

**CITY OF JAMESTOWN,
NEW YORK**

*Basic Financial Statements and Required Supplementary
Information for the Year Ended December 31, 2023 and
Independent Auditors' Reports*

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DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



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, 2023, 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, 2023, 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 97.4% and 88.9% of the assets and operating 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.

Other Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2023, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*, and restated net position as a result of an adjustment to capital assets. Our opinions are not modified with respect to these matters.

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated February 21, 2025 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

February 21, 2025

CITY OF JAMESTOWN, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2023

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, 2023. 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, 2023 by \$66,057,960 (net position). This consists of \$184,481,988 net investment in capital assets, \$7,404,997 restricted for specific purposes, and unrestricted net position of \$(125,829,025).
- The City's primary government total net position increased by \$14,953,126 during the year ended December 31, 2023. Governmental activities increased the City's net position by \$8,752,781 and business-type activities increased net position by \$6,200,345.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,329,368, a decrease of \$3,560,484 in comparison with the prior year's fund balance of \$5,889,852.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$7,109,088, or approximately 14.1 percent of General Fund expenditures and transfers out. This amount is *available for spending* at the City's discretion and constitutes approximately 85.6 percent of the General Fund's total fund balance of \$8,309,578 at December 31, 2023.
- The City's primary government total bonded indebtedness decreased by \$1,489,500 as a result of scheduled principal payments.

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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds—*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. 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 fund is 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 25-59 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 60-67 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 \$66,057,960 at the close of the most recent fiscal year, as compared to \$51,104,834 at the close of the fiscal year ended December 31, 2022, as restated.

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,	
	2022				2022	
	2023	(as restated)	2023	2022	2023	(as restated)
Current and other assets	\$ 24,496,473	\$ 37,076,721	\$ 57,057,011	\$ 47,720,542	\$ 81,553,484	\$ 84,797,263
Noncurrent assets	64,997,090	61,863,625	143,028,744	146,002,192	208,025,834	207,865,817
Total assets	89,493,563	98,940,346	200,085,755	193,722,734	289,579,318	292,663,080
Deferred outflows of resources	19,422,266	23,707,744	8,510,243	9,152,110	27,932,509	32,859,854
Current and other liabilities	22,083,785	30,907,397	9,062,148	7,719,647	31,145,933	38,627,044
Noncurrent liabilities	145,434,895	129,243,339	20,335,507	11,596,241	165,770,402	140,839,580
Total liabilities	167,518,680	160,150,736	29,397,655	19,315,888	196,916,335	179,466,624
Deferred inflows of resources	50,656,125	80,509,111	3,881,407	14,442,365	54,537,532	94,951,476
Net position:						
Net investment in capital assets	48,893,056	42,353,899	135,588,932	136,170,110	184,481,988	178,524,009
Restricted	15,209	238,017	7,389,788	4,599,910	7,404,997	4,837,927
Unrestricted	(158,167,241)	(160,603,673)	32,338,216	28,346,571	(125,829,025)	(132,257,102)
Total net position	\$ (109,258,976)	\$ (118,011,757)	\$ 175,316,936	\$ 169,116,591	\$ 66,057,960	\$ 51,104,834

The largest portion of the City's net position, \$184,481,988, 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 positive portion, \$7,404,997, 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, \$(125,829,025), 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, 2023 and December 31, 2022.

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,	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 1,635,052	\$ 1,512,816	\$ 54,657,546	\$ 59,299,987	\$ 56,292,598	\$ 60,812,803
Operating grants and contributions	7,314,557	931,177	-	-	7,314,557	931,177
Capital grants and contributions	8,190,936	9,442,131	6,084,487	3,793,988	14,275,423	13,236,119
General revenues	<u>35,427,372</u>	<u>35,677,377</u>	<u>565,700</u>	<u>111,633</u>	<u>35,993,072</u>	<u>35,789,010</u>
Total revenues	<u>52,567,917</u>	<u>47,563,501</u>	<u>61,307,733</u>	<u>63,205,608</u>	<u>113,875,650</u>	<u>110,769,109</u>
Program expenses	<u>43,815,136</u>	<u>34,248,414</u>	<u>55,107,388</u>	<u>55,291,939</u>	<u>98,922,524</u>	<u>89,540,353</u>
Change in net position	8,752,781	13,315,087	6,200,345	7,913,669	14,953,126	21,228,756
Net position—beginning	(118,011,757)	(132,566,804)	169,116,591	161,202,922	51,104,834	28,636,118
Restatement	<u>-</u>	<u>1,239,960</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,239,960</u>
Net position—ending	<u>\$ (109,258,976)</u>	<u>\$ (118,011,757)</u>	<u>\$ 175,316,936</u>	<u>\$ 169,116,591</u>	<u>\$ 66,057,960</u>	<u>\$ 51,104,834</u>

Governmental activities—Governmental activities increased the City’s net position by \$8,752,781. Overall revenues for governmental activities increased 10.5 percent from the prior year largely due to an increase in operating grants and contributions related to the use of Coronavirus State and Local Fiscal Recovery Funds (“CSLFRF”). Total governmental activities expenses increased 27.9 percent from the prior year due primarily to CSLFRF expenses in economic assistance and opportunity and allocable benefits costs associated with pension and OPEB obligations.

A summary of sources of revenues for the years ended December 31, 2023 and December 31, 2022 is presented below in Table 3:

Table 3—Summary of Sources of Revenues—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
Charges for services	\$ 1,635,052	\$ 1,512,816	\$ 122,236	8.1
Operating grants and contributions	7,314,557	931,177	6,383,380	685.5
Capital grants and contributions	8,190,936	9,442,131	(1,251,195)	(13.3)
Real property taxes and tax items	16,458,873	16,401,169	57,704	0.4
Nonproperty tax items	9,007,230	8,656,871	350,359	4.0
Board of Public Utilities - PILOT	4,081,535	4,044,675	36,860	0.9
State aid—unrestricted	4,798,850	5,849,346	(1,050,496)	(18.0)
Other	<u>1,080,884</u>	<u>725,316</u>	<u>355,568</u>	<u>49.0</u>
Total revenues	<u>\$ 52,567,917</u>	<u>\$ 47,563,501</u>	<u>\$ 5,004,416</u>	<u>10.5</u>

The most significant source of revenues for governmental activities for the year ended December 31, 2023 was real property taxes and tax items, which accounts for \$16,458,873, or 31.3 percent of total revenues. The other significant sources of revenue included nonproperty tax items of \$9,007,230, or 17.1 of total revenues, and capital grants and contributions of \$8,190,936, or 15.6 percent of total revenues. For the year ended December 31, 2022, the City's most significant source of revenues for governmental activities was real property taxes and tax items, which accounts for \$16,401,169, or 34.5 percent of total revenues. The other significant sources of revenue included capital grants and contributions of \$9,442,131, or 19.9 of total revenues, and nonproperty tax items \$8,656,871, or 18.2 percent of total revenues.

A summary of program expenses for the year ended December 31, 2023 and December 31, 2022 is presented below in Table 4.

Table 4—Summary of Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
General government support	\$ 6,807,762	\$ 5,257,849	\$ 1,549,913	29.5
Public safety	15,363,833	14,090,845	1,272,988	9.0
Health	1,407,463	433,348	974,115	224.8
Transportation	4,522,324	6,047,956	(1,525,632)	(25.2)
Economic assistance and opportunity	6,402,521	109,250	6,293,271	5,760.4
Culture and recreation	3,404,977	1,969,283	1,435,694	72.9
Home and community services	5,398,110	5,817,244	(419,134)	(7.2)
Interest and fiscal charges	508,146	522,639	(14,493)	(2.8)
Total program expenses	<u>\$ 43,815,136</u>	<u>\$ 34,248,414</u>	<u>\$ 9,566,722</u>	27.9

The most significant expense for governmental activities for the year ended December 31, 2023 was public safety, which accounts for \$15,363,833, or 35.1 percent of total expenses. The other significant expenses included general government support of \$6,807,762, or 15.5 percent of total expenses, economic assistance and opportunity of \$6,402,521, or 14.6 percent of total expenses, and home and community services of \$5,398,110, or 12.3 percent of total expenses. For the year ended December 31, 2022, the City's most significant expense for governmental activities was public safety, which accounts for \$14,090,845, or 41.1 percent of total expenses. The other significant expenses included transportation of \$6,047,956, or 17.7 percent of total expenses, home and community services of \$5,817,244, or 17.0 percent of total expenses, and general government support of \$5,257,849, or 15.4 percent of total expenses.

Business-type activities—The business-type activities increased the City's net position by \$6,200,345. For the year ended December 31, 2023, revenues decreased 2.4 percent and expenses increased by 0.4 percent. The decrease in revenues is primarily due to decreased utility consumption by users. The increase in expenses is primarily due to increased administrative costs.

A summary of revenues and expenses for the City's business-type activities for the years ended December 31, 2023 and December 31, 2022 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)	
	2023	2022	Dollars	Percent (%)
Revenues:				
Utility charges	\$ 53,801,574	\$ 58,699,789	\$ (4,898,215)	(8.3)
Operating grants	5,867,665	1,215,988	4,651,677	382.5
Program income and administrative fees	855,972	600,198	255,774	42.6
Miscellaneous	3,869	1,338	2,531	189.2
Nonoperating	1,186,680	2,688,295	(1,501,615)	(55.9)
Total revenues	<u>\$ 61,715,760</u>	<u>\$ 63,205,608</u>	<u>\$ (1,489,848)</u>	(2.4)
Expenses:				
Contractual, landfill tipping fees, taxes	\$ 26,489,662	\$ 33,442,036	\$ (6,952,374)	(20.8)
Depreciation	7,962,745	7,683,354	279,391	3.6
Administrative and general	14,156,546	7,046,843	7,109,703	100.9
PILOT	5,670,309	5,590,445	79,864	1.4
Repairs and maintenance	1,127,128	1,060,045	67,083	6.3
Nonoperating	109,025	469,216	(360,191)	(76.8)
Total expenses	<u>\$ 55,515,415</u>	<u>\$ 55,291,939</u>	<u>\$ 223,476</u>	0.4

As detailed above, the most significant source of revenue for the business-type activities for the year ended December 31, 2023 was utility charges of \$53,801,574, or 87.2 percent of total revenues. Similarly, for the year ended December 31, 2022, the most significant source of revenue was utility charges of \$58,699,789, or 92.9 percent of total revenues.

The most significant expense item for the business-type activities for the year ended December 31, 2023 was contractual, landfill tipping fees, and taxes expenses of \$26,489,662, or 47.7 percent of total expenses. Similarly, for the year ended December 31, 2022, the most significant expenses were contractual, landfill tipping fees, and taxes expenses of \$33,442,036, or 60.5 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, 2023, the City's governmental funds reported combined ending fund balances of \$2,329,368, a decrease of \$3,560,484 in comparison with the prior year's fund balance of \$5,889,852. Approximately 47.8 percent of this amount, \$1,113,669, constitutes *unassigned fund balance*. The remainder of fund balance is either (1) not in spendable form, \$1,200,490 or (2) restricted for particular purposes, \$15,209.

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 \$7,109,088, while total fund balance decreased to \$8,309,578. The General Fund fund balance decrease of \$923,300 from the prior year was largely due to an increase in employee benefits. 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 14.1 percent of General Fund expenditures and transfers out, while total fund balance represents 16.4 percent of that same amount.

During the year ended December 31, 2023, the City's Special Grant Fund fund balance decreased by \$222,808 from the prior year, resulting in ending fund balance of \$15,209. The decrease in fund balance is attributable to current year expenditures exceeding revenue.

Due to capital outlay supported primarily by short-term debt and interfund borrowings, the Capital Project Fund reported a fund balance deficit of \$5,995,419 at December 31, 2023, as compared to fund balance deficit of \$3,581,043 at the close of the previous year. The change in fund balance from the prior year was primarily due to the use of short-term financing to fund capital projects. The remaining deficit is anticipated to be remedied with the conversion of the outstanding short-term debt to long-term debt and transfers from the General Fund.

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 \$6,200,345. The Board of Public Utilities net position increased \$5,791,301, primarily as a result of utility charges exceeding the cost of delivering services to customers. The Jamestown Urban Renewal Agency's net position increased \$113,702, primarily due to an increase grant funding and program income. The Jamestown Local Development Corporation's net position increased \$295,342, primarily due to program income and grant revenue exceeding current year program expenses.

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, 2023 is presented in Table 6 below.

Table 6—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 38,471,510	\$ 49,258,463	\$ 49,663,347	\$ 404,884
Expenditures and other financing uses	<u>38,849,646</u>	<u>50,055,269</u>	<u>50,586,647</u>	<u>(531,378)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (378,136)</u>	<u>\$ (796,806)</u>	<u>\$ (923,300)</u>	<u>\$ (126,494)</u>

Original budget compared to final budget—At the close of the fiscal year, the overall budgeted appropriations and other financing sources increased \$11,205,623 as a result of approved use of Coronavirus State and Local Fiscal Recovery Funds and state aid.

Final budget compared to actual results—The General Fund has a variance from final budgetary appropriations of \$(531,378). The largest variance was realized in employee benefits, primarily due to higher than anticipated health care 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, 2023 amounted to \$64,997,090 and \$140,570,903, 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, 2023 and December 31, 2022 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,	
	2022				2022	
	2023	(as restated)	2023	2022	2023	(as restated)
Land	\$ 1,159,025	\$ 1,159,025	\$ 2,047,447	\$ 1,957,535	\$ 3,206,472	\$ 3,116,560
Construction in progress	7,391,955	2,918,140	1,747,890	2,774,078	9,139,845	5,692,218
Infrastructure	33,407,875	32,001,771	-	-	33,407,875	32,001,771
Buildings and building improvements	15,357,745	16,122,464	-	-	15,357,745	16,122,464
Machinery and equipment	4,742,635	5,488,574	-	-	4,742,635	5,488,574
Vehicles	2,674,577	1,964,160	-	-	2,674,577	1,964,160
SBITAs	263,278	206,237	-	-	263,278	206,237
Electric division	-	-	87,859,364	88,292,358	87,859,364	88,292,358
Wastewater division	-	-	16,014,541	15,974,693	16,014,541	15,974,693
Water division	-	-	28,227,565	27,530,098	28,227,565	27,530,098
Solidwaste division	-	-	2,719,258	2,121,565	2,719,258	2,121,565
District heat division	-	-	1,883,093	1,939,032	1,883,093	1,939,032
JURA	-	-	71,745	-	71,745	-
Total	<u>\$ 64,997,090</u>	<u>\$ 59,860,371</u>	<u>\$ 140,570,903</u>	<u>\$ 140,589,359</u>	<u>\$ 205,567,993</u>	<u>\$ 200,449,730</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 \$16.4 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 A2 rating from Moody’s.

A summary of the City's long-term liabilities at December 31, 2023 and December 31, 2022 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,	
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)
Serial bonds payable	\$ 11,764,456	\$ 13,253,956	\$ 4,675,544	\$ 4,156,044	\$ 16,440,000	\$ 17,410,000
Premium on serial bonds	384,116	448,094	235,224	263,205	619,340	711,299
Net serial bonds payable	12,148,572	13,702,050	4,910,768	4,419,249	17,059,340	18,121,299
SBITA liability	227,819	213,366	-	-	227,819	213,366
Compensated absences	1,822,475	1,825,283	141,734	114,381	1,964,209	1,939,664
Retirement payable	58,406	115,029	-	-	58,406	115,029
Net pension liability	22,575,946	1,548,561	7,992,078	-	30,568,024	1,548,561
OPEB obligation	108,601,677	111,839,050	7,219,724	7,062,611	115,821,401	118,901,661
Total	<u>\$ 145,434,895</u>	<u>\$ 129,243,339</u>	<u>\$ 20,264,304</u>	<u>\$ 11,596,241</u>	<u>\$ 165,699,199</u>	<u>\$ 140,839,580</u>

Additional information on the City's long-term liabilities can be found in Note 12 to the financial statements.

Economic Factors and Next Year's Budget

The unemployment rate, not seasonally adjusted, for the County of Chautauqua during December 2023 was 5.0 percent, as compared to New York State's unemployment rate of 4.6 percent.

The City considered current operational expenses and estimated increases based on economic factors when establishing the 2024 budget. The City's General Fund total tax levy in the 2024 budget is \$16,380,327, which is an approximate increase of 1.3 percent as compared to \$16,172,483 levied during the 2023 fiscal year.

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 Ericka Thomas, Comptroller, City of Jamestown, 200 East 3rd Street, Jamestown, New York 14701.

BASIC FINANCIAL STATEMENTS

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CITY OF JAMESTOWN, NEW YORK
Statement of Net Position
December 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,142,404	\$ 24,876,729	\$ 27,019,133
Restricted cash and cash equivalents	15,694,417	2,087,985	17,782,402
Investments	-	18,345,696	18,345,696
Accounts receivable	95,125	6,112,502	6,207,627
Lease receivable	461,474	-	461,474
Intergovernmental receivables	4,903,765	-	4,903,765
Due from Custodial Fund	2,300	-	2,300
Internal balances	(3,502)	3,502	-
Prepaid items	1,102,924	3,932,976	5,035,900
Inventories	97,566	1,654,317	1,751,883
Other current and accrued assets	-	43,304	43,304
Non-utility property	-	430,257	430,257
Capital assets not being depreciated	8,550,980	3,795,337	12,346,317
Capital assets, net of accumulated depreciation	56,446,110	136,775,566	193,221,676
Real estate held for sale	-	212,035	212,035
Loans receivable, net of allowance	-	713,615	713,615
Charges for future benefits	-	1,101,934	1,101,934
Total assets	<u>89,493,563</u>	<u>200,085,755</u>	<u>289,579,318</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows—relating to pensions	18,492,396	8,069,627	26,562,023
Deferred outflows—relating to OPEB	929,870	440,616	1,370,486
Total deferred outflows of resources	<u>19,422,266</u>	<u>8,510,243</u>	<u>27,932,509</u>
LIABILITIES			
Accounts payable	1,774,769	1,762,703	3,537,472
Accrued liabilities	1,351,271	33,743	1,385,014
Intergovernmental payables	25,848	-	25,848
Bond anticipation notes payable	4,608,000	-	4,608,000
Unearned revenue	14,323,897	1,889,622	16,213,519
Customer deposits	-	428,943	428,943
Other current and accrued liabilities	-	4,947,137	4,947,137
Noncurrent liabilities:			
Due within one year	1,848,447	660,859	2,509,306
Due in more than one year	143,586,448	19,674,648	163,261,096
Total liabilities	<u>167,518,680</u>	<u>29,397,655</u>	<u>196,916,335</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows—relating to pensions	3,146,944	2,712,056	5,859,000
Deferred inflows—relating to OPEB	47,189,556	1,165,642	48,355,198
Deferred inflows—relating to leases	319,625	-	319,625
Deferred gain on refunding	-	3,709	3,709
Total deferred inflows of resources	<u>50,656,125</u>	<u>3,881,407</u>	<u>54,537,532</u>
NET POSITION			
Net investment in capital assets	48,893,056	135,588,932	184,481,988
Restricted for:			
Economic development	15,209	-	15,209
Plant dismantling	-	1,157,273	1,157,273
Overhaul	-	5,593,670	5,593,670
Energy conservation	-	638,845	638,845
Unrestricted	(158,167,241)	32,338,216	(125,829,025)
Total net position	<u>\$ (109,258,976)</u>	<u>\$ 175,316,936</u>	<u>\$ 66,057,960</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, 2023

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government support	\$ 6,807,762	\$ 635,596	\$ 220,764	\$ 793,619	\$ (5,157,783)	\$ -	\$ (5,157,783)
Public safety	15,363,833	771,612	736,118	71,960	(13,784,143)	-	(13,784,143)
Health	1,407,463	-	-	1,201,107	(206,356)	-	(206,356)
Transportation	4,522,324	45,401	-	2,899,124	(1,577,799)	-	(1,577,799)
Economic assistance and opportunity	6,402,521	-	5,463,811	1,488,340	549,630	-	549,630
Culture and recreation	3,404,977	43,065	-	733,584	(2,628,328)	-	(2,628,328)
Home and community services	5,398,110	139,378	893,864	1,003,202	(3,361,666)	-	(3,361,666)
Interest and other fiscal charges	508,146	-	-	-	(508,146)	-	(508,146)
Total governmental activities	43,815,136	1,635,052	7,314,557	8,190,936	(26,674,591)	-	(26,674,591)
Business-type activities:							
Jamestown Board of Public Utilities	49,151,153	53,801,574	-	216,822	-	4,867,243	4,867,243
Jamestown Urban Renewal Agency	1,250,356	671,234	-	690,209	-	111,087	111,087
Jamestown Local Development Corporation	5,113,906	184,738	-	5,177,456	-	248,288	248,288
Total business-type activities	55,515,415	54,657,546	-	6,084,487	-	5,226,618	5,226,618
Total primary government	\$ 99,330,551	\$ 56,292,598	\$ 7,314,557	\$ 14,275,423	\$ (26,674,591)	5,226,618	(21,447,973)
General revenues:							
Real property taxes and tax items					16,458,873	-	16,458,873
Nonproperty tax items					9,007,230	-	9,007,230
Board of Public Utilities - PILOT					4,081,535	-	4,081,535
Use of money and property					456,859	882,858	1,339,717
Sale of property and compensation for loss					4,000	87,000	91,000
State aid—unrestricted					4,798,850	-	4,798,850
Miscellaneous					620,025	3,869	623,894
Total general revenues					35,427,372	973,727	36,401,099
Change in net position					8,752,781	6,200,345	14,953,126
Net position—beginning, as restated					(118,011,757)	169,116,591	51,104,834
Net position—ending					\$ (109,258,976)	\$ 175,316,936	\$ 66,057,960

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

CITY OF JAMESTOWN, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2023

	<u>General</u>	<u>Special Grant</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 2,142,404	\$ -	\$ -	\$ 2,142,404
Restricted cash and cash equivalents	13,619,861	819,503	1,255,053	15,694,417
Receivables	95,125	-	-	95,125
Lease receivable	461,474	-	-	461,474
Intergovernmental receivables	4,723,804	179,961	-	4,903,765
Due from other funds	1,802,267	471,311	367,750	2,641,328
Prepaid items	1,102,924	-	-	1,102,924
Inventories	97,566	-	-	97,566
Total assets	<u>\$ 24,045,425</u>	<u>\$ 1,470,775</u>	<u>\$ 1,622,803</u>	<u>\$ 27,139,003</u>
LIABILITIES				
Accounts payable	\$ 652,045	\$ 751,530	\$ 371,194	\$ 1,774,769
Accrued liabilities	1,118,468	-	-	1,118,468
Intergovernmental payables	25,848	-	-	25,848
Due to other funds	-	-	2,639,028	2,639,028
Bond anticipation notes payable	-	-	4,608,000	4,608,000
Unearned revenue	<u>13,619,861</u>	<u>704,036</u>	<u>-</u>	<u>14,323,897</u>
Total liabilities	<u>15,416,222</u>	<u>1,455,566</u>	<u>7,618,222</u>	<u>24,490,010</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to leases	<u>319,625</u>	<u>-</u>	<u>-</u>	<u>319,625</u>
Total deferred inflows of resources	<u>319,625</u>	<u>-</u>	<u>-</u>	<u>319,625</u>
FUND BALANCES (DEFICIT)				
Nonspendable	1,200,490	-	-	1,200,490
Restricted	-	15,209	-	15,209
Unassigned	<u>7,109,088</u>	<u>-</u>	<u>(5,995,419)</u>	<u>1,113,669</u>
Total fund balances (deficit)	<u>8,309,578</u>	<u>15,209</u>	<u>(5,995,419)</u>	<u>2,329,368</u>
Total liabilities and fund balances (deficit)	<u>\$ 24,045,425</u>	<u>\$ 1,470,775</u>	<u>\$ 1,622,803</u>	<u>\$ 27,139,003</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, 2023

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

Total fund balances (deficit)—governmental funds (page 16)	\$ 2,329,368	
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 \$126,105,908 and the accumulated depreciation is \$61,108,818.		64,997,090
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	\$ 2,682,486	
Deferred outflows related to experience, change of assumptions, and investment earnings	15,809,910	
Deferred inflows related to pension plans	(3,146,944)	
Deferred outflows of resources related to OPEB	929,870	
Deferred inflows of resources related to OPEB	<u>(47,189,556)</u>	(30,914,234)
Net accrued interest expense for serial bonds and bond anticipation notes is not reported in the fund statements.		(232,803)
Notes payable due to the Jamestown Board of Public Utilities are not a current liability and, therefore, are not reported in the fund statements.		(3,502)
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	\$ (11,764,456)	
Unamortized bond premiums	(384,116)	
SBITA liability	(227,819)	
Compensated absences	(1,822,475)	
Retirement payable	(58,406)	
Net pension liability	(22,575,946)	
OPEB obligation	<u>(108,601,677)</u>	<u>(145,434,895)</u>
Net position of governmental activities		<u>\$ (109,258,976)</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, 2023

	<u>General</u>	<u>Special Grant</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes	\$ 16,153,106	\$ -	\$ -	\$ 16,153,106
Real property tax items	305,767	-	-	305,767
Board of Public Utilities - PILOT	4,081,535	-	-	4,081,535
Nonproperty tax items	9,007,230	-	-	9,007,230
Departmental income	1,049,604	-	-	1,049,604
Intergovernmental charges	310,255	-	-	310,255
Use of money and property	438,215	18,644	-	456,859
Licenses and permits	222,208	-	-	222,208
Fines and forfeitures	52,985	-	-	52,985
Sale of property and compensation for loss	4,000	-	-	4,000
Miscellaneous	219,377	202,360	198,288	620,025
State aid	7,983,800	991,804	-	8,975,604
Federal aid	9,737,322	1,591,417	-	11,328,739
Total revenues	<u>49,565,404</u>	<u>2,804,225</u>	<u>198,288</u>	<u>52,567,917</u>
EXPENDITURES				
Current:				
General government support	5,381,232	26,324	-	5,407,556
Public safety	13,106,662	238,392	-	13,345,054
Health	1,201,107	-	-	1,201,107
Transportation	3,933,705	-	-	3,933,705
Economic assistance and opportunity	5,463,811	-	-	5,463,811
Culture and recreation	2,848,152	35,494	-	2,883,646
Home and community services	1,879,839	2,726,823	-	4,606,662
Employee benefits	12,028,914	-	-	12,028,914
Debt service:				
Principal	1,579,501	-	-	1,579,501
Interest and other fiscal charges	503,783	-	-	503,783
Capital outlay	<u>-</u>	<u>-</u>	<u>5,272,605</u>	<u>5,272,605</u>
Total expenditures	<u>47,926,706</u>	<u>3,027,033</u>	<u>5,272,605</u>	<u>56,226,344</u>
Excess (deficiency) of revenues over expenditures	<u>1,638,698</u>	<u>(222,808)</u>	<u>(5,074,317)</u>	<u>(3,658,427)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,659,941	2,659,941
Transfers out	(2,659,941)	-	-	(2,659,941)
Issuance of SBITAs	97,943	-	-	97,943
Total other financing sources (uses)	<u>(2,561,998)</u>	<u>-</u>	<u>2,659,941</u>	<u>97,943</u>
Net change in fund balances	(923,300)	(222,808)	(2,414,376)	(3,560,484)
Fund balances (deficit)—beginning	<u>9,232,878</u>	<u>238,017</u>	<u>(3,581,043)</u>	<u>5,889,852</u>
Fund balances (deficit)—ending	<u>\$ 8,309,578</u>	<u>\$ 15,209</u>	<u>\$ (5,995,419)</u>	<u>\$ 2,329,368</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, 2023

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) \$ (3,560,484)

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 and loss on disposal of assets exceeded depreciation expense in the current period.

Capital asset additions, net	\$ 9,333,011	
Loss on disposal of assets	(166,348)	
Depreciation expense	<u>(4,029,944)</u>	5,136,719

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

Direct pension contributions	\$ 3,662,267	
Cost of benefits earned net of employee contributions	<u>(7,114,867)</u>	(3,452,600)

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	\$ (4,174,127)	
Deferred inflows relating to OPEB	<u>10,029,274</u>	5,855,147

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (68,341)

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	\$ 6,511	
Repayment of serial bonds	1,489,500	
Issuance of SBITAs	(97,943)	
Repayment of SBITAs	83,490	
Amortization of premiums on serial bonds	63,978	
Change in compensated absences	2,808	
Repayment of retirement payable	56,623	
Change in OPEB obligation	<u>3,237,373</u>	<u>4,842,340</u>

Change in net position of governmental activities \$ 8,752,781

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, 2023

	Business-type Activities			
	Board of Public Utilities	Urban Renewal Agency	Local Development Corporation	Total Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 23,293,339	\$ 50,811	\$ 1,532,579	\$ 24,876,729
Restricted cash and cash equivalents	-	-	2,087,985	2,087,985
Investments	18,345,696	-	-	18,345,696
Receivables	5,648,615	-	463,887	6,112,502
Internal balances	3,502	-	-	3,502
Prepaid items	3,917,516	15,460	-	3,932,976
Inventories	1,654,317	-	-	1,654,317
Other current and accrued assets	43,304	-	-	43,304
Loans receivable, current portion	-	-	88,560	88,560
Total current assets	52,906,289	66,271	4,173,011	57,145,571
Noncurrent assets:				
Non-utility property	430,257	-	-	430,257
Capital assets not being depreciated	3,795,337	-	-	3,795,337
Capital assets, net of accumulated depreciation	136,703,821	71,745	-	136,775,566
Real estate held for sale	-	212,035	-	212,035
Loans receivable, net of allowance	-	-	625,055	625,055
Charges for future benefits	1,101,934	-	-	1,101,934
Total noncurrent assets	142,031,349	283,780	625,055	142,940,184
Total assets	194,937,638	350,051	4,798,066	200,085,755
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	7,792,941	276,686	-	8,069,627
Deferred outflows—relating to OPEB	420,071	20,545	-	440,616
Total deferred outflows of resources	8,213,012	297,231	-	8,510,243
LIABILITIES				
Current liabilities:				
Accounts payable	1,558,322	6,018	198,363	1,762,703
Accrued interest	32,524	-	-	32,524
Due to other divisions	1,219	-	-	1,219
Consumer deposits	428,943	-	-	428,943
Other current and accrued liabilities	4,932,710	14,427	-	4,947,137
Unearned revenue	-	-	1,889,622	1,889,622
Notes payable, current portion	-	12,416	-	12,416
Current maturities of bonds payable	634,270	-	-	634,270
Compensated absences, current portion	-	14,173	-	14,173
Total current liabilities	7,587,988	47,034	2,087,985	9,723,007
Noncurrent liabilities:				
Notes payable	-	58,787	-	58,787
Bonds payable, less current maturities	4,276,498	-	-	4,276,498
Compensated absences	-	127,561	-	127,561
OPEB obligation	4,915,511	2,304,213	-	7,219,724
Net pension liability	7,668,228	323,850	-	7,992,078
Total noncurrent liabilities	16,860,237	2,814,411	-	19,674,648
Total liabilities	24,448,225	2,861,445	2,087,985	29,397,655
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	2,684,981	27,075	-	2,712,056
Deferred inflows—relating to OPEB	422,830	742,812	-	1,165,642
Deferred gain on refunding	3,709	-	-	3,709
Total deferred inflows of resources	3,111,520	769,887	-	3,881,407
NET POSITION (DEFICIT)				
Net investment in capital assets	135,588,390	542	-	135,588,932
Restricted for:				
Plant dismantling	1,157,273	-	-	1,157,273
Overhaul	5,593,670	-	-	5,593,670
Energy conservation	638,845	-	-	638,845
Unrestricted	32,612,727	(2,984,592)	2,710,081	32,338,216
Total net position (deficit)	\$ 175,590,905	\$ (2,984,050)	\$ 2,710,081	\$ 175,316,936

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, 2023

	Business-type Activities			
	Board of Public Utilities	Urban Renewal Agency	Local Development Corporation	Total Enterprise Funds
Operating revenues:				
Utility charges	\$ 53,801,574	\$ -	\$ -	\$ 53,801,574
Grants	-	690,209	5,177,456	5,867,665
Program income and administrative fees	-	671,234	184,738	855,972
Miscellaneous	-	2,615	1,254	3,869
Total operating revenues	<u>53,801,574</u>	<u>1,364,058</u>	<u>5,363,448</u>	<u>60,529,080</u>
Operating expenses:				
Contractual	24,173,432	1,076,694	5,630	25,255,756
Depreciation	7,961,529	1,216	-	7,962,745
Administrative and general	8,876,319	171,951	5,108,276	14,156,546
Landfill tipping fees	337,938	-	-	337,938
Taxes	895,968	-	-	895,968
Contributions in lieu of taxes	5,670,309	-	-	5,670,309
Repairs and maintenance	1,127,128	-	-	1,127,128
Total operating expenses	<u>49,042,623</u>	<u>1,249,861</u>	<u>5,113,906</u>	<u>55,406,390</u>
Operating income (loss)	<u>4,758,951</u>	<u>114,197</u>	<u>249,542</u>	<u>5,122,690</u>
Nonoperating revenues (expenses):				
Other grants	216,822	-	-	216,822
Interest income	429,031	-	45,800	474,831
Interest expense	(108,530)	(495)	-	(109,025)
Change in fair value of investments	408,027	-	-	408,027
Gain on sale of assets	87,000	-	-	87,000
Bond issuance cost	-	-	-	-
Sale of real estate	-	-	-	-
Total nonoperating revenues (expenses)	<u>1,032,350</u>	<u>(495)</u>	<u>45,800</u>	<u>1,077,655</u>
Change in net position	5,791,301	113,702	295,342	6,200,345
Net position—beginning	<u>169,799,604</u>	<u>(3,097,752)</u>	<u>2,414,739</u>	<u>169,116,591</u>
Net position—ending	<u>\$ 175,590,905</u>	<u>\$ (2,984,050)</u>	<u>\$ 2,710,081</u>	<u>\$ 175,316,936</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, 2023

	Business-type Activities			Total Enterprise Funds
	Board of Public Utilities	Urban Renewal Agency	Local Development Corporation	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from services provided	\$ 54,433,053	\$ 1,372,058	\$ 5,985,662	\$ 61,790,773
Cash payments for contractual expenses	(33,021,426)	(1,325,849)	(5,119,078)	(39,466,353)
Cash paid for payments in lieu of taxes	(6,566,277)	-	-	(6,566,277)
Net cash provided by operating activities	<u>14,845,350</u>	<u>46,209</u>	<u>866,584</u>	<u>15,758,143</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction	(8,134,647)	(72,978)	-	(8,207,625)
Proceeds from sale of capital assets	87,000	-	-	87,000
Principal payments on long-term debt	(502,664)	(1,797)	-	(504,461)
Interest paid on long-term debt	(110,170)	(495)	-	(110,665)
Proceeds from long-term debt	1,000,000	73,000	-	1,073,000
Proceeds from grant funding	216,822	-	-	216,822
Net cash used for capital and related financing activities	<u>(7,443,659)</u>	<u>(2,270)</u>	<u>-</u>	<u>(7,445,929)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Change in derivative	429,031	-	45,800	474,831
Purchase of investments	(319,862)	-	-	(319,862)
Net cash provided by investing activities	<u>109,169</u>	<u>-</u>	<u>45,800</u>	<u>154,969</u>
Net increase in cash and equivalents	7,510,860	43,939	912,384	8,467,183
Cash and equivalents—beginning	<u>15,782,479</u>	<u>6,872</u>	<u>2,708,180</u>	<u>18,497,531</u>
Cash and equivalents—ending	<u>\$ 23,293,339</u>	<u>\$ 50,811</u>	<u>\$ 3,620,564</u>	<u>\$ 26,964,714</u>
Reconciliation from operating income to net cash provided by operating activities:				
Operating income	\$ 4,758,951	\$ 114,197	\$ 249,542	\$ 5,122,690
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	7,961,529	1,216	-	7,962,745
Decrease (increase) in accounts receivable	598,894	8,000	(115,608)	491,286
(Increase) in prepaids	(223,630)	(3,020)	-	(226,650)
(Increase) in loans receivable	-	-	(50,634)	(50,634)
Decrease in other current and accrued assets	15,201	-	-	15,201
Decrease in charges for future benefits	8,143	-	-	8,143
(Increase) in inventory	(422,355)	-	-	(422,355)
Decrease in deferred outflows of resources	637,728	4,139	-	641,867
(Decrease) in accounts payable	(1,073,284)	(4,585)	(5,172)	(1,083,041)
Increase in customer deposits	29,906	-	-	29,906
Increase in other current and accrued liabilities	2,013,447	2,124	-	2,015,571
Increase in unearned revenue	-	-	788,456	788,456
Increase in compensated absences	-	27,353	-	27,353
(Decrease) in economic development liability	(145,902)	-	-	(145,902)
Increase in OPEB liability	71,277	85,836	-	157,113
Increase in net pension liability	10,555,748	433,830	-	10,989,578
(Decrease) in deferred inflows of resources	(9,937,479)	(622,881)	-	(10,560,360)
(Decrease) in due to other divisions	(2,824)	-	-	(2,824)
Total adjustments	<u>10,086,399</u>	<u>(67,988)</u>	<u>617,042</u>	<u>10,635,453</u>
Net cash provided by operating activities	<u>\$ 14,845,350</u>	<u>\$ 46,209</u>	<u>\$ 866,584</u>	<u>\$ 15,758,143</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, 2023

	<u>Custodial Fund</u>
ASSETS	
Restricted cash and cash equivalents	\$ 122,252
Total assets	<u>122,252</u>
LIABILITIES	
Due to other funds	2,300
Intergovernmental payables	<u>689</u>
Total liabilities	<u>2,300</u>
NET POSITION	
Restricted for asset forfeiture	<u>119,952</u>
Total net position	<u><u>\$ 119,952</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, 2023

	<u>Custodial Fund</u>
ADDITIONS	
Funds received on behalf of others	\$ 72,855
Total additions	<u>72,855</u>
DEDUCTIONS	
Funds distributed on behalf of others	<u>37,741</u>
Total deductions	<u>37,741</u>
Change in net position	35,114
Net position—beginning	<u>84,838</u>
Net position—ending	<u><u>\$ 119,952</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, 2023

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 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.

Real Estate Held for Sale—In the course of conducting its urban renewal activities, JURA acquires real property for use in future urban renewal projects. The value recorded for this property is established by its acquisition cost and additional cost of improvements made on the property until the asset is ready for sale. When the property is ready for sale, market value can be established. During the year ended December 31, 2023, JURA did not sell any property.

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
SBITAs	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, 2023, 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, 2023, the City has four items that qualify for reporting in this category. 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 and is reported on the government-wide statements. 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 and is reported on the government-wide financial statements. The third item is related to leases receivable and reported on the government-wide statements and on the balance sheet of governmental funds, is recognized at the commencement of the City's lease receivable and amortized over the life of the lease. The final 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 City 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 City 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.

Leases and Subscription-Based Information Technology Arrangements ("SBITAs")—The City recognizes SBITA liabilities when they are considered significant, individually or in the aggregate, to the financial statements. At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of any remaining payments expected to be made during the lease term. Subsequently, the SBITA liability is reduced by the principal portion of the SBITA payments made, as applicable.

The City is a lessor for a noncancellable leases of buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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.

Unearned Revenue—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2023, the City reported unearned revenues of \$13,619,861 and \$704,036 within the General Fund and Special Grant Fund. Of these amounts, \$13,613,889 represents 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, 2023 is computed as presented on the following page.

Five-year average full valuation of taxable real estate (2018-2022)	\$ 713,484,588
Tax limit at 2.0%	14,269,692
Exclusions from tax limit	<u>3,661,924</u>
Total taxing power	17,931,616
Tax levy	<u>16,172,483</u>
Constitutional tax margin	<u>\$ 1,759,133</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 12.

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, 2023, the City implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements (“PPPs”). GASB Statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements (“SBITAs”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No. 94 and 96. The implementation of GASB Statement No. 96 is discussed in Note 2. The implementation of GASB Statements No. 94 and a portion of No. 99 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 the remainder of GASB Statement No. 99, *Omnibus 2022*; No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024; No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025; and No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets*, effective for the year ending December 31, 2026. The City is, therefore, unable to disclose the impact that adopting GASB Statements No. 99, 100, 101, 102, 103, and 104 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 1st, 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, 2023, the Capital Projects Fund reported a fund balance deficit of \$5,995,419. 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 year ended December 31, 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result of the implementation, the City's capital assets and long-term liabilities were restated as of December 31, 2022. Additionally, during the year ended December 31, 2023, the City performed an inventory of capital assets. As a result, the City's capital assets were restated as of December 31, 2022. As a result of these restatements, the City's governmental activities' net position at December 31, 2022 has been restated from \$(119,251,717) to \$(118,011,770).

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 City 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, 2023 are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 10,000	\$ -	\$ -	\$ 10,000
Deposits	<u>17,826,821</u>	<u>26,964,714</u>	<u>122,252</u>	<u>44,913,787</u>
Total	<u>\$ 17,836,821</u>	<u>\$ 26,964,714</u>	<u>\$ 122,252</u>	<u>\$ 44,923,787</u>

Deposits—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2023 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	<u>44,728,967</u>	<u>44,413,787</u>
Total deposits	<u>\$ 45,228,967</u>	<u>\$ 44,913,787</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, 2023, 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—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, 2023, the City reports restricted cash of \$13,619,861 within the General Fund, \$819,503 within the Special Grant Fund, \$1,255,053 within the Capital Projects Fund, \$2,087,985 within business-type activities, and \$122,252 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, 2023 are as follows:

	12/31/2023	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)
U.S. Treasury notes	\$ 18,345,696	\$ 18,345,696	\$ -	\$ -

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, 2023, 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, 2023 consisted of the following:

Accounts Receivable—Represents amounts due from various sources. Receivables at December 31, 2023 are as follows:

General Fund:	
Department of Public Works	\$ 95,125
Total governmental funds	<u>\$ 95,125</u>
Proprietary funds:	
JBPU—utility payments	\$ 5,648,615
JLDC—services	<u>463,887</u>
Total proprietary funds	<u>\$ 6,112,502</u>

Leases Receivable—During the year ended December 31, 2023, the City recognized leases of building space to third parties, under the requirements of GASB 87, *Leases*. The City recognized \$134,322 in lease revenue and \$26,939 in interest revenue during the current fiscal year related to the leases. As of December 31, 2023, the City’s receivable for lease payments was \$461,474. The City reports a corresponding deferred inflow of resources, totaling \$319,625, that will be recognized as revenue over the lease term.

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, 2023 are as follows:

Governmental funds:	
General Fund:	
Chautauqua County—sales tax	\$ 2,099,540
State aid—CHIPs	826,815
Other governments—payments in lieu of taxes	328,940
Other	<u>1,797,449</u> \$ 4,723,804
Special Grant Fund:	
State aid	<u>179,961</u>
Total governmental funds	<u>\$ 4,903,765</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, 2023 are presented below:

	Balance 12/31/2023
Loans receivable	\$ 1,393,615
Allowance for doubtful accounts	<u>(680,000)</u>
Total	<u>\$ 713,615</u>

5. CAPITAL ASSETS

Governmental activities—Capital asset activity for the primary government’s governmental activities for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023 (as restated)	Increases and Adjustments	Decreases and Adjustments	Balance 12/31/2023
Capital assets, not being depreciated:				
Land	\$ 1,159,025	\$ -	\$ -	\$ 1,159,025
Construction in progress	<u>2,918,140</u>	<u>4,473,815</u>	<u>-</u>	<u>7,391,955</u>
Total capital assets not being depreciated	<u>4,077,165</u>	<u>4,473,815</u>	<u>-</u>	<u>8,550,980</u>
Capital assets, being depreciated:				
Infrastructure	54,068,712	3,060,889	-	57,129,601
Buildings and building improvements	33,821,885	-	-	33,821,885
Machinery and equipment	20,814,905	85,838	66,950	20,833,793
Vehicles	3,839,290	1,557,542	99,398	5,297,434
SBITAs	<u>317,288</u>	<u>154,927</u>	<u>-</u>	<u>472,215</u>
Total capital assets being depreciated	<u>112,862,080</u>	<u>4,859,196</u>	<u>166,348</u>	<u>117,554,928</u>
Less accumulated depreciation for:				
Infrastructure	22,066,941	1,654,785	-	23,721,726
Buildings and building improvements	17,699,421	764,719	-	18,464,140
Machinery and equipment	15,326,331	764,827	-	16,091,158
Vehicles	1,875,130	747,727	-	2,622,857
SBITAs	<u>111,051</u>	<u>97,886</u>	<u>-</u>	<u>208,937</u>
Total accumulated depreciation	<u>57,078,874</u>	<u>4,029,944</u>	<u>-</u>	<u>61,108,818</u>
Total capital assets, being depreciated, net	<u>55,783,206</u>	<u>829,252</u>	<u>166,348</u>	<u>56,446,110</u>
Governmental activities capital assets, net	<u>\$ 59,860,371</u>	<u>\$ 5,303,067</u>	<u>\$ 166,348</u>	<u>\$ 64,997,090</u>

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

Governmental activities:	
General government support	\$ 704,389
Public safety	281,909
Transportation	2,833,491
Culture and recreation	54,585
Home and community services	<u>155,570</u>
Total	<u>\$ 4,029,944</u>

Business-type activities—Capital asset activity for the primary government’s business-type activities (JBPU) for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Capital assets, not being depreciated				
Land	\$ 1,957,535	\$ 89,912	\$ -	\$ 2,047,447
Construction in progress	<u>2,774,078</u>	<u>-</u>	<u>1,026,188</u>	<u>1,747,890</u>
Total capital assets not being depreciated	<u>4,731,613</u>	<u>89,912</u>	<u>1,026,188</u>	<u>3,795,337</u>
Capital assets being depreciated				
Electric division	181,762,667	5,392,617	611,606	186,543,678
Wastewater division	50,758,634	995,974	212,632	51,541,976
Water division	49,323,775	1,542,419	17,950	50,848,244
Solid waste division	4,244,759	960,787	-	5,205,546
District heat division	10,602,624	118,124	-	10,720,748
JURA	<u>-</u>	<u>72,961</u>	<u>-</u>	<u>72,961</u>
Total capital assets being depreciated	<u>296,692,459</u>	<u>9,082,882</u>	<u>842,188</u>	<u>304,933,153</u>
Less accumulated depreciation for:				
Electric division	93,470,309	5,728,126	514,121	98,684,314
Wastewater division	34,783,941	956,126	212,632	35,527,435
Water division	21,793,677	844,952	17,950	22,620,679
Solid waste division	2,123,194	363,094	-	2,486,288
District heat division	8,663,592	174,063	-	8,837,655
JURA	<u>-</u>	<u>1,216</u>	<u>-</u>	<u>1,216</u>
Total accumulated depreciation	<u>160,834,713</u>	<u>8,067,577</u>	<u>744,703</u>	<u>168,157,587</u>
Total capital assets, being depreciated, net	<u>135,857,746</u>	<u>1,015,305</u>	<u>97,485</u>	<u>136,775,566</u>
Business-type activities capital assets, net	<u>\$ 140,589,359</u>	<u>\$ 1,105,217</u>	<u>\$ 1,123,673</u>	<u>\$ 140,570,903</u>

6. ACCRUED LIABILITIES

Accrued liabilities reported by the City's governmental funds at December 31, 2023 were as follows:

	General Fund
Salaries and wages	\$ 749,055
Health insurance claims	369,413
Total accrued liabilities	<u>\$ 1,118,468</u>

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 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, 2023, the City reported the liabilities on the following page for its proportionate share of the net pension liabilities for PFRS and ERS. The net pension liabilities were measured as of March 31, 2023. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2022, 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, 2023	March 31, 2023	March 31, 2023
Net pension liability	\$ 17,328,148	\$ 5,247,798	\$ 7,992,078
City's portion of the Plan's total net pension liability	0.2474291%	0.0244723%	0.0357590%

For the year ended December 31, 2023, the City recognized pension expenses of \$5,199,674 and \$4,435,099 for PFRS and ERS, respectively. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources presented below:

	PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
	Governmental Activities	
Differences between expected and actual experiences	\$ 1,693,652	\$ -
Changes in assumption	8,443,961	-
Net difference between projected and actual earnings on pension plan investments	30,634	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	950,056	1,309,461
City contributions subsequent to the measurement date	2,040,947	-
Total	<u>\$ 13,159,250</u>	<u>\$ 1,309,461</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	\$ 558,932	\$ 851,219	\$ 147,379	\$ 224,447
Changes in assumption	2,548,669	3,881,468	28,167	42,898
Net difference between projected and actual earnings on pension plan investments	-	-	30,830	46,954
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,584,006	2,353,122	1,631,107	2,397,757
City contributions subsequent to the measurement date	641,539	983,818	-	-
Total	<u>\$ 5,333,146</u>	<u>\$ 8,069,627</u>	<u>\$ 1,837,483</u>	<u>\$ 2,712,056</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, 2024. 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
2024	\$ 1,751,824	\$ 662,362	\$ 1,017,662
2025	(512,440)	(289,981)	(434,886)
2026	5,051,278	1,060,549	1,624,495
2027	3,183,090	1,421,194	2,166,482
2028	335,090	-	-

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, 2023	March 31, 2023
Actuarial valuation date	April 1, 2022	April 1, 2022
Interest rate	5.90%	5.90%
Salary scale	6.20%	4.40%
Decrement tables	April 1, 2015- March 31, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.90%	2.90%
Cost-of-living adjustments	1.50%	1.50%

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, 2022 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 on the following page.

Measurement date	PFRS and ERS	
	Target Allocation	Long-Term Expected
		Real Rate of Return
	March 31, 2023	
Asset class:		
Domestic equities	32.0 %	4.3 %
International equities	15.0	6.9
Private equity	10.0	7.5
Real estate	9.0	4.6
Absolute return strategies	3.0	5.4
Credit	4.0	5.4
Real assets	3.0	5.8
Cash	23.0	1.5
Inflation-indexed bonds	1.0	0.0
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/(Asset) to the Discount Rate Assumption—The chart below presents the City's proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the City's proportionate share of the net pension liability/(asset) 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%	Current	1%
	Decrease (4.9%)	Assumption (5.9%)	Increase (6.9%)
Governmental Activities:			
Employer's proportionate share of the net pension liability	\$ 36,121,335	\$ 17,328,148	\$ 1,766,260

ERS			
	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Governmental Activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 12,681,677	\$ 5,247,798	\$ (964,073)
Business-type Activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 19,313,423	\$ 7,992,078	\$ (1,468,223)

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, 2022	April 1, 2022	
Employers' total pension liability	\$ 43,835,333	\$ 232,627,259	\$ 276,462,592
Plan fiduciary net position	38,324,863	211,183,223	249,508,086
Employers' net pension liability	\$ 5,510,470	\$ 21,444,036	\$ 26,954,506

System fiduciary net position as a percentage of total pension liability	87.4%	90.8%	90.3%
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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, 2023, the following employees were covered by the benefit terms:

	Governmental Activities	Business-type Activities (JURA)
Inactive employees or beneficiaries currently receiving benefit payments	526	17
Active employees	200	12
Total	726	29

Total OPEB Liability

The City's OPEB liabilities of \$108,601,677 for governmental activities and \$2,304,213 for business-type activities (JURA) are measured as of September 30, 2023, and are determined by an actuarial valuation as of December 31, 2023.

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 December 31, 2023 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.40% effective December 31, 2022 to 4.64% effective December 31, 2023. The salary scale changed from 3.53% effective December 31, 2022 to 3.42% effective December 31, 2023. The mortality improvement remained the 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 v2024_1b (the Getzen model).

No formal experience study is prepared for the December 31, 2023 actuarial valuation.

Changes in the Total OPEB Liability—The table below 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, 2022	\$ 111,839,050	\$ 2,218,377
Changes for the year:		
Service cost	2,005,563	143,909
Interest	4,847,285	100,364
Changes of benefit terms	(59,614)	13,506
Differences between expected and actual experience	(2,295,224)	(21,703)
Changes of assumptions or other inputs	(4,056,331)	(68,955)
Benefit payments	(3,679,052)	(81,285)
Net changes	(3,237,373)	85,836
Balances at December 31, 2023	\$ 108,601,677	\$ 2,304,213

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 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 (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
Governmental Activities:			
Total OPEB Liability	\$ 127,456,480	\$ 108,601,677	\$ 93,814,779
Business-type Activities (JURA):			
Total OPEB Liability	\$ 2,630,761	\$ 2,304,213	\$ 2,038,700

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 (5.10%)/ultimate (3.86%) healthcare cost trend rates:

	1% Decrease (4.10%/2.86%)	Healthcare Cost Trend Rates (5.10%/3.86%)	1% Increase (6.10%/4.86%)
Governmental Activities:			
Total OPEB Liability	\$ 91,936,753	\$ 108,601,677	\$ 130,072,994
Business-type Activities (JURA):			
Total OPEB Liability	\$ 1,994,697	\$ 2,304,213	\$ 2,689,182

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 \$3,679,052 and \$81,285 for the fiscal year ended December 31, 2023, respectively. The City's contributions to the OPEB plan are based on negotiated contracts with the bargaining units, as discussed in Note 15. 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 on the following page presents the City's deferred outflows of resources at December 31, 2023.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Governmental Activities	Business-type Activities (JURA)	Governmental Activities	Business-type Activities (JURA)
Differences between expected and actual experiences	\$ -	\$ -	\$ 8,538,027	\$ 202,192
Changes in assumption	-	-	38,651,529	540,620
City contributions subsequent to the measurement date	929,870	20,545	-	-
Total	<u>\$ 929,870</u>	<u>\$ 20,545</u>	<u>\$ 47,189,556</u>	<u>\$ 742,812</u>

The City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB obligation in the year ending December 31, 2024. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	Governmental Activities	Business-type Activities (JURA)
2024	\$ (16,380,829)	\$ (343,189)
2025	(16,380,829)	(343,189)
2026	(13,369,307)	(54,220)
2027	(1,058,591)	(2,214)

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, 2023, the following employees were covered by the benefit terms:

	Business-type Activities (BPU)
Inactive employees or beneficiaries currently receiving benefit payments	86
Active employees	92
Total	<u>178</u>

Total OPEB Liability

The BPU's OPEB liabilities of \$4,915,511 are measured as of September 30, 2023, and are determined by an actuarial valuation as of December 31, 2023.

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 December 31, 2023 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.40% effective December 31, 2022 to 4.64% effective December 31, 2023. The salary scale changed from 3.53% effective December 31, 2022 to 3.42% effective December 31, 2023. The mortality improvement remained the 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 v2024_1b (the Getzen model).

No formal experience study is prepared for the December 31, 2023 actuarial valuation.

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

	Total OPEB Liability Business-type Activities (BPU)
Balances at December 31, 2022	\$ 4,844,234
Changes for the year:	
Service cost	123,368
Interest	203,103
Differences between expected and actual experience	162,374
Changes of assumptions or other inputs	(65,924)
Benefit payments	<u>(351,644)</u>
Net changes	<u>71,277</u>
Balances at December 31, 2023	<u><u>\$ 4,915,511</u></u>

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 (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
Business-type Activities (BPU):			
Total OPEB Liability	\$ 5,239,652	\$ 4,915,511	\$ 4,623,703

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 (5.10%)/ultimate (3.86%) healthcare cost trend rates:

	1% Decrease (4.10%/2.86%)	Healthcare Cost Trend Rates (5.10%/3.86%)	1% Increase (6.10%/4.86%)
Business-type Activities (BPU):			
Total OPEB Liability	\$ 4,531,088	\$ 4,915,511	\$ 5,351,544

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 BPU 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 BPU's deferred outflows inflows of resources at December 31, 2023:

	Deferred Outflows of Resources Business-type Activities (BPU)	Deferred Inflows of Resources Business-type Activities (BPU)
Differences between expected and actual experiences	\$ 331,194	\$ 4,071
Changes in assumptions	-	418,759
BPU contributions subsequent to the measurement date	88,877	-
Total	\$ 420,071	\$ 422,830

The BPU's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB obligation in the year ending December 31, 2024. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as presented below:

Year ending December 31,	Business-type Activities (BPU)
2024	\$ (45,397)
2025	(54,478)
2026	2,841
2027	5,398

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 \$361,493 are recorded within accrued liabilities of the General Fund as of December 31, 2023.

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT ("SBITA") LIABILITIES

The City is a lessee for noncancellable information technology arrangements. Under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the City recognizes SBITA liabilities and SBITA assets in the government-wide financial statements.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA

commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The City uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA terms include the noncancellable period of the SBITA. SBITA payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

SBITA assets are report with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

During the year ended December 31, 2023, the City began recognizing and entered into long-term SBITAs for body cameras and accounting software, respectively. As of December 31, 2023, the value of the SBITA liability was \$227,819 in governmental activities. The City is required to make annual principal and interest payments of \$104,820. The SBITA has an interest rate of 4.0 percent. The value of the right-to-use SBITA asset at the end of the current fiscal year was \$472,215 and had accumulated amortization of \$208,936.

11. 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, 2023 is presented below:

	Maturity Date	Interest Rate	Balance 1/1/2023	Issues	Redemptions	Balance 12/31/2023
Bond anticipation notes:						
Capital improvements	5/18/2023	3.00%	\$ 1,768,000	\$ -	\$ 1,768,000	\$ -
Capital improvements	5/17/2024	3.94%	-	4,608,000	-	4,608,000
Total			<u>\$ 1,768,000</u>	<u>\$ 4,608,000</u>	<u>\$ 1,768,000</u>	<u>\$ 4,608,000</u>

12. 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, SBITA liability, 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, 2023 is presented below:

	Balance 1/1/2023 (as restated)	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental activities:					
Serial bonds	\$ 13,253,956	\$ -	\$ 1,489,500	\$ 11,764,456	\$ 1,537,456
Premium on serial bonds	448,094	-	63,978	384,116	63,979
Bonds payable	13,702,050	-	1,553,478	12,148,572	1,601,435
SBITA liability	213,366	97,943	83,490	227,819	97,482
Compensated absences*	1,825,283	-	2,808	1,822,475	91,124
Retirement payable	115,029	-	56,623	58,406	58,406
Net pension liability*	1,548,561	21,027,385	-	22,575,946	-
OPEB obligation	111,839,050	6,852,848	10,090,221	108,601,677	-
Total governmental activities	\$ 129,243,339	\$ 27,978,176	\$ 11,786,620	\$ 145,434,895	\$ 1,848,447
Business-type activities:					
Serial bonds	\$ 4,156,044	\$ 1,000,000	\$ 480,500	\$ 4,675,544	\$ 606,290
Premium on serial bonds	263,205	-	27,981	235,224	27,980
Bonds payable	4,419,249	1,000,000	508,481	4,910,768	634,270
Compensated absences*	114,381	27,353	-	141,734	14,173
Net pension liability*	-	7,992,078	-	7,992,078	-
OPEB obligation	7,062,611	746,624	589,511	7,219,724	-
Total business-type activities	\$ 11,596,241	\$ 9,766,055	\$ 1,097,992	\$ 20,264,304	\$ 648,443

*Changes to the net pension liability and compensated absences are shown net.

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.

In the current year, the City's business-type activities issued \$1,000,000 in Public Improvement Serial Bonds for recycling trucks. The note carries an interest rate of 5.9% and matures in 2030.

A summary of bond transactions of the City for the fiscal year ended December 31, 2023 is presented below:

Purpose	Issue/ Maturity Date	Interest Rate	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023
Governmental activities:						
2013 General Obligation Bonds	2013/2030	3.50-4.00%	\$ 3,135,000	\$ -	\$ 385,000	\$ 2,750,000
2015 Public Improvement Bonds	2015/2035	2.25-4.00%	2,815,000	-	180,000	2,635,000
2019 Refunding Bonds	2019/2025	5.00%	1,155,956	-	367,500	788,456
2020 Refunding Bonds	2020/2026	5.00%	1,245,000	-	290,000	955,000
2021 Public Improvement Bonds	2021/2051	1.00-4.00%	4,903,000	-	267,000	4,636,000
Total governmental activities			<u>\$ 13,253,956</u>	<u>\$ -</u>	<u>\$ 1,489,500</u>	<u>\$ 11,764,456</u>
Business-type activities:						
2015 Refunding Bonds	2015/2025	4.13-5.00%	\$ 715,000	\$ -	\$ 245,000	\$ 470,000
2019 Refunding Bonds	2019/2030	5.00%	1,399,044	-	157,500	1,241,544
2021 Public Improvement Bonds	2021/2051	1.00-4.00%	2,042,000	-	78,000	1,964,000
2023 Public Improvement Bonds	2023/2030	5.90%	-	1,000,000	-	1,000,000
Total business-type activities			<u>\$ 4,156,044</u>	<u>\$ 1,000,000</u>	<u>\$ 480,500</u>	<u>\$ 4,675,544</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, 2023 are \$384,116 and \$235,224 for governmental and business-type activities, respectively.

SBITA Liability—During the year ended December 31, 2023, the City began recognizing and entered into long-term SBITAs. The outstanding balance at December 31, 2023 was \$227,819. Refer to Note 10 for additional information related to the City's SBITA liability.

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, 2023, for such benefits is \$1,822,475 and \$141,734 for governmental and business-type activities, respectively. Management estimates that \$91,264 and \$14,173 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, 2023 for the City's retirement payable was \$58,406 for governmental activities. The final payment is due in 2024.

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 Retirement System. The net pension liability is estimated to be \$22,575,946 and \$7,992,078 for governmental activities and business-type activities, respectively. Refer to Note 7 for additional information related to the City’s net pension liabilities.

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 \$108,601,677 and \$7,219,724 for governmental and business-type activities, respectively.

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

Year ending December 31,	Serial Bonds	Premium on Serial Bonds	SBITA Liability	Compensated Absences	Retirement Payable	Net Pension Liability	OPEB Obligation	Total
2024	\$ 1,537,456	\$ 63,979	\$ 97,482	\$ 91,124	\$ 58,406	\$ -	\$ -	\$ 1,848,447
2025	1,603,000	71,238	101,453	-	-	-	-	1,775,691
2026	1,230,000	26,560	28,884	-	-	-	-	1,285,444
2027	937,000	14,823	-	-	-	-	-	951,823
2028	965,000	14,822	-	-	-	-	-	979,822
2029-2033	3,429,000	74,113	-	-	-	-	-	3,503,113
2034-2038	1,662,000	74,112	-	-	-	-	-	1,736,112
2039-2042	401,000	44,469	-	-	-	-	-	445,469
Thereafter	-	-	-	1,731,351	-	22,575,946	108,601,677	132,908,974
Totals	<u>\$ 11,764,456</u>	<u>\$ 384,116</u>	<u>\$ 227,819</u>	<u>\$ 1,822,475</u>	<u>\$ 58,406</u>	<u>\$ 22,575,946</u>	<u>\$ 108,601,677</u>	<u>\$ 145,434,895</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	Net Pension Liability	OPEB Obligation	Total
2024	\$ 606,290	\$ 27,980	\$ 14,173	\$ -	\$ -	\$ 648,443
2025	608,125	24,955	-	-	-	633,080
2026	383,782	23,442	-	-	-	407,224
2027	404,905	23,442	-	-	-	428,347
2028	420,440	23,442	-	-	-	443,882
2029-2033	1,175,002	50,381	-	-	-	1,225,383
2034-2038	398,000	23,335	-	-	-	421,335
2039-2043	249,000	14,709	-	-	-	263,709
2044-2048	265,000	14,709	-	-	-	279,709
2049-2051	165,000	8,829	-	-	-	173,829
Thereafter	-	-	127,561	7,992,078	7,219,724	15,339,363
Totals	<u>\$ 4,675,544</u>	<u>\$ 235,224</u>	<u>\$ 141,734</u>	<u>\$ 7,992,078</u>	<u>\$ 7,219,724</u>	<u>\$ 20,264,304</u>

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

Year ending December 31,	Governmental Activities		Business-type Activities	Total
	Serial Bonds	SBITAs	Serial Bonds	Primary Government
2024	\$ 360,343	\$ 7,338	\$ 161,752	\$ 529,433
2025	301,205	3,367	138,574	443,146
2026	244,828	212	113,720	358,760
2027	204,164	-	94,212	298,376
2028	168,998	-	76,243	245,241
2029-2033	440,351	-	173,971	614,322
2034-2038	103,129	-	85,971	189,100
2039-2043	10,510	-	56,521	67,031
2044-2048	-	-	31,081	31,081
2049-2051	-	-	5,259	5,259
Totals	<u>\$ 1,833,528</u>	<u>\$ 10,917</u>	<u>\$ 937,304</u>	<u>\$ 2,781,749</u>

13. 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 on the following page.

Governmental activities:

Capital assets, net of accumulated depreciation \$ 64,997,090

Related debt:

Serial bonds	\$ (11,764,456)	
Unamortized serial bond premiums	(384,116)	
SBITAs	(227,819)	
Notes payable	(3,502)	
Accounts payable—Capital Projects Fund	(371,194)	
Bond anticipation notes	(4,608,000)	
Unspent debt proceeds	<u>1,255,053</u>	<u>(16,104,034)</u>

Net investment in capital assets—governmental activities \$ 48,893,056

Business-type activities:

Capital assets, net of accumulated depreciation \$ 140,570,903

Related debt:

Serial bonds	\$ (4,675,544)	
Unamortized serial bond premium	(235,224)	
Notes payable	<u>(71,203)</u>	<u>(4,981,971)</u>

Net investment in capital assets—business-type activities \$ 135,588,932

- ***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, 2023 includes:

	General
	<u>Fund</u>
Prepaid items	\$ 1,102,924
Inventory	<u>97,566</u>
Total	<u>\$ 1,200,490</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, \$97,566, 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, 2023 is as follows:

	Special Grant Fund
Economic development	\$ 15,209
Total restricted fund balance	<u>\$ 15,209</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, 2023, 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. As of December 31, 2023, the City reported no assigned fund balance.

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

14. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables of the City at December 31, 2023 consisted of the following:

Fund	Interfund	
	Receivables	Payables
Governmental funds:		
General Fund	\$ 1,802,267	\$ -
Special Grant Fund	471,311	-
Capital Projects Fund	<u>367,750</u>	<u>2,639,028</u>
Total governmental funds	<u>2,641,328</u>	<u>2,639,028</u>
Fiduciary funds:		
Custodial Fund	<u>-</u>	<u>2,300</u>
Total fiduciary funds	<u>-</u>	<u>2,300</u>
Total	<u>\$ 2,641,328</u>	<u>\$ 2,641,328</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, 2023 was \$3,502. 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, 2023:

	<u>Transfers in:</u>
	Capital
	<u>Projects Fund</u>
Transfers out:	
General Fund	<u>\$ 2,659,941</u>

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

15. 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 Jamestown Professional Firefighters Association Local 1772, Kendall Club Police Benevolent Association and the Civil Service Employees Association Local 807-6305 have contracts settled through December 31, 2024.

16. 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, 2023, the City reported no significant encumbrances.

17. 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.

18. 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 \$200,139 during the 2023 fiscal year in payments in lieu of taxes (“PILOT”), these collections were made in lieu of \$691,012 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, 2023, the City collected \$4,081,535 from the BPU.

19. SUBSEQUENT EVENTS

On May 16, 2024, the governmental activities issued \$4,520,000 of bond anticipation notes with an interest rate of 5.00 percent for improvements to City facilities and parking garages.

On May 24, 2024, the governmental activities issued \$1,740,081 of bond anticipation notes with an interest rate of 4.39 percent for the acquisition and construction of a maintenance facility.

Management has evaluated subsequent events through February 21, 2025, which is the date the financial statements are available for issuance, and have determined, except as disclosed above, 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 Nine Fiscal Years*

	Year Ended December 31,								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	March 31, 2023	March 31, 2022	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	87.4%	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%
Governmental Activities:									
City's proportion of the net pension liability	0.2474291%	0.2726125%	0.2474291%	0.2569388%	0.2542150%	0.2532702%	0.2650806%	0.2712136%	0.2725067%
City's proportionate share of the net pension liability	<u>\$ 17,328,148</u>	<u>\$ 1,548,561</u>	<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	\$ 10,425,723	\$ 11,343,557	\$ 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	166.2%	13.7%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Governmental Activities:</i>										
Contractually required contribution	\$ 2,764,467	\$ 2,786,378	\$ 2,350,383	\$ 1,951,346	\$ 2,011,733	\$ 1,981,420	\$ 2,177,017	\$ 2,188,383	\$ 2,082,692	\$ 2,480,027
Contributions in relation to the contractually required contribution	<u>(2,764,467)</u>	<u>(2,786,378)</u>	<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>
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	\$ 11,862,777	\$ 11,318,878	\$ 9,229,301	\$ 8,879,382	\$ 8,883,919	\$ 9,009,684	\$ 8,986,251	\$ 9,228,790	\$ 8,977,880	\$ 8,605,271
Contributions as a percentage of covered payroll	23.3%	24.6%	25.5%	22.1%	22.6%	22.0%	24.2%	23.7%	23.2%	28.8%

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

	Year Ended December 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2023	March 31, 2022	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	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
Governmental Activities:									
City's proportion of the net pension liability/(asset)	0.0244723%	0.0245058%	0.0217910%	0.0224205%	0.0230530%	0.0237774%	0.0242619%	0.0233003%	0.0231376%
City's proportionate share of the net pension liability/(asset)	<u>\$ 5,247,798</u>	<u>\$ (2,003,254)</u>	<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	\$ 5,971,716	\$ 6,401,269	\$ 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/(asset) as a percentage of its covered payroll	87.9%	(31.3)%	0.4%	97.7%	62.7%	32.8%	96.5%	165.6%	31.8%
Business-type Activities—BPU:									
City's proportion of the net pension liability/(asset)	0.0342488%	0.0353232%	0.0366621%	0.0357796%	0.0367890%	0.0379449%	0.0387181%	0.0371835%	0.0369240%
City's proportionate share of the net pension liability/(asset)	<u>\$ 7,668,228</u>	<u>\$ (2,887,520)</u>	<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	\$ 10,949,398	\$ 10,675,039	\$ 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/(asset) as a percentage of its covered payroll	70.0%	(27.0)%	0.4%	94.4%	26.1%	12.2%	36.2%	61.2%	13.4%
Business-type Activities—JURA:									
City's proportion of the net pension liability/(asset)	0.0015102%	0.0013454%	0.0009840%	0.0012665%	0.0013947%	0.0014956%	0.0015354%	0.0017655%	
City's proportionate share of the net pension liability/(asset)	<u>\$ 323,850</u>	<u>\$ (109,980)</u>	<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	\$ 620,772	\$ 545,001	\$ 463,788	\$ 425,930	\$ 545,650	\$ 514,397	\$ 528,254	\$ 533,095	
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	52.2%	(20.2)%	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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Contractually required contribution	\$ 897,800	\$ 587,006	\$ 868,731	\$ 806,784	\$ 931,100	\$ 948,720	\$ 995,233	\$ 1,020,681	\$ 1,132,337	\$ 1,236,030
Contributions in relation to the contractually required contribution	(897,800)	(587,006)	(868,731)	(806,784)	(931,100)	(948,720)	(995,233)	(1,020,681)	(1,132,337)	(1,236,030)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 6,277,494	\$ 6,027,644	\$ 5,853,991	\$ 6,340,487	\$ 6,028,447	\$ 5,935,925	\$ 6,082,323	\$ 6,105,328	\$ 6,118,965	\$ 6,456,423
Contributions as a percentage of covered payroll	14.3%	9.7%	14.8%	12.7%	15.4%	16.0%	16.4%	16.7%	18.5%	19.1%
Business-type Activities—BPU:										
Contractually required contribution	\$ 1,151,034	\$ 1,452,873	\$ 1,561,084	\$ 1,327,489	\$ 1,288,734	\$ 1,347,223	\$ 1,337,902	\$ 1,329,651	\$ 1,331,269	\$ 1,493,674
Contributions in relation to the contractually required contribution	(1,151,034)	(1,452,873)	(1,561,084)	(1,327,489)	(1,288,734)	(1,347,223)	(1,337,902)	(1,329,651)	(1,331,269)	(1,493,674)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 10,949,398	\$ 10,675,039	\$ 10,297,752	\$ 9,639,667	\$ 9,531,244	\$ 9,643,550	\$ 9,450,962	\$ 9,281,256	\$ 8,160,782	\$ 8,524,321
Contributions as a percentage of covered payroll	10.5%	13.6%	15.2%	13.8%	13.5%	14.0%	14.2%	14.3%	16.3%	17.5%
Business-type Activities—JURA:										
Contractually required contribution	\$ 58,732	\$ 58,431	\$ 67,382	\$ 62,928	\$ 65,286	\$ 69,804	\$ 70,621	\$ 67,382	\$ 62,730	\$ 70,383
Contributions in relation to the contractually required contribution	(58,732)	(58,431)	(67,382)	(62,928)	(65,286)	(69,804)	(70,621)	(67,382)	(62,730)	(70,383)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 644,678	\$ 536,528	\$ 477,084	\$ 470,629	\$ 500,507	\$ 521,983	\$ 521,130	\$ 510,121	\$ 402,473	\$ 420,402
Contributions as a percentage of covered payroll	9.1%	10.9%	14.1%	13.4%	13.0%	13.4%	13.6%	13.2%	15.6%	16.7%

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

	Year Ended December 31,					
	2023	2022	2021	2020	2019	2018
Governmental Activities:						
Total OPEB Liability						
Service cost	\$ 2,005,563	\$ 4,126,203	\$ 3,878,612	\$ 3,412,008	\$ 3,648,426	\$ 3,972,781
Interest	4,847,285	3,992,122	4,064,525	4,328,587	6,208,896	5,914,131
Changes of benefit terms	(59,614)	(2,165,345)	(3,925,246)	(2,137,837)	(2,454,138)	-
Differences between expected and actual experience	(2,295,224)	(11,521,673)	5,883,533	1,087,981	(44,563,422)	(1,779,701)
Changes of assumptions or other inputs	(4,056,331)	(60,754,745)	7,386,794	8,132,963	36,483,115	(10,736,699)
Benefit payments	(3,679,052)	(3,899,619)	(4,040,962)	(3,795,472)	(3,909,157)	(3,714,069)
Net change in total OPEB liability	(3,237,373)	(70,223,057)	13,247,256	11,028,230	(4,586,280)	(6,343,557)
Total OPEB liability—beginning	111,839,050	182,062,107	168,814,851	157,786,621	162,372,901	168,716,458
Total OPEB liability—ending	<u>\$ 108,601,677</u>	<u>\$ 111,839,050</u>	<u>\$ 182,062,107</u>	<u>\$ 168,814,851</u>	<u>\$ 157,786,621</u>	<u>\$ 162,372,901</u>
Covered payroll	\$ 14,508,633	\$ 14,013,941	\$ 14,906,758	\$ 14,906,758	\$ 12,445,638	\$ 12,445,638
City's net OPEB liability as a percentage of covered employee payroll	748.5%	798.1%	1221.3%	1132.5%	1267.8%	1304.7%
Business-type Activities—BPU:						
Total OPEB Liability						
Service cost	\$ 123,368	\$ 153,802	\$ 167,242	\$ 224,471	\$ 133,247	\$ 126,518
Interest	203,103	111,636	132,003	229,527	265,820	233,153
Changes of benefit terms	-	(71,128)	(147,476)	(1,110,906)	(1,315,972)	-
Differences between expected and actual experience	162,374	426,234	(214,605)	(2,406,076)	(341,370)	644,150
Changes of assumptions or other inputs	(65,924)	(720,035)	56,904	677,578	566,249	(87,108)
Benefit payments	(351,644)	(360,414)	(426,450)	(697,727)	(644,449)	(596,878)
Net change in total OPEB liability	71,277	(459,905)	(432,382)	(3,083,133)	(1,336,475)	319,835
Total OPEB liability—beginning	4,844,234	5,304,139	5,736,521	8,819,654	10,156,129	9,836,294
Total OPEB liability—ending	<u>\$ 4,915,511</u>	<u>\$ 4,844,234</u>	<u>\$ 5,304,139</u>	<u>\$ 5,736,521</u>	<u>\$ 8,819,654</u>	<u>\$ 10,156,129</u>
Covered payroll	\$ 7,931,404	\$ 7,660,972	\$ 7,512,781	\$ 7,031,064	\$ 7,036,365	\$ 7,262,936
City's net OPEB liability as a percentage of covered employee payroll	62.0%	63.2%	70.6%	81.6%	125.3%	139.8%
Business-type Activities—JURA:						
Total OPEB Liability						
Service cost	\$ 143,909	\$ 88,390	\$ 103,576	\$ 122,750	\$ 130,984	\$ 137,720
Interest	100,364	76,456	77,573	78,976	112,914	106,266
Changes of benefit terms	13,506	(32,785)	-	(39,668)	(112,090)	-
Differences between expected and actual experience	(21,703)	(362,716)	86,501	190,552	(678,014)	(93,896)
Changes of assumptions or other inputs	(68,955)	(953,705)	118,824	100,763	552,833	(156,873)
Benefit payments	(81,285)	(98,969)	(87,250)	(74,682)	(74,508)	(70,877)
Net change in total OPEB liability	85,836	(1,283,329)	299,224	378,691	(67,881)	(77,660)
Total OPEB liability—beginning	2,218,377	3,501,706	3,202,482	2,823,791	2,891,672	2,969,332
Total OPEB liability—ending	<u>\$ 2,304,213</u>	<u>\$ 2,218,377</u>	<u>\$ 3,501,706</u>	<u>\$ 3,202,482</u>	<u>\$ 2,823,791</u>	<u>\$ 2,891,672</u>
Covered payroll	\$ 691,163	\$ 667,597	\$ 431,231	\$ 431,231	\$ 313,443	\$ 313,443
City's net OPEB liability as a percentage of covered employee payroll	333.4%	332.3%	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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Real property taxes	\$ 16,172,483	\$ 16,172,483	\$ 16,153,106	\$ (19,377)
Real property tax items	257,285	257,285	305,767	48,482
Board of Public Utilities - PILOT	3,947,889	3,947,889	4,081,535	133,646
Nonproperty tax items	9,122,208	9,122,208	9,007,230	(114,978)
Departmental income	1,020,479	1,020,479	1,049,604	29,125
Intergovernmental charges	303,504	303,504	310,255	6,751
Use of money and property	19,027	49,028	438,215	389,187
Licenses and permits	225,714	225,714	222,208	(3,506)
Fines and forfeitures	36,000	36,000	52,985	16,985
Miscellaneous	15,322	15,322	219,377	204,055
State aid	7,351,599	8,371,229	7,983,800	(387,429)
Federal aid	-	9,737,322	9,737,322	-
Total revenues	<u>38,471,510</u>	<u>49,258,463</u>	<u>49,565,404</u>	<u>306,941</u>
EXPENDITURES				
Current:				
General government support	4,888,826	5,821,450	5,381,232	440,218
Public safety	13,438,349	13,690,966	13,106,662	584,304
Health	-	1,201,107	1,201,107	-
Transportation	3,972,066	4,081,170	3,933,705	147,465
Economic assistance and opportunity	-	5,463,811	5,463,811	-
Culture and recreation	2,063,606	2,753,955	2,848,152	(94,197)
Home and community services	861,000	1,847,070	1,879,839	(32,769)
Employee benefits	10,459,044	10,459,044	12,028,914	(1,569,870)
Debt service:				
Principal	1,602,685	1,602,685	1,579,501	23,184
Interest and fiscal charges	474,070	474,070	503,783	(29,713)
Total expenditures	<u>37,759,646</u>	<u>47,395,328</u>	<u>47,926,706</u>	<u>(531,378)</u>
Excess of revenues over expenditures	<u>711,864</u>	<u>1,863,135</u>	<u>1,638,698</u>	<u>(224,437)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,090,000)	(2,659,941)	(2,659,941)	-
Issuance of SBITAs	-	-	97,943	97,943
Total other financing sources (uses)	<u>(1,090,000)</u>	<u>(2,659,941)</u>	<u>(2,561,998)</u>	<u>97,943</u>
Net change in fund balances*	(378,136)	(796,806)	(923,300)	(126,494)
Fund balances—beginning, as restated	<u>9,232,878</u>	<u>9,232,878</u>	<u>9,232,878</u>	<u>-</u>
Fund balances—ending	<u>\$ 8,854,742</u>	<u>\$ 8,436,072</u>	<u>\$ 8,309,578</u>	<u>\$ (126,494)</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, 2022

1. OPEB LIABILITY

Governmental Activities and Business-type Activities (JURA)

Changes in Assumptions—In the December 31, 2023 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.40% effective December 31, 2022 to 4.64% effective December 31, 2023. The salary scale changed from 3.53% effective December 31, 2022 to 3.42% effective December 31, 2023. The mortality improvement remained the 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 v2024_1b (the Getzen model).

Business-type Activities (Jamestown Board of Public Utilities)

Changes in Assumptions—In the December 31, 2023 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.40% effective December 31, 2022 to 4.64% effective December 31, 2023. The salary scale changed from 3.53% effective December 31, 2022 to 3.42% effective December 31, 2023. The mortality improvement remained the 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 v2024_1b (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 City 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, 2023, the City had actual expenditures in excess of the final budget amount within culture and recreation, home and community services, employee benefits, and interest and fiscal charges of \$94,197, \$32,769, \$1,569,870, and \$29,713, respectively. These were the result of greater than anticipated personnel, contractual, and debt service costs.

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



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 ("*Government Auditing Standards*"), 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 21, 2025 (which report includes an other matter paragraph regarding the implementation of GASB Statement No. 96 and restatement of net position). 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 20, 2024 and March 25, 2024, respectively.

Report on 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as items 2023-001 and 2023-002 to be material weaknesses.

Report on 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 Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Drescher & Malecki LLP

February 21, 2025

CITY OF JAMESTOWN, NEW YORK
Schedule of Findings
Year Ended December 31, 2023

Section II. FINANCIAL STATEMENT FINDINGS

We consider the deficiencies presented below to be material weaknesses in internal control.

Finding 2023-001—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 at different times throughout the fiscal year, one individual collected cash receipts, posted journal entries, and performed bank reconciliations, without a formal independent review.

Cause—The City lacks formal policies and procedures surrounding cash receipts, journal entries and bank reconciliations. As a result of turnover in the Comptroller and Deputy Comptroller position, the City was unable to address segregation of duties issues identified during previous audits.

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 will be addressing staff duties and responsibilities.

Finding 2023-002—Audit Preparedness

Criteria—Prior to performance of the external financial statement audit, the City should prepare its accounting records by appropriately closing the books for the year. Standard and timely closing procedures should be followed and include sufficient documentation that is readily available, ensure that reconciliations of account balances are performed, and an analysis of accounts is available. In addition, the general ledger should be reviewed to ensure that all activity is appropriately recorded.

Condition and Context—Several trial balance accounts provided to the auditors were not appropriately adjusted and reconciled for accurate financial statement reporting and disclosures.

Cause—As a result of turnover in senior accounting positions throughout the current fiscal year, various accounting functions were not performed or were performed by an individual lacking governmental accounting expertise.

Effect or Potential Effect—The audit of the financial statements was significantly delayed and the City is late in submitting their financial reporting package to the Federal Audit Clearinghouse.

Recommendation—We recommend that the City follow procedures to facilitate an effective and timely year-end financial closing process in preparation of the external audit. These procedures should include certain checklists and analysis procedures to be performed, and can be applied on a monthly routine basis, as well, to ensure that the financial records are available on a timely basis.

View of Responsible Officials and Corrective Action Plan—The City of Jamestown acknowledges the need for additional support and will be addressing staff duties and responsibilities.