



Town of Jamestown, North Carolina
Comprehensive Annual Financial Report
For the fiscal year ended
June 30, 2012

TOWN OF JAMESTOWN, NORTH CAROLINA

***COMPREHENSIVE
ANNUAL
FINANCIAL REPORT***

For the Fiscal Year Ended June 30, 2012

*Prepared By
Finance Department*

*Finance Officer
Judy Gallman*



Town of Jamestown, North Carolina

COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS

Page No.

INTRODUCTORY SECTION

Letter of Transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting.....	viii
Organizational Chart.....	ix
List of Principal Officials.....	x

FINANCIAL SECTION

Report of Certified Public Accountants

Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3

Exhibit

Basic Financial Statements

<i>Government-Wide Financial Statements:</i>	
1	Statement of Net Assets..... 15
2	Statement of Activities..... 16
<i>Fund Financial Statements:</i>	
3	Balance Sheet - Governmental Funds..... 18
4	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds..... 19
4	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities..... 20
5	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund..... 21
6	Statement of Net Assets - Proprietary Funds..... 22
7	Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds..... 23
8	Statement of Cash Flows - Proprietary Funds..... 24
	Notes to Combined Financial Statements..... 25

Town of Jamestown, North Carolina

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (Continued)**

Page No.

Required Supplemental Financial Data

Other Postemployment Benefits – Schedule of Funding Progress	53
Other Postemployment Benefits – Schedule of Employer Contributions	54
Other Postemployment Benefits – Notes to the Required Schedules	54

Schedule

Combining and Individual Fund Statements and Schedules

1	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	56
2	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Capital Reserve Fund.....	59
3	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Projects Fund – Wrenn Miller Park	60
4	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP): Water and Sewer Fund	61
5	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP): Randleman Reservoir Capital Reserve Fund	62
6	Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP): Water and Sewer Capital Reserve Fund.....	63

Additional Financial Data

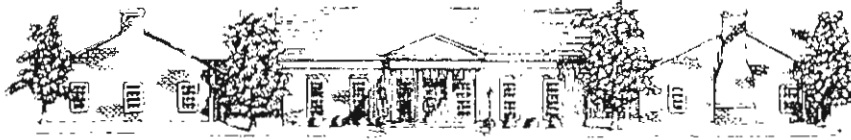
7	Schedule of Ad Valorem Taxes Receivable - General Fund	65
8	Analysis of Current Tax Levy - General Fund.....	66

Town of Jamestown, North Carolina

COMPREHENSIVE ANNUAL FINANCIAL REPORT TABLE OF CONTENTS (Continued)

<u>Table</u>		<u>Page No.</u>
	STATISTICAL SECTION	
	<i>Financial Trends</i>	
1	Net Assets by Component	69
2	Changes in Net Assets	71
3	Program Revenues by Function	72
4	Fund Balances, Governmental Funds	73
5	Changes in Fund Balances, Governmental Funds	74
	<i>Revenue Capacity</i>	
6	General Governmental Tax Revenues by Source	75
7	Assessed Value and Estimated Actual Value of Taxable Property	76
8	Property Tax Rates - Direct and Overlapping Governments	77
9	Principal Taxpayers for the Year	78
10	Property Tax Levies and Collections	79
	<i>Debt Capacity</i>	
11	Ratios of Outstanding Debt by Type	80
12	Computation of Legal Debt Margin and Actual Debt	81
	<i>Demographic and Economic Information</i>	
13	Demographic Statistics	82
14	Principal Employers for the Year	83
	<i>Operating Information</i>	
15	Full-Time City Government Employees by Function	84
16	Operating Indicators by Function	85
17	Capital Asset Statistics by Function/Program	86
	COMPLIANCE SECTION	
	Independent Auditors Report	89





Settled 1752
JAMESTOWN
NORTH CAROLINA

October 26, 2012

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, 2012.

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 Goodman LLP, a firm of licensed certified public accountants. Dixon Hughes Goodman LLP has issued an unqualified opinion on the Town of Jamestown's financial statements for the year ended June 30, 2012. 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 3,504.

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 (including a golf course), general administration, and others. In addition to these general government activities, the Town provides and maintains water and sewer utilities 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, General Capital Reserve Fund, Water and Sewer Fund, Randleman Reservoir Capital Reserve Fund, and Water and Sewer Capital Reserve 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

The 2010 Decennial Census data compilation has not been completed for towns of Jamestown's size at the time of the publication of this document. However, available information from the 2010 Census and the 2002 Economic Census provides us with a "snapshot" of the local economy in Jamestown.

According to the 2010 Census data, approximately 63% of the adult residents (16 years and older) of the Town of Jamestown are in the labor force. This is down from nearly 73% in 2000. Some of this reduction can be attributed to unemployment, but it is more likely that retirement is the leading cause in the reduction of residents in the labor force. Unemployment in the Town of Jamestown in 2010 was 4.2%, up from 2.5% in 2000. In June 2012, unemployment in Guilford County was 9.5%. Unemployment rates for the Greensboro Metropolitan Statistical Area (including Greensboro, High Point, and surrounding areas as a whole) were listed at 10.3%, reflecting the MSA's influence on the overall County unemployment rate numbers.

Most Jamestown residents 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 and around Guilford County. 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 due to more available jobs. Over 40% of Jamestown residents work in management or other professional occupations. According to the 2002 Economic Census, there are a total of 145 establishments with a total of 1,201 paid employees in Jamestown. The manufacturing sector accounts for 71% of the employment of these firms, and the wholesale trade sector accounts for 22%; these are the largest two employment sectors.

Long-term Financial Planning

The fund balance of the General Fund available for appropriation at fiscal year-end stood at 47.51% of the total expenditures incurred in the General Fund. This percentage, which exceeds the minimum of 8% set as a policy guideline by the Local Government Commission, increased from 21.78% for the previous fiscal year but is still less than the average percentage of 69.5% for other cities and towns within our population group. The Town adopted a minimum fund balance policy during the 2012 fiscal year, which calls for available fund balance to be equal to or greater than one-half of the average percentage for the Town's population group. The available fund balance currently exceeds this level.

Town Council has approved a formal Capital Improvement Plan for projects and equipment requested to implement long-range plans and growth objectives. While this Capital Improvement Plan includes plans for some funding of long-range projects, many of the projects are as yet unfunded. As a part of the budget process, the Town is now providing some funding to a General Capital Reserve Fund and also a Water and Sewer Capital Reserve Fund to begin to address funding for future capital needs. A capital project fund has also been established for construction of a downtown park, which will be financed in part by PARTF funds.

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

In June of 2012, Town Council approved the Town's updated Capital Improvement Program (CIP). It encourages the Town and the community to identify not only what

expenditures they wish and/or expect to make, but also to identify potential funding sources in order to more properly plan for the acquisition or construction of assets. The program is updated and revised on an annual basis to ensure previous projections are still on course. In so doing, the Town is always working on a prospective five-year detailed project schedule with projections of six to ten years out. The Town Council and citizens will benefit from this flexible financial planning tool while furthering Jamestown's financial security. In fiscal years 2011 and 2012, Town Council established a General Capital Reserve Fund and a Water and Sewer Capital Reserve Fund to begin saving for projects such as those listed in the CIP.

The Town applied for and received two separate Parks and Recreation Trust Fund (PARTF) grants to assist with the purchase and development of two lots located near Town Hall in the central business district. The 2007 Parks & Recreation Master Plan included a survey, which was sent to everyone in Jamestown who has a water billing account, asking for their input regarding parks and recreation facilities, needs, and desires. One of the "Top 5" priorities of the citizens of Jamestown was the addition of park lands and, in particular, smaller community park spaces. The Town completed the purchase in October 2009, and began the planning phase to develop the land into a downtown park to be called Wrenn-Miller Park. Town Council has allocated funding to begin work on the first phase of this project, and the Wrenn-Miller Capital Project Fund has been set up. Completion of the initial phase of construction is estimated to cost approximately \$260,000, half of which will be paid by the PARTF grant award received in 2012, which could include facilities such as open green space, picnic tables, walking trails, and game areas.

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 is a guide for needed renovation of course infrastructure at the Jamestown Park Golf Course. The first component approved by Town Council was the replacement of the park irrigation system, which began in December of 2010. Funding is being set aside in the General Capital Reserve Fund for future capital projects at Jamestown Park, of which greens complex replacement is a top consideration.

The Town contracted with an engineering consultant and requested the help of the North Carolina Rural Water Authority to assist town staff 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. This first phase of this project concluded in June 2010. Town staff is continuing to the second and final phase of this project through service contracts to perform close circuit televising of sewer pipe. This project is anticipated to be completed by the fall of 2012.

The town is a partner in the Randleman Reservoir project with the Piedmont Triad Regional Water Authority (PTRWA). This twenty-year project is now complete as the water treatment plant and transmission lines have been constructed. The Town's

partnership with PTWRA secures the Town's rights to water in the reservoir and agreements with the cities of High Point and Greensboro ensure the transmission of the water to Jamestown. The water treatment plant began pumping water to the county and municipal partnership in October of 2010.

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.

The North Carolina Department of Transportation (NCDOT) and the Town of Jamestown partnered to improve four crosswalks along Main St. and Guilford Rd. to make walking through Jamestown safer and more relaxing. Improvements included installing and upgrading pedestrian signals, wheelchair ramps and crosswalks.

As part of the Town's Capital Improvement Program (CIP), during the 2012 fiscal year, the Town upgraded water meters throughout Town with Automatic Meter Reading (AMR) equipment. The AMR technology allows for quicker, safer, and more frequent meter reading from a service truck driving in the vicinity of the meters.

Staff is currently working with NC DOT representatives with a proposed resurfacing project for West and East Main St., a state maintained roadway, to occur in the fall of 2012. In conjunction with the resurfacing, the Town has requested traffic calming devices be incorporated along the downtown section of roadway to aid in slowing traffic and better protect pedestrians. Traffic calming devices may include center refuge islands for pedestrians, restriping of lanes, configuring curb extensions at crosswalks, and medians.

Town staff requested contract approval from Town Council to replace the existing water line in Robbins Ave., and this was completed by June 2012. The project included upsizing the water main and replacing services and meters.

The Town uses Powell Bill funding from the State of North Carolina as its sole source of funding maintenance of public streets. Streets are prioritized based on need of repairs and continuity of paving in a responsible manner. The Powell Bill funds are used once every other year in a paving contract to ensure better cost control.

The existing Water and Sewer Maintenance Facility on Harvey Road has long been neglected and is in need of major improvements or replacement in the near future. One consideration may be to incorporate Golf Course Maintenance and Public Services into one building on the prior fairground property on East Fork Road. A detailed study is proposed for FY 2012-13 to assess needs for each department and determine which features can be used by both departments.

Construction of approximately 700 LF of 6" water main and abandon existing 1 1/2" water main (constructed ~1948) from Main Street to Brookdale Drive on Potter Drive is planned for the Fall of 2012.

Construction of approximately 1500 LF of 12" water main along the roadway shoulder of Vickrey Chapel Road to provide water service south of the proposed NCDOT U2412-B Bypass project is proposed for FY 2012-13. The installation will be done concurrently with the NCDOT project to facilitate construction methods and costs. Part of this extension will be to provide water service to the Millis Road area in addition to providing fire service. The line may be extended along Millis Road in the future to serve the Jamestown sites of the Koury Development.

Also planned for the fall of 2012 is a pipe re-lining project of an existing reinforced concrete outfall line beginning near the crossing at Oakdale Road and proceeding upstream through the Jamestown Oaks Subdivision toward the Bull Run Subdivision. The sections of pipe to be lined will include the entire outfall through Jamestown Oaks and other sections identified as needing repair based on the sewer system evaluation study.

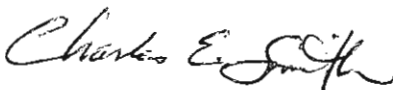
Awards and Acknowledgements

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, 2011. 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.

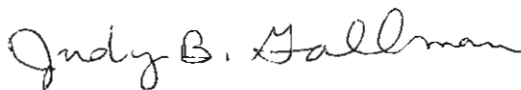
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,



Charles E. Smith, Jr.
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, 2011

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.



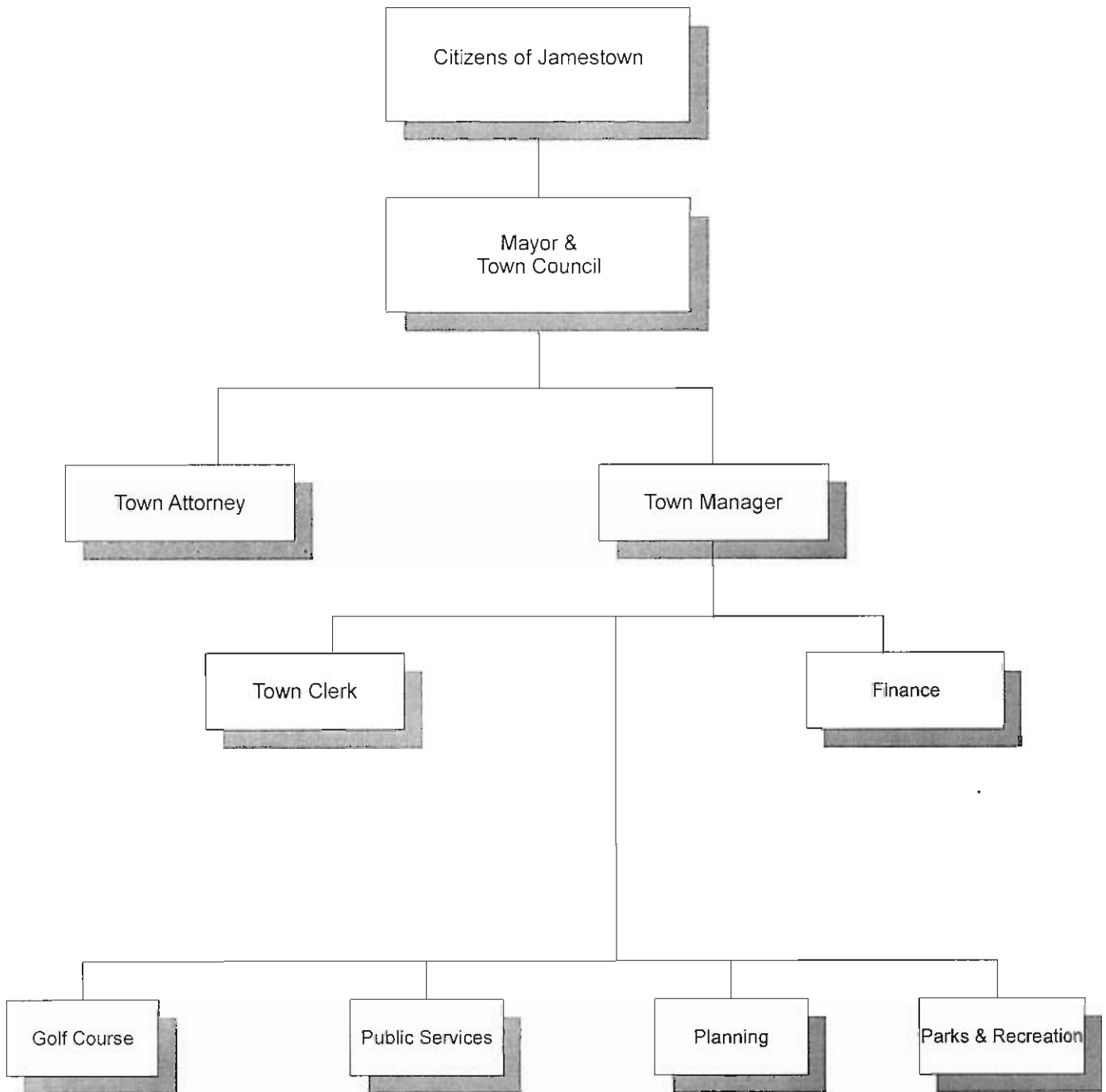
Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

Town of Jamestown, North Carolina
Organizational Chart
June 30, 2012



*TOWN OF JAMESTOWN, NORTH CAROLINA
List of Principal Officials
June 30, 2012*

MAYOR AND TOWN COUNCIL

Keith L. Volz, Mayor
Lynn Montgomery, Mayor Pro Tem
R. Brock Thomas, Council Member
Georgia Nixon-Roney, Council Member
Tommy Walls, Council Member

TOWN OFFICIALS

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



DIXON HUGHES GOODMAN^{LLP}
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, each major fund, and the aggregate remaining fund information of the Town of Jamestown, North Carolina, as of and for the year ended June 30, 2012, 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 an opinion 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, each major fund, and the aggregate remaining fund information of the Town of Jamestown as of June 30, 2012, 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 26, 2012 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Other Postemployment Benefits Schedules of Funding Progress and Schedules of Employer Contributions on pages 3 through 13, and 53 and 54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United State of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jamestown's basic financial statements. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund financial statements, budgetary schedules, and the other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion nor provide any assurance on them.

Dixon Hughes Goodman LLP

October 26, 2012

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, 2012. 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

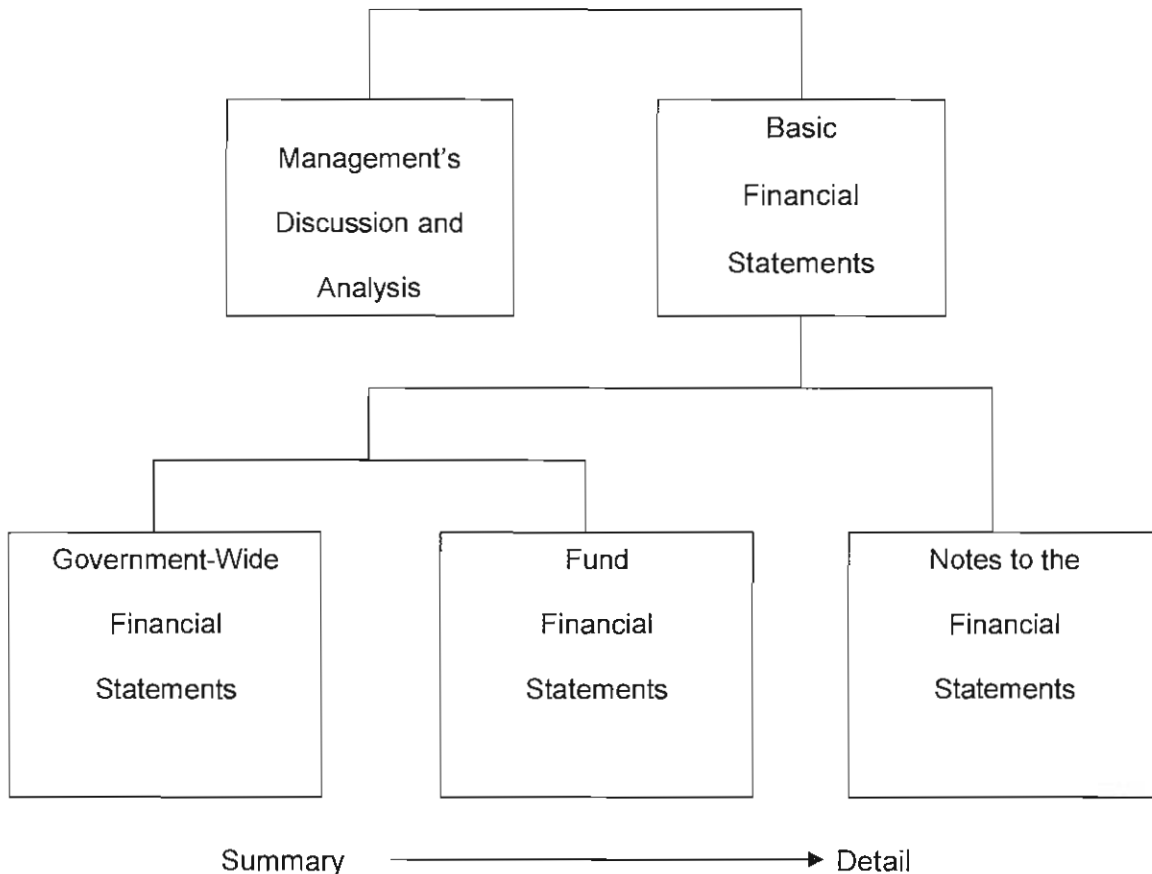
- The assets of the Town of Jamestown *exceeded* its liabilities at the close of the fiscal year by \$25,143,700 (*net assets*).
- The government's total net assets *increased* by \$69,492, due to an *increase* in the governmental net assets that was greater than the *decrease* in the business-type activities net assets.
- As of the close of the current fiscal year, the Town of Jamestown's governmental funds reported an ending fund balance of \$2,043,451, an *increase* of \$859,807 in fund balance. Approximately 28.59% of this total amount, or \$584,195, is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,327,782, or 37.58% of total general fund expenditures for the fiscal year.
- The Town of Jamestown's total installment purchase debt *decreased* by \$78,280 (59.98%) during the current fiscal year. The factor in this change is the payment of scheduled amounts on existing installment purchases.

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.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Jamestown's progress in funding postemployment benefits. Required supplementary information can be found beginning on page 52 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	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 2,507,820	\$ 1,467,596	\$ 5,313,161	\$ 5,620,419	\$ 7,820,981	\$ 7,088,015
Capital assets	6,397,659	6,638,928	13,691,460	14,030,649	20,089,119	20,669,577
Total assets	<u>8,905,479</u>	<u>8,106,524</u>	<u>19,004,621</u>	<u>19,651,068</u>	<u>27,910,100</u>	<u>27,757,592</u>
Long-term liabilities outstanding	69,473	125,581	1,905,393	1,947,970	1,974,866	2,073,551
Other liabilities	505,026	357,022	286,508	252,811	791,534	609,833
Total liabilities	<u>574,499</u>	<u>482,603</u>	<u>2,191,901</u>	<u>2,200,781</u>	<u>2,766,400</u>	<u>2,683,384</u>
Net assets:						
Invested in capital assets, net of related debt	6,345,439	6,508,428	11,703,446	12,013,654	18,048,885	18,522,082
Restricted	649,642	532,050	-	-	649,642	532,050
Unrestricted	1,335,899	583,443	5,109,274	5,436,633	6,445,173	6,020,076
Total net assets	<u>\$ 8,330,980</u>	<u>\$ 7,623,921</u>	<u>\$ 16,812,720</u>	<u>\$ 17,450,287</u>	<u>\$ 25,143,700</u>	<u>\$ 25,074,208</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 \$25,143,700 as of June 30, 2012. The Town's net assets *increased* by \$69,492 for the fiscal year ended June 30, 2012. However, a portion (71.78%) 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, \$649,642, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,445,173 is unrestricted.

Management's Discussion and Analysis

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

- A decrease in ad valorem tax revenues, although collections of property taxes at 97.13%, still exceeds the statewide average of 97.07%.
- A decrease in investment income.
- A one-time transfer of funds from the Water and Sewer Fund to the General Fund, which represented a forgiveness of an advance made in the prior year.
- An increase in golf operations revenues.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 1,118,350	\$ 840,309	\$ 2,859,258	\$ 2,986,626	\$ 3,977,608	\$ 3,826,935
Operating grants and contributions	207,000	372,600	-	-	207,000	372,600
General revenues:						
Property taxes	1,548,994	1,569,856	-	-	1,548,994	1,569,856
Other taxes	776,492	769,000	-	-	776,492	769,000
Other	10,908	5,425	21,250	35,389	32,158	40,814
Total revenues	<u>3,661,744</u>	<u>3,557,190</u>	<u>2,880,508</u>	<u>3,022,015</u>	<u>6,542,252</u>	<u>6,579,205</u>
Expenses:						
General government	812,198	608,783	-	-	812,198	608,783
Public services	586,360	431,205	-	-	586,360	431,205
Public safety	792,242	750,380	-	-	792,242	750,380
Recreation	1,518,271	1,721,506	-	-	1,518,271	1,721,506
Interest on long-term debt	4,040	7,954	-	-	4,040	-
Water and sewer	-	-	2,759,649	2,254,696	2,759,649	2,254,696
Total expenses	<u>3,713,111</u>	<u>3,519,828</u>	<u>2,759,649</u>	<u>2,254,696</u>	<u>6,472,760</u>	<u>5,774,524</u>
Increase (decrease) in net assets before transfers	(51,367)	37,362	120,859	767,319	69,492	804,681
Transfers	758,426	-	(758,426)	-	-	-
Increase (decrease) in net assets	707,059	37,362	(637,567)	767,319	69,492	804,681
Net assets, July 1	7,623,921	7,586,559	17,450,287	16,682,968	25,074,208	24,269,527
Net assets, June 30	<u>\$ 8,330,980</u>	<u>\$ 7,623,921</u>	<u>\$ 16,812,720</u>	<u>\$ 17,450,287</u>	<u>\$ 25,143,700</u>	<u>\$ 25,074,208</u>

Management's Discussion and Analysis

Governmental Activities. Governmental activities before transfers decreased the Town's net assets by \$51,367. Revenues (mainly in the recreation function) increased but expenditures also increased at a slightly higher rate. However, after a one-time transfer of \$758,426 from the Water and Sewer Fund, net assets of the governmental activities increased by \$707,059.

Business-Type Activities: Business-type activities before transfers increased the Town of Jamestown's net assets by \$120,859, but declined from an increase in net assets of \$767,319 in the previous year. This decline is due to decreased revenues from the previous fiscal year revenues by approximately 4.3% (due to a decrease in water and sewer usage) and higher expenditures by approximately 20%. A new radio-read meter system accounts for the higher level of expenditures in the current fiscal year. After a one-time transfer of \$758,426 to the General Fund, the net assets of the business-type activities decreased by \$637,567.

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, fund balance available for appropriation 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, Town of Jamestown's fund balance available in the General Fund was \$1,701,519, while total fund balance was \$2,011,229. The Town Council of the Town of Jamestown has determined that the Town should maintain an available fund balance equal to or greater than 50% of its population group average available fund balance. Currently the Town of Jamestown has an available fund balance of 47.51% of total General Fund expenditures, while total fund balance represents 56.92% of total General Fund expenditures. The Town's population group average available fund balance is currently 69.50%.

At June 30, 2012, the governmental funds of the Town of Jamestown reported a combined fund balance of \$2,043,451, with a net increase in fund balance of \$859,807. Included in this change in fund balance are increases in the General Fund, the General Capital Reserve Fund and the Wrenn-Miller Capital Project Fund. The increase is primarily due to a transfer from the Water and Sewer Fund to the General Fund.

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

Management's Discussion and Analysis

Budget amendments were made to increase both restricted intergovernmental revenues and public services expenditures due to awarding of grants; however the projects under these grants were not completed by the end of the fiscal year, so the revenues and expenditures were less than the budgeted amounts. Investment income and property tax collections were also much less than anticipated. Expenditures were held in check to comply with its budgetary requirements. Budgets for a transfer from the General Capital Reserve Fund back to the General Fund, and for repayment of an advance from the Water and Sewer Fund to the General Fund were deleted due to forgiveness of the advance repayment by the Water and Sewer Fund.

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 \$5,109,274. The Water and Sewer Fund had a decrease of \$637,567 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, 2012, totals \$20,089,119 (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.

Capital asset transactions during the year include the following additions:

- Purchase of skid steer and attachments in the amount of \$45,356, and a scanner for \$8,700.
- Water line improvements in the amount of \$89,281 and design work on new water lines in the amount of \$25,048.
- Additions to intangible assets of \$13,308.
- Survey and land clearing at the future Wrenn-Miller Park of \$3,781.

Management's Discussion and Analysis

Town of Jamestown's Capital Assets Figure 4

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Water rights	\$ -	\$ -	\$ 3,686,841	\$ 3,758,758	\$ 3,686,841	\$ 3,758,758
Wastewater treatment rights	-	-	2,788,575	2,895,856	2,788,575	2,895,856
Land	2,131,740	2,131,740	-	-	2,131,740	2,131,740
Buildings and systems	2,045,809	2,127,749	14,372	16,112	2,060,181	2,143,861
Improvements other than buildings	997,676	1,073,470	-	-	997,676	1,073,470
Machinery, vehicles, and equipment	219,725	296,014	362,025	398,592	581,750	694,606
Infrastructure	143,104	154,131	6,807,460	6,950,894	6,950,564	7,105,025
Construction-in-progress	859,605	855,824	32,187	10,437	891,792	866,261
Total	\$ 6,397,659	\$ 6,638,928	\$ 13,691,460	\$ 14,030,649	\$ 20,089,119	\$ 20,669,577

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

Management's Discussion and Analysis

Town of Jamestown's Outstanding Debt Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Installment purchases	\$ 52,220	\$ 130,500	\$ -	\$ -	\$ 52,220	\$ 130,500
Total	\$ 52,220	\$ 130,500	\$ -	\$ -	\$ 52,220	\$ 130,500

The Town of Jamestown's total debt decreased by \$78,280 (59.98 %) during the past fiscal year, due to the payment of scheduled amounts to existing installment purchases.

Long-Term Debt. As of June 30, 2012, 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 \$31,708,308. The Town has no bonds authorized but un-issued at June 30, 2012. Additional information regarding the Town of Jamestown's commitments and long-term obligations can be found in Note 2 beginning on page 46 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 3,504.
- The per capita income for the Greensboro-High Point Metropolitan Statistical Area is \$34,296, and the unemployment rate is 10.3%.
- 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 downtown park and work was begun in the current fiscal year. A PARTF grant for construction of this park was awarded in August 2012, in the amount of \$132,688.
- Jamestown continues to financially support the local non-profit associations, such as the YMCA, the Jamestown Public Library, the Historic Society, and Jamestown Youth League.

Management's Discussion and Analysis

Budget Highlights for the Fiscal Year Ending June 30, 2013

Governmental Activities: The property tax rate increased to \$.395 per \$100 valuation, in order to remain revenue-neutral after a property tax revaluation. Property tax and interest collections are estimated to bring in a projected \$1,547,000 in revenues. The Town continues to fund the General Capital Reserve Fund for future capital needs with \$.02 of the tax rate and a lump sum of \$64,000. Jamestown's share of sales tax revenue is projected to be \$374,000. County reimbursement for Gibson Park operating expenses of \$184,380 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 \$109,000 in revenues. All fees remain at the same level.

Budgeted expenditures in the General Fund are expected to decrease approximately 3.9% to 3,732,278. The Town continues to fund several grants to local non-profit organizations, and this will account for 3.4% 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, animal control services, and tax billing and collection services with Guilford County.

Business - Type Activities: An increase of approximately 3% has been budgeted in water and sewer rates. New construction tap fees are estimated to generate \$10,000 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 Piedmont Triad Regional Water Authority and the City of High Point for the purchase of water. Capital projects planned include various water and sewer projects. A Water and Sewer Capital Reserve Fund was established to save for future water and sewer capital needs. This will be funded by a transfer from the Water and Sewer Fund equal each year to the amount of depreciation expense from the previous year.

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, or visit our website, www.jamestown-nc.gov.



TOWN OF JAMESTOWN, NORTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2012

Exhibit 1

ASSETS	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Current assets:			
Cash and cash equivalents	\$ 1,795,112	\$ 4,775,840	\$ 6,570,952
Receivables:			
Taxes receivable, net	39,811	-	39,811
Accrued interest receivable	7,050	14,314	21,364
Accounts receivable, net	60,606	222,345	282,951
Due from other governments	200,877	262,020	462,897
Inventories	34,703	-	34,703
Prepaid items	13,524	6,821	20,345
Restricted cash and cash equivalents	356,137	31,821	387,958
Total current assets	2,507,820	5,313,161	7,820,981
Capital assets:			
Water rights	-	3,686,841	3,686,841
Wastewater treatment rights, net	-	2,788,575	2,788,575
Land and other nondepreciable assets	2,991,345	32,187	3,023,532
Other capital assets, net of depreciation	3,406,314	7,183,857	10,590,171
Total capital assets	6,397,659	13,691,460	20,089,119
Total assets	\$ 8,905,479	\$ 19,004,621	\$ 27,910,100
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 355,773	\$ 126,243	\$ 482,016
Accrued interest payable	298	6,373	6,671
Customer deposits	200	31,821	32,021
Gift cards outstanding	14,747	-	14,747
Loyalty rewards to be redeemed	32,548	-	32,548
Unearned revenues	14,240	-	14,240
Current portion of long-term liabilities	87,220	122,071	209,291
Total current liabilities	505,026	286,508	791,534
Long-term liabilities:			
Due in more than one year	69,473	1,905,393	1,974,866
Total liabilities	574,499	2,191,901	2,766,400
NET ASSETS			
Invested in capital assets, net of related debt	6,345,439	11,703,446	18,048,885
Restricted for:			
Capital projects	113,674	-	113,674
Stabilization by State Statute	261,483	-	261,483
Public services	274,485	-	274,485
Unrestricted	1,335,899	5,109,274	6,445,173
Total net assets	\$ 8,330,980	\$ 16,812,720	\$ 25,143,700

The accompanying notes are an integral part of this statement.

TOWN OF JAMESTOWN, NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 812,198	\$ 9,196	\$ -	\$ -
Public services	586,360	109,419	131,939	-
Public safety	792,242	-	-	-
Recreation	1,518,271	999,735	75,061	-
Interest on long-term debt	4,040	-	-	-
Total governmental activities	<u>3,713,111</u>	<u>1,118,350</u>	<u>207,000</u>	<u>-</u>
Business-type activities:				
Water and sewer	<u>2,759,649</u>	<u>2,859,258</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 6,472,760</u>	<u>\$ 3,977,608</u>	<u>\$ 207,000</u>	<u>\$ -</u>

General revenues:

- Taxes:
 - Property taxes, levied for general purposes
 - Other taxes
- Investment income, unrestricted
- Miscellaneous
- Transfers

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

<u>Net Revenue (Expense) and Changes in Net Assets</u>		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (803,002)	\$ -	\$ (803,002)
(345,002)	-	(345,002)
(792,242)	-	(792,242)
(443,475)	-	(443,475)
(4,040)	-	(4,040)
<u>(2,387,761)</u>	<u>-</u>	<u>(2,387,761)</u>
-	99,609	99,609
<u>(2,387,761)</u>	<u>99,609</u>	<u>(2,288,152)</u>
1,548,994	-	1,548,994
776,492	-	776,492
8,706	21,250	29,956
2,202	-	2,202
<u>758,426</u>	<u>(758,426)</u>	<u>-</u>
<u>3,094,820</u>	<u>(737,176)</u>	<u>2,357,644</u>
707,059	(637,567)	69,492
<u>7,623,921</u>	<u>17,450,287</u>	<u>25,074,208</u>
<u>\$ 8,330,980</u>	<u>\$ 16,812,720</u>	<u>\$ 25,143,700</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2012

Exhibit 3

	Major Fund	Non-Major Fund	Total
	General Fund	Wrenn Miller Capital Project Fund	Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,762,890	\$ 32,222	\$ 1,795,112
Restricted cash	356,137	-	356,137
Taxes receivable, net	39,811	-	39,811
Accounts receivable	60,606	-	60,606
Due from other governments	200,877	-	200,877
Inventories	34,703	-	34,703
Prepaid items	13,524	-	13,524
	<u>\$ 2,468,548</u>	<u>\$ 32,222</u>	<u>\$ 2,500,770</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 355,773	\$ -	\$ 355,773
Customer deposits	200	-	200
Gift cards outstanding	14,747	-	14,747
Loyalty rewards to be redeemed	32,548	-	32,548
Deferred revenues	54,051	-	54,051
	<u>457,319</u>	<u>-</u>	<u>457,319</u>
Fund balances:			
Nonspendable:			
Inventories	34,703	-	34,703
Prepaid items	13,524	-	13,524
Restricted:			
Stabilization by State Statute	261,483	-	261,483
Streets	274,485	-	274,485
Committed:			
Capital projects	81,452	-	81,452
Assigned:			
Recreation	-	32,222	32,222
Subsequent year's expenditures	17,800	-	17,800
Unassigned	1,327,782	-	1,327,782
	<u>2,011,229</u>	<u>32,222</u>	<u>2,043,451</u>
Total fund balances	<u>2,011,229</u>	<u>32,222</u>	<u>2,043,451</u>
Total liabilities and fund balances	<u>\$ 2,468,548</u>	<u>\$ 32,222</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.	6,397,659
Other assets (interest receivable) are not available to pay for current expenditures and therefore are deferred in the funds.	7,050
Liabilities for earned but deferred revenues (property taxes receivable) in fund statements.	39,811
Some liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Installment purchases payable	\$ 52,220
Other postemployment benefits	24,790
Compensated absences payable	79,683
Accrued interest payable	298
	<u>(156,991)</u>
Net Assets of Governmental Activities	<u>\$ 8,330,980</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, 2012

Exhibit 4

	Major Fund	Non-Major Fund	Total
	General Fund	Wrenn Miller Capital Project Fund	Governmental Funds
Revenues:			
Ad valorem taxes	\$ 1,537,721	\$ -	\$ 1,537,721
Unrestricted intergovernmental	910,822	-	910,822
Restricted intergovernmental	184,362	-	184,362
Permits and fees	986,347	-	986,347
Investment income	4,770	3	4,773
Miscellaneous	21,013	-	21,013
Total revenues	3,645,035	3	3,645,038
Expenditures:			
Current:			
General government	772,502	-	772,502
Public services	515,389	-	515,389
Public safety	765,714	-	765,714
Recreation	1,396,903	-	1,396,903
Debt Service:			
Principal	78,281	-	78,281
Interest	4,545	-	4,545
Capital outlay	-	3,781	3,781
Total expenditures	3,533,334	3,781	3,537,115
Excess (deficiency) of revenues over expenditures	111,701	(3,778)	107,923
Other financing sources and (uses):			
Sale of capital assets	1,500	-	1,500
Insurance recovery	4,153	-	4,153
Payment of interest on advance from Water & Sewer Fund	(12,195)	-	(12,195)
Transfer from other funds	758,426	36,000	794,426
Transfer to other funds	(36,000)	-	(36,000)
Total other financing sources and (uses)	715,884	36,000	751,664
Net change in fund balances	827,585	32,222	659,807
Fund balances at beginning of year	1,200,173	-	1,200,173
Change in reserve for inventories	(16,529)	-	(16,529)
Fund balances at end of year	\$ 2,011,229	\$ 32,222	\$ 2,043,451

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, 2012**

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	\$	859,807
Change in fund balance due to change in reserve for inventory		(16,529)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$242,822) exceeded capital outlay (\$3,781) in the current period.	(239,041)
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The net effect of various miscellaneous transactions involving capital assets is to decrease net assets.	(2,228)
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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	11,273
Change in accrued investment interest	3,933

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	78,280

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	506
Change in accrued interest payable to other fund	12,195
Change in other postemployment benefits	(3,961)
Compensated absences	2,824

Changes in net assets of governmental activities	\$	707,059
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The accompanying notes are an integral part of this statement.

TOWN OF JAMESTOWN, NORTH CAROLINA
GENERAL FUND AND ANNUALLY BUDGETED GENERAL CAPITAL RESERVE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2012

Exhibit 5

	Budgeted Amounts		Actual Amounts	Variance With Final
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 1,553,500	\$ 1,553,500	\$ 1,537,721	\$ (15,779)
Unrestricted intergovernmental	909,680	898,980	910,822	11,842
Restricted intergovernmental	91,000	211,140	184,362	(26,778)
Services and fees	999,300	999,330	986,347	(12,983)
Investment income	10,000	10,000	4,717	(5,283)
Miscellaneous	3,530	23,560	21,013	(2,547)
Total revenues	<u>3,567,010</u>	<u>3,696,510</u>	<u>3,644,982</u>	<u>(51,528)</u>
Expenditures:				
Current:				
General government	757,045	815,045	772,502	42,543
Public services	557,420	633,160	515,389	117,771
Public safety	796,900	800,900	765,714	35,186
Recreation	1,497,145	1,505,349	1,396,903	108,446
Debt service	83,500	83,500	82,826	674
Total expenditures	<u>3,692,010</u>	<u>3,837,954</u>	<u>3,533,334</u>	<u>304,620</u>
Revenues over (under) expenditures	<u>(125,000)</u>	<u>(141,444)</u>	<u>111,648</u>	<u>253,092</u>
Other financing sources (uses):				
Sale of capital assets	-	-	1,500	1,500
Insurance recovery	-	4,153	4,153	-
Repayment of principal to Water & Sewer Fund	(43,250)	-	-	-
Payment of interest on advance from W & S	(33,750)	(12,195)	(12,195)	-
Transfer from Water & Sewer Fund	-	12,195	758,426	746,231
Transfer from General Capital Reserve Fund	77,000	-	-	-
Transfer to General Capital Reserve Fund	(115,000)	(115,000)	(114,854)	146
Total other financing sources (uses)	<u>(115,000)</u>	<u>(110,847)</u>	<u>637,030</u>	<u>747,877</u>
Fund balance appropriated	<u>240,000</u>	<u>252,291</u>	<u>-</u>	<u>(252,291)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>748,678</u>	<u>\$ 748,678</u>
Fund balance at beginning of year			1,197,628	
Change in reserve for inventories			<u>(16,529)</u>	
Fund balance at end of year			<u>\$ 1,929,777</u>	
A legally budgeted General Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Interest income			53	
Transfer from General Fund			114,854	
Transfer to Wrenn Miller Capital Project Fund			(36,000)	
Fund Balance, Beginning			2,545	
Fund Balance, Ending (Exhibit 4)			<u>\$ 2,011,229</u>	

The accompanying notes are an integral part of this statement.

TOWN OF JAMESTOWN, NORTH CAROLINA
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
June 30, 2012

Exhibit 6

	<u>Enterprise Funds</u>
	<u>Major</u>
	<u>Water and</u>
	<u>Sewer</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,775,840
Accrued interest receivable	14,314
Accounts receivable, net	152,672
Accounts receivable - unbilled	69,673
Due from other governments	262,020
Prepaid items	6,821
Restricted cash and cash equivalents	31,821
Total current assets	5,313,161
Capital assets:	
Water rights, net	3,686,841
Wastewater treatment rights, net	2,788,575
Land and other nondepreciable assets	32,187
Other capital assets, net of depreciation	7,183,857
Total capital assets	13,691,460
Total assets	\$ 19,004,621
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 126,243
Accrued interest payable	6,373
Customer deposits	31,821
Compensated absences, current	10,000
Current portion of amount owed on Odor Control project	21,031
Current portion of amount owed to PTRWA	91,040
Total current liabilities	286,508
Noncurrent liabilities:	
Noncurrent portion of amount owed on Odor Control project	341,762
Noncurrent portion of amount owed to PTRWA	1,534,181
OPEB liability	8,263
Compensated absences	21,187
Total noncurrent liabilities	1,905,393
Total liabilities	2,191,901
Net assets:	
Invested in capital assets, net of related debt	11,703,446
Unrestricted	5,109,274
Total net assets	\$ 16,812,720

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, 2012**

Exhibit 7

	<u>Enterprise Funds</u>
	<u>Major</u>
	<u>Water and Sewer</u>
Operating revenues:	
Charges for sales and services	\$ 2,838,304
Other operating revenues	20,954
Total operating revenues	2,859,258
Operating expenses:	
Salaries and employee benefits	538,560
Professional services	9,250
Contracted services	79,383
Contractual payment for wastewater treatment	518,049
Supplies and materials	496,600
Purchase of water	247,583
Repairs and maintenance	140,384
Other operating expenditures	73,243
Depreciation and amortization	520,882
Total operating expenses	2,623,934
Operating income	235,324
Nonoperating revenues (expenses):	
Payments to PTRWA	(25,664)
Refinancing expense	(55,619)
Investment income	21,250
Interest expense	(54,432)
Total nonoperating revenues (expenses)	(114,465)
Income before transfers	120,859
Transfer to other funds	(758,426)
Change in net assets	(637,567)
Total net assets, beginning	17,450,287
Total net assets, ending	\$ 16,812,720

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, 2012

Exhibit 8

	Enterprise Funds
	Major
	Water and Sewer
Cash flows from operating activities:	
Cash received from customers	\$ 2,856,173
Cash paid for goods and services	(1,497,043)
Cash paid to employees for services	(538,522)
Customer deposits refunded	(7,892)
Customer deposits received	13,222
Other operating revenues	20,954
Net cash provided by operating activities	846,892
Cash flows from noncapital financing activities:	
Payment to Piedmont Triad Regional Water Authority	(25,664)
Transfer to other funds	(12,195)
Net cash used by noncapital financing activities	(37,859)
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(181,693)
Principal and interest payments on long-term amounts owed to PTRWA	(134,899)
Principal and interest payments on long-term amounts owed for Odor Control	(21,768)
Net cash used by capital and related financing activities	(338,360)
Cash flows from investing activities:	
Interest and dividends	24,311
Net cash provided by investing activities	24,311
Net increase in cash and cash equivalents	494,984
Cash and cash equivalents at beginning of year	4,312,677
Cash and cash equivalents at end of year	\$ 4,807,661
Reconciliation of cash and cash equivalents at end of year:	
Cash and cash equivalents	\$ 4,775,840
Restricted cash and cash equivalents	31,821
	\$ 4,807,661
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 235,324
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	520,882
Change in assets and liabilities:	
Decrease in accounts receivable	53,439
Increase in prepaid items	(489)
Increase in accounts payable and accrued liabilities	28,531
Increase in customer deposits	5,330
Increase in compensated absences	2,555
Increase in OPEB liability	1,320
Net cash provided by operating activities	\$ 846,892
Noncash investing, capital, and financing activities:	
Increase in commitment to PTRWA - refinancing expense	\$ 55,619

The accompanying notes are an integral part of this statement.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

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. 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.

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, 2012

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. Additionally, the Town has legally adopted a General Capital Reserve Fund. Under GASB 54 guidance the General Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the General Capital Reserve Fund has been included in the supplemental information.

The Town reports the following non-major governmental fund:

Wrenn-Miller Capital Project Fund – This fund is used to account for the construction of a new downtown park.

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. The Water and Sewer Capital Reserve Fund and the Randleman Reservoir Capital Reserve Fund are consolidated in the Water and Sewer Fund. The budgetary comparisons for the Water and Sewer Capital Reserve Fund and the Randleman Reservoir Capital Reserve Fund have been included in the supplemental information.

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. Non-exchange 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.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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.

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 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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.

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.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

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.

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. Monies in the General Capital Reserve Fund, the Wrenn-Miller Capital Project Fund, the Water and Sewer Capital Reserve Fund and the Randleman Reservoir Capital Reserve Fund are also classified as restricted because their use is restricted for capital purposes per resolutions of the Town Council. Powell Bill funds are classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

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, 2011. 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.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

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.

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.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

	<u>Useful Life</u>
Wastewater treatment rights, water 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.

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.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

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, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepaid items – portion of fund balance that is not an available resource because it represents the year-end balance of costs applicable to future accounting periods, which are not spendable resources.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute (G.S. 159-8(a)).

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Jamestown's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

Committed for capital projects – portion of fund balance assigned by the Council for future capital projects.

Assigned Fund Balance – portion of fund balance that Town of Jamestown intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource of appropriation within funds up to \$25,000.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of Jamestown has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town of Jamestown has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 50% of its population group average available fund balance.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

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, 2012, the Town's deposits had a carrying amount of \$5,267,804, and a bank balance of \$5,563,295. Of the bank balance, \$665,495 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, 2012.

2. Investments

At June 30, 2012, the Town of Jamestown had \$1,690,006 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, 2012

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

3. Receivables

Receivables at the government-wide level at June 30, 2012 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	\$ 61,021	\$ 63,511	\$ 200,877	\$ 325,409	\$ 7,050
Allowance for doubtful accounts	<u>(415)</u>	<u>(23,700)</u>	<u>-</u>	<u>(24,115)</u>	<u>-</u>
Total governmental activities	<u>\$ 60,606</u>	<u>\$ 39,811</u>	<u>\$ 200,877</u>	<u>\$ 301,294</u>	<u>\$ 7,050</u>
Business-type activities:					
Water and Sewer	\$ 230,624	\$ -	\$ 262,020	\$ 492,644	\$ 14,314
Allowance for doubtful accounts	<u>(8,279)</u>	<u>-</u>	<u>-</u>	<u>(8,279)</u>	<u>-</u>
Total business-type activities	<u>\$ 222,345</u>	<u>\$ -</u>	<u>\$ 262,020</u>	<u>\$ 484,365</u>	<u>\$ 14,314</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	\$ -	\$ 87,631	\$ 87,631
Reimbursement from NCDOT		7,056	7,056
Gibson Park reimbursement	51,493	-	51,493
Sales tax refunds	<u>-</u>	<u>54,697</u>	<u>54,697</u>
	<u>\$ 51,493</u>	<u>\$ 149,384</u>	<u>\$ 200,877</u>
Water and Sewer Fund			
Adams Farm sewer	\$ 261,184	\$ -	\$ 261,184
Sales tax refunds	<u>-</u>	<u>836</u>	<u>836</u>
	<u>\$ 261,184</u>	<u>\$ 836</u>	<u>\$ 262,020</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

5. Capital Assets

Capital asset activity for the year ended June 30, 2012 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	\$ 2,131,740	\$ -	\$ -	\$ 2,131,740
Construction-in-progress	<u>855,824</u>	<u>3,781</u>	<u>-</u>	<u>859,605</u>
Total capital assets not being depreciated	<u>2,987,564</u>	<u>\$ 3,781</u>	<u>\$ -</u>	<u>2,991,345</u>
Capital assets being depreciated:				
Land improvements	3,007,138	\$ -	\$ -	3,007,138
Infrastructure – roads	165,400	-	-	165,400
Buildings	3,549,585	-	-	3,549,585
Equipment and vehicles	<u>1,402,945</u>	<u>-</u>	<u>(48,164)</u>	<u>1,354,781</u>
Total capital assets being depreciated	<u>8,125,068</u>	<u>\$ -</u>	<u>\$ (48,164)</u>	<u>8,076,904</u>
Less accumulated depreciation for:				
Land improvements	1,933,668	\$ 75,794	\$ -	2,009,462
Infrastructure – roads	11,269	11,027	-	22,296
Buildings	1,421,836	81,940	-	1,503,776
Equipment and vehicles	<u>1,106,931</u>	<u>74,061</u>	<u>(45,936)</u>	<u>1,135,056</u>
Total accumulated depreciation	<u>4,473,704</u>	<u>\$ 242,822</u>	<u>\$ (45,936)</u>	<u>4,670,590</u>
Total capital assets being depreciated, net	<u>3,651,364</u>			<u>3,406,314</u>
Governmental activity capital assets, net	<u>\$ 6,638,928</u>			<u>\$ 6,397,659</u>

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

General government	\$ 34,211
Public services	68,898
Public safety	26,528
Culture and Recreation	<u>113,185</u>
	<u>\$242,822</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

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:				
Construction-in-progress	\$ 10,437	\$ 114,329	\$ (92,579)	\$ 32,187
Capital assets being amortized or depreciated:				
Water rights - Reservoir	2,227,921	13,308	-	2,241,229
Water rights - WTP and lines	1,615,790	-	-	1,615,790
Wastewater treatment rights	3,450,000	-	-	3,450,000
Wastewater treatment rights - Odor Control	420,630	-	-	420,630
Infrastructure - distribution systems	11,306,696	92,579	-	11,399,275
Buildings	109,493	-	-	109,493
Equipment	<u>1,109,635</u>	<u>54,056</u>	<u>-</u>	<u>1,163,691</u>
Total capital assets being amortized or depreciated	<u>20,240,165</u>	<u>159,943</u>	<u>-</u>	<u>20,400,108</u>
Less accumulated amortization or depreciation for:				
Water rights - Reservoir	44,558	44,830	-	89,388
Water rights - WTP and lines	40,395	40,395	-	80,790
Wastewater treatment rights	937,969	86,250	-	1,024,219
Wastewater treatment rights - Odor Control	36,805	21,031	-	57,836
Infrastructure - distribution systems	4,355,802	236,013	-	4,591,815
Buildings	93,381	1,740	-	95,121
Equipment	<u>711,043</u>	<u>90,623</u>	<u>-</u>	<u>801,666</u>
Total accumulated amortization and depreciation	<u>6,219,953</u>	<u>\$ 520,882</u>	<u>\$ -</u>	<u>6,740,835</u>
Total capital assets being amortized or depreciated, net	<u>14,020,212</u>			<u>13,659,273</u>
Business-type activities capital assets, net	<u>\$ 14,030,649</u>			<u>\$ 13,691,460</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

6. Intangible Assets

Intangible assets at June 30, 2012, consisted of the following:

Water Rights

The Town, in conjunction with five other governments, entered into a joint governmental agreement with the Piedmont Triad Regional Water Authority (PTRWA). PTRWA was established to construct a dam facility, water treatment plant and related distribution lines. 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. The participating governments have the right to purchase future treated water based upon their pre-determined share, according to a uniform rate structure set by PTRWA. Accordingly, intangible assets have been recorded at cost in the government-wide financial statements at June 30, 2012. An intangible asset for the Town's portion of the dam and reservoir cost, in the amount of \$2,241,229, is being amortized over 50 years using the straight-line method. An intangible asset for the Town's portion of the water treatment plant and distribution lines cost, in the amount of \$1,615,790, is being amortized over 40 years using the straight-line method.

	<u>Dam & Reservoir</u>	<u>Water Treatment Plant & Lines</u>	<u>Total</u>
Rights purchased	\$2,241,229	\$1,615,790	\$3,857,019
Accumulated amortization	<u>(89,388)</u>	<u>(80,790)</u>	<u>(170,178)</u>
Unamortized balance	<u>\$2,151,841</u>	<u>\$1,535,000</u>	<u>\$3,686,841</u>

Future amortization is as follows:

<u>Year Ending June 30,</u>			
2013	\$ 44,830	\$40,395	\$85,225
2014	44,830	40,395	85,225
2015	44,830	40,395	85,225
2016	44,830	40,395	85,225
2017	44,830	40,395	85,225
Thereafter	<u>1,927,691</u>	<u>1,333,025</u>	<u>3,260,716</u>
	<u>\$2,151,841</u>	<u>\$1,535,000</u>	<u>\$3,686,841</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

6. Intangible Assets (continued)

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.

The Town also entered into an agreement with the City of High Point on September 15, 2009 to participate in its share of the cost of an upgrade project (Odor Control) to the Eastside Wastewater Treatment Plant. The Town's portion of the cost for this project is \$420,630, and is being amortized over 20 years using the straight-line method.

	<u>Eastside Expansion</u>	<u>Odor Control</u>	<u>Total</u>
Rights purchased	\$3,450,000	\$420,630	\$3,870,630
Accumulated amortization	<u>(1,024,219)</u>	<u>(57,836)</u>	<u>(1,082,055)</u>
Unamortized balance	<u>\$2,425,781</u>	<u>\$362,794</u>	<u>\$2,788,575</u>

Future amortization is as follows:

Year Ending June 30,			
2013	\$ 86,250	\$21,031	\$107,281
2014	86,250	21,031	107,281
2015	86,250	21,031	107,281
2016	86,250	21,031	107,281
2017	86,250	21,031	107,281
Thereafter	<u>1,994,531</u>	<u>257,639</u>	<u>2,252,170</u>
	<u>\$2,425,781</u>	<u>\$362,794</u>	<u>\$2,788,575</u>

7. Construction Commitment

The Town entered into an agreement with the North Carolina Department of Transportation in June 2012 for a water line to be constructed by the Department's construction contractor. The Town shall reimburse the Department for the water line costs, estimated to be approximately \$200,000.

**TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2012, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total</u>	<u>Accrued Interest</u>
Governmental activities:				
General	\$339,280	\$ 16,493	\$ 355,773	\$ 298
Business-type activities:				
Water and Sewer	\$118,083	\$ 8,160	\$ 126,243	\$ 6,373

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 7.07% 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, 2012, 2011 and 2010 were \$88,508, \$80,223, and \$63,137, 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, 2012

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. General Statute 135-93(b) assigns authority to the state and any of its political subdivisions to make contributions on behalf of its members. 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 \$1,181,247. Total contributions for the year ended June 30, 2012 were \$93,997, which consisted of \$53,156 from the Town and \$40,841 from employees. The Town's contributions and the employees' voluntary contributions represent 4.5% and 3.5%, 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. Through June 30, 2011, the Town paid the full cost of coverage for these benefits through private insurers. Effective from July 1, 2011 forward, the Town pays premiums of \$900 per month per retiree. Also, the Town's retirees can purchase coverage for their dependents at the Town's retiree group rates. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

TOWN OF JAMESTOWN, NORTH CAROLINA
 NOTES TO COMBINED FINANCIAL STATEMENTS
 June 30, 2012

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

Other Postemployment Benefits – Healthcare Benefits (continued)

Membership of the HCB Plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	5
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	23
Total	28

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 6.02% of annual covered payroll. For the current year, the Town contributed \$54,000 or 5.44% of annual covered payroll. The Town obtains healthcare coverage through private insurers. Retirees contributed \$1,914 towards premiums and \$12,589 for dependent coverage. 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 before retiring. 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 table on the following page 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.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

Other Postemployment Benefits – Healthcare Benefits (continued)

Annual required contribution	\$ 59,714
Interest on net OPEB obligation	1,111
Adjustment to annual required contribution	(1,544)
Annual OPEB cost (expense)	59,281
Contributions made by Town	(54,000)
Increase (decrease) in net OPEB obligation	5,281
Net OPEB obligation, beginning of year	27,772
Net OPEB obligation, end of year	\$ 33,053

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2012 were as follows:

For Year Ended June 30	3 Year Trend Information		
	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$58,918	70.8%	\$17,177
2011	58,650	81.9%	27,772
2012	59,281	91.1%	33,053

Funded Status and Funding Progress. As of December 31, 2010, 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 \$642,100. The covered payroll (annual payroll of active employees covered by the plan) was \$959,055, and the ratio of the UAAL to the covered payroll was 67.0 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.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

Other Postemployment Benefits – Healthcare Benefits (continued)

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.

In the December 31, 2010 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 3.00 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, 2010, 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, 2012

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	\$ 39,811	\$ -	\$ 39,811
Other	-	14,240	14,240
	\$ 39,811	\$ 14,240	\$ 54,051

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, 2012

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

6. Commitments – Business-type Activities

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 the original agreement, the Town was obligated to pay approximately \$2,495,000 to the Authority over a twenty-year period beginning in the fiscal year ended June 30, 2011. In fiscal year ended June 30, 2012, the Authority refunded their debt, resulting in an addition of \$55,619 to principal amount owed by the Town and a savings of approximately \$264,000 in interest paid during the remaining years. Future estimated payments to the Authority are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$91,040	31,197	122,237
2014	80,598	41,640	122,237
2015	82,829	39,408	122,237
2016	85,123	37,115	122,237
2017	87,480	34,758	122,237
Next 5 years	475,102	136,085	611,187
Next 5 years	544,623	66,564	611,187
Thereafter	<u>178,427</u>	<u>4,929</u>	<u>183,356</u>
	<u>\$1,625,221</u>	<u>\$ 391,695</u>	<u>\$ 2,016,916</u>

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

The Town has entered into an agreement with the City of High Point to pay its share of the cost of the Odor Control project for the Eastside Treatment Plant. Under the terms of this agreement, the Town is obligated to pay \$438,322 to the City of High Point over a twenty-year period beginning in the fiscal year ended June 30, 2010. Future estimated payments to the City of High Point are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$21,031	737	21,768
2014	21,031	737	21,768
2015	21,031	737	21,768
2016	21,031	737	21,768
2017	21,031	737	21,768
Next 5 years	105,157	4,207	109,364
Next 5 years	105,157	5,021	110,178
Thereafter	<u>47,324</u>	<u>2,681</u>	<u>50,005</u>
	<u>\$362,793</u>	<u>\$15,594</u>	<u>\$ 378,387</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

7. Long-Term Obligations

a. Operating Leases

The Town leases golf carts and other equipment under noncancelable operating leases terminating in fiscal years 2013 through 2016. Total expenditures on operating leases amounted to \$117,827 during fiscal year 2012.

As of June 30, 2012, future minimum commitments for operating leases were as follows:

Year Ending June 30,	
2013	104,040
2014	102,544
2015	102,544
2016	<u>55,315</u>
Total future minimum lease payments	<u>\$ 364,444</u>

**TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012**

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. \$13,546

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. 38,674

52,220

Less current portion 52,220

\$ -

The future minimum payments on the notes payable as of June 30, 2012 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	<u>52,220</u>	<u>1,126</u>	<u>53,346</u>
	<u>\$ 52,220</u>	<u>\$ 1,126</u>	<u>\$ 53,346</u>

At June 30, 2012, the Town had a legal debt margin of \$31,708,308.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

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, 2012, the following changes occurred in long-term obligations:

	Balance July 1, 2011	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2012	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 130,500	\$ -	\$ 78,280	\$ 52,220	\$ 52,220
Compensated absences	82,507	32,451	35,275	79,683	35,000
Net OPEB	<u>20,829</u>	<u>3,961</u>	<u>-</u>	<u>24,790</u>	<u>-</u>
Total governmental activities	<u>\$ 233,836</u>	<u>\$ 36,412</u>	<u>\$ 113,555</u>	<u>\$ 156,693</u>	<u>\$ 87,220</u>
Business-type activities:					
Commitment – Odor Control	\$ 383,824	\$ -	\$ 21,031	\$ 362,793	\$ 21,031
Commitment – PTRWA	1,633,171	55,619	63,569	1,625,221	91,040
Compensated absences	28,632	11,061	8,506	31,187	10,000
Net OPEB	<u>6,943</u>	<u>1,320</u>	<u>-</u>	<u>8,263</u>	<u>-</u>
Total business-type activities	<u>\$ 2,052,570</u>	<u>\$ 68,000</u>	<u>\$ 93,106</u>	<u>\$ 2,027,464</u>	<u>\$122,071</u>

Compensated absences and net OPEB obligations have typically been liquidated in the General Fund. Total interest expense incurred during the year amounted to \$58,472.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2012, consist of the following:

From the Water and Sewer Fund to the General Fund	\$758,426
From the General Capital Reserve Fund to the Wrenn-Miller Capital Project Fund	<u>36,000</u>
	<u>\$794,426</u>

During the 2012 fiscal year, the Town made a one-time transfer of \$758,426 from the Water and Sewer Fund to the General Fund in forgiveness of an advance of \$746,231 made in the 2011 fiscal year and interest paid on the advance of \$12,195. The Town made a transfer of \$36,000 to begin construction of the Wrenn-Miller down-town park.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

Note 2. Detail Notes on All Funds (Continued)

D. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total Fund Balance – General Fund	\$2,011,229
Less:	
Inventories	34,703
Prepaid items	13,524
Stabilization by State Statute	261,483
Streets-Powell Bill	274,485
Capital Projects	81,452
Appropriated Fund Balance in 2013 budget	17,800
Working Capital	1,327,782
Remaining Fund Balance	0

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 participating governments are legally obligated under the intergovernmental agreement that created the Authority to contribute a pre-determined share of the construction costs. 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. The 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. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 7297 Adams Farm Road, Randleman, North Carolina 27317.

TOWN OF JAMESTOWN, NORTH CAROLINA
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2012

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 \$744 to the Council during the fiscal year ended June 30, 2012.

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%
12/31/10		642,100	642,100	0%	959,055	67.0%

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

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	58,918	70.85%
2011	59,714	80.48%
2012	59,714	90.43%

Notes to the Required Schedules:

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

Valuation date	12/31/2010
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%
Year of Ultimate trend rate	2018
*Includes inflation at	3.00%

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, 2012

Schedule 1
Page 1 of 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Taxes	\$ -	\$ 1,533,564	\$ -
Interest	-	4,157	-
Total	<u>1,553,500</u>	<u>1,537,721</u>	<u>(15,779)</u>
Unrestricted intergovernmental:			
Local option sales tax	-	390,615	-
Telecommunications sales tax	-	83,036	-
Utility franchise tax	-	99,938	-
Piped natural gas tax	-	49,696	-
Video franchise fee	-	44,707	-
Solid waste disposal tax	-	2,327	-
ABC distribution	-	50,000	-
Beer and wine tax	-	14,714	-
Reimbursement from Guilford County - Gibson Park	-	175,789	-
Total	<u>898,980</u>	<u>910,822</u>	<u>11,842</u>
Restricted intergovernmental:			
Powell Bill allocation	-	93,582	-
Other state, federal and local grants	-	90,780	-
Total	<u>211,140</u>	<u>184,362</u>	<u>(26,778)</u>
Services and fees:			
Cell tower franchise fees	-	43,786	-
Refuse collection fees	-	109,419	-
Planning and development fees	-	6,316	-
Rentals	-	35,775	-
Golf operations	-	791,051	-
Total	<u>999,330</u>	<u>986,347</u>	<u>(12,983)</u>
Investment income	<u>10,000</u>	<u>4,717</u>	<u>(5,283)</u>
Miscellaneous:			
Contributions and donations	-	1,611	-
Sponsorships - Golf Course	-	18,700	-
Other	-	702	-
	<u>23,560</u>	<u>21,013</u>	<u>(2,547)</u>
 Total revenues	 <u>3,696,510</u>	 <u>3,644,982</u>	 <u>(51,528)</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2012

Schedule 1
Page 2 of 3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Governing Body:			
Library contribution	-	115,500	-
Jamestown Swing contribution	-	7,000	-
Jamestown Business Association contribution	-	500	-
YMCA contribution	-	85,200	-
Professional services	-	25,756	-
Other operating expenditures	-	8,332	-
Total	<u>244,250</u>	<u>242,288</u>	<u>1,962</u>
Administration:			
Salaries and employee benefits	-	305,575	-
Professional services	-	9,250	-
Other operating expenditures	-	49,693	-
Total	<u>381,575</u>	<u>364,518</u>	<u>17,057</u>
Planning:			
Salaries and employee benefits	-	72,937	-
Contractual services	-	2,401	-
Other operating expenditures	-	9,215	-
Total	<u>92,670</u>	<u>84,553</u>	<u>8,117</u>
Buildings and Grounds:			
Employee benefits - retiree	-	10,800	-
Other operating expenditures	-	70,343	-
Total	<u>96,550</u>	<u>81,143</u>	<u>15,407</u>
Total general government	<u>815,045</u>	<u>772,502</u>	<u>42,543</u>
Public services:			
Streets:			
Contractual services	-	37,106	-
Other operating expenditures	-	113,404	-
Total	<u>201,690</u>	<u>150,510</u>	<u>51,180</u>
Streets - Powell Bill:			
Contractual services	-	145,427	-
Other operating expenditures	-	111	-
Total	<u>190,100</u>	<u>145,538</u>	<u>44,562</u>
Sanitation:			
Salaries and employee benefits	-	56,537	-
Other operating expenditures	-	162,804	-
Total	<u>241,370</u>	<u>219,341</u>	<u>22,029</u>
Total public services	<u>633,160</u>	<u>515,389</u>	<u>117,771</u>
Public safety:			
Fire:			
Employee benefits - retiree	-	10,800	-
Contractual services	-	381,445	-
Other operating expenditures	-	11,406	-
Total	<u>406,400</u>	<u>403,651</u>	<u>2,749</u>
Police:			
Contractual services	<u>394,500</u>	<u>362,063</u>	<u>32,437</u>
Total public safety	<u>800,900</u>	<u>765,714</u>	<u>35,186</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2012

Schedule 1
Page 3 of 3

	Budget	Actual	Variance Positive (Negative)
Recreation:			
Recreation:			
Salaries and employee benefits	-	173,387	-
Other operating expenditures	-	46,430	-
Total	234,205	219,817	14,388
Golf Course:			
Salaries and employee benefits	-	578,063	-
Supplies and materials	-	135,783	-
Contractual services	-	3,523	-
Other operating expenditures	-	292,586	-
Total	1,096,253	1,009,955	86,298
Gibson Park:			
Salaries and employee benefits	-	137,238	-
Other operating expenditures	-	29,893	-
Total	174,891	167,131	7,760
Total recreation	1,505,349	1,396,903	108,446
Debt Service:			
Debt Service:			
Debt principal payments	-	78,281	-
Debt interest payments	-	4,545	-
Total	83,500	82,826	674
Total expenditures	3,837,954	3,533,334	304,620
Revenues over (under) expenditures	(141,444)	111,648	253,092
Other financing sources (uses):			
Sale of capital assets	-	1,500	1,500
Insurance recovery	4,153	4,153	-
Payment of interest on advance from Water & Sewer Fund	(12,195)	(12,195)	-
Transfer from Water & Sewer Fund	12,195	758,426	746,231
Transfer to General Capital Reserve Fund	(115,000)	(114,854)	146
Fund balance appropriated	252,291	-	(252,291)
Total other financing sources	141,444	637,030	495,586
Revenues and other financing sources over expenditures	\$ -	748,678	\$ 748,678
Fund balance:			
Beginning of year, July 1		1,197,628	
Change in reserve for inventories		(16,529)	
End of year, June 30		\$ 1,929,777	

TOWN OF JAMESTOWN, NORTH CAROLINA
GENERAL CAPITAL RESERVE FUND
 (To be consolidated with the General Fund for presentation purposes)
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
 Year Ended June 30, 2012

Schedule 2

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Nonoperating revenues:			
Investment income	\$ 100	\$ 53	\$ (47)
Other financing sources (uses):			
Transfer from General Fund	115,000	114,854	(146)
Transfer to Other Governmental Funds	(113,000)	(36,000)	77,000
Reserve for future expenditures	<u>(2,100)</u>	<u>-</u>	<u>2,100</u>
Total other financing sources (uses)	<u>(100)</u>	<u>78,854</u>	<u>78,954</u>
Revenues and other sources over other uses	<u>\$ -</u>	<u>\$ 78,907</u>	<u>\$ 78,907</u>

CAPITAL PROJECTS FUND - WRENN-MILLER PARK
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Schedule 3

	Project Author- ization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
PARTF grant	\$ 100,000	\$ -	\$ -	\$ -	\$ (100,000)
Forestry grant	15,000	-	-	-	(15,000)
Donations	4,000	-	-	-	(4,000)
Investment income	100	-	3	3	(97)
Total revenues	<u>\$ 119,100</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>3</u>	<u>\$ (119,097)</u>
Expenditures:					
Capital outlay - engineering	20,000	-	345	345	19,655
Capital outlay - land improvements	180,000	-	3,436	3,436	176,564
Total expenditures	<u>200,000</u>	<u>-</u>	<u>3,781</u>	<u>3,781</u>	<u>196,219</u>
Revenues under expenditures	<u>(80,900)</u>	<u>-</u>	<u>(3,778)</u>	<u>(3,778)</u>	<u>77,122</u>
Other financing sources:					
Transfers from other funds:					
General Capital Reserve Fund	<u>80,900</u>	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>(44,900)</u>
Total other financing sources	<u>80,900</u>	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>(44,900)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>32,222</u>	<u>\$ 32,222</u>	<u>\$ 32,222</u>
Fund balance:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 32,222</u>		

TOWN OF JAMESTOWN, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 Year Ended June 30, 2012

Schedule 4

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services:			
Water sales	\$ 774,500	\$ 788,552	\$ 14,052
Sewer service charges	1,810,000	2,049,752	239,752
Total	2,584,500	2,838,304	253,804
Other operating revenues	20,600	20,954	354
Total operating revenues	2,605,100	2,859,258	254,158
Nonoperating revenues:			
Interest income	10,000	15,472	5,472
Total revenues	2,615,100	2,874,730	259,630
Expenditures:			
Salaries and employee benefits	-	534,685	-
Professional services	-	9,250	-
Contracted services	-	79,383	-
Contractual payment for wastewater treatment	-	518,049	-
Supplies and materials	-	496,600	-
Purchase and transmission of water	-	247,563	-
Repairs and maintenance	-	140,384	-
Other operating expenditures	-	73,243	-
Piedmont Triad Regional Water Authority operating expenditures	-	25,664	-
Payments on Odor Control project	-	21,768	-
Capital outlay	-	168,385	-
Total expenditures	2,794,550	2,314,994	479,556
Revenues over (under) expenditures	(179,450)	559,736	739,186
Other financing uses:			
Transfer to General Fund	-	(758,426)	-
Transfer to Randleman Reservoir Fund	-	(54,000)	-
Transfer to Water and Sewer Capital Reserve Fund	-	(326,103)	-
Total other financing uses	(1,150,231)	(1,138,529)	11,702
Net assets appropriated	1,329,681	-	(1,329,681)
Total other financing sources (uses)	179,450	(578,793)	(1,317,979)
Revenues and other financing sources over expenditures and other financing uses	\$ -	(576,793)	\$ (578,793)
Reconciliation from budgetary basis (modified accrual) to full accrual basis:			
Reconciling items:			
Capital outlay		168,365	
Principal portion of payment on Odor Control		21,031	
Increase in commitment to PTRWA - refinancing expense		(55,619)	
Decrease in accrued interest payable		17,635	
Increase in accrued vacation		(2,555)	
Increase in accrued OPEB liability		(1,320)	
Depreciation		(328,376)	
Amortization		(192,506)	
Transfer - Randleman Reservoir Capital Reserve Fund		54,000	
Interest portion of payment to PTRWA - Randleman Reservoir Capital Reserve Fund		(71,330)	
Investment earnings - Randleman Reservoir Capital Reserve Fund		5,615	
Transfer - Water and Sewer Capital Reserve Fund		326,103	
Investment earnings - Water and Sewer Capital Reserve Fund		163	
		(58,774)	
Change in net assets		\$ (637,567)	

TOWN OF JAMESTOWN, NORTH CAROLINA
 RANDLEMAN RESERVOIR CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 Year Ended June 30, 2012

Schedule 5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Nonoperating revenues:			
Investment income	\$ 4,400	\$ 5,615	\$ 1,215
Other financing sources (uses):			
Transfer from Water and Sewer Fund	54,000	54,000	-
Payment to Piedmont Triad Regional Water Authority	(150,000)	(148,207)	1,793
Net assets appropriated	91,600	-	(91,600)
Total other financing sources (uses)	(4,400)	(94,207)	(89,807)
Revenues and other financing sources under other financing uses	\$ -	\$ (88,592)	\$ (88,592)

TOWN OF JAMESTOWN, NORTH CAROLINA
WATER AND SEWER CAPITAL RESERVE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

Schedule 6

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Nonoperating revenues:			
Investment income	\$ 1,700	\$ 163	\$ (1,537)
Other financing sources (uses):			
Transfer from Water and Sewer Fund	350,000	326,103	(23,897)
Reserve for Future Expenditures	<u>(351,700)</u>	<u>-</u>	<u>351,700</u>
Total other financing sources (uses)	<u>(1,700)</u>	<u>326,103</u>	<u>327,803</u>
Revenues and other financing sources over other financing uses	<u>\$ -</u>	<u>\$ 326,266</u>	<u>\$ 326,266</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, 2012

Schedule 7

Fiscal Year	Uncollected Balance July 1, 2011	Additions	Collections and Credits	Uncollected Balance June 30, 2012
2011-12	\$ -	\$ 1,546,778	1,502,444	\$ 44,334
2010-11	30,666	99	25,695	5,070
2009-10	3,201	38	1,039	2,200
2008-09	4,328	-	831	3,497
2007-08	2,266	-	9	2,257
2006-07	1,378	-	115	1,263
2005-06	1,644	-	53	1,591
2004-05	1,560	-	40	1,520
2003-04	4,445	-	3,380	1,065
2002-03	714	-	-	714
2001-02	762	-	762	-
	<u>\$ 50,964</u>	<u>\$ 1,546,915</u>	<u>\$ 1,534,368</u>	63,511
Less allowance for uncollectible taxes				(23,700)
				<u>\$ 39,811</u>
Reconcilement with revenues:				
Taxes - Ad Valorem - General Fund				\$ 1,537,721
Reconciling items:				
Interest collected				(4,157)
Discounts and releases allowed and other charges				53
Amounts written off for tax year 2001-02 - per statute of limitations				751
Subtotal				<u>(3,353)</u>
Total collections and credits				<u>\$ 1,534,368</u>

TOWN OF JAMESTOWN, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY -
GENERAL FUND
Year Ended June 30, 2012

Schedule 8

	Property Valuation	City-Wide		Total Levy	
		Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxes at current year's rate	\$ 396,103,590	\$ 0.39	\$ 1,544,804	\$ 1,394,685	\$ 150,119
Discoveries:					
Current year taxes	<u>250,256</u>	0.39	<u>976</u>	<u>1,974</u>	<u>-</u>
Total property valuation	<u>\$ 396,353,846</u>				
Net levy			1,546,778	1,396,659	150,119
Uncollected taxes at June 30, 2012			<u>44,334</u>	<u>18,356</u>	<u>25,978</u>
Current year's taxes collected			<u>\$ 1,502,444</u>	<u>\$ 1,378,303</u>	<u>\$ 124,141</u>
Current levy collection percentage			<u>97.13%</u>	<u>98.69%</u>	<u>82.70%</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>	69
<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>	75
<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>	80
<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>	82
<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>	84

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

Table 1

	2004	2005	2006	2007	2008	2009	(2)	2010	2011	2012
Net assets:										
Governmental activities:										
Invested in capital assets, net of related debt	\$ 3,466,241	\$ 4,155,997	\$ 4,342,154	\$ 4,513,022	\$ 4,527,636	\$ 5,414,146	\$ 5,774,549	\$ 6,508,428	\$ 6,345,439	\$ 6,345,439
Restricted	463,449	441,382	566,146	389,629	608,963	827,960	455,638	532,050	649,642	649,642
Unrestricted	1,132,601	799,066	1,031,501	1,311,751	1,227,520	1,239,787	1,356,372	1,356,372	563,443	1,335,899
Total governmental activities net assets	\$ 5,064,291	\$ 5,396,445	\$ 5,939,801	\$ 6,214,402	\$ 6,364,119	\$ 7,481,673	\$ 7,586,569	\$ 7,586,569	\$ 7,623,921	\$ 8,330,960
Business-type activities:										
Invested in capital assets, net of related debt	\$ 10,266,664	\$ 10,782,928	\$ 11,106,193	\$ 11,612,380	\$ 11,803,854	\$ 11,460,379	\$ 12,297,330	\$ 12,297,330	\$ 12,013,654	\$ 11,703,446
Unrestricted	4,417,245	3,974,426	3,915,920	3,768,870	4,116,421	4,151,663	4,385,638	4,385,638	5,436,633	5,109,274
Total business-type activities net assets	\$ 14,683,909	\$ 14,757,354	\$ 15,024,113	\$ 15,361,250	\$ 15,922,275	\$ 15,612,042	\$ 16,682,968	\$ 16,682,968	\$ 17,450,287	\$ 16,812,720
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	\$ 18,071,879	\$ 18,071,879	\$ 18,522,062	\$ 18,048,865
Restricted	463,449	441,382	566,146	389,629	608,963	827,960	455,636	455,636	532,050	649,642
Unrestricted	5,549,648	4,773,492	4,947,421	5,060,621	5,346,941	5,391,430	5,742,010	5,742,010	6,020,076	6,445,173
Total primary government net assets	\$ 19,746,200	\$ 20,153,799	\$ 20,963,914	\$ 21,595,652	\$ 22,266,394	\$ 23,093,915	\$ 24,269,527	\$ 24,269,527	\$ 25,074,206	\$ 25,143,700

(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

Table 2,
continued

Changes in Net Assets
Last Nine Fiscal Years (1)
(Accrual Basis of Accounting)

	2004	2005	2006	2007	2008	2009	(2)	2010	2011	2012
Net (expense) revenue	\$ (1,582,244)	\$ (1,612,223)	\$ (1,623,795)	\$ (1,974,100)	\$ (2,010,360)	\$ (2,142,752)	\$ (2,142,752)	\$ (2,100,522)	\$ (2,308,919)	\$ (2,387,761)
Governmental activities	1,876	(28,815)	228,974	194,928	244,483	683,778	1,003,349	1,003,349	731,930	89,809
Business-type activities	(1,580,569)	(1,641,038)	(1,398,821)	(1,779,175)	(1,765,807)	(1,578,974)	(1,087,173)	(1,087,173)	(1,574,989)	(2,289,152)
Total primary government net expense	\$ 1,047,116	\$ 1,287,509	\$ 1,318,521	\$ 1,331,821	\$ 1,358,432	\$ 1,442,713	\$ 1,442,713	\$ 1,444,670	\$ 1,589,856	\$ 1,548,994
Governmental activities:	557,988	588,820	648,821	733,955	835,376	785,857	785,857	746,129	769,000	775,492
Taxes:										
Property taxes, levied for general purposes	154,172	83,886	64,390	64,844	123,403	13,750	-	11,037	10,042	8,708
Other taxes	27,644	37,151	90,451	131,470	-	-	-	-	(12,195)	-
Grants and contributions not restricted to specific programs	7,777	-	1,280	-	4,332	2,695	-	5,913	7,578	2,202
Investment income, unrestricted	436,975	31,498	(11,645)	1,318	3,000	3,000	-	(2,641)	-	-
Interest on advance to/from other fund	(51,400)	(51,400)	66,700	-	(150,000)	-	-	-	-	758,426
Miscellaneous	2,180,274	1,957,254	2,180,518	2,262,050	2,172,857	2,247,915	2,205,208	2,205,208	2,344,281	3,094,820
Gain (loss) on sale of capital assets	57,931	3,755	-	-	-	-	-	-	-	-
Transfers	59,896	75,130	112,274	154,193	148,237	138,590	-	66,067	23,194	21,250
Total governmental activities:	12,552	13,705	-	-	-	-	-	-	12,195	-
Business-type activities:	(2,887)	(11,952)	(3,914)	7,913	335	-	-	1,510	-	-
Grants and contributions not restricted to specific programs	51,400	(66,700)	(66,700)	-	150,000	-	-	-	-	-
Investment income, unrestricted	178,082	133,088	38,880	162,106	295,672	138,560	-	67,577	35,389	(758,426)
Interest on advance to/from other fund	2,359,368	2,090,362	2,220,178	2,424,196	2,469,433	2,385,495	2,272,785	2,272,785	2,375,670	2,357,844
Miscellaneous	598,030	345,041	556,723	287,987	162,501	105,163	104,686	104,686	37,362	707,059
Gain (loss) on sale of capital assets	180,768	104,283	266,534	357,834	541,025	702,338	1,070,828	1,070,828	767,319	(637,567)
Transfers	778,798	449,324	823,357	645,021	703,828	807,521	1,175,512	1,175,512	804,681	69,492
Total business-type activities	\$ 598,030	\$ 345,041	\$ 556,723	\$ 287,987	\$ 162,501	\$ 105,163	\$ 104,686	\$ 104,686	\$ 37,362	\$ 707,059
Total primary government	\$ 180,768	\$ 104,283	\$ 266,534	\$ 357,834	\$ 541,025	\$ 702,338	\$ 1,070,828	\$ 1,070,828	\$ 767,319	\$ (637,567)
Changes in net assets:										
Governmental activities	\$ 778,798	\$ 449,324	\$ 823,357	\$ 645,021	\$ 703,828	\$ 807,521	\$ 1,175,512	\$ 1,175,512	\$ 804,681	\$ 69,492
Business-type activities										
Total primary government										

(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).

(3) Effective with the 2012 fiscal year, grants that the Town provided to non-profit agencies were moved from the Recreation function to the General Government function

TOWN OF JAMESTOWN, NORTH CAROLINA
Program Revenues by Function
Last Nine Fiscal Years (1)
(Accrual basis of accounting)

Table 3

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:									
General government	\$ 87,900	\$ 68,512	\$ 107,566	\$ 58,225	\$ 16,659	\$ 32,695	\$ 26,649	\$ 8,980	\$ 9,196
Public services	125,969	115,035	135,676	217,285	210,829	215,316	433,605	204,782	241,358
Public safety	80,959	4	90	-	-	-	-	-	-
Recreation	131,598	176,250	306,754	315,486	337,885	1,249,366	1,180,236	999,147	1,074,796
Subtotal for governmental activities:	426,426	359,801	550,086	590,996	565,373	1,497,377	1,640,490	1,212,909	1,325,350
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	2,986,626	2,859,258
Jamestown Park	906,771	876,128	921,039	909,015	962,453	N/A	N/A	N/A	N/A
Subtotal for business-type activities	2,750,696	2,840,925	3,149,486	3,376,663	3,414,831	2,473,466	3,214,236	2,986,626	2,859,258
Total primary government	\$ 3,177,122	\$ 3,200,726	\$ 3,699,572	\$ 3,967,659	\$ 3,980,204	\$ 3,970,843	\$ 4,854,726	\$ 4,199,535	\$ 4,184,608

(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

	2003	2004	2005	2006	2007	2008	2009	(4)	2010	2011	2012
Fund Balance											
General Fund											
Nonspendable:											
Inventories	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,354	\$ -	\$ 50,045	\$ 51,232	\$ 34,703
Prepaid items	-	-	-	125	228	7,479	51,174	-	13,023	13,397	13,524
Restricted:											
Stabilization by state statute	94,445	100,373	162,408	189,178	198,573	295,980	424,115	221,531	221,531	204,313	261,483
Streets	324,109	273,076	278,974	376,988	191,056	312,963	403,845	234,107	234,107	325,192	274,485
Committed:											
Future capital	-	-	-	-	-	-	-	-	-	2,545	81,452
Assigned:											
Recreation	-	-	-	-	-	-	-	-	-	-	32,222
Subsequent year's expenditures	1,037,547	(1)	191,213	-	305,621	282,372	317,207	104,070	104,070	60,000	17,800
Unassigned	511,335	939,625	802,257	1,039,697	969,264	872,718	866,354	1,259,675	1,259,675	543,494	1,327,782
Total general fund	\$ 1,967,436	(2) \$ 1,594,287	(2) \$ 1,243,639	(3) \$ 1,606,166	\$ 1,664,742	\$ 1,771,530	\$ 2,108,049	\$ 1,882,651	\$ 1,882,651	\$ 1,200,173	\$ 2,043,451

(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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Ad Valorem Taxes (3)	\$ 971,098	\$ 1,046,376	\$ 1,282,513	(1) \$ 1,324,942	\$ 1,329,007	\$ 1,358,432	\$ 1,441,804	\$ 1,442,945	\$ 1,554,603	\$ 1,537,721
Unrestricted intergovernmental	890,562	632,160	815,370	941,773	1,047,438	1,053,713	1,002,813	969,566	953,740	910,822
Restricted intergovernmental	179,445	249,589	105,403	170,757	239,535	176,454	186,807	189,673	141,819	184,362
Services and fees	19,132	155,021	98,816	140,805	81,182	170,224	1,082,164	1,014,000	885,600	986,347
Investment income	53,085	38,716	43,425	101,331	96,321	88,065	82,405	35,655	13,692	4,773
Miscellaneous	49,210	7,777	-	1,280	2,338	4,635	6,545	6,530	3,828	21,013
Total revenues	2,162,510	2,129,639	2,345,527	2,880,888	2,795,621	2,851,523	3,802,538	3,658,469	3,553,282	3,645,038
Expenditures										
General government	\$ 417,959	\$ 551,406	\$ 474,743	\$ 519,888	\$ 526,556	\$ 603,602	\$ 644,418	\$ 578,923	\$ 569,871	\$ 772,502
Public services	394,905	312,056	308,194	314,252	638,465	347,578	385,167	590,784	361,334	515,389
Public safety	245,574	585,545	567,188	588,133	593,419	703,244	599,059	621,402	723,852	765,714
Recreation	258,242	332,819	442,591	557,972	595,462	680,401	1,744,087	1,659,566	1,628,505	1,395,903
Capital Outlay	811,941	882,596	603,065	174,453	270,063	176,154	84,946	297,569	896,265	3,781
Debt service	230,519	234,261	226,236	188,772	191,479	197,764	212,351	128,511	86,584	78,281
Principal	77,030	96,030	54,256	43,589	34,853	31,049	23,019	13,127	8,526	4,545
Interest and other charges										
Total expenditures	2,536,170	2,984,713	2,678,273	2,387,059	2,850,297	2,719,792	3,673,085	3,890,752	4,274,937	3,537,115
Excess of revenues over (under) expenditures	(373,660)	(855,074)	(330,746)	293,829	(54,476)	131,731	129,473	(232,283)	(721,655)	107,923
Other financing sources (uses)										
Issuance of debt	-	19,775	-	-	109,762	123,739	18,554	6,885	34,677	4,153
Insurance recovery	-	-	-	-	3,288	1,318	3,000	-	4,500	1,500
Sale of capital assets	-	436,975	31,498	78,700	-	-	-	-	-	758,426
Transfers from other funds	78,700	78,600	78,600	(10,000)	-	(150,000)	-	-	-	(12,195)
Transfers to other funds	-	(130,000)	(130,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	78,700	405,350	(19,902)	68,700	113,050	(24,943)	21,554	6,885	39,177	751,884
Net change in fund balances	\$(294,860)	\$(429,724)	\$(350,648)	\$ 362,529	\$ 58,574	\$ 106,788	\$ 151,027	\$(225,398)	\$(682,478)	\$ 859,807
Debt services as a percentage of noncapital expenditures	23.4%	16.9%	15.6%	11.7%	9.6%	9.9%	7.0%	4.1%	2.9%	2.4%

(1) tax revaluation

(2) state withheld revenues

(3) - On July 1, 2006, 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
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 (1)	14,844	-	2,077,806
2008	1,358,432	407,795	310,610 (1)	15,279	-	2,092,116
2009	1,441,804	352,627	317,105 (1)	15,130	1,014 (2)	2,127,680
2010	1,442,945	332,453	313,799 (1)	4,829	2,347 (2)	2,096,373
2011	1,554,603	342,875	315,805 (1)	15,029	2,285 (2)	2,230,597
2012	1,537,721	390,615	277,377 (1)	14,714	2,327 (2)	2,222,754

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

(2) Solid waste disposal tax

Table 7

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

Fiscal Year Ended June 30	(1)		(1)		Total Taxable Assessed Value	(2) Total Direct Tax Rate	(3) Estimated Actual Taxable/Market Value	Assessed Value as a Percentage of Market Value
	Real Property	Residential and Commercial Property	Personal Property	Motor Vehicle and Other Personal Property				
2003	230,387,117		55,905,531		286,292,648	0.3386	344,143,104	83.19%
2004	244,873,397		56,901,519		301,774,916	0.3495	374,410,566	80.60%
2005	315,764,975		59,003,582		374,768,557	0.3500	377,220,490	99.35%
2006	321,729,742		59,361,312		381,091,054	0.3500	386,149,614	98.69%
2007	325,449,677		58,880,432		384,330,109	0.3500	399,844,058	96.12%
2008	331,811,840		59,820,554		391,632,394	0.3500	422,381,788	92.72%
2009	343,204,267		59,222,741		402,427,008	0.3693	439,330,795	91.60%
2010	335,574,025		57,566,785		393,140,810	0.3700	413,745,327	95.02%
2011	342,710,488		60,802,845		403,513,333	0.3895	389,041,008	103.72%
2012	338,730,114		57,623,732		396,353,846	0.3900	NA	NA

(1) Source Guilford County Tax Department

(2) Per \$100 value

The general direct rate differs from the town-wide rates approved by the Town Council each fiscal year because direct rates are a weighted average rate. The most significant differences are from certain registered motor vehicles levied at prior year tax rates in accordance with North Carolina General Statutes.

(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

Fiscal Year	Guilford County		Total Direct Rate
	Town of Jamestown General Levy	Guilford County General Levy	
2003	0.3386	0.6742	1.0128
2004	0.3495	0.7117	1.0612
2005	0.3500	0.6218	0.9718
2006	0.3500	0.6419	0.9919
2007	0.3500	0.6608	1.0108
2008	0.3500	0.6904	1.0404
2009	0.3693	0.7360	1.1053
2010	0.3700	0.7374	1.1074
2011	0.3895	0.7374	1.1269
2012	0.3900	0.7824	1.1724

Source: Guilford County Finance Department.

Notes:

The general direct rate differs from the county- and town-wide rates approved by the governing boards each fiscal year because direct rates are a weighted average rate. The most significant differences are from certain registered motor vehicles levied at prior year tax rates in accordance with North Carolina General Statutes.

The County Fire Protection Districts tax is not applicable to Jamestown residents because the Town contracts directly with the fire district, thus the tax is essentially included in the Town tax rate.

TOWN OF JAMESTOWN, NORTH CAROLINA
Principal Taxpayers For the Year
Fiscal Years Ended June 30, 2012 and 2003

Table 9

	Fiscal Year 2012		Percent of Total Assessed Valuation
	Taxpayer	Type of Enterprise	
Greatest Generation, Inc	Health Care	\$ 10,466,910	2.64%
Flowers Baking Company of Jamestown	Manufacturing	9,802,899	2.47%
TF Forestdale LLC	Shopping Center	4,870,200	1.23%
Highland Containers, Inc	Manufacturing	4,823,119	1.22%
Flowers Baking Company of High Point	Manufacturing	4,142,700	1.05%
Viking Polymers LLC	Manufacturing	3,192,014	0.81%
Kres LLC	Owner of Manufacturing Facility	2,627,100	0.66%
Wrennovation Friendly LLC	Shopping Center	2,229,400	0.56%
Univar USA Inc	Distributor	2,166,517	0.55%
Jamestown Village Association	Apartments	2,131,200	0.54%
Total		\$ 46,452,059	11.72%
		Fiscal Year 2003	
Taxpayer	Type of Enterprise	Assessed Valuation	Percent of Total Assessed Valuation
Flowers Baking Company of High Point	Manufacturing	\$ 10,591,846	3.70%
Highland Containers, Inc.	Manufacturing	5,501,115	1.92%
Wachovia Leasing Corporation	Financial Institution	5,135,271	1.79%
Guilford Mills, Inc.	Manufacturing	4,006,895	1.40%
Oakdale Cotton Mills	Manufacturing	3,971,475	1.39%
M P Jamestown LLC	Shopping Center	2,988,800	1.04%
Jamestown Village Association	Apartments	1,752,000	0.61%
Viking Polymers LLC	Manufacturing	1,717,629	0.60%
Atlanta Solvents and Chemicals	Manufacturing	1,629,900	0.57%
Kres LLC	Owner of Manufacturing Facility	1,578,000	0.55%
Total		\$ 38,872,931	13.58%

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				
2003	\$ 973,395	\$ 965,942	99.23%	\$ 6,739	\$ 972,681	99.93%	\$ 714
2004	\$ 1,056,212	\$ 1,048,009	99.22%	\$ 7,138	\$ 1,055,147	99.90%	\$ 1,065
2005	\$ 1,311,690	\$ 1,302,489	99.30%	\$ 7,681	\$ 1,310,170	99.88%	\$ 1,520
2006	\$ 1,333,819	\$ 1,327,939	99.56%	\$ 4,289	\$ 1,332,228	99.88%	\$ 1,591
2007	\$ 1,345,155	\$ 1,336,592	99.36%	\$ 7,300	\$ 1,343,892	99.91%	\$ 1,263
2008	\$ 1,370,713	\$ 1,362,443	99.40%	\$ 6,013	\$ 1,368,456	99.84%	\$ 2,257
2009	\$ 1,483,909	\$ 1,470,947	99.13%	\$ 9,465	\$ 1,480,412	99.76%	\$ 3,497
2010	\$ 1,454,659	\$ 1,442,492	99.16%	\$ 9,967	\$ 1,452,459	99.85%	\$ 2,200
2011	\$ 1,573,801	\$ 1,543,036	98.05%	\$ 25,695	\$ 1,568,731	99.68%	\$ 5,070
2012	\$ 1,546,778	\$ 1,502,444	97.13%	\$ -	\$ 1,502,444	97.13%	\$ 44,334

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	
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	64	0.05%	-	-	217,084	64
2011	130,500	37	0.03%	-	-	130,500	37
2012	52,220	NA	NA	-	-	52,220	NA

Note: June 30, 2011 population is available in September 2012.

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
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
2011	403,513,333	32,281,067	130,500
2012	396,353,846	31,708,308	52,220

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 (Thousands of Dollars) (2)	Per Capita Income (2)	Unemployment Rate (3)	Guilford County Public School Enrollment (4)
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	689,637	23,432,347	33,978	5.2	69,677
2008	3,386	700,485	24,551,485	35,049	6.4	71,176
2009	3,410	711,405	24,968,495	35,097	12.1	71,464
2010	3,396	718,902	24,177,054	33,631	10.8	71,875
2011	3,504	725,192	24,871,452	34,296	10.9	71,996
2012	NA	NA	NA	NA	10.3	72,196

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; year 2003 for Greensboro-High Point-Winston-Salem MSA; years 2004-2012 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, 2012

Table 14

Employer	Type of Enterprise	Number of Employees
Guilford County Schools	Public School	305
Flowers Bakery	Manufacturing	250
Shannon Gray	Rehabilitation Center	154
Viking Polymer	Manufacturing	72
Highland Containers	Manufacturing	69
Food Lion	Retail store	50
Town of Jamestown	Municipal Government	49
Univar	Distributor	45
Sheetz	Gasoline / convenience store	27
Kerr Drug	Retail store	15

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

	2003	2004	2005	2006	2007	2008	2008	2010	2011	2012
General Fund:										
General Government	3	3	3	3	4	4	4	4	4	4
Public Services	3	2	2	2	1	1	1	1	1	1
Public Safety	2	0	0	0	0	0	0	0	0	0
Recreation	2	2	2	2	2	3	17	16	15	15
General Fund	10	7	7	7	7	8	22	21	20	20
Enterprise Fund:										
Water Sewer	10	9	9	9	8	9	9	8	8	9
Park	12	11	14	15	15	14	N/A	N/A	N/A	N/A
Enterprise Funds	22	20	23	24	23	23	9	8	8	9
City Total	32	27	30	31	30	31	31	29	28	29
										(1)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Planning & Zoning:										
Development Clearance Certificates Issued	92	85	59	41	82	25	22	25	35	42
Zoning Code Violation Investigated	-	-	-	33	71	41	68	25	35	22
Zoning Cases Prepared	5	3	3	5	3	5	3	4	4	3
Site Plans Approved	-	-	-	7	3	3	5	2	3	3
Sign Permits Issued	10	9	21	22	16	15	24	29	55	30
Fence Permits Issued	NA	NA	NA	NA	NA	NA	NA	9	10	9
Home Occupation Permits Issued	NA	NA	NA	NA	NA	NA	NA	5	6	3
Public Works:										
Brush, Grass & Leaf Pick-Up (tons)	1,369 (4)	814	810	770	818	794	916	860	1,013	848
Residential & Commercial Garbage Pick-up (tons)	1,384	1,391	1,451	1,475	1,460	1,351	1,244	1,195	1,153	1,152
Recycling (tons)	185 (3)	183	220	230	189	222	245	253	309	284
Recreation:										
Baseball Field Usage (# games)	NA	NA	NA	NA	273	359	348	266 (5)	195 (6)	392
Soccer Field Usage (# games)	NA	NA	NA	NA	286	426	490	453	243 (5)	489
Utility System:										
Water Connections	2,309	2,355	2,378	2,415	2,503	2,176	2,217	2,228	2,231	2,387
Sewer Connections	NA	NA	NA	NA	4,354	4,652	4,927	4,844	4,772	4,534
Sewer Treatment (gallons)	NA	NA	NA	451,766,250	499,481,500	453,600,750	402,323,000	407,288,610	401,197,596	416,895,332
Park:										
Rounds of golf played - 18 holes	NA	NA	NA	15,989	21,679	23,184	21,046	19,826	18,070	18,965
Rounds of golf played - 9 holes	NA	NA	NA	15,161	8,506	9,288	8,985	8,931	7,537	9,020
Carts rented	NA	NA	NA	26,542	25,800	28,915	25,888	24,029	21,902	23,842

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
 (6) Games down due to fields being closed after storm damage and due to inclement weather

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

Table 17

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administration:										
Municipal Buildings	1	1	1	1	1	1	1	1	1	1
Refuse Collection:										
Sanitation Trucks	3	3	3	3	3	3	3	3	3	3
Other Public Works:										
Streets (Miles-Paved)	16.04	16.13	16.13	16.13	16.38	16.38	16.31	16.29	16.29	16.29
Sidewalks (Linear Feet)	NA	NA	NA	30,279	32,024	33,165	33,165	33,165	33,165	33,195
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	-	-	-	-
Baseball Fields	2	2	2	2	2	2	2	2	2	2
Soccer Fields (1)	2	2	2	2	2	2	2	2	2	2
Playgrounds (1)	1	1	2	2	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	3	3	3	3	3	3	3	3	2
Water Mains (Miles)	NA	NA	NA	40	40	42	42	42	42	42
Sewer Mains (Miles)	NA	NA	NA	55	55	55	55	55	55	55
Park:										
Average of Golf Course/Ball fields (maintained areas only)	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 GOODMAN LLP
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 and
Members of the Town Council
Town of Jamestown
Jamestown, North Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jamestown, North Carolina, as of and for the year ended June 30, 2012, which collectively comprises the Town of Jamestown's basic financial statements, and have issued our report thereon dated October 26, 2012. 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

Management of the Town of Jamestown is responsible for establishing and maintaining effective 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 the 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 Goodman LLP

October 26, 2012