

TOWN OF JAMESTOWN, NORTH CAROLINA

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2010

***Prepared By
Finance Department***

***Finance Officer
Judy Gallman***



Town of Jamestown, North Carolina

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Settled 1752
JAMESTOWN
NORTH CAROLINA

October 13, 2010

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, 2010.

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, 2010. 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 3,410. The Town extended the planning jurisdiction in 2008 and now, including this Extra Territorial Jurisdiction, encompasses a planning area of 6 square miles. The Town of Jamestown is empowered to levy a property tax on both real and personal properties located within its corporate 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 Fund. 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 between departments of a fund up to an amount not exceeding \$25,000; however any revisions that alter the total expenditures of a fund 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%. However, Guilford County, using more recent figures, reports an unemployment rate of 10.8% in July 2010, which reflects conditions of the current economy. Greensboro unemployment rates are at 10.4% and High Point at 11.0%. Most Jamestown 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 120 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 36.95% 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.

Over the next year, town officials anticipate completing a formal Capital Improvement Plan for projects and equipment necessary to implement long-range plans and growth objectives. This Capital Improvement Plan will also include plans for the funding of long-range projects. As a part of the June 30, 2011 budget process town officials established a Capital Reserve Fund to begin to address funding for future capital needs.

Relevant financial policies

The Town's cash management policy has been to invest idle funds in certificates of deposit with local banks and in the North Carolina Capital Management Trust. Thus there is no risk of a negative change in the fair value of the Town's investments. Although interest rates declined significantly in the current year from previous years' rates, investment income remains an integral part of the Town's revenues. The Town does not foresee any change in this cash management policy for the coming fiscal year.

Major initiatives

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 Town Council adopted the new Development Ordinance in July of 2009 and the Town will be recognized by the NC Chapter of the American Planning Association with an Honorable Mention in the Outstanding Planning Awards in September 2010 at the state-wide planning conference.

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. The Town also received a planning grant to create a Pedestrian Master Plan for the community, and the plan was adopted in June 2010. The PTCOG also guided staff and community with a feasibility study to develop a Deep River Paddle Trail, and the final report was adopted in June 2010.

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 completed the purchase in October 2009, and began the planning phase to develop the land into a center city park to be called the Wrenn-Miller Park.

The Town Council approved a contract with Richard Mandell Golf Architecture in June 2009 to assist staff and community in developing a Golf Course Renovation Business Plan. This plan will be a guide for needed renovation of course infrastructure at the Jamestown Park Golf Course. The first component approved for consideration in August 2010 will be the replacement of the park irrigation system.

The Town contracted to conduct a sewer system evaluation study and develop a 20-year capital improvement plan for future rehabilitation of the sewer system. This study involved consultant and staff time to perform various field operations including manhole inspections, pipe smoke testing, die testing, pipe cleaning, and close circuit television inspections. The project concluded in June 2010.

The town is a partner in the Randleman Reservoir project with the Piedmont Triad Regional Water Authority. This twenty-year project is nearing completion as the water treatment plant and transmission lines have been constructed. The Town's partnership secures the Town's rights to water in the reservoir. The water plant will be complete and pumping water to the partnership in the fall of 2010.

A waterline replacement located in Guilford Road was completed in June 2010 and the effort was coordinated with the North Carolina Department of Transportation to allow for a resurfacing of Guilford Road immediately following the installation of the waterline. Final plans and easements were obtained to begin the elimination of the Scientific Pump

Station to convert to a gravity system. This project will be completed in the 2011 fiscal year.

The Town of Jamestown does not own its wastewater treatment facility. In order to secure treatment capacity, the town has a joint –use facility agreement with the City of High Point to maintain and operate the Eastside Wastewater Treatment Plant. Jamestown owns a capacity allocation in this plant and shares responsibility for future maintenance of this facility.

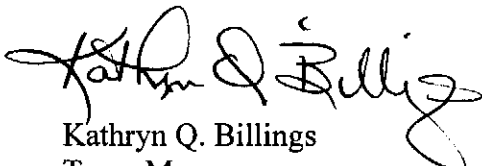
Awards and Acknowledgements

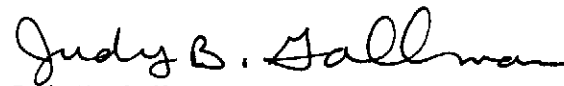
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Town of Jamestown for its comprehensive annual financial report for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, CPA
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, 2009

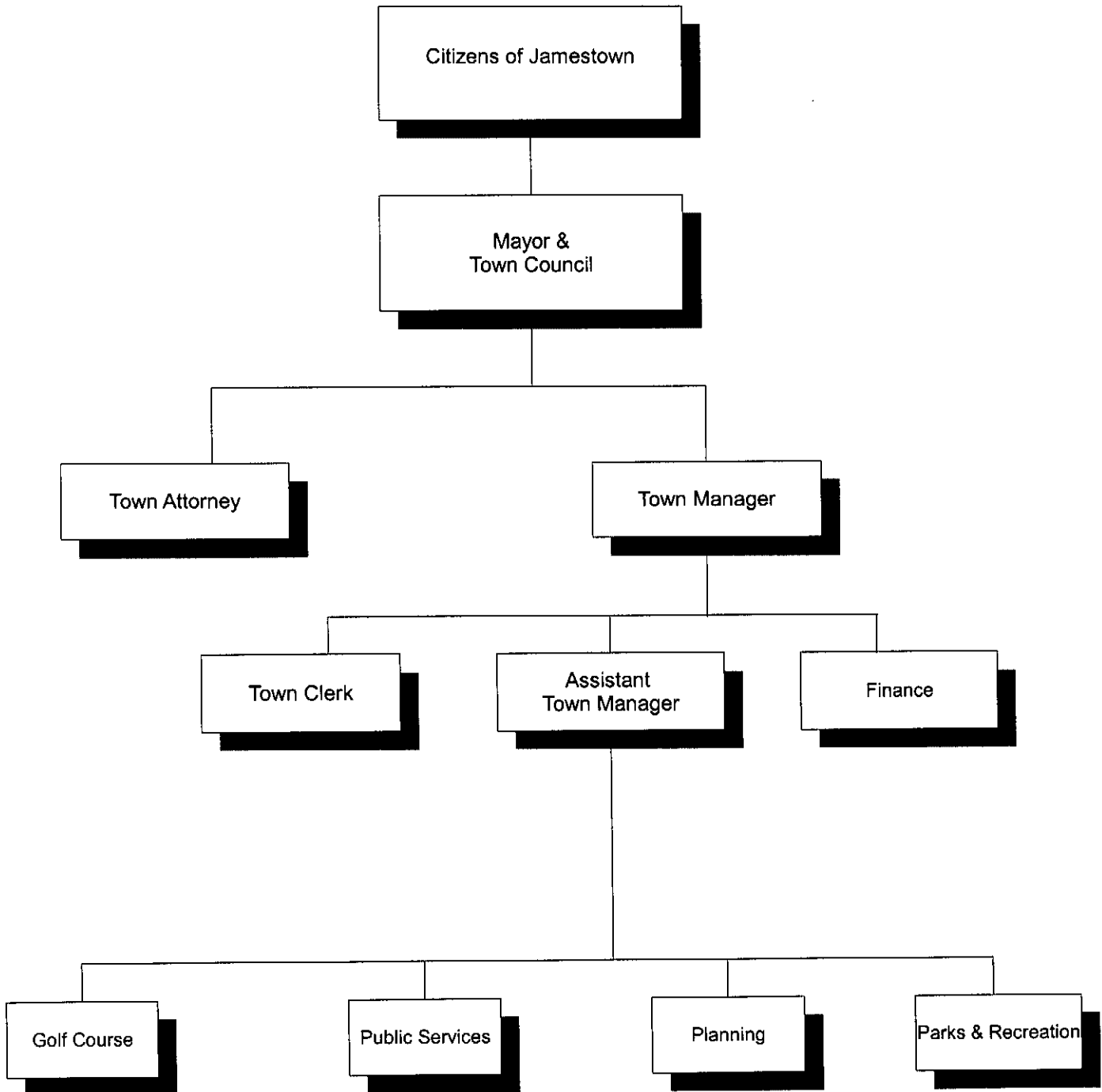
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Town of Jamestown, North Carolina
Organizational Chart
June 30, 2010



TOWN OF JAMESTOWN, NORTH CAROLINA
List of Principal Officials
June 30, 2010

MAYOR AND TOWN COUNCIL

Keith L. Volz, Mayor
Georgia Nixon-Roney, Mayor Pro Tem
R. Brock Thomas, Councilman
J. Frank Gray, Councilman
Will Ragsdale, Councilman

TOWN OFFICIALS

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





DIXON HUGHES PLLC
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, 2010, 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, 2010, 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 13, 2010 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. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. 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.

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, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budgetary schedules, and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are 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 13, 2010

Management's Discussion and Analysis

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, 2010. 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

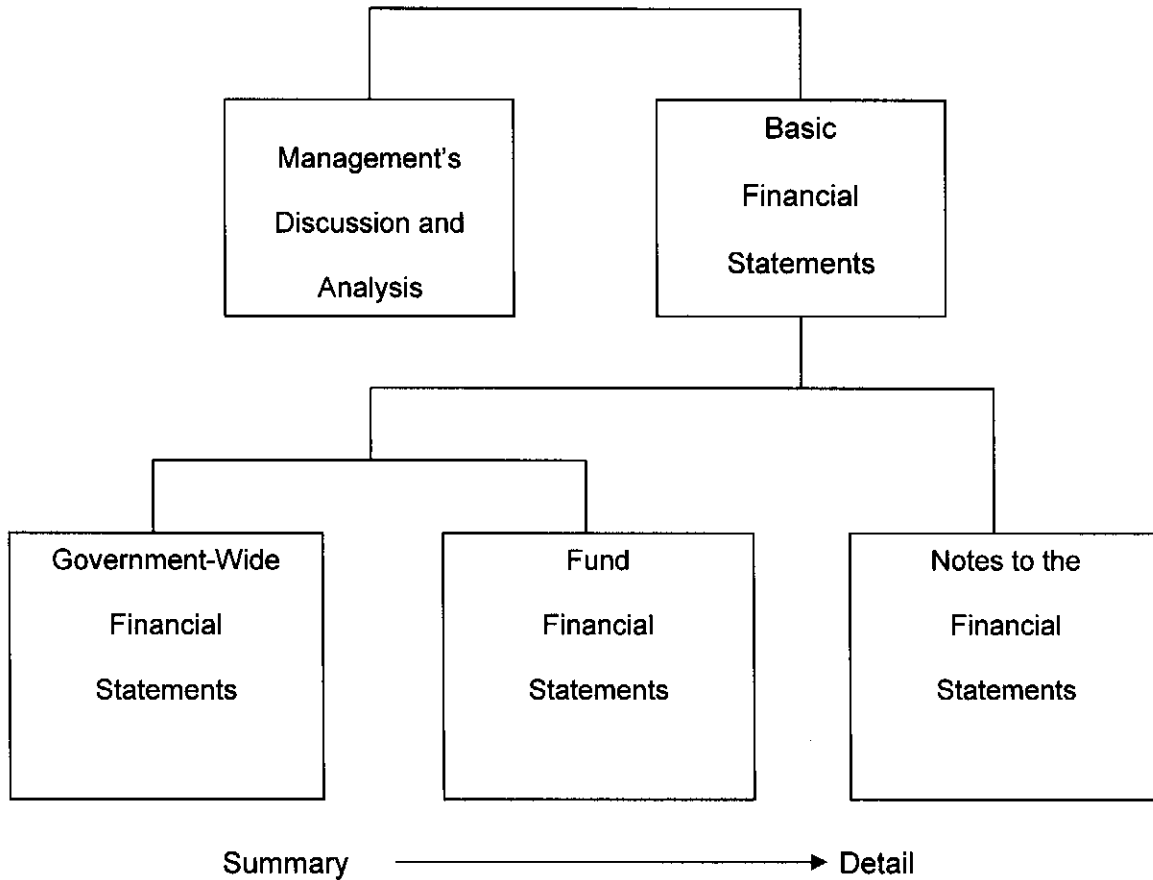
- The assets of the Town of Jamestown *exceeded* its liabilities at the close of the fiscal year by \$24,269,527 (*net assets*).
- The government's total net assets *increased* by \$1,175,612, due to *increases* in both the *governmental and business-type activities net assets*.
- As of the close of the current fiscal year, the Town of Jamestown's governmental fund reported an ending fund balance of \$1,882,651, a decrease of \$225,398 in comparison with the prior year. Approximately 72% of this total amount, or \$1,363,945, 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 \$1,363,945, or 35% of total general fund expenditures for the fiscal year.
- The Town of Jamestown's total debt *decreased* by \$672,719 (75.6%) during the current fiscal year. The factors in this change include the payment of scheduled amounts on existing installment purchases and an early payoff of water and sewer debt.

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.

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.

Management's Discussion and Analysis

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, state shared revenues and golf course fees 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 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

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 an enterprise fund to account for its water and sewer activity. This fund is the same as the function 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

Government-Wide Financial Analysis

Town of Jamestown's Net Assets
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 2,133,248	\$ 2,331,531	\$ 4,754,506	\$ 4,295,202	\$ 6,887,754	\$ 6,626,733
Capital assets	5,991,633	5,759,741	12,375,566	12,004,587	18,367,199	17,764,328
Total assets	<u>8,124,881</u>	<u>8,091,272</u>	<u>17,130,072</u>	<u>16,299,789</u>	<u>25,254,953</u>	<u>24,391,061</u>
Long-term liabilities outstanding	176,985	272,293	20,004	139,947	196,989	412,240
Other liabilities	361,337	337,106	427,100	547,800	788,437	884,906
Total liabilities	<u>538,322</u>	<u>609,399</u>	<u>447,104</u>	<u>687,747</u>	<u>985,426</u>	<u>1,297,146</u>
Net assets:						
Invested in capital assets, net of related debt	5,774,549	5,414,146	12,375,566	11,460,379	18,150,115	16,874,525
Restricted	234,107	403,845	-	-	234,107	403,845
Unrestricted	1,577,903	1,663,882	4,307,402	4,151,663	5,885,305	5,815,545
Total net assets	<u>\$ 7,586,559</u>	<u>\$ 7,481,873</u>	<u>\$ 16,682,968</u>	<u>\$ 15,612,042</u>	<u>\$ 24,269,527</u>	<u>\$ 23,093,915</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 \$24,269,527 as of June 30, 2010. The Town's net assets *increased* by \$1,175,612 for the fiscal year ended June 30, 2010. However, a portion (74.8%) 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 (1.00%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,885,305 is unrestricted.

Management's Discussion and Analysis

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

- Collection of property taxes with a tax collection percentage of 99.17%, which exceeds the statewide average of 97.78%.
- Increase in water and sewer charges for sales and services
- A decrease in unrestricted intergovernmental revenues, as well as a decrease in governmental permits and fees.
- A decrease in investment income in all funds.

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

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 968,918	\$ 1,031,169	\$ 2,886,739	\$ 2,473,466	\$ 3,855,657	\$ 3,504,635
Operating grants and contributions	427,936	432,716	-	-	427,936	432,716
Capital grants and contributions	243,636	33,492	327,497	60,000	571,133	93,492
General revenues:						
Property taxes	1,444,670	1,442,713	-	-	1,444,670	1,442,713
Other taxes	746,129	785,857	-	-	746,129	785,857
Other	14,409	37,899	67,577	138,580	81,986	176,479
Total revenues	<u>3,845,698</u>	<u>3,763,846</u>	<u>3,281,813</u>	<u>2,672,046</u>	<u>7,127,511</u>	<u>6,435,892</u>
Expenses:						
General government	629,820	703,440	-	-	629,820	703,440
Public services	665,290	440,976	-	-	665,290	440,976
Public safety	669,592	654,626	-	-	669,592	654,626
Recreation	1,776,310	1,859,641	-	-	1,776,310	1,859,641
Water and sewer	-	-	2,210,887	1,969,688	2,210,887	1,969,688
Total expenses	<u>3,741,012</u>	<u>3,658,683</u>	<u>2,210,887</u>	<u>1,969,688</u>	<u>5,951,899</u>	<u>5,628,371</u>
Increase in net assets	104,686	105,163	1,070,926	702,358	1,175,612	807,521
Net assets, July 1	<u>7,481,873</u>	<u>7,376,710</u>	<u>15,612,042</u>	<u>14,909,684</u>	<u>23,093,915</u>	<u>22,286,394</u>
Net assets, June 30	<u>\$ 7,586,559</u>	<u>\$ 7,481,873</u>	<u>\$ 16,682,968</u>	<u>\$ 15,612,042</u>	<u>\$ 24,269,527</u>	<u>\$ 23,093,915</u>

Management's Discussion and Analysis

Governmental Activities. Governmental activities increased the Town's net assets by \$104,686 hereby accounting for 8.90% of the total growth in the net assets of the Town of Jamestown. Key elements of this increase are as follows:

- One employee retired and was not replaced.
- Employees did not receive a raise in the 09/10 fiscal year.
- Several revenue sources, such as sales tax and investment income, significantly decreased from the prior year.
- The Town accepted streets constructed by a developer, thus recorded a capital contribution of \$165,400.

Business-Type Activities: Business-type activities increased the Town of Jamestown's net assets by \$1,070,926, thereby accounting for 91.10% of the total growth in the net assets of the Town of Jamestown. Key elements of this increase (net) are as follows:

- Water and sewer charges increased from the prior year, due to increased consumption and an increase in rates.
- In addition, the Town accepted water and sewer lines installed by a developer, thus recorded a capital contribution of \$327,497.

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 \$1,363,945, while total fund balance reached \$1,882,651. 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 35.0% of total General Fund expenditures, while total fund balance represents 48.4 % of total General Fund expenditures.

At June 30, 2010, the governmental fund of the Town of Jamestown reported a fund balance of \$1,882,651, a 10.7% decrease from last year.

Management's Discussion and Analysis

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.

Revenues were less than the budgeted amounts for several reasons. Local option sales tax received was significantly less than budgeted. Investment income was also much less than anticipated. Golf operation revenues were less than budgeted, due to bad weather. However, expenditures were also less than budgeted amounts, as a concerted effort was made to keep expenditures to a minimum. Several projects were eliminated or postponed.

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 \$4,307,402. The Water Sewer Fund had growth of \$1,070,926 in net assets. Other factors concerning the finances of this fund 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, 2010, totals \$18,367,199 (net of accumulated depreciation). These assets include buildings, roads, sidewalks, land and improvements, water and sewer lines, machinery and equipment, park facilities, vehicles, and intangible assets, such as water and wastewater treatment rights.

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

- Purchase of snow plow in the amount of \$5,000, water and sewer service truck for \$29,000 and sewer pumper truck for \$104,000.
- Electrical and drainage improvements at Jamestown Park in the amounts of \$108,000 and \$78,000, respectively, necessitated due to failure of the previous existing systems.
- Construction of new water lines for \$243,000 and sewer lines in the amount of \$57,000.
- Purchase of a tract of land to be used for a center-Town park, in the amount of \$59,000, and park design work in the amount of \$7,000.
- Purchase of equipment for Jamestown Park for approximately \$32,000.

Management's Discussion and Analysis

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	
	2010	2009	2010	2009	2010	2008
Water rights	\$ -	\$ -	\$ 2,214,393	\$ 2,200,644	\$ 2,214,393	\$ 2,200,644
Wastewater treatment rights	-	-	2,598,281	2,684,531	2,598,281	2,684,531
Land	2,131,740	2,024,852	-	-	2,131,740	2,024,852
Buildings and systems	2,209,688	2,291,628	17,852	20,277	2,227,540	2,311,905
Improvements other than buildings	1,091,447	976,478	-	-	1,091,447	976,478
Machinery, vehicles, and equipment	351,208	438,648	443,993	398,954	795,201	837,602
Infrastructure	165,158	-	7,085,733	6,685,721	7,250,891	6,685,721
Construction-in-progress	42,392	28,135	15,314	14,460	57,706	42,595
Total	\$ 5,991,633	\$ 5,759,741	\$ 12,375,566	\$ 12,004,587	\$ 18,367,199	\$ 17,764,328

Management's Discussion and Analysis

Town of Jamestown's Outstanding Debt Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Installment purchases	\$ 217,084	\$ 345,595	\$ -	\$ 544,208	\$ 217,084	\$ 889,803
Total	\$ 217,084	\$ 345,595	\$ -	\$ 544,208	\$ 217,084	\$ 889,803

The Town of Jamestown's total debt decreased by \$672,719 (75.6 %) during the past fiscal year, due to the payment of scheduled amounts to existing installment purchases and an early payoff of water and sewer debt.

Long-Term Debt. As of June 30, 2010, 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 \$31,451,265. The Town has no bonds authorized but un-issued at June 30, 2010. Additional information regarding the Town of Jamestown's long-term obligations can be found in Note 2 beginning on page 44 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 and surrounding area:

- According to the Office of State Budget and Management, Jamestown's total population was 3,410.
- The per capita income for the Greensboro-High Point Metropolitan Statistical Area is \$29,689, and the unemployment rate is 10.8%.
- The Town continues to improve the downtown area, and the Town is a "walkable" community with approximately six miles of sidewalks connecting neighborhoods to Main Street. The planning stages began in 2009/2010 on a center-Town park.
- Jamestown continues to financially support the local non-profit associations, such as the YMCA, library and the Jamestown Swing event.

Management's Discussion and Analysis

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: The property tax rate increases by \$.02 to \$.39 per \$100 valuation and will bring in a projected \$1,521,000 in revenues. The Town Council voted to establish a General Capital Reserve Fund for future capital needs and to fund this with the \$.02 increase in the tax rate. Jamestown's share of sales tax revenue is projected to be \$330,000. County reimbursement for Gibson Park operating expenses of \$235,000 is budgeted to cover the expenses and provide a 10% indirect cost reimbursement. The budget keeps the solid waste fee at \$7 per month per household that will bring in an estimated \$110,000 in revenues. Most fees will remain the same; there was only an increase in some soccer and baseball field rental rates.

Budgeted expenditures in the General Fund are expected to decrease approximately 15% to 3,691,400. The decrease can be attributed to the following: repaving of streets is budgeted for every other year, and the 2011 fiscal year budget does not include repaving; extensive repairs to the golf course and recreational facilities had to be done in fiscal year 2010 and now that these repairs have been completed, we anticipate that the need for major repairs at these facilities will not continue into fiscal year 2011; the budget for the operation of Gibson Park was cut by approximately \$31,000 due to cuts in the Town's reimbursement from Guilford County for running the park. The Town will continue to fund several grants to local non-profit organizations, and this will account for 4.7% 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: No increase has been budgeted in water and sewer rates. New construction tap fees are estimated to generate \$66,000 in revenues. The two largest contracted service expenditure amounts are for payments to the City of High Point for the cost of treating sewage, and payments to the cities of Greensboro and High Point for the purchase of water. The Town should also begin purchasing its allocation of water from the Piedmont Triad Regional Water Authority during the 2011 fiscal year. Capital projects planned include various water and sewer projects.

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.



TOWN OF JAMESTOWN, NORTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2010

Exhibit 1

ASSETS	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current assets:			
Cash and cash equivalents	\$ 1,828,497	\$ 4,166,136	\$ 5,994,633
Receivables:			
Taxes receivable, net	13,687	-	13,687
Accrued interest receivable	6,365	10,083	16,448
Accounts receivable, net	9,130	265,757	274,887
Due from other governments	212,401	281,543	493,944
Inventories	50,045	-	50,045
Prepaid items	13,023	7,496	20,519
Restricted cash and cash equivalents	100	23,491	23,591
	2,133,248	4,754,506	6,887,754
Capital assets:			
Water rights	-	2,214,393	2,214,393
Wastewater treatment rights, net	-	2,598,281	2,598,281
Land and other nondepreciable assets	2,174,132	15,314	2,189,446
Other capital assets, net of depreciation	3,817,501	7,547,578	11,365,079
	5,991,633	12,375,566	18,367,199
	\$ 8,124,881	\$ 17,130,072	\$ 25,254,953
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 190,736	\$ 376,471	\$ 567,207
Retainage payable	-	11,843	11,843
Accrued interest payable	1,376	-	1,376
OPEB liability	12,882	4,295	17,177
Customer deposits	100	23,491	23,591
Gift cards outstanding	12,632	-	12,632
Loyalty rewards to be redeemed	20,324	-	20,324
Unearned revenues	6,753	-	6,753
Current portion of long-term liabilities	116,534	11,000	127,534
	361,337	427,100	788,437
Long-term liabilities:			
Due in more than one year	176,985	20,004	196,989
	538,322	447,104	985,426
NET ASSETS			
Invested in capital assets, net of related debt	5,774,549	12,375,566	18,150,115
Restricted for:			
Public services	234,107	-	234,107
Unrestricted	1,577,903	4,307,402	5,885,305
	\$ 7,586,559	\$ 16,682,968	\$ 24,269,527

The accompanying notes are an integral part of this statement.

**TOWN OF JAMESTOWN, NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 629,820	\$ 25,023	\$ 1,626	\$ -
Public services	665,290	110,771	110,171	212,663
Public safety	669,592	-	-	-
Recreation	<u>1,776,310</u>	<u>833,124</u>	<u>316,139</u>	<u>30,973</u>
Total governmental activities	<u>3,741,012</u>	<u>968,918</u>	<u>427,936</u>	<u>243,636</u>
Business-type activities:				
Water and sewer	<u>2,210,887</u>	<u>2,886,739</u>	<u>-</u>	<u>327,497</u>
Total primary government	<u>\$ 5,951,899</u>	<u>\$ 3,855,657</u>	<u>\$ 427,936</u>	<u>\$ 571,133</u>

General revenues:

Taxes:

 Property taxes, levied for general purposes

 Other taxes

 Investment income, unrestricted

 Gain (loss) on sale of capital assets

 Miscellaneous

Total general revenues

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
\$ (603,171)	\$ -	\$ (603,171)
(231,685)	-	(231,685)
(669,592)	-	(669,592)
(596,074)	-	(596,074)
<u>(2,100,522)</u>	<u>-</u>	<u>(2,100,522)</u>
-	1,003,349	1,003,349
<u>(2,100,522)</u>	<u>1,003,349</u>	<u>(1,097,173)</u>
1,444,670	-	1,444,670
746,129	-	746,129
11,037	66,067	77,104
(2,541)	1,510	(1,031)
5,913	-	5,913
<u>2,205,208</u>	<u>67,577</u>	<u>2,272,785</u>
104,686	1,070,926	1,175,612
<u>7,481,873</u>	<u>15,612,042</u>	<u>23,093,915</u>
<u>\$ 7,586,559</u>	<u>\$ 16,682,968</u>	<u>\$ 24,269,527</u>

The accompanying notes are an integral part of this statement.

TOWN OF JAMESTOWN, NORTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2010

Exhibit 3

ASSETS	<u>General Fund</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 1,828,497	\$ 1,828,497
Taxes receivable, net	13,687	13,687
Accounts receivable	9,130	9,130
Due from other governments	212,401	212,401
Inventories	50,045	50,045
Prepaid items	13,023	13,023
Restricted cash and cash equivalents	100	100
	<u>2,126,883</u>	<u>2,126,883</u>
Total assets	<u>\$ 2,126,883</u>	<u>\$ 2,126,883</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 190,736	\$ 190,736
Customer deposits	100	100
Gift cards outstanding	12,632	12,632
Loyalty rewards to be redeemed	20,324	20,324
Deferred revenues	20,440	20,440
	<u>244,232</u>	<u>244,232</u>
Total liabilities	<u>244,232</u>	<u>244,232</u>
 Fund balances:		
Reserved for:		
Inventories	50,045	50,045
Prepaid items	13,023	13,023
State statute	221,531	221,531
Streets - Powell Bill	234,107	234,107
Unreserved, General Fund:		
Designated for subsequent year's expenditures	104,070	104,070
Undesignated	1,259,875	1,259,875
	<u>1,882,651</u>	<u>1,882,651</u>
Total fund balances	<u>1,882,651</u>	<u>1,882,651</u>
Total liabilities and fund balances	<u>\$ 2,126,883</u>	

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.	5,991,633
Other assets (interest receivable) are not available to pay for current expenditures and therefore are deferred in the funds.	6,365
Liabilities for earned but deferred revenues (property taxes receivable) in fund statements.	13,687
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Installment purchases payable	\$ 217,084
Other postemployment benefits	12,882
Compensated absences payable	76,435
Accrued interest payable	1,376
	<u>(307,777)</u>
	<u>\$ 7,586,559</u>

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, 2010**

Exhibit 4

	General Fund
Revenues:	
Ad valorem taxes	\$ 1,442,945
Unrestricted intergovernmental	969,566
Restricted intergovernmental	189,673
Permits and fees	1,014,000
Investment income	35,655
Miscellaneous	6,630
Total revenues	3,658,469
Expenditures:	
Current:	
General government	623,007
Public services	654,574
Public safety	667,931
Recreation	1,945,240
Total expenditures	3,890,752
Deficiency of revenues under expenditures	(232,283)
Other financing sources:	
Insurance recovery	6,885
Net change in fund balances	(225,398)
Fund balances at beginning of year	2,108,049
Fund balances at end of year	\$ 1,882,651

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, 2010**

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	\$ (225,398)
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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 capital outlays (\$297,569) exceeded depreciation (\$275,799) in the current period.	21,770
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The net effect of various miscellaneous transactions involving capital assets is to increase net assets.	210,122
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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	1,736
Change in accrued investment interest	(24,629)

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.	
Repayment of principal of long-term debt	128,511

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	922
Other postemployment benefits	(12,882)
Compensated absences	4,534
	4,534

Changes in net assets of governmental activities	\$ 104,686
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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, 2010

Exhibit 5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Ad valorem taxes	\$ 1,439,000	\$ 1,454,000	\$ 1,442,945	\$ (11,055)
Unrestricted intergovernmental	991,976	999,271	969,566	(29,705)
Restricted intergovernmental	91,000	187,000	189,673	2,673
Services and fees	1,127,050	1,129,050	1,014,000	(115,050)
Investment income	70,000	70,000	35,655	(34,345)
Miscellaneous	1,030	1,030	6,630	5,600
Total revenues	<u>3,720,056</u>	<u>3,840,351</u>	<u>3,658,469</u>	<u>(181,882)</u>
Expenditures:				
Current:				
General government	697,960	735,060	623,007	112,053
Public services	726,570	760,570	654,574	105,996
Public safety	723,100	723,100	667,931	55,169
Recreation	1,743,026	2,118,828	1,945,240	173,588
Total expenditures	<u>3,890,656</u>	<u>4,337,558</u>	<u>3,890,752</u>	<u>446,806</u>
Deficiency of revenues under expenditures	<u>(170,600)</u>	<u>(497,207)</u>	<u>(232,283)</u>	<u>264,924</u>
Other financing sources:				
Insurance recovery	<u>-</u>	<u>-</u>	<u>6,885</u>	<u>6,885</u>
Deficiency of revenues and other sources under expenditures	<u>(170,600)</u>	<u>(497,207)</u>	<u>(225,398)</u>	<u>271,809</u>
Fund balance appropriated	<u>170,600</u>	<u>497,207</u>	<u>-</u>	<u>(497,207)</u>
Revenues, other sources and fund balance appropriated under expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(225,398)</u>	<u>\$ (225,398)</u>
Fund balance at beginning of year			<u>2,108,049</u>	
Fund balance at end of year			<u>\$ 1,882,651</u>	

The accompanying notes are an integral part of this statement.

TOWN OF JAMESTOWN, NORTH CAROLINA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2010

Exhibit 6

	Enterprise Funds
	Major
ASSETS	Water and Sewer
Current assets:	
Cash and cash equivalents	\$ 4,166,136
Accrued interest receivable	10,083
Accounts receivable, net	183,364
Accounts receivable - unbilled	82,393
Due from other governments	281,543
Prepaid items	7,496
Restricted cash and cash equivalents	23,491
Total current assets	4,754,506
Capital assets:	
Water rights	2,214,393
Wastewater treatment rights, net	2,598,281
Land and other nondepreciable assets	15,314
Other capital assets, net of depreciation	7,547,578
Total capital assets	12,375,566
Total assets	\$ 17,130,072
 LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 376,471
Retainage payable	11,843
Customer deposits	23,491
Compensated absences, current	11,000
OPEB liability	4,295
Total current liabilities	427,100
Noncurrent liabilities:	
Compensated absences	20,004
Total liabilities	447,104
Net assets:	
Invested in capital assets, net of related debt	12,375,566
Unrestricted	4,307,402
Total net assets	\$ 16,682,968

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, 2010**

Exhibit 7

	Enterprise Funds
	Major
	Water and Sewer
Operating revenues:	
Charges for sales and services	\$ 2,863,586
Other operating revenues	23,153
Total operating revenues	2,886,739
Operating expenses:	
Salaries and employee benefits	523,055
Contracted services	122,045
Contractual payment for wastewater treatment	509,314
Supplies and materials	62,744
Purchase of water	440,016
Repairs and maintenance	46,066
Other operating expenditures	53,374
Depreciation and amortization	404,638
Total operating expenses	2,161,252
Operating income	725,487
Nonoperating revenues (expenses):	
Sale of capital assets	1,510
Payments to Piedmont Triad Regional Water Authority	(36,624)
Investment income	66,067
Interest expense	(13,011)
Total nonoperating revenues	17,942
Income before contributions	743,429
Capital contributions	327,497
Change in net assets	1,070,926
Total net assets, beginning	15,612,042
Total net assets, ending	\$ 16,682,968

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, 2010

Exhibit 8

	Enterprise Funds
	Major
	Water and Sewer
Cash flows from operating activities:	
Cash received from customers	\$ 2,762,743
Cash paid for goods and services	(934,466)
Cash paid to employees for services	(518,558)
Customer deposits refunded	(8,967)
Customer deposits received	10,567
Other operating revenues	23,153
	1,334,472
Cash flows from noncapital financing activities:	
Payment to Piedmont Triad Regional Water Authority	(36,624)
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	1,510
Acquisition and construction of capital assets	(448,120)
Principal and interest payments on long-term debt	(562,240)
	(1,008,850)
Cash flows from investing activities:	
Interest and dividends	61,047
	61,047
Net increase in cash and cash equivalents	350,045
Cash and cash equivalents at beginning of year	3,839,582
Cash and cash equivalents at end of year	\$ 4,189,627
Reconciliation of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 4,166,136
Restricted cash and cash equivalents	23,491
	\$ 4,189,627
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 725,487
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	404,638
Change in assets and liabilities:	
Increase in accounts receivable	(119,478)
Decrease in prepaid items	15,239
Increase in accounts payable and accrued liabilities	288,023
Increase in retainage payable	11,843
Increase in customer deposits	1,600
Increase in compensated absences	2,825
Increase in OPEB liability	4,295
	\$ 1,334,472
Noncash investing, capital, and financing activities:	
Contributions of capital assets	\$ 327,497

The accompanying notes are an integral part of this statement.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

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, 2010

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, various other taxes and licenses and golf course fees. The primary expenditures are for public safety, street maintenance and construction, sanitation services, recreation (including golf course) and general government administration.

The Town reports the following major enterprise fund:

Water and Sewer Fund - This fund is used to account for the Town's water and sewer 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, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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 2009 through February 2010 apply to the fiscal year ended June 30, 2010. 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, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 1. Summary of Significant Accounting Policies (Continued)

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 between departments up to \$25,000; however, any revisions that alter the total expenditures of a fund or department more than \$25,000 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, 2010

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, 2009. 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 General 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, 2010

Note 1. Summary of Significant Accounting Policies (Continued)

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

Minimum capitalization costs are as follows:

	<u>Cost</u>
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 amortized or depreciated using the straight-line method over their estimated useful lives:

	<u>Useful Life</u>
Wastewater treatment rights and other intangible assets	20 to 40 years
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, 2010

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, 2010

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

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 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 2010 – 2011 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, 2010

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, 2010, the Town's deposits had a carrying amount of \$5,535,683, and a bank balance of \$5,998,372. Of the bank balance, \$883,121 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, 2010.

2. Investments

At June 30, 2010, the Town of Jamestown had \$481,441 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no formal policy regarding credit risk.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

3. Receivables

Receivables at the government-wide level at June 30, 2010 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	\$ 9,330	\$ 32,199	\$ 212,401	\$ 253,930	\$ 6,365
Allowance for doubtful accounts	<u>(200)</u>	<u>(18,512)</u>	<u>-</u>	<u>(18,712)</u>	<u>-</u>
Total governmental activities	<u>\$ 9,130</u>	<u>\$ 13,687</u>	<u>\$ 212,401</u>	<u>\$ 235,218</u>	<u>\$ 6,365</u>
Business-type activities:					
Water and Sewer	\$ 275,257	\$ -	\$ 281,543	\$ 556,800	\$ 10,083
Allowance for doubtful accounts	<u>(9,500)</u>	<u>-</u>	<u>-</u>	<u>(9,500)</u>	<u>-</u>
Total business-type activities	<u>\$ 265,757</u>	<u>\$ -</u>	<u>\$ 281,543</u>	<u>\$ 547,300</u>	<u>\$ 10,083</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	\$ -	\$ 82,139	\$ 82,139
Gibson Park reimbursement	78,700	-	78,700
Sales tax refunds	-	43,562	43,562
Other	<u>-</u>	<u>8,000</u>	<u>8,000</u>
	<u>\$ 78,700</u>	<u>\$ 133,701</u>	<u>\$ 212,401</u>
Water and Sewer Fund			
Adams Farm sewer	\$ 279,805	\$ -	\$ 279,805
Sales tax refunds	<u>-</u>	<u>1,738</u>	<u>1,738</u>
	<u>\$ 279,805</u>	<u>\$ 1,738</u>	<u>\$ 281,543</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

5. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,024,852	\$ 106,888	\$ -	\$ 2,131,740
Construction-in-progress	<u>28,135</u>	<u>14,257</u>	<u>-</u>	<u>42,392</u>
Total capital assets not being depreciated	<u>2,052,987</u>	<u>121,145</u>	<u>\$ -</u>	<u>2,174,132</u>
Capital assets being depreciated:				
Land improvements	2,766,040	186,556	\$ -	2,952,596
Infrastructure – roads	-	165,400	-	165,400
Buildings	3,549,585	-	-	3,549,585
Equipment and vehicles	<u>1,354,968</u>	<u>37,131</u>	<u>(12,445)</u>	<u>1,379,654</u>
Total capital assets being depreciated	<u>7,670,593</u>	<u>389,087</u>	<u>\$ (12,445)</u>	<u>8,047,235</u>
Less accumulated depreciation for:				
Land improvements	1,789,562	71,587	\$ -	1,861,149
Infrastructure – roads	-	242	-	242
Buildings	1,257,957	81,940	-	1,339,897
Equipment and vehicles	<u>916,320</u>	<u>122,030</u>	<u>(9,904)</u>	<u>1,028,446</u>
Total accumulated depreciation	<u>3,963,839</u>	<u>275,799</u>	<u>\$ (9,904)</u>	<u>4,229,734</u>
Total capital assets being depreciated, net	<u>3,706,754</u>			<u>3,817,501</u>
Governmental activity capital assets, net	<u>\$ 5,759,741</u>			<u>\$ 5,991,633</u>

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

General government	\$ 37,745
Public services	47,877
Public safety	69,892
Culture and Recreation	<u>120,285</u>
	<u>\$275,799</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

5. Capital Assets (Continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
Water and Sewer Fund:				
Capital assets not being amortized or depreciated:				
Water rights	\$ 2,200,644	\$ 13,749	\$ -	\$ 2,214,393
Construction-in-progress	<u>14,460</u>	<u>1,974</u>	<u>(1,120)</u>	<u>15,314</u>
Total capital assets not being amortized or Depreciated	<u>2,215,104</u>	<u>15,723</u>	<u>(1,120)</u>	<u>2,229,707</u>
Capital assets being amortized or depreciated:				
Wastewater treatment rights	3,450,000	-	-	3,450,000
Infrastructure – distribution systems	10,580,964	627,809	-	11,208,141
Buildings	109,493	-	-	109,493
Equipment	<u>970,424</u>	<u>133,205</u>	<u>(24,106)</u>	<u>1,079,523</u>
Total capital assets being amortized or depreciated	<u>15,110,249</u>	<u>761,014</u>	<u>(24,106)</u>	<u>15,847,157</u>
Less accumulated amortization or depreciation for:				
Wastewater treatment rights	765,469	86,250	-	851,719
Infrastructure - distribution systems	3,894,611	227,797	-	4,122,408
Buildings	89,216	2,425	-	91,641
Equipment	<u>571,470</u>	<u>88,166</u>	<u>(24,106)</u>	<u>635,530</u>
Total accumulated amortization and depreciation	<u>5,320,766</u>	<u>\$ 404,638</u>	<u>\$ (24,106)</u>	<u>5,701,298</u>
Total capital assets being amortized or depreciated, net	<u>9,789,483</u>			<u>10,145,859</u>
Business-type activities capital assets, net	<u>\$ 12,004,587</u>			<u>\$ 12,375,566</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

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>(851,719)</u>
Unamortized balance	<u>\$ 2,598,281</u>

Future amortization is as follows:

Year Ending June 30,	
2011	\$ 86,250
2012	86,250
2013	86,250
2014	86,250
2015	86,250
Thereafter	<u>2,167,031</u>
	<u>\$ 2,598,281</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2010, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>	<u>Retainage Payable</u>	<u>Accrued Interest</u>
Governmental activities:					
General	<u>\$178,883</u>	<u>\$ 11,853</u>	<u>\$ 190,736</u>	<u>\$ -</u>	<u>\$ 1,376</u>
Business-type activities:					
Water and Sewer	<u>\$374,783</u>	<u>\$ 1,688</u>	<u>\$ 376,471</u>	<u>\$ 11,843</u>	<u>\$ -</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (continued)

2. Pension Plan and Postemployment 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, 2010, 2009 and 2008 were \$63,137, \$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, 2010

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan and Postemployment 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 4.5% 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 \$1,200,485. Total contributions for the year ended June 30, 2010 were \$101,592, which consisted of \$54,022 from the Town and \$47,570 from employees. The Town's contributions and the employees' voluntary contributions represent 4.5% and 4.0%, respectively, of the covered payroll amount.

Other Postemployment Benefits – Healthcare Benefits

Plan Description. Under approval by Town Council in January 1999, and amended in October 2006, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). This plan provides postemployment healthcare benefits to retirees of the Town, hired before October 17, 2006, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the Town. The Town pays the full cost of coverage for these benefits through private insurers. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	4
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	23
Total	27

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

Other Postemployment Benefits – Healthcare Benefits (continued)

Funding Policy. The Town pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a Town Council approval that can also be amended by Town Council. The Town has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 5.7% of annual covered payroll. For the current year, the Town contributed \$41,741 or 4.1% of annual covered payroll. The Town obtains healthcare coverage through private insurers. There were no contributions made by employees, except for dependent coverage in the amount of \$1,984. The Town's obligation to contribute to HCB Plan is established and may be amended by the Town Council.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the fund in which the retiree was paid from. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The Town's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 58,918
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	58,918
Contributions made	(41,741)
Increase (decrease) in net OPEB obligation	17,177
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	\$ 17,177

**TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

Other Postemployment Benefits – Healthcare Benefits (continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 58,918	19.7%	\$ 17,177

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$622,522. The covered payroll (annual payroll of active employees covered by the plan) was \$1,028,379, and the ratio of the UAAL to the covered payroll was 60.5 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

Other Postemployment Benefits – Healthcare Benefits (continued)

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009, was 30 years.

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 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 .

**TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

4. Deferred/Unearned Revenues

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

	Deferred Revenues	Unearned Revenues	Total
Property taxes	\$ 13,687	\$ -	\$ 13,687
Other	-	6,753	6,753
	\$ 13,687	\$ 6,753	\$ 20,440

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.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

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	<u>472,036</u>
	<u>\$2,495,041</u>

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 2012 and 2013. Total expenditures on operating leases amounted to \$105,949 during fiscal year 2010.

Future minimum commitments for operating leases are as follows:

Year Ending June 30,	
2011	\$86,627
2012	84,314
2013	<u>28,323</u>
Total future minimum lease payments	<u>\$ 199,264</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

7. Long-Term Obligations (continued)

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.	\$65,094
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.	116,784
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.	<u>35,206</u>
	217,084
Less current portion	<u>86,534</u>
	<u>\$ 130,550</u>

The future minimum payments on the notes payable as of June 30, 2010 are as follows:

Governmental Activities:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$86,534	\$8,575	\$95,109
2012	78,298	4,597	82,895
2013	<u>52,252</u>	<u>1,230</u>	<u>53,482</u>
	<u>\$ 217,084</u>	<u>\$ 14,402</u>	<u>\$ 231,486</u>

At June 30, 2010, the Town had a legal debt margin of \$31,451,265.

**TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010**

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, 2010, the following changes occurred in long-term obligations:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental activities:					
Installment purchases	\$ 345,595	\$ -	\$ 128,511	\$ 217,084	\$ 86,534
Compensated absences	<u>80,969</u>	<u>36,509</u>	<u>41,044</u>	<u>76,435</u>	<u>30,000</u>
Total governmental activities	<u>\$ 426,564</u>	<u>\$ 36,509</u>	<u>\$ 169,555</u>	<u>\$ 293,519</u>	<u>\$ 116,534</u>
Business-type activities:					
Installment purchases	\$ 544,208	\$ -	\$ 544,208	\$ -	\$ -
Compensated absences	<u>28,179</u>	<u>13,741</u>	<u>10,915</u>	<u>31,004</u>	<u>11,000</u>
Total business-type activities	<u>\$ 572,387</u>	<u>\$ 13,741</u>	<u>\$ 555,123</u>	<u>\$ 31,004</u>	<u>\$ 11,000</u>

Compensated absences have typically been liquidated in the General Fund. Total interest expense incurred during the year amounted to \$26,140, which is reported in the department / function in which it was budgeted.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2010

Note 2. Detail Notes on All Funds (Continued)

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 construction of the water treatment plant and distribution lines is under way. 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, 2010, the Town made a \$50,373 contribution to the Authority, representing \$13,749 of capital and \$36,624 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 and distribution lines are completed, 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 \$2,214,393 has been recorded at cost in the government-wide financial statements at June 30, 2010. 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 \$707 to the Council during the fiscal year ended June 30, 2010.

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.

**Required
Supplementary Financial Data**

This section contains additional information required by generally accepted accounting principles.

- Schedule of Funding Progress for the Other Postemployment Benefits.
- Schedule of Employer Contributions for the Other Postemployment Benefits.
- Notes to the Required Schedules for the Other Postemployment Benefits.

**Town of Jamestown, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/09	-	\$ 622,522	\$ 622,522	0%	\$ 1,028,379	60.5%

Town of Jamestown, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	58,918	70.85%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuation, follows:

Valuation date	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level Dollar Amount, open
Remaining amortization period	30 Years
Asset valuation method	Market value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend	10.50% - 5.00%
*Includes inflation at	3.75%
Cost-of-living adjustments	None

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, 2010**

Schedule 1
Page 1 of 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Taxes	\$ -	\$ 1,439,631	\$ -
Interest	-	3,314	-
Total	<u>1,454,000</u>	<u>1,442,945</u>	<u>(11,055)</u>
Unrestricted intergovernmental:			
Local option sales tax	-	332,453	-
Telecommunications sales tax	-	87,146	-
Utility franchise tax	-	88,408	-
Piped natural gas tax	-	90,781	-
Video franchise fee	-	47,464	-
Solid waste disposal tax	-	2,347	-
ABC distribution	-	50,000	-
Beer and wine tax	-	4,829	-
Reimbursement from Guilford County - Gibson Park	-	266,138	-
Total	<u>999,271</u>	<u>969,566</u>	<u>(29,705)</u>
Restricted intergovernmental:			
Powell Bill allocation	-	91,074	-
Other state, federal and local grants	-	98,599	-
Total	<u>187,000</u>	<u>189,673</u>	<u>2,673</u>
Services and fees:			
Cable franchise fees	-	2,637	-
Cell tower franchise fees	-	42,410	-
Refuse collection fees	-	110,804	-
Planning and development fees	-	20,663	-
Rentals	-	28,559	-
Golf operations	-	808,286	-
Other fees	-	641	-
Total	<u>1,129,050</u>	<u>1,014,000</u>	<u>(115,050)</u>
Investment income	<u>70,000</u>	<u>35,655</u>	<u>(34,345)</u>
Miscellaneous:			
Contributions and donations	-	750	-
Other	-	5,880	-
	<u>1,030</u>	<u>6,630</u>	<u>5,600</u>
Total revenues	<u>3,840,351</u>	<u>3,658,469</u>	<u>(181,882)</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010

Schedule 1
Page 2 of 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Governing Body:			
Other operating expenditures	34,500	26,805	7,695
Administration:			
Salaries and employee benefits	-	293,663	-
Professional services	-	19,011	-
Other operating expenditures	-	56,528	-
Total	<u>396,500</u>	<u>369,202</u>	<u>27,298</u>
Planning:			
Salaries and employee benefits	-	62,785	-
Contractual services	-	28,616	-
Other operating expenditures	-	19,520	-
Total	<u>173,870</u>	<u>110,921</u>	<u>62,949</u>
Buildings and Grounds:			
Employee benefits - retiree	-	9,449	-
Other operating expenditures	-	63,446	-
Debt service	-	43,184	-
Total	<u>130,190</u>	<u>116,079</u>	<u>14,111</u>
Total general government	<u>735,060</u>	<u>623,007</u>	<u>112,053</u>
Public services:			
Streets:			
Other operating expenditures	-	112,749	-
Capital outlay	-	5,069	-
Debt service	-	27,574	-
Total	<u>161,600</u>	<u>145,392</u>	<u>16,208</u>
Streets - Powell Bill:			
Contractual services	-	246,637	-
Other operating expenditures	-	9,315	-
Capital outlay	-	6,816	-
Total	<u>290,600</u>	<u>262,768</u>	<u>27,832</u>
Sanitation:			
Salaries and employee benefits	-	49,678	-
Other operating expenditures	-	172,385	-
Debt service	-	24,351	-
Total	<u>308,370</u>	<u>246,414</u>	<u>61,956</u>
Total public services	<u>760,570</u>	<u>654,574</u>	<u>105,996</u>
Public safety:			
Fire:			
Employee benefits - retiree	-	9,449	-
Contractual services	-	255,035	-
Other operating expenditures	-	9,398	-
Debt service	-	46,529	-
Total	<u>321,600</u>	<u>320,411</u>	<u>1,189</u>
Police:			
Contractual services	-	330,417	-
Other operating expenditures	-	17,103	-
Total	<u>401,500</u>	<u>347,520</u>	<u>53,980</u>
Total public safety	<u>723,100</u>	<u>667,931</u>	<u>55,169</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010**

Schedule 1
Page 3 of 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Recreation:			
Recreation:			
Salaries and employee benefits	-	113,431	-
Other operating expenditures	-	37,761	-
Library contribution	-	105,000	-
Historic Jamestown contribution	-	21,000	-
YMCA contribution	-	107,200	-
Capital outlay	-	85,896	-
Total	<u>507,230</u>	<u>470,288</u>	<u>36,942</u>
Golf Course:			
Salaries and employee benefits	-	570,645	-
Supplies and materials	-	139,005	-
Contractual services	-	165,343	-
Other operating expenditures	-	150,888	-
Capital outlay	-	199,787	-
Total	<u>1,352,326</u>	<u>1,225,668</u>	<u>126,658</u>
Gibson Park:			
Salaries and employee benefits	-	205,823	-
Other operating expenditures	-	43,461	-
Total	<u>259,272</u>	<u>249,284</u>	<u>9,988</u>
Total recreation	<u>2,118,828</u>	<u>1,945,240</u>	<u>173,588</u>
Total expenditures	<u>4,337,558</u>	<u>3,890,752</u>	<u>446,806</u>
Revenues under expenditures	<u>(497,207)</u>	<u>(232,283)</u>	<u>264,924</u>
Other financing sources:			
Insurance recovery	-	6,885	6,885
Fund balance appropriated	<u>497,207</u>	<u>-</u>	<u>(497,207)</u>
Total other financing sources	<u>497,207</u>	<u>6,885</u>	<u>(490,322)</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>(225,398)</u>	<u>\$ (225,398)</u>
Fund balance:			
Beginning of year, July 1		<u>2,108,049</u>	
End of year, June 30		<u>\$ 1,882,651</u>	

**TOWN OF JAMESTOWN, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010**

Schedule 2

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services:			
Water sales	\$ 797,850	\$ 826,325	\$ 28,475
Sewer service charges	1,633,000	2,037,261	404,261
Total	2,430,850	2,863,586	432,736
Other operating revenues	22,250	23,153	903
Total operating revenues	2,453,100	2,886,739	433,639
Nonoperating revenues:			
Interest income	70,000	54,831	(15,169)
Total revenues	2,523,100	2,941,570	418,470
Expenditures:			
Salaries and employee benefits	-	523,055	-
Contracted services	-	122,045	-
Contractual payment for wastewater treatment	-	509,314	-
Supplies and materials	-	62,744	-
Purchase of water	-	440,016	-
Repairs and maintenance	-	46,066	-
Other operating expenditures	-	53,374	-
Payments on notes payable	-	562,240	-
Piedmont Triad Regional Water Authority operating expenditures	-	36,624	-
Capital outlay	-	434,371	-
Total expenditures	3,150,000	2,789,849	360,151
Revenues over (under) expenditures	(626,900)	151,721	778,621
Other financing sources (uses):			
Sale of capital assets	-	1,510	1,510
Transfer to Randleman Reservoir Fund	(52,000)	(52,000)	-
Net assets appropriated	678,900	-	(678,900)
	626,900	(50,490)	(677,390)
Revenues and other financing sources over expenditures and other financing uses	\$ -	101,231	\$ 101,231
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Reconciling items:			
Principal retirement		\$ 544,208	
Capital outlay		434,371	
Capital contributions		327,497	
Change in accrued interest on debt		5,021	
Depreciation		(318,388)	
Amortization		(86,250)	
Transfer - Randleman Reservoir Capital Reserve Fund		52,000	
Investment earnings - Randleman Reservoir Capital Reserve Fund		11,236	
		969,695	
Change in net assets		\$ 1,070,926	

**TOWN OF JAMESTOWN, NORTH CAROLINA
 RANDLEMAN RESERVOIR CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 Year Ended June 30, 2010**

Schedule 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Nonoperating revenues:			
Investment income	\$ 28,000	\$ 11,236	\$ (16,764)
Other financing sources (uses):			
Transfer from Water and Sewer Fund	52,000	52,000	-
Payment to Piedmont Triad Regional Water Authority	(15,000)	(13,749)	1,251
Reserve for future expenditures	(65,000)	-	65,000
Total other financing sources	<u>(28,000)</u>	<u>38,251</u>	<u>66,251</u>
Revenues and other financing sources over other financing uses	<u>\$ -</u>	<u>\$ 49,487</u>	<u>\$ 49,487</u>

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, 2010

Schedule 4

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2009</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2010</u>
2009-10	\$ -	\$ 1,454,621	\$ 1,442,492	\$ 12,129
2008-09	12,962	-	7,918	5,044
2007-08	2,731	-	293	2,438
2006-07	1,568	-	29	1,539
2005-06	1,777	-	12	1,765
2004-05	1,735	-	21	1,714
2003-04	4,471	-	-	4,471
2002-03	727	-	13	714
2001-02	797	-	35	762
2000-01	1,623	-	-	1,623
1999-00	1,027	-	1,027	-
	<u>\$ 29,418</u>	<u>\$ 1,454,621</u>	<u>\$ 1,451,840</u>	32,199
Less allowance for uncollectible taxes				(18,512)
				<u>\$ 13,687</u>
Reconciliation with revenues:				
Taxes - Ad Valorem - General Fund				\$ 1,442,945
Reconciling items:				
Interest collected				(3,314)
Discounts and releases allowed and other charges				11,182
Amounts written off for tax year 1999-00 - per statute of limitations				1,027
Subtotal				<u>8,895</u>
Total collections and credits				<u>\$ 1,451,840</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY -
GENERAL FUND
Year Ended June 30, 2010**

Schedule 5

	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	\$ 392,584,324	\$ 0.37	\$ 1,452,562	\$ 1,329,909	\$ 122,653
Discoveries:					
Current year taxes	<u>556,486</u>	0.37	<u>2,059</u>	<u>2,059</u>	<u>-</u>
Total property valuation	<u><u>\$ 393,140,810</u></u>				
Net levy			1,454,621	1,331,968	122,653
Uncollected taxes at June 30, 2010			<u>12,129</u>	<u>5,628</u>	<u>6,501</u>
Current year's taxes collected			<u><u>\$ 1,442,492</u></u>	<u><u>\$ 1,326,340</u></u>	<u><u>\$ 116,152</u></u>
Current levy collection percentage			<u><u>99.17%</u></u>	<u><u>99.58%</u></u>	<u><u>94.70%</u></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.

Contents	Page
<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>	61
<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>	67
<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>	72
<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>	74
<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>	76

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 Seven Fiscal Years (1)
(Accrual Basis of Accounting)

Table 1

	2004	2005	2006	2007	2008	2009	(2)	2010
Net assets:								
Governmental activities:								
Invested in capital assets, net of related debt	\$ 3,468,241	\$ 4,155,997	\$ 4,342,154	\$ 4,513,022	\$ 4,527,636	\$ 5,414,146	\$	\$ 5,774,549
Restricted	273,076	278,974	376,968	191,056	312,983	403,845		234,107
Unrestricted	1,322,974	961,474	1,220,679	1,510,324	1,523,500	1,663,862		1,577,903
Total governmental activities net assets	\$ 5,064,291	\$ 5,396,445	\$ 5,939,801	\$ 6,214,402	\$ 6,354,119	\$ 7,481,873	\$	\$ 7,586,559
Business-type activities:								
Invested in capital assets, net of related debt	\$ 10,266,664	\$ 10,782,928	\$ 11,108,193	\$ 11,612,380	\$ 11,803,854	\$ 11,460,379	\$	\$ 12,375,566
Unrestricted	4,417,245	3,974,426	3,915,920	3,768,870	4,118,421	4,151,663		4,307,402
Total business-type activities net assets	\$ 14,683,909	\$ 14,757,354	\$ 15,024,113	\$ 15,381,250	\$ 15,922,275	\$ 15,612,042	\$	\$ 16,682,968
Primary government								
Invested in capital assets, net of related debt	\$ 13,734,905	\$ 14,938,925	\$ 15,450,347	\$ 16,125,402	\$ 16,331,490	\$ 16,874,525	\$	\$ 18,150,115
Restricted	273,076	278,974	376,968	191,056	312,983	403,845		234,107
Unrestricted	5,740,219	4,935,900	5,136,599	5,279,194	5,641,921	5,815,545		5,885,305
Total primary government net assets	\$ 19,748,200	\$ 20,153,799	\$ 20,963,914	\$ 21,595,652	\$ 22,286,394	\$ 23,093,915	\$	\$ 24,269,527

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

(2) On July 1, 2008, the Jamestown Park Fund (a business-type activity) was merged into the General Fund (governmental activity).

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 Seven Fiscal Years (1)
(Accrual Basis of Accounting)

Table 2

	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
General government	\$ 630,013	\$ 518,772	\$ 566,203	\$ 562,458	\$ 666,562	\$ 694,587	\$ 622,773
Public services	352,964	359,048	350,331	699,128	432,960	434,035	659,936
Public safety	635,974	605,865	643,236	643,236	753,062	648,877	666,864
Recreation	335,324	448,080	590,152	639,139	705,606	1,841,087	1,776,310
Interest on long-term debt	64,852	53,146	42,612	34,524	31,120	21,543	13,129
Total governmental activities expenses	2,019,127	1,984,911	2,167,248	2,578,485	2,589,310	3,640,129	3,741,012
Business-type activities:							
Water and sewer	1,722,773	1,832,215	1,917,928	2,092,788	2,082,263	1,969,688	2,210,887
Jamestown Park	1,026,247	1,037,525	1,004,459	1,068,844	1,086,115	-	-
Total business-type activities expenses	2,749,020	2,869,740	2,922,387	3,161,632	3,170,378	1,969,688	2,210,887
Total primary government expenses	\$ 4,768,147	\$ 4,854,651	\$ 5,109,635	\$ 5,760,117	\$ 5,759,688	\$ 5,609,817	\$ 5,951,899
Program revenues							
Governmental activities:							
Charges for services:							
General government	\$ 87,900	\$ 68,512	\$ 107,566	\$ 58,225	\$ 13,122	\$ 23,945	\$ 25,023
Public services	1,667	3,358	4,039	6,774	79,949	100,787	110,771
Public safety	-	4	-	-	-	-	-
Recreation	81,598	40,427	41,677	29,414	25,461	906,437	833,124
Operating grants and contributions:							
General government	-	-	-	-	3,537	8,750	1,626
Public services	96,423	106,436	114,027	122,510	122,183	107,029	110,171
Public safety	80,959	90	90	-	-	-	-
Recreation	50,000	135,823	265,077	286,072	312,424	316,937	316,139
Capital grants and contributions:							
Public services	27,879	5,241	17,610	88,001	8,697	7,500	212,663
Recreation	-	-	-	-	-	25,992	30,973
Total governmental activities program revenues	426,426	359,801	550,086	590,996	565,373	1,497,377	1,640,490
Business-type activities:							
Charges for services:							
Water and sewer	1,843,925	1,964,797	2,219,015	2,419,648	2,452,378	2,473,466	2,886,739
Jamestown Park	906,771	876,128	921,039	909,015	962,453	-	-
Capital grants and contributions:							
Water and sewer	-	-	9,432	48,000	-	60,000	327,497
Total business-type activities program revenues	2,750,696	2,840,925	3,149,486	3,376,663	3,414,831	2,533,466	3,214,236
Total primary government program revenues	\$ 3,177,122	\$ 3,200,726	\$ 3,699,572	\$ 3,967,659	\$ 3,980,204	\$ 4,030,843	\$ 4,854,726

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

Table 2,
continued

	2004	2005	2006	2007	2008	2009	(2)	2010
Net (expense) revenue	\$ 1,047,118	\$ 1,287,509	\$ 1,318,521	\$ 1,331,821	\$ 1,358,432	\$ 1,442,713	\$	\$ 1,444,670
Governmental activities	557,988	588,820	648,821	733,955	835,376	785,857		746,129
Business-type activities	154,172	63,686	64,390	64,844	-	-		-
Total primary government net expense	\$ (1,580,568)	\$ (1,641,038)	\$ (1,396,821)	\$ (1,779,175)	\$ (1,765,907)	\$ (1,578,974)	\$	\$ (1,097,173)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes, levied for general purposes	1,676	(28,815)	226,974	194,928	244,453	563,778		1,003,349
Other taxes	1,047,118	1,287,509	1,318,521	1,331,821	1,358,432	1,442,713		1,444,670
Grants and contributions not restricted to specific programs	27,644	37,151	90,451	131,470	123,403	13,750		11,037
Investment income, unrestricted	7,777	-	1,280	-	4,332	2,595		5,913
Miscellaneous	436,975	31,498	(11,645)	-	1,318	3,000		(2,541)
Gain (loss) on sale of capital assets	(51,400)	(51,400)	68,700	-	(150,000)	-		-
Transfers	2,180,274	1,957,264	2,180,518	2,262,090	2,172,861	2,247,915		2,205,208
Total governmental activities	57,931	3,755	-	-	-	-		-
Business-type activities:								
Grants and contributions not restricted to specific programs	59,898	76,130	112,274	154,193	146,237	138,580		66,067
Investment income, unrestricted	12,552	13,705	-	-	-	-		-
Miscellaneous	(2,687)	(11,892)	(3,914)	7,913	335	-		1,510
Gain (loss) on sale of capital assets	51,400	51,400	(68,700)	-	150,000	-		-
Transfers	179,092	133,098	39,660	162,106	296,572	138,580		67,577
Total business-type activities	2,359,366	2,090,362	2,220,178	2,424,196	2,469,433	2,386,495		2,272,785
Total primary government	\$ 598,030	\$ 345,041	\$ 556,723	\$ 287,987	\$ 162,501	\$ 105,163	\$	\$ 104,686
Change in net assets:	180,768	104,283	266,634	357,034	541,025	702,358		1,070,926
Governmental activities	778,798	448,324	823,357	645,021	703,526	807,521		1,175,612
Business-type activities								
Total primary government	\$ 778,798	\$ 448,324	\$ 823,357	\$ 645,021	\$ 703,526	\$ 807,521	\$	\$ 1,175,612

(1) Ten-year trend information is being developed in this table. Data is presented since implementation of Governmental Accounting Standards Board Statement No. 34.
(2) On July 1, 2008, the Jamestown Park Fund (a business-type activity) was merged into the General Fund (governmental activity).

TOWN OF JAMESTOWN, NORTH CAROLINA

Table 3

Program Revenues by Function

Last Seven Fiscal Years (1)

(Modified accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	(2)	2010
Governmental activities:								
General government	\$ 87,900	\$ 68,512	\$ 107,566	\$ 58,225	\$ 16,659	\$ 32,695	\$	\$ 26,649
Public services	125,969	115,035	135,676	217,285	210,829	215,316		433,605
Public safety	80,959	4	90	-	-	-		-
Recreation	131,598	176,250	306,754	315,486	337,885	1,249,366		1,180,236
Subtotal for governmental activities	<u>426,426</u>	<u>359,801</u>	<u>550,086</u>	<u>590,996</u>	<u>565,373</u>	<u>1,497,377</u>		<u>1,640,490</u>
Business-type activities								
Water and sewer	1,843,925	1,964,797	2,228,447	2,467,648	2,452,378	2,473,466		3,214,236
Jamestown Park	906,771	876,128	921,039	909,015	962,453	N/A		N/A
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>	<u>2,473,466</u>		<u>3,214,236</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>	<u>\$ 3,970,843</u>		<u>\$ 4,854,726</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.

(2) On July 1, 2008, the Jamestown Park Fund (a business-type activity) was merged into the General Fund (governmental activity).

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

Table 4

	2001	2002	2003	2004	2005	2006	2007	2008	2009	(4)	2010
Fund Balance											
General Fund											
Reserved:											
Reserved for inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228	\$ -	\$ 45,354	\$ -	\$ 50,045
Reserved for prepaid items	-	-	-	-	-	125	-	7,479	51,174	-	13,023
Reserved for commitments	-	-	-	-	-	-	-	76,511	209,621	-	-
Reserved by state statute	29,428	57,458	94,445	190,373	162,408	189,178	198,573	219,469	214,494	-	221,531
Reserved for streets - Powell Bill	229,722	300,047	324,109	273,076	278,974	376,968	191,056	312,983	403,845	-	234,107
Unreserved:											
Designated for subsequent year's expenditures	169,344	1,061,640	1,037,547	191,213	-	-	305,621	282,372	317,207	-	104,070
Undesignated	1,892,299	843,251	511,335	939,625	802,257	1,039,897	969,264	872,716	866,354	-	1,259,875
Total general fund	\$ 2,320,793	\$ 2,262,396	\$ 1,967,436	\$ 1,594,287	\$ 1,243,639	\$ 1,606,168	\$ 1,664,742	\$ 1,771,530	\$ 2,108,049	\$ -	\$ 1,882,651

(1) - Town Hall renovation budgeted

(2) - Fund balance was expended on Town Hall renovation expenditures

(3) - Fund balance was expended on construction of new recreational fields and facilities

(4) - On July 1, 2008, the Jamestown Park Fund (a business-type activity) was merged into the General Fund (governmental activity).
The inventories at Jamestown Park are now included in the General Fund.

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

Table 5

	2001	2002	2003	2004	2005	2006	2007	2008	2009	(4)	2010
Revenues											
Ad Valorem Taxes (3)	\$ 845,701	\$ 880,639	\$ 971,096	\$ 1,046,376	\$ 1,282,513	(1) \$ 1,324,942	\$ 1,329,007	\$ 1,358,432	\$ 1,441,804	\$ 1,442,945	\$ 1,442,945
Unrestricted intergovernmental	763,696	567,023	890,562	632,160	615,370	941,773	1,047,438	1,053,713	1,002,813	969,586	969,586
Restricted intergovernmental	132,667	132,092	179,445	249,589	103,403	170,757	239,585	176,454	186,807	189,673	189,673
Permits and fees	22,387	25,977	19,132	155,021	96,816	140,805	81,162	170,224	1,082,164	1,014,000	1,014,000
Investment income	180,084	79,365	53,065	38,716	43,425	101,331	96,321	88,065	82,405	35,655	35,655
Miscellaneous	62,378	77,359	49,210	7,777	-	1,280	2,338	4,635	6,545	6,530	6,530
Total revenues	2,009,113	1,762,455	(2) 2,162,510	2,129,639	2,345,527	2,680,888	2,795,821	2,851,523	3,802,538		3,658,469
Expenditures											
General government	\$ 415,981	\$ 494,769	\$ 417,959	\$ 551,406	\$ 474,743	\$ 519,888	\$ 526,556	\$ 603,602	\$ 644,416	\$ 579,823	\$ 579,823
Public safety	607,065	414,160	394,905	312,056	308,194	314,252	538,465	347,576	365,187	365,187	590,764
Recreation	391,478	457,771	245,574	565,545	567,168	588,133	593,419	703,244	599,059	624,402	624,402
Capital Outlay	249,662	271,188	258,242	332,819	442,591	557,972	593,462	660,401	1,744,087	1,659,557	1,659,557
Debt service	702,942	356,416	911,941	882,596	603,065	174,453	270,063	176,154	84,946	84,946	297,568
Principal	87,841	182,293	230,519	234,261	226,236	188,772	191,479	197,764	212,351	212,351	128,511
Interest and other charges	39,645	74,591	77,030	66,030	54,256	43,589	34,853	31,049	23,019	23,019	13,127
Total expenditures	2,494,614	2,251,608	2,536,170	2,964,713	2,676,273	2,387,059	2,850,297	2,719,792	3,673,065		3,890,752
Excess of revenues over (under) expenditures	(485,501)	(489,153)	(373,660)	(835,074)	(330,746)	293,829	(54,476)	131,731	129,473	(232,283)	(232,283)
Other financing sources (uses)											
Issuance of debt	634,088	425,270	-	19,775	-	-	109,762	123,739	18,554	6,885	6,885
Insurance recovery	-	-	-	-	-	-	-	-	3,000	-	-
Sale of capital assets	-	-	-	436,975	31,498	-	3,288	1,318	-	-	-
Transfers from other funds	70,800	74,340	78,700	78,600	78,600	78,700	-	-	-	-	-
Transfers to other funds	-	-	-	(130,000)	(130,000)	(10,000)	-	(150,000)	-	-	-
Total other financing sources (uses)	704,888	499,610	78,700	405,350	(19,902)	68,700	113,050	(24,943)	21,554	6,885	6,885
Net change in fund balances	\$ 219,387	\$ 10,457	\$ (294,960)	\$ (429,724)	\$ (350,648)	\$ 362,529	\$ 58,574	\$ 106,788	\$ 151,027	\$ (225,398)	
Debt services as a percentage of noncapital expenditures	7.7%	15.7%	23.4%	16.9%	15.6%	11.7%	9.6%	9.9%	7.0%	4.1%	4.1%

(1) tax revaluation
(2) state withheld revenues
(3) taxes shown net of collection fee in 2000 and 2001; 2002 and after, shown at gross
(4) - On July 1, 2008, the Jamestown Park Fund (a business-type activity) was merged into the General Fund (governmental activity). Golf course revenues are now included under Governmental Permits and Fees; golf course expenditures are now included under Recreation.

TOWN OF JAMESTOWN, NORTH CAROLINA
General Governmental Tax Revenues By Source

Table 6

Last Ten Fiscal Years

(Modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Other Taxes	Total
2001	845,701	496,550	218,927	15,439	29,645	1,606,262
2002	880,639	419,044	104,165	-	30,040	1,433,888
2003	971,096	403,282	223,450	13,153		1,610,981
2004	1,046,376	335,377	222,611	13,275	-	1,617,639
2005	1,282,513	360,492	228,328	13,686	-	1,885,019
2006	1,324,942	423,461	225,360	14,390	-	1,988,153
2007	1,329,007	435,578	298,377	14,844	-	2,077,806
2008	1,358,432	407,795	310,610	15,279	-	2,092,116
2009	1,441,804	352,627	317,105	15,130	1,014	2,127,680
2010	1,442,945	332,453	313,799	4,829	2,347	2,096,373

(1) Franchise Tax includes telecommunications sales tax, utility franchise tax, piped natural gas tax, and video franchise fees

(2) Solid waste disposal tax

(3) Taxes shown net of collection fee in 2000 and 2001; 2002 and after, shown at gross

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

Fiscal Year Ended June 30	(1)		Total Taxable Assessed Value	(2)		(3)		Assessed Value as a Percentage of Market Value
	Real Property	Personal Property		Total Direct Tax Rate	Estimated Actual Taxable/Market Value	Estimated Actual Taxable/Market Value	Estimated Actual Taxable/Market Value	
	Residential and Commercial Property	Motor Vehicle and Other Personal Property						
2001	213,746,615	64,566,449	278,313,064	0.0031	314,478,038	314,478,038	88.50%	
2002	224,974,694	62,967,128	287,941,822	0.0031	339,674,203	339,674,203	84.77%	
2003	230,387,117	55,905,531	286,292,648	0.0034	344,143,104	344,143,104	83.19%	
2004	244,873,397	56,901,519	301,774,916	0.0035	374,410,566	374,410,566	80.60%	
2005	315,764,975	59,003,582	374,768,557	0.0035	377,220,490	377,220,490	99.35%	
2006	321,729,742	59,361,312	381,091,054	0.0035	386,149,614	386,149,614	98.69%	
2007	325,449,677	58,880,432	384,330,109	0.0035	399,844,058	399,844,058	96.12%	
2008	331,811,840	59,820,554	391,632,394	0.0035	422,381,788	422,381,788	92.72%	
2009	343,204,267	59,222,741	402,427,008	0.0037	439,330,795	439,330,795	91.60%	
2010	335,574,025	57,566,785	393,140,810	0.0037	NA	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 State Treasurer Financial Information

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

Fiscal Year	Guilford County		
	Town of Jamestown	Guilford County	Combined Tax Rate
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
2009	0.37	0.7374	1.1074
2010	0.37	0.7374	1.1074

Source: Guilford County Finance Department.

TOWN OF JAMESTOWN, NORTH CAROLINA
Principal Taxpayers For the Year
Fiscal Years Ended June 30, 2010 and 2001

Table 9

Taxpayer	Type of Enterprise	Fiscal Year 2010	
		Assessed Valuation	Percent of Total Assessed Valuation
Flowers Baking Company of Jamestown	Manufacturing	\$ 9,109,586	2.32%
Greatest Generation, Inc	Health Care	5,260,500	1.34%
Highland Containers, Inc	Manufacturing	4,749,064	1.21%
Flowers Baking Company of High Point	Manufacturing	4,217,900	1.07%
Forestdale Station LP	Shopping Center	4,090,800	1.04%
Univar USA Inc	Distributor	3,169,984	0.81%
Kres LLC	Owner of Manufacturing Facility	2,794,819	0.71%
Viking Polymers LLC	Manufacturing	2,651,374	0.67%
Wrennovation Friendly LLC	Shopping Center	2,342,700	0.60%
Jamestown Village Association	Apartments	2,052,400	0.52%
Total		\$ 40,439,127	10.29%

Taxpayer	Type of Enterprise	Fiscal Year 2001	
		Assessed Valuation	Percent of Total Assessed Valuation
Flowers Baking Company of High Point	Manufacturing	\$ 8,479,737	3.06%
Highland Containers, Inc.	Manufacturing	5,850,480	2.11%
Wachovia Leasing Corporation	Financial Institution	5,135,271	1.85%
Oakdale Cotton Mills	Manufacturing	4,619,783	1.67%
Guilford Mills, Inc.	Manufacturing	4,006,895	1.45%
Kres LLC	Owner of Manufacturing Facility	1,928,837	0.70%
Jamestown Village Association	Apartments	1,752,000	0.63%
Yorkleigh Associates	Apartments	1,575,377	0.57%
Hunter Group, LLC	Commercial real estate	1,440,732	0.52%
Viking Polymers LLC	Manufacturing	1,300,012	0.47%
Total		\$ 36,089,124	13.02%

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				
2001	\$ 862,770	\$ 856,927	99.32%	\$ 4,220	\$ 861,147	99.81%	\$ 1,623
2002	\$ 892,620	\$ 888,317	99.52%	\$ 3,541	\$ 891,858	99.91%	\$ 762
2003	\$ 973,395	\$ 965,942	99.23%	\$ 6,739	\$ 972,681	99.93%	\$ 714
2004	\$ 1,056,212	\$ 1,048,009	99.22%	\$ 3,732	\$ 1,051,741	99.58%	\$ 4,471
2005	\$ 1,311,690	\$ 1,302,489	99.30%	\$ 7,487	\$ 1,309,976	99.87%	\$ 1,714
2006	\$ 1,333,819	\$ 1,327,939	99.56%	\$ 4,115	\$ 1,332,054	99.87%	\$ 1,765
2007	\$ 1,345,155	\$ 1,336,592	99.36%	\$ 7,024	\$ 1,343,616	99.89%	\$ 1,539
2008	\$ 1,370,713	\$ 1,362,443	99.40%	\$ 5,832	\$ 1,368,275	99.82%	\$ 2,438
2009	\$ 1,483,909	\$ 1,470,947	99.13%	\$ 7,918	\$ 1,478,865	99.66%	\$ 5,044
2010	\$ 1,454,621	\$ 1,442,492	99.17%	\$ -	\$ 1,442,492	99.17%	\$ 12,129

Source: Town of Jamestown audited financial statements and Guilford County Tax Department
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 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	Total Primary Government Debt	
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	165	0.13%	948,033	280	1,505,979	445
2009	345,595	101	0.09%	544,208	160	889,803	261
2010	217,084	NA	NA	-	-	217,084	NA (a)

(a) June 30, 2010 population is available in September 2011.

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

Fiscal Year	Assessed Valuation	Legal Debt Limit	Installment Debt
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
2009	402,427,008	32,194,161	345,595
2010	393,140,810	31,451,265	217,084

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

Fiscal Year	Jamestown Population (1)	Greensboro - High Point MSA Population (2)	Total Personal Income (2) (Thousands of Dollars)	Per Capita Income (2)	Unemployment Rate (3)	Guilford County Public School Enrollment (4)
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	5.2	69,677
2008	3,386	705,684	24,179,180	34,263	6.4	71,176
2009	3,410	714,765	24,516,207	34,300	12.1	71,464
2010	NA	NA	NA	NA	10.8	NA

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 2004-2009 for Greensboro-High Point MSA (as of June of the respective year)

(4) North Carolina Department of Public Instruction and Guilford County Schools.

NA Data is not available

TOWN OF JAMESTOWN, NORTH CAROLINA
Principal Employers For the Year
Fiscal Year Ended June 30, 2010

Table 14

Employer	Type of Enterprise	Number of Employees
Flowers Bakery	Manufacturing	> 100
Shannon Gray	Rehabilitation Center	> 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
Univar	Distributor	< 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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund:										
General Government	3	3	3	3	3	3	4	4	4	4
Public Services	5	5	3	2	2	2	1	1	1	1
Public Safety	1	2	2	0	0	0	0	0	0	0
Recreation	2	2	2	2	2	2	2	3	17	16
General Fund	11	12	10	7	7	7	7	8	22	21
Enterprise Fund:										
Water Sewer	7	9	10	9	9	9	8	9	9	8
Park	11	12	12	11	14	15	15	14	N/A	N/A
Enterprise Funds	18	21	22	20	23	24	23	23	9	8
City Total	29	33	32	27	30	31	30	31	31	29

Source: Town of Jamestown records.

This schedule includes only regular full-time employees.

(1) - Effective 7/1/08 the Park Fund became a Recreation Department within the General Fund.

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

Table 16

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Planning & Zoning:										
Development Clearance Certificates Issued	94	98	92	85	59	92	41	26	22	25
Zoning Code Violation Investigated	-	2	5	3	-	71	33	41	68	25
Zoning Cases Prepared	-	-	-	3	3	3	5	5	3	4
Site Plans Approved	-	-	-	-	-	-	7	3	5	2
Sign Permits Issued	6	8	10	9	21	16	22	15	24	29
Fence Permits Issued	NA	NA	NA	NA	NA	NA	NA	NA	NA	9
Home Occupation Permits Issued	NA	NA	NA	NA	NA	NA	NA	NA	NA	5
Public Works:										
Brush, Grass & Leaf Pick-Up (tons)	602	631	1,399 (4)	814	810	770	818	794	916	860
Residential & Commercial Garbage Pick-up (tons)	1,237	1,345	1,384	1,391	1,451	1,475	1,460	1,351	1,244	1,185
Recycling (tons)	185	176	185	183	220	230	189	222	245	253
Recreation:										
Baseball Field Usage (# games)	NA	NA	NA	NA	NA	NA	273	359	348	258 (5)
Soccer Field Usage (# games)	NA	NA	NA	NA	NA	NA	286	426	490	453
Utility System:										
Water Connections	2,205	2,270	2,309	2,355	2,378	2,415	2,503	2,178	2,217	2,221
Sewer Connections	NA	NA	NA	NA	NA	NA	4,354	4,652	4,627	4,844
Sewer Treatment (gallons)	NA	NA	NA	NA	NA	451,788,250	489,481,500	453,600,750	402,323,000	407,288,610
Park:										
Rounds of golf played - 18 holes	NA	NA	NA	NA	NA	15,988	21,679	23,194	21,046	19,826
Rounds of golf played - 9 holes	NA	NA	NA	NA	NA	15,181	8,506	9,288	8,985	8,931
Carts rented	NA	NA	NA	NA	NA	26,542	25,800	28,915	25,698	24,029

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

(5) Lights no longer available, so no night games

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

Table 17

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Administration:										
Municipal Buildings	1	1	1	1	1	1	1	1	1	1
Refuse Collection:										
Sanitation Trucks	2	3	3	3	3	3	3	3	3	3
Other Public Works:										
Streets (Miles-Paved)	15.54	15.95	16.04	16.13	16.13	16.13	16.38	16.38	16.31	16.29
Sidewalks (Linear Feet)	NA	NA	NA	NA	NA	30,279	32,024	33,165	33,165	33,165
Public Safety										
Fire Stations	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
Pro Shop	1	1	1	1	1	1	1	1	1	1
Tennis Courts	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	4	4	4	4	4	4
Playgrounds (1)	1	1	1	1	2	2	2	2	2	2
Picnic Shelters (1)	3	3	3	3	3	3	3	3	3	3
Utility System:										
Plant / Maintenance Building	1	1	1	1	1	1	1	1	1	1
Pump Stations	4	4	4	3	3	3	3	3	3	3
Water Mains (Miles)	NA	NA	NA	NA	NA	40	40	42	42	42
Sewer Mains (Miles)	NA	NA	NA	NA	NA	55	55	55	55	55
Park:										
Average 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 PLLC

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, 2010, which collectively comprise the Town of Jamestown's basic financial statements, and have issued our report thereon dated October 13, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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, others within the entity, members of the Town Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes PLLC

October 13, 2010