

## PRELIMINARY OFFICIAL STATEMENT

### NEW ISSUE

### BOND ANTICIPATION NOTES

*In the opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, compliance by the School District with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals, however for tax years beginning after December 31, 2022, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion that interest on the Notes is excluded from adjusted gross income for purposes of personal income taxes imposed by the State of New York and the City of New York. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual of interest on the Notes. See "TAX MATTERS" herein.*

*The Notes will NOT be "qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code.*

## CITY SCHOOL DISTRICT OF THE CITY OF JAMESTOWN CHAUTAUQUA COUNTY, NEW YORK



### GENERAL OBLIGATIONS

### **\$6,000,000 Bond Anticipation Notes, 2023**

(the "Notes")

**Dated: February 9, 2023**

**Due: July 20, 2023**

The Notes will constitute general obligations of the City School District of the City of Jamestown, Chautauqua County, New York, (the "School District" or the "District") and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes. Unless paid from other sources, all the taxable real property within the District will be subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. See "TAX LEVY LIMITATION LAW" herein.

The Notes will NOT be subject to redemption, in whole or in part, prior to their maturity. Interest on the Notes will be calculated on a 30-day month and a 360-day year basis and will be payable at maturity.

The Notes will be issued as registered notes and, at the option of the purchaser, may be registered in the name of the purchaser or may be registered to The Depository Trust Company, New York, New York ("DTC" or the "Securities Depository").

If the Notes will be issued through DTC, the Notes will be registered in the name of Cede & Co., as nominee of DTC in New York, New York, which will act as the Securities Depository for the Notes. Individual purchases of the Notes will be made only in book-entry-form, in principal denominations of \$5,000 or integral multiples thereof, as may be determined by the successful bidder. Purchasers of the Notes will not receive certificates representing their ownership interest in the Notes. Payments of the principal of and interest on the Notes will be made by the District to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Notes. If the Notes are registered in the name of the purchaser, principal and interest on the Notes will be payable in Federal Funds at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder. Paying agent fees, if any, are to be paid by the purchaser. In such case, the Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the unqualified legal opinion as to the validity of the Notes of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey, or as agreed upon with the purchaser, on or about February 9, 2023.

**ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com), on January 26, 2023 by no later than 11:00 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.**

January 23, 2023

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH THE RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE NOTES. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER, AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. UNLESS THE NOTES ARE PURCHASED FOR THE PURCHASER'S OWN ACCOUNT, THE DISTRICT WILL ENTER INTO AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS REQUIRED BY THE RULE. SEE "APPENDIX - D, DISCLOSURE UNDERTAKING" HEREIN.

**CITY SCHOOL DISTRICT OF THE CITY OF JAMESTOWN  
CHAUTAUQUA COUNTY, NEW YORK**

**SCHOOL DISTRICT OFFICIALS**

**2022-2023 BOARD OF EDUCATION**

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HARRIS BEACH PLLC  
School District Attorney



FISCAL ADVISORS & MARKETING, INC.  
Municipal Advisors



HODGSON RUSS LLP  
Bond Counsel

No person has been authorized by the District to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**of the**  
**CITY SCHOOL DISTRICT OF THE CITY OF JAMESTOWN**  
**CHAUTAUQUA COUNTY, NEW YORK**

**Relating To**  
**\$6,000,000 Bond Anticipation Notes, 2023**

This Official Statement, which includes the cover page and appendices, has been prepared by the City School District of the City of Jamestown, Chautauqua County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of its \$6,000,000 principal amount of Bond Anticipation Notes, 2023 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff.

**This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has continued to create, since its inception in the spring of 2020, prevailing economic conditions (at the global, national, State and local levels) that remain uncertain, have been generally negative, and are subject to the potential for rapid change as new variants emerge and as governments and other organizations respond. These conditions are expected to continue for an indefinite period of time. Significant federal and state relief measures that have been enacted since the onset of the pandemic have served to support the operations and finances of the District, but such measures were temporary in nature and are not likely to be extended or renewed, at least to such a large extent. Accordingly, the District's overall economic situation and outlook (and all of the specific District's-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide and continuing event, the effects of which are extremely difficult to predict and quantify going forward. See "COVID-19," herein.**

**NATURE OF OBLIGATION**

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy *ad valorem* taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX LEVY LIMITATION LAW" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), as follows:

"A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean. . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted. . . While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the *Flushing National Bank* (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the *Flushing National Bank* (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in *Flushing National Bank v. Municipal Assistance Corp.*, 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to the traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in *Quirk*, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In *Quirk v. Municipal Assistance Corp.*, the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

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## THE NOTES

### Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). Unless paid from other sources, all the taxable real property within the District will be subject to the levy of *ad valorem* taxes to pay the Notes and interest thereon, without limitation as to rate or amount, subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of New York. (See “TAX LEVY LIMITATION LAW” herein.)

The Notes are dated February 9, 2023 and mature, without option of prior redemption, on July 20, 2023. Interest on the Notes will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in registered form either (i) in the name of the purchaser(s), in which case principal of and interest on the Notes will be payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) in the name of Cede & Co. as nominee of the Depository Trust Company, New York, New York (“DTC”), which will act as the securities depository for the Notes. See “BOOK-ENTRY-ONLY SYSTEM” herein. One fully-registered note certificate will be issued for all Notes of a particular issue bearing the same rate of interest and CUSIP number. Purchasers will not receive certificates representing their interest in the Notes. Principal and interest will be paid in lawful money of the United States of America (Federal Funds) by the District directly to the registered owner or to DTC for its nominee, Cede & Co.

### No Optional Redemption

The Notes are not subject to redemption prior to maturity.

### Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and the Education Law, and pursuant to a bond resolution that was duly adopted by the Board of Education of the School District (the “Board”) on March 30, 2021, and thereafter approved by the qualified voters of the District at a special meeting held on May 18, 2021, authorizing the issuance of obligations of the District in an estimated maximum amount of \$85,300,000 for the financing of an approved capital improvements project consisting of the reconstruction and renovation, in part, and the construction of improvements and upgrades to, various District buildings and facilities and the sites thereof (the “Project”).

The Notes will provide \$6,000,000 of original funds for the aforementioned purpose.

### BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

### **Certificated Notes**

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is discontinued the following provisions will apply:

The Notes will be issued in registered form in denominations of \$5,000 or integral multiples thereof, as may be determined by such successful bidder. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company, located and authorized to do business in the State to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

## **THE SCHOOL DISTRICT**

### **General Information**

The District is located at the southeastern end of Chautauqua Lake in Chautauqua County and has an area of approximately 19 square miles with an estimated population of 30,895. The District incorporates all of the City of Jamestown, a major portion of the Town of Kiantone, and lesser portions of the Towns of Busti, Ellicott and Carroll.

The City of Jamestown has become the business and financial center for southwestern New York State and a considerable portion of northwestern Pennsylvania. It has long been known as a furniture and woodworking center but in recent years has been successful in attracting diversified industries as well.

The District's proximity to Chautauqua Lake and the world-renowned Chautauqua Institution further enhances the region as a popular summertime resort area.

Transportation needs are adequately provided for by the nearby Chautauqua Airport, the Southern Tier Expressway, as well as numerous modern highways, two railway systems and bus transportation

Source: District officials.

### **Population**

The current estimated population of the District is 30,895. (Source: 2020 U.S. Census Bureau estimate)

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## Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The smallest areas for which such statistics are available, which includes the District, are the Towns and County listed below. The figures set below with respect to such Towns and County are included for information only. It should not be inferred from the inclusion of such data herein that the Towns or the County are necessarily representative of the District, or vice versa.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>
City of:						
Jamestown	\$ 15,316	\$ 18,374	\$ 21,303	\$ 33,675	\$ 42,507	\$ 46,529
Towns of:						
Busti	\$ 22,602	\$ 29,141	\$ 38,818	\$ 47,798	\$ 61,713	\$ 80,540
Carroll	16,828	21,715	24,932	43,750	52,130	55,132
Ellicot	19,296	23,955	28,701	47,813	52,937	68,275
Kiantone	20,716	26,680	35,813	50,893	75,833	80,865
County of:						
Chautauqua	16,840	21,033	27,061	41,054	51,031	62,366
State of:						
New York	42,922	30,948	40,898	50,229	67,405	87,270

Note: 2017-2021 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 American Community Survey data.

## Larger Employers

The following are five larger employers within or in close proximity to the School District.

<u>Name</u>	<u>Type</u>	<u>Estimated Number of Employees</u>
The Resource Center	Health Care	992
WCA Hospital	Hospital	901
Jamestown City School District	Public Education	879
MRC Bearings	Manufacturing	620
City of Jamestown	Local Government	413

Source: District officials.

## Unemployment Rate Statistics

Unemployment statistics are not available for the District as such. The smallest area for which such statistics are available (which includes the District) is Chautauqua County. The information set forth below with respect to the County and the State is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County or State is necessarily representative of the District, or vice versa.

	<u>Annual Average</u>						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Chautauqua County	6.1%	5.9%	6.0%	5.0%	4.5%	8.5%	5.6%
New York State	5.3%	4.9%	4.7%	4.1%	3.8%	9.9%	6.9%

	<u>2023 Monthly Figures</u>											
	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>
Chautauqua County	4.9%	4.5%	3.6%	3.4%	3.7%	4.1%	4.2%	3.5%	2.9%	3.5%	N/A	N/A
New York State	5.1	4.7	4.2	4.1	4.3	4.8	4.9	3.9	3.6	3.8	N/A	N/A

Note: Unemployment rates for December 2022 and January 2023 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. Figures not seasonally adjusted. Figures in this section are historical and do not speak as to current or projected employment rates. Unemployment drastically increased starting mid-March 2020 due to the COVID-19 global pandemic.

## **Form of School Government**

The Board which is the policy-making body of the School District, consists of seven members with overlapping five-year terms so that as nearly as possible an equal number of members are elected to the Board each year. Each Board member must be a qualified voter of the School District and no Board member may hold certain other School District offices or positions while serving on the Board. The President and the Vice President are selected by the Board members.

The administrative officers of the District, whose duty it is to implement the policies of the Board and who are appointed by the Board, include the Superintendent of Schools, the School District Clerk, the District Treasurer, the School District Attorney and the Director of Budget and Finance.

## **Budgetary Procedures**

Pursuant to the Education Law, the Board annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. (In 2020, due to the COVID-19 pandemic, the Governor postponed such budget vote until June 9, with mailed ballots allowed until June 2.) All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

## ***Recent Budget Vote Results***

The budget for the 2021-22 fiscal year was approved by the qualified voters on May 18, 2021. The District's adopted budget for the 2021-22 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for no increase which was within the School District Tax Cap.

The budget for the 2022-2023 fiscal year was adopted by the qualified voters on May 17, 2022 with a vote of 359 to 59. The District's budget for the 2022-2023 fiscal year remained within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for no total tax levy increase or decrease which was within the District's Tax Cap limit.

## **Investment Policy**

Pursuant to State law, including Sections 10 and 11 of the General Municipal Law (the "GML"), the District is generally permitted to deposit monies in banks and trust companies located and authorized to do business in the State. All such deposits, including special time deposit accounts and certificates of deposit, in excess of the amount insured under the Federal Deposit Insurance Act, are required to be secured in accordance with the provisions of and subject to the limitations of Section 10 of the GML.

The District may also temporarily invest moneys in: (1) obligations of the United States of America; (2) obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; (3) obligations of the State of New York; (4) with the approval of the New York State Comptroller, in tax anticipation notes or revenue anticipation notes issued by any municipality, school district, or district corporation, other than those bonds issued by the District; (5) certificates of participation issued by political subdivisions of the State pursuant to Section 109-b(10) of the GML; (6) obligations of a New York public benefit corporation which are made lawful investments for municipalities pursuant to the enabling statute of such public benefit corporation; or (7) in the case of moneys held in certain reserve funds established by the District pursuant to law, in obligations of the District.

All of the foregoing instruments and investments are required to be payable or redeemable at the option of the owner within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of instruments and investments purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. Unless registered or inscribed in the name of the District, such instruments and investments must be purchased through, delivered to and held in custody of a bank or trust company in the State pursuant to a written custodial agreement as provided in Section 10 of the GML.

The Board of Education had adopted an investment policy and such policy conforms with applicable laws of the State governing the deposit and investment of public moneys. All deposits and investments of the District are made in accordance with such policy.

## **State Aid**

The District receives financial assistance from the State. In its adopted budget for the 2022-2023 fiscal year, approximately 81.83% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures.

The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State suffered significant revenue shortfalls and unanticipated expenses beginning at the end of the State's 2019-2020 fiscal year, and continuing during the State's 2020-2021 and 2021-2022 fiscal years.

In response, the enacted State budget for the 2020-21 fiscal year allowed the State to reduce expenditures (including aid to local school districts and municipalities) if tax receipts were lower than anticipated. Accordingly, in June, 2020 the State Division of the Budget ("DOB") began withholding 20 percent of most local aid payments, although such aid was restored in full later in that same fiscal year.

Many of the State's 2020-2021 budget decisions were based on the uncertainty of future federal aid. In the period of time since such decisions were made, the \$1.9 trillion American Rescue Plan Act was signed into law (on March 11, 2021), which legislation includes almost \$24 billion in funding for various levels of government in the State, including approximately \$12.5 billion for the State, \$6 billion for New York City, and \$4 billion to be divided among counties in the State; another \$12 billion was intended to be used toward the safe reopening of K-12 schools as well as colleges and universities.

The State enacted budget for the 2022-2023 fiscal year continues to provide increased funding for schools and local governments. School districts will benefit from a \$1.5 billion increase in Foundation Aid, continuing the phase-in to fully restore the level of Foundation Aid that was originally promised in 2007, along with a \$125 million expansion of full-day prekindergarten and a \$451 million increase in all other school aid programs. For local governments, the level of AIM funding is maintained at \$715 million, fully funding this program. Additionally, this budget puts an end to the intercept of sales tax to pay \$59 million in AIM-related payments to various villages and towns within the state. Further, the budget includes a \$32.8 billion five-year capital plan for programs and projects administered by the State Department of Transportation with a focus on investments in State and local roads and bridges primarily serving smaller municipalities. This budget continues to provide a similar level of funding for various transportation aid programs as the prior year, while also allocating \$100 million to the creation of a new "Pave our Potholes" program.

Accordingly, the State enacted budget for the 2021-2022 fiscal year was more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. School districts benefitted from a \$1.4 billion increase in Foundation Aid and will benefit from a three-year Foundation Aid full restoration phase-in that will allow all school districts to receive, by the 2023-2024 State fiscal year, the increased level of Foundation Aid that was originally promised in 2007, along with a \$105 million expansion of full-day prekindergarten. Local governments received a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding. Further, municipalities that host Video Lottery Terminal ("VLT") facilities received a full restoration of \$10.3 million in proposed VLT aid cuts.

Although the State's 2021-2022 and 2022-2023 budgets contained additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District. See "COVID-19," herein, for further details on the COVID-19 pandemic and its effects on the State.

## *Federal Aid Received by the State*

President Biden has signed into law the American Rescue Plan, a \$1.9 trillion COVID-19 relief package that includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The State receives a substantial amount of federal aid for other health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak. The District expects to receive a total of approximately \$2,022,874 in funds from the American Rescue Plan and Coronavirus Response and Relief Supplemental Appropriations Act.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

## *Building Aid*

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2023-2024 preliminary building aid ratios, the District expects to receive State building aid of approximately 98.0% of debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

## *State Aid History*

State aid to school districts within the State has declined in the wake of the 2008-2009 recession before increasing again in more recent years. However, as discussed herein the COVID-19 outbreak has affected and is expected to continue to affect State aid to the District.

*School district fiscal year (2017-2018):* The State 2017-2018 Enacted Budget increased State aid to education by \$1.1 billion, including a \$700 million increase in Foundation Aid, bringing the total amount of State aid to education to \$25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-2018 Enacted Budget allowed the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

*School district fiscal year (2018-2019):* The State's 2018-2019 Enacted Budget included nearly \$1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately \$859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at \$26.03 billion statewide, a 3.4% increase over the prior year. The State's 2018-19 Enacted Budget included an increase of \$618 million in Foundation Aid for school districts. Foundation Aid totaled nearly \$17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State's 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. \$50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State's 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of \$240 million was approved for increases in all expense-based aids in 2018-2019. The State 2018-2019 Enacted Budget continued to allow the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected.

*School district fiscal year (2019-2020):* The State's 2019-2020 Enacted Budget included a total of \$27.69 billion for School Aid, a year-to-year funding increase of \$956 million or 3.6 percent and provided additional funding for Foundation Aid of \$338.0 million and \$409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increased the Community Schools set-aside funding amount by \$49.99 million to a total of \$250.0 million. This increased funding was targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-2020 Enacted Budget increased the minimum community schools funding amount from \$75,000 to \$100,000. This ensured that all high-need districts across the State could apply the funds to a wide-range of activities.

*School district fiscal year (2020-2021):* Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget was 3.7 percent lower than in the State's 2019-2020 Enacted Budget but was offset in part with increased federal support. This reduction in State Operating Funds support was offset by approximately \$1.1 billion in funding provided to the State through the federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these federal funds, State aid in the school district fiscal year 2020-2021 totaled \$27.9 billion, an annual increase of approximately \$100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continued prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provided over \$200 million in support for competitive grant programs, including \$1 million for development of a new Civics Education curriculum and \$10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflected current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorized the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget.

*School district fiscal year (2021-2022):* The State's 2021-22 Budget included \$29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a \$1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of \$13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of \$629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, \$105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year. See "COVID-19," herein for further details on the COVID-19 pandemic and its effects on the State.

*School district fiscal year (2022-2023):* The State's 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that \$1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The *Campaign for Fiscal Equity* decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive \$5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a “gap elimination adjustment” as described above, and other aid adjustments. While foundation aid has generally remained below the initially promised amounts, the State announced, as part of the States 2021-22 budget, that the final foundation aid phase in will take place over the next three State fiscal years.

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 in *New Yorkers for Students' Educational Rights v. State of New York* (“NYSER”) and a consolidated case on the right to a sound basic education. The NYSER lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the *Campaign for Fiscal Equity* case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a “sound basic education” as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the CFE case that absent “gross education inadequacies”, claims regarding state funding for a “sound basic education” must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the *New Yorkers for Students' Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: \$19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately \$21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately \$23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

## State Aid Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted new figures comprised of State aid.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total State Aid</u>	<u>Percentage of Total Revenues Consisting of State Aid</u>
2017-2018	\$ 82,957,226	\$ 65,810,409	79.33%
2018-2019	84,184,574	67,178,089	79.80
2019-2020	85,397,985	67,423,165	78.95
2020-2021	86,363,522	66,006,913	76.43
2021-2022	88,056,280	70,669,442	80.25
2022-2023 (Budgeted)	92,276,590	75,508,323	81.83

<sup>(1)</sup> General fund only. Does not include inter-fund transfers or use of reserves.

Source: Audited Financial Statement for the 2017-2018 fiscal year through and including the 2021-2022 fiscal year and the adopted budgets for the 2022-2023 fiscal year of the District. This table is not audited.

## District Facilities

The District currently operates the following facilities:

<u>Name</u>	<u>Grades</u>	<u>Capacity</u>	<u>Year(s) Built/Additions</u>
Bush Elementary	K – 4	402	1955, 1997
Fletcher Elementary	K – 4	552	1936, 1997
Lincoln Elementary	K – 4	702	1922, 1992
Love Elementary	K – 4	423	1927, 1996
Ring Elementary	K – 4	530	1957, 1997
Success Academy (1)	K – 4	439	1974, 1997
Jefferson Middle	5-8	607	1976, 1993
Persell Middle	5-8	476	1954, 1997
Washington Middle	5-8	659	1974, 1993
Jamestown High School	9-12	1,674	1934, 1998
Technology Academy	9-12	201	1929, 2003

<sup>(1)</sup> The former Rogers Elementary School was reopened as the Success Academy in September 2018 for grades 5-12.

Source: District officials.

## Enrollment Trends

<u>School Year</u>	<u>Actual Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2018-19	4,981	2023-24	5,000
2019-20	4,940	2024-25	5,000
2020-21	5,015	2025-26	5,000
2021-22	4,851	2026-27	5,000
2022-23	4,484	2027-28	5,000

Source: District officials.

## Employees

The District employs a total of 814 full or part-time employees. The collective bargaining agents, if any, which represent them and the dates of expiration of the various collective bargaining agreements are as follows:

<u>Employees</u>	<u>Union Representation</u>	<u>Contract Expiration Date</u>
496	Jamestown Teachers Association	6/30/2024
153	Association of Jamestown Paraprofessionals	6/30/2026
16	Jamestown Principals Association	6/30/2027
48	Jamestown Educational Support Personnel	6/30/2025
29	International Brotherhood of Electrical Workers	6/30/2027
103	Jamestown Support Staff Association	6/30/2025
5	Jamestown Coordinators Association	6/30/2024
30	Chiefs/Directors/Confidential/Independents	6/30/2023 <sup>(1)</sup>

<sup>(1)</sup> Annual Contracts. Negotiations to begin in early 2023.

Source: District officials.

## Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State's pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, former Governor Cuomo signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees would vest in the system after ten years of employment; and employees will continue to make employee contribution throughout employment. As of April 9, 2022, vesting requirements were modified, resulting in employees becoming vested after five years.



The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and the budgeted figures for the 2022-2023 fiscal year are as follows:

<u>Fiscal Year</u>	<u>ERS</u>	<u>TRS</u>
2017-2018	\$ 1,438,338	\$ 3,198,086
2018-2019	1,440,000	3,560,000
2019-2020	1,454,000	3,007,000
2020-2021	1,450,000	3,167,000
2021-2022	1,634,000	3,422,000
2022-2023 (Budgeted)	1,538,801	3,495,839

Source: District records.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. For the 2017-18 fiscal year the District offered an early retirement incentive. Six employees (3 teachers and 3 non-teachers) took advantage of the incentive. The cost of the total incentive was approximately \$150,000, and was covered in the 2017-18 fiscal year. The overall estimated savings is \$183,000 per year. The District did not offer early retirement incentives in the 2018-19, 2019-20, 2020-21, and 2021-22 fiscal years and does not intend to offer early retirement incentives in the 2022-23 fiscal year.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% and 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2019 to 2023) is shown below:

<u>Year</u>	<u>ERS</u>	<u>TRS</u>
2018-19	14.9%	10.62%
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

**Stable Rate Pension Contribution Option:** The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District’s employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

The State’s 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that allows school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts are permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The Board has authorized a TRS reserve fund and the District has established the reserve. The balance of the TRS reserve fund as of June 30, 2022 is \$1,955,172.

## **Other Post Employee Benefits**

**Healthcare Benefits.** It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

**OPEB.** OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

**GASB 75.** In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits (“OPEB”) plans and participating employers. These standards, as outlined in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires the District to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45 the District could amortize the OPEB liability over a period of years, whereas GASB 75 requires the District to report the entire OPEB liability on the statement of net position.

Actuarial valuation will be required every two years for OPEB plans with more than 200 members, every three years if there are fewer than 200 members.

The District contracted with Nyhart Actuary & Employee Benefits, an actuarial firm, to calculate its actuarial valuation under GASB 75 for the fiscal years ending June 30, 2021 and 2022. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

The following outlines the changes to the total OPEB Liability during the past two fiscal years, by source.

	Balance beginning at:	July 1, 2020	July 1, 2021
		<u>\$ 4,859,973</u>	<u>\$ 5,025,651</u>
<b><u>Changes for the year:</u></b>			
Service cost		178,918	163,487
Interest on total OPEB liability		117,721	110,626
Changes in Benefit Terms		-	-
Differences between expected and actual experience		56,027	301,769
Changes in Assumptions or other inputs		105,078	(249,152)
Benefit payments		<u>(292,066)</u>	<u>(315,730)</u>
Net Changes		<u>\$ 165,678</u>	<u>\$ 11,000</u>
	Balance ending at:	June 30, 2021	June 30, 2022
		<u>\$ 5,025,651</u>	<u>\$ 5,036,651</u>

Note: The above table is not audited. For additional information see “APPENDIX – E” attached hereto.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved \$0 towards its OPEB liability. Like most school districts, the District funds this liability on a pay-as-you-go basis.

The District’s unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District’s finances and could force the District to reduce services, raise taxes or both.

### Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which the Notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under “STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness”, this Official Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

### Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2022 and is attached hereto as “APPENDIX – E”. Certain financial information of the District can be found attached as Appendices to the Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by GASB.

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management’s Discussion and Analysis.

## New York State Comptroller Report of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found on the Office of the State Comptroller website.

The State Comptroller's office released an audit report of the District on September 23, 2022. The purpose of the audit was to determine whether the Jamestown City School District (District) Board of Education (Board) and District officials properly managed fund balance and reserves.

### Key Findings:

The Board and District officials did not properly manage fund balance and reserves and need to improve their budgeting practices and transparency with District residents and taxpayers. The Board and District officials:

- Maintained surplus fund balance in excess of the 4 percent statutory limit and annually appropriated fund balance that was not used to fund operations. As of June 30, 2021, surplus fund balance exceeded the statutory limit by 7 percentage points or \$6.3 million.
- Overestimated budgetary appropriations by an annual average of \$6.5 million (8 percent), which resulted in annual operating surpluses and increased fund balance by \$9.2 million, or 72 percent, over the last three fiscal years.
- Could not demonstrate that the balances in five reserves, totaling approximately \$8.7 million, were reasonable and lacked a sufficient reserve fund plan that detailed each reserve's funding and use.

As a result, more real property taxes were levied than necessary to fund operations.

### Key Recommendations:

- Adopt budgets that include reasonable estimates for appropriations, appropriated fund balance and reserve funds that will be used to fund operations.
- Comply with the surplus fund balance statutory limit.
- Reduce overfunded reserves in accordance with applicable statute.

District officials generally agreed with the recommendations and indicated plans to initiate corrective action.

Note: Reference to website implies no warranty of accuracy of information therein.

## The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most recent reports of the State Comptroller for the District are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2021	No Designation	0.0%
2020	No Designation	3.3%
2019	No Designation	8.3%

Source: Website of the Office of the New York State Comptroller.

Note: Reference to website implies no warranty of accuracy of information therein.

## TAX INFORMATION

### Taxable Assessed Valuations <sup>(1)</sup>

<u>Fiscal Years Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Taxable Assessed Valuation	\$ 752,180,621	\$ 676,23,703	\$ 677,130,066	\$ 682,802,680	\$ 682,945,023
Full Valuation Computed Using Regular State Equalization Rates	\$ 753,577,153	\$ 769,461,650	\$ 788,257,859	\$ 819,048,002	\$ 871,406,900
Full Valuation Computed Using Special State Equalization Rates	\$ 789,619,845	\$ 814,094,874	\$ 882,791,028	\$ 836,761,620	N/A

<sup>(1)</sup> Please refer to APPENDIX – C attached hereto for greater detail as to the taxable valuations by the City and the Towns.

### Tax Rate Per \$1,000 (Assessed)

<u>Fiscal Year Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City of:					
Jamestown	\$ 19.43	\$ 19.30	\$ 19.31	\$ 19.18	\$ 19.09
Towns of:					
Busti	\$ 19.43	\$ 19.30	\$ 19.31	\$ 19.18	\$ 20.30
Carroll	19.43	19.30	19.31	19.18	19.59
Ellicott	21.59	23.58	18.58	17.88	18.12
Kiantone	19.43	19.03	19.27	18.78	19.18

### Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 5th, uncollected taxes are returnable to the County for collection. The School District receives this amount from the County prior to the end of the School District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by the County.

### Tax Levy and Tax Collection Record

<u>Fiscal Year Ending June 30:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Tax Levy	\$ 14,641,567	\$ 14,641,567	\$ 14,641,567	\$ 14,641,567	\$ 14,641,567
Amount Uncollected <sup>(1)</sup>	990,114	1,056,799	853,254	1,198,727	N/A
% Uncollected	6.40%	7.22%	5.83%	8.19%	N/A

<sup>(1)</sup> See "Tax Collection Procedure" herein.

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## Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of real property taxes.

<u>Fiscal Year</u>	<u>Total Revenues</u> <sup>(1)</sup>	<u>Total Real Property Taxes &amp; Tax Items</u>	<u>Percentage of Total Revenues Consisting of Real Property Taxes</u>
2017-2018	\$ 82,957,226	\$ 16,208,627	19.54%
2018-2019	84,184,574	16,129,360	19.16
2019-2020	85,397,985	17,149,099	20.08
2020-2021	86,879,178	16,286,807	18.75
2021-2022	88,056,280	16,276,311	18.48
2022-2023 (Budgeted)	92,276,590	16,211,567	17.57

<sup>(1)</sup> General fund only. Does not include inter-fund transfers or use of reserves.

Source: Audited Financial Statement for the 2017-2018 fiscal year through and including the 2021-2022 fiscal year and the adopted budgets for the 2022-2023 fiscal year of the District. This table is not audited.

## Larger Taxpayers 2022 for the 2022-2023 Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
National Fuel Gas	Utility	\$ 14,983,282
Schults Real Estate LLC	Auto Dealer	9,981,700
Windstream	Utility	6,980,531
REHC 5 LLC	Professional Building	6,684,500
201 W 3rd St LLC	Professional Building	4,912,000
JADD MGMT	Tops	4,350,000
Sandalwood Hotels	Hotel	3,796,300
Bradmar Housing	Residential	3,110,000
Southside Station	Plaza	2,581,000
Andrew Jarrett	Various Rental Properties	2,499,100

The larger taxpayers listed above have a total assessed valuation of \$66,903,832, which represents 9.8% of the total assessed valuation of the District.

As of the date of this Official Statement, the District does not currently have any pending or outstanding tax certiorari claims that are anticipated to have a material financial impact on the District.

Source: District Tax Rolls.

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## STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School Districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities (“STAR Adjusted Gross Income”) of \$90,550 or less in 2021-22 or \$92,050 or less in 2022-23, increased annually according to a cost of living adjustment, are eligible for a “full value” exemption of the first \$70,700 for the 2021-22 school year and the first \$74,900 for the 2022-23 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of \$250,000 (\$500,000 in the case of a STAR credit, as discussed below) are eligible for a \$30,000 “full value” exemption on their primary residence.

The 2022-23 Enacted State Budget provides \$2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit

The below table lists the basic and enhanced exemption amounts for the municipalities applicable to the District:

<u><b>Town of:</b></u>	<u><b>Enhanced Exemption</b></u>	<u><b>Basic Exemption</b></u>	<u><b>Date Certified</b></u>
Busti	\$ 69,810	\$ 27,960	4/7/2022
Carrol	68,910	27,600	4/7/2022
Ellicott	74,900	30,000	4/7/2022
Kiantone	71,300	28,560	4/7/2022

\$3,118,834 of the District’s \$14,641,567 school tax levy for the 2021-2022 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempted amounts in January of 2022.

\$2,978,089 of the District’s \$14,641,567 school tax levy for 2022-23 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2023.

## Additional Tax Information

Real property located in the District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

The total valuation of the District is estimated to be categorized as follows: Residential - 90%, Commercial - 5%, State Land – 4%, and Agricultural - 1%.

The estimated total annual property tax bill of a \$100,000 market value residential property located in the District is approximately \$1,466 for school taxes after deducting basic STAR deductions.

## TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (“Chapter 97” or the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers.)

On June 25, 2015, Chapter 20 of the 2015 Laws of New York (“Chapter 20”) amended the Tax Levy Limitation Law to extend its expiration from June 15, 2016 to June 15, 2020. Recent legislation has made it permanent. Chapter 20 also affects the calculation of the tax base growth factor, as outlined below.

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year’s budget or one hundred twenty percent (120%) of the consumer price index (“CPI”).

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. Chapter 20 additionally allows the State Commissioner of Taxation and Finance to adjust for changes in the real property base to reflect development on tax-exempt real property, although no such regulations have been promulgated as of the date of this Official Statement. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation. The State Commissioner of Taxation and Finance has promulgated a regulation that allows school districts, beginning in the 2020-2021 school year, to adjust the exclusion to reflect a school District's share of capital expenditures related to projects funded through a board of cooperative educational services ("BOCES").

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

*Purpose and Pledge.* The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

*Payment and Maturity.* Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining debt service is utilized, no installment may be more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.



## Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of such bonds. No down payment is required in connection with the issuance of District obligations.

The Local Finance Law also authorizes the District to issue revenue anticipation notes, in anticipation of the collection of a specific type of revenue, such as State aid.

**Debt Limit.** The District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

The Local Finance Law also provides that where a resolution authorizing the issuance of bonds or notes is published with a statutory form of notice, the validity of the bonds or notes authorized thereby, including revenue anticipation notes may be contested only if:

- (1) (a) such obligations were authorized for an object or purpose for which the District is not authorized to expend money, or  
(b) the provisions of the law which should be complied with as of the date of publication of this notice were not substantially complied with,

and an action, suit or proceeding contesting such validity is commenced within 20 days after the date of such publication of this notice; or

- (2) Such obligations were authorized in violation of the provisions of the Constitution of New York.

The District has complied with this estoppel procedure in connection with the bond resolution under which the Notes are being issued. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board, as the finance board of the District, has the power to enact bond resolutions and revenue anticipation note resolutions. In addition, the Board has the power to authorize the sale and issuance of obligations. However, the Board may delegate the power to sell the obligations to the President of the Board, the chief fiscal officer of the District, pursuant to the Local Finance Law.

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

## Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending June 30<sup>th</sup></u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$ 45,330,000	\$ 50,225,000	\$ 46,710,000	\$ 39,295,000	\$ 31,685,000
Bond Anticipation Notes	27,790,000	22,555,000	15,995,000	17,990,000	15,050,000
Other Debt <sup>(1)</sup>	<u>1,786,264</u>	<u>1,195,052</u>	<u>1,633,062</u>	<u>1,152,748</u>	<u>950,958</u>
Total Debt Outstanding	\$ 74,906,264	\$ 73,975,052	\$ 64,338,062	\$ 61,148,223	\$ 47,224,937

<sup>(1)</sup> Represents Installment Purchase Contracts and Capital Leases

## Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of January 23, 2023.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2023-2034	\$ 31,490,000
<u>Bond Anticipation Notes</u>		
Capital Project	June 15, 2023	<u>15,050,000</u>
	Total Indebtedness	<u>\$ 46,540,000</u>

## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of January 23, 2023:

	Computed Using Regular <u>State Equalization Rates</u>	Computed Using Special <u>State Equalization Ratios</u> <sup>(1)</sup>
Five-Year Average Full Valuation of Taxable Real Property.....	\$ 800,350,313	\$ 806,346,626
Debt Limit 5% thereof .....	40,017,516	40,317,331
<u>Inclusions:</u>		
Bonds.....	\$ 31,685,000	\$ 31,685,000
Bond Anticipation Notes .....	15,050,000	15,050,000
Revenue Anticipation Notes .....	<u>0</u>	<u>0</u>
Total Inclusions.....	<u>\$ 46,735,000</u>	<u>\$ 46,735,000</u>
<u>Exclusions:</u>		
Appropriations – Bonds.....	\$ 5,235,000	\$ 5,235,000
Current refunded bonds outstanding.....	0	0
Revenue Anticipation Notes .....	<u>0</u>	<u>0</u>
Total Exclusions.....	<u>\$ 5,235,000</u>	<u>\$ 5,235,000</u>
Total Net Indebtedness <sup>(2) (3)</sup> .....	<u>\$ 41,500,000</u>	<u>\$ 41,500,000</u>
Net Debt-Contracting Margin .....	<u>\$ (1,482,484)</u>	<u>\$ (1,182,669)</u>
The percent of debt contracting power exhausted is .....	103.70%	102.33%

<sup>(1)</sup> The District's constitutional debt limit has been computed using special equalization ratios established by the State Office of Real Property Services pursuant to Art-12-B of the Real Property Tax Law. Conventional State equalization rates are also established by said Office of Real Property Services, and are used for all other purposes. See "TAX INFORMATION – Taxable Assessed Valuations" herein or "APPENDIX – C" attached hereto.

<sup>(2)</sup> Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the District receives aid on existing bonded debt. The District, as a school district located in a city, may not under Section 121.20 of the Local Finance Law exclude from gross indebtedness estimated State aid for School building purposes. As noted above, the District receives New York State debt service building aid in an amount approximating 98.0% of its outstanding debt. The District has no reason to believe that it will not ultimately receive all of the building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive.

<sup>(3)</sup> The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the constitutional debt limit of the District.

The District received a consent order dated April 17, 2012 by the Office of the State Comptroller which allows debt of \$68,000,000 to be issued. The 2012 consent order relates to the Districts outstanding \$15,050,000 bond anticipation notes issued on June 15, 2022.

The District received a consent order dated December 13, 2021 by the Office of the State Comptroller which allows debt of \$85,300,000 to be issued. The 2021 consent order relates to the Districts \$6,000,000 Bond Anticipation Notes being issued.

## Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

## Capital Project Plans

Pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and the Education Law, and pursuant to a bond resolution that was duly adopted by the Board of Education of the School District (the “Board”) on September 30, 2011, and thereafter approved by the qualified voters of the District at a special meeting held on November 14, 2011, authorized the issuance of obligations of the District in an estimated maximum amount of \$68,000,000 for the financing of an approved capital improvements project at various District buildings and facilities (the “Project”). The District, along with \$2,940,000 of available funds, issued \$15,050,000 bond anticipation notes on June 15, 2022 for the aforementioned purpose. The bond anticipation notes redeemed and renewed, in part, a \$17,990,000 bond anticipation note of the District that was issued on June 16, 2021 and matured on June 16, 2022.

On May 18, 2021 the qualified voters of the District approved a capital improvement project in the amount of \$86,500,000 of which \$1,200,000 will be funded through capital reserves with the remaining \$85,300,000 being funded through bond anticipation notes. Upon project completion the bond anticipation notes will be converted to bonds. Construction is expected to commence in spring 2023. The Notes will provide \$6,000,000 new money for phase one of the aforementioned project. The District will undertake borrowings for the remaining phases, pending NYS Education Department approval, as construction cash flows require.

Except for as set forth above, there are no other capital projects that are being contemplated by the District, (other than annual “capital outlay” of relatively modest size), nor does the District have any other authorized and unissued indebtedness.

## Cash Flow Borrowings

The District has not usually found it necessary to issue revenue anticipation notes in the past and does not intend to in the foreseeable future.

## Capital Leases

The District has entered into various lease purchase agreements for the purchase of various buses and vans. The annual payment schedule is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ending June 30</u>			
2023	\$ 306,062	\$ 12,743	\$ 318,805
2024	177,447	6,858	184,305
2025	<u>180,545</u>	<u>3,461</u>	184,006
	\$664,054	\$23,062	\$ 687,116

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## Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the close of the last fiscal year of the respective municipalities.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Exclusions</u> <sup>(2)</sup>	<u>Net Indebtedness</u>	<u>District Share</u>	<u>Applicable Indebtedness</u>
County of:						
Chautauqua	12/31/2020	\$ 66,257,400	\$ -	\$ 66,257,400	0.19%	\$ 125,889
City of:						
Jamestown	12/31/2020	19,125,643	2,911,076	16,214,567	100.00%	16,214,567
Town of:						
Busti	12/31/2020	832,563	832,563	-	5.24%	-
Carrol	12/31/2020	-	-	-	0.03%	-
Ellicot	12/31/2020	630,678	174,410	456,268	2.61%	11,909
Kiantone	12/31/2020	-	-	-	46.04%	-
Total:						<u>\$ 16,352,365</u>

(1) Bonds and bond anticipation notes. Not adjusted to include subsequent bond sales, if any.

(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance Years Ended in 2020.

Note: The 2021 Comptroller's Special Report is currently unavailable as of the date of this Official Statement.

## Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of January 23, 2023:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 46,540,000	\$ 1,506.39	5.34%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	62,892,365	2,035.68	7.22

(a) The current estimated population of the District is 30,895. (See "THE SCHOOL DISTRICT – Population" herein.)

(b) The District's full value of taxable real estate for the 2022-2023 fiscal year is \$871,406,900. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" for the calculation of Net Direct Indebtedness, herein.

(d) Estimated net overlapping indebtedness is \$16,352,365. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

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## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

**State Aid Intercept for School Districts.** In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Such section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

**General Municipal Law Contract Creditors' Provision.** Each Note when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: “If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness.” This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See “General Municipal Law Contract Creditors’ Provision” herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder’s remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

**No Past Due Debt.** No principal of or interest on School District indebtedness is past due.

## **COVID-19**

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020.

### **Economic Impacts**

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. While several vaccines have been developed and are now being deployed world-wide, the full and continuing impact of the pandemic is difficult to predict due to uncertainties regarding its ultimate duration and severity.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic initially caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve took immediate significant steps to backstop those markets and to provide much-needed liquidity, and the markets then generally stabilized. Still, given these conditions, it is possible that the process of trading the Notes in the secondary market could be affected in ways that are difficult to predict.

### **Federal Response**

The federal government has passed several pieces of legislation in response to the COVID-19 pandemic including the \$2.3 trillion Coronavirus Aid, Relief, and Economic Security (“CARES”) Act of 2020 and the \$1.9 trillion American Rescue Plan Act (“ARP” or the “Arp Act”) of 2021, both of which provide funding for pandemic-related expenses and attempt to address financial stability and liquidity issues through a variety of stimulus measures.

**Stimulus Efforts for State and Local Governments:** The CARES Act included a \$150 billion Coronavirus Relief Fund, which provided funds to states, tribal governments and local governments with populations exceeding 500,000 (local governments with smaller populations could receive monies from the amount allocated to their state). This money was intended for programs that were necessary expenditures incurred due to the public health emergency resulting from the pandemic. This money was not intended to be used to directly account for revenue shortfalls due to the COVID-19 pandemic, but it could indirectly assist with revenue shortfalls in cases where the expenses that were covered by this fund would otherwise create a further budget shortfall.

The CARES Act also included an Education Stabilization Fund, which provided \$30.75 billion for K-12 and higher education systems. There were three main forms of relief: \$13.2 billion for K-12 schools that was administered on a state-by-state basis, \$14 billion for public and private colleges and universities, and \$3 billion in emergency relief that governors could distribute to schools, colleges and universities that were particularly affected by COVID-19 and the ensuing crisis.

The ARP Act included an additional \$350 billion for states, tribal governments and local governments. Notably, in addition to the uses allowed under the CARES Act, ARP funds can be used to replace revenues lost due to COVID-19 and to make necessary investments in water, sewer or broadband infrastructure. These broader categories allow such governments much more flexibility in utilizing the funds.

The ARP Act also included a total of \$170.3 billion in funding for education, including more than \$122.8 billion for the Elementary and Secondary School Emergency Relief Fund (“ESSER”). The largest portion of such ESSER funds was to be distributed to school districts based on their relative share of Title I funding, but additional moneys were also allocated to help schools address learning time lost by students, after-school and summer enrichment programs, and administration costs.

**Municipal Liquidity Facility:** The Federal Reserve established a “Municipal Liquidity Facility” (“MLF”) in 2020 that offered up to \$500 billion in direct federal lending to certain larger issuers, which were in turn able to use their own loan proceeds to make loans to included smaller governmental units that would not otherwise qualify for this program. The MLF expired on December 31, 2020. Most municipal issuers did not have to resort to the MLF because rates have been conducive to issuing debt through the conventional municipal bond market; however, it is notable that the MLF existed as a market backstop if needed.

## **State Response**

**Executive Orders:** Pursuant to emergency powers granted by the State Legislature, former Governor Cuomo and current Governor Hochul have released a number of executive orders in response to the COVID-19 pandemic.

Pursuant to State Executive Order 202.4, every school in the State was directed to close no later than March 18, 2020. While schools were originally ordered closed until April 1, the time period was later extended to May 15, and then through the end of the school year. School districts must normally maintain 180-day in-class attendance for State aid; however, this requirement was waived to the extent attributable to COVID-19 related closures during the 2019-20 school year. Additionally, pursuant to State Executive Orders Nos. 202.13 and 202.26, the school district elections and budget votes that normally would have been held in-person on May 19, 2020 were postponed and conducted by absentee ballot, with such ballots being counted on June 16, 2020.

While initially “non-essential” employees were mandated to work from home, starting on May 15, 2020, regions of the State that met certain criteria were allowed to begin reopening.

As COVID-19 cases began to rise again in the fall of 2020, the State shifted to a strategy based on identifying areas with higher positivity rates and implementing successively higher restrictions in such areas. When COVID-19 cases dropped again, affected areas could be removed from the list. As of March 22, 2021, all remaining location-based restrictions were lifted.

Due to the spread of Delta and Omicron variants in the fall and winter of 2021, the State implemented a mask mandate; however, as of February 9, 2022 such State-wide mandate has been lifted.

Since increased supplies of COVID-19 vaccine have become available, the State has encouraged residents to get vaccinated and, currently, all New Yorkers five years of age or older are eligible to receive a vaccine.

Up-to-date information on the State’s COVID-19 response can be found at <https://forward.ny.gov>. Reference to website implies no warranty of accuracy of information therein.

**State Budget:** The City of New York was an early epicenter of the COVID-19 pandemic in the United States, and as a result the State suffered significant revenue shortfalls and unanticipated expenses beginning at the end of the State’s 2019-2020 fiscal year, and continuing during the State’s 2020-2021 and 2021-2022 fiscal years.

In response, the enacted State budget for the 2020-21 fiscal year allowed the State to reduce expenditures (including aid to local school districts and municipalities) if tax receipts were lower than anticipated. Accordingly, in June, 2020 the State Division of the Budget (“DOB”) began withholding 20 percent of most local aid payments, although such aid has generally since been restored.

Many of the State’s 2020-2021 budget decisions were based on the uncertainty of future federal aid. In the period of time since such decisions were made, the \$1.9 trillion American Rescue Plan Act was signed into law (on March 11, 2021), which legislation includes almost \$24 billion in funding for various levels of government in the State, including approximately \$12.5 billion for the State, \$6 billion for New York City, and \$4 billion to be divided among counties in the State; another \$12 billion is intended to be used toward the safe reopening of K-12 schools as well as colleges and universities.

Accordingly, the State enacted budget for the 2021-2022 fiscal year was more expansive (about 10% higher) than the prior budget, including significantly increased funding for schools and local governments. School districts benefitted from a \$1.4 billion increase in Foundation Aid and a three-year Foundation Aid full restoration phase-in that will allow all school districts to receive in full, by the 2023-2024 fiscal year, the increased level of Foundation Aid that was originally promised in 2007, along with a \$105 million expansion of full-day prekindergarten. Local governments also received a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding. Further, municipalities that host Video Lottery Terminal (VLT) facilities received a full restoration of \$10.3 million in proposed VLT aid cuts.

The State's 2022-23 Enacted Budget provides \$31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of \$2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a \$1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs \$14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates \$100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by \$125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

Although both the 2021-2022 and 2022-2023 State budgets contained additional aid for school districts and municipalities, it is uncertain whether the State will have future budget shortfalls necessitating cuts to State aid. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

Legislation Allowing Financial Flexibility for Municipalities and School Districts: On August 24, 2020, former Governor Cuomo signed legislation allowing municipalities and school districts additional financial flexibility in response to the COVID-19 pandemic. Whereas municipalities and school districts in the State typically may only pursue short-term financing for five years, under certain circumstances the new legislation allows note financing for up to an additional two years prior to converting to long-term bonds.

The new legislation also allows municipalities and school districts additional flexibility related to the use of reserve funds or inter-fund transfers for costs associated with COVID-19. The typical mandatory or permissive referendum requirements for the expenditure of funds from a capital reserve fund have been waived for capital costs attributable to the COVID-19 pandemic. Moneys from a capital reserve fund can also be temporarily advanced for operating costs or other costs attributable to the COVID-19 pandemic, so long as such moneys are repaid within five fiscal years, with interest. Additionally, while inter-fund transfers must typically be repaid by the end of the fiscal year in which the transfer is made, inter-fund advances for costs attributable to the COVID-19 pandemic do not need to be repaid until the close of the following fiscal year.

### **Local Impacts**

During the course of the pandemic, the District has seen increased expenditures for personal protective equipment, partitions for all classrooms, cleaning staff and additional technology for students and teachers; much of this spending has been covered by the federal dollars that have made their way to the District under the relief legislation discussed above.

While the continuing and future impacts of COVID-19 on the global, federal, State and local economies cannot be predicted with any certainty, the ongoing pandemic could have a significant adverse effect on the District's finances.

Although the District has not yet experienced any lasting adverse financial effects, it is continuing to monitor this situation and, in the absence of any future relief litigation, will attempt to mitigate any such adverse effects through program cuts or staffing reductions, as may be needed.

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## MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The District's credit rating could be affected by circumstances beyond the District's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of District property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the District's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to its maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The District relies in part on State aid to fund its operations. There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and other circumstances, including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. (See "*State Aid*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*TAX MATTERS*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "*TAX LEVY LIMITATION LAW*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Notes.

### Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

The district has been targeted by denial-of-service attacks and phishing campaigns. There was a minor financial impact for the District in the amount of \$1,800. Cyber Security Insurance denied the claim and the District is currently pursuing a different avenue for our insurance to cover this incident.

## **INFLATION REDUCTION ACT OF 2022**

On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022 (H.R. 5376). For tax years beginning after 2022, this legislation will impose a minimum tax of 15 percent on the “adjusted financial statement income” of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with at least \$1 billion in average annual earnings, and certain foreign-parented multinational corporations with at least \$100 million in average annual earnings, determined over a three-year period. For this purpose, adjusted financial statement income is not reduced for interest earned on tax-exempt obligations. Prospective holders of the Notes that could be subject to this minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Notes.

### **TAX MATTERS**

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel, will deliver separate opinions, under existing law, the interest on the Bonds and Notes is excluded from gross income of the holders thereof for federal income tax purposes and is not an item of tax preference for the purpose of the individual alternative minimum tax imposed by the Internal Revenue Code (the “Code”). However, such opinions will note that the District, by failing to comply with certain restrictions contained in the Code, may cause interest on the Bonds and Notes to become subject to federal income taxation from the date of issuance of the Bonds and Notes. Such opinion will state that interest on the Bonds and Notes is exempt from personal income taxes imposed by New York State or any political subdivision thereof (including The City of New York).

In rendering the foregoing opinion, Hodgson Russ LLP will note that the exclusion of the interest on the Bonds and Notes from gross income for federal income tax purposes is subject to, among other things, continuing compliance by the District with the applicable requirements of Code Sections 141, 148, and 149, and the regulations promulgated thereunder (collectively, the “Tax Requirements”). In the opinion of Hodgson Russ LLP, the Tax Certificate and Nonarbitrage Certificate that will be executed and delivered by the District in connection with the issuance of the Notes and the Tax Certificate that will be delivered by the District in connection with the issuance of the Bonds (collectively, the “Certificates”) establish requirements and procedures, compliance with which will satisfy the Tax Requirements.

The Tax Requirements referred to above, which must be complied with in order that interest on the Bonds and Notes remains excluded from gross income for federal income tax purposes, include, but are not limited to:

1. The requirement that the proceeds of the Bonds and Notes be used in a manner so that the Notes are not obligations which meet the definition of a “private activity bond” within the meaning of Code Section 141;
2. The requirements contained in Code Section 148 relating to arbitrage bonds; and
3. The requirements that payment of principal or interest on the Bonds and Notes not be directly or indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof) as provided in Code Section 149(b).

In the Certificates, the District will covenant to comply with the Tax Requirements, and to refrain from taking any action which would cause the interest on the Bonds and Notes to be includable in gross income for federal income tax purposes. Any violation of the Tax Requirements may cause the interest on the Bonds and Notes to be included in gross income for federal income tax purposes from the date of issuance of the Bonds and Notes. Hodgson Russ LLP expresses no opinion regarding other federal tax consequences arising with respect to the Bonds and Notes.

Prospective purchasers of the Bonds and Notes should be aware that ownership of, accrual or receipt of interest on, or disposition of, the Bonds and Notes may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from their ownership of, or receipt of interest on, or disposition of, the Bonds and Notes. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a bond or note before maturity within the United States. Backup withholding may apply to a holder of the Bonds and Notes under Code Section 3406, if such holder fails to provide the information required on Internal Revenue Service (“IRS”) Form W-9, Request for Taxpayer Identification Number and Certification, or the IRS has specifically identified the holder as being subject to backup withholding because of prior underreporting. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s United States federal income tax provided the required information is furnished to the IRS. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds and Notes from gross income for federal income tax purposes.

Bond Counsel has not undertaken to advise in the future whether any events occurring after the date of issuance of the Bonds and Notes may affect the tax status of interest on the Bonds and Notes. The Code has been continuously subject to legislative modifications, amendments, and revisions, and proposals for further changes are regularly submitted by leaders of the legislative and executive branches of the federal government. No representation is made as to the likelihood of such proposals being enacted in their current or similar form, or if enacted, the effective date of any such legislation, and no assurances can be given that such proposals or amendments will not materially and adversely affect the economic value of the Bonds and Notes or the tax consequences of ownership of the Bonds and Notes. Prospective purchasers are encouraged to consult with their own legal and tax advisors with respect to these matters.

## **LEGAL MATTERS**

The legality of the authorization and issuance of the Notes will be covered by the legal opinion of Hodgson Russ LLP, of Buffalo, New York, Bond Counsel. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the District and, unless paid from other sources, are payable as to principal and interest from *ad valorem* taxes levied upon all the taxable real property within the District, without limitation as to rate or amount (subject to certain statutory limitations imposed by the Tax Levy Limitation Law); provided, however, that the enforceability (but not the validity) of the Notes may be limited or otherwise affected by (a) any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies heretofore or hereafter enacted or (b) by the unavailability of equitable remedies or the application thereto of equitable principles; (ii) assuming that the District complies with certain requirements of the Code, interest on the Notes (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; and (iii) interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York. Bond Counsel will express no opinion regarding other federal income tax consequences arising with respect to the Notes.

Such legal opinion also will state that (i) in rendering the opinions expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District, together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Notes, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

## **LITIGATION**

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

## **DISCLOSURE UNDERTAKING**

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), unless the Notes are purchased for the purchaser's own account, as principal for investment and not for resale, the District will enter into a Disclosure Undertaking at closing, the form of which is attached hereto as "APPENDIX – D". A purchaser buying for its own account shall deliver a municipal securities disclosure certificate that documents its intent to purchase the Notes as principal for investment and not for resale (in a form satisfactory to Bond Counsel) establishing that an exemption from the Rule applies.

## **CONTINUING DISCLOSURE COMPLIANCE PROCEDURES**

The District has established procedures designed to ensure that its filings of continuing disclosure information will be in compliance with existing continuing disclosure obligations, including transmitting such filings to the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934 through the Electronic Municipal Market Access System.

## **MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent municipal advisor to the District on matters relating to debt management. The Municipal Advisor is a municipal advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to the Municipal Advisor are partially contingent on the successful closing of the Notes.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **RATING**

On April 13, 2022, Moody's Investors Service, Inc. ("Moody's") upgraded its programmatic rating on the New York State Section 99-b Intercept Program, applicable to New York State school districts including the District, from "A1" to "Aa3" (stable outlook), resulting in an upgrade to the enhanced rating on the District's outstanding bonds, where applicable, from "A1" to "Aa3" (stable outlook). Moody's Investors Service, Inc. has also assigned its underlying rating of "A3" with no outlook and an enhanced rating of "A3" to the District's outstanding bonds. The rating reflects only the view of Moody's, and any desired explanation of the significance of such rating should be obtained from Moody's Investors Service, 7 World Trade Center, 250 Greenwich St., New York, New York 10007, Phone: (212) 553-0038, Fax: (212) 553-1390.

The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s) pending the approval of the District, including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings. (See "APPENDIX – D", attached hereto).

## **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Hodgson Russ LLP, of Buffalo, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Ms. Brittnay Spry, Director of Finance and Budget, City School District of the City of Jamestown, 197 Martin Road, Jamestown, New York 14701, Phone: (716) 483-4313, Fax: (716) 483-4421, Email: [brittnay.n.spry@jpsny.org](mailto:brittnay.n.spry@jpsny.org)

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com)

**CITY SCHOOL DISTRICT OF THE CITY OF JAMESTOWN**

**Dated: January 23, 2023**

**PAUL ABBOTT**  
**PRESIDENT OF THE BOARD OF EDUCATION**

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>ASSETS</u>					
Unrestricted Cash and cash equivalents	\$ 4,663,758	14,914,297	\$ 5,056,996	\$ 9,293,486	\$ 7,814,969
Restricted Cash and cash equivalents	7,382,224	7,459,912	7,507,803	9,721,362	21,590,475
Accounts receivable	6,589	13,892	3,309	136,170	4,818
Due from Other Funds	1,686,831	-	2,047,555	1,126,426	477,674
State and Federal Aid Receivable	1,254,201	1,676,815	3,237,802	4,413,440	1,811,039
Property Taxes Receivable	847,183	931,070	-	-	-
Due from Other Governments	2,484,772	2,437,365	2,615,742	2,128,779	2,406,229
Inventories and prepaid expenses	<u>22,676</u>	<u>10,252</u>	<u>20,576</u>	<u>13,514</u>	<u>37,711</u>
TOTAL ASSETS	<u>\$ 18,348,234</u>	<u>\$ 27,443,603</u>	<u>\$ 20,489,783</u>	<u>\$ 26,833,177</u>	<u>\$ 34,142,915</u>
<u>LIABILITIES AND FUND EQUITY</u>					
Accounts Payable	\$ 455,686	\$ 352,521	\$ 360,508	\$ 104,473	\$ 142,185
Accrued Liabilities	283,976	379,301	380,862	835,886	873,585
Accrued Interest Payable	-	-	-	-	-
Due to Other Funds	-	8,155,625	-	-	-
Due to Other Governments	4,131	-	-	-	-
Due to Teachers' Retirement System	3,386,741	3,731,824	3,195,402	3,353,428	3,668,918
Due to Employees' Retirement System	508,866	522,891	555,019	473,216	362,667
Deferred Inflows of Resources	847,183	931,070	1,150,896	-	1,400
Overpayments and Collections in Advance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>\$ 5,486,583</u>	<u>\$ 14,073,232</u>	<u>\$ 5,642,687</u>	<u>\$ 4,767,003</u>	<u>\$ 5,048,755</u>
<u>FUND EQUITY</u>					
Nonspendable	\$ 22,676	\$ 10,252	\$ 20,576	\$ 13,514	\$ 37,711
Restricted	7,382,224	7,459,912	7,507,803	9,721,362	21,590,475
Committed	-	-	-	119,153	129,033
Assigned	1,241,277	3,444,056	2,493,417	2,363,453	1,409,151
Unassigned	<u>4,215,474</u>	<u>2,456,151</u>	<u>4,825,300</u>	<u>9,848,692</u>	<u>5,927,790</u>
TOTAL FUND EQUITY	<u>\$ 12,861,651</u>	<u>\$ 13,370,371</u>	<u>\$ 14,847,096</u>	<u>\$ 22,066,174</u>	<u>\$ 29,094,160</u>
TOTAL LIABILITIES and FUND EQUITY	<u>\$ 18,348,234</u>	<u>\$ 27,443,603</u>	<u>\$ 20,489,783</u>	<u>\$ 26,833,177</u>	<u>\$ 34,142,915</u>

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending June 30:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 16,208,627	\$ 16,129,360	\$ 17,149,099	\$ 16,286,807	\$ 16,276,311
Charges for Services	264,016	124,199	117,381	165,497	157,733
Use of Money & Property	48,103	137,884	128,333	23,363	45,250
Sale of Property and Compensation for Loss	2,046	104,318	80,676	603	159,464
Miscellaneous	377,243	278,971	304,361	658,175	533,640
Revenues from State Sources	65,810,409	67,178,089	67,423,165	66,006,913	70,669,442
Revenues from Federal Sources	246,782	231,753	194,970	3,222,164	214,440
Total Revenues	<u>\$ 82,957,226</u>	<u>\$ 84,184,574</u>	<u>\$ 85,397,985</u>	<u>\$ 86,363,522</u>	<u>\$ 88,056,280</u>
Other Sources:					
Appropriated fund equity - reserves	-	-	-	-	-
Prior year encumbrances	-	-	-	-	-
Proceeds from issuance of lease	-	-	-	-	1,119,274
Interfund Transfers	-	-	-	344,332	479,117
Total Revenues and Other Sources	<u>\$ 82,957,226</u>	<u>\$ 84,184,574</u>	<u>\$ 85,397,985</u>	<u>\$ 86,707,854</u>	<u>\$ 89,654,671</u>
<b>EXPENDITURES</b>					
General Support	\$ 8,616,419	\$ 8,883,127	\$ 8,872,571	\$ 7,750,757	\$ 8,495,887
Instruction	44,141,394	45,047,859	45,039,028	43,740,347	43,859,930
Pupil Transportation	1,219,298	1,692,495	1,013,263	959,088	2,097,980
Community Services	-	-	-	-	-
Employee Benefits	15,752,028	16,612,135	16,167,769	14,923,140	15,126,972
Debt Service	11,120,943	11,962,027	11,972,110	10,849,383	12,720,933
Total Expenditures	<u>\$ 80,850,082</u>	<u>\$ 84,197,643</u>	<u>\$ 83,064,741</u>	<u>\$ 78,222,715</u>	<u>\$ 82,301,702</u>
Other Uses:					
Interfund Transfers	<u>2,867</u>	<u>521,789</u>	<u>856,519</u>	<u>1,396,228</u>	<u>324,983</u>
Total Expenditures and Other Uses	<u>\$ 80,852,949</u>	<u>\$ 84,719,432</u>	<u>\$ 83,921,260</u>	<u>\$ 79,618,943</u>	<u>\$ 82,626,685</u>
Excess (Deficit) Revenues Over Expenditures	<u>2,110,011</u>	<u>508,720</u>	<u>1,476,725</u>	<u>7,088,911</u>	<u>7,027,986</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	10,751,640	12,861,651	13,370,371	14,847,096	22,066,174
Prior Period Adjustments (net)	-	-	-	130,167	-
Fund Balance - End of Year	<u>\$ 12,861,651</u>	<u>\$ 13,370,371</u>	<u>\$ 14,847,096</u>	<u>\$ 22,066,174</u>	<u>\$ 29,094,160</u>

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:

	2022			2023
	Original Budget	Revised Budget	Actual	Adopted Budget
<b>REVENUES</b>				
Real Property Taxes & Tax Items	\$ 16,071,567	\$ 16,071,567	\$ 16,276,311	\$ 16,211,567
Charges for Services	23,500	23,500	157,733	23,500
Use of Money & Property	40,200	40,200	45,250	55,500
Sale of Property and Compensation for Loss	1,500	1,500	159,464	1,700
Miscellaneous	301,000	303,000	533,640	251,000
Revenues from State Sources	70,116,411	70,116,411	70,669,442	75,508,323
Revenues from Federal Sources	275,000	275,000	214,440	225,000
Total Revenues	<u>\$ 86,829,178</u>	<u>\$ 86,831,178</u>	<u>\$ 88,056,280</u>	<u>\$ 92,276,590</u>
Other Sources:				
Appropriated fund equity - reserves	775,000	775,000	-	-
Prior year encumbrances	2,000,000	2,363,453	-	-
Proceeds from issuance of lease	-	1,119,274	1,119,274	-
Interfund Transfers	275,000	275,000	479,117	216,764
Total Revenues and Other Sources	<u>\$ 89,879,178</u>	<u>\$ 91,363,905</u>	<u>\$ 89,654,671</u>	<u>\$ 92,493,354</u>
<b>EXPENDITURES</b>				
General Support	\$ 9,637,469	\$ 9,883,397	\$ 8,495,887	\$ 11,135,603
Instruction	48,208,050	48,614,631	43,859,930	50,570,440
Pupil Transportation	2,103,971	2,240,594	2,097,980	2,477,468
Community Services	-	-	-	-
Employee Benefits	19,165,887	17,735,322	15,126,972	21,244,429
Debt Service	10,598,801	12,724,961	12,720,933	8,020,414
Total Expenditures	<u>\$ 89,714,178</u>	<u>\$ 91,198,905</u>	<u>\$ 82,301,702</u>	<u>\$ 93,448,354</u>
Other Uses:				
Interfund Transfers	165,000	165,000	324,983	445,000
Total Expenditures and Other Uses	<u>\$ 89,879,178</u>	<u>\$ 91,363,905</u>	<u>\$ 82,626,685</u>	<u>\$ 93,893,354</u>
Excess (Deficit) Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>7,027,986</u>	<u>(1,400,000)</u>
<b>FUND BALANCE</b>				
Fund Balance - Beginning of Year			22,066,174	1,400,000
Prior Period Adjustments (net)	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,094,160</u>	<u>\$ -</u>

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.



**BONDED DEBT SERVICE**

Fiscal Year Ending June 30th	Principal		Interest		Total
2023	\$	5,430,000	\$	1,161,882.50	\$ 6,591,882.50
2024		3,510,000		978,002.50	4,488,002.50
2025		3,340,000		830,102.50	4,170,102.50
2026		3,455,000		691,102.50	4,146,102.50
2027		3,560,000		546,932.50	4,106,932.50
2028		2,540,000		402,912.50	2,942,912.50
2029		2,610,000		308,812.50	2,918,812.50
2030		2,265,000		215,312.50	2,480,312.50
2031		1,790,000		135,912.50	1,925,912.50
2032		1,215,000		85,812.50	1,300,812.50
2033		1,245,000		53,012.50	1,298,012.50
2034		725,000		18,900.00	743,900.00
TOTALS	\$	31,685,000	\$	5,428,697.50	\$ 37,113,697.50

**APPENDIX - B1**  
**Jamestown CSD**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending June 30th	2009 QZAB			2011 QSCB		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 830,000	\$ -	\$ 830,000.00	\$ 195,000	\$ 7,220	\$ 202,220
2024	-	-	-	200,000	5,640	205,640
2025	-	-	-	200,000	4,040	204,040
2026	-	-	-	200,000	2,440	202,440
2027	-	-	-	205,000	820	205,820
TOTALS	\$ 830,000	\$ -	\$ 830,000.00	\$ 1,000,000	\$ 20,160	\$ 1,020,160

Fiscal Year Ending June 30th	2016 Bonds			2017 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 355,000	\$ 122,800	\$ 477,800	\$ 455,000	\$ 118,050	\$ 573,050
2024	365,000	105,050	470,050	465,000	104,400	569,400
2025	375,000	86,800	461,800	470,000	90,450	560,450
2026	385,000	68,050	453,050	485,000	76,350	561,350
2027	395,000	48,800	443,800	495,000	61,800	556,800
2028	405,000	33,000	438,000	510,000	46,950	556,950
2029	420,000	16,800	436,800	520,000	31,650	551,650
2030	-	-	-	535,000	16,050	551,050
TOTALS	2,700,000	481,300	3,181,300	\$ 3,935,000	\$ 545,700	\$ 4,480,700

**APPENDIX - B2**  
**Jamestown CSD**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending June 30th	2017 Refunding Bonds			2018 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,165,000	\$ 46,600	\$ 1,211,600	\$ 485,000	\$ 145,950	\$ 630,950
2024	-	-	-	495,000	131,400	626,400
2025	-	-	-	510,000	116,550	626,550
2026	-	-	-	525,000	101,250	626,250
2027	-	-	-	535,000	85,500	620,500
2028	-	-	-	555,000	69,450	624,450
2029	-	-	-	570,000	52,800	622,800
2030	-	-	-	585,000	35,700	620,700
2031	-	-	-	605,000	18,150	623,150
TOTALS	\$ 1,165,000	\$ 46,600	\$ 1,211,600	\$ 4,865,000	\$ 756,750	\$ 5,621,750

Fiscal Year Ending June 30th	2019 Bonds			2020 Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 950,000	\$ 382,600	\$ 1,332,600	\$ 750,000	\$ 197,000	\$ 947,000
2024	950,000	335,100	1,285,100	775,000	167,000	942,000
2025	700,000	287,600	987,600	815,000	128,250	943,250
2026	720,000	252,600	972,600	855,000	87,500	942,500
2027	735,000	216,600	951,600	895,000	44,750	939,750
2028	755,000	179,850	934,850	-	-	-
2029	770,000	149,650	919,650	-	-	-
2030	800,000	118,850	918,850	-	-	-
2031	825,000	86,850	911,850	-	-	-
2032	850,000	62,100	912,100	-	-	-
2033	875,000	36,600	911,600	-	-	-
2034	345,000	10,350	355,350	-	-	-
TOTALS	\$ 9,275,000	\$ 2,118,750	\$ 11,393,750	\$ 4,090,000	\$ 624,500	\$ 4,714,500

Fiscal Year Ending June 30th	2020 Bonds		
	Principal	Interest	Total
2023	\$ 245,000	\$ 141,663	\$ 386,663
2024	260,000	129,413	389,413
2025	270,000	116,413	386,413
2026	285,000	102,913	387,913
2027	300,000	88,663	388,663
2028	315,000	73,663	388,663
2029	330,000	57,913	387,913
2030	345,000	44,713	389,713
2031	360,000	30,913	390,913
2032	365,000	23,713	388,713
2033	370,000	16,413	386,413
2034	380,000	8,550	388,550
TOTALS	\$ 3,825,000	\$ 834,938	\$ 4,659,938

**COMPUTATION OF FULL VALUATION**

**Using Regular Equalization Rates**

Fiscal Year Ending June 30:		2019	2020	2021	2022	2023
<b><u>Assessed Valuation</u></b>						
City of:	Jamestown	\$ 672,262,005	\$ 676,233,703	\$ 677,130,066	\$ 682,802,680	\$ 682,945,023
Towns of:	Busti	27,527,972	27,546,971	27,531,759	27,667,959	27,988,461
	Carrol	48,775	48,834	48,780	48,729	48,729
	Ellicot	12,568,789	12,815,487	14,669,411	15,076,030	15,075,842
	Kiantone	39,773,080	39,758,908	39,561,221	39,614,103	39,594,318
<b>Total Assessed Valuation</b>		<u>\$ 752,180,621</u>	<u>\$ 756,403,903</u>	<u>\$ 758,941,237</u>	<u>\$ 765,209,501</u>	<u>\$ 765,652,373</u>

**State Equalization Rates**

City of:	Jamestown	100.00%	98.60%	96.20%	93.20%	88.00%
Towns of:	Busti	100.00%	98.60%	96.20%	93.20%	82.75%
	Carrol	100.00%	100.00%	91.80%	92.00%	85.75%
	Ellicot	90.00%	80.70%	100.00%	100.00%	92.75%
	Kiantone	100.00%	100.00%	96.40%	95.20%	87.60%

**Full Valuation**

City of:	Jamestown	\$ 672,262,005	\$ 685,835,399	\$ 703,877,407	\$ 732,620,901	\$ 776,073,890
Towns of:	Busti	27,527,972	27,938,104	28,619,292	29,686,651	33,822,914
	Carrol	48,775	48,834	53,137	52,966	56,827
	Ellicot	13,965,321	15,880,405	14,669,411	15,076,030	16,254,277
	Kiantone	39,773,080	39,758,908	41,038,611	41,611,453	45,198,993
<b>Total Full Valuation</b>		<u>\$ 753,577,153</u>	<u>\$ 769,461,650</u>	<u>\$ 788,257,859</u>	<u>\$ 819,048,002</u>	<u>\$ 871,406,900</u>

**Using Special Equalization Ratios**

Fiscal Year Ending June 30:		2019	2020	2021	2022	2023
<b><u>Special Equalization Ratios</u></b>						
City of:	Amsterdam	95.51%	92.84%	92.13%	91.40%	N/A
Towns of:	Busti	95.51%	92.84%	92.13%	91.40%	N/A
	Carrol	91.18%	91.42%	90.25%	89.16%	N/A
	Ellicot	82.33%	92.75%	96.54%	94.35%	N/A
	Kiantone	95.58%	94.29%	92.68%	91.26%	N/A

**Full Valuation**

City of:	Jamestown	\$ 703,865,569	\$ 728,386,151	\$ 734,972,393	\$ 747,048,884	N/A
Towns of:	Busti	28,822,084	29,671,447	29,883,598	30,271,290	N/A
	Carrol	53,493	53,417	54,050	54,653	N/A
	Ellicot	15,266,354	13,817,237	15,195,164	15,978,834	N/A
	Kiantone	41,612,346	42,166,622	42,685,823	43,407,959	N/A
<b>Total Full Valuation</b>		<u>\$ 789,619,845</u>	<u>\$ 814,094,874</u>	<u>\$ 822,791,028</u>	<u>\$ 836,761,620</u>	<u>N/A</u>

## DISCLOSURE UNDERTAKING

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the City School District of the City of Jamestown, Chautauqua County, New York (the “Issuer”) in connection with the issuance of its \$6,000,000 Bond Anticipation Note(s), 2023 (such Note(s) including any interests therein, being collectively referred to herein as the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

Section 1. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
- (7) Modifications to rights of Security Holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Security, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to paragraph (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.

(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

## Section 2. Definitions

“EMMA” means Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“MSRB” means the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” means the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

“Security Holder” means any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. (a) This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

(b) In addition, this Disclosure Undertaking, or any provision hereof, shall be null and void in the event that those portions of Rule 15c2-12 which require this Disclosure Undertaking, or such provision, as the case may be, do not or no longer apply to the Security, whether because such portions of Rule 15c2-12 are invalid, have been repealed, or otherwise.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer to this Disclosure Undertaking as of [February 9, 2023].

CITY SCHOOL DISTRICT OF THE CITY OF JAMESTOWN  
CHAUTAUQUA COUNTY, NEW YORK

By: PAUL ABBOTT  
President of the Board of Education

(SEAL)

ATTEST:

JAUNITA WALTER  
District Clerk

**CITY SCHOOL DISTRICT OF THE CITY OF JAMESTOWN  
CHAUTAUQUA COUNTY, NEW YORK**

**FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION**

**JUNE 30, 2022**

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.



***JAMESTOWN CITY SCHOOL DISTRICT***  
***AUDIT REPORTING PACKAGE***  
***FOR THE FISCAL YEAR ENDED JUNE 30, 2022***

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***JAMESTOWN CITY SCHOOL DISTRICT***

***FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2022***

***WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANTS***

**JAMESTOWN CITY SCHOOL DISTRICT**

**2022 FINANCIAL STATEMENTS**

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**INDEPENDENT AUDITOR'S REPORT**

**To the President and Members of  
The Board of Education  
Jamestown City School District  
Jamestown, New York**

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

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of **Jamestown City School District** as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise **Jamestown City School District's** basic financial statements as listed in the table of contents. We have also audited the fiduciary fund types of the **Jamestown City School District** as of June 30, 2022, as displayed in the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the **Jamestown City School District**, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the **Jamestown City School District** 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.

**Change in Accounting Principle**

As described in Note 7 and 8 to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

**Report on Summarized Comparative Information**

We have previously audited the **Jamestown City School District's** June 30, 2021 financial statements, and our report dated October 6, 2021, expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**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 **Jamestown City School District'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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **Jamestown City School District'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 **Jamestown City School District'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 (pages 3-9) and budgetary comparison information (pages 37-38) schedule of changes in District's net OPEB liability and related ratios (page 44), schedule of District contributions – OPEB (page 45), schedule of the District contributions for defined benefit pension plans (page 46) and the schedule of the District's proportionate share of the net pension asset/liability (page 47) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **Jamestown City School District's** basic financial statements. The accompanying combining and individual fund financial statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2022, on our consideration of the **Jamestown City School District's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Jamestown City School District's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Jamestown City School District's** internal control over financial reporting and compliance.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**  
**Olean, New York**  
**October 4, 2022**

# **JAMESTOWN CITY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Page 3**

## **I. Discussion and Analysis**

The following is a discussion and analysis of the *Jamestown City School District's* financial performance for the year ended June 30, 2022. This section is a summary of the District's financial activities based on currently known facts, decisions, or conditions. It is based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the District's financial statements, which follows this section.

## **II. Financial Highlights**

The following items are the financial highlights experienced by the *Jamestown City School District* during the fiscal year ended June 30, 2022:

- Overall net position from operations of the District increased during the current year in the amount of \$18,467,000 as compared to an increase of \$1,735,000 during the prior fiscal year.
- The District's total revenue increased 8% from \$99,139,000 during the year ended June 30, 2021 to \$107,310,000 during the year ended June 30, 2022. This increase was primarily related to an increase in state sources and pandemic related federal support.
- The District's total expenses decreased approximately 9% from \$97,404,000 during the year ended June 30, 2021 to \$88,843,000 during the year ended June 30, 2022. This decrease was primarily the result of a decrease in depreciation expense and pension expense related to actuarial updates of the Employees' Retirement Systems (ERS) and Teachers' Retirement Systems (TRS) offset by an increase in wages.
- The District had capital outlays during the current year in the amount of approximately \$4,062,000, which primarily related to ongoing capital projects and IT equipment related to right-to-use assets.

## **III. Overview of the Financial Statements**

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of *Jamestown City School District*.

## **III. Overview of the Financial Statements (continued)**

### **A. Reporting the School District as a Whole (District-wide Financial Statements):**

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. Activities that are fiduciary in nature are not included in these statements.

#### **1. Statement of Net Position**

The Statement of Net Position (page 10) shows the assets, deferred outflows of resources, liabilities, deferred inflows of resources and the net position of the District. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are restricted for certain purposes or reserved for emergencies and cash flow purposes. Some assets are invested in "fixed" or "capital" assets, such as buildings, equipment and other long-lived property; and some assets are available to fund budgets of the following year.

#### **2. Statement of Activities**

The Statement of Activities (page 11) shows the amounts of program-specific and general District revenue used to support the District's various functions.

The Statement of Net Position and Statement of Activities divide the activities of the District into two categories: governmental activities (the school functions, including general support, instruction, transportation, administration, etc.; property taxes, state and federal revenue usually support most of these functions) and proprietary activities. The District only had governmental activities during the current fiscal year.

The two district-wide statements report the School District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

**JAMESTOWN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Page 4**

**III. Overview of the Financial Statements (continued)**

**B. Reporting the District's Most Significant Funds (Fund Financial Statements):**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or major funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Significance of funds is determined based on the proportional size of the funds, the relative importance of the activities of the funds to the District's operations, and the existence of legal budget requirements. Internal Service funds are never reported as major funds, but are combined and presented in a separate column.

The District has two kinds of funds:

**1. Governmental Funds**

Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently the governmental funds

**III. Overview of the Financial Statements (continued)**

**B. Reporting the District's Most Significant Funds (Fund Financial Statements) (continued):**

**1. Governmental Funds (continued)**

statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

**2. Fiduciary Funds**

The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship funds. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**Figure A-1 - Major Features of the District-Wide Statements and Fund Financial Statements**

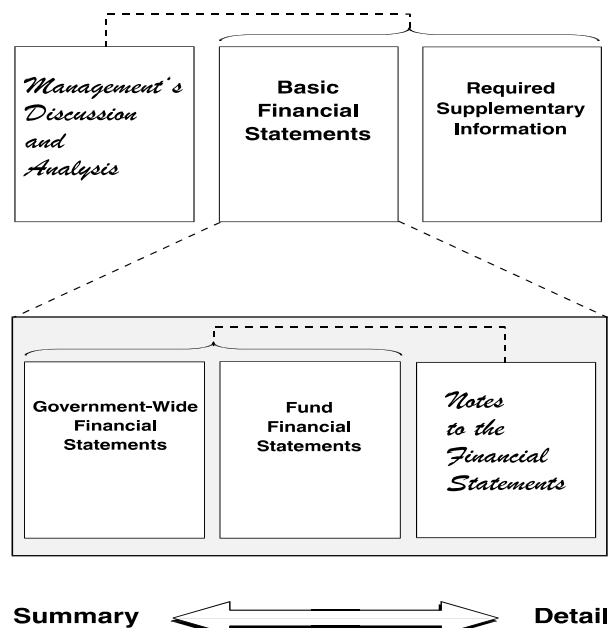
	Fund Financial Statements		
	District-Wide	Governmental Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Funds used to account for resources held for the benefit of parties outside the District
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally, all assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets, right-to-use assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets or right-to-use assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid



# JAMESTOWN CITY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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Figure A-2 - Required Components of the District's Annual Financial Report



## IV. Financial Analysis of the School District as a Whole

### Net Position

The District's total reporting entity net position was approximately \$68,786,000. The components of net position include: net investment in capital assets, of \$24,901,000 restricted net position of \$23,387,000 and unrestricted net position of \$20,498,000.

### Changes in Net Position

The District's total government-wide revenue increased by approximately 8% to \$107,310,000. Approximately 15%, 18% and 66% of total revenue is derived from the property taxes, operating grants and state aid, respectively. The remaining amount comes from federal aid, use of money and property, miscellaneous, charges for services and other operating grants and contributions.

## IV. Financial Analysis of the School District as a Whole (continued)

### Changes in Net Position (continued)

The total cost of all programs and services of the District decreased 9% to \$88,843,000. The District's expenses cover a range of services, with 81% related to instruction and 12% related to general support. Figure A-4 through figure A-8 and the narrative that follows considers the operations of governmental activities, along with revenue and net costs percentages for governmental activities.

### Governmental Activities

Revenue of the District's governmental activities increased approximately 8%, while total expenses decreased 9%. The District's total net position from operations increased approximately \$18,467,000 during the fiscal year ended June 30, 2022.

### Revenue

Figure A-4 presents the major sources of revenue of the District. Revenue of the District totaled \$107,310,000 for the fiscal year ended June 30, 2022. The most significant changes in the District's governmental revenue are more thoroughly discussed as follows:

- Property tax revenue which represents approximately 15% of the District's total revenue for governmental activities decreased slightly during the year ended June 30, 2022.
- One of the District's most significant revenue is state sources which represent \$70,669,000 or 66% of total governmental revenue. State sources increased 7% which was primarily related to increase in basic formula state aid. In the prior school year the District had a negative pandemic adjustment from State sources.
- During the year ended June 30, 2022, the District saw an increase in program revenue, which mostly resulted from an increase in operating grants of \$6,649,000 and an increase of charges for services by \$46,000, as compared with the prior year revenue. The increase in operating grants was the result of an increase in federal grants as a result of the Covid-19 pandemic.
- During the year ended June 30, 2022, the District saw a decrease in federal sources due to one-time CARES Act funding.

**JAMESTOWN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**IV. Financial Analysis of the School District as a Whole  
(continued)**

Expenses

Figure A-8 presents the cost of each of the District's five largest expenditure-type, which include; general support, instruction, transportation, debt service and cost of sales; as well as each expenditure-type's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and NYS by each of these functions. Total costs of the District's governmental activities were \$88,843,000. The most significant changes in the District's governmental expenses are more thoroughly discussed as follows:

- The District's general support decreased by approximately \$569,000 or 5% which was primarily related to a decrease in depreciation expense, ERS/TRS expense due to actuarial updates offset by an increase in wages.
- The District's instruction costs decreased by approximately \$8,624,000 or 11% which was primarily related to a decrease in depreciation expense, ERS/TRS expense due to actuarial updates offset by an increase in wages.
- Debt service of the District decreased approximately \$102,000 during the year ended June 30, 2022 due to a decrease in interest expense.
- Transportation costs of the District increased 5% or \$129,000 during the year ended June 30, 2022 due to an increase in wages.
- The District's cost of sales (food service fund) totaled \$3,373,000 during the current year as compared to \$2,768,000 during the fiscal year ended June 30, 2021.
- The District received approximately \$19,194,000 of operating grants and charges for services from its state and federal grants and tuition which subsidized certain programs of the District.
- Most of the District's net costs (\$70 million) were financed by real property taxes and state aid.

**Figure A-3 – Condensed Statement of Net Position**

<b>Jamestown City School District</b>			
<b>Condensed Statement of Net Position (in thousands of \$)</b>			
	Governmental Activities and Total District-wide		
	2022	2021	% Change
<b>Assets</b>			
Current and other assets	\$ 78,266	\$ 34,822	125%
Capital and right-to-use assets, net	75,779	78,470	-3%
Total assets	154,045	113,292	36%
<b>Deferred Outflows of Resources</b>	25,669	27,171	-6%
Total deferred outflows of resources and assets	<b>\$ 179,714</b>	<b>\$ 140,463</b>	<b>28%</b>
<b>Liabilities</b>			
Other liabilities	\$ 21,755	\$ 23,434	-7%
Long-term liabilities	42,493	55,062	-23%
Total liabilities	64,248	78,496	-18%
<b>Deferred Inflows of Resources</b>	46,680	12,017	288%
<b>Net Position</b>			
Net investment in capital assets	24,901	22,167	12%
Restricted	23,387	11,646	101%
Unrestricted	20,498	16,137	27%
Total net position	68,786	49,950	38%
Total liabilities, deferred inflows of resources, and net position	<b>\$ 179,714</b>	<b>\$ 140,463</b>	<b>28%</b>

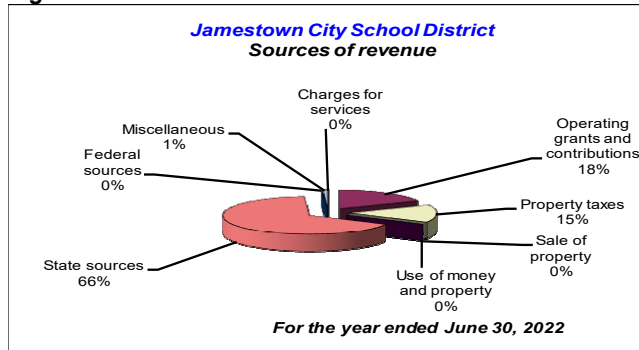
**Figure A-4 – Changes in Net Position**

<b>Jamestown City School District</b>			
<b>Changes in Net Position from Operating Results (in thousands of \$)</b>			
	Governmental Activities and Total District-wide		
	2022	2021	% Change
<b>Revenue</b>			
Program revenue			
Charges for services	\$ 211	\$ 165	28%
Operating & Capital grants and contrib.	18,983	12,334	54%
General revenue			
Real property taxes	16,276	16,287	0%
Use of money & property	51	24	113%
Sale of property & comp for loss	159	2	7850%
State sources	70,669	66,226	7%
Federal sources	214	3,222	-93%
Miscellaneous	747	879	-15%
Total revenue	107,310	99,139	8%
<b>Expenses</b>			
General support	10,352	10,921	-5%
Instruction	71,579	80,203	-11%
Transportation	2,486	2,357	5%
Debt service - interest	1,053	1,155	-9%
Cost of sales	3,373	2,768	22%
Total expenses	88,843	97,404	-9%
<b>Change in net position</b>	<b>\$ 18,467</b>	<b>\$ 1,735</b>	

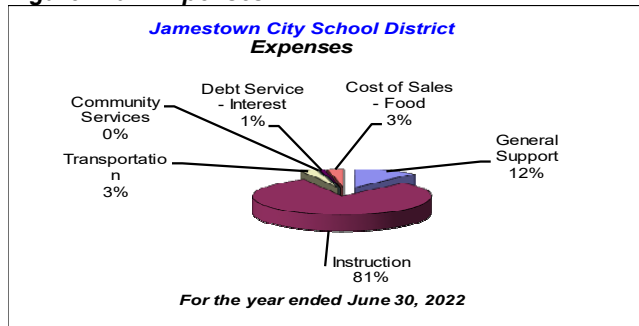
**JAMESTOWN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**Figure A-5 – Sources of Revenue**



**Figure A-6 – Expenses**



**Figure A-7 – Expenditures Supported with Program Revenue**

<b>Jamestown City School District Expenditures supported with program revenue (in thousands of dollars)</b>				
	Governmental Activities & Total District			
	2022	2021		
Expenditures supported with general revenue (from taxes & other sources)	\$ 69,650	78%	\$ 84,905	87%
Expenditures supported with program revenue	19,193	22%	12,499	13%
<b>Total expenditures related to governmental activities</b>	<b>\$ 88,843</b>	<b>100%</b>	<b>\$ 97,404</b>	<b>100%</b>

**Figure A-8 – Net Cost of Governmental Activities**

<b>Jamestown City School District Net Cost of Governmental Activities (in thousands of dollars)</b>						
	Total cost of services			Net cost of services		
	2022	2021	Change	2022	2021	Change
General support	\$ 10,352	\$ 10,921	\$ (569)	\$ 10,204	\$ 10,921	\$ (717)
Instruction	71,579	80,203	(8,624)	56,313	70,559	(14,246)
Transportation	2,486	2,357	129	2,424	2,339	85
Debt service - interest	1,053	1,155	(102)	1,053	1,155	(102)
Cost of sales - food	3,373	2,768	605	(344)	(69)	(275)
<b>Total</b>	<b>\$ 88,843</b>	<b>\$ 97,404</b>	<b>\$ (8,561)</b>	<b>\$ 69,650</b>	<b>\$ 84,905</b>	<b>\$ (15,255)</b>

**V. Financial Analysis of the School District's Funds**

It is important to note that variances between years for the governmental fund financial statements (Balance Sheets and Statement of Revenue, Expenditures and Changes in Fund Equity) are not the same as variances between years for the District-wide financial statements (Statement of Net Position and Statement of Activities). The District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting, while the statement of net position is presented on the full accrual method of accounting. Therefore, governmental funds do not include long-term debt liabilities for the funds' projects and capital assets purchased by the funds. Governmental funds will include the proceeds received from the issuance of debt, the current payments for capital assets, and the current payments for debt. Below is a description of the most significant changes to the fund financial statements from that reported in the previous year.

**General Fund**

- The District's general fund revenues and other sources exceeded its expenditures and other uses by approximately \$7,028,000.
- The District's general fund unassigned fund balance equated to approximately \$5,928,000 as of June 30, 2022.
- The District had several fund balance reserves which totaled approximately \$21,720,000 as of June 30, 2022.
- The District's total assets increased approximately \$7,310,000 as of June 30, 2022 due to an increase in cash on hand, while the District's liabilities increased approximately \$282,000 due to an increase in the TRS accrual.
- Total revenue in the District's general fund increased \$2,946,000. The increase was related to an increase in state sources offset by a decrease in federal sources.
- Total expenditures in the District's general fund increased \$3,009,000 due to an increase in wages.

**Food Service Fund**

- The District's food service fund experienced a \$344,000 increase in fund equity during the current fiscal year. Revenue in the District's food service fund was \$3,717,000 during 2022 as compared with \$2,837,000 in 2021. Expenditures increased approximately \$605,000 as compared with the prior year due to an increase in cost of meals served.

**JAMESTOWN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**V. Financial Analysis of the School District's Funds  
(continued)**

Special Aid Fund

- The District's special aid fund revenue and expenditures increased approximately \$6,010,000 or 63% due to an increase in Pandemic related federal revenues/expenses.

Capital Projects Fund

- Total expenditures incurred during the current year amounted to \$1,652,107 which was primarily the result of expenses incurred for the District's ongoing renovation projects.

**VI. General Fund Budgetary Highlight**

Over the course of the year, the District makes many budget transfers. Actual expenditures were approximately \$8,737,000 below the revised budget. The most significant variance was in the areas of general support, instruction and employee benefits which totaled \$1,387,000, \$4,755,000 and \$2,608,000, respectively, below that budgeted. On the other hand, resources available for appropriations were approximately \$1,428,000 above the final budgeted amount. Significant variance of revenue items consisted of state sources and local source which was approximately \$553,000 and \$732,000 above that budgeted.

**Figure A-9 – Budget vs. Actual Comparison**

<b>Jamestown City School District</b>			
<i>General Fund - Budget vs Actual Comparison (in thousands of \$)</i>			
	Revised Budget	Actual	Difference
<b>Revenue</b>			
Local sources	\$ 16,440	\$ 17,172	\$ 732
State sources	70,116	70,669	553
Federal sources	275	214	(61)
Other sources	1,394	1,598	204
<b>Total revenue</b>	<b>\$ 88,225</b>	<b>\$ 89,653</b>	<b>\$ 1,428</b>
<b>Expenditures</b>			
General support	\$ 9,883	\$ 8,496	\$ 1,387
Instruction	48,615	43,860	4,755
Transportation	2,241	2,098	143
Employee benefits	17,735	15,127	2,608
Debt service	12,725	12,721	4
Operating transfers	165	325	(160)
<b>Total expenditures</b>	<b>\$ 91,364</b>	<b>\$ 82,627</b>	<b>\$ 8,737</b>

**VII. Capital Assets and Debt Administration**

Capital and Right-to-use Assets

As depicted in Figure A-10, as of June 30, 2022, the District had invested approximately \$75,779,000 in a broad range of capital and right-to-use assets, including reconstruction projects, transportation vehicles and other equipment. Capital additions made during the year ended June 30, 2022, totaled approximately \$4,062,000 and consisted mostly of capital reconstruction projects. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Long-term Debt and Liabilities

As depicted in Figure A-11, as of June 30, 2022, the District had approximately \$42,493,000 in long-term liabilities, a decrease of approximately \$12,569,000 as compared with the previous year. The decrease in bonds payable was the result of the District making regular principal payments. The increase in lease liability was the result of the District implementing GASB 87 offset by principal payments. Workers' compensation liability increased due to an increase in the liability estimate for outstanding claims. In addition, the net pension liability was \$0 as both the ERS and TRS plans are now a net pension asset. Finally, the compensated absences liability decreased due to payments made on outstanding retirement incentives.

**Figure A-10 – Capital and Right-to-Use Assets**

<b>Jamestown City School District</b>			
<i>Capital and right-to-use assets (net)</i>			
	Governmental Activities & Total District-wide		
	2022	2021	Change
Land	\$ 2,499,334	\$ 2,499,334	0%
Cost basis	229,719,588	222,549,588	3%
Accumulated depr/amortization	(156,440,352)	(146,578,592)	7%
<b>Total</b>	<b>\$ 75,778,570</b>	<b>\$ 78,470,330</b>	<b>-3%</b>

**Figure A-11 – Outstanding Long-term Debt**

<b>Jamestown City School District</b>			
<i>Outstanding Long-Term Debt and Liabilities</i>			
	Governmental Activities & Total District-wide		
	2022	2021	Change
Bonds payable	\$ 33,807,266	\$ 42,003,454	-20%
Net pension liability	-	5,555,106	-100%
Lease liabilities	2,507,016	1,152,748	117%
Workers' compensation	735,382	682,564	8%
Compensated absences	406,923	642,646	-37%
Other post-employment benefits	5,036,651	5,025,651	0%
<b>Total Long-Term Debt</b>	<b>\$ 42,493,238</b>	<b>\$ 55,062,169</b>	<b>-23%</b>

**JAMESTOWN CITY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**VIII. Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The economic status of the State could put additional strain upon the District.
- The District is uncertain as to the level of state aid in the upcoming years as a result of the Pandemic.

**IX. Contacting the District's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers and investors and creditors with a general overview of the finances of the District and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

Director of Finance and Budget  
Jamestown City School District  
197 Martin Road  
Jamestown, NY 14701

**JAMESTOWN CITY SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

**Schedule 1**

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	2022	2021
<b>Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 7,303,507	\$ 7,663,794
Restricted	23,386,553	11,646,408
Receivables		
State and federal aid	5,120,706	8,234,892
Other receivables	7,029	136,170
Due from other governments	2,406,864	2,128,779
Inventories and prepaid expenses	153,870	160,620
Net pension assets	36,460,521	-
Cash to be used for capital assets	3,427,551	4,850,936
Capital assets and right-to-use assets, net	75,778,570	78,470,330
Total assets	<u>154,045,171</u>	<u>113,291,929</u>
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pensions	24,927,715	25,938,810
Deferred outflows related to OPEB	740,837	1,232,120
Total deferred outflows of resources	<u>25,668,552</u>	<u>27,170,930</u>
 Total assets and deferred outflows of resources	<u>\$ 179,713,723</u>	<u>\$ 140,462,859</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 408,561	\$ 309,193
Accrued liabilities	969,977	891,642
Accrued interest	126,000	169,000
Due to retirement systems	4,031,585	3,826,644
Unearned revenue	1,169,009	247,844
Bond anticipation notes payable	15,050,000	17,990,000
Long-term liabilities		
Portion due or payable within one year		
Bonds payable	5,430,000	7,610,000
Lease liabilities	1,105,171	488,694
Workers' compensation	290,000	290,000
Compensated absences and retirement incentives	132,000	250,000
Portion due or payable after one year		
Bonds payable	28,377,266	34,393,454
Net pension liability	-	5,555,106
Lease liabilities	1,401,845	664,054
Workers' compensation	445,382	392,564
Compensated absences and retirement incentives	274,923	392,646
Other post-employment benefits	5,036,651	5,025,651
Total liabilities	<u>64,248,370</u>	<u>78,496,492</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	46,356,652	11,739,937
Deferred inflows related to OPEB	323,038	276,320
Total deferred inflows of resources	<u>46,679,690</u>	<u>12,016,257</u>
<b>Net Position</b>		
Net investment in capital assets	24,900,664	22,166,532
Restricted	23,386,553	11,646,408
Unrestricted	20,498,446	16,137,170
Total net position	<u>68,785,663</u>	<u>49,950,110</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 179,713,723</u>	<u>\$ 140,462,859</u>

See accompanying independent auditor's report and notes to financial statements.

**JAMESTOWN CITY SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Schedule 2**

**Page 11**

					2022	2021
		Indirect	Program Revenues		Net (Expense)	Net (Expense)
	Expenses	Expenses	Charges for	Operating	Revenue and	Revenue and
		Allocation	Services	Grants	Changes in	Changes in
					Net Position	Net Position
<b>Functions/Programs</b>						
General support	\$ 9,151,120	\$ 1,201,131	\$ -	\$ 148,083	\$ (10,204,168)	\$ (10,920,999)
Instruction	64,888,775	6,690,394	157,733	15,109,507	(56,311,929)	(70,559,565)
Pupil transportation	1,567,423	918,441	-	61,371	(2,424,493)	(2,338,874)
Debt service	1,053,051	-	-	-	(1,053,051)	(1,154,823)
Food service program	3,372,878	-	52,958	3,663,681	343,761	68,848
Depreciation and amortization	8,809,966	(8,809,966)	-	-	-	-
Total functions and programs	\$ 88,843,213	\$ -	\$ 210,691	\$ 18,982,642	\$ (69,649,880)	\$ (84,905,413)
<b>General Revenues</b>						
Real property taxes					16,276,311	16,286,807
Use of money and property					51,277	24,050
Sale of property and compensation for loss					159,464	603
Miscellaneous and donations					746,822	878,563
State sources					70,669,442	66,226,467
Federal sources					214,440	3,222,164
Total general revenues					88,117,756	86,638,654
<b>Change in net position</b>					18,467,876	1,733,241
Net position - beginning of year					49,950,110	48,086,702
Prior period adjustments					367,677	130,167
<b>Net position - end of year</b>					<u>\$ 68,785,663</u>	<u>\$ 49,950,110</u>



**JAMESTOWN CITY SCHOOL DISTRICT**  
**COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS**  
**AS OF JUNE 30, 2022**

**Schedule 3**

**Page 12**

	Governmental Funds					2022	2021
	General	Special Aid	Food Service	Debt Service	Capital Projects	(Memo only) Total	(Memo only) Total
<b>Assets</b>							
Unrestricted cash and cash equivalents	\$ 7,814,969	\$ 559,660	\$ 724,956	\$ -	\$ -	\$ 9,099,585	\$ 9,588,840
Restricted cash and cash equivalents	21,590,475	-	-	-	3,427,551	25,018,026	14,572,298
Accounts receivable	4,818	-	2,211	-	-	7,029	136,170
Due from other funds	477,674	234,556	-	1,796,078	-	2,508,308	3,051,472
State and federal aid receivable	1,811,039	2,664,035	645,632	-	-	5,120,706	8,234,892
Due from other governments	2,406,229	635	-	-	-	2,406,864	2,128,779
Inventories and prepaid expenses	37,711	-	116,159	-	-	153,870	160,620
Total assets	\$ 34,142,915	\$ 3,458,886	\$ 1,488,958	\$ 1,796,078	\$ 3,427,551	\$ 44,314,388	\$ 37,873,071
<b>Liabilities, Deferred Inflows of Resources, and Fund Equity</b>							
<b>Liabilities</b>							
Accounts payable	\$ 142,185	\$ 93,111	\$ 32,039	\$ -	\$ 141,226	\$ 408,561	\$ 309,193
Accrued liabilities	873,585	57,634	38,758	-	-	969,977	891,642
Bond anticipation notes payable	-	-	-	-	15,050,000	15,050,000	17,990,000
Due to other funds	-	2,306,063	196,217	-	6,028	2,508,308	3,051,472
Unearned revenue	1,400	1,002,078	165,531	-	-	1,169,009	247,844
Due to Teachers' Retirement System	3,668,918	-	-	-	-	3,668,918	3,353,428
Due to Employees' Retirement System	362,667	-	-	-	-	362,667	473,216
Total liabilities	5,048,755	3,458,886	432,545	-	15,197,254	24,137,440	26,316,795
<b>Fund Equity</b>							
Nonspendable	37,711	-	43,948	-	-	81,659	65,436
Restricted	21,590,475	-	-	1,796,078	-	23,386,553	11,646,408
Committed	129,033	-	-	-	-	129,033	119,153
Assigned	1,409,151	-	1,012,465	-	-	2,421,616	3,024,183
Unassigned (deficit)	5,927,790	-	-	-	(11,769,703)	(5,841,913)	(3,298,904)
Total fund equity (deficit)	29,094,160	-	1,056,413	1,796,078	(11,769,703)	20,176,948	11,556,276
Total liabilities, deferred inflows of resources and fund equity	\$ 34,142,915	\$ 3,458,886	\$ 1,488,958	\$ 1,796,078	\$ 3,427,551	\$ 44,314,388	\$ 37,873,071

See accompanying independent auditor's report and notes to financial statements.



**JAMESTOWN CITY SCHOOL DISTRICT**  
**COMBINED STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND EQUITY – GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Schedule 4**

**Page 13**

	<i>Governmental Funds</i>					2022	2021
	General	Special Aid	Food Service	Debt Service	Capital Projects	(Memo only) Total	(Memo only) Total
<b>Revenue</b>							
Real property taxes	\$ 16,276,311	\$ -	\$ -	\$ -	\$ -	\$ 16,276,311	\$ 16,286,807
Charges for services	157,733	-	-	-	-	157,733	165,497
Use of money and property	45,250	-	-	6,027	-	51,277	24,050
Sale of property compensation for loss	159,464	-	-	-	-	159,464	603
Miscellaneous	533,640	672,082	51,188	-	-	1,256,910	1,496,692
State sources	70,669,442	3,450,162	61,794	-	-	74,181,398	69,610,749
Federal sources	214,440	11,196,717	3,281,826	-	-	14,692,983	11,061,543
Surplus food	-	-	320,061	-	-	320,061	271,710
Sales (school food service)	-	-	1,770	-	-	1,770	-
Total revenue	88,056,280	15,318,961	3,716,639	6,027	-	107,097,907	98,917,651
<b>Expenditures</b>							
General support	8,495,887	148,083	1,125,005	-	-	9,768,975	8,732,534
Instruction	43,859,930	11,683,050	-	-	-	55,542,980	50,985,268
Pupil transportation	2,097,980	61,371	-	-	-	2,159,351	977,652
Employee benefits	15,126,972	3,530,500	616,560	-	-	19,274,032	17,642,639
Debt service							
Principal	11,038,694	-	-	-	-	11,038,694	8,995,314
Interest	1,682,239	-	-	-	-	1,682,239	1,854,069
Capital outlay	-	-	-	-	1,652,107	1,652,107	4,706,273
Cost of sales	-	-	1,631,313	-	-	1,631,313	1,227,713
Total expenditures	82,301,702	15,423,004	3,372,878	-	1,652,107	102,749,691	95,121,462
Excess (deficiency) of revenue over expenditures	5,754,578	(104,043)	343,761	6,027	(1,652,107)	4,348,216	3,796,189
<b>Other sources and uses</b>							
BANs redeemed from appropriations	-	-	-	-	2,940,000	2,940,000	1,100,000
Premiums from BAN's and serial bonds	-	-	-	213,182	-	213,182	220,388
Proceeds from issuance of lease	1,119,274	-	-	-	-	1,119,274	-
Operating transfers in	479,117	234,983	-	-	90,000	804,100	1,741,046
Operating transfers out	(324,983)	(130,940)	-	(348,177)	-	(804,100)	(1,741,046)
Total other sources (uses)	1,273,408	104,043	-	(134,995)	3,030,000	4,272,456	1,320,388
<b>Excess (deficiency) of revenue and other sources over expenditures and other uses</b>	7,027,986	-	343,761	(128,968)	1,377,893	8,620,672	5,116,577
Fund equity (deficit), beginning of year	22,066,174	-	712,652	1,925,046	(13,147,596)	11,556,276	6,309,532
Prior period adjustment	-	-	-	-	-	-	130,167
<b>Fund equity (deficit), end of year</b>	\$ 29,094,160	\$ -	\$ 1,056,413	\$ 1,796,078	\$ (11,769,703)	\$ 20,176,948	\$ 11,556,276

**See accompanying independent auditor's report and notes to financial statements.**

**JAMESTOWN CITY SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**AS OF JUNE 30, 2022**

**Schedule 5**

**Page 14**

	Private Purpose Trusts	Custodial Funds	Total 6/30/2022
<b>Assets</b>			
Cash	\$ 427,526	\$ -	\$ 427,526
Investments	254,192	-	254,192
Other receivables	7,700	-	7,700
Total assets	<u>\$ 689,418</u>	<u>\$ -</u>	<u>\$ 689,418</u>
<b>Liabilities</b>			
Accounts Payable	\$ 7,700	\$ -	\$ 7,700
Total liabilities	<u>7,700</u>	<u>-</u>	<u>7,700</u>
<b>Net position</b>			
Reserved for scholarships	<u>681,718</u>	<u>-</u>	<u>681,718</u>
Total net position	<u>681,718</u>	<u>-</u>	<u>681,718</u>
Total liabilities and net position	<u>\$ 689,418</u>	<u>\$ -</u>	<u>\$ 689,418</u>

**JAMESTOWN CITY SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Schedule 6**

**Page 15**

	Private Purpose Trusts 6/30/2022	Custodial Funds 6/30/2022	Totals 6/30/2022
<b>Additions</b>			
Unrealized gain on investments	\$ 20,393	\$ -	\$ 20,393
Gifts and donations	11,339	-	11,339
Interest earnings	29,569	-	29,569
Taxes collected for other governments (library levy)	-	350,000	350,000
Total additions	61,301	350,000	411,301
<b>Deductions</b>			
Scholarships awarded	15,726	-	15,726
Payment of tax to other governments (library levy)	-	350,000	350,000
Total deductions	15,726	350,000	365,726
<b>Change in net position</b>	45,575	-	45,575
Net position - beginning of year	636,143	-	636,143
<b>Net position - end of year</b>	<u>\$ 681,718</u>	<u>\$ -</u>	<u>\$ 681,718</u>

**JAMESTOWN CITY SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

<b>Total fund balances - governmental funds</b>	<b>\$ 20,176,948</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets and right-to-use assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets and right-to-use assets consist of the following at year-end:

Cost of the assets	\$ 232,218,922	
Accumulated depreciation/amortization	<u>(156,440,352)</u>	75,778,570

District's proportionate share of the net pension assets are reported on the statement of net position, whereas in the governmental funds pension costs are based on required contributions.	36,460,521
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Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(126,000)
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Net deferred outflows (inflows) of resources related to actuarial pension differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, pension expense is based on required contributions.	(21,428,937)
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Net deferred outflows of resources related to actuarial OPEB differences are reported on the statement of net position and amortized over the average members' years of service. In the governmental funds, OPEB expense is based on required contributions.	417,799
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of the following:

Bonds payable, net	(33,807,266)	
Lease liabilities	(2,507,016)	
Workers' compensation	(735,382)	
Compensated absences and retirement incentive	(406,923)	
Other post-employment benefits	<u>(5,036,651)</u>	(42,493,238)

<b>Total net position - governmental activities</b>	<b>\$ <u>68,785,663</u></b>
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	Total Governmental Funds	Long-term Asset & Outflow Transactions	Long-term Liability & Inflow Transactions	Reclassification and Eliminations	Statement of Net Position
<b>Assets</b>					
Cash and cash equivalents	\$ 34,117,611	\$ -	\$ -	\$ (3,427,551)	\$ 30,690,060
Due from other funds	2,508,308	-	-	(2,508,308)	-
State and federal aid receivable	5,120,706	-	-	-	5,120,706
Other receivables	7,029	-	-	-	7,029
Due from other governments	2,406,864	-	-	-	2,406,864
Inventories and prepaid expenses	153,870	-	-	-	153,870
Net pension assets	-	36,460,521	-	-	36,460,521
Cash to be used for capital assets	-	-	-	3,427,551	3,427,551
Capital assets and right-to-use assets, net	-	75,778,570	-	-	75,778,570
Total assets	44,314,388	112,239,091	-	(2,508,308)	154,045,171
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pensions & OPEB	-	25,668,552	-	-	25,668,552
Total assets & deferred outflows of resources	\$ 44,314,388	\$ 137,907,643	\$ -	\$ (2,508,308)	\$ 179,713,723
<b>Liabilities, Deferred Inflows of Resources and Fund Equity/Net Position</b>					
<b>Liabilities</b>					
Accounts payable	\$ 408,561	\$ -	\$ -	\$ -	\$ 408,561
Accrued liabilities	969,977	-	-	-	969,977
Accrued interest	-	-	126,000	-	126,000
Due to other funds	2,508,308	-	-	(2,508,308)	-
Unearned revenue	1,169,009	-	-	-	1,169,009
Due to retirement systems	4,031,585	-	-	-	4,031,585
Bond anticipation notes payable	15,050,000	-	-	-	15,050,000
Bonds payable	-	-	33,807,266	-	33,807,266
Net pension liabilities	-	-	-	-	-
Lease liabilities	-	-	2,507,016	-	2,507,016
Workers' compensation	-	-	735,382	-	735,382
Compensated absences and retirement incentive	-	-	406,923	-	406,923
Other post-employment benefits	-	-	5,036,651	-	5,036,651
Total liabilities	24,137,440	-	42,619,238	(2,508,308)	64,248,370
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to pensions & OPEB	-	-	46,679,690	-	46,679,690
Total deferred inflows of resources	-	-	46,679,690	-	46,679,690
<b>Fund equity/net position</b>	20,176,948	137,907,643	(89,298,928)	-	68,785,663
Total liabilities, deferred inflows of resources & fund equity/net position	\$ 44,314,388	\$ 137,907,643	\$ -	\$ (2,508,308)	\$ 179,713,723

**JAMESTOWN CITY SCHOOL DISTRICT**  
**RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES**  
**AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

<b>Total net change in fund balances - governmental funds</b>		<b>\$ 8,620,672</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. Activity for the current fiscal year ended was as follows:		
Capital outlays	\$ 4,062,234	
Depreciation/amortization expense	<u>(8,809,966)</u>	(4,747,732)
Repayment of bond (including bond refunding), BAN and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		12,003,301
Bond anticipation notes redeemed from appropriations is recorded as revenue and other sources in the governmental funds, whereas the repayment reduces short-term liabilities in the statement of net position.		(2,940,000)
Proceeds from the issuance of long-term debt (including bond refunding and leases) are recorded as revenue in the governmental funds. However, in the statement of activities, proceeds from the issuance of long-term debt is not recorded as revenue but rather the amount is recorded as a liability in the statement of net position.		(1,119,274)
In the statement of activities, certain operating expenses - compensated absences, retirement incentives and workers' compensation 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). This year, compensated absences and workers' compensation earned changed by this amount.		182,905
District's proportionate share of actuarial calculated pension expense and net amortization of deferred amounts are recorded in the statement of activities, whereas in the governmental funds pension expense is based on District's required contribution to pension plans.		6,387,817
District's actuarial calculated OPEB expense and net amortization of deferred outflows and inflows related to OPEB are recorded in the statement of activities, whereas in the governmental funds, OPEB expense is based on the District's contribution.		(549,001)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. Also, in the statement of activities, premiums received on bond proceeds are deferred and amortized against interest expense.		<u>629,188</u>
<b>Change in net position of governmental activities</b>		<b>\$ 18,467,876</b>

See accompanying independent auditor's report and notes to financial statements.

	Total Governmental Funds	Long-term Asset & Outflow Transactions	Long-term Liability & Inflow Transactions	Reclassification and Eliminations	Statement of Activities Totals
<b>Revenue</b>					
Real property taxes	\$ 16,276,311	\$ -	\$ -	\$ -	\$ 16,276,311
Charges for services	157,733	-	-	(157,733)	-
Use of money and property	51,277	-	-	-	51,277
Sale of property compensation for loss	159,464	-	-	-	159,464
Miscellaneous	1,256,910	-	-	(510,088)	746,822
State sources	74,181,398	-	-	(3,511,956)	70,669,442
Federal sources	14,692,983	-	-	(14,478,543)	214,440
Surplus food	320,061	-	-	(320,061)	-
Sales (school food service)	1,770	-	-	(1,770)	-
Total revenue	107,097,907	-	-	(18,980,151)	88,117,756
<b>Expenditures</b>					
General support	9,768,975	1,041,118	(103,723)	(502,202)	10,204,168
Instruction	55,542,980	5,231,848	(1,043,789)	(3,419,110)	56,311,929
Pupil transportation	2,159,351	219,767	-	45,375	2,424,493
Employee benefits	19,274,032	-	(5,838,816)	(13,435,216)	-
Debt service	12,720,933	-	(11,667,882)	-	1,053,051
Capital outlay	1,652,107	(1,745,001)	-	92,894	-
Cost of sales	1,631,313	-	-	(1,975,074)	(343,761)
Other expenses	-	-	-	-	-
Total expenditures	102,749,691	4,747,732	(18,654,210)	(19,193,333)	69,649,880
Excess (deficiency) of revenue over expenditures	4,348,216	(4,747,732)	18,654,210	213,182	18,467,876
<b>Other sources and uses</b>					
BANs redeemed from appropriations	2,940,000	-	(2,940,000)	-	-
Premiums from BAN's and serial bonds	213,182	-	-	(213,182)	-
Proceeds from issuance of leases	1,119,274	-	(1,119,274)	-	-
Operating transfers in	804,100	-	-	(804,100)	-
Operating transfers out	(804,100)	-	-	804,100	-
Total other sources (uses)	4,272,456	-	(4,059,274)	(213,182)	-
<b>Net change for year</b>	\$ 8,620,672	\$ (4,747,732)	\$ 14,594,936	\$ -	\$ 18,467,876

**JAMESTOWN CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Page 18**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I. Significant Accounting Policies**

The accompanying financial statements of the **Jamestown City School District** have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The financial statements include all funds and account groups of the School District as well as the component units and other organizational entities determined to be includable in the School District's financial reporting entity.

The decision to include a potential component unit in the School District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the School District's reporting entity:

**1. The Extraclassroom Activity Funds**

The extraclassroom activity funds of the **Jamestown City School District** represents funds of the students of the School District. The Board of Education exercises general oversight of these funds and has adopted the guidance prescribed by the New York State Education Department for safeguarding, accounting and auditing of extraclassroom activity funds. As a result, these funds do not meet the criteria required to be reported as fiduciary funds and are reported in a governmental fund. The cash and investment balances as well as revenues and expenditures are reported in the general fund of the District. Under previous guidance the cash and investment balances were reported as agency funds. The audited financial statements (cash basis) of the extraclassroom activity funds are available at the District's offices.

**B. Joint Venture**

The **Jamestown City School District** is one of 27 component school districts in the Erie 2 – Chautauqua-Cattaraugus Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Joint Venture (continued)**

BOCES are organized under Section 1950 of the Education Law. A BOCES Board is considered a corporate body. All BOCES property is held by the BOCES Board as a corporation (Section 1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under Section 119-n(a) of the General Municipal Law.

A BOCES budget is comprised of separate budgets for administrative, program, and capital costs. Each component school district's share of the administrative and capital cost is determined by resident public school district enrollment as defined in Education Law, Section 1950(4)(b)(7).

There is no authority or process by which a school district can terminate its status as a BOCES component. In addition, component school districts pay tuition or a service fee for programs in which its students participate. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of Section 1950 of the Education Law.

During the year, the District was billed approximately \$7,931,000 for BOCES administration, capital and program costs. The District's share of BOCES aid and refunds amounted to \$3,757,000 for the year ended June 30, 2022. Financial statements for the Erie 2 – Chautauqua-Cattaraugus BOCES are available at the BOCES administrative offices in Angola, New York.

**C. Basis of Presentation**

**1. District-wide Statements**

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.



**JAMESTOWN CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Page 19**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**C. Basis of Presentation (continued)**

**1. District-wide Statements (continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**2. Fund Financial Statements**

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

**General** - is the general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund.

**Special Aid** - is used to account for the proceeds of specific revenue sources such as Federal and State grants that are legally restricted to expenditures for specified purposes, whose funds are restricted as to use. These legal restrictions may be imposed by either governments that provide the funds or outside parties.

**Food Service** - is used to account for all revenue and expenditures pertaining to the cafeteria operations.

**Capital Projects** - is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

**Debt Service** - is used to account for the accumulation of resources and the payment of general long-term debt principal and interest as well as the refunding of serial bonds.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**C. Basis of Presentation (continued)**

**2. Fund Financial Statements (continued)**

**Fiduciary Fund Types** - Fiduciary Funds include Private Purpose Trust Funds and Custodial Funds. The Private Purpose Trust Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations and other governments. Custodial funds are held by the District as an agent for other governments and includes taxes collected and remitted. Private Purpose Trust and Custodial Funds are accounted for on the accrual basis.

**D. Measurement Focus and Basis of Accounting**

The District-wide and fiduciary fund 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 at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period, except for real property taxes, which are considered to be available if they are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital and right-to-use asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**JAMESTOWN CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Cash and Cash Equivalents**

For financial statement purposes, all highly liquid investments of three months or less are considered as cash equivalents. New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

**F. Investments**

Investments are stated at the lower of cost or current market value.

**G. Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts have been provided since it is believed that such allowances would not be material.

**H. Inventory**

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis or in the case of surplus food, at stated value which approximates market. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase.

**I. Due To/From Other Funds**

The amounts reported on the Statement of Net Position for due to and from other funds represents amounts due between different fund types (governmental activities, and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these notes.

**J. Interfund Transfers**

The operations of the School District give rise to certain transactions between funds, including transfers to provide services and construct assets.

**K. Capital Assets**

Capital assets are reported at actual cost. Donated assets are reported at estimated fair market value at the time received. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the District-wide statements as follows:

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 25,000	Straight-line	30 years
Site improvements	25,000	Straight-line	30 years
Furniture and equipment	25,000	Straight-line	15 years
Transportation Vehicles	25,000	Straight-line	7 years

**L. Compensated Absences**

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated annual sick and vacation time, as well as certain benefits based on years of service and attendance. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and other employees expected to become eligible in the future to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with administrators and employee groups which provide for the payment of accumulated sick time at various amounts at retirement. The District has recorded an estimated liability in the District-wide financial statement amounting to approximately \$40,000 related to compensated absences. Over the years, the District's Board of Education has authorized retirement incentive programs to qualifying employees in the form of a non-elective employer contribution to their 403(b) retirement account or in the form of a conversion of sick days to health insurance premiums in accordance with the terms of the incentive program. The District has recorded an estimated liability in the District-wide financial statement amounting to approximately \$380,000 related to these retirement incentive programs.

The government-wide financial statements reflect the entire liability, while in the governmental funds financial statements, only the amount of matured liabilities is accrued based on expended available financial resources. These amounts are expensed as paid.

**M. Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses.

**N. Deferred Inflows and Outflows of Resources**

In addition to assets, the Statement of Net 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

**JAMESTOWN CITY SCHOOL DISTRICT  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**N. Deferred Inflows and Outflows of Resources  
(continued)**

period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has three items that qualify for reporting in this category. The first item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date. The third item is related to OPEB reporting. This represents actuarial differences which are deferred and amortized as well as benefit payments subsequent to the measurement date.

In addition to liabilities, the Statement of Net 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. The District has three items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as revenue not available – state aid. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS and TRS Systems) and difference during the measurement periods between the District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The third item is related to OPEB reporting. This represents actuarial differences which are deferred and amortized.

**O. Unearned Revenue**

Unearned revenue is reported on the District's combined balance sheet. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the District has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**P. Other Post-Employment Benefits**

In addition to the retirement benefits described elsewhere in the notes to the financial statements, the District provides other post-employment health insurance coverage to certain retired employees and their survivors in accordance with various incentive programs offered to employees of the District throughout the years.

**Q. Fund Equity**

**1. Governmental Funds**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes

GASB 54 requires the fund balance amounts to be reported within one of the fund balance categories listed below:

**A. Nonspendable**

Fund balance associated with assets that are inherently nonspendable in the current period because of their form or because they must be maintained intact, including inventories, prepaids, long-term loans and notes receivable, and property held for relate (unless the proceeds are restricted, committed, or assigned). Nonspendable Fund Balance includes the following category:

**1. Inventory Reserve**

This reserve is used to limit the investment in inventory and to restrict that portion of fund balance which is unavailable for appropriation. This reserve is accounted for in the School Food Service Fund and is recorded net of the balance of donated food commodities recorded as unearned revenue.

**2. Prepaid Reserve**

This reserve is used to restrict a portion of fund balance, relating to prepaid expenses paid in the current year, which is not in spendable form. This reserve is accounted for in the General Fund and was related to miscellaneous prepaid expenses in the current year.

**B. Restricted**

Fund balance amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation. Restricted Fund Balance includes the following categories:

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**Q. Fund Equity (continued)**

**1. Governmental Funds (continued)**

**B. Restricted (continued)**

**1. Employee Benefits Accrued Liabilities Reserve**

The purpose of this reserve is to reserve funds for the payment of any accrued employee benefit due an employee upon termination of service. This reserve fund may be established by a majority vote of the Board of Education and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

**2. Reserve for Retirement Contributions**

This reserve is used to accumulate funds for employee retirement system contributions. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

**3. Teachers Retirement Contribution Reserve**

This reserve is used to accumulate funds for teacher's retirement system contributions and has limits of 2% annually and 10% in total of teacher retirement wages. The reserve may be established by a majority vote of the Board of Education and is accounted for in the General Fund.

**4. Reserve for Workers' Compensation**

This reserve is used to accumulate funds for the purposes of paying for compensation benefits and other expenditures authorized under Article 2 of the New York State Workers' Compensation Law, and for payment of expenditures of administering this self-insurance program. Excess reserve amounts may be either transferred to another reserve or applied to the appropriations for the next fiscal year's budget. This reserve is accounted for in the General Fund.

**5. Reserve for Debt Service**

This reserve is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations, and remaining bond proceeds not to be utilized for the intended purpose. These monies must be used to pay the debt service of the obligations from which they originated. These reserves are accounted for in the General Fund and Debt Service Fund.

**6. Endowment Scholarships Reserve**

This reserve is used to account for endowments, scholarships and other funds held in trust by the School District. These monies and earnings must

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**Q. Fund Equity (continued)**

**1. Governmental Funds (continued)**

**B. Restricted (continued)**

**6. Endowment Scholarships Reserve (con't)**

be used for the specific purpose of the original contribution.

**7. Tax Certiorari Reserve**

Tax Certiorari Reserve is used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amounts which might reasonably be deemed necessary to meet anticipated judgements and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceeding in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

**8. Capital Reserve**

These reserves are used to accumulate funds to finance all or a portion of future capital projects and bus purchases for which bonds may be issued. Voter authorization is required for both the establishment of the reserves and payments from the reserves. These reserves are accounted for in the General Fund or Capital Project Fund.

**9. Unemployment Reserve**

This reserve is used to pay the cost of reimbursement to the State Unemployment Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded with budgetary appropriations and such other funds as may be legally appropriated. This reserve is accounted for in the General Fund.

**C. Committed**

Fund balance amounts that can be used only for specific purposes determined by a formal action of the District's Board of Education, which is the District's highest level of decision-making authority. The District reports the fund balance of the extraclassroom funds as committed fund balance.

**D. Assigned**

Fund balance intended to be used by the District for specific purposes but does not meet the criteria to be restricted or committed. Along with the District's Board of Education, the Business Manager and Treasurer have been authorized to assign fund balance amounts for specific purposes through the establishment of an encumbrance.

**JAMESTOWN CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**Q. Fund Equity (continued)**

**1. Governmental Funds (continued)**

**D. Assigned (continued)**

**1. Encumbrance Accounting**

Encumbrance accounting, under which purchase orders, contracts, and other commitments of the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used in the General Fund, Special Revenue Funds, and Capital Projects Fund. If resources have already been restricted or committed for encumbrances, the encumbered amounts will be included with restricted or committed resources. If resources have not already been restricted or committed, amounts encumbered are considered assigned for the purpose of the expected expenditure. Reserve for encumbrances as of June 30, 2022 totaled \$609,151.

**2. Appropriated Fund Equity**

General Fund – The District appropriated \$800,000 to reduce taxes for the year ending June 30, 2023 as allowed by Section 1318 of the Real Property Tax Law.

**E. Unassigned**

The residual classification of the general fund and includes all spendable amounts not contained in the other classifications.

**2. Government-wide financial statements**

**A. Net Investment in Capital Assets and Right-To-Use Assets**

This designation of net position is used to accumulate the capital asset and right-to-use asset balances in the statement of net position less accumulated depreciation and amortization and outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**B. Restricted**

This category represents amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation.

**C. Unrestricted**

This category represents net position of the District not restricted for any other purpose.

**3. Order of Fund Balance Spending Policy**

When more than one classification of fund balance of the District are eligible to be utilized for an expenditure of the District, the order in which the fund balance classifications will be utilized will be as follows:

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**Q. Fund Equity (continued)**

**3. Order of Fund Balance Spending Policy (continued)**

- a. Restricted fund balance represents amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers including creditors, grantors, contributors, etc., or through enabling legislation.
- b. Committed fund balance for which action has been taken by the Board of Education, a designated school official, or by the voters of the District, specifically designating funds to the expenditure;
- c. Assigned fund balance created specifically for the expenditure (encumbered fund balance);
- d. Assigned fund balance within funds other than the General Fund of the District to which the expenditure relates;
- e. Unassigned fund balance.

**R. Budgetary Procedures and Budgetary Accounting**

**1. Budget Policies**

The budget policies are as follows:

- a) The School District administration prepares a proposed budget for approval by the Board of Education for the General Fund and the School Food Service Fund.
- b) The proposed appropriations budget is approved by the voters within the District.
- c) Appropriations are adopted at the program level.
- d) Appropriations established by adoption of the budget constitute a limitation on expenditures and encumbrances which may be incurred. Appropriations lapse at the fiscal year end. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need which exists which was not determined at the time the budget was adopted. Supplemental appropriations included leases acquired during the year ended June 30, 2022.

**2. Budget Basis for Accounting**

Budgets are adopted annually on a basis consistent with the fund financial statements and the modified accrual basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

The budget and actual comparison for Special Revenue Funds, reflects budgeted and actual amounts for funds with legally authorized (appropriated) budgets.

Budgetary controls for the special revenue (other than School Food Service Fund) and capital funds



**JAMESTOWN CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**R. Budgetary Procedures and Budgetary Accounting  
(continued)**

**2. Budget Basis for Accounting (continued)**

are established in accordance with the applicable grant agreement or authorized project limit which may cover a period other than the District's fiscal year. Consequently, the budgets for such funds have been excluded from the combined schedule of revenue, expenditures and changes in fund equity - budget and actual.

**S. Property Taxes**

**1. Calendar**

Real property taxes are levied annually by the Board of Education no later than September 1 and become a lien on October 31.

**2. Enforcement**

Uncollected real property taxes are subsequently enforced by Chautauqua County, in which the School District is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the School District no later than the forthcoming April 1.

**T. New Accounting Pronouncement**

Effective July 1, 2021, the District implemented the provisions of GASB Statement 87 which establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset, thereby, eliminating the distinction between operating and capital leases. As a result substantially all leases are reported on the district-wide statement of net position.

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES  
BETWEEN GOVERNMENTAL FUND STATEMENTS AND  
DISTRICT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the District-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

**A. Total Fund Balances of Governmental Funds vs. Net  
Position of Governmental Activities**

Total fund equity of the District's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES  
BETWEEN GOVERNMENTAL FUND STATEMENTS AND  
DISTRICT-WIDE STATEMENTS (continued)**

**B. Statement of Revenues, Expenditures and Changes  
in Fund Balance vs. Statement of Activities**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

**1. Long-term Revenue Differences**

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

**2. Capital Related Differences**

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital and right-to-use items in the governmental fund statements and depreciation/amortization expense on those items as recorded in the Statement of Activities.

**3. Long-term Debt Transaction Differences**

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

**4. Pension Differences**

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

**5. OPEB Differences**

OPEB differences occur as a result of changes in the District's OPEB liability and differences between the District's contributions and OPEB expense.

**JAMESTOWN CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

**I. Cash and Cash Equivalents**

The *Jamestown City School District's* investment policies are governed by State statutes. School District monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The District treasurer is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and School Districts.

**A. Deposits**

Deposits are valued at cost or cost plus interest and are categorized as either:

- (1) Insured through the Federal Deposit Insurance Corporation,
- (2) Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name; or
- (3) Uncollateralized

Total financial institution (bank) balances at June 30, 2022 per the bank were approximately \$35,070,000 (including NYClass deposits). Deposits are categorized as follows:

Category 1	Category 2	Category 3	Carrying Value
\$ 633,000	\$34,437,000	\$ -	\$ 35,070,000

Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. While the District does not have a specific policy with regards to custodial credit risk, New York State statutes govern the District's investment policies.

**B. Cash Equivalents**

The District participates in the Cooperative Liquid Assets Securities System – New York (NYCLASS), a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 3-A and 5-G Sections 119-n and o, and Chapter 623 of the Laws of 1998, whereby it holds apportion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents. All NYCLASS investment and collateral policies are in accordance with general municipal law sections 10 and 11. Total investments of the cooperative at June 30, 2022 are approximately \$4,233,847,036, which consisted of 27% in repurchase agreements, 53% in U.S. Treasury Securities, and 20% in collateralized bank deposits, with various interest

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**I. Cash and Cash Equivalents (continued)**

**B. Cash Equivalents (continued)**

rates and due dates. The amount below represents the cost of the investment pool shares and are considered to approximate market value. Additional information concerning NYCLASS, including the annual report can be found on its website at [www.newyorkclass.org](http://www.newyorkclass.org)

General fund – NYClass	\$ 21,590,473
Capital fund – NYClass	3,427,551
	<u>\$ 25,018,024</u>

**II. Interfund Transactions**

Interfund balances as of June 30, 2022 are as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 477,674	\$ -
Special Aid Fund	234,556	2,306,063
School Lunch Fund	-	196,217
Debt Service Fund	1,796,078	-
Capital Project Fund	-	6,028
Total	<u>\$ 2,508,308</u>	<u>\$ 2,508,308</u>

Interfund transactions for the year ended June 30, 2022 are as follows:

	Interfund Revenue	Interfund Expenditures
General Fund	\$ 479,117	\$ 324,983
Special Aid Fund	234,983	130,940
Debt Service Fund	-	348,177
Capital Project Fund	90,000	-
Total	<u>\$ 804,100</u>	<u>\$ 804,100</u>

During the current year, the general fund transferred \$234,983 to the special aid fund to cover the local share of grant programs. The general fund also transferred \$90,000 to the capital project fund for a capital outlay project. The special aid fund transferred \$130,940 to the general fund to cover indirect costs. Finally, the debt service fund transferred \$348,177 to the general fund to offset payments of principal and interest on the District's outstanding debt.

**III. Receivables**

Receivables at June 30, 2022 consisted of amounts due from State and Federal sources as well as amounts due from other governments and miscellaneous receivables. District management has deemed the amounts to be fully collectible.

**JAMESTOWN CITY SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**IV. Capital Assets and Right-to-Use Assets**

**A. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance 06/30/21	Change	Ending Balance 06/30/22
Governmental activities:			
Capital assets that are not depreciated:			
Land	\$ 2,499,334	\$ -	\$ 2,499,334
Construction-in-Progress	536,734	1,635,084	2,171,818
Subtotal	3,036,068	1,635,084	4,671,152
Capital assets that are depreciated:			
Buildings and improvements	214,414,469	-	214,414,469
Furniture and Equipment	1,752,026	368,974	2,121,000
Vehicles	5,846,359	698,674	6,545,033
Total historical cost	225,048,922	\$ 2,702,732	227,751,654
Less accumulated depreciation:			
Buildings and improvements	141,468,230	7,249,217	148,717,447
Furniture and Equipment	959,397	317,363	1,276,760
Vehicles	4,150,965	621,833	4,772,798
Total accumulated depreciation	146,578,592	8,188,413	154,767,005
Net book value	\$ 78,470,330		\$ 72,984,649

Depreciation and amortization expense was charged to governmental functions during the current year as follows:

General support	\$ 1,201,131
Instruction	6,690,394
Pupil transportation	918,441
	<u>\$ 8,809,966</u>

**B. Right-to-use assets**

The District reported right-to-use assets net of amortization as of June 30, 2022 in the amount of \$2,793,921. See note 7 for more information.

**C. Additions**

During the current year the District had fixed asset additions, including right-to-use assets in the amount of approximately \$4,062,000.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities**

**1. Plan Descriptions and Benefits Provided**

**a. Teachers' Retirement System (TRS)**

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multipleemployer retirement system. The System provides retirement benefits as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10 member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. 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. Additional information regarding the System, may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial report which can be found on the System's website at [www.nyststrs.org](http://www.nyststrs.org).

**b. Employees' Retirement System (ERS)**

The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). 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 District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.



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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**2. Contributions**

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent 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. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were approximately as follows:

<u>Year</u>		<u>TRS</u>		<u>ERS</u>
2022	\$	3,422,000	\$	1,634,000
2021		3,167,000		1,450,000
2020		3,007,000		1,454,000

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2022, the District reported the following asset/ (liability) for its proportionate share of the net pension asset/ (liability) for each of the Systems. The net pension asset/ (liability) was measured as of March 31, 2022 for ERS and June 30, 2021 for TRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The District's proportion of the net pension asset (liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

<u>Measurement date</u>	<u>ERS</u> <u>3/31/2022</u>	<u>TRS</u> <u>6/30/2021</u>
Net pension asset/ (liability)	\$ 2,532,806	\$ 33,927,715
District's portion of the Plan's total net pension asset/ (liability)	.03009839%	.195785%

For the year ended June 30, 2022, the District's recognized pension expense (benefit) of \$364,633 for ERS and (\$1,805,071) for TRS. At June 30, 2022 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Differences between expected and actual experience	\$ 191,813	\$ 4,676,576	\$ 248,792	\$ 176,269
Changes of assumptions	4,226,969	11,159,535	71,326	1,976,189
Net difference between projected and actual earnings on pension plan investments	-	-	8,293,878	35,508,864
Changes in proportion and differences between the District's contributions and proportionate share of contributions	559,080	328,986	24,581	56,753
District's contributions subsequent to the measurement date	362,667	3,422,089	-	-
<b>Total</b>	<b>\$ 5,340,529</b>	<b>\$ 19,587,186</b>	<b>\$ 8,638,577</b>	<b>\$ 37,718,075</b>

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**3. Pension Asset (Liability), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability/asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, along with contributions subsequent to the measurement date, will be recognized in pension expense as follows:

	ERS	TRS
Year ending:		
2023	\$ (433,843)	\$ (4,239,665)
2024	(780,984)	(5,101,173)
2025	(2,049,007)	(6,467,292)
2026	(396,881)	(8,530,311)
2027	-	1,637,126
Thereafter	-	1,148,335

**4. Actuarial Assumptions**

The total pension asset (liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset (liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement date	3/31/22	6/30/21
Actuarial valuation date	4/1/21	6/30/20
Interest rate	5.9%	6.95%
Salary scale	4.4% average 4/1/15 – 3/31/20 System's	1.95% - 5.18% 7/1/15 – 6/30/20 System's
Decrement tables	Experience	Experience
Inflation rate	2.7%	2.4%

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**4. Actuarial Assumptions (continued)**

For ERS, 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. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020, applied on a generational basis.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

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

	ERS 3/31/22	Expected Rate of Return	TRS 6/30/21	Expected Rate of Return
Measurement date				
<b>Asset Type:</b>				
Domestic equity	32%	3.30%	33%	6.8%
International equity	15%	5.85%	16%	7.6%
Global equity	-%	-%	4%	7.1%
Private equity	10%	6.50%	8%	10.0%
Real Estate	9%	5.00%	11%	6.5%
Opportunistic/ARS portfolio	3%	4.10%	-%	-%
Credit	4%	3.78%	-%	-%
Real assets	3%	5.58%	-%	-%
Domestic fixed income	-%	-%	16%	1.3%
Global bonds	-%	-%	2%	0.8%
Real estate debt	-%	-%	7%	3.3%
Private debt	-%	-%	1%	5.9%
High-yield bonds	-%	-%	1%	3.8%
Fixed Income	23%	-%	-%	-%
Cash	1%	-1.0%	1%	(.2)%
Total:	100%		100%	

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**5. Discount Rate**

The discount rate used to calculate the total pension asset (liability) was 5.9% for ERS and 6.95% for TRS. 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 asset (liability).

**6. Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption**

The following presents the District's proportionate share of the net pension asset (liability) calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1- percentage point lower (4.9% for ERS and 5.95% for TRS) or 1-percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension asset (liability)	\$ (6,519,415)	\$ 2,532,806	\$ 10,104,552

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**A. Pension Plans (continued)**

**6. Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption (continued)**

	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
TRS			
Employer's proportionate share of the net pension asset (liability)	\$ 3,560,219	\$ 33,927,715	\$ 59,449,392

**7. Pension Plan Fiduciary Net Position**

The components of the current-year net pension asset (liability) of the employers as of the respective measurement dates, were as follows:

	(Dollars in Thousands)	
	ERS	TRS
Measurement date	3/31/22	6/30/21
Employers' total pension liability	\$ 223,874,888	\$ 130,819,415
Plan net position	\$ 232,049,473	\$ 148,148,457
Employers' net pension asset (liability)	\$ 8,174,585	\$ 17,329,042
Ratio of plan net position to be Employers' total pension asset (liability)	103.65%	113.2%

**8. Payables to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2022 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$362,667.

For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2022 amounted to \$3,668,918 (employer contribution of \$3,422,089 and employee contribution of \$246,829).

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**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**B. Other Post-Employment Benefits**

Plan Description

The District maintains a single-employer defined benefit healthcare plan (the Plan). The Plan provides medical and vision insurance benefits to eligible retirees and their spouses. Benefit provisions are based on bargaining agreements as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility for the Plan is established by the District and specified in the District's employment contracts.

Employees Covered by Benefit Terms

For the fiscal year ended June 30, 2022 the plan had total active employees of 781 and retirees of 90.

Total OPEB Liability

The District's total OPEB liability of \$5,036,651 was measured as of March 31, 2022 and was determined by an actuarial valuation from July 1, 2020.

Actuarial Methods and Other Inputs

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.44% per year
Salary increases	3.44%
Discount rate	2.83%
Healthcare cost trend rates	2022 – 6.1% reduced to an ultimate rate of 4.37% after 2070
Retirees' share of benefit-related costs	Varies based on employment contracts

The discount rate was based on a yield for 20 year tax-exempt general obligation municipal bonds. Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General, and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were chosen to be consistent with the requirements of GASB 75 and Actuarial Standards of Practice.

Changes in the Total OPEB Liability

Service cost	\$	163,487
Interest		110,626
Differences between expected and actual experience		301,769
Changes in benefit terms		-
Changes in assumptions		(249,152)
Benefit payments		(315,730)
Net changes		11,000
Net OPEB liability – beginning of year		5,025,651
Net OPEB liability – end of year	\$	5,036,651

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**B. Other Post-Employment Benefits (continued)**

Changes in assumptions reflect a change in the discount rate from 2.27% to 2.83%, salary scale changes from 3.11% to 3.44%, mortality improvement scale changes from MP-2020 to MP-2021 and changes in healthcare cost trend rates.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.83%) or 1 percentage point higher (3.83%) than the current discount rate:

	1% Decrease (1.83%)	Current Assumption (2.83%)	1% Increase (3.83%)
Total OPEB liability	\$5,426,373	\$5,036,651	\$4,677,615

Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (3.37% - 5.10%)	Current Assumption (4.37% - 6.10%)	1% Increase (5.37% - 7.10%)
Total OPEB liability	\$ 4,509,171	\$ 5,036,651	\$ 5,653,021

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense of \$870,647. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**B. Other Post-Employment Benefits (continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 463,321	\$ 114,493
Benefits paid subsequent to measurement date	78,933	-
Changes in assumptions	198,583	208,545
<b>Total</b>	<b>\$ 740,837</b>	<b>\$ 323,038</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending:	
2023	\$ 137,906
2024	89,037
2025	54,288
2026	44,334
2027	13,301
Thereafter	-

**C. Indebtedness**

**1. Short-Term Debt**

**a. Bond Anticipation Notes**

Notes issued in anticipation of proceeds from the subsequent sale of bonds are recorded as a current liability of the fund that will actually receive the proceeds from the issuance of the bonds. State law requires that bond anticipation notes issued for capital purposes be converted to long-term financing within five years after the original issue date. The liability for all bond anticipation notes issued by the District is included in the capital project fund. On June 16, 2021 the District issued bond anticipation notes in the amount of \$17,990,000 which had an interest rate of 1.5% and matured on June 15, 2022. The BANs were renewed for \$15,050,000 and the District paid principal on the BANs of \$2,940,000. The following schedule represents outstanding bond anticipation notes as of June 30, 2022.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**1. Short-Term Debt (continued)**

**a. Bond Anticipation Notes (continued)**

Description of Issue	Outstanding June 30, 2022
Bond anticipation notes, issued on June 15, 2022 with maturity date of June 15, 2023, BANs carry interest rate of 3.5%.	\$ 15,050,000

**b. Revenue Anticipation Note**

Notes issued in the anticipation of revenue are recorded as a current liability of the fund that will actually receive proceeds from the issuance of the notes. The revenue anticipation note represents a liability that will be extinguished through the use of expendable available resources of the fund. There were no revenue anticipation notes issued or redeemed during the fiscal year ended June 30, 2022.

**c. Short-term interest**

During the fiscal year ended June 30, 2022, the District had interest on short-term debt in the amount of \$269,850, which is included in the General Fund.

**2. Long-Term Debt**

**a. Changes**

The changes in the School District's indebtedness, during the year ended June 30, 2022 are summarized as follows:

	Balance June 30, 2022	Balance June 30, 2021	Amounts Due Within One Year
Bonds, net	\$ 33,807,266	\$ 42,003,454	\$ 5,430,000
Lease liabilities	2,507,016	1,152,748	1,105,171
Net pension liabilities	-	5,555,106	-
Compensated absences and retirement incentives	406,923	642,646	132,000
Workers' compensation	735,382	682,564	290,000
Other post-employment benefit liability	5,036,651	5,025,651	-
	<b>\$ 42,493,238</b>	<b>\$ 55,062,169</b>	<b>\$ 6,957,171</b>

The District made principal payments on serial bonds in the amount of \$7,610,000 and had amortization on bond premiums of \$586,188.

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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**C. Indebtedness (continued)**

**2. Long-Term Debt (continued)**

**a. Changes (continued)**

The District made principal payments on vehicle leases in the amount of \$488,694. See Note 7 for change in right-to-use lease liability. The net change in other post-employment benefits was an increase of \$11,000 during the fiscal year ended June 30, 2022. The net pension liability decreased during the current year which was the result of a change in the ERS and the TRS system from a net pension liability to a net pension asset. The compensated absences and retirement incentive balance decreased \$235,723 during the current year. Finally the workers' compensation liability increased by \$52,818.

**b. Summary**

The following is a summary of maturity of indebtedness:

Description	Maturity	Interest Rates	Balance at June 30, 2022
2009 Issue - QZAB	June 2023	0%	\$ 830,000
2011 Issue	December 2026	.8%	1,000,000
2016 Issue	June 2029	4%-5%	2,700,000
2017 Issue	June 2030	2%-3%	3,935,000
Refunding - 2017	May 2023	2%-4%	1,165,000
2018 Issue	June 2031	3%	4,865,000
2019 Issue	June 2034	3%-5%	9,275,000
2020 Issue	June 2034	2%-5%	3,825,000
Refunding - 2020	April 2027	2%-5%	4,090,000
			31,685,000
Plus: unamortized premiums			2,122,256
			<u>\$ 33,807,256</u>

**c. Maturity**

1. The following is a summary of maturity of serial bonds indebtedness on June 30, 2022.

Year	2009 Issue - QZAB	
	Principal	Interest
2023	\$ 830,000	\$ -
Total	<u>\$ 830,000</u>	<u>\$ -</u>

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**C. Indebtedness (continued)**

**2. Long-Term Debt (continued)**

**c. Maturity**

Year	2011 Issue	
	Principal	Interest
2023	\$ 195,000	\$ 7,220
2024	200,000	5,640
2025	200,000	4,040
2026	200,000	2,440
2027	205,000	820
Total	<u>\$ 1,000,000</u>	<u>\$ 20,160</u>

Year	2016 Issue	
	Principal	Interest
2023	\$ 355,000	\$ 122,800
2024	365,000	105,050
2025	375,000	86,800
2026	385,000	68,050
2027	395,000	48,800
2028-2029	825,000	49,800
Total	<u>\$ 2,700,000</u>	<u>\$ 481,300</u>

Year	2017 Issue	
	Principal	Interest
2023	\$ 455,000	\$ 118,050
2024	465,000	104,400
2025	470,000	90,450
2026	485,000	76,350
2027	495,000	61,800
2028-2030	1,565,000	94,650
Total	<u>\$ 3,935,000</u>	<u>\$ 545,700</u>

Year	Refunding 2017	
	Principal	Interest
2023	\$ 1,165,000	\$ 46,600
Total	<u>\$ 1,165,000</u>	<u>\$ 46,600</u>



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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**C. Indebtedness (continued)**

**2. Long-Term Debt (continued)**

**c. Maturity (continued)**

Year	2018 Issue	
	Principal	Interest
2023	\$ 485,000	\$ 145,950
2024	495,000	131,400
2025	510,000	116,550
2026	525,000	101,250
2027	535,000	85,500
2028-2031	2,315,000	176,100
Total	\$ 4,865,000	\$ 756,750

Year	2019 Issue	
	Principal	Interest
2023	\$ 950,000	\$ 382,600
2024	950,000	335,100
2025	700,000	287,600
2026	720,000	252,600
2027	735,000	216,600
2028-2032	4,000,000	597,300
2033-2034	1,220,000	49,950
Total	\$ 9,275,000	\$ 2,121,750

Year	2020 Issue	
	Principal	Interest
2023	\$ 245,000	\$ 141,662
2024	260,000	129,412
2025	270,000	116,412
2026	285,000	102,912
2027	300,000	88,662
2028-2032	1,715,000	230,910
2033-2034	750,000	24,962
Total	\$ 3,825,000	\$ 834,932

Year	Refunding - 2020	
	Principal	Interest
2023	\$ 750,000	\$ 197,000
2024	775,000	167,000
2025	815,000	128,250
2026	855,000	87,500
2027	895,000	44,750
Total	\$ 4,090,000	\$ 624,500

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**V. Liabilities (continued)**

**C. Indebtedness (continued)**

**2. Long-Term Debt (continued)**

**d. Vehicle Leases**

The following is a schedule of future lease payments under various vehicle lease agreements.

Year	Principal	Interest
2023	\$ 306,062	\$ 12,743
2024	177,447	6,858
2024	180,545	3,461
Subtotal	\$ 664,054	\$ 23,062

**e. Right-to-Use Leases**

The District has various lease agreements for computer and IT related equipment with Erie 1 Boces. Leases are generally between 36-60 months and carry an interest rate of 1%-3%. The following is a schedule of future lease payments under the right-to-use lease agreements with Erie 1 Boces:

Year	Principal	Interest
2023	\$ 799,109	\$ 31,191
2024	467,522	16,841
2025	342,346	8,803
2026	233,985	2,849
Subtotal	\$ 1,842,962	\$ 59,684

**f. Long-term Debt Interest**

Interest on serial bonds and vehicle leases for the year ended June 30, 2022 amounted to \$1,412,389 and is included in the General Fund.

**3. Premiums, Debt Issuance Costs and Amortization**

Net premiums resulting from bond and other debt refinancing are being amortized over the life of the relating debt using the interest method. These premiums are accordingly included in the outstanding principal balances for the bonds. Debt issuance costs related to the bonds are expensed in accordance with GASB 65.

**4. Refunding of Long-Term Debt**

In prior years, the District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements.

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**VI. Fund Equity**

**A. Classification**

The District's fund equity is comprised of various components.

Category / Fund	Description	Balance June 30, 2022
<b>Nonspendable:</b>		
General	Inventory & Prepaids	\$ 37,711
Food Service	Inventory	\$ 43,948
<b>Restricted:</b>		
General	Reserve for workers' compensation	\$ 1,287,113
	Reserve for retirement contributions - ERS	5,155,023
	Reserve for retirement contributions - TRS	1,955,172
	Reserve for tax certiorari	201,435
	Unemployment reserve	677,920
	Capital reserve	10,842,604
	Employee benefits accrued liabilities reserve	1,471,208
		\$ 21,590,475
Debt Service	Reserve for Debt Service	\$ 1,796,078
<b>Committed:</b>		
General	Extracurricular activities	\$ 129,033
<b>Assigned:</b>		
General	Appropriated Fund Balance	\$ 800,000
	Encumbrances	609,151
		\$ 1,409,151
Food Service	Assigned	\$ 1,012,465

**B. District-wide Net Position**

Net position of the District include restricted net position of \$ 23,386,553 which represent restricted amounts in the general and debt service funds as presented above.

**C. Deficit Fund Balances**

The District's capital project fund had an accumulated deficit in the amount of \$11,769,703 as of June 30, 2022. It is not uncommon for school districts to have deficit fund balances in the capital project funds as a result of short-term debt being recorded as liabilities until they are converted to long-term debt (serial bonds) or redeemed at which time such proceeds are recorded as other financing sources revenue.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS (continued)**

**VII. Tax Abatements**

The County of Chautauqua, New York, enters into various property tax abatement programs for the purpose of economic development. The District received payment in lieu of tax (PILOT) payments totaling approximately \$126,000 for the year ended June 30, 2022. The District also received tax equivalency payments totaling approximately \$1,467,000 for the year ended June 30, 2022, primarily from one entity.

**NOTE 4 - COMMITMENTS AND CONTINGENCIES**

**A. Risk Financing and Related Insurance**

**1. General Information**

The *Jamestown City School District* is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

**2. Risk Sharing Pools**

For its employee health and accident coverage, the *Jamestown City School District* is a participant in the Chautauqua County School Districts' Medical Health Plan, a public entity risk pool operated for the benefit of various governmental units located within Chautauqua County. The School District pays monthly premiums to the Plan for this health coverage. The Plan is authorized to assess supplemental premiums to the participating districts. The Chautauqua County School Districts' Medical Health Plan obtains independent coverage for insured events in excess of this amount.

**B. Federal and State Grants**

The District has received grants reported in the special aid fund which are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for a return of funds. Based on past audits and no known significant areas of non-compliance, the District believes disallowances, if any, will not be material.

**C. Litigation**

The District, in the normal course of its operations, is involved in litigation. Management is of the opinion that any unfavorable outcome resulting from these actions would not have a material effect on the District's financial position.



**JAMESTOWN CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Page 35**

**NOTE 4 - COMMITMENTS AND CONTINGENCIES  
(continued)**

**D. Workers' Compensation**

The District is exposed to various risks of loss related to worker's compensation. The District is self-insured under the Self Insured Workers' Compensation program for Jamestown City School District (the Plan) pursuant to Article 5 of Worker's Compensation law to finance the liability and risks related to workers' compensation claims. Liabilities of the Plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Claims activity for the current and prior period are:

	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Beginning of year	\$ 719,328	\$ 682,564
Current claims and change in estimate	251,544	323,769
Claims paid	<u>(288,308)</u>	<u>(270,951)</u>
End of year	<u>\$ 682,564</u>	<u>\$ 735,328</u>

At June 30, 2022, the District maintains a restricted reserve in the amount of \$1,287,113 for funding the District's future claims.

**NOTE 5 - CAPITAL PROJECT**

In a special meeting held on November 15, 2011 voters of the **Jamestown City School District** voted to adopt various replacement, repair, renovation and building upgrade work at a maximum cost of \$68,000,000. During the year ended June 30, 2022 the District incurred costs related to the project totaling \$153,911.

In May 2021, voters of the **Jamestown City School District** voted to adopt various replacement, repair, renovation and building upgrade work at a maximum cost of \$86,500,000. During the year ended June 30, 2022 the District incurred costs related to the project totaling \$ 1,381,464.

Also, during the year ended June 30, 2022, the District incurred costs totaling \$116,732 towards other building renovations as approved by the voters.

**NOTE 6 – COVID-19 PANDEMIC**

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions.

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was passed which provides funding and emergency assistance to Organizations including public school Districts. The New York State Department of Education has allocated approximately \$3,134,000 of CARES Act – ESSER and GEER assistance to the District which is for the funding period of March 13, 2020 through

**NOTE 6 – COVID-19 PANDEMIC (continued)**

September 30, 2022. As of June 30, 2021 the District had expenditures totaling \$3,134,000 against this funding.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$9,398,000 of CRRSA Act assistance to the District. As of June 30, 2022 the District has spent \$4,129,554 of the CRRSA funds.

In March 2021, the American Rescue Plan (ARP) Act was passed which provides additional assistance to school districts. The New York State Department of Education has allocated approximately \$21,122,000 of ARP Act assistance to the District. As of June 30, 2022 the District has spent \$1,268,851 of the ARP funds.

Given the uncertainty regarding the COVID-19 Pandemic, the overall financial impact to the District cannot be reasonably predicted or estimated at this time.

**NOTE 7 – RIGHT-TO-USE ASSETS/LEASES**

The District has entered into various agreements with Erie 1 BOCES to acquire IT and computer equipment. The equipment is owned by Erie 1 BOCES, however the District has recognized a right-to-use asset in accordance with Governmental Accounting Standards Board Statement No. 87, Leases. To acquire the equipment, the District issues both installment purchase agreements (see Note 3VC2e) and through one-time cash payment. The District amortizes its right-to-use assets over a period of 5 years. Below is a summary of the activity of the District's right-to-use assets during the year ended June 30, 2022:

	<u>Balance 7/1/21</u>	<u>As restated</u>	<u>Additions</u>
Right-to-use assets	\$ 3,107,767	\$	1,359,501
Accum. Amort.	(1,051,795)		(621,553)
Right-to-use (lease)	<u>(1,688,295)</u>		<u>(1,119,274)</u>
Net	<u>\$ 367,677</u>	<u>\$</u>	<u>(381,326)</u>

	<u>Deletions</u>	<u>Balance at 6/30/22</u>
Right-to-use assets	\$ --	\$ 4,467,268
Accum. Amort.	--	(1,673,348)
Right-to-use (lease)	<u>964,607</u>	<u>(1,842,962)</u>
Net	<u>\$ 964,607</u>	<u>\$ 950,958</u>

**JAMESTOWN CITY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 8 – PRIOR PERIOD ADJUSTMENT**

The District implemented GASB 87, Leases, during the year ended June 30, 2022, which resulted in a prior period adjustment related to agreements made for various IT and computer equipment that were already in place as of July 1, 2021, and which GASB 87 requires retroactive application of these agreements. The District's net position increased \$367,677 as a result of the prior period adjustment which represents the remaining book value of its right-to-use assets and net present value of payments on the related lease agreements.

Implementation of GASB No. 84 required a prior period adjustment for the governmental and fiduciary funds. This adjustment was needed to move the beginning balances of amounts previously reported as fiduciary funds to the respective governmental funds (general fund). Total extraclassroom funds totaling \$130,167 were reclassified from fiduciary funds to governmental funds as of July 1, 2020.

**NOTE 9 - SUBSEQUENT EVENTS**

Subsequent events were evaluated by Management through October 4, 2022, which is the date the financial statements were available to be issued.

***SUPPLEMENTARY INFORMATION***

**JAMESTOWN CITY SCHOOL DISTRICT****Schedule SS1****COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Current Year's Revenue	Over (Under) Revised Budget
<b>Revenues</b>				
<b>Local Sources:</b>				
Real property taxes and tax items	\$ 16,071,567	\$ 16,071,567	\$ 16,276,311	\$ 204,744
Charges for services	23,500	23,500	157,733	134,233
Use of money and property	40,200	40,200	45,250	5,050
Sale of property and compensation for loss	1,500	1,500	159,464	157,964
Miscellaneous	301,000	303,000	533,640	230,640
<b>State Sources:</b>				
Basic formula	66,306,071	66,306,071	66,439,172	133,101
BOCES	3,347,221	3,347,221	3,757,141	409,920
Textbooks	267,251	267,251	149,266	(117,985)
All other aid	195,868	195,868	323,863	127,995
<b>Federal Sources:</b>				
Medicaid reimbursement	275,000	275,000	214,440	(60,560)
<b>Total revenue</b>	86,829,178	86,831,178	88,056,280	1,225,102
<b>Other Sources:</b>				
Proceeds from issuance of lease	-	1,119,274	1,119,274	-
Operating transfer in	275,000	275,000	479,117	204,117
<b>Total revenue and other sources</b>	87,104,178	88,225,452	89,654,671	1,429,219
Appropriated fund equity - reserves	775,000	775,000		
Appropriated fund equity and carryover encumbrances	2,000,000	2,363,453		
<b>Total revenue, other sources and appropriated fund equity</b>	\$ 89,879,178	\$ 91,363,905		

See accompanying independent auditor's report.

	Original Budget	Final Budget	Current Year's Expenditures	Encumbrances	Unencumbered Balances
<b>Expenditures</b>					
<b>General Support:</b>					
Board of education	\$ 98,933	\$ 98,933	\$ 65,789	\$ -	\$ 33,144
Central administration	292,052	292,052	250,571	-	41,481
Finance	469,513	510,183	468,549	20,000	21,634
Staff	654,398	654,848	540,853	350	113,645
Central services	7,050,909	7,261,717	6,138,638	307,762	815,317
Special items	1,071,664	1,065,664	1,031,487	-	34,177
<b>Instructional:</b>					
Instruction, administration and improvement	3,562,706	3,567,805	3,042,029	-	525,776
Teaching - regular school	26,686,113	27,669,416	25,310,165	45,045	2,314,206
Programs for children with handicapping conditions	11,027,036	10,591,802	9,254,842	187,361	1,149,599
Teaching - special schools	-	-	-	-	-
Occupational education	1,564,485	1,542,485	1,411,690	-	130,795
Instructional media	2,942,405	3,004,736	2,777,433	2,162	225,141
Pupil services	2,425,305	2,238,387	2,063,771	46,471	128,145
<b>Pupil Transportation</b>	2,103,971	2,240,594	2,097,980	-	142,614
<b>Employee Benefits</b>	19,165,887	17,735,322	15,126,972	-	2,608,350
<b>Debt Service:</b>					
Debt service principal	9,038,720	11,038,720	11,038,694	-	26
Debt service interest	1,560,081	1,686,241	1,682,239	-	4,002
<b>Total expenditures</b>	<b>89,714,178</b>	<b>91,198,905</b>	<b>82,301,702</b>	<b>609,151</b>	<b>8,288,052</b>
<b>Other Uses:</b>					
Transfer to other funds	165,000	165,000	324,983	-	(159,983)
<b>Total other uses</b>	<b>165,000</b>	<b>165,000</b>	<b>324,983</b>	<b>-</b>	<b>(159,983)</b>
<b>Total expenditures and other uses</b>	<b>\$ 89,879,178</b>	<b>\$ 91,363,905</b>	<b>82,626,685</b>	<b>\$ 609,151</b>	<b>\$ 8,128,069</b>
<b>Excess revenue and other sources over expenditures and other uses</b>			<b>\$ 7,027,986</b>		

**JAMESTOWN CITY SCHOOL DISTRICT****Schedule SS1A****COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND EQUITY - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022****Page 38**

	School Food Service Fund		
	Budget (Amended)	Actual	Variance Fav. (Unf.)
<b>Revenue</b>			
State sources	\$ 75,500	\$ 61,794	\$ (13,706)
Federal sources	3,110,000	3,281,826	171,826
Sales	65,300	1,770	(63,530)
Miscellaneous	10,000	51,188	41,188
Surplus food	220,000	320,061	100,061
Total revenue	3,480,800	3,716,639	235,839
<b>Expenditures</b>			
General support	1,087,500	1,125,005	(37,505)
Employee benefits	633,894	616,560	17,334
Cost of sales	1,759,406	1,631,313	128,093
Total expenditures	3,480,800	3,372,878	107,922
<b>Net change</b>	<u>\$ -</u>	343,761	<u>\$ 343,761</u>
Fund equity, beginning of year		<u>712,652</u>	
Fund equity, end of year		<u>\$ 1,056,413</u>	

**JAMESTOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**  
**AND THE REAL PROPERTY TAX LIMIT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Schedule SS2**

**Page 39**

**CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET**

<b>Adopted budget</b>	\$ 89,879,178
<b>Additions:</b>	
Prior year encumbrances	363,453
<b>Original Budget</b>	90,242,631
<b>Budget Revisions:</b>	
Other appropriations	2,000
Other appropriations - proceeds from issuance of lease	1,119,274
<b>Final budget</b>	<u>\$ 91,363,905</u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

<b>2022-23 voter-approved expenditure budget</b>	<b>\$ 93,893,354</b>
<b>Maximum allowed (4% of 2022-23 budget)</b>	<b>\$ 3,755,734</b>

**General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law\*:**

<b>Unrestricted fund balance:</b>	
Committed fund balance	\$ -
Assigned fund balance	1,409,151
Unassigned fund balance	5,927,790
Total unrestricted fund balance	<u>7,336,941</u>
<b>Less:</b>	
Appropriated fund balance	800,000
Insurance recovery reserve	-
Tax reduction reserve	-
Encumbrances included in committed and assigned fund balance	609,151
Total adjustments	<u>1,409,151</u>
<b>General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law</b>	<b><u>\$ 5,927,790</u></b>
<b>Actual percentage</b>	<b><u>6.3%</u></b>

\* Per Office of State Comptroller's "Fund Balance Reporting and Governmental Type Definitions", Updated April 2011 (Originally Issued November 2010), the portion of the General Fund fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance.

**See accompanying independent auditor's report.**



**JAMESTOWN CITY SCHOOL DISTRICT****Schedule SS4A****BUDGET COMPARISON STATEMENT FOR STATE AND  
OTHER GRANT PROGRAMS - SPECIAL AID AND FOOD SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022****Page 41**

Grant Title	Grantors Project No.	Grant Period	Award/ Program Budget	Total Revenue	Total Expenditures
School lunch programs	N/A	2021-22	\$ 30,100	\$ 30,100	\$ 30,100
School breakfast programs	N/A	2021-22	31,694	31,694	31,694
Universal Pre-kindergarten	0409-22-7298	2021-22	3,066,147	3,066,147	3,066,147
Safe & Supported	0478-22-1002	2021-22	36,925	36,925	36,925
Early Learning ***	N/A	2021-22	718,192	718,192	718,192
Sheldon Foundation	N/A	2021-22	25,000	25,000	25,000
Other state and local grants	N/A	2021-22	59,607	59,607	59,607
Cummins Engine Summer Learning	N/A	2021-22	25,000	25,000	25,000
Cummins Engine Special Education	N/A	2021-22	5,000	5,000	5,000
Comm. Foundation LEAP	N/A	2021-22	25,000	25,000	25,000
Learning Technology	N/A	2021-22	99,759	92,564	92,564
Early College HS	N/A	2021-22	99,950	48,903	48,903
Early College HS	N/A	2020-21	8,558	8,558	8,558
Summer school **	N/A	2021-22	246,331	246,331	246,331
Total expenditures and revenue			\$ 4,477,263	\$ 4,419,021	\$ 4,419,021

\*\* Revenue includes transfer of \$49,266 from general fund for local share toward applicable expenditures.

\*\*\* Revenue includes transfer of \$185,717 from general fund for local share toward applicable expenditures.

**JAMESTOWN CITY SCHOOL DISTRICT**

**Schedule SS4B**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2022**

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**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the **Jamestown City School District** and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Basis of Accounting**

The basis of accounting varies by Federal program consistent with underlying regulations pertaining to each program. The amounts reported as Federal expenditures generally were obtained from the appropriate Federal financial reports for applicable program and periods. The amounts reported in these Federal financial reports are prepared from records maintained for each program, which are periodically reconciled with the District's financial reporting system.

**Note 2 - Non-monetary Federal Program**

The accompanying **Jamestown City School District** is the recipient of a non-monetary federal award program. During the year ended June 30, 2022, the District reported in the Schedule of Federal Awards \$320,061 of donated commodities at fair market value received and disbursed.

**Note 3 – Indirect costs**

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in the current year. Certain grants have an indirect cost rate below 10% as approved by the grantor.

**JAMESTOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Schedule SS4C**

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Federal Program Title	Federal CFDA Number	Agency or Pass-through Number	Program or Award Amount	Revenue	Expenditures
<b>US Department of Education:</b>					
<b>Passed through NYS</b>					
<b>Department of Education:</b>					
Title I	84.010A	0021-22-0380	\$ 3,535,713	\$ 3,076,676	\$ 3,076,676
Title I	84.010A	0021-21-0380	56,105	56,105	56,105
Title I - School Improvement	84.010A	0011-22-2100	275,000	168,169	168,169
Title I - School Improvement	84.010A	0011-21-2100	41,968	41,968	41,968
Title II, Part A	84.367A	0147-22-0380	330,392	228,625	228,625
Title II, Part A	84.367A	0147-21-0380	47,785	47,785	47,785
Title III, Part A - English Language Acquisition Grants	84.365A	0293-22-0380	39,272	27,118	27,118
Title III, Part A - English Language Acquisition Grants	84.365A	0293-21-0380	373	373	373
Title IV - SSAE	84.424A	0204-22-0380	211,359	206,245	206,245
Title IV - SSAE	84.424A	0204-21-0380	1,934	1,934	1,934
Rural & Low Income Title V	84.358B	0006-22-0380	95,746	6,582	6,582
Rural & Low Income Title V	84.358B	0006-21-0380	62,930	62,930	62,930
Twenty-First Century Community Learning Centers	84.287C	0187-22-7086	579,500	434,508	434,508
IDEA, Part B, Public Law 94-142 **	84.027A	0032-22-0110	1,338,800	1,338,800	1,338,800
COVID-19 - ARP - IDEA, Part B, Public Law 94-142 **	84.027X	5532-22-0110	261,073	21,007	21,007
IDEA, Pre-school Public Law 99-457 **	84.173A	0033-22-0110	75,627	75,627	75,627
COVID-19 - ARP - IDEA, Pre-school Public Law 99-457 **	84.173X	5533-22-0110	29,076	3,860	3,860
COVID-19 - CRRSA - ESSER 2	84.425D	5890-22-0380	9,397,875	4,129,554	4,129,554
COVID-19 - ARP - ESSER 3	84.425U	5880-22-0325	21,121,558	1,268,851	1,268,851
Total U.S. Department of Education			37,502,086	11,196,717	11,196,717
<b>US Department of Agriculture:</b>					
<b>Passed through NYS</b>					
<b>Department of Education:</b>					
COVID-19 Seamless Summer Option (National Lunch Program) ***	10.555	N/A	2,257,901	2,257,901	2,257,901
COVID-19 Seamless Summer Option (National Breakfast Program) ***	10.553	N/A	796,519	796,519	796,519
COVID-19 Emergency Operational Grant ***	10.555	N/A	227,406	227,406	227,406
<b>Passed through NYS</b>					
<b>Office of General Services:</b>					
National School Lunch Program ***					
Non-cash assistance (donated commodities)	10.555	N/A	320,061	320,061	320,061
Total U.S. Department of Agriculture			3,601,887	3,601,887	3,601,887
Total expenditures and revenue				\$ 14,798,604	\$ 14,798,604

\*\* Constitutes a cluster of Federal programs named Special Education Cluster with total revenue and expenditures of \$ 1,439,294  
 \*\*\* Constitutes a cluster of Federal programs named Child Nutrition Cluster with total revenue and expenditures of \$ 3,601,887

**SCHEDULE OF NET INVESTMENT IN CAPITAL ASSETS AND RIGHT-TO-USE ASSETS  
AS OF JUNE 30, 2022*****Capital assets and right-to-use assets, net of related debt***

Capital assets and right-to-use assets	\$	72,984,649
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Less:

Serial bonds, net	(33,807,266)
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Lease liabilities	(2,507,016)
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Bond anticipation notes	(15,050,000)
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Plus:

BAN proceeds less capital expenditures	<u>3,280,297</u>
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***Net investment in capital assets and right-to-use assets***

\$	<u><u>24,900,664</u></u>
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**JAMESTOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF CHANGES IN THE DISTRICT'S**  
**NET OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2022**

**Schedule SS6**

**Page 44**

As of the measurement date of March 31,	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service cost	\$ 163,487	\$ 178,918	\$ 174,396	\$ 119,682	\$ 120,257	\$ 108,468
Interest	110,626	117,721	156,723	94,556	97,466	75,631
Differences between expected and actual experience	301,769	56,027	(483,176)	1,956,844	(27,930)	520,674
Change in benefit terms	-	-	-	(47,505)	-	-
Changes in assumptions	(249,152)	105,078	630,527	8,944	44,793	(64,033)
Benefit payments	(315,730)	(292,066)	(250,603)	(179,633)	(345,294)	(312,897)
Net change in total OPEB liability	11,000	165,678	227,867	1,952,888	(110,708)	327,843
Total OPEB liability - beginning	5,025,651	4,859,973	4,632,106	2,679,218	2,789,926	887,330
Prior period adjustment	-	-	-	-	-	1,574,753
Total OPEB liability - ending	<u>\$ 5,036,651</u>	<u>\$ 5,025,651</u>	<u>\$ 4,859,973</u>	<u>\$ 4,632,106</u>	<u>\$ 2,679,218</u>	<u>\$ 2,789,926</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	315,730	292,066	250,603	179,633	345,294	312,897
Net investment income	-	-	-	-	-	-
Benefit payments	(315,730)	(292,066)	(250,603)	(179,633)	(345,294)	(312,897)
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's net OPEB liability	<u>\$ 5,036,651</u>	<u>\$ 5,025,651</u>	<u>\$ 4,859,973</u>	<u>\$ 4,632,106</u>	<u>\$ 2,679,218</u>	<u>\$ 2,789,926</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 43,922,946	\$ 42,462,245	\$ 46,221,244	\$ 44,779,349	\$ 43,833,798	\$ 40,858,614
District's net OPEB liability as a percentage of covered-employee payroll	11.47%	11.84%	10.51%	10.34%	6.11%	6.83%

Notes to Schedule:

Benefit Changes:

Changes in assumptions:

Single Discount Rate changed from 2.27% to 2.83% effective June 30, 2022.

Salary scale changed from 3.11% to 3.44% effective June 30, 2022.

Mortality improvement scale updated to MP-2021.

Updated healthcare cost trend rates to rates effective June 30, 2022.

**JAMESTOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS – OPEB**  
**FOR THE YEARS ENDED JUNE 30, 2017 THROUGH 2022**

**Schedule SS7**

**Page 45**

For the year ended June 30,	2022	2021	2020	2019	2018	2017
Actuarially determined contributions	\$ 315,730	\$ 292,066	\$ 250,603	\$ 179,633	\$ 345,294	\$ 312,897
Contributions in relation to the actuarially determined contribution	(315,730)	(292,066)	(250,603)	(179,633)	(345,294)	(312,897)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 43,922,946	\$ 42,462,245	\$ 46,221,244	\$ 44,779,349	\$ 43,833,798	\$ 40,858,614
Contributions as a percentage of District's covered-employee payroll	0.72%	0.69%	0.54%	0.40%	0.79%	0.77%

Notes to Schedule

Valuation date: 7/1/2020 - actuarially rolled forward to the March 31, 2022 measurement date

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal, level percent of pay
Amortization method	Average future service to retirement - straight line basis
Amortization period	The remaining service lives of the OPEB covered employees.
Discount rate	2.83%
Inflation	2.44% per year
Healthcare cost trend rates	6.1% initial, then between 4.65% - 6.10% through 2070, ultimate of 4.37%
Salary increases	3.44% as of June 30, 2022
Mortality Improvement	MP-2021, fully generational.
Retiree cost sharing	Varies based on contract
Participants	781 Active and 90 Retirees

**JAMESTOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS – NYSTRS AND NYSLERS**  
**FOR THE YEARS ENDED JUNE 30, 2013 THROUGH JUNE 30, 2022**

**Schedule SS8**

**Page 46**

***New York State Teachers' Retirement System (TRS)***

For the year ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 3,422,089	\$ 3,166,918	\$ 3,006,631	\$ 3,560,079	\$ 3,198,086	\$ 3,702,919	\$ 4,073,739	\$ 5,570,229	\$ 5,141,830	\$ 3,704,739
Contributions in relation to the contractually required contribution	(3,422,089)	(3,166,918)	(3,006,631)	(3,560,079)	(3,198,086)	(3,702,919)	(4,073,739)	(5,570,229)	(5,141,830)	(3,704,739)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 34,919,276	\$ 33,231,039	\$ 33,934,887	\$ 33,522,401	\$ 32,633,531	\$ 31,594,872	\$ 30,722,014	\$ 31,775,408	\$ 31,642,031	\$ 31,290,025
Contributions as a percentage of District's covered-employee payroll	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%	16.25%	11.84%

***New York State Local Employees' Retirement System (ERS)***

For the year ended March 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 1,634,100	\$ 1,449,665	\$ 1,454,340	\$ 1,440,153	\$ 1,438,338	\$ 1,464,027	\$ 1,673,717	\$ 1,775,826	\$ 1,792,238	\$ 1,633,241
Contributions in relation to the contractually required contribution	(1,634,100)	(1,449,665)	(1,454,340)	(1,440,153)	(1,438,338)	(1,464,027)	(1,673,717)	(1,775,826)	(1,792,238)	(1,633,241)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 10,603,754	\$ 10,689,010	\$ 10,251,031	\$ 10,022,445	\$ 9,885,101	\$ 9,555,842	\$ 9,192,318	\$ 9,016,044	\$ 8,766,799	\$ 8,813,404
Contributions as a percentage of District's covered-employee payroll	15.41%	13.56%	14.19%	14.37%	14.55%	15.32%	18.21%	19.70%	20.44%	18.53%

**See accompanying independent auditor's report.**

**JAMESTOWN CITY SCHOOL DISTRICT****Schedule SS9**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY) – NYSTRS AND DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY – NYSLERS  
FOR THE YEARS ENDED JUNE 30, 2013 THROUGH JUNE 30, 2022**

**Page 47*****New York State Teachers' Retirement System - Net Pension Asset (Liability)***

As of the measurement date of June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension asset (liability)	n/a	0.195785%	0.199933%	0.200834%	0.200342%	0.199378%	0.199093%	0.211535%	0.214209%	0.213615%
District's proportionate share of the net pension asset (liability)	n/a	\$ 33,927,715	\$ (5,524,676)	\$ 5,217,671	\$ 3,622,719	\$ 1,515,472	\$ (2,132,366)	\$ 21,971,731	\$ 23,861,567	\$ 1,406,131
District's covered-employee payroll	n/a	\$ 33,231,039	\$ 33,934,887	\$ 33,522,401	\$ 32,633,531	\$ 31,594,872	\$ 30,722,014	\$ 31,775,408	\$ 31,642,031	\$ 31,290,025
District's proportionate share of the net pension asset (liability) as a percentage of its covered employee payroll	n/a	102.10%	-16.28%	15.56%	11.10%	4.80%	-6.94%	69.15%	75.41%	4.49%
Plan fiduciary net position as a percentage of the total pension asset (liability)	n/a	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	100.70%

***New York State Local Employees' Retirement System - Net Pension (Liability)***

As of the measurement date of March 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension (liability)	0.0309839%	0.0305605%	0.0298231%	0.0308138%	0.0303893%	0.0310999%	0.0304278%	0.0313231%	n/a	n/a
District's proportionate share of the net pension asset (liability)	\$ 2,532,806	\$ (30,430)	\$ (7,897,340)	\$ (2,183,251)	\$ (980,798)	\$ (2,922,219)	\$ (4,883,753)	\$ (1,058,170)	\$ (1,415,446)	n/a
District's covered-employee payroll	\$10,603,754	\$ 10,689,010	\$ 10,251,031	\$ 10,022,445	\$ 9,885,101	\$ 9,555,842	\$ 9,192,318	\$ 9,016,044	\$ 8,766,799	\$ 8,813,404
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-23.89%	0.28%	77.04%	21.78%	9.92%	30.58%	53.13%	11.74%	16.15%	n/a
Plan fiduciary net position as a percentage of the total pension (liability)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%	n/a	n/a

n/a - information is not available

**See accompanying independent auditor's report.**



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

**To the President and  
Members of the Board of Education  
*Jamestown City School District*  
Jamestown, New York**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of *Jamestown City School District* as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise *Jamestown City School District's* basic financial statements and have issued our report thereon dated October 4, 2022.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item II.A.2022-001.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether *Jamestown City School District's* financial statements are free of 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2022-002.

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

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.  
Olean, New York  
October 4, 2022**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the President and  
Members of the Board of Education  
*Jamestown City School District*  
Jamestown, New York**

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

**Opinion on Each Major Program**

We have audited *Jamestown City School District's* compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. *Jamestown City School District's* major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, *Jamestown City School District* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2022.

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

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

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

**Responsibilities of Management for Compliance**

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

**Auditor's Responsibilities for the Audit of Compliance**

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

## Auditor's Responsibilities for the Audit of Compliance (continued)

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

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

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

## Report on Internal Control Over Compliance

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

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

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

## Purpose of this Report

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

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Olean, New York  
October 4, 2022**

**JAMESTOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**Page 51**

Section I - Summary of Auditor's Results

**Financial Statements**

Type of auditor's opinion(s) issued or whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u>          </u> yes	<u>          </u> x    no
Significant deficiency(ies) identified?	<u>          </u> x    yes	<u>          </u> none reported

Noncompliance material to financial statements noted?	<u>          </u> x    yes	<u>          </u> no
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**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?	<u>          </u> yes	<u>          </u> x    no
Significant deficiency(ies) identified?	<u>          </u> yes	<u>          </u> x    none reported

Type of auditor's opinion issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a)

<u>          </u> yes	<u>          </u> x    no
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Federal Program Title	Federal CFDA Number	Amount
Total expenditures of Federal Awards		\$ 14,798,604

**Identification of Major Programs Tested:**

COVID-19 - CRRSA - ESSER 2	84.425D	\$ 4,129,554
COVID-19 - ARP - ESSER 3	84.425U	1,268,851

Total major programs tested	<u>\$ 5,398,405</u>
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% of Federal programs tested	<u>36%</u>
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Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
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Auditee qualified as low risk?	<u>          </u> x    yes	<u>          </u> no
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**JAMESTOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**II. FINANCIAL STATEMENTS AUDIT - FINDINGS**

**A. INTERNAL CONTROL OVER FINANCIAL REPORTING**

**2022-001 Adjusting Journal Entries, Required Disclosures and Draft Financial Statements**

**Year ended June 30, 2022**

*Condition and Criteria:* During the current year, adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. Some of the adjustments and footnotes were related to converting to the full accrual method for GASB 34 purposes. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District.

*Cause and Effect:* AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency. Without this assistance, the potential risk exists of the District's financial statements not conforming to GAAP.

*Auditor's Recommendation:* Although auditors may continue to provide such assistance both now and in the future, under the new pronouncement, the District should continue to review and accept both proposed adjusting journal entries and footnote disclosures, along with the draft financial statements.

*School District's Response:* In order to eliminate this condition, the District would need to devote considerable resources either internally or externally to ensure complete mastery of existing and future accounting principles and disclosure requirements. Management would have to compile the financial statements, including footnotes, and employ separate and distinct personnel for all standard implementation issues, in lieu of the services presently provided by our auditing firm. Based on an evaluation of resources and cost/benefit scenarios, we do not believe this option is practical for the District.

**B. COMPLIANCE AND OTHER MATTERS**

**2022-002 Unassigned Fund Balance**

**Year ended June 30, 2022**

*Condition and Criteria:* During the current year, the District's unassigned fund balance in the general fund as of June 30, 2022 amounted to approximately \$5,928,000. This amount constitutes approximately 6% of the 2022-23 school budget.

*Cause and Effect:* The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent year's budget.

*Auditor's Recommendation:* The District should continue to monitor fund balance throughout the year and continue to review its options with regards to reservation and designation of fund balance.

*School District's Response:* The District realizes that its unassigned fund balance as of June 30, 2022 was in excess of the NYS mandated 4% level. The District has and will continue to closely monitor fund balance in the future and will review all options with regards to reservation and designation of fund balance.

**JAMESTOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**III. MAJOR FEDERAL AWARD PROGRAMS AUDIT – FINDINGS AND QUESTIONED COSTS**

**A. COMPLIANCE**

**Year ended June 30, 2022**

There were no findings related to compliance during the year ended June 30, 2022.

**B. INTERNAL CONTROL OVER COMPLIANCE**

**Year ended June 30, 2022**

There were no findings related to internal control over compliance during the year ended June 30, 2022.

**I. FINANCIAL STATEMENTS AUDIT – FINDINGS**

**A. INTERNAL CONTROL OVER FINANCIAL REPORTING**

**2021-001 Adjusting Journal Entries and Required Disclosures to the Financial Statements**

**Year ended June 30, 2021**

**Summary of Prior Year Finding:** Adjusting journal entries, along with footnote disclosures were proposed by the auditors and accepted by the District to properly reflect the financial statements in accordance with generally accepted accounting principles. In addition, a draft of the financial statements was prepared by the auditors and reviewed and accepted by the District. AU-C Section 265 entitled Communicating Internal Control Related Matters Identified in an Audit, issued by the American Institute of Certified Public Accountants (AICPA) considers the need for significant adjusting journal entries and assistance when preparing the financial statements to be indicative of an internal control deficiency.

**Current Status:** Similar finding related to internal control over financial reporting is being reported upon during the year ended June 30, 2022 as finding 2022-001.

**B. COMPLIANCE AND OTHER MATTERS**

**2021-002 Unassigned Fund Balance**

**Year Ended June 30, 2021**

**Summary of Prior Year Finding:** The District's unassigned fund balance as of June 30, 2021 amounted to approximately \$9,849,000. This constitutes approximately 11% of the 2021-22 school budget. The District's unassigned fund balance violated New York State Education Law, which limits school districts from retaining an unassigned fund balance not greater than 4% of the subsequent years budget.

**Current Status:** Similar finding related to compliance and other matters is being reported upon during the year ended June 30, 2022 as finding 2022-002.

**II. MAJOR FEDERAL AWARD PROGRAMS AUDIT – FINDINGS AND QUESTIONED COSTS**

**A. COMPLIANCE**

**Year Ended June 30, 2021**

There were no findings related to compliance during the year ended June 30, 2021.

**B. INTERNAL CONTROL OVER COMPLIANCE**

**Year ended June 30, 2021**

There were no findings related to internal control over compliance during the year ended June 30, 2021.



To the President and Members of the  
Board of Education  
and School Administration  
*Jamestown City School District*  
Jamestown, New York

Ladies and Gentlemen:

We have completed our audit for the year ended June 30, 2022 of the District's financial statements and have issued our reports thereon dated October 4, 2022. Our audit report expressed an unmodified opinion which states that the District's financial statements are in accordance with generally accepted accounting principles for governments and school districts located in New York State. In addition, we have issued a separate reports on internal controls over financial reporting and compliance with laws and regulations as required by *Government Auditing Standards* and the *Uniform Guidance*.

In planning and performing our audit of the financial statements of the *Jamestown City School District* for the year ended June 30, 2022, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure and its operation.

Attached to this letter, we have presented a summary of additional comments which we desire to bring to the board and administration's attention involving various matters. Although such matters were not of sufficient nature to be disclosed in the previously mentioned reports, we do feel the comments should be reviewed and acted upon primarily by the business office staff.

*Buffamante Whipple Buttafaro PC*

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York  
October 4, 2022



**JAMESTOWN CITY SCHOOL DISTRICT  
SUMMARY OF ADDITIONAL COMMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Page 2**

**Future Governmental Accounting Standards – GASB 96**

In 2020, the Governmental Accounting Standards Board issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), which will be effective for the fiscal year ending June 30, 2023. The new standard (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. We recommend that the District begin to collect pertinent data on all lease agreements for evaluation along with familiarizing themselves with the new SBITA standard, which may include continuing education, webinars and further training.

***District response: The District will participate in trainings or webinars on the topics when they become available.***

***JAMESTOWN CITY SCHOOL DISTRICT***

***EXTRACLASSROOM ACTIVITY FUND  
FINANCIAL STATEMENT***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2022***

***WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANTS***

**JAMESTOWN CITY SCHOOL DISTRICT**  
**EXTRAClassroom Activity Fund**

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## ***INDEPENDENT AUDITOR'S REPORT***

**To the President and  
Members of the Board of Education  
*Jamestown City School District*  
Jamestown, New York**

### **Opinion**

We have audited the accompanying statement of cash receipts and disbursements of the Extraclassroom Activity Fund of the *Jamestown City School District* for the year ended June 30, 2022, and the related notes to the financial statement.

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash transactions of the Extraclassroom Activity Fund of *Jamestown City School District*, for the year ended June 30, 2022 on the basis of accounting described in Note 1.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the *Jamestown City School District* 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 opinion.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible 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 Extraclassroom Activity Fund of *Jamestown City School District'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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Extraclassroom Activity Fund of **Jamestown City School District'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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Extraclassroom Activity Fund of **Jamestown City School District'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.

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

In accordance with Government Auditing Standards, we have also issued our report dated October 4, 2022, on our consideration of the **Jamestown City School District's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the **Jamestown City School District's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering **Jamestown City School District's** internal control over financial reporting and compliance.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Olean, New York  
October 4, 2022**

**JAMESTOWN CITY SCHOOL DISTRICT**  
**ANNUAL FINANCIAL STATEMENT ON EXTRACLASSROOM ACTIVITY FUND**  
**JULY 1, 2021 THROUGH JUNE 30, 2022**

**Page 3**

	Balances July 1, 2021	Total Receipts	Total Receipts & Balances	Total Payments	Balances June 30, 2022
<b>Extracurricular activities:</b>					
<b>Jefferson</b>					
Team Timberwolf	\$ 985	\$ -	\$ 985	\$ 672	\$ 313
Team Challenge	4,861	300	5,161	735	4,426
Team 8 Spirit Club	784	-	784	-	784
Student Council Family	5,909	4,682	10,591	4,477	6,114
Orchestra	133	-	133	-	133
Honor Society	1,130	-	1,130	110	1,020
Chorus	1,216	-	1,216	300	916
Band	315	-	315	158	157
Yearbook	5,814	797	6,611	625	5,986
Ski Club	164	4,066	4,230	3,680	550
Team Aspire	924	-	924	28	896
Technology Club	771	-	771	725	46
Tax Account	-	195	195	195	-
Art Club	29	-	29	-	29
	<b>23,035</b>	<b>10,040</b>	<b>33,075</b>	<b>11,705</b>	<b>21,370</b>
<b>Persell</b>					
5/8 Ski Club	1,042	1,660	2,702	2,500	202
5/6 Fund	99	-	99	-	99
7/8 Fund	727	-	727	710	17
Band	533	-	533	-	533
Chorus	2,411	-	2,411	-	2,411
Honor Society	424	-	424	137	287
Orchestra	47	-	47	-	47
Persell Knights	4,658	-	4,658	-	4,658
Student Activities	3,356	-	3,356	-	3,356
Student Council	109	-	109	-	109
Yearbook	2,950	426	3,376	320	3,056
PBIS	60	1,340	1,400	1,345	55
	<b>16,416</b>	<b>3,426</b>	<b>19,842</b>	<b>5,012</b>	<b>14,830</b>

**JAMESTOWN CITY SCHOOL DISTRICT****ANNUAL FINANCIAL STATEMENT ON EXTRACLASSROOM ACTIVITY FUND (continued)****JULY 1, 2021 THROUGH JUNE 30, 2022****Page 4**

	Balances July 1, 2021	Total Receipts	Total Receipts & Balances	Total Payments	Balances June 30, 2022
<b>High School</b>					
A'Capella	\$ 1,039	\$ -	\$ 1,039	\$ -	\$ 1,039
Academy	2,953	-	2,953	2,954	(1)
Art Club	20	-	20	21	(1)
Astronomy	8	-	8	-	8
Band	1,638	-	1,638	-	1,638
Broadcast & Comm	110	-	110	107	3
Class of 2019	1,565	-	1,565	1,565	-
Class of 2020	3,955	-	3,955	300	3,655
Class of 2021	2,996	-	2,996	2,996	-
Class of 2022	847	13,166	14,013	13,289	724
Class of 2023	44	3,225	3,269	2,107	1,162
Class of 2024	209	8,680	8,889	7,126	1,763
Class of 2025	-	1,267	1,267	125	1,142
Environmental Club	2	-	2	3	(1)
FBLA	735	-	735	733	2
French Club	357	-	357	-	357
Garden Club	102	500	602	602	-
Gay Straight Alliance	-	252	252	144	108
GOTCHU Fund	170	-	170	170	-
Honor Society	921	300	1,221	177	1,044
JHS Attendance Committee	2,587	609	3,196	3,195	1
Key Club	1,365	780	2,145	1,480	665
Locker Fund	1,047	1,135	2,182	930	1,252
Musical	37,981	26,327	64,308	11,416	52,892
Orchestra	4,750	-	4,750	446	4,304
Raider Readers	256	-	256	-	256
Raider Trader	7,558	-	7,558	-	7,558
Sales Tax	(4)	1,020	1,016	1,020	(4)
Ski Club	54	3,220	3,274	2,991	283
Spanish Club	11	-	11	-	11
Student Activity	1,337	604	1,941	125	1,816
Student of The Month	418	-	418	418	-
Student Org.	671	19,263	19,934	14,057	5,877
Yearbook	247	4,310	4,557	2,790	1,767
	<b>75,949</b>	<b>84,658</b>	<b>160,607</b>	<b>71,287</b>	<b>89,320</b>
<b>Washington</b>					
Band	103	-	103	-	103
Builders Club	72	-	72	-	72
Chorus	-	300	300	-	300
Drama Club	2,750	2,713	5,463	2,898	2,565
National Junior Honor Society	595	154	749	654	95
Orchestra	130	-	130	-	130
Sales Tax	-	27	27	27	-
Science Club	(1)	-	(1)	-	(1)
Ski Club	26	-	26	-	26
Student Council	1	8,011	8,012	7,874	138
Yearbook	77	369	446	361	85
	<b>3,753</b>	<b>11,574</b>	<b>15,327</b>	<b>11,814</b>	<b>3,513</b>
<b>Total activity fund</b>	<b>\$ 119,153</b>	<b>\$ 109,698</b>	<b>\$ 228,851</b>	<b>\$ 99,818</b>	<b>\$ 129,033</b>

See accompanying independent auditor's report and notes to financial statement on extraclassroom activity fund.

**JAMESTOWN CITY SCHOOL DISTRICT**  
**EXTRACLASSROOM ACTIVITY FUND**  
**NOTE TO FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The transactions of the Extraclassroom Activity Fund are included in the financial statements of the School District. Cash balances of \$129,035 are included in the General Fund as cash, with a corresponding amount recorded committed fund balance.

The accounts of the Extraclassroom Activity Fund of *Jamestown City School District* are maintained on a cash basis, and the statement of cash receipts and disbursements reflects only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.





To the President and Members of the  
Board of Education  
and School Administration  
*Jamestown City School District*  
Jamestown, New York

Ladies and Gentlemen:

In planning and performing our audit of the statement of cash receipts and disbursements – cash basis of the Extraclassroom Activity Fund of *Jamestown City School District* as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered *Jamestown City School District*'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 *Jamestown City School District*'s internal control. Accordingly, we do not express an opinion on the effectiveness of *Jamestown City School District*'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 were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

#### **Point of Sale Records**

We noted several instances where the receipt of cash lacked point of sale records. Each cash receipt received by the central treasurer should be accompanied by supporting documentation which reconciles cash received to participation times rates/fees. Due to the lack of point of sale records, cash receipts are not adequate to permit the application of the necessary auditing procedures to indicate whether receipts were recorded. We recommend that point of sale records be filled out in detail or an appropriate summary be attached by the student treasurer or teacher advisor, and be verified or reviewed by the central treasurer.

***District response: "The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds" will be provided to the teacher advisors and central treasurers. They can refer to this guidance and use the templates provided as supporting documentation for cash receipts collected.***

#### ***Additional Comments***

Also included in this letter is a summary of additional comments, which we desire to bring to the Board and management's attention involving various matters.

#### **Comptroller Audits**

The New York State Comptroller's office has increased its scrutiny over student activity clubs as evidenced by recent audits. Areas of emphasis of these audits include cash receipts and disbursements, as well as recordkeeping and internal controls. The District should consider creating a faculty auditor position who is responsible for providing oversight of the student activity clubs. The District could also expand the responsibilities of the claims auditor to provide this oversight. Finally, the District should also consider formal training opportunities for advisors and central treasurers.

***District response: The District will consider creating a faculty auditor position or expanding the responsibilities of the claims auditor. The District will also share any formal training opportunities we are made aware of with advisors and central treasurers.***

This communication is intended solely for the information and use of management, Board of Education, and others within *Jamestown City School District*, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Buffamante Whipple Buttafaro PC*

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

Olean, New York  
October 4, 2022



October 4, 2022

To the Audit Committee  
and Board of Education  
Jamestown City School District  
197 Martin Road  
Jamestown, New York 14701

We have audited the financial statements of Jamestown City School District as of and for the year ended June 30, 2022 and have issued our report dated October 4, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 3, 2022. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Jamestown City School District are described in Note 1 to the financial statements. During the current year, the District implemented Governmental Accounting Standards Board Statement Number 87, Leases. The implementation of this new standard resulted in a prior period adjustment in the district-wide financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

Management's estimate of depreciation is based on estimates of useful lives of assets and cost basis of certain assets. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

In addition, the District also has estimated future costs associated with pension and other post-employment benefits and has recorded a net pension liability and an other post-employment benefit liability based on an actuarial study performed by a third-party actuary. We evaluated the key assumptions used to develop these studies and its reasonableness in relation to the financial statements. Management believes that both the liabilities reported on the Statement of Net Position are not materially misstated as of June 30, 2022.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are disclosures on long-term debt in Note 3 and the COVID-19 Pandemic in Note 6.

The financial statement disclosures are neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

##### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 4, 2022.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### *Other Matters*

We applied certain limited procedures to the required supplementary information (RSI), which supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board and management of Jamestown City School District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Buffamante Whipple Buttafaro PC*

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.