, \$2,848,871, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining balance of the City's net position, \$(146,292,051), is considered to be an unrestricted deficit. This deficit does not mean that the City does not have resources available to meet its obligations in the ensuing year. Rather, it reflects liabilities not related to the City's capital assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, the net pension liability, and OPEB obligation, are funded annually within the funds.

Table 2, shown on the following page, presents the changes in net position for the years ended December 31, 2021 and December 31, 2020.

**Table 2—Condensed Statements of Changes in Net Position—Primary Government**

	Governmental Activities		Business-type Activities		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020 (as restated)	2021	2020 (as restated)
Revenues:						
Program revenues:						
Charges for services	\$ 1,092,924	\$ 988,851	\$ 56,814,358	\$ 52,601,528	\$ 57,907,282	\$ 53,590,379
Operating grants and contributions	938,511	372,790	76,284	126,259	1,014,795	499,049
Capital grants and contributions	4,232,823	3,091,480	453,733	444,679	4,686,556	3,536,159
General revenues	34,594,388	34,035,691	65,399	217,527	34,659,787	34,253,218
Total revenues	40,858,646	38,488,812	57,409,774	53,389,993	98,268,420	91,878,805
Program expenses	43,437,134	40,126,395	53,859,913	51,988,418	97,297,047	92,114,813
Change in net position	(2,578,488)	(1,637,583)	3,549,861	1,401,575	971,373	(236,008)
Net position—beginning	(130,133,565)	(128,495,982)	157,388,977	154,729,429	27,255,412	26,233,447
Restatement	-	-	-	1,257,973	-	1,257,973
Net position—ending	\$ (132,712,053)	\$ (130,133,565)	\$ 160,938,838	\$ 157,388,977	\$ 28,226,785	\$ 27,255,412

**Governmental activities**—Governmental activities decreased the City’s net position by \$2,578,488. Overall revenues for governmental activities increased 6.2 percent from the prior year largely due to an increase in capital grants and contributions and increased sales tax within nonproperty tax items. Total governmental activities expenses increased 8.3 percent from the prior year due primarily to increased allocable benefits costs associated with the OPEB obligation.

A summary of sources of revenues for the years ended December 31, 2021 and December 31, 2020 is presented below in Table 3:

**Table 3—Summary of Sources of Revenues—Governmental Activities**

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Charges for services	\$ 1,092,924	\$ 988,851	\$ 104,073	10.5
Operating grants and contributions	938,511	372,790	565,721	151.8
Capital grants and contributions	4,232,823	3,091,480	1,141,343	36.9
Real property taxes and tax items	16,337,475	16,314,139	23,336	0.1
Nonproperty tax items	8,520,743	7,380,352	1,140,391	15.5
Board of Public Utilities - PILOT	3,915,571	3,919,191	(3,620)	(0.1)
State aid—unrestricted	4,787,917	5,717,156	(929,239)	(16.3)
Miscellaneous	1,032,682	704,853	327,829	46.5
Total revenues	\$ 40,858,646	\$ 38,488,812	\$ 2,369,834	6.2

The most significant source of revenues for governmental activities for the year ended December 31, 2021 was real property taxes and tax items, which accounts for \$16,337,475, or 40.0 percent of total revenues. The other significant sources of revenue included nonproperty tax items of \$8,520,743, or 20.9 of total revenues, and unrestricted state aid of \$4,787,917, or 11.7 percent of total revenues. Similarly, for the year ended December 31, 2020, the City’s most significant source of revenues for governmental activities was real property taxes and tax items, which accounts for \$16,314,139, or 42.3 percent of total revenues. The other significant sources of revenue included nonproperty tax items of \$7,380,352, or 19.2 of total revenues, and unrestricted state aid of \$5,717,156, or 14.9 percent of total revenues.

A summary of program expenses for the year ended December 31, 2021 and December 31, 2020 is presented below in Table 4.

**Table 4—Summary of Program Expenses—Governmental Activities**

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
General government support	\$ 6,886,543	\$ 6,665,547	\$ 220,996	3.3
Public safety	19,567,193	18,935,602	631,591	3.3
Health	21,662	-	21,662	100.0
Transportation	7,188,926	6,334,904	854,022	13.5
Culture and recreation	2,803,892	2,616,012	187,880	7.2
Home and community services	6,555,740	4,946,110	1,609,630	32.5
Interest and fiscal charges	413,178	628,220	(215,042)	(34.2)
Total program expenses	<u>\$ 43,437,134</u>	<u>\$ 40,126,395</u>	<u>\$ 3,310,739</u>	8.3

The most significant expense for governmental activities for the year ended December 31, 2021 was public safety, which accounts for \$19,567,193, or 45.0 percent of total expenses. The other significant expenses included transportation of \$7,188,926, or 16.6 of total expenses, and general government support of \$6,886,543, or 15.9 percent of total expenses. For the year ended December 31, 2020, the City's most significant expense for governmental activities was public safety, which accounts for \$18,935,602, or 47.2 percent of total expenses. The other significant expenses included general government support of \$6,665,547, or 16.6 of total expenses, and transportation of \$6,334,904, or 15.8 percent of total expenses.

**Business-type activities**—The business-type activities increased the City's net position by \$3,549,861. For the year ended December 31, 2021, revenues increased 7.6 percent and expenses increased by 3.7 percent. The increase in revenues is primarily due to increases in utility consumption. The increase in expenses is primarily due to utility operating costs.

A summary of revenues and expenses for the City's business-type activities for the years ended December 31, 2021 and December 31, 2020 is presented in Table 5 on the following page.

**Table 5—Summary of Revenues and Expenses—Business-type Activities**

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
Revenues:				
Utility charges	\$ 56,189,388	\$ 52,113,085	\$ 4,076,303	7.8
Grants	453,733	444,679	9,054	2.0
Program income and administrative fees	624,970	488,443	136,527	28.0
Miscellaneous	948	5,062	(4,114)	(81.3)
Nonoperating	167,528	338,724	(171,196)	(50.5)
Total revenues	<u>\$ 57,436,567</u>	<u>\$ 53,389,993</u>	<u>\$ 4,046,574</u>	7.6
Expenses:				
Utility operations	\$ 31,203,532	\$ 29,922,055	\$ 1,281,477	4.3
Depreciation	7,753,572	7,417,269	336,303	4.5
Administrative and general	8,444,570	8,449,698	(5,128)	(0.1)
PILOT	5,422,041	5,401,199	20,842	0.4
Repairs and maintenance	795,384	720,438	74,946	10.4
Nonoperating	267,607	77,759	189,848	244.1
Total expenses	<u>\$ 53,886,706</u>	<u>\$ 51,988,418</u>	<u>\$ 1,898,288</u>	3.7

As detailed above, the most significant source of revenue for the business-type activities for the year ended December 31, 2021 was utility charges of \$56,189,388, or 97.8 percent of total revenues. Similarly, for the year ended December 31, 2020, the most significant source of revenue was utility charges of \$52,113,085, or 97.6 percent of total revenues.

The most significant expense item for the business-type activities for the year ended December 31, 2021 was utility operations of \$31,203,532, or 57.9 percent of total expenses. Similarly, for the year ended December 31, 2020, the most significant expenses were utility operations of \$29,922,055, or 57.6 percent of total expenses.

### Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental funds**—The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the City Council.

At December 31, 2021, the City's governmental funds reported combined ending fund balances of \$7,858,438, an increase of \$5,006,158 in comparison with the prior year's fund balance of \$2,852,280. Approximately 74.3 percent of this amount, \$5,835,165, constitutes *unassigned fund balance*. The remainder of fund balance is either (1) not in spendable form, \$1,098,663, (2) restricted for particular purposes, \$203,245, or (3) assigned for subsequent year's expenditures, \$721,365.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *unassigned fund balance* of the General Fund was \$6,084,988, while total fund balance increased to \$7,905,016. The General Fund fund balance increase of \$1,971,817 from the prior year was largely due to an increase in sales tax collections. As a measure of the General Fund's liquidity, it may be useful to compare both *unassigned fund balance* and total fund balance to total expenditures and transfers out. *Unassigned fund balance* represents 17.2 percent of General Fund expenditures and transfers out, while total fund balance represents 22.3 percent of that same amount.

During the year ended December 31, 2021, the City's Special Grant Fund fund balance decreased by \$245,640 from the prior year, resulting in ending fund balance of \$203,245. The decrease in fund balance is attributable to current year expenditures exceeding state and federal aid.

The fund balance in the Capital Projects Fund increased \$3,279,981 from the prior year, primarily as a result of the City converting short-term financing to bonds payable. The ending fund balance deficit of \$(249,823) is anticipated to be remedied through the future issuance of long-term debt.

**Proprietary funds**—The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Overall net position of the proprietary funds increased \$3,549,861. The Board of Public Utilities net position increased \$4,628,296, primarily as a result of utility charges exceeding the cost of delivering services to customers. The Jamestown Urban Renewal Agency's net position decreased \$311,704, primarily due to an increase in allocable employee benefit expenses attributed to the OPEB obligation. The Jamestown Local Development Corporation's net position decreased \$766,731, primarily due to program expenses exceeding program income and grant revenue.

### General Fund Budgetary Highlights

The City's General Fund budget generally contains budget transfers during the year. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues or appropriation of fund balance. A budgetary comparison schedule for the General Fund has been provided in the Required Supplementary Information section of this report to demonstrate compliance with the budget.

A summary of the General Fund results of operations for the year ended December 31, 2021 is presented in Table 6 below.

**Table 6—Summary of General Fund Results of Operations**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues and other financing sources	\$ 35,124,355	\$ 36,816,664	\$ 37,358,240	\$ 541,576
Expenditures and other financing uses	35,560,494	37,252,803	35,386,423	1,866,380
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (436,139)	\$ (436,139)	\$ 1,971,817	\$ 2,407,956

**Original budget compared to final budget**—At the close of the fiscal year, the overall budgeted appropriations and estimated revenues and other financing sources increased \$1,692,309. Significant transfers and amendments to the budget included \$1,090,164 in additional state aid and \$599,000 for additional sales tax, which funded additional public safety salaries and equipment.

**Final budget compared to actual results**—The General Fund has a favorable variance from final budgetary appropriations of \$1,866,380. The largest positive variance was realized in employee benefits, primarily due to lower than anticipated health insurance costs.

## Capital Assets and Debt Administration

**Capital assets**—The City's investment in capital assets for its governmental activities and business-type activities as of December 31, 2021 amounted to \$52,128,937 and \$139,737,351, respectively (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, buildings and building improvements, and machinery and equipment.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the City's capital asset policy.

Capital assets net of depreciation for the primary government at the years ended December 31, 2021 and December 31, 2020 are presented in Table 7 below:

**Table 7—Summary of Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2021	2020	2021	2020 (as restated)	2021	2020 (as restated)
Land	\$ 1,207,755	\$ 1,207,755	\$ 1,899,977	\$ 1,916,077	\$ 3,107,732	\$ 3,123,832
Construction in progress	2,371,360	1,489,957.00	2,659,647	2,925,901	5,031,007	4,415,858.00
Infrastructure	27,998,105	26,905,649	-	-	27,998,105	26,905,649
Buildings and building improvements	14,141,816	14,786,320	-	-	14,141,816	14,786,320
Machinery and equipment	5,052,331	5,430,885	-	-	5,052,331	5,430,885
Vehicles	1,357,570	532,698	-	-	1,357,570	532,698
Electric division	-	-	89,955,837	88,684,874	89,955,837	88,684,874
Wastewater division	-	-	15,927,572	16,177,730	15,927,572	16,177,730
Water division	-	-	24,842,916	23,644,955	24,842,916	23,644,955
Solidwaste division	-	-	2,353,092	1,692,427	2,353,092	1,692,427
District heat division	-	-	2,098,310	2,378,423	2,098,310	2,378,423
Total	<u>\$ 52,128,937</u>	<u>\$ 50,353,264</u>	<u>\$139,737,351</u>	<u>\$137,420,387</u>	<u>\$191,866,288</u>	<u>\$187,773,651</u>

Additional information on the City's capital assets can be found in Note 5 to the financial statements.

**Long-term liabilities**—The City currently has approximately \$19.3 million in total bonded debt for functions of the primary government. This includes serial bonds issued by the Jamestown Board of Public Utilities.

The City carries an A- rating from S&P Global.

A summary of the City's long-term liabilities at December 31, 2021 and December 31, 2020 is presented in Table 8 below:

**Table 8—Summary of Long-Term Liabilities**

	Governmental Activities		Business-type Activities		Total Primary Government	
	December 31,		December 31,		December 31,	
	2021	2020	2021	2020	2021	2020
Serial bonds payable	\$ 14,675,013	\$ 10,638,924	\$ 4,633,987	\$ 2,911,076	\$ 19,309,000	\$ 13,550,000
Premium on serial bonds	512,072	264,780	291,185	181,963	803,257	446,743
Net serial bonds payable	15,187,085	10,903,704	4,925,172	3,093,039	20,112,257	13,996,743
Compensated absences	1,644,663	1,620,105	96,661	99,294	1,741,324	1,719,399
Retirement payable	169,922	223,139	-	-	169,922	223,139
OPEB obligation	182,062,107	168,814,851	8,805,845	8,939,003	190,867,952	177,753,854
Net pension liability	4,317,614	19,669,935	37,581	9,474,992	4,355,195	29,144,927
Total	<u>\$ 203,381,391</u>	<u>\$ 201,231,734</u>	<u>\$ 13,865,259</u>	<u>\$ 21,606,328</u>	<u>\$ 217,246,650</u>	<u>\$ 222,838,062</u>

Additional information on the City's long-term liabilities can be found in Note 11 to the financial statements.

### **Economic Factors and Next Year's Budget**

The unemployment rate, not seasonally adjusted, for the City during December 2021 was 5.4 percent, as compared to New York State's unemployment rate of 4.5 percent.

The City considered current operational expenses and estimated increases based on economic factors when establishing the 2022 budget. During the City's budget process for the 2022 fiscal year, the City appropriated a total of \$721,365 of fund balance. This amount is reported as assigned to subsequent year's expenditures within the General Fund as of December 31, 2021.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ryan Thompson, Comptroller, City of Jamestown, 200 East 3<sup>rd</sup> Street, Jamestown, New York 14701.



# BASIC FINANCIAL STATEMENTS



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**CITY OF JAMESTOWN, NEW YORK**  
**Statement of Net Position**  
**December 31, 2021**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,334,604	\$ 26,917,932	\$ 33,252,536
Restricted cash and cash equivalents	16,622,149	-	16,622,149
Investments	-	351,794	351,794
Restricted investments	-	2,645,626	2,645,626
Accounts receivable	248,239	6,834,587	7,082,826
Intergovernmental receivables	3,459,791	161,611	3,621,402
Internal balances	(16,524)	16,524	-
Prepaid items	961,563	3,505,549	4,467,112
Inventories	137,100	921,836	1,058,936
Other current and accrued assets	-	40,661	40,661
Non-utility property	-	430,257	430,257
Capital assets not being depreciated	3,579,115	4,559,624	8,138,739
Capital assets, net of accumulated depreciation	48,549,822	135,177,727	183,727,549
Real estate held for sale	-	212,018	212,018
Loans receivable, net of allowance	-	980,933	980,933
Charges for future benefits	-	1,105,029	1,105,029
Total assets	<u>79,875,859</u>	<u>183,861,708</u>	<u>263,737,567</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows—relating to pensions	18,359,380	8,719,871	27,079,251
Deferred outflows—relating to OPEB	<u>12,577,368</u>	<u>376,473</u>	<u>12,953,841</u>
Total deferred outflows of resources	<u>30,936,748</u>	<u>9,096,344</u>	<u>40,033,092</u>
<b>LIABILITIES</b>			
Accounts payable	1,410,429	1,992,876	3,403,305
Retainages payable	118,237	-	118,237
Accrued liabilities	1,971,075	8,536	1,979,611
Bond anticipation notes payable	1,968,000	-	1,968,000
Unearned revenue	14,721,691	-	14,721,691
Customer deposits	-	377,260	377,260
Other current and accrued liabilities	-	4,114,332	4,114,332
Noncurrent liabilities:			
Due within one year	1,622,161	515,589	2,137,750
Due in more than one year	<u>201,759,230</u>	<u>13,349,670</u>	<u>215,108,900</u>
Total liabilities	<u>223,570,823</u>	<u>20,358,263</u>	<u>243,929,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows—relating to pensions	19,953,837	11,156,633	31,110,470
Deferred inflows—relating to OPEB	-	499,413	499,413
Deferred gain on refunding	<u>-</u>	<u>4,905</u>	<u>4,905</u>
Total deferred inflows of resources	<u>19,953,837</u>	<u>11,660,951</u>	<u>31,614,788</u>
<b>NET POSITION</b>			
Net investment in capital assets	36,857,786	134,812,179	171,669,965
Restricted for:			
Economic development	203,245	-	203,245
Plant dismantling	-	1,471,951	1,471,951
Overhaul	-	585,476	585,476
Energy conservation	-	588,199	588,199
Unrestricted	<u>(169,773,084)</u>	<u>23,481,033</u>	<u>(146,292,051)</u>
Total net position	<u><u>\$ (132,712,053)</u></u>	<u><u>\$ 160,938,838</u></u>	<u><u>\$ 28,226,785</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2021**

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government support	\$ 6,886,543	\$ 466,091	\$ -	\$ -	\$ (6,420,452)	\$ -	\$ (6,420,452)
Public safety	19,567,193	323,622	399,431	46,852	(18,797,288)	-	(18,797,288)
Health	21,662	-	18,224	-	(3,438)	-	(3,438)
Transportation	7,188,926	61,761	-	2,317,320	(4,809,845)	-	(4,809,845)
Culture and recreation	2,803,892	44,714	423,856	829	(2,334,493)	-	(2,334,493)
Home and community services	6,555,740	196,736	97,000	1,867,822	(4,394,182)	-	(4,394,182)
Interest and other fiscal charges	413,178	-	-	-	(413,178)	-	(413,178)
Total governmental activities	43,437,134	1,092,924	938,511	4,232,823	(37,172,876)	-	(37,172,876)
Business-type activities:							
Jamestown Board of Public Utilities	51,685,877	56,189,388	76,284	-	-	4,579,795	4,579,795
Jamestown Urban Renewal Agency	1,333,088	586,027	-	420,869	-	(326,192)	(326,192)
Jamestown Local Development Corporation	840,948	38,943	-	32,864	-	(769,141)	(769,141)
Total business-type activities	53,859,913	56,814,358	76,284	453,733	-	3,484,462	3,484,462
Total primary government	\$97,297,047	\$ 57,907,282	\$ 1,014,795	\$ 4,686,556	\$ (37,172,876)	3,484,462	(33,688,414)
General revenues:							
Real property taxes and tax items					16,337,475	-	16,337,475
Nonproperty tax items					8,520,743	-	8,520,743
Board of Public Utilities - PILOT					3,915,571	-	3,915,571
Use of money and property					10,903	50,251	61,154
Sale of property and compensation for loss					-	14,200	14,200
State aid—unrestricted					4,787,917	-	4,787,917
Miscellaneous					1,021,779	948	1,022,727
Total general revenues					34,594,388	65,399	34,659,787
Change in net position					(2,578,488)	3,549,861	971,373
Net position—beginning, as restated					(130,133,565)	157,388,977	27,255,412
Net position—ending					\$ (132,712,053)	\$ 160,938,838	\$ 28,226,785

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Balance Sheet—Governmental Funds**  
**December 31, 2021**

	<u>General</u>	<u>Special Grant</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,334,604	\$ -	\$ -	\$ 6,334,604
Restricted cash and cash equivalents	14,051,717	669,974	1,900,458	16,622,149
Receivables	11,304	-	236,935	248,239
Intergovernmental receivables	2,811,354	648,437	-	3,459,791
Due from other funds	276,396	-	137,484	413,880
Prepaid items	961,563	-	-	961,563
Inventories	137,100	-	-	137,100
Total assets	<u>\$ 24,584,038</u>	<u>\$ 1,318,411</u>	<u>\$ 2,274,877</u>	<u>\$ 28,177,326</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 822,417	\$ 31,312	\$ 556,700	\$ 1,410,429
Accrued liabilities	1,804,888	-	-	1,804,888
Due to other funds	-	413,880	-	413,880
Bond anticipation notes payable	-	-	1,968,000	1,968,000
Unearned revenue	14,051,717	669,974	-	14,721,691
Total liabilities	<u>16,679,022</u>	<u>1,115,166</u>	<u>2,524,700</u>	<u>20,318,888</u>
<b>FUND BALANCES (DEFICIT)</b>				
Nonspendable	1,098,663	-	-	1,098,663
Restricted	-	203,245	-	203,245
Assigned	721,365	-	-	721,365
Unassigned	6,084,988	-	(249,823)	5,835,165
Total fund balances (deficit)	<u>7,905,016</u>	<u>203,245</u>	<u>(249,823)</u>	<u>7,858,438</u>
Total liabilities and fund balances (deficit)	<u>\$ 24,584,038</u>	<u>\$ 1,318,411</u>	<u>\$ 2,274,877</u>	<u>\$ 28,177,326</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Reconciliation of the Balance Sheet—Governmental Funds**  
**to the Government-wide Statement of Net Position**  
**December, 31, 2021**

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Amounts reported for governmental activities in the statement of net position (page 14) are different because:

Total fund balances (deficit)—governmental funds (page 16)	\$ 7,858,438
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of these assets is \$108,637,419 and the accumulated depreciation is \$56,508,482.	52,128,937
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the fund statements:	
Deferred outflows of resources related to employer contributions	\$ 2,548,371
Deferred outflows related to experience, change of assumptions, and investment earnings	15,811,009
Deferred inflows related to pension plans	(19,953,837)
Deferred outflows of resources related to OPEB	<u>12,577,368</u>
	10,982,911
Retained percentages are not a current liability and, therefore, are not reported in the funds.	(118,237)
Net accrued interest expense for serial bonds and bond anticipation notes is not reported in the funds.	(166,187)
Notes payable due to the Jamestown Board of Public Utilities are not a current liability and, therefore, are not reported in the funds.	(16,524)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:	
Serial bonds	\$ (14,675,013)
Unamortized bond premiums	(512,072)
Compensated absences	(1,644,663)
Retirement payable	(169,922)
Net pension liability	(4,317,614)
OPEB obligation	<u>(182,062,107)</u>
	<u>(203,381,391)</u>
Net position of governmental activities	<u>\$ (132,712,053)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds**  
**Year Ended December 31, 2021**

	<u>General</u>	<u>Special Grant</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Real property taxes	\$ 16,028,164	\$ -	\$ -	\$ 16,028,164
Real property tax items	309,311	-	-	309,311
Board of Public Utilities - PILOT	3,915,571	-	-	3,915,571
Nonproperty tax items	8,520,743	-	-	8,520,743
Departmental income	594,972	-	-	594,972
Intergovernmental charges	256,254	-	-	256,254
Use of money and property	10,903	-	-	10,903
Licenses and permits	209,837	-	-	209,837
Fines and forfeitures	31,861	-	-	31,861
Miscellaneous	207,819	667,874	146,086	1,021,779
State aid	7,268,024	979,732	-	8,247,756
Federal aid	4,781	1,706,714	-	1,711,495
Total revenues	<u>37,358,240</u>	<u>3,354,320</u>	<u>146,086</u>	<u>40,858,646</u>
<b>EXPENDITURES</b>				
Current:				
General government support	3,628,822	-	-	3,628,822
Public safety	11,643,993	284,454	-	11,928,447
Health	-	13,443	-	13,443
Transportation	3,619,712	203,244	-	3,822,956
Culture and recreation	1,655,808	1,628	-	1,657,436
Home and community services	871,112	3,097,191	-	3,968,303
Employee benefits	10,166,080	-	-	10,166,080
Debt service:				
Principal	1,211,322	-	-	1,211,322
Interest and other fiscal charges	439,786	-	-	439,786
Capital outlay	-	-	4,482,167	4,482,167
Total expenditures	<u>33,236,635</u>	<u>3,599,960</u>	<u>4,482,167</u>	<u>41,318,762</u>
Excess (deficiency) of revenues over expenditures	<u>4,121,605</u>	<u>(245,640)</u>	<u>(4,336,081)</u>	<u>(460,116)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	2,149,788	2,149,788
Transfers out	(2,149,788)	-	-	(2,149,788)
Serial bonds issued	-	-	5,155,000	5,155,000
Premium on serial bonds issued	-	-	311,274	311,274
Total other financing sources (uses)	<u>(2,149,788)</u>	<u>-</u>	<u>7,616,062</u>	<u>5,466,274</u>
Net change in fund balances	1,971,817	(245,640)	3,279,981	5,006,158
Fund balances (deficit)—beginning	<u>5,933,199</u>	<u>448,885</u>	<u>(3,529,804)</u>	<u>2,852,280</u>
Fund balances (deficit)—ending	<u>\$ 7,905,016</u>	<u>\$ 203,245</u>	<u>\$ (249,823)</u>	<u>\$ 7,858,438</u>

The notes to the financial statements are an integral part of this statement.



**CITY OF JAMESTOWN, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities**  
**Year Ended December 31, 2021**

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Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances (deficit)—total governmental funds (page 18) \$ 5,006,158

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital asset additions, net	\$ 5,475,021	
Loss on disposal of assets	(221,913)	
Depreciation expense	<u>(3,477,435)</u>	1,775,673

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

City pension contributions	\$ 3,219,114	
Cost of benefits earned net of employee contributions	<u>(2,421,427)</u>	797,687

Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization.

Deferred outflows relating to OPEB	\$ (7,338,632)	
Deferred inflows relating to OPEB	<u>14,628,470</u>	7,289,838

Governmental funds report retained percentages expenditures on construction contracts when such a retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues. (903)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (37,374)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effects of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and other related items is as follows:

Repayment of notes payable	\$ 92,411	
Serial bonds issued	(5,155,000)	
Repayment of serial bonds	1,118,911	
Premium on serial bonds issued	(311,274)	
Amortization of premiums on serial bonds	63,982	
Change in compensated absences	(24,558)	
Repayment of retirement payable	53,217	
Change in OPEB obligation	<u>(13,247,256)</u>	<u>(17,409,567)</u>

Change in net position of governmental activities \$ (2,578,488)

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Statement of Net Position—Proprietary Funds**  
**December 31, 2021**

	<b>Business-type Activities</b>			
	<b>Board of Public Utilities</b>	<b>Urban Renewal Agency</b>	<b>Local Development Corporation</b>	<b>Total Enterprise Funds</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 25,313,351	\$ 30,866	\$ 1,573,715	\$ 26,917,932
Investments	351,794	-	-	351,794
Restricted investments	2,645,626	-	-	2,645,626
Receivables	6,815,841	17,227	1,519	6,834,587
Intergovernmental receivables	19,206	-	142,405	161,611
Internal balances	16,524	-	-	16,524
Prepaid items	3,490,189	15,360	-	3,505,549
Inventories	921,836	-	-	921,836
Other current and accrued assets	40,661	-	-	40,661
Non-utility property	430,257	-	-	430,257
Loans receivable, current portion	-	-	170,435	170,435
Total current assets	40,045,285	63,453	1,888,074	41,996,812
Noncurrent assets:				
Capital assets not being depreciated	4,559,624	-	-	4,559,624
Capital assets, net of accumulated depreciation	135,177,727	-	-	135,177,727
Real estate held for sale	-	212,018	-	212,018
Loans receivable, net of allowance	-	-	810,498	810,498
Charges for future benefits	1,105,029	-	-	1,105,029
Total noncurrent assets	140,842,380	212,018	810,498	141,864,896
Total assets	180,887,665	275,471	2,698,572	183,861,708
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows—relating to pensions	8,450,778	269,093	-	8,719,871
Deferred outflows—relating to OPEB	263,165	113,308	-	376,473
Total deferred outflows of resources	8,713,943	382,401	-	9,096,344
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,986,717	5,067	1,092	1,992,876
Accrued interest	5,371	-	-	5,371
Due to other divisions	3,165	-	-	3,165
Consumer deposits	377,260	-	-	377,260
Other current and accrued liabilities	4,103,225	11,107	-	4,114,332
Current maturities of bonds payable	505,923	-	-	505,923
Total current liabilities	6,981,661	16,174	1,092	6,998,927
Noncurrent liabilities:				
Bonds payable, less current maturities	4,419,249	-	-	4,419,249
Compensated absences	-	96,661	-	96,661
OPEB obligation	5,304,139	3,501,706	-	8,805,845
Net pension liability	36,601	980	-	37,581
Total noncurrent liabilities	9,759,989	3,599,347	-	13,359,336
Total liabilities	16,741,650	3,615,521	1,092	20,358,263
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows—relating to pensions	10,838,886	317,747	-	11,156,633
Deferred inflows—relating to OPEB	499,413	-	-	499,413
Deferred gain on refunding	4,905	-	-	4,905
Total deferred inflows of resources	11,343,204	317,747	-	11,660,951
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	134,812,179	-	-	134,812,179
Restricted for:				
Plant dismantling	1,471,951	-	-	1,471,951
Overhaul	585,476	-	-	585,476
Energy conservation	588,199	-	-	588,199
Unrestricted	24,058,949	(3,275,396)	2,697,480	23,481,033
Total net position (deficit)	\$ 161,516,754	\$ (3,275,396)	\$ 2,697,480	\$ 160,938,838

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds**  
**Year Ended December 31, 2021**

	<b>Business-type Activities</b>			
	<b>Board of Public Utilities</b>	<b>Urban Renewal Agency</b>	<b>Local Development Corporation</b>	<b>Total Enterprise Funds</b>
Operating revenues:				
Utility charges	\$ 56,189,388	\$ -	\$ -	\$ 56,189,388
Grants	-	420,869	32,864	453,733
Program income and administrative fees	-	586,027	38,943	624,970
Miscellaneous	-	288	660	948
Total operating revenues	<u>56,189,388</u>	<u>1,007,184</u>	<u>72,467</u>	<u>57,269,039</u>
Operating expenses:				
Contractual	30,013,153	1,190,379	-	31,203,532
Depreciation	7,753,572	-	-	7,753,572
Administrative and general	6,074,020	142,709	840,948	7,057,677
Landfill tipping fees	352,505	-	-	352,505
Taxes	902,560	-	-	902,560
Contributions in lieu of taxes	5,422,041	-	-	5,422,041
Repairs and maintenance	795,384	-	-	795,384
Loss on discontinued operations	131,828	-	-	131,828
Total operating expenses	<u>51,445,063</u>	<u>1,333,088</u>	<u>840,948</u>	<u>53,619,099</u>
Operating income (loss)	<u>4,744,325</u>	<u>(325,904)</u>	<u>(768,481)</u>	<u>3,649,940</u>
Nonoperating revenues (expenses):				
Other grants	76,284	-	-	76,284
Interest income	75,294	-	1,750	77,044
Interest expense	(113,049)	-	-	(113,049)
Change in fair value of investments	(26,793)	-	-	(26,793)
Loss on sale of assets	(111,417)	-	-	(111,417)
Bond issuance cost	(16,348)	-	-	(16,348)
Sale of real estate	-	14,200	-	14,200
Total nonoperating revenues (expenses)	<u>(116,029)</u>	<u>14,200</u>	<u>1,750</u>	<u>(100,079)</u>
Change in net position	4,628,296	(311,704)	(766,731)	3,549,861
Net position—beginning, as restated	<u>156,888,458</u>	<u>(2,963,692)</u>	<u>3,464,211</u>	<u>157,388,977</u>
Net position—ending	<u>\$ 161,516,754</u>	<u>\$ (3,275,396)</u>	<u>\$ 2,697,480</u>	<u>\$ 160,938,838</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Statement of Cash Flows—Proprietary Funds**  
**Year Ended December 31, 2021**

	<b>Business-type Activities</b>			
	<b>Board of Public Utilities</b>	<b>Urban Renewal Agency</b>	<b>Local Development Corporation</b>	<b>Total Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from services provided	\$ 56,277,414	\$ 1,006,896	\$ 148,215	\$ 57,432,525
Cash payments for contractual expenses	(39,130,509)	(1,049,947)	(660,948)	(40,841,404)
Cash paid for payments in lieu of taxes	(6,324,601)	-	-	(6,324,601)
Net cash provided by (used for) operating activities	<u>10,822,304</u>	<u>(43,051)</u>	<u>(512,733)</u>	<u>10,266,520</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction	(10,399,565)	-	-	(10,399,565)
Proceeds from sale of capital assets	85,784	-	-	85,784
Principal payments on long-term debt	(418,252)	-	-	(418,252)
Interest paid on long-term debt	(81,303)	-	-	(81,303)
Proceeds from bonds, net	2,250,385	-	-	2,250,385
Proceeds from grant funding	76,284	-	-	76,284
Payments from Jamestown	63,364	-	-	63,364
Net cash used for capital and related financing activities	<u>(8,423,303)</u>	<u>-</u>	<u>-</u>	<u>(8,423,303)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income and change in derivative	75,294	-	1,750	77,044
Proceeds from sale of investments	6,783,807	-	-	6,783,807
Sale of real estate	-	14,200	-	14,200
Net cash provided by investing activities	<u>6,859,101</u>	<u>14,200</u>	<u>1,750</u>	<u>6,875,051</u>
Net increase (decrease) in cash and equivalents	9,258,102	(28,851)	(510,983)	8,718,268
Cash and equivalents—beginning	<u>16,055,249</u>	<u>59,717</u>	<u>2,084,698</u>	<u>18,199,664</u>
Cash and equivalents—ending	<u>\$ 25,313,351</u>	<u>\$ 30,866</u>	<u>\$ 1,573,715</u>	<u>\$ 26,917,932</u>
<b>Reconciliation from operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 4,744,325	\$ (325,904)	\$ (768,481)	\$ 3,649,940
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	7,753,572	-	-	7,753,572
Loss from discontinued operations	131,828	-	-	131,828
Decrease (increase) in accounts receivable	58,482	(17,227)	50,182	91,437
(Increase) in prepaids	(487,961)	(636)	-	(488,597)
Decrease in loans receivable	-	-	204,474	204,474
Decrease in other current and accrued assets	50,033	-	-	50,033
Decrease in charges for future benefits	489,645	-	-	489,645
Decrease in inventory	53,905	-	-	53,905
Increase in account payable	102,165	1,615	1,092	104,872
Increase in customer deposits	29,544	-	-	29,544
(Increase) decrease in deferred outflows of resources	(1,530,401)	33,826	-	(1,496,575)
(Decrease) increase in other current and accrued liabilities	(352,715)	3,571	-	(349,144)
(Decrease) in compensated absences	-	(2,633)	-	(2,633)
(Decrease) in economic development liability	(127,532)	-	-	(127,532)
(Decrease) increase in OPEB liability	(432,382)	299,224	-	(133,158)
(Decrease) in net pension liability	(9,103,021)	(334,390)	-	(9,437,411)
Increase in deferred inflows of resources	9,441,907	299,503	-	9,741,410
Increase in due to other divisions	910	-	-	910
Total adjustments	<u>6,077,979</u>	<u>282,853</u>	<u>255,748</u>	<u>6,616,580</u>
Net cash provided by (used for) operating activities	<u>\$ 10,822,304</u>	<u>\$ (43,051)</u>	<u>\$ (512,733)</u>	<u>\$ 10,266,520</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Statement of Fiduciary Net Position—Fiduciary Fund**  
**December 31, 2021**

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	<u><b>Custodial Fund</b></u>
<b>ASSETS</b>	
Restricted cash and cash equivalents	\$ 20,421
Total assets	<u>20,421</u>
 <b>NET POSITION</b>	
Restricted for asset forfeiture	<u>20,421</u>
Total net position	<u><u>\$ 20,421</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Statement of Changes in Fiduciary Net Position—Fiduciary Fund**  
**Year Ended December 31, 2021**

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	<u><b>Custodial Fund</b></u>
<b>ADDITIONS</b>	
Funds received on behalf of others	\$ 23,993
Total additions	<u>23,993</u>
<b>DEDUCTIONS</b>	
Funds distributed on behalf of others	<u>3,572</u>
Total deductions	<u>3,572</u>
Change in net position	20,421
Net position—beginning	<u>-</u>
Net position—ending	<u><u>\$ 20,421</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF JAMESTOWN, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Jamestown, New York (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting principles are described below.

***Description of Government-wide Financial Statements***

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

***Reporting Entity***

The City, which was established in 1886, is governed by City Law and other general laws of the State of New York and various local laws. The City Council is the legislative body responsible for overall operations and the Mayor serves as chief fiscal officer. The City is located in the County of Chautauqua, New York.

The City provides the following basic services: general government support, police and fire protection, safety inspection, highway maintenance, recreation programs, water service, street lighting, garbage collection, electric and district heating services.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary governments’ operations, even though they are legally separate entities. Thus, the blended component units are appropriately presented as business-type activities funds within the primary government.

***Blended Component Units***—The following blended component units are legally separate entities from the City, but are, in substance, part of the City’s operations and therefore data from these units are combined with data of the primary government.

**Jamestown Board of Public Utilities**—The Jamestown Board of Public Utilities (the “JBPU”) was established under Section 50 of the Jamestown City Charter to supply the Jamestown area, as well as other municipalities, with electricity, water, sewer, sanitation, and district heating services. The JBPU is included as a blended component unit because the City Council appoints a voting majority of JBPU’s governing board and is obligated to provide for any deficiency in sinking fund requirements for the JBPU’s bonds outstanding. Separate financial statements for the JBPU may be obtained by contacting Jamestown Board of Public Utilities, PO Box 700, 92 Steele Street, Jamestown, NY 14702.

**Jamestown Urban Renewal Agency**—The Jamestown Urban Renewal Agency (the “JURA”) is an independent public benefit corporation established by New York State Legislature on June 21, 1966. The responsibilities of JURA include housing, building, and zoning code enforcement, housing rehabilitation and development, public infrastructure improvement, industrial and commercial site preparation, downtown development, land banking activities, community and economic development planning activities, alternative energy sources, historic preservation and annual administration of the City’s Community Development Block Grants and Home Investment Partnership Program. JURA is included as a blended component unit because the City Council appoints a majority of JURA’s governing board and can impose its will on JURA through personnel administration. Separate financial statements for JURA may be obtained by contacting Jamestown Urban Renewal Agency, Third Floor, Municipal Building, 200 East Third Street, Jamestown, NY 14701.

**Jamestown Local Development Corporation**—The Jamestown Local Development Corporation (the “JLDC”) was incorporated under Section 805 of the Not-for-Profit Corporation Law of the State of New York on May 22, 1981. JLDC is a not-for-profit corporation that was formed to further the development and financing of related infrastructure of the City. JLDC offers fixed, low interest rate loans for a variety of purposes including business startup, real estate acquisition and renovation, machinery and equipment purchases, local artisan development, downtown restaurant development, technology based business development, and energy efficiency improvements to commercial and industrial buildings. JLDC is included as a blended component unit because the City Council appoints a majority of JLDC’s governing board and can impose its will on JLDC through personnel administration. Separate financial statements for JLDC may be obtained by contacting Jamestown Local Development Corporation, Third Floor, Municipal Building, 200 East Third Street, Jamestown, NY 14701.

***Excluded from the Financial Reporting Entity***—Although the following are related to the City, they are not included in the City’s reporting entity.

**Jamestown Community College**—Jamestown Community College (the “College”) is a locally sponsored, two-year community college founded in 1950. The College is part of a statewide system of two-year institutions designed to provide technical, para-professional, and university parallel education. The College is one of thirty community colleges within the State University of New York (“SUNY”). SUNY Community Colleges are financed by New York State, student tuition, and sponsor contributions. In 1996, the State of New York amended Article 126 of the Education Law through Chapter 144 of the Laws of 1996. The law changed sponsorship of the College from the City of Jamestown to the Jamestown Community College Region, effective September 1, 1996. This region is made up of the City, Chautauqua County, and Cattaraugus County. The College is excluded from the financial reporting entity because the City does not appoint a voting majority of the Board of Trustees and the College is not fiscally dependent on the City. Further information can be obtained by writing Jamestown Community College, Administration Office, 525 Falconer Street, Jamestown, New York 14701.

**Jamestown Housing Authority**—Jamestown Housing Authority (the “Authority”) was established pursuant to the laws of the State of New York to provide low rent housing for qualified individuals in accordance with rules and regulations prescribed by the Department of Housing and Urban Development and other Federal Agencies. The Authority is excluded from the financial reporting entity because the City does not appoint a voting majority of the Authority’s board and the Authority is not fiscally dependent on the City. Further information can be obtained by writing Jamestown Housing Authority, 110 West Third Street, Jamestown, New York 14701.



### ***Basis of Presentation—Government-wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while the business-type activity incorporates data from the City's blended component unit enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and various other functions of the government. Elimination of these changes would distort the direct costs and program revenues reported for the various functions concerned.

### ***Basis of Presentation—Fund Financial Statements***

The fund financial statements provide information about the City's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column.

The City reports the following major governmental funds:

- *General Fund*—This fund is the principal operating fund of the City and is used to account for all financial resources except those required to be accounted for in other funds.
- *Special Grant Fund*—This fund is used to account for various grants and the associated expenditures related to those grants.
- *Capital Projects Fund*—This fund is used to account for and report financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

The City reports the following major enterprise funds:

- *Jamestown Board of Public Utilities*—The JBPU supplies the Jamestown area with electricity, water, sewer, sanitation, and district heating services.
- *Jamestown Urban Renewal Agency*—JURA has responsibilities that include code enforcement, housing rehabilitation, public infrastructure improvement, site preparation, downtown development, land banking services, historic preservation and administration of grants.
- *Jamestown Local Development Corporation*—JLDC was formed to further the development and financing of related infrastructure of the City by offering low interest loans for a variety of purposes.

Additionally, the City reports the following fund type:

*Fiduciary Funds*—These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary fund include monies from outside entities, controlled and administered by the City for the benefit of others.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are recorded at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

### ***Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period of availability (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period of availability (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance***

***Cash, Cash Equivalents and Investments***—The City’s cash and cash equivalents include cash on hand, demand deposits, time deposits, and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. Investments are recorded at fair value in accordance with GASB.

***Restricted Cash and Cash Equivalents***—Restricted cash and cash equivalents represent amounts to support fund balance restrictions, unspent proceeds of debt, resources received in advance relating to unearned revenue, and amounts held on behalf of others.

***Receivables***—Receivables are stated net of estimated allowances for uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the City to reimburse it for expenditures incurred pursuant to state and federally funded programs.

***Prepaid Items***—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

***Inventory***—Inventory associated with the governmental activities is valued using the first-in first out (“FIFO”) method.

***Loans Receivable***—Represent amounts owed to the City for economic development loans. Management evaluates an allowance for doubtful accounts and will make adjustments as necessary.

***Capital Assets***—The City’s buildings, building improvements, land improvements, infrastructure, machinery and equipment, and vehicles with estimated useful lives of more than two years are stated at historical cost and comprehensively reported in the applicable governmental or business-type activities column in the government-wide financial statements and proprietary fund financial statements. The City maintains infrastructure asset records consistent with all other capital assets. The City generally capitalizes assets with costs of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are incurred. Donated capital assets are recorded at acquisition value at the date of donation.

Land and construction in progress are not depreciated. The remaining capital assets being depreciated using the straight-line method over the useful lives presented on the following page.

Assets	Years
Buildings	40
Building improvements	20
Maintenance equipment	15
Land improvements	20
Infrastructure:	
Streets	20-40
Sidewalks	20-40
Storm sewers	50
Machinery and equipment:	
Furniture	10
Heavy equipment	15
Vehicles	5

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new highway vehicle included as part of *expenditures—transportation*). The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

***Deferred Outflows/Inflows of Resources***—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2021, the City has two items that qualify for reporting in this category, which are reported in the government-wide financial statements as well as within individual proprietary funds. The first item is related to pensions and represents the effect of the net change in the City’s proportion of the collective net pension liability, and the difference during the measurement period between the City’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense and any contributions to the pension systems made subsequent to the measurement date. The second item is related to OPEB and represents the effects of the change in the City’s proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2021, the City has three items that qualify for reporting in this category, which are reported in the government-wide financial statements as well as within individual proprietary funds. The first item represents the effect of the net change in the City’s proportion of the collective net pension liability and the difference during the measurement periods between the City’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item represents the effects of the change in the City’s proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB

liability. The third item is related to a deferred gain on refunding, which the City reports within its business-type activities.

***Net Position Flow Assumption***—Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s position to consider restricted—net position to have been depleted before unrestricted—net position is applied.

***Fund Balance Flow Assumptions***—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund Balance Policies***—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. The Common Council is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as committed. The Common Council may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### ***Revenues and Expenses/Expenditures***

***Program Revenues***—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Real Property Taxes***—The City’s real property taxes are levied annually on January 1, and are due January 31. In addition, the City collects real property taxes on behalf of the County of Chautauqua,

New York (the “County”). The City maintains a real property tax collection and enforcement agreement with the County. Pursuant to the terms of the agreement, on or about April 1 of each year, all City and County taxes which remain unpaid are submitted to the County for collection and enforcement.

On April 1 of each year, the City is required to remit to the County all taxes collected by the City on behalf of the County minus any deficiency in the collection of City taxes up to 100% of the City’s tax levy. The real property tax collection and enforcement agreement with the County guarantees the City 100% of its tax levy.

Real property taxes and similar items collected within 60 days following December 31 are recognized as revenue. Unearned revenues include real property taxes and similar items not collected within this period.

**Miscellaneous Revenue**—Represent various gifts and donations related and grants from outside entities that are used for specific projects within the Special Grant Fund.

**Unearned Revenue**—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2021, the City reported unearned revenues of \$14,051,717 and \$669,974 within the General Fund and Special Grant Fund, respectively, primarily for unspent American Rescue Plan Act funds.

**Constitutional Tax Limit**—The amount that may be raised by the City-wide tax levy on real estate in any fiscal year (for purposes other than debt service on City indebtedness and budgetary appropriations for capital expenditures) is limited to two percent of the five-year average full valuation of taxable real estate of the City.

The City constitutional tax limit for the fiscal year ended December 31, 2021 is computed as follows:

Five-year average full valuation of taxable real estate (2016-2020)	\$ 678,837,704
Tax limit at 2.0%	13,576,754
Exclusions from tax limit	<u>2,576,070</u>
Total taxing power	16,152,824
Tax levy	<u>16,030,077</u>
Constitutional tax margin	<u><u>\$ 122,747</u></u>

**Compensated Absences**—City employees are granted vacation, personal and sick leave and compensatory time in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, sick leave and unused compensatory absences at various rates subject to certain conditions, maximum limitations and union affiliations. Compensated absences are reported as accrued in the government-wide financial statements. Governmental funds report only matured compensated absences payable to terminating employees and are included in wages and benefits.

Payment of compensated absences recorded in the general government long-term debt in the government-wide financial statements is dependent upon many factors; therefore, timing of future payment is not readily determinable. However management believes that sufficient resources will be made available for the future payment of compensated absences when such payments become due. More information regarding compensated absences is included in Note 10.

***Proprietary Fund Operating and Nonoperating Revenues and Expenses***—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the business-type activities are utility charges. Operating expenses for the business-type activities include utility delivery, administration, and contributions in lieu of taxes. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Pension Plans***—The City is mandated by New York State law to participate in the New York State Local Employees’ Retirement System (“ERS”) and the New York State Police and Fire Retirement System (“PFRS”). 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 defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. 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. More information regarding pensions is included in Note 7.

***Other Postemployment Benefits***—In addition to providing pension benefits, the City provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 8.

#### ***Other***

***Estimates***—The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, and liabilities, deferred outflows/inflows of resources, and disclosures of contingent liabilities at the date of the financial statements and during the reported period. Actual results could differ from those estimates.

***Adoption of New Accounting Pronouncements***—During the year ended December 31, 2021, the City implemented GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; No. 91, *Conduit Debt Obligations*; No. 93, *Replacement of Interbank Offered Rates*; and No. 98, *The Annual Comprehensive Financial Report*. GASB Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 93 addresses those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (“IBOR”). GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR, which replaces the acronym for comprehensive annual financial report. The implementation of GASB Statements No. 89, 91, 93 and 98 did not have a material impact on the City’s financial position or results from operations.

***Future Impacts of Accounting Pronouncements***—The City has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 87, *Leases*, effective for the year ending December 31, 2022, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology*

*Arrangements*, effective for the year ending December 31, 2023, and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ended December 31, 2024. The City is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 94, and 96 will have on its financial position and results of operations when such statements are adopted.

## ***Stewardship, Compliance and Accountability***

### ***Legal Compliance—Budgets***

No later than September 30, the City Comptroller submits a tentative budget to the City for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds. After public hearings are conducted to obtain taxpayer comments, no later than December 1<sup>st</sup>, the City Council adopts the budget. All modifications of the budget must be approved by the City Council.

The appropriated budget for each fund is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and class as follows: personal services, other services and charges, supplies, capital outlay, transfers, and debt service. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfers appropriations without Council approval. Revisions to the budget were made throughout the year.

***Deficit Fund Balances***—At December 31, 2021, the Capital Projects Fund reported a fund balance deficit of \$249,823. The deficit is primarily caused by the City’s issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BAN is spent, expenditures are reported and fund balance is reduced. Because the BANs are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs.

## **2. RESTATEMENT OF NET POSITION**

During the fiscal year ended December 31, 2021, the BPU corrected an error in its recording of the economic development liability, wrote-off previously purchased property held for sale and related receivable and accrued liability. As a result of these changes, the City’s business-type activities’ net position at December 31, 2020 was restated as follows:

	<u>Business-type Activities</u>
Net position—December 31, 2020, as previously stated	\$ 156,131,004
Adjustments:	
Economic development liability	1,394,738
Capital assets, net	(114,830)
Receivables, net	(86,435)
Accrued liabilities	<u>64,500</u>
Net position—December 31, 2020, as restated	<u>\$ 157,388,977</u>



### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The City's investment policies are governed by New York State statutes. The City also has its own written investment guidelines which have been established by the Common Council. City monies must be deposited in Federal Deposit Insurance Corporation ("FDIC") insured commercial banks or trust companies located within the State. The City Comptroller is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, contractual repurchase agreements, and obligations of New York State or its localities. Investments with maturities of less than three months are considered to be cash equivalents.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The City has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Total cash and cash equivalents including restricted amounts reported by the City at December 31, 2021 are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 10,000	\$ -	\$ -	\$ 10,000
Deposits	22,946,753	26,917,932	20,421	49,885,106
Total	<u>\$ 22,956,753</u>	<u>\$ 26,917,932</u>	<u>\$ 20,421</u>	<u>\$ 49,895,106</u>

**Deposits**—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2021 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 500,000	\$ 500,000
Uninsured:		
Collateral held by pledging bank's agent in the City's name	49,881,969	49,385,106
Total deposits	<u>\$ 50,381,969</u>	<u>\$ 49,885,106</u>

**Custodial Credit Risk—Deposits**—Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As noted above, by New York State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2021, the City's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the City's name.

**Restricted Cash and Cash Equivalents and Investments**—The City reports fund balance restrictions, unearned revenue related to cash received in advance, unspent debt proceeds, and amounts held on behalf of others as restricted cash and cash equivalents. At December 31, 2021, the City reports restricted cash totaling \$14,051,717 within the General Fund, \$669,974 within the Special Grant Fund, \$1,900,458 within the Capital Projects Fund, and \$20,421 within the Custodial Fund.

**Investments**—All investments are reporting using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as presented below:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the City has access at the measurement date.
- Level 2. Inputs other than quote prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets in markets that are not active;
  - Observable inputs other than quoted prices for the asset or liability (for example, interest rate yield curves); and
  - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

Investments reported within business-type activities at December 31, 2021 are as follows:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	12/31/2021			
U.S. Treasury notes	\$ 2,997,420	\$ 2,997,420	\$ -	\$ -

**Restricted Investments**—At December 31, 2021, the City’s business-type activities reported amounts to support net position restrictions in the amount of \$2,997,420 as restricted investments.

**Interest Rate Risk**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of deposits and investments. In accordance with its investment policy, the City manages this exposure by limiting investments to low risk type investments governed by New York State statute.

**Custodial Credit Risk—Investments**—Credit risk is defined as the risk that an issuer or other counterpart to an investment in debt securities will not fulfill its obligation. The City’s investment policy minimizes credit risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City does business, and diversifying the investment portfolio so that potential losses on individual securities are minimized. U.S. Treasury notes are backed by the full faith and credit of the U.S. government and are considered to be of the highest credit quality.

**Concentration of Credit Risk**—Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single financial institution. The City’s investment policy places limits on the amount the City may invest in any one financial institution to \$25 million. As of December 31, 2021, the City’s investments in any single financial institution do not exceed the limit established by its policy.

#### 4. RECEIVABLES

Major revenues accrued by the City at December 31, 2021 consisted of the following:

**Accounts Receivable**—Represents amounts due from various sources. Receivables at December 31, 2021 are as follows:

General Fund:	
Department of Public Works	\$ 11,304
Capital Projects Fund:	
Construction refund	236,935
Total governmental funds	<u>\$ 248,239</u>
Proprietary funds:	
JBPU—utility payments	\$ 6,815,841
JURA—services	17,227
JLDC—services	1,519
Total proprietary funds	<u>\$ 6,834,587</u>

**Intergovernmental Receivables**—Represents amounts due from other units of government, such as Federal, New York State, County of Chautauqua or other local governments. Intergovernmental receivables at December 31, 2021 are as follows:

Governmental funds:	
General Fund:	
Chautauqua County—sales tax	\$ 1,893,274
State aid—CHIPs	224,150
Other	<u>693,930</u>
	\$ 2,811,354
Special Grant Fund:	
State aid	<u>648,437</u>
Total governmental funds	<u>\$ 3,459,791</u>
Proprietary funds:	
JBPU—due from New York State	\$ 19,206
JLDC—due from New York State	<u>142,405</u>
Total proprietary funds	<u>\$ 161,611</u>

**Loans Receivable**—Represents amounts owed to JLDC for economic development loans. The allowance for doubtful accounts is established based on prior collection experience and current economic factors which, in management’s judgement, could influence the ability to collect certain receivables. Loans receivable at December 31, 2021 are as presented on the following page.

	Balance 12/31/2021
Loans receivable	\$ 1,660,933
Allowance for doubtful accounts	(680,000)
Total	<u>\$ 980,933</u>

## 5. CAPITAL ASSETS

**Governmental activities**—Capital asset activity for the primary government's governmental activities for the year ended December 31, 2021 was as follows:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets, not being depreciated:				
Land	\$ 1,207,755	\$ -	\$ -	\$ 1,207,755
Construction in progress	<u>1,489,957</u>	<u>923,934</u>	<u>42,531</u>	<u>2,371,360</u>
Total capital assets not being depreciated	<u>2,697,712</u>	<u>923,934</u>	<u>42,531</u>	<u>3,579,115</u>
Capital assets, being depreciated:				
Infrastructure	45,947,763	2,606,767	-	48,554,530
Buildings and building improvements	31,027,381	49,150	-	31,076,531
Machinery and equipment	21,054,423	852,499	1,081,731	20,825,191
Vehicles	<u>3,561,277</u>	<u>1,085,202</u>	<u>44,427</u>	<u>4,602,052</u>
Total capital assets being depreciated	<u>101,590,844</u>	<u>4,593,618</u>	<u>1,126,158</u>	<u>105,058,304</u>
Less accumulated depreciation for:				
Infrastructure	19,042,114	1,514,311	-	20,556,425
Buildings and building improvements	16,241,061	693,654	-	16,934,715
Machinery and equipment	15,623,538	1,009,140	859,818	15,772,860
Vehicles	<u>3,028,579</u>	<u>260,330</u>	<u>44,427</u>	<u>3,244,482</u>
Total accumulated depreciation	<u>53,935,292</u>	<u>3,477,435</u>	<u>904,245</u>	<u>56,508,482</u>
Total capital assets, being depreciated, net	<u>47,655,552</u>	<u>1,116,183</u>	<u>221,913</u>	<u>48,549,822</u>
Governmental activities capital assets, net	<u>\$ 50,353,264</u>	<u>\$ 2,040,117</u>	<u>\$ 264,444</u>	<u>\$ 52,128,937</u>

Depreciation expense for governmental activities was charged to functions and programs of the primary government as presented below:

Governmental activities:	
General government support	\$ 1,038,114
Public safety	345,557
Transportation	1,799,512
Culture and recreation	133,081
Home and community services	<u>161,171</u>
Total	<u>\$ 3,477,435</u>

**Business-type activities**—Capital asset activity for the primary government’s business-type activities (JBPU) for the year ended December 31, 2021 was as follows:

	Balance 1/1/2021 (as restated)	Increases	Decreases	Balance 12/31/2021
Capital assets, not being depreciated				
Land	\$ 1,916,077	\$ -	\$ 16,100	\$ 1,899,977
Construction in progress	2,925,901	6,508,542	6,774,796	2,659,647
Total capital assets not being depreciated	4,841,978	6,508,542	6,790,896	4,559,624
Capital assets being depreciated				
Electric division	173,485,300	6,208,176	1,634,869	178,058,607
Wastewater division	49,138,092	807,413	134,121	49,811,384
Water division	43,911,431	2,001,140	39,124	45,873,447
Solid waste division	3,428,469	942,272	22,005	4,348,736
District heat division	11,801,217	2,755	1,215,355	10,588,617
Total capital assets being depreciated	281,764,509	9,961,756	3,045,474	288,680,791
Less accumulated depreciation for:				
Electric division	84,800,426	5,611,159	2,308,815	88,102,770
Wastewater division	32,960,362	923,450	-	33,883,812
Water division	20,266,476	764,055	-	21,030,531
Solid waste division	1,736,042	281,607	22,005	1,995,644
District heat division	9,422,794	173,301	1,105,788	8,490,307
Total accumulated depreciation	149,186,100	7,753,572	3,436,608	153,503,064
Total capital assets, being depreciated, net	132,578,409	2,208,184	(391,134)	135,177,727
Business-type activities capital assets, net	\$137,420,387	\$ 8,716,726	\$ 6,399,762	\$139,737,351

## 6. ACCRUED LIABILITIES

Accrued liabilities reported by the City’s governmental funds at December 31, 2021 were as follows:

	General Fund
Salaries and wages	\$ 1,410,171
Health insurance claims	355,610
Amounts held on behalf of others	39,107
Total accrued liabilities	\$ 1,804,888

## 7. PENSION PLANS

### *Plan Descriptions and Benefits Provided*

**Police and Fire Retirement System (“PFRS”) and Employees’ Retirement System (“ERS”)**—The City participates in the PFRS and ERS, cost-sharing multiple-employer retirement systems (the “Systems”). The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems are held in the New York State Common Retirement Fund (the “Fund”),

which was established to hold all assets and record changes in fiduciary net position allocated to the Systems. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the Systems. System benefits are established under the provisions of the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. The Systems are included in the State’s financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***—At December 31, 2021, the City reported the following liabilities for its proportionate share of the net pension liabilities for PFRS and ERS. The net pension liabilities were measured as of March 31, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2020, with update procedures used to roll forward the total net pension liabilities to the measurement date. The City’s proportion of the net pension liabilities were based on projections of the City’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the City.

	PFRS	ERS	
	Governmental Activities	Governmental Activities	Business-type Activities
Measurement date	March 31, 2021	March 31, 2021	March 31, 2021
Net pension liability	\$ 4,296,052	\$ 21,562	\$ 37,581
City's portion of the Plan's total net pension liability	0.2474291%	0.0217910%	0.0376461%

For the year ended December 31, 2021, the City recognized pension expenses of \$2,350,383 and \$1,236,114 for PFRS and ERS, respectively. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources presented on the following page.

	PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	Governmental Activities	
Differences between expected and actual experiences	\$ 953,271	\$ -
Changes in assumption	10,554,935	-
Net difference between projected and actual earnings on pension plan investments	-	12,632,290
Changes in proportion and differences between the City's contributions and proportionate share of contributions	25,721	936,716
City contributions subsequent to the measurement date	1,847,450	-
Total	<u>\$ 13,381,377</u>	<u>\$ 13,569,006</u>

	ERS			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Differences between expected and actual experiences	\$ 263,316	\$ 458,974	\$ -	\$ -
Changes in assumption	3,964,354	6,910,037	74,768	130,326
Net difference between projected and actual earnings on pension plan investments	-	-	6,193,558	10,795,641
Changes in proportion and differences between the City's contributions and proportionate share of contributions	49,412	114,777	116,505	230,666
City contributions subsequent to the measurement date	700,921	1,236,083	-	-
Total	<u>\$ 4,978,003</u>	<u>\$ 8,719,871</u>	<u>\$ 6,384,831</u>	<u>\$ 11,156,633</u>

The City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	PFRS	ERS	
	Governmental Activities	Governmental Activities	Business-type Activities
2022	\$ (761,487)	\$ (404,446)	\$ (701,490)
2023	(271,838)	(155,664)	(270,457)
2024	(613,946)	(352,687)	(615,445)
2025	(2,386,986)	(1,194,952)	(2,085,453)
2026	1,999,178	-	-

**Actuarial Assumptions**—The total pension liabilities as of the measurement date were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the actuarial assumptions as presented below:

	PFRS	ERS
Measurement date	March 31, 2021	March 31, 2021
Actuarial valuation date	April 1, 2020	April 1, 2020
Interest rate	5.90%	5.90%
Salary scale	4.40%	6.20%
Decrement tables	April 1, 2015- March 31, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.70%	2.70%
Cost-of-living adjustments	1.40%	1.40%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2020. The actuarial assumptions used in the April 1, 2020 valuations are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	PFRS and ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
Measurement date	March 31, 2021	
Asset class:		
Domestic equities	32.0 %	4.1 %
International equities	15.0	6.3
Private equity	10.0	6.8
Real estate	9.0	5.0
Absolute return strategies	3.0	4.5
Credit	4.0	3.6
Real assets	3.0	6.0
Cash	23.0	0.0
Inflation-indexed bonds	1.0	0.5
Total	100.0	

**Discount Rate**—The discount rate used to calculate the total pension liabilities was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be



made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption***—The chart below presents the City's proportionate share of the net pension liability calculated using the discount rate of 5.9%, 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 one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

		PFRS		
		1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
<b>Governmental Activities:</b>				
Employer's proportionate share of the net pension liability		\$ 18,269,234	\$ 4,296,052	\$ (7,270,132)
		ERS		
		1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
<b>Governmental Activities:</b>				
Employer's proportionate share of the net pension liability		\$ 5,984,472	\$ 21,562	\$ (5,477,638)
<b>Business-type Activities:</b>				
Employer's proportionate share of the net pension liability		\$ 10,159,231	\$ 37,581	\$ (9,298,832)

***Pension Plan Fiduciary Net Position***—The components of the current-year net pension liabilities of the employers as of the valuation date, were as follows:

(Dollars in Thousands)			
	PFRS	ERS	Total
Valuation date	April 1, 2020	April 1, 2020	
Employers' total pension liability	\$ 41,236,775	\$ 220,680,157	\$ 261,916,932
Plan fiduciary net position	39,500,500	220,580,583	260,081,083
Employers' net pension liability	<u>\$ 1,736,275</u>	<u>\$ 99,574</u>	<u>\$ 1,835,849</u>
System fiduciary net position as a percentage of total pension liability	95.8%	100.0%	99.3%

## 8. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

**Plan Description**—The City provides postemployment benefit options for health care and dental insurance to eligible employees, terminated employees, and their dependents. The benefits are provided in accordance with City ordinances and collective bargaining agreements. The criteria to determine eligibility include years of service, employee age, and disability due to line of duty. The City funds the benefits on a pay-as-you-go basis. Eligible employees are required to pay set premiums for a portion of the cost with the City subsidizing the remaining costs. The plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

**Employees Covered by Benefit Terms**—At December 31, 2020, the date of the most recent valuation, the following employees were covered by the benefit terms:

	Governmental Activities	Business-type Activities (JURA)
Inactive employees or beneficiaries currently receiving benefit payments	544	15
Active employees	203	6
Total	747	21

### **Total OPEB Liability**

The City’s OPEB liabilities of \$182,062,107 for governmental activities and \$3,501,706 for business-type activities (JURA) are measured as of December 31, 2021, and were determined by an actuarial valuation as of January 1, 2020.

**Actuarial Assumptions and Other Inputs**—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2020 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 2.41% effective January 1, 2020 to 2.19% effective January 1, 2021. The salary scale changed from 3.11% effective January 1, 2020 to 3.44% effective January 1, 2021. The mortality improvement scale was updated from Scale MP-2020 mortality improvement scale on a generational basis to Scale MP-2021 mortality improvement scale on a generational basis. The annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2022\_f4 (the Getzen model).

The actuarial assumptions used in the January 1, 2020. No formal experience study is prepared for this plan.

**Changes in the Total OPEB Liability**—The table on the following page presents the changes to the total OPEB liability during the fiscal year, by source.

	Total OPEB Liability	
	Governmental Activities	Business-type Activities (JURA)
Balances at December 31, 2020	\$ 168,814,851	\$ 3,202,482
Changes for the year:		
Service cost	3,878,612	103,576
Interest	4,064,525	77,573
Changes of benefit terms	(3,925,246)	-
Differences between expected and actual experience	5,883,533	86,501
Changes of assumptions or other inputs	7,386,794	118,824
Benefit payments	(4,040,962)	(87,250)
Net changes	13,247,256	299,224
Balances at December 31, 2021	\$ 182,062,107	\$ 3,501,706

***Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate***—The discount rate assumption can have an impact on total OPEB liabilities. The table below presents the effect of a 1% change in the discount rate assumption would have on the total OPEB liability:

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
<b>Governmental Activities:</b>			
Total OPEB Liability	\$ 224,100,404	\$ 182,062,107	\$ 150,542,564
<b>Business-type Activities (JURA):</b>			
Total OPEB Liability	\$ 4,115,955	\$ 3,501,706	\$ 3,014,381

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the total OPEB liability of a 1% change in the initial (6.10%)/ultimate (4.37%) healthcare cost trend rates:

	1% Decrease (5.10%/3.37%)	Healthcare Cost Trend Rates (6.10%/4.37%)	1% Increase (7.10%/5.37%)
<b>Governmental Activities:</b>			
Total OPEB Liability	\$ 147,497,449	\$ 182,062,107	\$ 228,701,630
<b>Business-type Activities (JURA):</b>			
Total OPEB Liability	\$ 2,971,988	\$ 3,501,706	\$ 4,165,248

***Funding Policy***—Authorization for the City to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the City Council. The City recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. City governmental and business-type activities (JURA) contributed \$4,040,962 and \$87,250 for the fiscal year ended December 31, 2021, respectively. The City's contributions to the OPEB plan are based on negotiated contracts with the

bargaining units, as discussed in Note 14. Any amendments to the employer's contributions are subject to the collective bargaining agreements.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***—The City reports deferred outflows and inflows of resources due to differences during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability are required to be determined. The table below presents the City's deferred outflows of resources at December 31, 2021.

	Deferred Outflows of Resources	
	Governmental Activities	Business-type Activities (JURA)
Differences between expected and actual experiences	\$ 4,192,378	\$ 38,445
Changes in assumption	7,363,648	52,811
City contributions subsequent to the measurement date	<u>1,021,342</u>	<u>22,052</u>
Total	<u>\$ 12,577,368</u>	<u>\$ 113,308</u>

The City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB expense in the year ending December 31, 2022. The amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Governmental Activities	Business-type Activities (JURA)
<u>Year ending December 31,</u>		
2022	\$ 7,437,646	\$ 91,256
2023	4,118,380	-

#### **Jamestown Board of Public Utilities**

***Plan Description***—The BPU administers the Jamestown Board of Public Utilities Retiree Medical and Prescription Drug Plan (the "Plan") as a single-employer defined benefit OPEB plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the BPU subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

***Employees Covered by Benefit Terms***—At December 31, 2021, the following employees were covered by the benefit terms:

	Business-type Activities (BPU)
Inactive employees or beneficiaries currently receiving benefit payments	97
Active employees	<u>105</u>
Total	<u>202</u>

### ***Total OPEB Liability***

The BPU's OPEB liabilities of \$5,304,139 are measured as of December 31, 2021, and are determined by an actuarial valuation as of January 1, 2020.

***Actuarial Assumptions and Other Inputs***—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2020 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 2.41% effective January 1, 2020 to 2.19% effective January 1, 2021. The salary scale changed from 3.11% effective January 1, 2020 to 3.44 effective January 1, 2021. The mortality improvement scale was updated from Scale MP-2020 mortality improvement scale on a generational basis to Scale MP-2021 mortality improvement scale on a generational basis. The annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2022\_f4 (the Getzen model).

The actuarial assumptions used in the January 1, 2020. No formal experience study is prepared for this plan.

***Changes in the Total OPEB Liability***—The table below presents the changes to the total OPEB liability during the fiscal year, by source.

	<u>Total OPEB Liability</u> Business-type Activities (BPU)
Balances at December 31, 2020	\$ 5,736,521
Changes for the year:	
Service cost	167,242
Interest	132,003
Changes of benefit terms	(147,476)
Differences between expected and actual experience	(214,605)
Changes of assumptions or other inputs	56,904
Benefit payments	(426,450)
Net changes	(432,382)
Balances at December 31, 2021	\$ 5,304,139

***Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate***—The discount rate assumption can have a profound impact on total liabilities. The table on the following page presents the effect of a 1% change in the discount rate assumption would have on the total OPEB liability.

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
<b>Business-type Activities (BPU):</b>			
Total OPEB Liability	\$ 5,702,299	\$ 5,304,139	\$ 4,945,486

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the total OPEB liability of a 1% change in the initial (6.10%)/ultimate (4.37%) healthcare cost trend rates:

	1% Decrease (5.10%/3.37%)	Healthcare Cost Trend Rates (6.10%/4.37%)	1% Increase (7.10%/5.37%)
<b>Business-type Activities (BPU):</b>			
Total OPEB Liability	\$ 4,826,259	\$ 5,304,139	\$ 5,854,056

**Funding Policy**— The obligations of the plan members, employers and other entities are established by action of the BPU pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement. The BPU currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the BPU.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—The City reports deferred outflows and inflows of resources due to differences during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability are required to be determined. The table below presents the City's deferred outflows inflows of resources at December 31, 2021.

	Deferred Outflows of Resources Business-type Activities (BPU)	Deferred Inflows of Resources Business-type Activities (BPU)
Differences between expected and actual experiences	\$ -	\$ 499,413
Changes in assumption	155,381	-
City contributions subsequent to the measurement date	107,784	-
Total	<u>\$ 263,165</u>	<u>\$ 499,413</u>

The City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB expense in the year ending December 31, 2022. The amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as presented on the following page.

	Business-type Activities
<u>Year ending December 31,</u>	<u>(BPU)</u>
2022	\$ (318,998)
2023	(25,034)

## 9. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; vehicle liability; injuries to employees; and natural disasters. The City purchases insurance for: terrorism, commercial general liability, pesticide or herbicide applicator, sexual abuse, employee benefits, public official's liability, private property use restriction, employment practices liability, law enforcement liability, commercial excess liability, and automobile liability. There have been no significant reduction in the levels of this commercial insurance from the prior year, nor have there been any settlements which exceeded insurance coverage for each of the past three fiscal years.

The terrorism insurance is limited to a \$3 million aggregate limit. The commercial general liability and employee benefit insurance plans are limited to \$1 million per occurrence with a \$3 million annual aggregate limit. The pesticide or herbicide applicator, sexual abuse, public official's liability, private property use restriction, employment practices liability, law enforcement liability, and automobile liability insurance plans have an annual aggregate and per occurrence limit of \$1 million. The commercial excess liability insurance plan has an annual aggregate and per occurrence limit of \$10 million.

The City has established a self-insured health plan for its eligible employees and retirees. The City's employees pay a "premium" to the plan based on estimated costs, which is used to fund claims as they are incurred. The City's General Fund accounts for the premium as well as the expenditures and liabilities of the plan. The plan's current claims outstanding of \$355,610 are recorded within accrued liabilities of the General Fund as of December 31, 2021.

## 10. SHORT-TERM DEBT

Liabilities for bond anticipation notes ("BANs") are generally accounted for in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the life of the permanent financing, provided that annual reductions of principal are made.

A summary of the City's short-term debt for the fiscal year ended December 31, 2021 is presented below:

	Maturity Date	Interest Rate	Balance 1/1/2021	Issues	Redemptions	Balance 12/31/2021
Bond anticipation notes:						
Capital improvements	3/4/2021	1.25%	\$ 1,532,489	\$ -	\$ 1,532,489	\$ -
Equipment and maintenance	3/4/2021	2.00%	3,934,170	-	3,934,170	-
Capital improvements	5/19/2022	1.25%	-	1,968,000	-	1,968,000
Total			<u>\$ 5,466,659</u>	<u>\$ 1,968,000</u>	<u>\$ 5,466,659</u>	<u>\$ 1,968,000</u>

## 11. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Further, the unmatured principal of general long-term debt does not require current appropriations and expenditure of governmental fund financial resources.

The City's outstanding long-term liabilities include bonds payable, notes payable, compensated absences, retirement payable, OPEB obligation, and the net pension liability. The bonds payable of the City are secured by its general credit and revenue raising powers, as per New York State statute.

A summary of the City's long-term liabilities at December 31, 2021 is presented below:

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
<b>Governmental activities:</b>					
Serial bonds	\$ 10,638,924	\$ 5,155,000	\$ 1,118,911	\$ 14,675,013	\$ 1,421,057
Premium on serial bonds	264,780	311,274	63,982	512,072	63,978
Bonds payable	10,903,704	5,466,274	1,182,893	15,187,085	1,485,035
Compensated absences	1,620,105	1,256,941	1,232,383	1,644,663	82,233
Retirement payable	223,139	-	53,217	169,922	54,893
OPEB obligation	168,814,851	21,213,464	7,966,208	182,062,107	-
Net pension liability*	19,669,935	-	15,352,321	4,317,614	-
Total governmental activities	<u>\$ 201,231,734</u>	<u>\$ 27,936,679</u>	<u>\$ 25,787,022</u>	<u>\$ 203,381,391</u>	<u>\$ 1,622,161</u>
<b>Business-type activities:</b>					
Serial bonds	\$ 2,911,076	\$ 2,119,000	\$ 396,089	\$ 4,633,987	\$ 477,943
Premium on serial bonds	181,963	131,385	22,163	291,185	27,980
Bonds payable	3,093,039	2,250,385	418,252	4,925,172	505,923
Compensated absences	99,294	29,407	32,040	96,661	9,666
OPEB obligation	8,939,003	742,623	875,781	8,805,845	-
Net pension liability*	9,474,992	-	9,437,411	37,581	-
Total business-type activities	<u>\$ 21,606,328</u>	<u>\$ 3,022,415</u>	<u>\$ 10,763,484</u>	<u>\$ 13,865,259</u>	<u>\$ 515,589</u>

\*Reductions to the net pension liability are shown net of additions.

**Serial Bonds**—The City borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are pledged by the full faith and credit debt of the local government, are recorded in the government-wide financial statements.

On March 3, 2021, the City issued \$7,274,000 in public improvement Serial Bonds for various capital improvements, of which \$5,155,000 was for governmental activities and \$2,119,000 for business-type activities. The interest rates range from 1% to 4.00% and the bonds mature on March 1, 2051.



A summary of bond transactions of the City for the fiscal year ended December 31, 2021 is presented below:

Purpose	Issue/ Maturity Date	Interest Rate	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021
<b>Governmental activities:</b>						
2013 General Obligation Bonds	2013/2030	3.50-4.00%	\$ 3,855,000	\$ -	\$ 355,000	\$ 3,500,000
2015 Public Improvement Bonds	2015/2035	2.25-4.00%	3,165,000	-	170,000	2,995,000
2019 Refunding Bonds	2019/2025	5.00%	1,838,924	-	333,911	1,505,013
2020 Refunding Bonds	2020/2026	5.00%	1,780,000	-	260,000	1,520,000
2021 Public Improvement Bonds	2021/2051	1.00-4.00%	-	5,155,000	-	5,155,000
Total governmental activities			<u>\$ 10,638,924</u>	<u>\$ 5,155,000</u>	<u>\$ 1,118,911</u>	<u>\$ 14,675,013</u>
<b>Business-type activities:</b>						
2015 Refunding Bonds	2015/2025	4.13-5.00%	\$ 1,220,000	\$ -	\$ 255,000	\$ 965,000
2019 Refunding Bonds	2019/2030	5.00%	1,691,076	-	141,089	1,549,987
2021 Public Improvement Bonds	2021/2051	1.00-4.00%	-	2,119,000	-	2,119,000
Total business-type activities			<u>\$ 2,911,076</u>	<u>\$ 2,119,000</u>	<u>\$ 396,089</u>	<u>\$ 4,633,987</u>

**Premiums on Serial Bonds**—Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized within governmental and business-type activities. The premiums are being amortized on a straight-line basis over the life of the bonds. The unamortized premiums outstanding at December 31, 2021 are \$512,072 and \$291,185 for governmental and business-type activities, respectively.

**Compensated Absences**—As explained in Note 1, the City provides vacation, personal, sick leave and compensatory time to its employees. The annual budgets of the operating funds provide funding for these benefits as they become payable. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, sick leave and unused compensatory absences at various rates subject to certain conditions, maximum limitations and union affiliations. The value recorded as a liability within governmental activities at December 31, 2021, for such benefits is \$1,644,663 and \$96,661 for governmental and business-type activities, respectively. Management estimates that \$82,233 and \$9,666 is due within one year for governmental and business-type activities, respectively. Since payments of compensated absences are dependent upon many factors, the timing of future payments is not readily determinable.

**Retirement Payable**—This amount represents previous charges from the New York State Retirement System that the City elected to amortize over ten or twelve year periods. The outstanding balance at December 31, 2021 for the City's retirement payable was \$169,922 for governmental activities. The final payment is due in 2024.

**OPEB**—As explained in Note 8, the City provides health insurance coverage for certain retirees. The City's annual postemployment benefit ("OPEB") cost is calculated based on the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB. The OPEB liability is estimated to be \$182,062,107 and \$8,805,845 for governmental and business-type activities, respectively.

**Net Pension Liability**—The City reports a liability for its proportionate share of the net pension liability for the Police and Fire Retirement System and Employee’s Retirement System. The net pension liability is estimated to be \$4,317,614 and \$37,581 for governmental and business-type activities, respectively. Refer to Note 7 for additional information related to the City’s net pension liabilities.

The following is a maturity schedule of the City’s governmental activities’ indebtedness:

Year ending December 31,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	Retirement Payable	OPEB Obligation	Net Pension Liability	Total
2022	\$ 1,421,057	\$ 63,978	\$ 82,233	\$ 54,893	\$ -	\$ -	\$ 1,622,161
2023	1,489,500	63,979	-	56,623	-	-	1,610,102
2024	1,537,456	63,978	-	58,406	-	-	1,659,840
2025	1,603,000	71,238	-	-	-	-	1,674,238
2026	1,230,000	26,560	-	-	-	-	1,256,560
2027-2031	4,174,000	74,113	-	-	-	-	4,248,113
2032-2036	2,505,000	74,112	-	-	-	-	2,579,112
2037-2041	715,000	74,114	-	-	-	-	789,114
Thereafter	-	-	1,562,430	-	182,062,107	4,317,614	187,942,151
Totals	<u>\$ 14,675,013</u>	<u>\$ 512,072</u>	<u>\$ 1,644,663</u>	<u>\$ 169,922</u>	<u>\$ 182,062,107</u>	<u>\$ 4,317,614</u>	<u>\$ 203,381,391</u>

The following is a maturity schedule of the City’s business-type activities’ indebtedness:

Year ending December 31,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	OPEB Obligation	Net Pension Liability	Total
2022	\$ 477,943	\$ 27,980	\$ 9,666	\$ -	\$ -	\$ 515,589
2023	480,500	27,980	-	-	-	508,480
2024	487,544	27,980	-	-	-	515,524
2025	482,000	24,956	-	-	-	506,956
2026	250,000	23,442	-	-	-	273,442
2027-2031	1,191,000	85,631	-	-	-	1,276,631
2032-2036	485,000	29,085	-	-	-	514,085
2037-2041	250,000	14,709	-	-	-	264,709
2041-2046	255,000	14,709	-	-	-	269,709
2047-2051	275,000	14,713	-	-	-	289,713
Thereafter	-	-	86,995	8,805,845	37,581	8,930,421
Totals	<u>\$ 4,633,987</u>	<u>\$ 291,185</u>	<u>\$ 96,661</u>	<u>\$ 8,805,845</u>	<u>\$ 37,581</u>	<u>\$ 13,865,259</u>

The interest requirements on the City's outstanding serial bonds are as follows:

Year ending December 31,	Governmental Activities	Business-type Activities	Total
2022	\$ 535,019	\$ 157,910	\$ 692,929
2023	413,102	117,559	530,661
2024	360,343	103,537	463,880
2025	301,205	87,738	388,943
2026	244,828	70,541	315,369
2027-2031	689,331	207,916	897,247
2032-2036	204,951	103,681	308,632
2037-2041	32,870	66,511	99,381
2042-2046	-	41,481	41,481
2047-2051	-	14,472	14,472
Totals	<u>\$ 2,781,649</u>	<u>\$ 971,346</u>	<u>\$ 3,752,995</u>

## 12. NET POSITION AND FUND BALANCE

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment in Capital Assets***—This category groups all capital assets including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the City's net investment in capital assets is shown below:

### Governmental activities:

Capital assets, net of accumulated depreciation	\$ 52,128,937
Related debt:	
Serial bonds	\$ (14,675,013)
Unamortized serial bond premium	(512,072)
Notes payable	(16,524)
Bond anticipation notes	(1,968,000)
Unspent debt proceeds	<u>1,900,458</u>
Net investment in capital assets—governmental activities	<u>\$ 36,857,786</u>

### Business-type activities:

Capital assets, net of accumulated depreciation	\$ 139,737,351
Related debt:	
Serial bonds	\$ (4,633,987)
Unamortized serial bond premium	<u>(291,185)</u>
Net investment in capital assets—business-type activities	<u>\$ 134,812,179</u>

- ***Restricted Net Position***—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- ***Unrestricted Net Position***—This category represents net position of the City not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the City at December 31, 2021 includes:

	General Fund
Prepaid items	\$ 961,563
Inventory	137,100
Total	<u>\$ 1,098,663</u>

- ***Prepaid Items***—Represents the portion of fund balance composed of prepaid expenses that are applicable to future accounting periods.
- ***Inventory***—Represents the portion of fund balance, \$137,100, composed of inventory and is nonspendable because inventory is not an available resource.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grants, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance maintained by the City at December 31, 2021 is as follows:

	Special Grant Fund
Economic development	\$ 203,245
Total restricted fund balance	<u>\$ 203,245</u>

- ***Restricted for Economic Development***—Represents the residual fund balance in the Special Grant Fund that is required to be used for economic development by outside sources.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the City's highest level of decision-making authority. As of December 31, 2021, the City reported no committed fund balance.

In the fund financial statements, assignments are amounts that are subject to a purpose constraint that represents an intended use established by the City's Common Council, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balances maintained by the City at December 31, 2021 are presented below:

	General Fund
Subsequent year's expenditures	\$ 721,365
Total assigned fund balance	<u>\$ 721,365</u>

- ***Assigned to Subsequent Year's Expenditures***—Represents funds to be used to assist in supporting the subsequent years' authorized appropriations.

Unassigned fund balance represents the residual classification of the City's General Fund surplus and the Capital Projects Fund deficit.

### 13. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables of the City at December 31, 2021 consisted of the following:

Fund	Interfund	
	Receivables	Payables
Governmental Funds:		
General Fund	\$ 276,396	\$ -
Special Grant Fund	-	413,880
Capital Projects Fund	137,484	-
Total	<u>\$ 413,880</u>	<u>\$ 413,880</u>

Balances outstanding between funds are the result of transfers made to cover project costs in the Special Grant Fund. Other balances result from payments made on behalf of other funds or temporary advances. All of these interfund balances are expected to be collected/paid within the subsequent year.

On January 1, 2013 the City issued \$785,360 in notes payable to the BPU for projects completed on the City Hall. The notes mature on June 30, 2024, and carry an interest rate of 2.0 percent. The City has made the required annual payments, and the total outstanding balance at December 31, 2021 was \$16,524. This amount is recorded within the government-wide financial statements as a long-term internal balance.

The City made the following transfers during the year ended December 31, 2021:

	<u>Transfers in:</u>
	Capital
	<u>Projects Fund</u>
Transfers out:	
General Fund	<u>\$ 2,149,788</u>

Transfers are used primarily to fund debt service expenditures and capital projects spending.

### 14. LABOR CONTRACTS

City employees are represented by five bargaining units. Local 418 of the American Federation of State, County and Municipal Employees and Jamestown City Administrative Association have contracts settled through December 31, 2025. The Civil Service Employees Association Local 807-6305 has a contract settled through December 31, 2024. The Kendall Club Police Benevolent Association and Jamestown Professional Firefighters Association Local 1772 have contracts that expired on December 31, 2020, and are under negotiation as of December 31, 2021.

## 15. COMMITMENTS

**Encumbrances**—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. The City considers encumbrances significant if they are in excess of \$20,000. As of December 31, 2021, the City reported no significant encumbrances.

## 16. CONTINGENCIES

**Litigation**—The City is party to various legal proceedings which normally occur in governmental operations. The City believes that it is the ultimate liability, if any, in connection with these matters, will not have a material effect on the City's financial condition or results of operations.

**Grants**—The City receives significant financial assistance from numerous federal and state agencies. The receipt of such funds generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the City. The amount of disallowance, if any, cannot be determined at this time, although the City expects any such amounts to be immaterial.

## 17. TAX ABATEMENTS

The City is subject to tax abatements granted by the Chautauqua County Industrial Development Agency (the "IDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the IDA and include the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the City, the abatements have resulted in reductions of property taxes, which the City administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by the IDA, the City collected \$238,444 during the 2021 fiscal year in payments in lieu of taxes ("PILOT"), these collections were made in lieu of \$345,914 in property taxes. In addition, the City has an agreement with the BPU to pay an annual PILOT on BPU owned property. For the year ended December 31, 2021, the City collected \$3,915,571 from the BPU.

## 18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 20, 2022, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

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## REQUIRED SUPPLEMENTARY INFORMATION





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**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of the City's Proportionate Share of the**  
**Net Pension Liability—Police and Fire Retirement System**  
**Last Seven Fiscal Years\***

	<b>Year Ended December 31,</b>						
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%
<b><i>Governmental Activities:</i></b>							
City's proportion of the net pension liability	0.2474291%	0.2569388%	0.2542150%	0.2532702%	0.2650806%	0.2712136%	0.2725067%
City's proportionate share of the net pension liability	<u>\$ 4,296,052</u>	<u>\$ 13,733,220</u>	<u>\$ 4,263,345</u>	<u>\$ 2,559,946</u>	<u>\$ 5,494,198</u>	<u>\$ 8,030,057</u>	<u>\$ 750,101</u>
City's covered payroll	\$ 9,181,054	\$ 8,832,964	\$ 9,048,026	\$ 8,894,657	\$ 9,261,033	\$ 9,132,062	\$ 8,515,335
City's proportionate share of the net pension liability as a percentage of its covered payroll	46.8%	155.5%	47.1%	28.8%	59.3%	87.9%	8.8%

\*Information prior to the year ended December 31, 2015 is not available.

**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of the City's Contributions—**  
**Police and Fire Retirement System**  
**Last Ten Fiscal Years**

	Year Ended December 31,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><i>Governmental Activities:</i></b>										
Contractually required contribution	\$ 2,350,383	\$ 1,951,346	\$ 2,011,733	\$ 1,981,420	\$ 2,177,017	\$ 2,188,383	\$ 2,082,692	\$ 2,480,027	\$ 2,366,903	\$ 1,951,100
Contributions in relation to the contractually required contribution	<u>(2,350,383)</u>	<u>(1,951,346)</u>	<u>(2,011,733)</u>	<u>(1,981,420)</u>	<u>(2,177,017)</u>	<u>(2,188,383)</u>	<u>(2,082,692)</u>	<u>(2,480,027)</u>	<u>(2,366,903)</u>	<u>(1,951,100)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 9,229,301	\$ 8,879,382	\$ 8,883,919	\$ 9,009,684	\$ 8,986,251	\$ 9,228,790	\$ 8,977,880	\$ 8,605,271	\$ 8,095,166	\$ 7,900,008
Contributions as a percentage of covered payroll	25.5%	22.1%	22.6%	22.0%	24.2%	23.7%	23.2%	28.8%	29.2%	24.7%

**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of the City's Proportionate Share of the**  
**Net Pension Liability—Employees' Retirement System**  
**Last Seven Fiscal Years\***

	Year Ended December 31,						
	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
<b>Governmental Activities:</b>							
City's proportion of the net pension liability	0.0217910%	0.0224205%	0.0230530%	0.0237774%	0.0242619%	0.0233003%	0.0231376%
City's proportionate share of the net pension liability	<u>\$ 21,562</u>	<u>\$ 5,936,715</u>	<u>\$ 3,694,339</u>	<u>\$ 1,992,052</u>	<u>\$ 5,917,741</u>	<u>\$ 9,991,195</u>	<u>\$ 2,029,029</u>
City's covered payroll	\$ 6,127,562	\$ 6,073,794	\$ 5,892,407	\$ 6,066,477	\$ 6,129,862	\$ 6,031,724	\$ 6,380,686
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.4%	97.7%	62.7%	32.8%	96.5%	165.6%	31.8%
<b>Business-type Activities—BPU:</b>							
City's proportion of the net pension liability	0.0366621%	0.0357796%	0.0367890%	0.0379449%	0.0387181%	0.0371835%	0.0369240%
City's proportionate share of the net pension liability	<u>\$ 36,601</u>	<u>\$ 9,139,622</u>	<u>\$ 2,476,007</u>	<u>\$ 1,174,045</u>	<u>\$ 3,415,006</u>	<u>\$ 5,661,600</u>	<u>\$ 1,149,796</u>
City's covered payroll	\$ 10,297,752	\$ 9,684,366	\$ 9,486,101	\$ 9,651,136	\$ 9,443,838	\$ 9,258,282	\$ 8,563,255
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.4%	94.4%	26.1%	12.2%	36.2%	61.2%	13.4%
<b>Business-type Activities—JURA:</b>							
City's proportion of the net pension liability	0.0009840%	0.0012665%	0.0013947%	0.0014956%	0.0015354%	0.0017655%	
City's proportionate share of the net pension liability	<u>\$ 980</u>	<u>\$ 335,370</u>	<u>\$ 98,817</u>	<u>\$ 48,269</u>	<u>\$ 144,274</u>	<u>\$ 283,375</u>	
City's covered payroll	\$ 463,788	\$ 425,930	\$ 545,650	\$ 514,397	\$ 528,254	\$ 533,095	
City's proportionate share of the net pension liability as a percentage of its covered payroll	0.2%	78.7%	18.1%	9.4%	27.3%	53.2%	

\*Information prior to the year ended December 31, 2015 (December 31, 2016 for JURA) is not available.

**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of the City's Contributions—**  
**Employees' Retirement System**  
**Last Ten Fiscal Years**

	Year Ended December 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities:</b>										
Contractually required contribution	\$ 868,731	\$ 806,784	\$ 931,100	\$ 948,720	\$ 995,233	\$ 1,020,681	\$ 1,132,337	\$ 1,236,030	\$ 1,344,693	\$ 1,084,669
Contributions in relation to the contractually required contribution	<u>(868,731)</u>	<u>(806,784)</u>	<u>(931,100)</u>	<u>(948,720)</u>	<u>(995,233)</u>	<u>(1,020,681)</u>	<u>(1,132,337)</u>	<u>(1,236,030)</u>	<u>(1,344,693)</u>	<u>(1,084,669)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 5,853,991	\$ 6,340,487	\$ 6,028,447	\$ 5,935,925	\$ 6,082,323	\$ 6,105,328	\$ 6,118,965	\$ 6,456,423	\$ 6,516,625	\$ 6,179,488
Contributions as a percentage of covered payroll	14.8%	12.7%	15.4%	16.0%	16.4%	16.7%	18.5%	19.1%	20.6%	17.6%
<b>Business-type Activities—BPU:</b>										
Contractually required contribution	\$ 1,561,084	\$ 1,327,489	\$ 1,288,734	\$ 1,347,223	\$ 1,337,902	\$ 1,329,651	\$ 1,331,269	\$ 1,493,674	\$ 1,608,935	\$ 1,480,078
Contributions in relation to the contractually required contribution	<u>(1,561,084)</u>	<u>(1,327,489)</u>	<u>(1,288,734)</u>	<u>(1,347,223)</u>	<u>(1,337,902)</u>	<u>(1,329,651)</u>	<u>(1,331,269)</u>	<u>(1,493,674)</u>	<u>(1,608,935)</u>	<u>(1,480,078)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 10,250,222	\$ 9,639,667	\$ 9,531,244	\$ 9,643,550	\$ 9,450,962	\$ 9,281,256	\$ 8,160,782	\$ 8,524,321	\$ 8,447,963	\$ 8,012,908
Contributions as a percentage of covered payroll	15.2%	13.8%	13.5%	14.0%	14.2%	14.3%	16.3%	17.5%	19.0%	18.5%
<b>Business-type Activities—JURA:</b>										
Contractually required contribution	\$ 67,382	\$ 62,928	\$ 65,286	\$ 69,804	\$ 70,621	\$ 67,382	\$ 62,730	\$ 70,383	\$ 75,814	\$ 69,742
Contributions in relation to the contractually required contribution	<u>(67,382)</u>	<u>(62,928)</u>	<u>(65,286)</u>	<u>(69,804)</u>	<u>(70,621)</u>	<u>(67,382)</u>	<u>(62,730)</u>	<u>(70,383)</u>	<u>(75,814)</u>	<u>(69,742)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 477,084	\$ 470,629	\$ 500,507	\$ 521,983	\$ 521,130	\$ 510,121	\$ 402,473	\$ 420,402	\$ 416,636	\$ 395,180
Contributions as a percentage of covered payroll	14.1%	13.4%	13.0%	13.4%	13.6%	13.2%	15.6%	16.7%	18.2%	17.6%

**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of Changes in the City's Total OPEB Liability and Related Ratios**  
**Last Four Fiscal Years\***

	2021	2020	2019	2018
<b>Governmental activities:</b>				
<b>Total OPEB Liability</b>				
Service cost	\$ 3,878,612	\$ 3,412,008	\$ 3,648,426	\$ 3,972,781
Interest	4,064,525	4,328,587	6,208,896	5,914,131
Changes of benefit terms	(3,925,246)	(2,137,837)	(2,454,138)	-
Differences between expected and actual experience	5,883,533	1,087,981	(44,563,422)	(1,779,701)
Changes of assumptions or other inputs	7,386,794	8,132,963	36,483,115	(10,736,699)
Benefit payments	(4,040,962)	(3,795,472)	(3,909,157)	(3,714,069)
Net change in total OPEB liability	13,247,256	11,028,230	(4,586,280)	(6,343,557)
Total OPEB liability—beginning	168,814,851	157,786,621	162,372,901	168,716,458
Total OPEB liability—ending	<u>\$ 182,062,107</u>	<u>\$ 168,814,851</u>	<u>\$ 157,786,621</u>	<u>\$ 162,372,901</u>
Covered payroll	14,906,758	14,906,758	12,445,638	12,445,638
City's net OPEB liability as a percentage of covered employee payroll	1221.3%	1132.5%	1267.8%	1304.7%
<b>Business-type activities—BPU:</b>				
<b>Total OPEB Liability</b>				
Service cost	\$ 167,242	\$ 224,471	\$ 133,247	\$ 126,518
Interest	132,003	229,527	265,820	233,153
Changes of benefit terms	(147,476)	(1,110,906)	(1,315,972)	-
Differences between expected and actual experience	(214,605)	(2,406,076)	(341,370)	644,150
Changes of assumptions or other inputs	56,904	677,578	566,249	(87,108)
Benefit payments	(426,450)	(697,727)	(644,449)	(596,878)
Net change in total OPEB liability	(432,382)	(3,083,133)	(1,336,475)	319,835
Total OPEB liability—beginning	5,736,521	8,819,654	10,156,129	9,836,294
Total OPEB liability—ending	<u>\$ 5,304,139</u>	<u>\$ 5,736,521</u>	<u>\$ 8,819,654</u>	<u>\$ 10,156,129</u>
Covered payroll	7,512,781	7,031,064	7,036,365	7,262,936
City's net OPEB liability as a percentage of covered employee payroll	70.6%	81.6%	125.3%	139.8%
<b>Business-type activities—JURA:</b>				
<b>Total OPEB Liability</b>				
Service cost	\$ 103,576	\$ 122,750	\$ 130,984	\$ 137,720
Interest	77,573	78,976	112,914	106,266
Changes of benefit terms	-	(39,668)	(112,090)	-
Differences between expected and actual experience	86,501	190,552	(678,014)	(93,896)
Changes of assumptions or other inputs	118,824	100,763	552,833	(156,873)
Benefit payments	(87,250)	(74,682)	(74,508)	(70,877)
Net change in total OPEB liability	299,224	378,691	(67,881)	(77,660)
Total OPEB liability—beginning	3,202,482	2,823,791	2,891,672	2,969,332
Total OPEB liability—ending	<u>\$ 3,501,706</u>	<u>\$ 3,202,482</u>	<u>\$ 2,823,791</u>	<u>\$ 2,891,672</u>
Covered payroll	431,231	431,231	313,443	313,443
City's net OPEB liability as a percentage of covered employee payroll	812.0%	742.6%	900.9%	922.6%

\*Information prior to the year ended December 31, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.

**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund**  
**Balances—Budget and Actual—General Fund**  
**Year Ended December 31, 2021**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Real property taxes	\$ 16,030,077	\$ 16,030,077	\$ 16,028,164	\$ (1,913)
Real property tax items	305,466	305,466	309,311	3,845
Board of Public Utilities - PILOT	3,945,347	3,945,347	3,915,571	(29,776)
Nonproperty tax items	7,262,093	7,861,093	8,520,743	659,650
Departmental income	927,149	927,149	594,972	(332,177)
Intergovernmental charges	260,315	260,315	256,254	(4,061)
Use of money and property	16,779	16,779	10,903	(5,876)
Licenses and permits	246,144	246,144	209,837	(36,307)
Fines and forfeitures	22,660	22,660	31,861	9,201
Miscellaneous	23,274	26,419	207,819	181,400
State aid	6,085,051	7,175,215	7,268,024	92,809
Federal aid	-	-	4,781	4,781
Total revenues	<u>35,124,355</u>	<u>36,816,664</u>	<u>37,358,240</u>	<u>541,576</u>
<b>EXPENDITURES</b>				
Current:				
General government support	3,898,487	3,692,469	3,628,822	63,647
Public safety	11,166,584	11,860,781	11,643,993	216,788
Transportation	3,830,159	3,843,659	3,619,712	223,947
Culture and recreation	1,669,921	1,783,793	1,655,808	127,985
Home and community services	858,000	858,000	871,112	(13,112)
Employee benefits	11,440,566	11,638,026	10,166,080	1,471,946
Debt service:				
Principal	1,242,658	1,210,192	1,211,322	(1,130)
Interest and fiscal charges	427,119	440,085	439,786	299
Total expenditures	<u>34,533,494</u>	<u>35,327,005</u>	<u>33,236,635</u>	<u>2,090,370</u>
Excess of revenues over expenditures	<u>590,861</u>	<u>1,489,659</u>	<u>4,121,605</u>	<u>2,631,946</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(1,027,000)</u>	<u>(1,925,798)</u>	<u>(2,149,788)</u>	<u>(223,990)</u>
Total other financing sources (uses)	<u>(1,027,000)</u>	<u>(1,925,798)</u>	<u>(2,149,788)</u>	<u>(223,990)</u>
Net change in fund balances*	(436,139)	(436,139)	1,971,817	2,407,956
Fund balances—beginning	<u>5,933,199</u>	<u>5,933,199</u>	<u>5,933,199</u>	<u>-</u>
Fund balances—ending	<u>\$ 5,497,060</u>	<u>\$ 5,497,060</u>	<u>\$ 7,905,016</u>	<u>\$ 2,407,956</u>

\*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

The notes to the required supplementary information are an integral part of this schedule.

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**CITY OF JAMESTOWN, NEW YORK**  
**Notes to the Required Supplementary Information**  
**Year Ended December 31, 2021**

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**1. OPEB LIABILITY**

**Governmental Activities and Business-type Activities (JURA)**

*Changes in Assumptions*— In the January 1, 2020 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 2.41% effective January 1, 2020 to 2.19% effective January 1, 2021. The salary scale changed from 3.11% effective January 1, 2020 to 3.44% effective January 1, 2021. The mortality improvement scale was updated from Scale MP-2020 mortality improvement scale on a generational basis to Scale MP-2021 mortality improvement scale on a generational basis. The annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2022\_f4 (the Getzen model).

**Business-type Activities (Jamestown Board of Public Utilities)**

*Changes in Assumptions*— In the January 1, 2020 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 2.41% effective January 1, 2020 to 2.19% effective January 1, 2021. The salary scale changed from 3.11% effective January 1, 2020 to 3.44 effective January 1, 2021. The mortality improvement scale was updated from Scale MP-2020 mortality improvement scale on a generational basis to Scale MP-2021 mortality improvement scale on a generational basis. The annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2022\_f4 (the Getzen model).

**2. BUDGETARY INFORMATION**

*Budgetary Basis of Accounting*—An annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. The Special Grant Fund does not have an appropriated budget since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year. The Capital Projects Fund is appropriated on a project-length basis.

The appropriated budget is prepared by fund, function, and department. Budget transfers and amendments must be approved by the Common Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Actual results of operations presented in accordance with GAAP and the City's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements.

***Excess of Expenditures Over Appropriations***—For the year ended December 31, 2021, the City had budgetary expenditures in excess of the final budget amount within home and community services, debt service principal, and transfers out of \$13,112, \$1,130, and \$223,990, respectively. These were the result of greater than anticipated contractual costs, debt service expenditures, and grant-related transfers to other funds.

# FEDERAL AWARDS INFORMATION



**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title (1a)</b>	<b>Assistance Listing Number (1b)</b>	<b>Pass-Through Entity Identifying Number (1c)</b>	<b>Passed Through to Sub- recipients</b>	<b>Total Federal Expenditures (1d)</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Programs:				
Community Development Block Grant/Entitlement Grants	14.218	n/a	\$ -	\$ 1,524,166
Home Investment Partnerships Program	14.239	n/a	-	148,304
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			-	1,672,470
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	n/a	-	34,244
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			-	34,244
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through NYS Division of Homeland Security and Emergency Services				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	n/a	-	4,781
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			-	4,781
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)</b>			\$ -	\$ 1,711,495

The notes to the schedule of federal awards are an integral part of this schedule.

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**CITY OF JAMESTOWN, NEW YORK**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Jamestown, New York (the "City") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a select portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. The following notes were identified on the Schedule:

- a) Includes all federal award programs of the City of Jamestown, New York. The federal expenditures, if any, of the Jamestown Board of Public Utilities, the Jamestown Urban Renewal Agency, and the Jamestown Local Development Corporation have not been included.
- b) Source: Assistance Listing Numbers, previously known as the Catalog of Federal Domestic Assistance.
- c) Pass-through identifying numbers are presented where available.
- d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- e) A reconciliation to the financial statements is available.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis or accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**3. MATCHING COSTS**

Matching costs, i.e., the City's share of certain program costs, are not included in the reported expenditures.

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*Certified Public Accountants*

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

Honorable Mayor and Members of the City Council  
City of Jamestown, New York:

We have audited, 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, 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, New York (the "City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2022. Our report includes a reference to other auditors who audited the financial statements of the Jamestown Board of Public Utilities, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. We have also audited the financial statements of the Jamestown Urban Renewal Agency (the "Agency") and the Jamestown Local Development Corporation (the "Corporation"), which are shown as blended component units. This report does not include the results of our testing of internal control over financial reporting and compliance and other matters of the Agency and the Corporation which are reported on separately in our reports thereon dated March 2, 2022 and March 22, 2022, respectively.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings as item 2021-001, that we consider to be a significant deficiency.

### ***Compliance and Other Matters***

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

### **The City's Response to Finding**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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.

*Drescher & Malecki LLP*

June 20, 2022

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*Certified Public Accountants*

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Mayor and Members of the City Council  
City of Jamestown, New York:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Federal Program***

We have audited the City of Jamestown, New York's (the "City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Jamestown Board of Public Utilities (the "Board"), the Jamestown Urban Renewal Agency (the "Agency"), and the Jamestown Local Development Corporation (the "Corporation"), which expended \$0, \$420,869, and \$0 in federal awards, respectively, which are not included in the City's Schedule of Expenditures of Federal Awards for the year ended December 31, 2021. Our compliance audit, described below, did not include the operations of the Board since other auditors were engaged to perform such audit in accordance with the Uniform Guidance, as applicable. Our audit did not include the operations of the Agency and the Corporation since their compliance audits would be reported on separately based on our audit of the operations of the Agency and the Corporation in accordance with Uniform Guidance, as applicable.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Drescher & Malecki LLP*

June 20, 2022



**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of auditors' report issued: Unmodified\*

\*(which reports includes a reference to other auditors)

Internal control over financial reporting:

Material weakness(es) identified?            Yes       ✓       No

Significant deficiency(ies) identified?       ✓       Yes                    None reported

Noncompliance material to the financial statements noted?                    Yes       ✓       No

**Federal Awards:**

Internal control over major federal programs:

Material weakness(es) identified?                    Yes       ✓       No

Significant deficiency(ies) identified?                    Yes       ✓       None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported  
in accordance with 2 CFR 200.516(a)?                    Yes       ✓       No

Identification of major federal programs:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs? \$ 750,000

Auditee qualified as low-risk auditee?       ✓       Yes                    No

**CITY OF JAMESTOWN, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section II. FINANCIAL STATEMENT FINDINGS**

*We consider the deficiency presented below to be a significant deficiency in internal control.*

**Finding 2021-001—Journal Entry, Bank Reconciliation, and Cash Receipt Controls**

*Criteria*—Journal entries and bank reconciliations should be reviewed by someone independent of general ledger processes. These reviews should be documented with dated signatures/initials of the individual who performed them. Additionally, the functions/duties of cash collection, general ledger access, and bank reconciliation should be separate.

*Condition and Context*—We noted that one individual collects cash receipts, posts journal entries, and performs bank reconciliations, without a formal independent review.

*Cause*—The City lacks formal policies and procedures surrounding cash receipts, journal entries and bank reconciliations. Additionally, current staffing limits the City's ability to segregate duties within these accounting functions.

*Effect or Potential Effect*—Increased risk of misappropriation of assets and financial statement misstatement.

*Recommendation*—We recommend that the City formalize journal entry, bank reconciliation, and cash receipt policies that require the performance and documentation of formal reviews, as well as limit general ledger access to individuals outside of these functions.

*View of Responsible Officials and Corrective Action Plan*—The City of Jamestown acknowledges the need for additional support and has committed to hiring a deputy comptroller. This position will add another layer of checks and balances to the accounting process.

**Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings noted.



**CITY OF JAMESTOWN, NEW YORK**  
**Summary Schedule of Prior Year Audit Findings**  
**Year Ended December 31, 2021**  
**(Follow-up on December 31, 2020 Findings)**

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No findings were reported.

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