

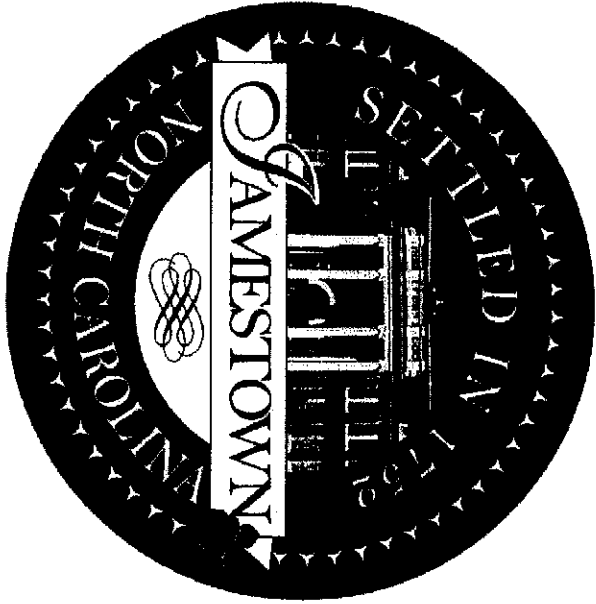
**TOWN OF JAMESTOWN, NORTH CAROLINA**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT**

***For the Fiscal Year Ended June 30, 2008***

***Prepared By  
Finance Department***

***Finance Officer  
Judy Gallman***



**Town of Jamestown, North Carolina**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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## Town of Jamestown, North Carolina

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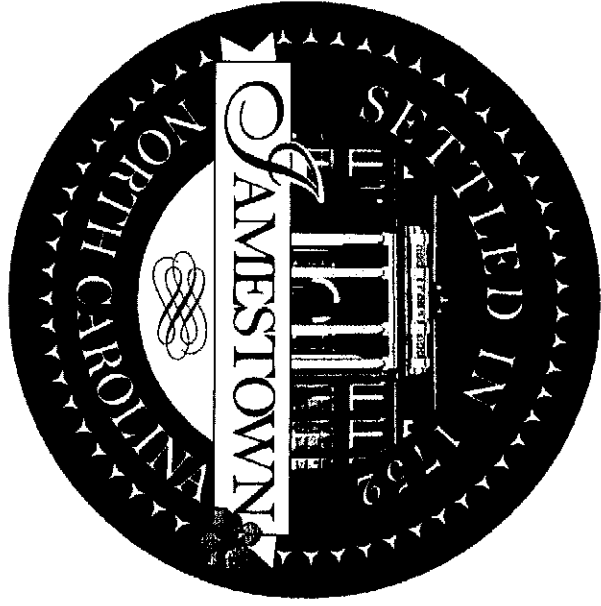
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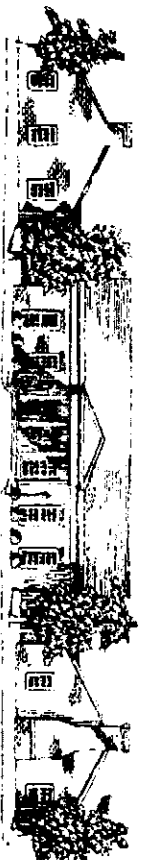
# Town of Jamestown, North Carolina

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October 12, 2008

Honorable Mayor and  
Members of the Town Council  
Town of Jamestown, North Carolina

The general statutes of North Carolina require that every local government publish within four months after the close of the fiscal year a complete set of audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Town of Jamestown for the fiscal year ended June 30, 2008.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The financial statements of the Town of Jamestown were audited by Dixon Hughes PLLC, a firm of licensed certified public accountants. Dixon Hughes PLLC has issued an unqualified opinion on the Town of Jamestown's financial statements for the year ended June 30, 2008. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

### ***Profile of the Government***

The Town of Jamestown, incorporated in 1947, is located in the Piedmont section of North Carolina. It currently occupies 2.8 square miles and serves a population of 3,369. The Town of Jamestown is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation.

The Town of Jamestown operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council (Council) consisting of the mayor and four other members, elected on a non-partisan basis. The Council appoints the government's manager, who in turn appoints the heads of the various departments. Council members serve two-year terms.

The Town of Jamestown provides a full range of services that includes public safety, sanitation, street maintenance, planning, recreation, general administration, and others. In addition to these general government activities, the Town provides and maintains water and sewer utilities and a golf course for the benefit of its citizens. The Town also extends financial support to a variety of agencies and associations to assist their efforts in serving citizens.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for the Town of Jamestown's financial planning and control. For the Town of Jamestown, annual budgets are adopted for the General Fund and Water and Sewer and Park Funds. Appropriations for annually budgeted funds are made at the departmental level. A department (such as sanitation) is a component of a function (such as public services). The Town Manager is authorized by the budget ordinance to transfer appropriations within departments of a fund; however any revisions that alter the total expenditures of a department must be approved by the Council.

### ***Local Economy***

Almost 73% of the adult residents of the Town of Jamestown are in the labor force. Unemployment in the Town of Jamestown as of 2000 was 2.5%. Most residents, however, do not work in Jamestown. According to the 2000 census data, only 18% of residents worked in town with the balance of the workforce commuting to other areas in Guilford County and surrounding communities. The Jamestown commuters are, for the most part, evenly divided between those who work in Greensboro and those who work in High Point, with Greensboro having a slight edge simply due to more available jobs. Almost 50% of Jamestown residents work in management and professional occupations.

According to the 2002 Economic Census of the U.S. there are a total of 570 firms located in the Town of Jamestown. Of these, 183 firms have paid employees, with a total of 1,838 employees. The manufacturing sector accounts for 29% of the employment of these



firms, and the retail sector accounts for 13%; these are the two largest sectors of employment.

Population growth in the Jamestown area is highest in areas just north of the town limits up to Wendover Avenue. According to a recent analysis of Jamestown's 3-mile trade area household and populations trends, both population and households grew by 12% over the past seven years. The Town contracted in 2008 with a consulting service to perform a market assessment of the downtown area. The consultant predicts continuing growth over the next five years, although at a slower rate. There are over 235 residential units planned or under construction in or near Jamestown, including projects for senior living, single family and town home developments. The median age is above that of the State, and analysis indicates that there is a greater concentration of both older households without children and households with younger families.

The median value of all owner occupied dwellings in Jamestown is \$171,700, substantially higher than the county median of \$116,900. The median family income in Jamestown is \$77,549, again higher than the county median family income of \$52,638. Jamestown remains a primarily residential community. Recent additions of some new specialty retailers have added to the downtown businesses that are located on the Main Street between Town Hall and the Public Library.

### *Long-term Financial Planning*

The unreserved, undesignated fund balance of the general fund at fiscal year-end stood at 27.0% of the subsequent year's budget, which exceeds the minimum of 8% set as a policy guideline by the Local Government Commission. There is no expected change in the conservative (informal) fund balance policy practiced by the Town Council.

Following the completion of a Comprehensive Land Development Plan, the Town Council contracted with Greenplan, Inc. to review and revise its Development Ordinance to assist with future planning and improve administration of current and future development in the town. The rewrite of the Ordinance will take 18 months to complete.

In the spring of 2008, the Town Council initiated the process of extending the Town's Extra Territorial Jurisdiction (ETJ) by 1,218 acres. Guilford County Commissioners approved the request in May 2008. The completion of the ETJ expansion, following community meetings and public hearings, is planned in the fall of 2008.

Numerous recreation / planning initiatives are currently in process in the Town. The Town Council adopted a Master Parks and Recreation Plan in the summer of 2007 to assist in planning future recreation projects and properties. The Town received a grant to develop a Tree Preservation Ordinance, and the final draft was presented to the Town Council in August 2008. The Town also received a planning grant to create a Pedestrian Master Plan for the community. The Piedmont Triad Council of Governments (PTCOG) will provide planning services to assist with the development of the pedestrian plan.

Additionally, the PTCOG will guide staff and community with a feasibility study to develop a Deep River Paddle Trail.

The Town applied for and received a Parks and Recreation Trust Fund Grant to assist with the purchase of two lots located near Town Hall in the central business district. The Town plans to complete the purchase in the fall of 2008 and then will begin the planning phase to develop the land into a center city park.

Greenberg Development Services completed a Downtown Market Assessment for the Town in June 2008. This study provided an analysis of the area markets and recommendations for strengthening downtown's current business mix. The Town will use this information to assist in planning opportunities for building partnerships to work together to create a vision statement and develop a stronger commercial base in the community.


Using a GPS data collection system, the town is locating infrastructure surface features for the existing utility systems. This planning process allows the Town to identify maintenance and connectivity issues for future utility system needs. Long range plans for utility maintenance and additions are based on the data collected and analyzed in conjunction with the results from the formal Land Development Plan.

As these planning components are completed over the next two years, Town officials will be developing a Capital Improvement Plan for projects and equipment necessary to implement these long range plans and growth objectives.


#### ***Acknowledgements***

We wish to express our appreciation to all members of the finance and administration department who contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Jamestown's finances.

Respectfully submitted,



Kathryn Q. Billings  
Town Manager



Judy B. Gallman  
Finance Officer

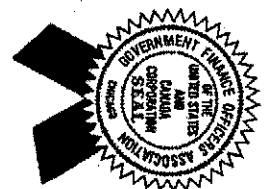
Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Town of Jamestown  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.

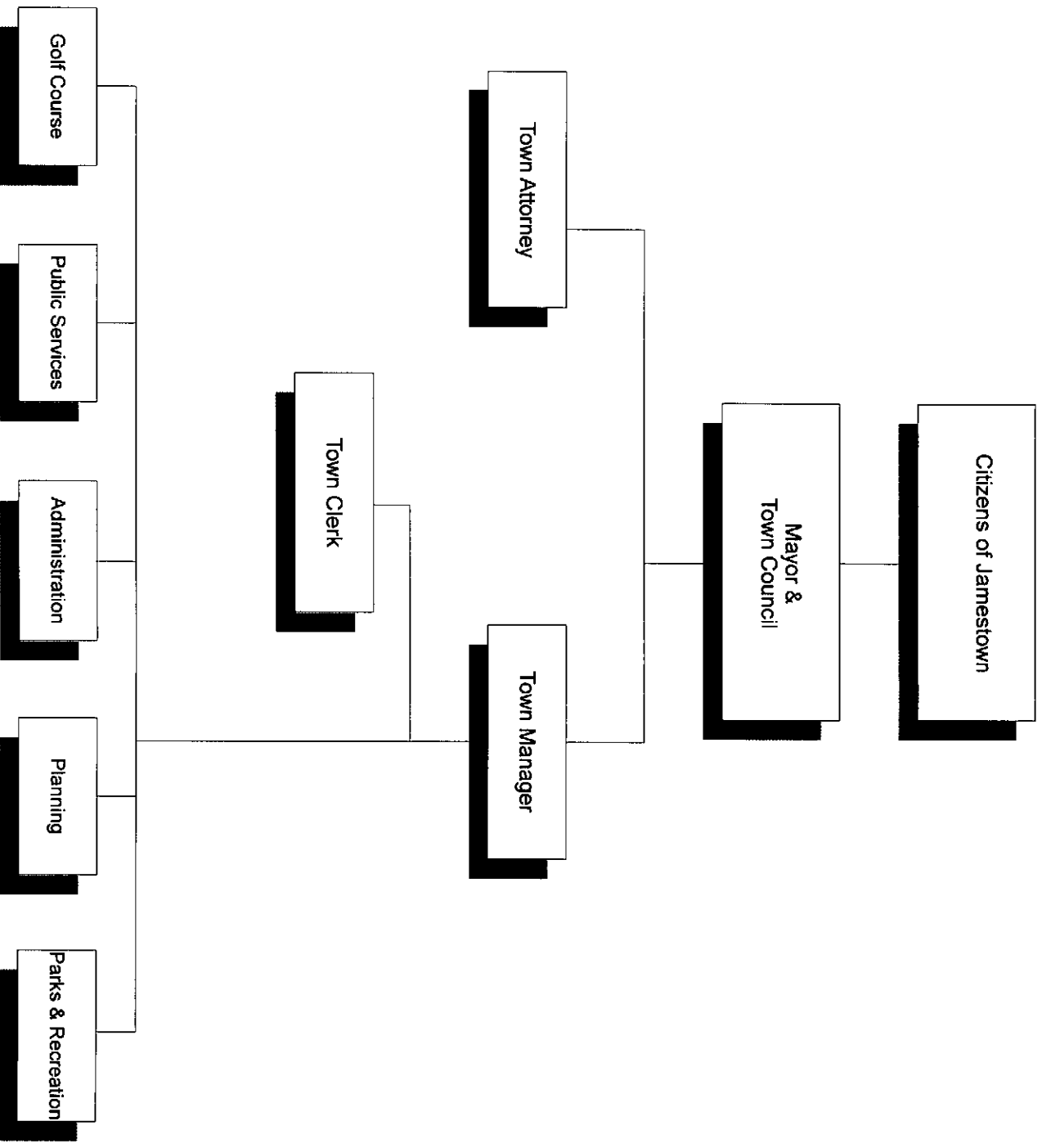


*Oliver S. Cox*

President

*Jeffrey R. Evans*  
Executive Director

Town of Jamestown, North Carolina  
Organizational Chart  
June 30, 2008



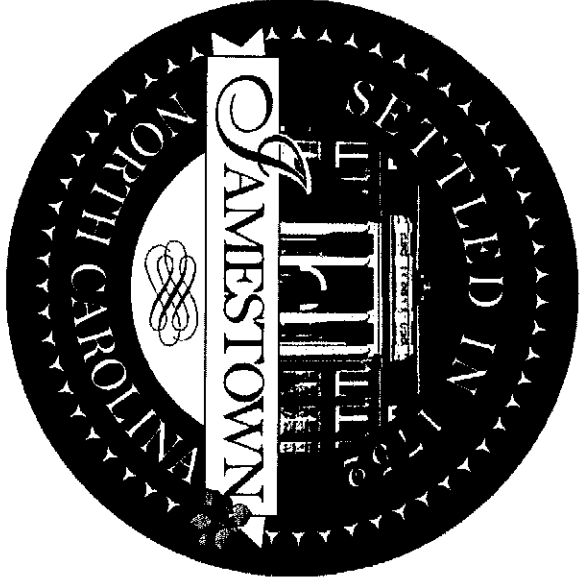
**TOWN OF JAMESTOWN, NORTH CAROLINA**  
***List of Principal Officials***  
***June 30, 2008***

**MAYOR AND TOWN COUNCIL**

Keith L. Volz, Mayor  
R. Brock Thomas, Mayor Pro Tem  
Frank Gray, Councilman  
Larry Lain, Councilman  
Georgia Nixon-Roney, Councilman

**TOWN OFFICIALS**

Kathryn Billings	Town Manager and Budget Officer
Roberson, Haworth and Reese	Town Attorneys
Martha Wolfe	Town Clerk
Jay Gardner	Park Superintendent
Charles Smith	Public Services Director
Matthew Johnson	Planning Director
Judy Gallman	Finance Officer





**DIXON HUGHES** P.C.

Certified Public Accountants and Advisors

## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and  
Members of the Town Council  
Town of Jamestown  
Jamestown, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jamestown, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Jamestown's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Jamestown as of June 30, 2008, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2008 on our consideration of the Town of Jamestown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

1829 Eastchester Drive, PO Box 2646  
High Point, NC 27261-2646

Ph. 336.889.5156 Fax. 336.889.6168

[www.dixon-hughes.com](http://www.dixon-hughes.com)



MEMBER OF  
GLOBAL ALLIANCE OF  
INDEPENDENT FIRMS

Management's Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Jamestown. The combining and individual fund financial statements and schedules are presented for additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Dixon Hughes PLLC*

October 12, 2008



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## Management's Discussion and Analysis

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As management of the Town of Jamestown, we offer readers of the Town of Jamestown's financial statements this narrative overview and analysis of the financial activities of the Town of Jamestown for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

### Financial Highlights

- The assets of the Town of Jamestown exceeded its liabilities at the close of the fiscal year by \$22,286,394 (*net assets*).
- The government's total net assets *increased* by \$690,742, due to *increases* in both the *governmental and business-type* activities net assets.
- As of the close of the current fiscal year, the Town of Jamestown's governmental fund reported an ending fund balance of \$1,771,530, an increase of \$106,788 in comparison with the prior year. Approximately 65% of this total amount, or \$1,155,088, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,155,088, or 43% of total general fund expenditures for the fiscal year.
- The Town of Jamestown's total debt *decreased* by \$580,353 (29.6%) during the current fiscal year. The factors in this change include the payment of scheduled amounts on existing installment purchases and the proceeds of new debt incurred to purchase a leaf truck.

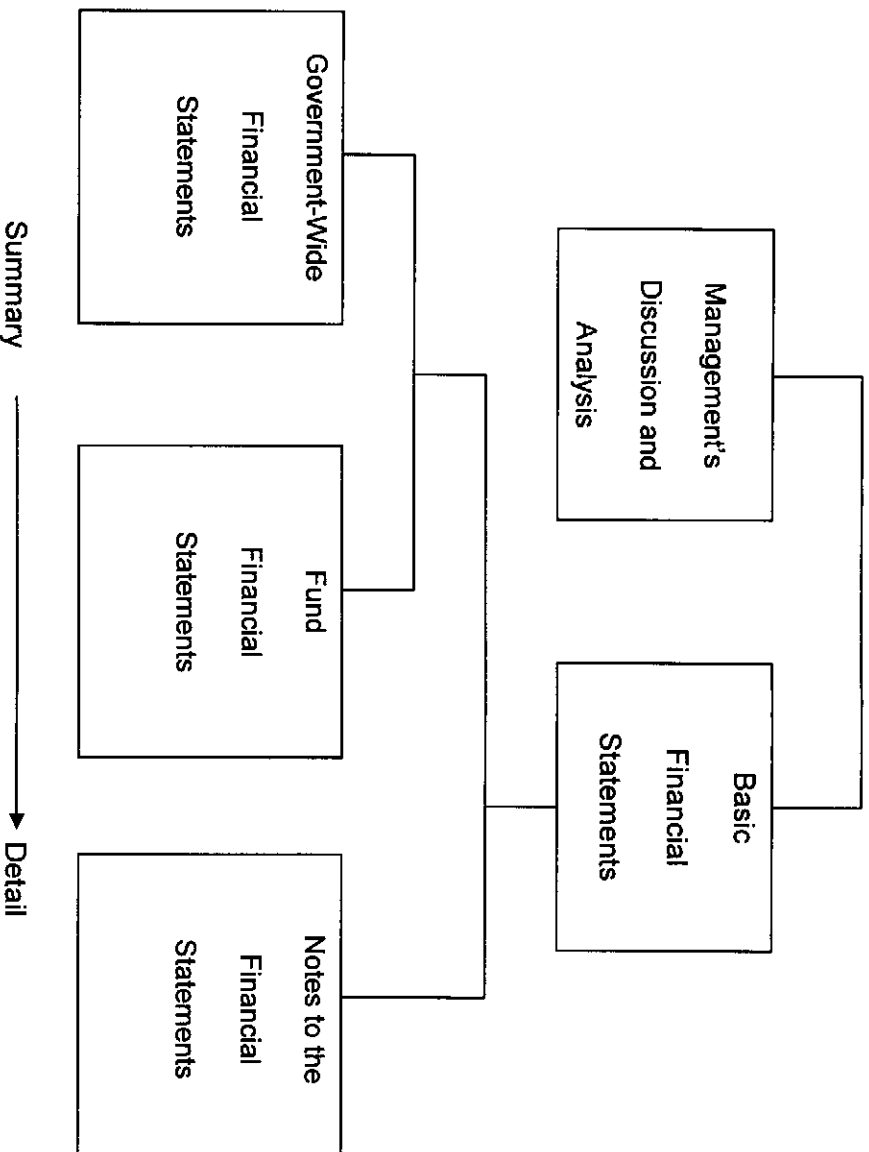
### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Jamestown's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements; and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Jamestown.

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## Management's Discussion and Analysis

Required Components of Annual Financial Report  
Figure 1



### Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the Town of Jamestown's financial status.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

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## Management's Discussion and Analysis

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### Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short- and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net assets and how they have changed. Net assets are the difference between the Town's total assets and total liabilities. Measuring net assets is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, recreation, public services, and general administration. Property taxes and state shared revenues finance most of these activities. The business-type activities are those that the Town charges customers to provide the services. These include the water and sewer services and golf course services offered by the Town of Jamestown.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

### Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Jamestown, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town budget ordinance. All of the funds of the Town of Jamestown can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

## **Management's Discussion and Analysis**

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The Town of Jamestown adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** - *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Jamestown uses enterprise funds to account for its water and sewer activity and for its golf course operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

## Management's Discussion and Analysis

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### Government-Wide Financial Analysis

**Town of Jamestown's Net Assets**  
Figure 2

	Governmental		Business-Type		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 2,102,949	\$ 1,944,629	\$ 4,330,333	\$ 4,197,532	\$ 6,433,282	\$ 6,142,161
Capital assets	5,085,582	5,144,993	12,751,887	12,943,002	17,837,469	18,087,995
Total assets	<u>7,188,531</u>	<u>7,089,622</u>	<u>17,082,220</u>	<u>17,140,534</u>	<u>24,270,751</u>	<u>24,230,156</u>
Long-term liabilities outstanding	365,598	462,381	572,185	983,299	937,783	1,445,680
Other liabilities	458,814	412,839	587,760	775,985	1,046,574	1,188,824
Total liabilities	<u>824,412</u>	<u>875,220</u>	<u>1,159,945</u>	<u>1,759,284</u>	<u>1,984,357</u>	<u>2,634,504</u>
Net assets:						
Invested in capital assets, net of related debt	4,527,636	4,513,022	11,803,854	11,612,380	16,331,490	16,125,402
Restricted	312,983	191,056	-	-	312,983	191,056
Unrestricted	1,523,500	1,510,324	4,118,421	3,768,870	5,641,921	5,279,194
Total net assets	<u>\$ 6,364,119</u>	<u>\$ 6,214,402</u>	<u>\$ 15,922,275</u>	<u>\$ 15,381,250</u>	<u>\$ 22,286,394</u>	<u>\$ 21,595,652</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Jamestown exceeded liabilities by \$22,286,394 as of June 30, 2008. The Town's net assets increased by \$690,742 for the fiscal year ended June 30, 2008. However, a portion (73.3%) reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Jamestown uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Jamestown's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Jamestown's net assets (1.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,641,921 is unrestricted.

## Management's Discussion and Analysis

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net assets:

- Collection of property taxes with a tax collection percentage of 99.40%, which exceeds the statewide average of 98.19%.
- A 2.2% increase in property tax revenues.
- An \$89,000 increase in permits and fees from the previous year.

### Town of Jamestown Changes in Net Assets Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 118,532	\$ 94,413	\$ 3,414,831	\$ 3,328,663	\$ 3,533,363	\$ 3,423,076
Operating grants and contributions	438,144	408,582	-	-	438,144	408,582
Capital grants and contributions	8,697	88,001	-	48,000	8,697	136,001
General revenues:						
Property taxes	1,345,648	1,318,538	-	-	1,345,648	1,318,538
Other taxes	835,376	733,955	-	-	835,376	733,955
Grants and contributions not restricted to specific programs	-	64,844	-	-	-	64,844
Other	129,053	131,367	146,572	116,627	275,625	247,994
Total revenues	2,875,450	2,839,700	3,561,403	3,493,290	6,436,853	6,332,990
Expenses:						
General government	652,985	549,072	-	-	652,985	549,072
Public services	432,960	699,128	-	-	432,960	699,128
Public safety	753,062	643,236	-	-	753,062	643,236
Recreation	705,606	639,139	-	-	705,606	639,139
Interest on long-term debt	31,120	34,524	-	-	31,120	34,524
Water and sewer	-	-	2,082,263	2,047,309	2,082,263	2,047,309
Park	-	-	1,088,115	1,088,844	1,088,115	1,088,844
Total expenses	2,575,733	2,565,099	3,170,378	3,136,153	5,746,111	5,701,252
Increase in net assets before transfers	299,717	274,601	391,025	357,137	690,742	631,738
Transfers	(150,000)	-	150,000	-	-	-
Increase in net assets	149,717	274,601	541,025	357,137	690,742	631,738
Net assets, July 1	6,214,402	5,939,801	15,381,250	15,024,113	21,595,652	20,963,914
Net assets, June 30	\$ 6,364,119	\$ 6,214,402	\$ 15,922,275	\$ 15,381,250	\$ 22,286,394	\$ 21,595,652

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## Management's Discussion and Analysis

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**Governmental Activities.** Governmental activities increased the Town's net assets by \$149,717 hereby accounting for 21.7% of the total growth in the net assets of the Town of Jamestown. Key elements of this increase are as follows:

- Property tax revenues increased by approximately \$29,000.
- Intergovernmental revenues increased by approximately \$57,000.
- Permits and fees increased by \$89,000, due mostly to new garbage fees, which were added in the current year. Investment income decreased however.

**Business-Type Activities:** Business-type activities increased the Town of Jamestown's net assets by \$541,025, thereby accounting for 78.3% of the total growth in the net assets of the Town of Jamestown. Key elements of this increase (net) are as follows:

- Charges for services in the Water and Sewer Fund increased by \$50,000.
- Expenditures in the Water and Sewer Fund decreased by \$261,000 from the prior year.
- Golf course play was up in the current year, and this fund's revenues increased by approximately \$54,000 over the previous year.

### Financial Analysis of the Town Funds

As noted earlier, the Town of Jamestown uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Town of Jamestown's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Jamestown's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of Jamestown. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,155,088, while total fund balance reached \$1,771,530. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 46% of total General Fund expenditures, while total fund balance represents 65% of total General Fund expenditures.

At June 30, 2008, the governmental fund of the Town of Jamestown reported a fund balance of \$1,771,530, a 6.4% increase over last year.

**General Fund Budgetary Highlights:** During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services.

## **Management's Discussion and Analysis**

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Revenues were greater than the budgeted amounts for several reasons. Revenues in property tax and local sales tax increased from the previous year. Investment income was greater than anticipated. Expenditures were less than budgeted amounts. A sidewalk project that had been budgeted for did not occur during this fiscal year, and various other expenditures were less than anticipated.

**Proprietary Funds.** The Town's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net assets of the Water and Sewer Fund at the end of the fiscal year amounted to \$3,963,705, and those for the Jamestown Park Fund amounted to \$154,716. The Water Sewer Fund had growth of \$510,136 in net assets and the Jamestown Park Fund net assets increased by \$30,889. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town of Jamestown's business-type activities.

### **Capital Asset and Debt Administration**

**Capital Assets.** The Town of Jamestown's investment in capital assets for its governmental and business-type activities as of June 30, 2008, totals \$17,837,469 (net of accumulated depreciation). These assets include buildings, sidewalks, land, water and sewer lines, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions:

- Purchase of leaf truck for \$128,000.
- Completion of sidewalk construction and new entrance sign for \$18,000.
- Construction of new water lines for \$62,000.
- Purchase of various vehicles and equipment for the Water and Sewer Department for \$111,000.
- Purchase of equipment for Jamestown Park for \$26,000.



## Management's Discussion and Analysis

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### Town of Jamestown's Capital Assets Figure 4

Additional information on the Town's capital assets can be found in Note 2 of the Basic Financial Statements.

	(Net of Depreciation)					
	Governmental Activities		Business-Type Activities			Total
	2008	2007	2008	2007	2008	
Water rights	\$ -	\$ -	\$ 2,166,675	\$ 2,168,830	\$ 2,166,675	\$ 2,168,830
Wastewater treatment rights	-	-	2,770,781	2,857,031	2,770,781	2,857,031
Land	1,680,879	1,680,879	297,898	297,898	1,978,777	1,978,777
Buildings and systems	2,088,351	2,148,413	294,680	317,128	2,383,031	2,465,541
Improvements other than buildings	903,379	937,503	139,372	152,838	1,042,751	1,090,341
Machinery, vehicles, and equipment	390,812	355,680	635,744	618,475	1,026,556	974,155
Infrastructure	-	-	6,400,401	6,528,837	6,400,401	6,528,837
Construction-in-progress	22,161	22,518	26,336	1,965	48,497	24,483
<b>Total</b>	<b>\$ 5,085,582</b>	<b>\$ 5,144,993</b>	<b>\$ 12,751,887</b>	<b>\$ 12,943,002</b>	<b>\$ 17,837,469</b>	<b>\$ 18,087,995</b>

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## Management's Discussion and Analysis

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### Town of Jamestown's Outstanding Debt Figure 5

	Activities		Total		
	2008	2007	2008	2007	2008
Installment purchases	\$ 557,946	\$ 631,971	\$ 948,033	\$ 1,330,622	\$ 1,505,979
Total	\$ 557,946	\$ 631,971	\$ 948,033	\$ 1,330,622	\$ 1,505,979
					\$ 1,962,593

The Town of Jamestown's total debt decreased by \$580,353 (29.6 %) during the past fiscal year, primarily due to the payment of scheduled amounts to existing installment purchases.

**Long-Term Debt.** As of June 30, 2008, the Town of Jamestown had no bonded debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Jamestown is \$31,330,592. The Town has no bonds authorized but un-issued at June 30, 2008

Additional information regarding the Town of Jamestown's long-term debt can be found in Note 2 beginning on page 40 of this report.

#### Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town:

- According to the Office of State Budget and Management, Jamestown's total population was 3,369.
- The median household income of Jamestown is \$57,331, the median family income is \$77,549, and the per capita income is \$29,689.
- Occupations listed as management and professional make up 45.6% of the work force, and unemployment in the 2000 Census was listed at 1.8%.
- Of the population over 25 years old, 48.5% have earned a bachelor's degree or higher.
- Sidewalk construction continues and the Town is a "walkable" community with approximately six miles of sidewalks connecting neighborhoods to Main Street.
- Jamestown financially supports the local historical society and related community efforts to preserve the local heritage and numerous historical sites within Jamestown.

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## Management's Discussion and Analysis

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### Budget Highlights for the Fiscal Year Ending June 30, 2009

**Governmental Activities:** The property tax rate increases by \$.02 to \$.37 per \$100 valuation and will bring in a projected \$1,438,000 in revenues. Powell Bill reserves of \$161,500 will be utilized for street resurfacing. Jamestown's share of sales tax revenue is projected to be \$430,000. County reimbursement for Gibson Park operating expenses of \$280,200 is budgeted to cover the expenses and provide a 10% indirect cost reimbursement. The budget increases the solid waste fee to \$7 per month per household that will bring in an estimated \$103,000 in revenues. Fee proposals remain the same with the exception of some increases in planning fees to help cover the costs of planning services provided at Town Hall.

Budgeted expenditures in the General Fund are expected to increase approximately 25% to 4,273,272. The increase is due mainly to moving the golf course from a separate enterprise fund to becoming part of the General Fund Recreation function. The expenditures of the Buildings and Grounds, Public Safety, Fire, Street, Powell Bill, and Recreation departments are projected to decrease, while the Administration, Planning, Sanitation and Gibson Park departments' expenditures are expected to increase. The continued funding of several grants to local non-profit organizations accounts for 6.2% of the General Fund expenditures in the coming year. The Town budget includes funds to continue the operation agreement for fire protection services with Pinecroft Sedgefield Fire Department and a contract for law enforcement and animal control services with Guilford County.

**Business - Type Activities:** The water and sewer rates will increase 7-8%. New construction tap fees are estimated to generate \$150,000 in revenues. Net assets appropriated of \$242,492 are budgeted to supplement funding for the capital outlay expenses. The debt service payments are for the Eastside Treatment Plant, and the two largest contracted service expenditure lines are for payments to the City of High Point for the cost of treating sewage, and payments to Greensboro and High Point for the purchase of water. Capital projects planned include continued slip lining of existing sewer lines and replacing several sections of water lines.

### Requests for Information

This report is designed to provide an overview of the Town finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Judy Gallman, P. O. Box 848, Jamestown, NC 27282, 336-454-1138, website, [www.jamestown-nc.gov](http://www.jamestown-nc.gov).



**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS**  
 June 30, 2008

Exhibit 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,765,210	\$ 3,911,695	\$ 5,676,905
Receivables:			
Taxes receivable, net	10,973	-	10,973
Accrued interest receivable	99,718	24,521	124,239
Accounts receivable, net	4,033	170,540	174,573
Due from other governments	215,436	142,814	358,250
Inventories	-	51,297	51,297
Prepaid items	7,479	9,875	17,354
Restricted cash and cash equivalents	100	19,591	19,691
Total current assets	<u>2,102,949</u>	<u>4,330,333</u>	<u>6,433,282</u>
Capital assets:			
Water rights	-	2,186,675	2,186,675
Wastewater treatment rights, net	-	2,770,781	2,770,781
Land and other nondepreciable assets	1,703,040	324,234	2,027,274
Other capital assets, net of depreciation	3,382,542	7,470,197	10,852,739
Total capital assets	<u>5,085,582</u>	<u>12,751,887</u>	<u>17,837,469</u>
Total assets	<u>\$ 7,188,531</u>	<u>\$ 17,082,220</u>	<u>\$ 24,270,751</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 214,263	\$ 109,916	\$ 324,179
Accrued interest payable	3,774	8,260	12,034
Customer deposits	100	19,591	19,691
Gift cards outstanding	-	9,087	9,087
Loyalty rewards to be redeemed	-	10,200	10,200
Unearned revenues	6,365	-	6,365
Current portion of long-term liabilities	234,312	430,706	665,018
Long-term liabilities:			
Due in more than one year	365,598	572,185	937,783
Total liabilities	<u>824,412</u>	<u>1,159,945</u>	<u>1,984,357</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	4,527,636	11,803,854	16,331,490
Restricted for:			
Public services	312,983	-	312,983
Unrestricted	1,523,500	4,118,421	5,641,921
Total net assets	<u>\$ 6,364,119</u>	<u>\$ 15,922,275</u>	<u>\$ 22,286,394</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2008**

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
General government	\$ 652,985	\$ 13,122	\$ 3,537	\$ -
Public services	432,960	79,949	122,183	8,697
Public safety	753,062	-	-	-
Recreation	705,606	25,461	312,424	-
Debt service:				
Interest on long-term debt	31,120	-	-	-
<b>Total governmental activities</b>	<u>2,575,733</u>	<u>118,532</u>	<u>438,144</u>	<u>8,697</u>
<b>Business-type activities:</b>				
Water and sewer Park	2,082,263	2,452,378	-	-
	1,088,115	962,453	-	-
<b>Total business-type activities</b>	<u>3,170,378</u>	<u>3,414,831</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 5,746,111</u>	<u>\$ 3,533,363</u>	<u>\$ 438,144</u>	<u>\$ 8,697</u>
	<b>General revenues:</b>			
	Taxes:			
	Property taxes, levied for general purposes			
	Other taxes			
	Investment income, unrestricted			
	Gain on sale of capital assets			
	Miscellaneous			
	Transfers			
	<b>Total general revenues and transfers</b>			
	Change in net assets			
	Net assets - beginning			
	Net assets - ending			

The accompanying notes are an integral part of this statement.

Net Revenue (Expense) and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (636,326)	\$ -	\$ (636,326)
(222,131)	-	(222,131)
(753,062)	-	(753,062)
(367,721)	-	(367,721)
<u>(31,120)</u>	<u>-</u>	<u>(31,120)</u>
(2,010,360)	-	(2,010,360)
-	370,115	370,115
-	(125,662)	(125,662)
-	<u>244,453</u>	<u>244,453</u>
<u>(2,010,360)</u>	<u>244,453</u>	<u>(1,765,907)</u>
1,345,648	-	1,345,648
835,376	-	835,376
123,403	146,237	269,640
1,318	335	1,653
4,332	-	4,332
<u>(150,000)</u>	<u>150,000</u>	<u>-</u>
2,160,077	296,572	2,456,649
149,717	541,025	690,742
6,214,402	15,381,250	21,595,652
<u>\$ 6,364,119</u>	<u>\$ 15,922,275</u>	<u>\$ 22,286,394</u>

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2008**

Exhibit 3

ASSETS	General Fund	Total Governmental Funds
Cash and cash equivalents	\$ 1,765,210	\$ 1,765,210
Taxes receivable, net	10,973	10,973
Accounts receivable	4,033	4,033
Due from other governments	215,436	215,436
Prepaid items	7,479	7,479
Restricted cash and cash equivalents	100	100
<b>Total assets</b>	<b><u>\$ 2,003,231</u></b>	<b><u>\$ 2,003,231</u></b>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 214,263	\$ 214,263
Customer deposits	100	100
Deferred revenues	17,338	17,338
<b>Total liabilities</b>	<b><u>231,701</u></b>	<b><u>231,701</u></b>
 Fund balances:		
Reserved for:		
Prepaid items	7,479	7,479
Commitments	76,511	76,511
State statute	219,469	219,469
Streets - Powell Bill	312,983	312,983
Unreserved, General Fund:		
Designated for subsequent year's expenditures	282,372	282,372
Undesignated	872,716	872,716
<b>Total fund balances</b>	<b><u>1,771,530</u></b>	<b><u>1,771,530</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 2,003,231</u></b>	

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

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		5,085,582
Other assets (interest receivable) are not available to pay for current expenditures and therefore are deferred in the funds.		99,718
Liabilities for earned but deferred revenues (property taxes receivable) in fund statements.		10,973
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Installment purchases payable	\$ 557,946	
Compensated absences payable	41,964	
Accrued interest payable	3,774	(603,684)
		<b><u>\$ 6,364,119</u></b>

The accompanying notes are an integral part of this statement.



**TOWN OF JAMESTOWN, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended June 30, 2008**

Exhibit 4

	General Fund	Total Governmental Funds
Revenues:		
Ad valorem taxes	\$ 1,344,855	\$ 1,344,855
Unrestricted intergovernmental	1,053,713	1,053,713
Restricted intergovernmental	176,454	176,454
Permits and fees	170,224	170,224
Investment income	88,065	88,065
Miscellaneous	4,635	4,635
<b>Total revenues</b>	<b>2,837,946</b>	<b>2,837,946</b>
Expenditures:		
Current:		
General government	609,284	609,284
Public services	501,694	501,694
Public safety	703,244	703,244
Recreation	663,180	663,180
Debt service:		
Principal	197,764	197,764
Interest and other charges	31,049	31,049
<b>Total expenditures</b>	<b>2,706,215</b>	<b>2,706,215</b>
<b>Excess of revenues over expenditures</b>	<b>131,731</b>	<b>131,731</b>
Other financing sources (uses):		
Transfer to Park Fund	(150,000)	(150,000)
Issuance of installment purchase agreement	123,739	123,739
Sale of capital assets	1,318	1,318
<b>Total other financing uses</b>	<b>(24,943)</b>	<b>(24,943)</b>
<b>Net change in fund balances</b>	<b>106,788</b>	<b>106,788</b>
<b>Fund balances at beginning of year</b>	<b>1,664,742</b>	<b>1,664,742</b>
<b>Fund balances at end of year</b>	<b>\$ 1,771,530</b>	<b>\$ 1,771,530</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2008**

Exhibit 4  
Continued

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities:**

**Total net change in fund balances - governmental funds** **\$ 106,788**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$213,047) exceeded capital outlays (\$176,154) in the current period. (36,893)

The net effect of various miscellaneous transactions involving capital assets (write-off of construction-in-progress) is to decrease net assets. (22,518)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenue for tax revenues 793

Change in other deferred revenues (7,605)

Change in accrued investment interest 43,301

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets.

Issuance of long-term debt (123,739)

Repayment of principal of long-term debt 197,784

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued interest expense (71)

Compensated absences (8,103)

**Changes in net assets of governmental activities** **\$ 149,717**

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Year Ended June 30, 2008**

Exhibit 5

	Budgeted Amounts		Actual Amounts	Variance With Final Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,318,000	\$ 1,318,000	\$ 1,344,855	\$ 26,855
Unrestricted intergovernmental	978,970	996,858	1,053,713	56,855
Restricted intergovernmental	100,000	150,000	176,454	26,454
Permits and fees	229,300	232,800	170,224	(62,576)
Investment income	79,200	79,200	88,065	8,865
Miscellaneous	1,000	1,000	4,635	3,635
<b>Total revenues</b>	<b>2,706,470</b>	<b>2,777,858</b>	<b>2,837,946</b>	<b>60,088</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	611,814	663,614	609,284	54,330
Public services	924,286	940,586	501,694	438,892
Public safety	689,370	736,370	703,244	33,126
Recreation	580,220	680,130	663,180	16,950
Debt service:				
Principal	204,156	204,156	197,764	6,392
Interest and fiscal charges	32,245	32,245	31,049	1,196
<b>Total expenditures</b>	<b>3,042,091</b>	<b>3,257,101</b>	<b>2,706,215</b>	<b>550,886</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(335,621)</b>	<b>(479,243)</b>	<b>131,731</b>	<b>610,974</b>
<b>Other financing sources (uses):</b>				
Transfer to Park Fund	(100,000)	(150,000)	(150,000)	-
Issuance of installment purchase agreement	130,000	130,000	123,739	(6,261)
Sale of capital assets	-	-	1,318	1,318
<b>Total other financing sources (uses)</b>	<b>30,000</b>	<b>(20,000)</b>	<b>(24,943)</b>	<b>(4,943)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures</b>	<b>(305,621)</b>	<b>(499,243)</b>	<b>106,788</b>	<b>606,031</b>
<b>Fund balance appropriated</b>	<b>305,621</b>	<b>499,243</b>	<b>-</b>	<b>(499,243)</b>
<b>Revenues, other sources and fund balance appropriated over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>106,788</b>	<b>\$ 106,788</b>
<b>Fund balance at beginning of year</b>			<b>1,664,742</b>	
<b>Fund balance at end of year</b>			<b>\$ 1,771,530</b>	

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
 June 30, 2008

Exhibit 6

	Enterprise Funds		
	Major		Total Enterprise Funds
	Water and Sewer	Jamestown Park	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,746,303	\$ 165,392	\$ 3,911,695
Accrued interest receivable	24,521	-	24,521
Accounts receivable, net	117,014	1,014	118,028
Accounts receivable - unbilled	52,512	-	52,512
Due from other governments	142,814	-	142,814
Inventories	-	51,297	51,297
Prepaid items	6,353	3,522	9,875
Restricted cash and cash equivalents	19,091	500	19,591
<b>Total current assets</b>	<b>4,108,608</b>	<b>221,725</b>	<b>4,330,333</b>
Capital assets:			
Water rights	2,186,675	-	2,186,675
Wastewater treatment rights, net	2,770,781	-	2,770,781
Land and other nondepreciable assets	26,336	297,898	324,234
Other capital assets, net of depreciation	6,910,220	559,977	7,470,197
<b>Total capital assets</b>	<b>11,894,012</b>	<b>857,875</b>	<b>12,751,887</b>
<b>Total assets</b>	<b>\$ 16,002,620</b>	<b>\$ 1,079,600</b>	<b>\$ 17,082,220</b>

**LIABILITIES AND NET ASSETS**

Current liabilities:			
Accounts payable and accrued liabilities	\$ 83,470	\$ 16,446	\$ 99,916
Retainage payable	10,000	-	10,000
Accrued interest	8,260	-	8,260
Customer deposits	19,091	500	19,591
Gift cards outstanding	-	9,087	9,087
Loyalty rewards to be redeemed	-	10,200	10,200
Compensated absences, current	12,000	15,000	27,000
Current portion of long-term debt	403,706	-	403,706
<b>Total current liabilities</b>	<b>536,527</b>	<b>51,233</b>	<b>587,760</b>
Noncurrent liabilities:			
Compensated absences	12,082	15,776	27,858
Noncurrent portion of long-term debt	544,327	-	544,327
<b>Total noncurrent liabilities</b>	<b>556,409</b>	<b>15,776</b>	<b>572,185</b>
<b>Total liabilities</b>	<b>1,092,936</b>	<b>67,009</b>	<b>1,159,945</b>
Net assets:			
Invested in capital assets, net of related debt	10,945,979	857,875	11,803,854
Unrestricted	3,963,705	154,716	4,118,421
<b>Total net assets</b>	<b>\$ 14,909,684</b>	<b>\$ 1,012,591</b>	<b>\$ 15,922,275</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS - PROPRIETARY FUNDS**  
Year Ended June 30, 2008

Exhibit 7

	Enterprise Funds		
	Major	Jamestown Park	
	Water and Sewer	Jamestown Park	Total Enterprise Funds
<b>Operating revenues:</b>			
Charges for sales and services	\$ 2,429,914	\$ 874,063	\$ 3,303,977
Other operating revenues	22,464	88,390	110,854
<b>Total operating revenues</b>	<b>2,452,378</b>	<b>962,453</b>	<b>3,414,831</b>
<b>Operating expenses:</b>			
Salaries and employee benefits	466,422	570,197	1,036,619
Contracted services	54,982	57,300	112,282
Contractual payment for wastewater treatment	466,754	-	466,754
Supplies and materials	70,924	138,420	209,344
Purchase of water	441,082	-	441,082
Other operating expenditures	125,034	249,566	374,600
Depreciation and amortization	373,815	72,632	446,447
<b>Total operating expenses</b>	<b>1,999,013</b>	<b>1,088,115</b>	<b>3,087,128</b>
<b>Operating income (loss)</b>	<b>453,365</b>	<b>(125,662)</b>	<b>327,703</b>
<b>Nonoperating revenues (expenses):</b>			
Gain (loss) on disposition of capital assets	(1,965)	2,300	335
Payments to Piedmont Triad Regional Water Authority	(22,641)	-	(22,641)
Investment income	141,986	4,251	146,237
Interest expense	(60,609)	-	(60,609)
<b>Total nonoperating revenues</b>	<b>56,771</b>	<b>6,551</b>	<b>63,322</b>
<b>Income (loss) before transfers</b>	<b>510,136</b>	<b>(119,111)</b>	<b>391,025</b>
Transfer from other funds	-	150,000	150,000
<b>Change in net assets</b>	<b>510,136</b>	<b>30,889</b>	<b>541,025</b>
<b>Total net assets, beginning</b>	<b>14,399,548</b>	<b>981,702</b>	<b>15,381,250</b>
<b>Total net assets, ending</b>	<b>\$ 14,909,684</b>	<b>\$ 1,012,591</b>	<b>\$ 15,922,275</b>

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
Year Ended June 30, 2008

Exhibit 8

	Enterprise Funds		Total
	Major	Jamestown Park	Enterprise Funds
	Water and Sewer		
Cash flows from operating activities:			
Cash received from customers	\$ 2,302,868	\$ 954,154	\$ 3,257,022
Cash paid for goods and services	(1,129,140)	(449,975)	(1,579,115)
Cash paid to employees for services	(465,643)	(568,876)	(1,034,519)
Customer deposits returned	(6,065)	-	(6,065)
Customer deposits received	7,200	-	7,200
Other operating revenues	22,464	8,299	30,763
Net cash provided (used) by operating activities	731,684	(56,398)	675,286
Cash flows from noncapital financing activities:			
Payment to Piedmont Triad Regional Water Authority	(22,642)	-	(22,642)
Transfers from other funds	-	150,000	150,000
Net cash provided (used) by operating activities	(22,642)	150,000	127,358
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	-	2,300	2,300
Acquisition and construction of capital assets	(231,111)	(26,182)	(257,293)
Principal and interest payments on long-term debt	(446,692)	-	(446,692)
Net cash used by capital and related financing activities	(677,803)	(23,882)	(701,685)
Cash flows from investing activities:			
Interest and dividends	131,334	4,251	135,585
Net cash provided by investing activities	131,334	4,251	135,585
Net increase (decrease) in cash and cash equivalents	162,573	73,971	236,544
Cash and cash equivalents at beginning of year	3,602,821	91,921	3,694,742
Cash and cash equivalents at end of year	\$ 3,765,394	\$ 165,892	\$ 3,931,286
Reconciliation of cash and cash equivalents at end of year:			
Cash and cash equivalents	\$ 3,746,303	\$ 165,392	\$ 3,911,695
Restricted cash and cash equivalents	19,091	500	19,591
	\$ 3,765,394	\$ 165,892	\$ 3,931,286
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 453,365	\$ (125,662)	\$ 327,703
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	373,815	72,632	446,447
Change in assets and liabilities:			
Decrease in accounts receivable	114,391	7,265	121,656
Increase in prepaid items	(3,569)	(1,321)	(4,890)
Increase in inventories	-	(2,371)	(2,371)
Decrease in accounts payable and accrued liabilities	(203,814)	(10,737)	(214,551)
Increase in gift cards outstanding	(4,813)	-	(4,813)
Increase in loyalty rewards to be redeemed	-	717	717
Increase in customer deposits	1,135	4,148	4,148
Increase (decrease) in compensated absences	1,174	(1,569)	1,635
Net cash provided (used) by operating activities	\$ 731,684	\$ (56,398)	\$ 675,286

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
June 30, 2008

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**Note 1. Summary of Significant Accounting Policies**

The accounting policies of the Town of Jamestown (the "Town") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The Town of Jamestown is a municipal corporation that is governed by an elected mayor and a four-member council.

**B. Basis of Presentation**

*Government-Wide Statements:* The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations, if applicable, are made to minimize the double counting of internal activities. The Town was not required to make any eliminations in the current year. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) 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.

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are to be aggregated and reported as nonmajor funds. The Town currently has no non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

TOWN OF JAMESTOWN, NORTH CAROLINA  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**B. Basis of Presentation (Continued)**

The Town reports the following major governmental fund:

*General Fund* - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state and federal grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, sanitation services, recreation, and general government administration.

The Town reports the following major enterprise funds:

*Water and Sewer Fund* - This fund is used to account for the Town's water and sewer operations.

*Jamestown Park Fund* - This fund is used to account for Jamestown Park golf course operations.

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

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

*Government-Wide and Proprietary Fund Financial Statements.* The government-wide and proprietary 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 flows take place. Nonexchange transactions, in which the Town 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.

Amounts reported as program revenues include 1) charges to customers or applicants for good, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administra-



TOWN OF JAMESTOWN, NORTH CAROLINA  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008

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**Note 1. Summary of Significant Accounting Policies (Continued)**

C. Measurement Focus and Basis of Accounting (Continued)

ive expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental funds 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. 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 asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under installment purchase agreements are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the subsequent year. Also, as of January 1, 1993, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Guilford County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the Town of Jamestown. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the Town's vehicle taxes for vehicles registered in Guilford County from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the state at year end on behalf of the Town are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

As permitted by generally accepted accounting principles, the Town has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30,

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
June 30, 2008

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus and Basis of Accounting (Continued)**

1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

**D. Budgetary Data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for multi-year funds. The Town Manager is authorized to transfer appropriations within departments of a fund; however, any revisions that alter the total expenditures of a department must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**E. Assets, Liabilities and Fund Equity**

**1. Deposits and Investments**

All deposits of the Town are made in Board-designated official depositories and are secured as required by state law [G. S. 159-31]. The Town may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G. S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the state of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
June 30, 2008

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**E. Assets, Liabilities and Fund Equity (Continued)**

**2. Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

**3. Restricted Assets**

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

**4. Ad Valorem Taxes Receivable**

In accordance with state law [G. S. 105-347 and G. S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2007. As allowed by state law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

**5. Allowances for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years, as well as including specific accounts believed to be uncollectible.

**6. Inventory and Prepaid Items**

The inventories of the Jamestown Park Fund are valued at the lower of cost (first-in, first-out) or market and consist of goods held for resale. The cost of these inventories is recorded as an expense as the inventories are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

**7. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain amount and an estimated useful life in excess of two years.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
 June 30, 2008

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**Note 1. Summary of Significant Accounting Policies (Continued)**

E. Assets, Liabilities and Fund Equity (Continued)

Minimum capitalization costs are as follows:

	Cost
Land	\$ 100
Land improvements	5,000
Buildings and improvements	20,000
Vehicles, furniture and equipment	5,000
Infrastructure	50,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at time of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

As a part of the implementation of GASB Statement 34, the Town is permitted to forgo the retroactive reporting of governmental infrastructure networks. The Town has chosen to do so.

Capital assets are depreciated using the straight-line method over their estimated useful lives:

	Useful Life
Land improvements, buildings and infrastructure	20 to 50 years
Furniture, fixtures, equipment, heavy equipment and vehicles	5 to 10 years
Computer equipment and software	3 to 5 years

8. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
June 30, 2008

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**Note 1. Summary of Significant Accounting Policies (Continued)**

E. Assets, Liabilities and Fund Equity (Continued)

9. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Assets/Fund Balances

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G. S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**June 30, 2008**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**E. Assets, Liabilities and Fund Equity (Continued)**

**10. Net Assets/Fund Balances**

The governmental fund types classify fund balances as follows:

**RESERVED:**

Reserved for prepaid items - portion of fund balance that is not available for appropriation because it represents the year end fund balance of ending prepaid items, which are not expendable, available resources.

Reserved for commitments – portion of fund balance available to pay for commitments related to purchase orders or contracts which remain unperformed at year-end

Reserved by state statute - portion of fund balance, which is not available for appropriation under state law [G. S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables which have not been offset by deferred revenues.

Reserved for streets - Powell Bill - portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

**UNRESERVED:**

Designated for subsequent year's expenditures - portion of the total fund balance available for appropriation that has been designated for the adopted 2008 – 2009 budget ordinance.

Undesignated - portion of the total fund balance available for appropriation that is uncommitted at year end.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**June 30, 2008**

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**Note 2. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows.

However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2008, the Town's deposits had a carrying amount of \$4,005,876, and a bank balance of \$4,021,442. Of the bank balance, \$300,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The Town had \$1,100 of petty cash on hand at June 30, 2008.

**2. Investments**

At June 30, 2008, the Town of Jamestown had \$1,689,620 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAA by Standard and Poor's. The Town has no policy regarding credit risk.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
 June 30, 2008

**Note 2. Detail Notes on All Funds (Continued)**

**A. Assets (Continued)**

**3. Receivables**

Receivables at the government-wide level at June 30, 2008 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>	<u>Accrued Interest Receivable</u>
Governmental activities:					
General	\$ 4,208	\$ 22,979	\$ 215,436	\$ 242,623	\$ 99,718
Allowance for doubtful accounts	(175)	(12,006)	-	(12,181)	-
Total governmental activities	<u>\$ 4,033</u>	<u>\$ 10,973</u>	<u>\$ 215,436</u>	<u>\$ 230,442</u>	<u>\$ 99,718</u>
Business-type activities:					
Water and Sewer	\$ 173,026	-	\$ 142,814	\$ 315,840	\$ 24,521
Jamestown Park	1,014	-	-	1,014	-
Total receivables	174,040	-	142,814	316,854	24,521
Allowance for doubtful accounts	(3,500)	-	-	(3,500)	-
Total business-type activities	<u>\$ 170,540</u>	<u>\$ -</u>	<u>\$ 142,814</u>	<u>\$ 313,354</u>	<u>\$ 24,521</u>

**4. Due from Governmental Agencies**

Amounts due from governmental agencies consist of the following:

	<u>County</u>	<u>State</u>	<u>Total</u>
General Fund			
Sales and use tax distribution	\$ -	\$ 104,578	\$ 104,578
Gibson Park reimbursement	78,935	-	78,935
Sales tax refunds	-	25,466	25,466
Other	6,457	-	6,457
	<u>\$ 85,392</u>	<u>\$ 130,044</u>	<u>\$ 215,436</u>
Water and Sewer Fund			
Adams Farm sewer	\$ 141,204	-	\$ 141,204
Sales tax refunds	-	1,610	1,610
	<u>\$ 141,204</u>	<u>\$ 1,610</u>	<u>\$ 142,814</u>



**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
June 30, 2008

**Note 2. Detail Notes on All Funds (Continued)**

**A. Assets (Continued)**

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,680,879	\$ -	\$ -	\$ 1,680,879
Construction-in-progress	22,518	22,161	(22,518)	22,161
Total capital assets not being depreciated	<u>1,703,397</u>	<u>22,161</u>	<u>\$(22,518)</u>	<u>1,703,040</u>
Capital assets being depreciated:				
Land improvements	1,078,289	18,303	-	1,096,592
Buildings	2,709,563	-	-	2,709,563
Equipment and vehicles	1,067,294	135,690	(265,604)	937,380
Total capital assets being depreciated	<u>4,855,146</u>	<u>153,993</u>	<u>\$(265,604)</u>	<u>4,743,535</u>
Less accumulated depreciation for:				
Land improvements	140,786	52,427	-	193,213
Buildings	561,150	60,062	-	621,212
Equipment and vehicles	711,614	100,558	(265,604)	546,568
Total accumulated depreciation	<u>1,413,550</u>	<u>213,047</u>	<u>\$(265,604)</u>	<u>1,360,993</u>
Total capital assets being depreciated, net	<u>3,441,596</u>			<u>3,382,542</u>
Governmental activity capital assets, net	<u>\$ 5,144,993</u>			<u>\$ 5,085,582</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 36,226
Public services	49,818
Public safety	85,192
Recreation	41,811
	<u>\$213,047</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
 June 30, 2008

**Note 2. Detail Notes on All Funds (Continued)**

**A. Assets (Continued)**

**5. Capital Assets (Continued)**

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
	<u>Balances</u>		<u>Balances</u>	<u>Balances</u>
Business-type activities:				
Water and Sewer Fund:				
Capital assets not being depreciated:	\$ 1,965	\$ 26,336	\$ (1,965)	\$ 26,336
Construction-in-progress				
Capital assets being amortized or depreciated:				
Water rights	2,168,830	17,845	-	2,186,675
Wastewater treatment rights	3,450,000	-	-	3,450,000
Infrastructure - distribution systems	10,012,799	76,165	-	10,088,964
Buildings	109,493	-	-	109,493
Equipment	859,655	110,769	-	970,424
Total capital assets being amortized or depreciated	<u>16,600,777</u>	<u>204,779</u>	<u>-</u>	<u>16,805,556</u>
Less accumulated amortization or depreciation for:				
Water rights	592,969	86,250	-	679,219
Wastewater treatment rights	3,483,962	204,601	-	3,688,563
Infrastructure - distribution systems	85,736	1,740	-	87,476
Buildings	401,398	81,224	-	482,622
Equipment				
Total accumulated amortization and depreciation	<u>4,564,065</u>	<u>373,815</u>	<u>-</u>	<u>4,937,880</u>
Total capital assets being amortized or depreciated, net	<u>12,036,712</u>			<u>11,867,676</u>
Water and Sewer Fund capital assets, net	<u>12,038,677</u>			<u>11,894,012</u>
Jamestown Park Fund:				
Capital assets not being depreciated:				
Land	297,898	-	-	297,898
Capital assets being depreciated				
Buildings	828,332	-	-	828,332
Improvements	1,718,844	-	-	1,718,844
Furniture, equipment and vehicles	479,664	26,182	(38,421)	467,425
Total capital assets being depreciated	<u>3,026,840</u>	<u>26,182</u>	<u>(38,421)</u>	<u>3,014,601</u>
Less accumulated depreciation for:				
Buildings	534,961	20,708	-	555,669
Improvements	1,566,006	13,466	-	1,579,472
Furniture, equipment and vehicles	319,446	38,458	(38,421)	319,483
Total accumulated depreciation	<u>2,420,413</u>	<u>72,632</u>	<u>(38,421)</u>	<u>2,454,624</u>
Total capital assets being depreciated, net	<u>606,427</u>			<u>559,977</u>
Jamestown Park Fund capital assets, net	<u>904,325</u>			<u>857,875</u>
Business-type activities capital assets, net	<u>\$ 12,943,002</u>			<u>\$ 12,751,887</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**June 30, 2008**

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**Note 2. Detail Notes on All Funds (Continued)**

A. Assets (Continued)

6. Wastewater Treatment Rights

The Town entered into a joint-use facility agreement with the City of High Point on May 31, 2000. The agreement required the Town to pay \$3,450,000 for its share of the capacity use allocation to upgrade and expand the Eastside Wastewater Treatment Plant. This cost is being amortized over 40 years using the straight-line method.

Rights purchased	\$ 3,450,000
Accumulated amortization	<u>(679,219)</u>
Unamortized balance	<u>\$ 2,770,781</u>

Future amortization is as follows:

Year Ending June 30,		
2009	\$	86,250
2010		86,250
2011		86,250
2012		86,250
2013		86,250
Thereafter		<u>2,339,531</u>
		<u>\$ 2,770,781</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
 June 30, 2008

**Note 2. Detail Notes on All Funds (Continued)**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2008, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>	<u>Accrued Interest</u>
Governmental activities:				
General	<u>\$ 203,498</u>	<u>\$ 10,765</u>	<u>\$ 214,263</u>	<u>\$ 3,774</u>
Business-type activities:				
Water and Sewer	\$ 86,702	\$ 6,768	\$ 93,470	\$ 8,260
Jamestown Park	<u>6,063</u>	<u>10,383</u>	<u>16,446</u>	<u>-</u>
Total business-type activities	<u>\$ 92,765</u>	<u>\$ 17,151</u>	<u>\$ 109,916</u>	<u>\$ 8,260</u>

**2. Pension Plan Obligations**

***Local Governmental Employees' Retirement System***

*Plan Description.* The Town of Jamestown contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The state's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Plan members are required to contribute 6% of their annual covered salary. The Town is required to contribute at an actuarially determined rate. For the Town, the current rate for employees not engaged in law enforcement is 4.98% of annual covered payroll. The contribution requirements of members and of the Town of Jamestown are established and may be amended by the North Carolina General Assembly. The Town's contributions to LGERS for the years ended June 30, 2008, 2007 and 2006 were \$60,029, \$55,219, and \$54,546, respectively. The contributions made by the Town equaled the required contributions for each year.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
June 30, 2008

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**Note 2. Detail Notes on All Funds (Continued)**

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

***State 401(k) Supplemental Retirement Income Plan***

The Town, upon the approval of the Town Council, has elected to include all permanent, full-time employees under the State 401(k) Supplemental Retirement Income Plan (Plan), a defined contribution pension plan, administered by the NC Department of State Treasurer and sponsored by the State of North Carolina. Participation begins 90 days after the date of employment. Article 5 of General Statute 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Town has elected to contribute each month an amount equal to 3% of each participant's salary, and all amounts contributed are vested immediately. Also, participants may make voluntary contributions to the plan.

The Town's contributions were calculated using a covered payroll amount of \$1,144,632. Total contributions for the year ended June 30, 2008 were \$86,170, which consisted of \$34,339 from the Town and \$51,831 from employees. The Town's contributions and the employees' voluntary contributions represent 3.0% and 4.5%, respectively, of the covered payroll amount.

***Other Post-Employment Benefits***

According to a Town resolution, the Town provides post-retirement health care benefits to retirees of the Town, provided they have at least twenty years of service specifically with the Town. The Town pays the full cost of coverage for these benefits, subject to the availability of funds appropriated in the annual budget, and as approved by the Town Council. In addition, the Town's retirees can purchase coverage for their dependents at the Town's group rates. Currently, five retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2008, the Town made payments for post-retirement health premiums of \$44,994. The Town obtains health care coverage through the League of Municipalities and finances the coverage on a pay-as-you-go basis.

3. Other Employment Benefit

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
 June 30, 2008

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**Note 2. Detail Notes on All Funds (Continued)**

- B. Liabilities (Continued)
3. Other Employment Benefit (Continued)

contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Town considers these contributions to be immaterial.

In addition, the Town provides life insurance benefits of \$10,000 per employee through the Municipal Insurance Trust.

4. Deferred/Unearned Revenues

The balance in deferred/unearned revenues in the General Fund at year end is comprised of the following elements:

	<u>Deferred</u> <u>Revenues</u>	<u>Unearned</u> <u>Revenues</u>	<u>Total</u>
Property taxes	\$ 10,973	-	\$ 10,973
Other	-	6,365	6,365
	<u>\$ 10,973</u>	<u>\$ 6,365</u>	<u>\$ 17,338</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
June 30, 2008

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**Note 2. Detail Notes on All Funds (Continued)**

**B. Liabilities (Continued)**

**5. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance coverage which provides for the following types of major coverage for the amounts of retained risk noted: general liability (\$5,000,000), worker's compensation (\$1,000,000) and public officials' liability (\$1,000,000). There have been no significant reductions in insurance coverage in the prior year, and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

Because the Town has structures in one location that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the Town is eligible to purchase coverage through the National Flood Insurance Plan (NFIP) for these structures. The Town has opted not to purchase this insurance. The contents of the buildings are covered under other insurance.

In accordance with G.S 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$20,000.

**6. Commitments**

The Town has entered into an agreement with the Piedmont Triad Regional Water Authority to assist in the repayment of debt for the construction of the Randleman Reservoir water treatment plant. Under the terms of this agreement, the Town is obligated to pay approximately \$2,495,000 to the Authority over a twenty-year period which is to begin in the fiscal year ending June 30, 2011. Future estimated payments to the Authority are as follows:

Year Ending June 30,	
2011	134,867
2012	134,867
2013	134,867
2014	134,867
2015	134,867
Next 5 years	674,335
Next 5 years	674,335
Next 5 years	472,036
	<u>\$2,495,041</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**June 30, 2008**

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**Note 2. Detail Notes on All Funds (Continued)**

**B. Liabilities (Continued)**

**6. Commitments (Continued)**

In addition, the Town is obligated to pay the Town's pro rata share (2.5%) of the Authority's annual operating budget.

**7. Long-Term Obligations**

**a. Operating Leases**

The Town leases golf carts and other equipment under noncancelable operating leases terminating in fiscal years 2010, 2012 and 2013. Total expenditures on operating leases amounted to \$94,459 during fiscal year 2008.

Future minimum commitments for operating leases are as follows:

Year Ending June 30,	
2009	\$ 97,770
2010	101,004
2011	84,957
2012	84,563
2013	<u>28,345</u>

Total future minimum  
lease payments \$ 396,639

**b. Installment Purchase Agreements**

The Town has entered into installment purchase agreements with High Point Bank & Trust Company, N.A. as follows.

*Governmental Activities:*

Note payable to High Point Bank, executed October 2007 at \$123,739, interest and principal payable in 20 quarterly installments of \$6,894 each with interest payable at 4.15%, secured by a leaf truck. \$112,503

Note payable to High Point Bank, executed May 1998 at \$248,222, interest and principal payable in 180 monthly installments of \$3,599 each with interest payable at 5.1%, unsecured, for purchase on land. 187,239



**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**June 30, 2008**

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**Note 2. Detail Notes on All Funds (Continued)**

**B. Liabilities (Continued)**

**7. Long-Term Obligations (Continued)**

**b. Installation Purchase Agreements (Continued)**

Note payable to High Point Bank, executed November 2006 at \$109,762, interest and principal payable in 20 quarterly installments of \$6,088 each with interest payable at 3.99%, secured by a sanitation truck.

79,069

Note payable to High Point Bank, executed August 2000 at \$445,800, interest and principal payable in 40 quarterly installments of \$33,333 each with interest payable at 5.3%, secured by lots 1 - 7 (Section 1) of Ragsdale Acres, for construction of a fire station.

179,135  
557,946  
212,312

Less current portion

\$ 345,634

The future minimum payments on the notes payable as of June 30, 2008 are as follows:

*Governmental Activities:*

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 212,312	\$ 22,815	\$ 235,127
2010	128,471	13,193	141,664
2011	86,534	8,575	95,109
2012	78,319	4,597	82,916
2013	<u>52,310</u>	<u>1,230</u>	<u>53,540</u>
	<u>\$ 557,946</u>	<u>\$ 50,410</u>	<u>\$ 608,356</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
June 30, 2008

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**Note 2. Detail Notes on All Funds (Continued)**

**B. Liabilities (Continued)**

**7. Long-Term Obligations (Continued)**

**b. Installment Purchase Agreements (Continued)**

*Business-Type Activities:*

*Enterprise Fund - Water/Sewer Fund*

Note payable to High Point Bank, executed August 2000 at \$1,693,700, interest and principal payable in 40 quarterly installments of \$111,673 each with interest payable at 5.3%, secured by lots 1 - 7 (Section 1) of Ragsdale Acres, for improvements to Eastside Wastewater Treatment Plant. \$ 948,033

Less current portion 403,706

\$ 544,327

The long-term debt requirements to maturity for the Enterprise Funds are as follows:

*Enterprise Fund - Water/Sewer Fund*

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 403,706	\$ 42,986	\$ 446,692
2010	425,840	20,852	446,692
2011	<u>118,487</u>	<u>1,608</u>	<u>120,095</u>
	<u>\$ 948,033</u>	<u>\$ 65,446</u>	<u>\$ 1,013,479</u>

At June 30, 2008, the Town had a legal debt margin of \$31,330,592.

**TOWN OF JAMESTOWN, NORTH CAROLINA  
NOTES TO COMBINED FINANCIAL STATEMENTS  
June 30, 2008**

**Note 2. Detail Notes on All Funds (Continued)**

**B. Liabilities (Continued)**

**7. Long-Term Obligations (Continued)**

**c. Changes in Long-Term Liabilities**

During the year ended June 30, 2008, the following changes occurred in long-term obligations:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 631,971	\$ 123,739	\$ 197,764	\$ 557,946	\$ 212,312
Compensated absences	<u>33,861</u>	<u>29,795</u>	<u>21,692</u>	<u>41,964</u>	<u>22,000</u>
Total governmental activities	<u>\$ 665,832</u>	<u>\$ 153,534</u>	<u>\$ 219,456</u>	<u>\$ 599,910</u>	<u>\$ 234,312</u>
Business-type activities:					
Installment purchases	\$ 1,330,622	\$ -	\$ 382,589	\$ 948,033	\$ 403,706
Compensated absences	<u>55,253</u>	<u>26,985</u>	<u>27,380</u>	<u>54,858</u>	<u>27,000</u>
Total business-type activities	<u>\$ 1,385,875</u>	<u>\$ 26,985</u>	<u>\$ 409,969</u>	<u>\$ 1,002,891</u>	<u>\$ 430,706</u>

Compensated absences have typically been liquidated in the General Fund. Total interest expense incurred during the year amounted to \$91,729.

**d. Transfers To/From Other Funds**

Transfers to/from other funds at June 30, 2008, consist of the following:

From General Fund to Jamestown Park Fund      \$150,000

During the 2008 fiscal year, the Town made a transfer from the General Fund of \$150,000 to Jamestown Park Fund to help fund operating expenses.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**  
**June 30, 2008**

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**Note 3. Joint Ventures**

The Town, in conjunction with five other governments, has entered into a joint governmental agreement with the Piedmont Triad Regional Water Authority. The Authority was established to construct a dam facility, water treatment plant and related distribution lines. The dam construction has been completed, and ground has been broken for construction of the water treatment plant. The participating governments are legally obligated under the intergovernmental agreement that created the Authority to contribute a pre-determined share of the construction costs. During the year ended June 30, 2008, the Town made a \$40,486 contribution to the Authority, representing \$17,845 of capital and \$22,641 of operating expenses. According to the joint governmental agreement, the participating governments do not have an equity interest in the joint venture, but rather rights to water in the reservoir. After the water treatment plant is constructed, the participating governments have the right to purchase future treated water based upon their pre-determined share, according to a uniform rate structure to be set by the Authority. Accordingly, an intangible asset in the amount of \$2,186,675 has been recorded at cost in the government-wide financial statements at June 30, 2008. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 2216 West Meadowview Road, Greensboro, North Carolina.

**Note 4. Jointly Governed Organization**

The Town, in conjunction with six counties and 25 other municipalities, established the Piedmont Triad Regional Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The Town paid membership fees of \$690 to the Council during the fiscal year ended June 30, 2008.

**Note 5. Summary Disclosure of Significant Contingencies**

**Federal- and State-Assisted Programs**

The Town has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**NOTES TO COMBINED FINANCIAL STATEMENTS**

June 30, 2008

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**Note 6. Significant Effects of Subsequent Events**

Subsequent to year-end, the Town entered into two contracts for water and sewer improvements totaling approximately \$385,000.

Effective July 1, 2008, the Jamestown Park (enterprise) Fund was transferred into the General Fund and will be a separate department (Golf Course) under the Recreation Function. The capital assets and long-term liabilities of the Jamestown Park Fund will appear only in the Statement of Net Assets, on the entity-wide basis.

**SUPPLEMENTARY INFORMATION**

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Year Ended June 30, 2008**

Schedule 1  
Page 1 of 3

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes	\$ -	\$ 1,342,631	\$ -
Interest	-	2,224	-
Total	<u>1,318,000</u>	<u>1,344,855</u>	<u>26,855</u>
Unrestricted intergovernmental:			
Local option sales tax	-	407,795	-
Telecommunications sales tax	-	80,088	-
Utility franchise tax	-	86,874	-
Piped natural gas tax	-	82,849	-
Video franchise fee	-	60,799	-
ABC distribution	-	50,000	-
Beer and wine tax	-	15,279	-
Reimbursement from Guilford County - Gibson Park	-	262,424	-
Tax refunds	-	7,605	-
Total	<u>996,858</u>	<u>1,053,713</u>	<u>56,855</u>
Restricted intergovernmental:			
Powell Bill allocation	-	114,220	-
Other state, federal and local grants	-	62,234	-
Total	<u>150,000</u>	<u>176,454</u>	<u>26,454</u>
Permits and fees:			
Cable franchise fees	-	7,800	-
Cell tower franchise fees	-	43,892	-
Refuse collection fees	-	79,949	-
Planning and development fees	-	9,272	-
Rentals	-	29,181	-
Other fees	-	130	-
Total	<u>232,800</u>	<u>170,224</u>	<u>(62,576)</u>
Investment income	79,200	88,065	8,865
Miscellaneous:			
Other	1,000	4,635	3,635
Total revenues	<u>2,777,858</u>	<u>2,837,946</u>	<u>60,088</u>
<b>Expenditures:</b>			
General government:			
Governing Body:			
Other operating expenditures	32,200	32,014	186
Administration:			
Salaries and employee benefits	-	276,918	-
Professional services	-	12,000	-
Other operating expenditures	-	35,088	-
Capital outlay	-	7,986	-
Total	<u>340,181</u>	<u>331,992</u>	<u>8,189</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Year Ended June 30, 2008**

Schedule 1  
Page 2 of 3

	Budget	Actual	Variance Positive (Negative)
Planning:			
Salaries and employee benefits	\$ -	\$ 56,683	\$ -
Other operating expenditures	-	62,933	-
Total	143,583	119,616	23,967
Buildings and Grounds:			
Employee benefits - retiree	-	8,999	-
Other operating expenditures	-	105,390	-
Capital outlay	-	11,273	-
Total	147,650	125,662	21,988
Total general government	663,614	609,284	54,330
Public services:			
Streets:			
Other operating expenditures	-	102,955	-
Capital outlay	-	154,116	-
Total	366,000	257,071	108,929
Streets - Powell Bill:			
Other operating expenditures	268,000	257	267,743
Sanitation:			
Salaries and employee benefits	-	46,650	-
Other operating expenditures	-	197,716	-
Total	306,586	244,366	62,220
Total public services	940,586	501,694	438,892
Public safety:			
Fire:			
Employee benefits - retiree	-	8,999	-
Contractual services	-	251,225	-
Other operating expenditures	-	32,632	-
Total	298,725	292,856	5,869
Police:			
Contractual services	-	391,296	-
Other operating expenditures	-	19,092	-
Total	437,645	410,388	27,257
Total public safety	736,370	703,244	33,126
Recreation:			
Salaries and employee benefits	-	127,695	-
Other operating expenditures	-	42,983	-
Library contribution	-	105,000	-
Historic Jamestown contribution	-	25,500	-
YMCA contribution	-	107,200	-
Jamestown Business Association contribution	-	3,500	-
Capital outlay	-	2,779	-
Total	426,877	414,657	12,220
Gibson Park:			
Salaries and employee benefits	-	196,843	-
Other operating expenditures	-	51,680	-
Total	253,253	248,523	4,730
Total recreation	680,130	663,180	16,950



**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Year Ended June 30, 2008**

	Budget	Actual	Variance Positive (Negative)
Debt Service:			
Principal retirement	\$ 204,156	\$ 197,764	\$ 6,392
Interest and fiscal charges	32,245	31,049	1,196
	236,401	228,813	7,588
 Total expenditures	 3,257,101	 2,706,215	 550,886
Revenues over (under) expenditures	(479,243)	131,731	610,974
Other financing sources (uses):			
Transfer to Park Fund	(150,000)	(150,000)	-
Issuance of installment purchase agreement	130,000	123,739	(6,261)
Sale of capital assets	-	1,318	1,318
Fund balance appropriated	499,243	-	(499,243)
	479,243	(24,943)	(504,186)
Total other financing sources (uses)			
Revenues and other sources over expenditures	\$ -	106,788	\$ 106,788
Fund balance:			
Beginning of year, July 1		1,664,742	
End of year, June 30		\$ 1,771,530	

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2008**

Schedule 2

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services:	\$ 763,400	\$ 746,896	\$ (16,504)
Water sales	1,620,800	1,683,018	62,218
Sewer service charges	2,384,200	2,429,914	45,714
Total	8,000	22,484	14,484
Other operating revenues	2,392,200	2,452,378	60,178
Total operating revenues	88,000	80,786	(7,214)
Nonoperating revenues:	2,480,200	2,533,164	52,964
Interest income	-	-	-
Total revenues	466,422	466,422	-
Expenditures:			
Salaries and employee benefits	-	54,982	-
Contracted services	-	466,754	-
Contractual payment for wastewater treatment	-	70,924	-
Supplies and materials	-	441,082	-
Purchase of water	-	125,034	-
Other operating expenditures	-	446,692	-
Payments on notes payable	-	22,641	-
Piedmont Triad Regional Water Authority operating expenditures	-	213,270	-
Capital outlay	2,823,702	2,307,801	515,901
Total expenditures	(343,502)	225,363	568,865
Revenues over (under) expenditures	343,502	-	(343,502)
Other financing sources:			
Net assets appropriated	-	-	-
Revenues and other sources over expenditures and other uses	\$ -	225,363	\$ 225,363
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Reconciling items:			
Principal retirement		\$ 362,589	
Capital outlay		213,270	
Change in accrued interest on debt		3,494	
Net book value of disposed assets		(1,965)	
Depreciation		(287,665)	
Amortization		(86,250)	
Investment earnings - Randleman Reservoir Capital Reserve Fund		61,200	
Change in net assets		284,773	
		\$ 510,136	

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**RANDLEMAN RESERVOIR CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2008**

Schedule 3

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Nonoperating revenues:</b>			
Investment income	\$ 44,000	\$ 61,200	\$ 17,200
<b>Other financing sources (uses):</b>			
Payment to Piedmont Triad Regional Water Authority	(50,000)	(17,845)	32,155
Net assets appropriated	6,000	-	(6,000)
<b>Total other financing uses</b>	<u>(44,000)</u>	<u>(17,845)</u>	<u>26,155</u>
<b>Revenues and other sources over other uses</b>	<u>\$ -</u>	<u>\$ 43,355</u>	<u>\$ 43,355</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**JAMESTOWN PARK FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2008**

Schedule 4

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Operating revenues:</b>			
<b>Charges for services:</b>			
Green fees	\$ 460,000	\$ 521,101	\$ 61,101
Cart rentals	251,000	303,914	52,914
Driving range fees	45,000	49,048	4,048
<b>Total</b>	756,000	874,063	118,063
<b>Other operating revenues:</b>			
Rents	7,000	7,457	457
Sale of merchandise - Pro Shop	85,000	80,091	(4,909)
Miscellaneous	1,000	842	(158)
<b>Total</b>	93,000	88,390	(4,610)
<b>Investment income</b>	3,500	4,251	751
<b>Total revenues</b>	852,500	966,704	114,204
<b>Expenditures:</b>			
Salaries and employee benefits	-	570,197	-
Golf cart rental	-	57,300	-
Supplies and materials	-	138,420	-
Other operating expenditures	-	249,566	-
Capital outlay	-	26,182	-
<b>Total expenditures</b>	1,070,415	1,041,665	28,750
<b>Revenues under expenditures</b>	(217,915)	(74,961)	142,954
<b>Other financing sources:</b>			
Transfer from General Fund	150,000	150,000	-
Sale of capital assets	-	2,300	2,300
Net assets appropriated	67,915	-	(67,915)
<b>Total other financing sources</b>	217,915	152,300	(65,615)
<b>Revenues and other sources over expenditures</b>	\$ -	77,339	\$ 77,339
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis:</b>			
Reconciling items:			
Capital outlay		26,182	
Depreciation		(72,632)	
		(46,450)	
<b>Change in net assets</b>		\$ 30,889	

### ***ADDITIONAL FINANCIAL DATA***

This section contains additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE -**  
**GENERAL FUND**  
**Year Ended June 30, 2008**

Schedule 5

Fiscal Year	Uncollected Balance July 1, 2007	Additions	Collections and Credits	Uncollected Balance June 30, 2008
2007-08	\$ -	\$ 1,370,713	\$ 1,362,443	\$ 8,270
2006-07	8,563	-	6,931	1,731
2005-06	2,308	-	528	1,788
2004-05	1,971	-	26	1,945
2003-04	4,496	-	19	4,477
2002-03	731	-	3	727
2001-02	801	-	5	797
2000-01	1,623	-	-	1,623
1999-00	1,030	-	3	1,027
1998-99	594	-	-	594
1997-98	386	-	386	-
	<u>\$ 22,503</u>	<u>\$ 1,370,713</u>	<u>\$ 1,370,344</u>	<u>22,979</u>
Less allowance for uncollectible taxes				(12,006)
				<u>\$ 10,973</u>
Reconciliation with revenues:				
Taxes - Ad Valorem - General Fund				\$ 1,342,631
Reconciling items:				
Discounts and releases allowed and other charges				27,327
Amounts written off for tax year 1997-98 - per statute of limitations				386
Subtotal				<u>27,713</u>
Total collections and credits				<u>\$ 1,370,344</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY -**  
**GENERAL FUND**  
**Year Ended June 30, 2008**

Schedule 6

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxes at current year's rate	\$ 386,487,429	\$ 0.35	\$ 1,352,706	\$ 1,222,293	\$ 130,413
Discoveries:					
Current year taxes	5,144,965	0.35	18,007	18,007	-
Total property valuation	<u>\$ 391,632,394</u>				
Net levy			1,370,713	1,240,300	130,413
Uncollected taxes at June 30, 2008			8,270	2,740	5,530
Current year's taxes collected			<u>\$ 1,362,443</u>	<u>\$ 1,237,560</u>	<u>\$ 124,883</u>
Current levy collection percentage			<u>99.40%</u>	<u>99.78%</u>	<u>95.76%</u>

# STATISTICAL SECTION

This part of the Town of Jamestown's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

<b>Contents</b>	<b>Page</b>
<i>Financial Trends</i> <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	59
<i>Revenue Capacity</i> <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	65
<i>Debt Capacity</i> <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	70
<i>Demographic and Economic Information</i> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	72
<i>Operating Information</i> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the government provides and the activities it performs.</i>	74

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Net Assets by Component**  
**Last Five Fiscal Years (1)**  
**(Accrual Basis of Accounting)**

**Table 1**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Net assets:</b>					
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 3,468,241	\$ 4,155,997	\$ 4,342,154	\$ 4,513,022	\$ 4,527,636
Restricted	273,076	278,974	376,968	191,056	312,983
Unrestricted	<u>1,322,974</u>	<u>961,474</u>	<u>1,220,679</u>	<u>1,510,324</u>	<u>1,523,500</u>
<b>Total governmental activities net assets</b>	<u>\$ 5,064,291</u>	<u>\$ 5,396,445</u>	<u>\$ 5,939,801</u>	<u>\$ 6,214,402</u>	<u>\$ 6,364,119</u>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt	\$ 10,266,664	\$ 10,782,928	\$ 11,108,193	\$ 11,612,380	\$ 11,803,854
Unrestricted	<u>4,417,245</u>	<u>3,974,426</u>	<u>3,915,920</u>	<u>3,768,870</u>	<u>4,118,421</u>
<b>Total business-type activities net assets</b>	<u>\$ 14,683,909</u>	<u>\$ 14,757,354</u>	<u>\$ 15,024,113</u>	<u>\$ 15,381,250</u>	<u>\$ 15,922,275</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 13,734,905	\$ 14,938,925	\$ 15,450,347	\$ 16,125,402	\$ 16,331,490
Restricted	273,076	278,974	376,968	191,056	312,983
Unrestricted	<u>5,740,219</u>	<u>4,935,900</u>	<u>5,136,599</u>	<u>5,279,194</u>	<u>5,641,921</u>
<b>Total primary government net assets</b>	<u>\$ 19,748,200</u>	<u>\$ 20,153,799</u>	<u>\$ 20,963,914</u>	<u>\$ 21,595,652</u>	<u>\$ 22,286,394</u>

(1) Ten-year trend information is being developed in this table. Data is presented since implementation of Governmental Accounting Standards Board Statement No. 34.

Source: The sources for the data provided in the financial trends portion of the statistical section are the current and prior years' audited financial statements for the Town.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Changes in Net Assets**  
**Last Five Fiscal Years (1)**  
**(Accrual Basis of Accounting)**

Table 2

	2004	2005	2006	2007	2008
<b>Expenses</b>					
Governmental activities:					
General government	\$ 619,556	\$ 505,885	\$ 552,961	\$ 549,175	\$ 652,985
Public services	352,964	359,048	350,331	699,128	432,960
Public safety	635,974	605,865	637,950	643,236	753,062
Recreation	335,324	448,080	590,152	639,139	705,606
Interest on long-term debt	64,852	53,146	42,612	34,524	31,120
Total governmental activities expenses	<u>2,008,670</u>	<u>1,972,024</u>	<u>2,174,006</u>	<u>2,565,202</u>	<u>2,575,733</u>
Business-type activities:					
Water and sewer	1,722,773	1,832,215	1,917,928	2,092,788	2,082,263
Jamestown Park	1,026,247	1,037,525	1,004,459	1,088,844	1,088,115
Total business-type activities expenses	<u>2,749,020</u>	<u>2,869,740</u>	<u>2,922,387</u>	<u>3,181,632</u>	<u>3,170,378</u>
Total primary government expenses	<u>\$ 4,757,690</u>	<u>\$ 4,841,764</u>	<u>\$ 5,096,393</u>	<u>\$ 5,746,834</u>	<u>\$ 5,746,111</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 87,900	\$ 68,512	\$ 107,566	\$ 58,225	\$ 13,122
Public services	1,667	3,358	4,039	6,774	79,949
Public safety	-	4	-	-	-
Recreation	81,598	40,427	41,677	29,414	25,461
Operating grants and contributions:					
General government	-	-	-	-	3,537
Public services	96,423	106,436	114,027	122,510	122,183
Public safety	80,959	-	90	-	-
Recreation	50,000	135,823	265,077	286,072	312,424
Capital grants and contributions:					
Public services	27,879	5,241	17,610	88,001	8,697
Cultural and recreation	-	-	-	-	-
Total governmental activities program revenues	<u>426,426</u>	<u>359,801</u>	<u>550,086</u>	<u>590,996</u>	<u>565,373</u>
Business-type activities:					
Charges for services:					
Water and sewer	1,843,925	1,964,797	2,219,015	2,419,648	2,452,378
Jamestown Park	906,771	876,128	921,039	909,015	962,453
Capital grants and contributions:					
Water and sewer	-	-	9,432	48,000	-
Total business-type activities program revenues	<u>2,750,696</u>	<u>2,840,925</u>	<u>3,149,486</u>	<u>3,376,663</u>	<u>3,414,831</u>
Total primary government program revenues	<u>\$ 3,177,122</u>	<u>\$ 3,200,726</u>	<u>\$ 3,699,572</u>	<u>\$ 3,967,659</u>	<u>\$ 3,980,204</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Changes in Net Assets**  
**Last Five Fiscal Years (1)**  
**(Accrual Basis of Accounting)**

**Table 2,**  
**continued**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net (expense) revenue					
Governmental activities	\$ (1,582,244)	\$ (1,612,223)	\$ (1,623,795)	\$ (1,974,103)	\$ (2,010,360)
Business-type activities	1,676	(28,815)	226,974	194,928	244,453
Total primary government net expense	<u>\$ (1,580,568)</u>	<u>\$ (1,641,038)</u>	<u>\$ (1,396,821)</u>	<u>\$ (1,779,175)</u>	<u>\$ (1,765,907)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 1,036,661	\$ 1,274,622	\$ 1,305,279	\$ 1,318,538	\$ 1,345,648
Other taxes	557,988	588,820	648,821	733,955	835,376
Grants and contributions not restricted to specific programs	154,172	63,686	64,390	64,844	-
Investment income, unrestricted	27,644	37,151	90,451	131,470	123,403
Miscellaneous	7,777	-	1,280	-	4,332
Gain (loss) on sale of capital assets	436,975	31,498	(11,645)	-	1,318
Transfers	(51,400)	(51,400)	68,700	-	(150,000)
Total governmental activities	<u>2,169,817</u>	<u>1,944,377</u>	<u>2,167,276</u>	<u>2,248,807</u>	<u>2,160,077</u>
Business-type activities:					
Grants and contributions not restricted to specific programs	57,931	3,755	-	-	-
Investment income, unrestricted	59,896	76,130	112,274	154,193	146,237
Miscellaneous	12,552	13,705	-	-	-
Gain (loss) on sale of capital assets	(2,687)	(11,892)	(3,914)	7,913	335
Transfers	51,400	51,400	(68,700)	-	150,000
Total business-type activities	<u>179,092</u>	<u>133,098</u>	<u>39,660</u>	<u>162,106</u>	<u>296,572</u>
Total primary government	<u>\$ 2,348,909</u>	<u>\$ 2,077,475</u>	<u>\$ 2,206,936</u>	<u>\$ 2,410,913</u>	<u>\$ 2,456,649</u>
<b>Change in net assets:</b>					
Governmental activities	\$ 587,573	\$ 332,154	\$ 543,481	\$ 274,704	\$ 149,717
Business-type activities	180,768	104,283	266,634	357,034	541,025
Total primary government	<u>\$ 768,341</u>	<u>\$ 436,437</u>	<u>\$ 810,115</u>	<u>\$ 631,738</u>	<u>\$ 690,742</u>

(1) Ten-year trend information is being developed in this table. Data is presented since implementation of Governmental Accounting Standards Board Statement No. 34.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Program Revenues by Function**  
**Last Five Fiscal Years (1)**  
**(Modified accrual basis of accounting)**

Table 3

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:					
General government	\$ 87,900	\$ 68,512	\$ 107,566	\$ 58,225	\$ 16,659
Public services	125,969	115,035	135,676	217,285	210,829
Public safety	80,959	4	90	-	-
Recreation	131,598	176,250	306,754	315,486	337,885
Subtotal for governmental activities	<u>426,426</u>	<u>359,801</u>	<u>550,086</u>	<u>590,996</u>	<u>565,373</u>
Business-type activities					
Water and sewer	1,843,925	1,964,797	2,228,447	2,467,648	2,452,378
Jamestown Park	906,771	876,128	921,039	909,015	962,453
Subtotal for business-type activities	<u>2,750,696</u>	<u>2,840,925</u>	<u>3,149,486</u>	<u>3,376,663</u>	<u>3,414,831</u>
Total primary government	<u>\$ 3,177,122</u>	<u>\$ 3,200,726</u>	<u>\$ 3,699,572</u>	<u>\$ 3,967,659</u>	<u>\$ 3,980,204</u>

(1) Ten-year trend information is being developed in this table. Data is presented since implementation of Governmental Accounting Standards Board Statement No. 34.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

Table 4

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Fund Balance</b>										
General Fund										
Reserved:										
Reserved for prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ 228	\$ 7,479
Reserved for commitments	-	-	-	-	-	-	-	-	-	78,511
Reserved by state statute	9,038	5,994	29,428	57,458	94,445	190,373	162,408	189,178	198,573	219,469
Reserved for streets - Powell Bill	327,517	327,027	229,722	300,047	324,109	273,076	278,974	376,968	191,056	312,983
Unreserved:										
Designated for subsequent year's expenditures	159,925	34,300	169,344	1,061,640 (1)	1,037,547 (1)	191,213	-	-	305,621	282,372
Undesignated	1,113,263	1,665,231	1,892,299	843,251	511,335 (2)	939,625 (2)	802,257 (3)	1,039,897	969,264	872,716
<b>Total general fund</b>	<u>\$ 1,609,743</u>	<u>\$ 2,032,552</u>	<u>\$ 2,320,793</u>	<u>\$ 2,262,396</u>	<u>\$ 1,967,436</u>	<u>\$ 1,594,287</u>	<u>\$ 1,243,639</u>	<u>\$ 1,606,168</u>	<u>\$ 1,664,742</u>	<u>\$ 1,771,530</u>

- (1) - Town Hall renovation budgeted
- (2) - Town Hall renovation expenditures
- (3) - Construction of new recreational fields and facilities

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

Table 5

Revenues	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Ad Valorem Taxes	\$ 741,762	\$ 845,948	\$ 845,701	\$ 871,839	\$ 961,392	\$ 1,035,919	\$ 1,269,626	(1) \$ 1,311,700	\$ 1,315,724	\$ 1,344,855
Unrestricted Intergovernmental	616,103	674,644	765,896	567,023	890,562	632,160	815,370	941,773	1,047,438	1,053,713
Restricted Intergovernmental	100,635	102,146	132,667	132,092	179,445	249,589	105,403	170,757	239,535	176,454
Permits and fees	44,845	22,654	22,367	25,977	19,132	155,021	98,816	140,805	81,182	170,224
Investment income	78,215	75,165	180,084	79,365	53,065	38,716	43,425	101,331	96,321	88,065
Miscellaneous	146,062	83,962	62,378	77,359	49,210	7,777	-	1,280	2,338	4,635
<b>Total revenues</b>	<b>1,727,622</b>	<b>1,804,519</b>	<b>2,009,113</b>	<b>1,753,655</b>	<b>(2) 2,152,806</b>	<b>2,119,182</b>	<b>2,332,640</b>	<b>2,667,646</b>	<b>2,782,538</b>	<b>2,837,946</b>
<b>Expenditures</b>										
General government	\$ 639,948	\$ 396,313	\$ 415,981	\$ 485,969	\$ 408,255	\$ 540,949	\$ 461,856	\$ 506,646	\$ 513,273	\$ 590,025
Public services	326,966	430,312	607,065	414,180	394,905	312,056	308,194	314,252	638,465	347,579
Public safety	321,542	307,862	391,478	457,771	245,574	585,545	567,188	588,133	593,419	703,244
Recreation	110,517	131,695	249,662	271,188	258,242	332,819	442,591	557,972	595,462	660,401
Capital Outlay	119,704	104,931	702,942	356,416	911,941	882,596	603,065	174,453	270,063	176,153
Debt service										
Principal	37,778	50,366	87,841	182,293	230,519	234,261	226,236	188,772	191,479	197,764
Interest and other charges	26,628	27,871	39,645	74,991	77,030	66,030	54,256	43,589	34,853	31,049
<b>Total expenditures</b>	<b>1,583,085</b>	<b>1,449,150</b>	<b>2,494,614</b>	<b>2,242,808</b>	<b>2,526,466</b>	<b>2,954,256</b>	<b>2,663,386</b>	<b>2,373,817</b>	<b>2,837,014</b>	<b>2,706,215</b>
Excess of revenues over (under) expenditures	144,537	355,369	(485,501)	(489,153)	(373,660)	(835,074)	(330,746)	293,829	(54,476)	131,731
<b>Other financing sources (uses)</b>										
Issuance of debt	-	-	634,088	425,270	-	19,775	-	-	109,762	123,739
Sale of capital assets	-	-	-	-	-	436,975	31,498	-	3,288	1,318
Transfers from other funds	64,140	67,440	70,800	74,340	78,700	78,600	78,600	78,700	-	-
Transfers to other funds	-	-	-	-	-	(130,000)	(130,000)	(10,000)	-	(150,000)
<b>Total other financing sources (uses)</b>	<b>64,140</b>	<b>67,440</b>	<b>704,888</b>	<b>499,610</b>	<b>78,700</b>	<b>405,350</b>	<b>(19,902)</b>	<b>68,700</b>	<b>113,050</b>	<b>(24,943)</b>
<b>Net change in fund balances</b>	<b>\$ 208,677</b>	<b>\$ 422,809</b>	<b>\$ 219,387</b>	<b>\$ 10,457</b>	<b>\$ (294,960)</b>	<b>\$ (429,724)</b>	<b>\$ (350,648)</b>	<b>\$ 362,529</b>	<b>\$ 58,574</b>	<b>\$ 106,788</b>
Debt services as a percentage of noncapital expenditures	4.6%	6.2%	7.7%	15.8%	23.5%	17.0%	15.8%	11.8%	9.7%	9.9%

(1) tax revaluation

(2) state withheld revenues

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

Table 6

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Other Taxes</u>	<u>Total</u>
1999	741,762	406,736	158,450	12,851	26,322	1,346,121
2000	845,948	428,538	194,442	13,341	28,809	1,511,078
2001	845,701	496,550	218,927	15,439	29,645	1,606,262
2002	871,839	419,044	104,165	-	30,040	1,425,088
2003	961,392	403,282	223,450	13,153	-	1,601,277
2004	1,035,919	335,377	222,611	13,275	-	1,607,182
2005	1,269,626	360,492	228,328	13,686	-	1,872,132
2006	1,311,700	423,461	225,360	14,390	-	1,974,911
2007	1,315,724	435,578	298,377 *	14,844	-	2,064,523
2008	1,344,855	407,795	310,610 *	15,279	-	2,078,539

\* Franchise Tax includes telecommunications sales tax, utility franchise tax, piped natural gas tax, and video franchise fees

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Table 7

<b>Fiscal Year</b>	<b>(1)</b> <b>Real Property</b>	<b>(1)</b> <b>Personal Property</b>	<b>Total Taxable</b>	<b>(2)</b> <b>Total Direct</b>	<b>(3)</b> <b>Estimated Actual</b>	<b>Assessed Value as a</b>
<b>Ended June 30</b>	<b>Residential and Commercial Property</b>	<b>Motor Vehicle and Other Personal Property</b>	<b>Assessed Value</b>	<b>Tax Rate</b>	<b>Taxable/Market Value</b>	<b>Percentage of Market Value</b>
1999	\$ 184,314,609	\$ 59,118,758	\$ 243,433,367	0.0031	NA	NA
2000	204,791,805	72,451,165	277,242,970	0.0031	NA	NA
2001	213,746,615	64,566,449	278,313,064	0.0031	314,478,038	88.50%
2002	224,974,694	62,967,128	287,941,822	0.0031	339,674,203	84.77%
2003	230,387,117	55,905,531	286,292,648	0.0034	344,143,104	83.19%
2004	244,873,397	56,901,519	301,774,916	0.0035	374,410,566	80.60%
2005	315,764,975	59,003,582	374,768,557	0.0035	377,220,490	99.35%
2006	321,729,742	59,361,312	381,091,054	0.0035	386,149,614	98.69%
2007	325,449,677	58,880,432	384,330,109	0.0035	399,844,058	96.12%
2008	331,811,840	59,820,554	391,632,394	0.0035	NA	NA

(1) Source Guilford County Tax Department

(2) Per \$100 value

(3) Estimated actual taxable value of real property is calculated by dividing taxable assessed value by a real estate assessment sales ratio percentage obtained from the North Carolina Department of Revenue Tax Research Division

NA Data not available



**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

Table 8

<b>Guilford County</b>			
<b>Fiscal Year</b>	<b>Town of Jamestown</b>	<b>Guilford County</b>	<b>Combined Tax Rate</b>
1999	0.31	0.6372	0.9472
2000	0.31	0.6372	0.9472
2001	0.31	0.6372	0.9472
2002	0.31	0.6742	0.9842
2003	0.34	0.6742	1.0142
2004	0.35	0.7135	1.0635
2005	0.35	0.6184	0.9684
2006	0.35	0.6428	0.9928
2007	0.35	0.6615	1.0115
2008	0.35	0.6914	1.0414

Source: Guilford County Finance Department.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Principal Taxpayers For the Year**  
**Fiscal Years Ended June 30, 2008 and 1999**

Table 9

<u>Taxpayer</u>	<u>Type of Enterprise</u>	<u>Fiscal Year 2008</u>	
		<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Flowers Baking Company of Jamestown	Manufacturing	\$ 7,393,105	1.89%
Flowers Baking Company of High Point	Manufacturing	4,217,900	1.08%
Forestdale Station LP	Shopping Center	4,090,800	1.04%
Kres LLC	Owner of Manufacturing Facility	2,792,700	0.71%
Viking Polymers LLC	Manufacturing	2,492,891	0.64%
Wrennovation Friendly LLC	Shopping Center	2,342,700	0.60%
Jamestown Village Association	Apartments	2,052,400	0.52%
Highland Containers, Inc	Manufacturing	1,962,300	0.50%
Chemcentral Atlantic Corp	Distributor	1,862,200	0.48%
Northpoint Family Limited Partnership	Owner of Manufacturing Facility	1,626,700	0.42%
Total		<u>\$ 30,833,696</u>	7.87%

<u>Taxpayer</u>	<u>Type of Enterprise</u>	<u>Fiscal Year 1999</u>	
		<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Flowers Baking Company of High Point	Manufacturing	\$ 8,589,101	3.53%
Highland Containers, Inc.	Manufacturing	6,965,182	2.86%
Wachovia Leasing Corporation	Financial Institution	5,722,159	2.35%
Oakdale Cotton Mills	Manufacturing	5,049,551	2.07%
Guilford Mills, Inc.	Manufacturing	2,763,305	1.14%
K Partnership	Commercial real estate	1,861,300	0.76%
Jamestown Village Association	Apartments	1,752,000	0.72%
Yorkleigh Associates	Apartments	1,578,076	0.65%
Hunter Group, LLC	Commercial real estate	1,447,398	0.59%
High Point Bank & Trust Co	Financial Institution	1,371,185	0.56%
Total		<u>\$ 37,099,257</u>	15.24%

Source: Guilford County Tax Department.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Table 10**

Fiscal Year	Net Tax Levy	Collection on Current Year Levy		Collection on Prior Years' Levies	Total Tax Collections	Total Tax Collections to Net Tax Levy	Outstanding Delinquent Taxes
		Amount	Percent				
1999	\$ 754,643	\$ 750,809	99.49%	\$ 2,169	\$ 752,978	99.78%	\$ 8,706
2000	\$ 859,453	\$ 855,387	99.53%	\$ 3,086	\$ 858,473	99.89%	\$ 8,506
2001	\$ 862,770	\$ 856,927	99.32%	\$ 2,943	\$ 859,870	99.66%	\$ 11,370
2002	\$ 892,620	\$ 888,317	99.52%	\$ 4,126	\$ 892,443	99.98%	\$ 11,361
2003	\$ 973,395	\$ 965,942	99.23%	\$ 3,682	\$ 969,624	99.61%	\$ 14,721
2004	\$ 1,056,212	\$ 1,048,009	99.22%	\$ 5,422	\$ 1,053,431	99.74%	\$ 16,997
2005	\$ 1,311,690	\$ 1,302,489	99.30%	\$ 4,816	\$ 1,307,305	99.67%	\$ 20,886
2006	\$ 1,333,819	\$ 1,327,939	99.56%	\$ 7,344	\$ 1,335,283	100.11%	\$ 18,905
2007	\$ 1,345,155	\$ 1,336,592	99.36%	\$ 4,608	\$ 1,341,200	99.71%	\$ 22,503
2008	\$ 1,370,713	\$ 1,362,443	99.40%	\$ 7,515	\$ 1,369,958	99.94%	\$ 22,979

Source: Town of Jamestown audited financial statements.  
Town of Jamestown property taxes are collected by the Guilford County Tax Department.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Table 11

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government Debt	Total Outstanding Debt per Capita
	Installment Financing	Outstanding Debt per Capita	Ratio of Outstanding Debt to Estimated Actual Value of Taxable Property	Installment Financing	Outstanding Debt per Capita		
1998	\$ -	-	0.00%	\$ -	\$ -	\$ -	\$ -
1999	-	-	0.00%	-	-	\$ -	-
2000	-	-	0.00%	-	-	\$ -	-
2001	-	-	0.00%	-	-	\$ -	-
2002	-	-	0.00%	-	-	\$ -	-
2003	1,343,182	434	0.39%	2,753,553	891	\$ 4,096,735	1,325
2004	1,128,696	346	0.30%	2,401,409	737	\$ 3,530,105	1,084
2005	902,460	275	0.24%	2,037,748	620	\$ 2,940,208	895
2006	713,688	215	0.18%	1,693,700	511	\$ 2,407,388	726
2007	631,971	188	0.16%	1,330,622	395	\$ 1,962,593	583
2008	557,946	NA	NA	948,033	NA	\$ 1,505,979	NA (a)

(a) June 30, 2008 population is available in September 2009.

NA - Not available.

Population data is shown on the Demographic Statistics schedule.

See the schedule of Assessed and Estimated Actual Value of Taxable Property in the Revenue Capacity section.

Total personal income is not available for the Town of Jamestown.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Computation of Legal Debt Margin and Actual Debt**  
**Last Ten Fiscal Years**

Table 12

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<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Legal Debt Limit</u>	<u>Installment Debt</u>
1999	243,433,367	19,474,669	495,477
2000	277,242,970	22,179,438	685,051
2001	278,313,064	22,265,045	1,231,299
2002	287,941,822	23,035,346	1,573,706
2003	286,292,648	22,903,412	1,343,187
2004	301,774,916	24,141,993	1,128,696
2005	374,768,557	29,981,485	902,460
2006	381,091,054	30,487,284	713,688
2007	384,330,109	30,746,409	631,971
2008	391,632,394	31,330,592	557,946

Under North Carolina General Statutes, the net debt of the Town is not to exceed eight percent (8%) of the assessed value of property subject of taxation by the City. All debt issued for Jamestown's governmental activities has been installment financing.

Excludes business-type activities.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

**Table 13**

<b>Fiscal Year</b>	<b>Jamestown Population (1)</b>	<b>Greensboro - High Point MSA Population (2)</b>	<b>Total Personal Income (2) (Thousands of Dollars)</b>	<b>Per Capita Income (2)</b>	<b>Unemployment Rate (3)</b>	<b>Guilford County Public School Enrollment (4)</b>
1999	3,542	637,026	17,175,351	26,962	2.3	60,322
2000	3,103	645,440	18,138,041	28,102	2.9	61,190
2001	3,107	651,908	18,463,499	28,322	4.6	61,894
2002	3,091	656,444	18,599,507	28,334	6.5	62,767
2003	3,092	661,224	19,001,250	28,736	6.7	63,873
2004	3,258	665,317	20,159,781	30,301	6.0	65,199
2005	3,285	674,925	21,213,653	31,464	5.6	66,367
2006	3,317	686,757	22,469,000	32,784	5.1	68,118
2007	3,369	698,497	23,621,019	33,817	5.3	69,677
2008	NA	NA	NA	NA	6.0	70,707

- Source: (1) Office of Budget and Management for the State of North Carolina.  
(2) Bureau of Economic Analysis Information for Greensboro-High Point Metropolitan Statistical Area  
(3) Bureau of Labor Statistics; years 1998-2003 for Greensboro-High Point-Winston-Salem MSA; years 2004-2007 for Greensboro-High Point MSA  
(4) Average daily membership of Guilford County Schools as compiled by North Carolina Department of Public Instruction.  
NA Data is not available

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Principal Employers For the Year**  
**Fiscal Year Ended June 30, 2008**

**Table 14**

<u>Employer</u>	<u>Type of Enterprise</u>	<u>Number of Employees</u>
Flowers Bakery	Manufacturing	> 100
Guilford County Schools	Public School	< 100
Highland Containers	Manufacturing	< 100
Viking Polymer	Manufacturing	< 100
Food Lion	Retail store	< 100
Precision Fabrication	Manufacturing	< 100
Town of Jamestown	Municipal Government	< 100
Greensboro Metal Parts	Manufacturing	< 100
Dominos	Food Service	< 100
Kerr Drug	Retail store	< 100

Total employment within the Town of Jamestown is not available.  
Employment data for nine years ago is not available.

Information was provided by Jamestown Business Association,  
through direct contact with employers, and through Town records.

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Full-Time City Government Employees by Function**  
**Last Ten Fiscal Years**

Table 15

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund:</b>										
General Government	3	3	3	3	3	3	3	3	4	4
Public Works	5	5	5	5	3	2	2	2	1	1
Public Safety	1	1	1	2	2	0	0	0	0	0
Recreation	1	2	2	2	2	2	2	2	2	3
General Fund	10	11	11	12	10	7	7	7	7	8
<b>Enterprise Fund:</b>										
Water Sewer	6	7	7	9	10	9	9	9	8	9
Park	12	12	11	12	12	11	14	15	15	14
Enterprise Funds	18	19	18	21	22	20	23	24	23	23
City Total	28	30	29	33	32	27	30	31	30	31

Source: Town of Jamestown records.

This schedule includes only regular full-time employees.



**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

**Table 16**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Planning &amp; Zoning:</b>										
Development Clearance Certificates Issued	69	57	94	98	92	85	59	92	41	26
Zoning Code Violation Investigated	-	-	-	-	-	-	-	71	33	41
Zoning Cases Prepared	5	1	-	2	5	3	3	3	5	5
Site Plans Approved	-	-	-	-	-	-	-	-	7	3
Sign Permits Issued	6	8	6	8	10	9	21	16	22	15
<b>Public Works:</b>										
Brush, Grass & Leaf Pick-Up (tons)	277	498	602	631	1,399	814	810	770	818	794 (4)
Residential & Commercial Garbage Pick-up (tons)	1,209	1,322	1,237	1,345	1,384	1,391	1,451	1,475	1,460	1,351
Recycling (tons)	193	218	185	176	185	183	220	230	189	222 (3)
<b>Recreation:</b>										
Baseball Field Usage (# games)	NA	NA	NA	NA	NA	NA	NA	NA	273	359 (1)
Soccer Field Usage (# games)	NA	NA	NA	NA	NA	NA	NA	NA	286	426 (1)
<b>Utility System:</b>										
Water Connections	1,873	1,900	2,205	2,270	2,309	2,355	2,378	2,415	2,503	2,176
Sewer Connections	NA	NA	NA	NA	NA	NA	NA	NA	4,354	4,652
Sewer Treatment (gallons)	NA	NA	NA	NA	NA	NA	NA	451,788,250	499,481,500	453,600,750 (2)
<b>Park:</b>										
Rounds of golf played - 18 holes	NA	NA	NA	NA	NA	NA	NA	15,989	21,679	23,194
Rounds of golf played - 9 holes	NA	NA	NA	NA	NA	NA	NA	15,181	8,506	9,288
Carts rented	NA	NA	NA	NA	NA	NA	NA	26,542	25,800	28,915

Sources: Various Town Departments.

NA - Data Not Available

(1) Includes Gibson Park, which is owned by Guilford County, and operated by Jamestown

(2) Sewer is sent to City of High Point for treatment

(3) Net of contaminated loads taken to landfill

(4) Ice Storm in year 2003

**TOWN OF JAMESTOWN, NORTH CAROLINA**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

**Table 17**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Function/Program</b>										
<b>Administration:</b>										
Municipal Buildings	1	1	1	1	1	1	1	1	1	1
<b>Refuse Collection:</b>										
Sanitation Trucks	2	2	2	3	3	3	3	3	3	3
<b>Other Public Works:</b>										
Streets (Miles-Paved)	14.93	15.23	15.54	15.95	16.04	16.13	16.13	16.13	16.38	16.38
Sidewalks (Linear Feet)	NA	NA	NA	NA	NA	NA	NA	30,279	32,024	33,165
<b>Public Safety</b>										
Fire Stations	1	1	1	1	1	1	1	1	1	1
<b>Culture and Recreation:</b>										
Pro Shop	1	1	1	1	1	1	1	1	1	1
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Baseball Fields	2	2	2	2	2	2	2	2	2	2
Soccer Fields (1)	2	2	2	2	2	2	4	4	4	4
Playgrounds (1)	1	1	1	1	1	1	2	2	2	2
Picnic Shelters (1)	3	3	3	3	3	3	3	3	3	3
<b>Utility System:</b>										
Plant / Maintenance Building	1	1	1	1	1	1	1	1	1	1
Pump Stations	4	4	4	4	4	3	3	3	3	3
Water Mains (Miles)	NA	NA	NA	NA	NA	NA	NA	40	40	42
Sewer Mains (Miles)	NA	NA	NA	NA	NA	NA	NA	55	55	55
<b>Park:</b>										
Acerage of Golf Course	100	100	100	100	100	100	100	100	100	100

Sources: Various Town Departments.  
Miles of Streets from Powell Bill Reports.  
(1) Excludes Gibson Park, owned by  
Guilford County, operated by Jamestown  
NA Data not available

**COMPLIANCE SECTION**





**DIXON HUGHES** P.C.

Certified Public Accountants and Advisors

**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 Honorable Mayor, Members of the Town Council  
and the Town Manager  
Town of Jamestown  
Jamestown, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jamestown, North Carolina as of and for the year ended June 30, 2008, which collectively comprise the Town of Jamestown's basic financial statements, and have issued our report thereon dated October 12, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Jamestown's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jamestown's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town's internal control.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, members of the Town Council, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Dixon Hughes PLLC*

October 12, 2008