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***TOWN OF JAMESTOWN***

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***FINANCIAL STATEMENTS***

***FOR THE FISCAL YEAR ENDED  
June 30, 2011***

***Bruce R. Keiser  
Town Administrator***

***Christina D. Collins  
Finance Director***

***Prepared by: Finance Department***

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***JAMESTOWN, RHODE ISLAND***

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**TOWN OF JAMESTOWN, RHODE ISLAND  
AUDITED FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**AUDITED FINANCIAL STATEMENTS**  
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**AUDITED FINANCIAL STATEMENTS**  
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**Concluded**

## ***INTRODUCTORY SECTION***

This Section Contains the Following Subsections:

List of Town Officials

# **TOWN OF JAMESTOWN, RHODE ISLAND**

**Listing of Town Officials  
For the Year Ended June 30, 2011**

## **TOWN COUNCIL**

Michael Schnack, President  
Robert Bowen, Vice President  
William H. Murphy  
Michael G. White  
Ellen Winsor

## **TOWN ADMINISTRATOR**

Bruce R. Keiser

## **FINANCE DIRECTOR**

Christina D. Collins

## **SCHOOL COMMITTEE**

Catherine Kaiser, Chair  
Julie Kallfelz, Vice Chair  
Julie Held  
Saverio Rebecchi  
B. J. Whitehouse

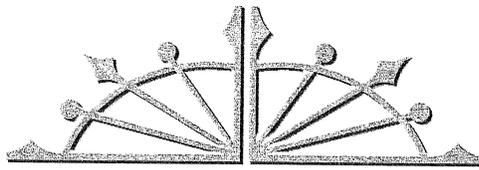
## **SCHOOL DIRECTOR OF FINANCE**

Jane Littlefield

## ***FINANCIAL SECTION***

This Section Contains the Following Subsections:

Independent Auditors' Report  
Management's Discussion and Analysis  
Basic Financial Statements  
Required Supplementary Information  
Supplementary Information



**BAXTER DANSEREAU & ASSOCIATES, LLP**  
Accounting, Consulting & Tax Services

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*Partners*  
William J. Baxter, Jr., CPA  
Paul L. Dansereau, CPA

***INDEPENDENT AUDITOR'S REPORT***

The Honorable President and  
Members of the Town Council  
Town of Jamestown  
Jamestown, Rhode Island

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, Rhode Island (Town) as of and for the year ended June 30, 2011, 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, Rhode Island'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 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 financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town of Jamestown, Rhode Island as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, 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 a report dated December 20, 2011 on our consideration of the Town of Jamestown, Rhode Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that 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 the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 59 through 67 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 States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management discussion and analysis 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's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual non-major fund financial statements, the budgetary comparison schedules on pages 59-70 and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 do not express an opinion or provide any assurance on them.

  
Baxter Dansereau & Associates, LLP  
December 20, 2011

## **MANAGEMENTS' DISCUSSION AND ANALYSIS**

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

Our discussion and analysis of the Town of Jamestown, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2011.

For the fiscal year ended June 30, 2011 the Town has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Acceptance of this statement has changed the Town's presentation of the elements of fund balances, a key indicator of inter-period equity. See Note 1 Summary of Significant Accounting Policies in the Notes to the Financial Statements for a further explanation and also Note 18.

### **Financial Highlights**

- ❖ The Town's primary government net assets decreased in the amount of \$123,497 as a result of this year's operations. On a government-wide basis the assets of the Town of Jamestown exceeded its liabilities at the close of the most recent fiscal year by \$24,134,481. Net assets of business activities decreased by \$(124,356) or 1.8%, while current net assets of Governmental Activities increased by \$5,146 or .02% prior to a prior period adjustment of \$(4,287) based on their respective activities.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$25,252,429 while revenues collected were \$25,133,219 for the 12 month fiscal year.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,929,513. Over 43% of this amount, \$3,409,947 is unassigned and available for use within the Town's designation and fiscal policies.
- ❖ At the end of the current fiscal year, the general funds unassigned fund balance was \$3,787,541, which equals 18.8% of the total general fund expenditures for the fiscal year. The current fiscal year's revenues exceeded expenditures and transfers by \$398,751. On a budgetary basis revenues exceeded expenditures and transfers by \$766,581.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements consist of three components:

- Government – wide financial statements
- Fund financial statements
- Notes to financial statements

In addition to the basic financial statements, this report also contains other supplementary information.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

The Town's basic financial statements and other supplementary financial information provide information about all of the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

**Government-wide financial statements** - are designed to provide readers with a broad overview of the Town's finances in a manner, which is similar to a private-sector business. They are presented on the accrual base of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

The *Statement of Net Assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information which shows how the Town's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the Town, which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government and administration, public safety, development services, cultural and recreational services. The Town's business activities include the Jamestown Harbor Management Fund, Water Fund, On-site Wastewater Fund and the Sewer Fund.

The government wide financial statements are reported on pages 13 through 14.

**Fund financial statements** – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories-governmental funds and proprietary funds.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and Capital Improvement Fund which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

***Proprietary Funds*** - The Town's proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has four enterprise funds, the Jamestown Harbor Management Fund, the Water Fund, the On-site Wastewater Fund and the Sewer Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Jamestown Harbor Management Fund, Water Fund, On-site Wastewater Fund and Sewer Fund.

The basic proprietary fund financial statements are presented on pages 18 through 20.

***Fiduciary Funds*** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 21 and 22.

***Notes to 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 are presented on pages 23 through 58.

***Other Information*** - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary Information is presented on pages 59 through 67.

The combining statements referred to earlier in connection with non-major governmental funds, and proprietary funds are presented on pages 68 through 91.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

**Government-wide Financial Analysis**

**Analysis of the Town of Jamestown's Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town of Jamestown, governmental activities assets exceeded liabilities by \$17,282,550 as of June 30, 2011. This reflects a net increase of \$859 from the previous year. See page 3 financial highlights for a further explanation.

Listed below is a comparison of the current and prior fiscal years.

|                          | <u>June 30, 2010</u>            |                                |                      | <u>June 30, 2011</u>            |                                |                      |
|--------------------------|---------------------------------|--------------------------------|----------------------|---------------------------------|--------------------------------|----------------------|
|                          | Govern-<br>mental<br>Activities | Business<br>Type<br>Activities | Total                | Govern-<br>mental<br>Activities | Business<br>Type<br>Activities | Total                |
| Current and Other Assets | \$ 10,675,079                   | \$ 379,790                     | \$ 11,054,869        | \$10,993,447                    | \$ 249,482                     | \$ 11,242,929        |
| Capital assets           | 21,151,750                      | 18,602,572                     | 39,754,322           | 20,521,867                      | 17,974,109                     | 38,495,976           |
| Total Assets             | <u>31,826,829</u>               | <u>18,982,362</u>              | <u>50,809,191</u>    | <u>31,515,314</u>               | <u>18,223,591</u>              | <u>49,738,905</u>    |
| Other Liabilities        | 2,026,958                       | 175,300                        | 2,202,258            | 1,961,508                       | 194,941                        | 2,156,449            |
| Long-Term Liabilities    | 12,518,180                      | 11,830,775                     | 24,348,955           | 12,271,256                      | 11,176,719                     | 23,447,975           |
| Total Liabilities        | <u>14,545,138</u>               | <u>12,006,075</u>              | <u>26,551,213</u>    | <u>14,232,764</u>               | <u>11,371,660</u>              | <u>25,604,424</u>    |
| Net Assets:              |                                 |                                |                      |                                 |                                |                      |
| Invested in Capital      |                                 |                                |                      |                                 |                                |                      |
| Net of Related Debt      | 10,501,250                      | 6,877,118                      | 17,378,368           | 10,521,367                      | 6,894,580                      | 17,415,947           |
| Restricted for:          |                                 |                                |                      |                                 |                                |                      |
| Education programs       | -                               | -                              | -                    | 2,011,818                       | -                              | 2,011,818            |
| Public safety programs   | -                               | -                              | -                    | 48,657                          | -                              | 48,657               |
| Unrestricted             | 6,780,441                       | 99,169                         | 6,879,610            | 4,700,708                       | (42,649)                       | 4,658,059            |
| Total Net Assets         | <u>\$ 17,281,691</u>            | <u>\$ 6,976,287</u>            | <u>\$ 24,257,978</u> | <u>\$ 17,282,550</u>            | <u>\$ 6,851,931</u>            | <u>\$ 24,134,481</u> |

The portion of the Town's governmental activities net assets \$10,521,367 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

As of June 30, 2011 the Town of Jamestown reports positive balances in both categories of net assets for the government as a whole.

**Analysis of the Town of Jamestown's Operations**

The following analysis provides a summary of the Town's operations for the year ended June 30, 2011. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year February 29, 2004. Therefore, comparative data is available and is presented in the following schedules. Current year Governmental activities increased the Town's net assets by \$5,146 or .02%, while business-type activities decreased the Town's net assets by \$(124,356) accounting for 1.8% decrease in the business-type growth in net assets. Overall the Town's current years net assets decreased by \$(119,210) which is a .49% decrease over the prior year.

The following table presents a comparative schedule of the activity that accounted for the increases in the Town's net assets.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

*Town of Jamestown*  
*Changes in Net Assets*

|                            | June 30, 2010                   |                                |                      | June 30, 2011                   |                                |                      |
|----------------------------|---------------------------------|--------------------------------|----------------------|---------------------------------|--------------------------------|----------------------|
|                            | Govern-<br>mental<br>Activities | Business<br>Type<br>Activities | Total                | Govern-<br>mental<br>Activities | Business<br>Type<br>Activities | Total                |
| <b>Revenues</b>            |                                 |                                |                      |                                 |                                |                      |
| <b>Program revenues</b>    |                                 |                                |                      |                                 |                                |                      |
| Charges for services       | \$ 1,143,910                    | \$1,579,612                    | \$ 2,723,522         | \$ 1,320,902                    | \$ 2,076,339                   | \$ 3,397,241         |
| Federal/State grants       | 1,615,312                       | -                              | 1,615,312            | 1,383,298                       | -                              | 1,383,298            |
| <b>General Revenues</b>    |                                 |                                |                      |                                 |                                |                      |
| Property taxes             | 17,288,476                      | -                              | 17,288,476           | 17,849,996                      | -                              | 17,849,996           |
| Investment earnings        | 182,126                         | 3,463                          | 185,589              | 159,265                         | 3,040                          | 162,305              |
| State aid                  | 1,002,586                       | -                              | 1,002,586            | 678,083                         | -                              | 678,083              |
| Miscellaneous              | 563,362                         | 631,172                        | 1,194,534            | 1,451,155                       | 211,141                        | 1,662,296            |
| Total revenues             | <u>21,795,772</u>               | <u>2,214,247</u>               | <u>24,010,019</u>    | <u>22,842,699</u>               | <u>2,290,520</u>               | <u>25,133,219</u>    |
| <b>Expenses</b>            |                                 |                                |                      |                                 |                                |                      |
| Legislative/judicial/admin | 2,525,359                       | -                              | 2,525,359            | 2,397,669                       | -                              | 2,397,669            |
| Financial Administrative   | 275,782                         | -                              | 275,782              | 293,462                         | -                              | 293,462              |
| Public Safety              | 2,368,528                       | -                              | 2,368,528            | 2,380,591                       | -                              | 2,380,591            |
| Public Works               | 1,973,023                       | -                              | 1,973,023            | 2,037,782                       | -                              | 2,037,782            |
| Public Welfare             | 3,964                           | -                              | 3,964                | 3,964                           | -                              | 3,964                |
| Public Health              | 240,853                         | -                              | 240,853              | 244,165                         | -                              | 244,165              |
| Tree Warden                | 33,713                          | -                              | 33,713               | 26,503                          | -                              | 26,503               |
| Library                    | 350,689                         | -                              | 350,689              | 380,780                         | -                              | 380,780              |
| Parks & Recreation         | 496,061                         | -                              | 496,061              | 481,358                         | -                              | 481,358              |
| Other                      | 1,083,616                       | -                              | 1,083,616            | 1,832,361                       | -                              | 1,832,361            |
| Education                  | 12,312,079                      | -                              | 12,312,079           | 12,322,564                      | -                              | 12,322,564           |
| Interest                   | 456,126                         | -                              | 456,126              | 428,354                         | -                              | 428,354              |
| Harbor Management Fund     | -                               | 442,578                        | 442,578              | -                               | 276,147                        | 276,147              |
| Water Fund                 | -                               | 1,020,626                      | 1,020,626            | -                               | 1,020,152                      | 1,020,152            |
| On-Site Wastewater Fund    | -                               | 49,323                         | 49,323               | -                               | 41,686                         | 41,686               |
| Sewer Fund                 | -                               | 1,101,752                      | 1,101,752            | -                               | 1,084,891                      | 1,084,891            |
| Total expenses             | <u>22,119,793</u>               | <u>2,614,279</u>               | <u>24,734,072</u>    | <u>22,829,553</u>               | <u>2,422,876</u>               | <u>25,252,429</u>    |
| Transfers                  | (8,000)                         | 8,000                          | -                    | (8,000)                         | 8,000                          | -                    |
| Change in net assets       | (332,021)                       | (392,032)                      | (724,053)            | 5,146                           | (124,356)                      | (119,210)            |
| Net assets beginning       | 17,581,552                      | 7,368,319                      | 24,949,871           | 17,281,691                      | 6,976,287                      | 24,257,978           |
| Prior period adjustment    | 32,160                          | -                              | 32,160               | (4,287)                         | -                              | (4,287)              |
| Net assets ending          | <u>\$ 17,281,691</u>            | <u>\$ 6,976,287</u>            | <u>\$ 24,257,978</u> | <u>\$ 17,282,550</u>            | <u>\$ 6,851,931</u>            | <u>\$ 24,134,481</u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

**Financial Analysis of the Town of Jamestown's Funds**

**Governmental Funds** - The focus of the Town of Jamestown's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,929,513. Over 43% of the total amount, or \$3,409,947 constituted unassigned fund balances. The remainder of the fund balance is categorized at various commitment levels as follows.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Fund Balance Categories**

|                            |                            |
|----------------------------|----------------------------|
| <i>Nonspendable:</i>       |                            |
| Inventories                | \$ 11,476                  |
| Prepays                    | 92,731                     |
| <i>Restricted for:</i>     |                            |
| Educational programs       | 2,011,818                  |
| Public safety programs     | 48,657                     |
| <i>Committed for:</i>      |                            |
| Public works programs      | 357,906                    |
| 2012 Budgeted operations   | 150,000                    |
| Town capital programs      | 285,000                    |
| Compensated absences       | 401,439                    |
| Community programs         | 276,041                    |
| <i>Assigned for:</i>       |                            |
| Public safety programs     | 27,962                     |
| Education                  | 100                        |
| Public welfare programs    | 115,295                    |
| Public works programs      | 283,171                    |
| Culture and recreation     | 457,970                    |
| <i>Unassigned:</i>         | 3,409,947                  |
| <b>Total fund balances</b> | <u><u>\$ 7,929,513</u></u> |

**Proprietary Funds** - The Town of Jamestown's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

**General Fund Budgetary Highlights**

**Revenues:**

Real Estate and Tangible Taxes - were over budget by \$204,354 due to high collection rate, payment of previous year's taxes and new housing.

License and Permits - were over budget \$94,196 due to higher than anticipated recordings and construction.

Intergovernmental & Departmental - were over budget \$163,563 due to higher than anticipated activities in various departments and unbudgeted Federal Stabilization Funds.

Interests on Investments - were under budget due to continued low interest rates on investments.

**Expenses:**

Legislative, Judicial and General Administrative - was under budget by \$69,863 as a result of various cost savings within the departments.

Public Safety - was under budget \$22,902 due to various cost savings.

Library - was over budget \$28,074, due to retirement payout and other higher than anticipated costs.

Debt Service - was over budget \$68,762 due to fiscal year 2009-2010 warrant which had certain debt being paid from the undesignated fund balance.

**The Town of Jamestown's Capital Assets**

The Town of Jamestown's investment in capital assets for its governmental and business-type activities amounts to \$38,495,976 net of accumulated depreciation at June 30, 2011. Included are land, building and improvements, construction in progress, motor vehicles, infrastructure, furniture and equipment.

Additional information on the Town of Jamestown's capital assets is located in note 6 of the notes to the financial statements.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

*Town of Jamestown*  
*Capital Assets (Net of Accumulated Depreciation) (000's)*

|                                | June 30, 2010                   |                                |                  | June 30, 2011                   |                                |                  |
|--------------------------------|---------------------------------|--------------------------------|------------------|---------------------------------|--------------------------------|------------------|
|                                | Govern-<br>mental<br>Activities | Business<br>Type<br>Activities | Total            | Govern-<br>mental<br>Activities | Business<br>Type<br>Activities | Total            |
| Land & Development Rights      | \$ 6,818                        | \$ 55                          | \$ 6,873         | \$ 6,818                        | \$ 55                          | \$ 6,873         |
| Construction in Progress       | -                               | -                              | -                | -                               | -                              | -                |
| Buildings and improvements     | 8,347                           | 18,055                         | 26,402           | 8,035                           | 17,546                         | 25,581           |
| Infrastructure                 | 4,471                           | -                              | 4,471            | 4,354                           | -                              | 4,354            |
| Mains, wells, pumps & hydrants | -                               | 373                            | 373              | -                               | 296                            | 296              |
| Machinery and equipment        | 1,516                           | 119                            | 1,635            | 1,315                           | 78                             | 1,393            |
| Total                          | <u>\$ 21,152</u>                | <u>\$ 18,602</u>               | <u>\$ 39,754</u> | <u>\$ 20,522</u>                | <u>\$ 17,975</u>               | <u>\$ 38,497</u> |

**The Town of Jamestown's Debt Administration**

At the end of the current fiscal year, the Town of Jamestown's Governmental Activities had a total bonded debt of \$10,000,500. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

*Town of Jamestown*  
*Outstanding Debt*  
*General Obligation and Notes Payable (000's)*

|                          | June 30, 2010                   |                                |                  | June 30, 2011                   |                                |                  |
|--------------------------|---------------------------------|--------------------------------|------------------|---------------------------------|--------------------------------|------------------|
|                          | Govern-<br>mental<br>Activities | Business<br>Type<br>Activities | Total            | Govern-<br>mental<br>Activities | Business<br>Type<br>Activities | Total            |
| General Obligation Bonds | \$ 10,650                       | \$ 335                         | \$ 10,985        | \$ 10,000                       | \$ 290                         | \$ 10,290        |
| Notes Payable            | -                               | 11,390                         | 11,390           | -                               | 10,790                         | 10,790           |
| Totals                   | <u>\$ 10,650</u>                | <u>\$ 11,725</u>               | <u>\$ 22,375</u> | <u>\$ 10,000</u>                | <u>\$ 11,080</u>               | <u>\$ 21,080</u> |

Additional information on the Town's long-term debt can be found in note 9 of the Notes to the Financial Statements and on pages 98 through 100.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2011**  
**(Un-audited)**

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2011 was Aa3. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of Jamestown's limit is \$59,805,510 at year-end. The Town's outstanding general obligation debt is \$10,000,500 at year-end, which is \$49,805,010 under the State imposed limitation.

Several of the Town's bonds are insured and thus hold a Triple A credit rating from both Moody's and Fitch Rating Service.

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

For the fiscal year ending June 30, 2012 the Town of Jamestown has adopted a total general fund budget of \$21,476,795. Of the Town's 2012 budget, \$12,411,830 or 57.80% is budgeted for educational purposes and \$9,064,965 or 42.20% is budgeted for General Fund purposes.

The State of Rhode Island is budgeted to contribute \$388,393 to the Town's education department for the fiscal year ending June 30, 2012.

The Town's tax rate for fiscal 2011 was \$9.11, with 36.86% allocated for general government and 63.14% allocated for education. For fiscal 2012 the Town's tax rate is \$9.21, with 36.90% allocated for general government and 63.10% allocated for education.

**Request for Information**

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Finance Director's Office, Town of Jamestown, 93 Narragansett Ave., Jamestown, RI 02835.

Christina D. Collins  
Finance Director

## ***BASIC FINANCIAL STATEMENTS***

The Basic Financial Statements include  
the Government-Wide Financial Statements,  
the Fund Financial Statements and the  
Notes to the Financial Statements

## ***Government Wide Financial Statements***

The Government Wide Financial Statements include  
the Statement of Net Assets and the  
Statement of Activities

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Statement of Net Assets**  
**June 30, 2011**

|   | <b>Primary Government</b>          |                                     |                      |
|---|------------------------------------|-------------------------------------|----------------------|
|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>         |
| <b>ASSETS</b>                                   |                                    |                                     |                      |
| Cash and cash equivalents                       | \$ 8,394,440                       | \$ 488,975                          | \$ 8,883,415         |
| <b>Accounts receivable:</b>                     |                                    |                                     |                      |
| Accounts receivable - net                       | 356,116                            | 267,967                             | 624,083              |
| Due from other governments                      | 206,754                            | -                                   | 206,754              |
| Other receivables                               | 150,227                            | 10,366                              | 160,593              |
| Internal balances                               | 657,360                            | (657,360)                           | -                    |
| Inventory at cost                               | -                                  | 50,134                              | 50,134               |
| Other Assets - net                              | 1,228,550                          | 89,400                              | 1,317,950            |
| <b>Capital assets:</b>                          |                                    |                                     |                      |
| Property, plant and equipment - net             | 20,521,867                         | 17,974,109                          | 38,495,976           |
| <b>Total capital assets</b>                     | <b>20,521,867</b>                  | <b>17,974,109</b>                   | <b>38,495,976</b>    |
| <b>TOTAL ASSETS</b>                             | <b>31,515,314</b>                  | <b>18,223,591</b>                   | <b>49,738,905</b>    |
| <br><b>LIABILITIES</b>                          |                                    |                                     |                      |
| Accounts payable                                | 358,818                            | 61,375                              | 420,193              |
| Accrued expenses                                | 1,287,004                          | 133,566                             | 1,420,570            |
| Deferred revenue                                | 315,686                            | -                                   | 315,686              |
| <b>Long-term liabilities</b>                    |                                    |                                     |                      |
| Due within one year                             | 665,000                            | 665,693                             | 1,330,693            |
| Due in more than one year                       | 11,606,256                         | 10,511,026                          | 22,117,282           |
| <b>Total liabilities</b>                        | <b>14,232,764</b>                  | <b>11,371,660</b>                   | <b>25,604,424</b>    |
| <br><b>NET ASSETS</b>                           |                                    |                                     |                      |
| Invested in capital assets, net of related debt | 10,521,367                         | 6,894,580                           | 17,415,947           |
| Restricted for:                                 |                                    |                                     |                      |
| Education programs                              | 2,011,818                          | -                                   | 2,011,818            |
| Public safety programs                          | 48,657                             | -                                   | 48,657               |
| Unrestricted                                    | 4,700,708                          | (42,649)                            | 4,658,059            |
| <b>Total net assets</b>                         | <b>\$ 17,282,550</b>               | <b>\$ 6,851,931</b>                 | <b>\$ 24,134,481</b> |

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

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2011**

| <u>Functions/ Programs</u>                       | Program revenues     |                             |   | Net (Expense) Revenue and Changes in Net Assets |  |                     |
|--|----------------------|-----------------------------|---|---|--|---------------------|
|  | <u>Expenses</u>      | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u>                  | <u>Primary Government Business-type Activities</u> | <u>Total</u>        |
| <b>Primary government</b>                        |                      |                             |   |   |  |                     |
| Governmental activities:                         |                      |                             |   |   |  |                     |
| Legislative, judicial and general administrative | \$ 2,397,669         | \$ 275,438                  | \$ -                                      | \$ (2,122,231)                                  |  | \$ (2,122,231)      |
| Financial administration and tax assessor        | 293,462              | 16,941                      | 11,938                                    | (264,583)                                       |  | (264,583)           |
| Public safety                                    | 2,380,591            | 319,628                     | 32,451                                    | (2,028,512)                                     |  | (2,028,512)         |
| Public works                                     | 2,037,782            | 253,541                     | -   | (1,784,241)                                     |  | (1,784,241)         |
| Public welfare                                   | 3,964                | -                           | 57,611                                    | 53,647  |  | 53,647              |
| Public health                                    | 244,165              | -                           | 104,839                                   | (139,326)                                       |  | (139,326)           |
| Tree warden                                      | 26,503               | -                           | -   | (26,503)  |  | (26,503)            |
| Library  | 380,780              | 6,052                       | 162,477                                   | (212,251)                                       |  | (212,251)           |
| Parks & recreation                               | 481,358              | 449,302                     | 42,519                                    | 10,463  |  | 10,463              |
| Other  | 1,832,361            | -                           | 196,400                                   | (1,635,961)                                     |  | (1,635,961)         |
| Education  | 12,322,564           | -                           | 775,063                                   | (11,547,501)                                    |  | (11,547,501)        |
| Interest   | 428,354              | -                           | -   | (428,354)                                       |  | (428,354)           |
| <b>Total governmental activities</b>             | <b>22,829,553</b>    | <b>1,320,902</b>            | <b>1,383,298</b>                          | <b>(20,125,353)</b>                             |  | <b>(20,125,353)</b> |
| Business type activities:                        |                      |                             |   |   |  |                     |
| Harbor management fund                           | 276,147              | 258,564                     | -   | -   | \$ (17,583)  | (17,583)            |
| Water fund                                       | 1,020,152            | 810,666                     | -   | -   | (209,486)  | (209,486)           |
| On-site wastewater fund                          | 41,686               | 35,560                      | -   | -   | (6,126)  | (6,126)             |
| Sewer fund                                       | 1,084,891            | 971,549                     | -   | -   | (113,342)  | (113,342)           |
| <b>Total business-type activities</b>            | <b>2,422,876</b>     | <b>2,076,339</b>            | <b>-</b>                                  | <b>-</b>  | <b>(346,537)</b>                                   | <b>(346,537)</b>    |
| <b>Total primary government</b>                  | <b>\$ 25,252,429</b> | <b>\$ 3,397,241</b>         | <b>\$ 1,383,298</b>                       | <b>(20,125,353)</b>                             | <b>(346,537)</b>                                   | <b>(20,471,890)</b> |

**General revenues:**

|   |  |  |  |                      |                     |                      |
|---|--|--|--|----------------------|---------------------|----------------------|
| Taxes:                                      |  |  |  |                      |                     |                      |
| Property taxes, levied for general purposes |  |  |  | 17,849,996           | -                   | 17,849,996           |
| Unrestricted investment earnings            |  |  |  | 159,265              | 3,040               | 162,305              |
| State aid                                   |  |  |  | 678,083              | -                   | 678,083              |
| Miscellaneous                               |  |  |  | 1,451,155            | 211,141             | 1,662,296            |
| Transfers                                   |  |  |  | (8,000)              | 8,000               | -                    |
| <b>Total general revenues</b>               |  |  |  | <b>20,130,499</b>    | <b>222,181</b>      | <b>20,352,680</b>    |
| <b>Change in net assets</b>                 |  |  |  | <b>5,146</b>         | <b>(124,356)</b>    | <b>(119,210)</b>     |
| Net assets-beginning                        |  |  |  | <b>17,281,691</b>    | <b>6,976,287</b>    | <b>24,257,978</b>    |
| Prior period adjustment (see note 18)       |  |  |  | <b>(4,287)</b>       | <b>-</b>            | <b>(4,287)</b>       |
| Net assets-beginning - restated             |  |  |  | <b>17,277,404</b>    | <b>6,976,287</b>    | <b>24,253,691</b>    |
| Net assets-ending                           |  |  |  | <b>\$ 17,282,550</b> | <b>\$ 6,851,931</b> | <b>\$ 24,134,481</b> |

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

***Fund Financial Statements***

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2011**

|  | <b>General<br/>Fund</b> | <b>Capital<br/>Improvement<br/>Fund</b> | <b>Other<br/>Non-Major<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|---|---|---|
| <b>ASSETS</b>                              |                         |   |   |   |
| Cash and cash equivalents                  | \$ 8,132,114            | \$ 87,050                               | \$ 175,276  | \$ 8,394,440                            |
| <b>Accounts receivable:</b>                |                         |   |   |   |
| Accounts receivable net                    | 356,116                 | -                                       | -   | 356,116                                 |
| Due from other governments                 | 35,568                  | -                                       | 171,186   | 206,754                                 |
| Other receivables                          | 66,227                  | 84,000                                  | -   | 150,227                                 |
| Internal balances                          | 1,588,408               | 1,163,840                               | 1,415,333   | 4,167,581                               |
| Other Assets - net                         | 104,207                 | -                                       | -   | 104,207                                 |
| <b>TOTAL ASSETS</b>                        | <b>\$ 10,282,640</b>    | <b>\$ 1,334,890</b>                     | <b>\$ 1,761,795</b>                                   | <b>\$ 13,379,325</b>                    |
| <br><b>LIABILITIES AND FUND BALANCES</b>   |                         |   |   |   |
| <b>Liabilities:</b>                        |                         |   |   |   |
| Accounts payable                           | \$ 299,064              | \$ 9,215                                | \$ 50,539   | \$ 358,818                              |
| Accrued expenses                           | 1,157,841               | 6,433                                   | -   | 1,164,274                               |
| Internal balances                          | 1,984,917               | 1,043,201                               | 482,103   | 3,510,221                               |
| Deferred revenue                           | 100,813                 | -                                       | 315,686   | 416,499                                 |
| <b>Total liabilities</b>                   | <b>3,542,635</b>        | <b>1,058,849</b>                        | <b>848,328</b>  | <b>5,449,812</b>                        |
| <br><b>Fund balances:</b>                  |                         |   |   |   |
| <i>Nonspendable:</i>                       |                         |   |   |   |
| Inventories                                | 11,476                  | -                                       | -   | 11,476                                  |
| Prepays                                    | 92,731                  | -                                       | -   | 92,731                                  |
| <i>Restricted for:</i>                     |                         |   |   |   |
| Educational programs                       | 2,011,818               | -                                       | -   | 2,011,818                               |
| Public safety programs                     | -                       | -                                       | 48,657  | 48,657                                  |
| <i>Committed for:</i>                      |                         |   |   |   |
| Public works programs                      | -                       | -                                       | 357,906   | 357,906                                 |
| 2012 Budgeted operations                   | 150,000                 | -                                       | -   | 150,000                                 |
| Town capital programs                      | 285,000                 | -                                       | -   | 285,000                                 |
| Compensated absences                       | 401,439                 | -                                       | -   | 401,439                                 |
| Community programs                         | -                       | 276,041                                 | -   | 276,041                                 |
| <i>Assigned for:</i>                       |                         |   |   |   |
| Public safety programs                     | -                       | -                                       | 27,962  | 27,962                                  |
| Education                                  | -                       | -                                       | 100   | 100                                     |
| Public welfare programs                    | -                       | -                                       | 115,295   | 115,295                                 |
| Public works programs                      | -                       | -                                       | 283,171   | 283,171                                 |
| Culture and recreation                     | -                       | -                                       | 457,970   | 457,970                                 |
| <i>Unassigned:</i>                         | 3,787,541               | -                                       | (377,594)   | 3,409,947                               |
| <b>Total fund balances</b>                 | <b>6,740,005</b>        | <b>276,041</b>                          | <b>913,467</b>  | <b>7,929,513</b>                        |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 10,282,640</b>    | <b>\$ 1,334,890</b>                     | <b>\$ 1,761,795</b>                                   |   |

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

|  |                      |
|--|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 8)               | 20,521,867           |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 8)              | 55,411               |
| Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 8) | (11,224,241)         |
| <b>Net assets of governmental activities</b>   | <b>\$ 17,282,550</b> |

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

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2011**

|   | <u>General<br/>Fund</u> | <u>Capital<br/>Improvement<br/>Fund</u> | <u>Other<br/>Non-Major<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|-------------------------|---|---|---|
| <b>Revenues</b>   |                         |   |   |   |
| Property tax  | \$ 17,851,581           | \$ -                                    | \$ -  | \$ 17,851,581                           |
| Intergovernmental and departmental revenue  | 1,850,666               | 250,000                                 | 987,630   | 3,088,296                               |
| Federal revenue - State fiscal stabilization  | 60,871                  | -                                       | -   | 60,871                                  |
| License and permits   | 993,196                 | -                                       | -   | 993,196                                 |
| Fines and interest on late payments   | 144,689                 | -                                       | -   | 144,689                                 |
| Interest on investments   | 61,488                  | -                                       | -   | 61,488                                  |
| Other revenues  | 88,256                  | -                                       | 551,498   | 639,754                                 |
| <b>Total revenues</b>   | <u>21,050,747</u>       | <u>250,000</u>                          | <u>1,539,128</u>                                      | <u>22,839,875</u>                       |
| <b>Expenditures</b>   |                         |   |   |   |
| Legislative, judicial and general administrative  | 1,909,146               | -                                       | -   | 1,909,146                               |
| Financial administration and tax assessor   | 293,462                 | -                                       | -   | 293,462                                 |
| Public safety   | 2,138,029               | -                                       | -   | 2,138,029                               |
| Public works  | 1,604,492               | -                                       | -   | 1,604,492                               |
| Public welfare  | 3,964                   | -                                       | -   | 3,964                                   |
| Public health   | 244,165                 | -                                       | -   | 244,165                                 |
| Tree warden   | 26,503                  | -                                       | -   | 26,503                                  |
| Library   | 380,780                 | -                                       | -   | 380,780                                 |
| Parks & recreation  | 463,806                 | -                                       | -   | 463,806                                 |
| Other   | 57,541                  | 372,609                                 | 1,205,015   | 1,635,165                               |
| Education   | 11,571,783              | -                                       | 531,611   | 12,103,394                              |
| Capital outlay  | -                       | 412,918                                 | 66,969  | 479,887                                 |
| <b>Debt service:</b>  |                         |   |   |   |
| Principal   | 650,000                 | -                                       | -   | 650,000                                 |
| Interest  | 429,695                 | -                                       | -   | 429,695                                 |
| <b>Total expenditures</b>   | <u>19,773,366</u>       | <u>785,527</u>                          | <u>1,803,595</u>                                      | <u>22,362,488</u>                       |
| <b>Excess of revenues over (under) expenditures<br/>before other financing sources (uses)</b> | <u>1,277,381</u>        | <u>(535,527)</u>                        | <u>(264,467)</u>                                      | <u>477,387</u>                          |
| <b>Other financing sources (uses)</b>   |                         |   |   |   |
| Transfers from other funds  | 150,000                 | 810,800                                 | 59,830  | 1,020,630                               |
| Transfers to other funds  | (1,028,630)             | -                                       | -   | (1,028,630)                             |
| <b>Total other financing sources (uses)</b>   | <u>(878,630)</u>        | <u>810,800</u>                          | <u>59,830</u>   | <u>(8,000)</u>                          |
| <b>Excess of revenues and other sources<br/>over(under) expenditures and other uses</b>       | <u>398,751</u>          | <u>275,273</u>                          | <u>(204,637)</u>                                      | <u>469,387</u>                          |
| <b>Fund balances - beginning</b>  | <u>4,518,896</u>        | <u>768</u>                              | <u>1,122,391</u>                                      | <u>5,642,055</u>                        |
| <b>Prior period adjustment (see note 18 )</b>   | 1,822,358               | -                                       | (4,287)   | 1,818,071                               |
| <b>Fund balances - beginning restated</b>   | <u>6,341,254</u>        | <u>768</u>                              | <u>1,118,104</u>                                      | <u>7,460,126</u>                        |
| <b>Fund balances - ending</b>   | <u>\$ 6,740,005</u>     | <u>\$ 276,041</u>                       | <u>\$ 913,467</u>                                     | <u>\$ 7,929,513</u>                     |

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

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2011**

Net change in fund balances-total governmental funds \$ 469,387

Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital additions exceed depreciation expense in the current period.

|                      |                    |           |
|----------------------|--------------------|-----------|
| Capital Outlay       | 494,087            |           |
| Depreciation Expense | <u>(1,123,970)</u> | (629,883) |

Reductions in deferred revenue that provide current financial resources to governmental funds are not reported as revenues in the statement of activities. (1,585)

Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities. This is the net effect of those activities. 1,341

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which principal was reduced. 650,000

Other certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the statement of activities these accrued expenses are recognized and charged to current activities. (484,114)

Change in net assets of governmental activities \$ 5,146

*Please see Note 9 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements*

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

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

|   | <b>Enterprise Funds</b>               |                       |  |                       |                     |
|---|---------------------------------------|-----------------------|--|-----------------------|---------------------|
|   | <b>Harbor<br/>Management<br/>Fund</b> | <b>Water<br/>Fund</b> | <b>On-Site<br/>Wastewater<br/>Fund</b> | <b>Sewer<br/>Fund</b> | <b>Total</b>        |
| <b>ASSETS</b>                                   |                                       |                       |  |                       |                     |
| <b>Current assets</b>                           |                                       |                       |  |                       |                     |
| Cash and cash equivalents                       | \$ 45,461                             | \$ 233,759            | \$ -                                   | \$ 209,755            | \$ 488,975          |
| <b>Accounts receivable - net:</b>               |                                       |                       |  |                       |                     |
| Water and sewer user fees                       | -                                     | 58,452                | -                                      | 209,515               | 267,967             |
| Other receivables                               | 3,741                                 | -                     | -                                      | 6,625                 | 10,366              |
| Internal balances                               | 30,091                                | -                     | -                                      | -                     | 30,091              |
| Inventory                                       | -                                     | 48,335                | -                                      | 1,799                 | 50,134              |
| <b>Total current assets</b>                     | <u>79,293</u>                         | <u>340,546</u>        | <u>-</u>                               | <u>427,694</u>        | <u>847,533</u>      |
| <b>Non-current assets</b>                       |                                       |                       |  |                       |                     |
| <b>Property, plant and equipment</b>            |                                       |                       |  |                       |                     |
| Reservoirs and land                             | -                                     | 55,200                | -                                      | -                     | 55,200              |
| Plant facilities                                | -                                     | 7,797,870             | -                                      | 12,039,702            | 19,837,572          |
| Extensions and mains                            | -                                     | 2,589,927             | -                                      | 2,058,866             | 4,648,793           |
| Equipment                                       | 98,261                                | 110,752               | -                                      | 155,849               | 364,862             |
| Total property, plant and equipment             | <u>98,261</u>                         | <u>10,553,749</u>     | <u>-</u>                               | <u>14,254,417</u>     | <u>24,906,427</u>   |
| Less accumulated depreciation                   | 49,130                                | 2,381,951             | -                                      | 4,501,237             | 6,932,318           |
| Net property, plant and equipment               | <u>49,131</u>                         | <u>8,171,798</u>      | <u>-</u>                               | <u>9,753,180</u>      | <u>17,974,109</u>   |
| Other assets                                    | -                                     | 65,025                | -                                      | 24,375                | 89,400              |
| <b>TOTAL ASSETS</b>                             | <u>128,424</u>                        | <u>8,577,369</u>      | <u>-</u>                               | <u>10,205,249</u>     | <u>18,911,042</u>   |
| <b>LIABILITIES</b>                              |                                       |                       |  |                       |                     |
| <b>Current liabilities</b>                      |                                       |                       |  |                       |                     |
| Accounts payable                                | 17,153                                | 43,000                | -                                      | 1,222                 | 61,375              |
| Accrued expenses                                | 7,563                                 | 82,270                | -                                      | 43,733                | 133,566             |
| Internal balances                               | -                                     | 157,315               | 2,951                                  | 527,185               | 687,451             |
| Current portion of bonds and notes payable      | -                                     | 288,000               | -                                      | 377,693               | 665,693             |
| <b>Total current liabilities</b>                | <u>24,716</u>                         | <u>570,585</u>        | <u>2,951</u>                           | <u>949,833</u>        | <u>1,548,085</u>    |
| <b>Non-current liabilities</b>                  |                                       |                       |  |                       |                     |
| Compensated absences payable                    | -                                     | 47,144                | -                                      | 50,046                | 97,190              |
| Bonds and notes payable long term portion       | -                                     | 5,470,000             | -                                      | 4,943,836             | 10,413,836          |
| <b>Total non-current liabilities</b>            | <u>-</u>                              | <u>5,517,144</u>      | <u>-</u>                               | <u>4,993,882</u>      | <u>10,511,026</u>   |
| <b>Total liabilities</b>                        | <u>24,716</u>                         | <u>6,087,729</u>      | <u>2,951</u>                           | <u>5,943,715</u>      | <u>12,059,111</u>   |
| <b>Net Assets</b>                               |                                       |                       |  |                       |                     |
| Invested in Capital assets, net of related debt | 49,131                                | 2,413,798             | -                                      | 4,431,651             | 6,894,580           |
| Unrestricted                                    | 54,577                                | 75,842                | (2,951)                                | (170,117)             | (42,649)            |
| <b>Total Net Assets</b>                         | <u>\$ 103,708</u>                     | <u>\$ 2,489,640</u>   | <u>\$ (2,951)</u>                      | <u>\$ 4,261,534</u>   | <u>\$ 6,851,931</u> |

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

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2011**

|  | <b>Enterprise Funds</b>               |                       |  |                       | <b>Total</b>        |
|--|---------------------------------------|-----------------------|--|-----------------------|---------------------|
|  | <b>Harbor<br/>Management<br/>Fund</b> | <b>Water<br/>Fund</b> | <b>On-Site<br/>Wastewater<br/>Fund</b> | <b>Sewer<br/>Fund</b> |                     |
| <b>Operating revenues</b>                |                                       |                       |  |                       |                     |
| Assessments and user fees                | \$ 258,564                            | \$ 810,666            | \$ 35,560                              | \$ 971,549            | \$ 2,076,339        |
| Other revenues                           | -                                     | 210,341               | -                                      | 800                   | 211,141             |
| <b>Total operating revenues</b>          | <u>258,564</u>                        | <u>1,021,007</u>      | <u>35,560</u>                          | <u>972,349</u>        | <u>2,287,480</u>    |
| <b>Operating expenses</b>                |                                       |                       |  |                       |                     |
| Salaries and benefits                    | 79,557                                | 345,669               | 35,682                                 | 356,465               | 817,373             |
| Materials and supplies                   | 186,764                               | 263,126               | 6,004                                  | 185,532               | 641,426             |
| Depreciation and amortization            | 9,826                                 | 202,731               | -                                      | 453,473               | 666,030             |
| <b>Total operating expenses</b>          | <u>276,147</u>                        | <u>811,526</u>        | <u>41,686</u>                          | <u>995,470</u>        | <u>2,124,829</u>    |
| <b>Operating income (loss)</b>           | <u>(17,583)</u>                       | <u>209,481</u>        | <u>(6,126)</u>                         | <u>(23,121)</u>       | <u>162,651</u>      |
| <b>Non-operating revenues (expenses)</b> |                                       |                       |  |                       |                     |
| Interest income                          | -                                     | 3,040                 | -                                      | -                     | 3,040               |
| Interest expense                         | -                                     | (208,626)             | -                                      | (89,421)              | (298,047)           |
| Transfer-in from golf course             | -                                     | -                     | -                                      | 8,000                 | 8,000               |
| <b>Total non-operating (expenses)</b>    | <u>-</u>                              | <u>(205,586)</u>      | <u>-</u>                               | <u>(81,421)</u>       | <u>(287,007)</u>    |
| <b>Change in Net Assets</b>              | <u>(17,583)</u>                       | <u>3,895</u>          | <u>(6,126)</u>                         | <u>(104,542)</u>      | <u>(124,356)</u>    |
| <b>Total Net Assets - beginning</b>      | <u>121,291</u>                        | <u>2,485,745</u>      | <u>3,175</u>                           | <u>4,366,076</u>      | <u>6,976,287</u>    |
| <b>Total Net Assets - ending</b>         | <u>\$ 103,708</u>                     | <u>\$ 2,489,640</u>   | <u>\$ (2,951)</u>                      | <u>\$ 4,261,534</u>   | <u>\$ 6,851,931</u> |

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

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Statement of Cash Flows-Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2011**

|  | Enterprise Funds             |                   |                               |                   | Total             |
|--|------------------------------|-------------------|-------------------------------|-------------------|-------------------|
|  | Harbor<br>Management<br>Fund | Water<br>Fund     | On-Site<br>Wastewater<br>Fund | Sewer<br>Fund     |                   |
| <b>Cash flows from operating activities</b>  |                              |                   |                               |                   |                   |
| Cash received from customers   | \$ 254,823                   | \$ 1,032,413      | \$ 35,560                     | \$ 986,458        | \$ 2,309,254      |
| Cash payments to suppliers for goods and services  | (175,567)                    | (232,151)         | (6,004)                       | (201,547)         | (615,269)         |
| Cash payments to employees for services  | (84,175)                     | (353,459)         | (35,682)                      | (359,410)         | (832,726)         |
| <b>Net cash provided by (used for) operating activities</b>                                    | <u>(4,919)</u>               | <u>446,803</u>    | <u>(6,126)</u>                | <u>425,501</u>    | <u>861,259</u>    |
| <b>Cash flows from capital and related financing activities</b>                                |                              |                   |                               |                   |                   |
| Acquisition and construction of capital assets   | -                            | (32,117)          | -                             | -                 | (32,117)          |
| Principal paid on bonds, notes and loans   | -                            | (275,000)         | -                             | (370,925)         | (645,925)         |
| Interest paid on bonds, notes and loans  | -                            | (211,490)         | -                             | (89,421)          | (300,911)         |
| <b>Net cash provided (used for) capital and related financing activities</b>                   | <u>-</u>                     | <u>(518,607)</u>  | <u>-</u>                      | <u>(460,346)</u>  | <u>(978,953)</u>  |
| <b>Cash flows from non-capital financing activities</b>  |                              |                   |                               |                   |                   |
| Interfund transfers  | (72,628)                     | 89,729            | 6,126                         | (45,612)          | (22,385)          |
| <b>Net cash provided by (used for) non-capital financing activities</b>                        | <u>(72,628)</u>              | <u>89,729</u>     | <u>6,126</u>                  | <u>(45,612)</u>   | <u>(22,385)</u>   |
| <b>Cash flows from investing activities</b>  |                              |                   |                               |                   |                   |
| Interest on investments  | -                            | 3,040             | -                             | -                 | 3,040             |
| <b>Net cash provided by (used for) investing activities</b>                                    | <u>-</u>                     | <u>3,040</u>      | <u>-</u>                      | <u>-</u>          | <u>3,040</u>      |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                    | (77,547)                     | 20,965            | -                             | (80,457)          | (137,039)         |
| <b>Cash and cash equivalents at beginning of year</b>  | 123,008                      | 212,794           | -                             | 290,212           | 626,014           |
| <b>Cash, (cash overdrafts recorded as payables) and cash equivalents at end of year</b>        | <u>\$ 45,461</u>             | <u>\$ 233,759</u> | <u>\$ -</u>                   | <u>\$ 209,755</u> | <u>\$ 488,975</u> |
| <b>Reconciliation of operating income to net cash provided by operating activities</b>         |                              |                   |                               |                   |                   |
| <b>Operating income (Loss)</b>   | \$ (17,583)                  | \$ 209,481        | \$ (6,126)                    | \$ (23,121)       | \$ 162,651        |
| <b>Adjustments to reconcile operating income to net cash provided by operating activities:</b> |                              |                   |                               |                   |                   |
| Depreciation   | 9,826                        | 202,731           | -                             | 453,473           | 666,030           |
| <b>Changes in assets and liabilities:</b>  |                              |                   |                               |                   |                   |
| (Increase) decrease in accounts receivable   | (3,741)                      | 11,407            | -                             | 14,109            | 21,775            |
| (Increase) decrease in inventory   | -                            | (5,927)           | -                             | 414               | (5,513)           |
| Increase (decrease) in accounts payable  | 3,634                        | 37,924            | -                             | (16,429)          | 25,129            |
| Increase (decrease) in accrued expenses  | 2,945                        | (8,813)           | -                             | (2,945)           | (8,813)           |
| <b>Total adjustments</b>   | <u>12,664</u>                | <u>237,322</u>    | <u>-</u>                      | <u>448,622</u>    | <u>698,608</u>    |
| <b>Net cash provided by operating activities</b>   | <u>\$ (4,919)</u>            | <u>\$ 446,803</u> | <u>\$ (6,126)</u>             | <u>\$ 425,501</u> | <u>\$ 861,259</u> |

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

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2011**

|  | <u>Employee<br/>Retirement Plan</u> | <u>Private-purpose<br/>Trusts</u> | <u>Agency Funds</u> |
|--|-------------------------------------|-----------------------------------|---------------------|
| <b>ASSETS</b>  |                                     |                                   |                     |
| Cash   | \$ 378,592                          | \$ 148,642                        | \$ 29,888           |
| <b>Receivables:</b>                                      |                                     |                                   |                     |
| Accrued interest and dividends                           | 43,558                              | -                                 | -                   |
| Total receivables  | <u>43,558</u>                       | <u>-</u>                          | <u>-</u>            |
| Investments, at fair value:                              |                                     |                                   |                     |
| Government obligations                                   | 894,784                             | -                                 | 25,820              |
| Domestic corporate bonds                                 | 2,806,041                           | -                                 | -                   |
| Mutual funds   | 1,436,872                           | -                                 | 505,661             |
| Equities   | <u>3,267,745</u>                    | <u>-</u>                          | <u>102,079</u>      |
| Total investments  | <u>8,405,442</u>                    | <u>-</u>                          | <u>633,560</u>      |
| <b>Total Assets</b>                                      | <u>8,827,592</u>                    | <u>148,642</u>                    | <u>663,448</u>      |
| <b>LIABILITIES</b>                                       |                                     |                                   |                     |
| Deposits held in custody for others                      | -                                   | -                                 | 663,448             |
| Total liabilities  | <u>-</u>                            | <u>-</u>                          | <u>\$ 663,448</u>   |
| <b>NET ASSETS</b>  |                                     |                                   |                     |
| Held in trust for pension benefits<br>and other purposes | <u>\$ 8,827,592</u>                 | <u>\$ 148,642</u>                 |                     |

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

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2011**

|  | <u>Employee<br/>Retirement Plan</u> | <u>Private-purpose<br/>Trusts</u> |
|--|-------------------------------------|-----------------------------------|
| <b>Additions</b>                                     |                                     |                                   |
| Contributions  |                                     |                                   |
| Employer   | \$ 141,780                          | \$ -                              |
| Plan members   | 60,169                              | -                                 |
| Total contributions                                  | <u>201,949</u>                      | <u>-</u>                          |
| <b>Investment earnings</b>                           |                                     |                                   |
| Net increase/(decrease) in fair value of investments | 956,543                             | -                                 |
| Interest and dividends                               | 278,482                             | 872                               |
| Total investment earnings                            | <u>1,235,025</u>                    | <u>872</u>                        |
| <b>Total additions</b>                               | <u>1,436,974</u>                    | <u>872</u>                        |
| <b>Deductions</b>                                    |                                     |                                   |
| Benefits paid  | 434,600                             | -                                 |
| Scholarships   | -                                   | 4,000                             |
| Plan cost  | 43,204                              | -                                 |
| Total deductions                                     | <u>477,804</u>                      | <u>4,000</u>                      |
| Change in net assets                                 | 959,170                             | (3,128)                           |
| Net assets beginning of year July 1, 2010            | 7,868,422                           | 151,770                           |
| <b>Net assets end of year June 30, 2011</b>          | <u>\$ 8,827,592</u>                 | <u>\$ 148,642</u>                 |

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

## **Notes to Financial Statements**

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

The financial statements of the Town of Jamestown, Rhode Island, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**THE FINANCIAL REPORTING ENTITY**

The Town of Jamestown is a municipal corporation governed by a Town Council/Town Administrator form of government with an elected five-member Town Council.

The Town of Jamestown was founded in 1639, incorporated as a Town in 1678; it was first chartered on November 5, 1974 and amended in the years 1992, 2002 and 2009. The Town is governed largely under the State Legislative Group. In some matters, including the issuance of short and long-term debt, the general laws of the State of Rhode Island govern the Town. The Town provides the following services as authorized by the State Legislative Laws: public safety (police, fire, traffic safety, inspections, zoning and building), public works (highways and streets, harbors, engineering and building maintenance), recreation, education, social services, and general administrative services.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14. Under GASB Statement No. 14, the financial reporting entity includes both the primary government, which is the Town of Jamestown and all of its component units. Component units are legally separate entities that meet anyone of the following three tests:

Test 1 - The primary government appoints the voting majority of the board of the potential component unit and

\* is able to impose its will on the potential component unit and/or

\* is in a relationship of financial benefit or burden with the potential component unit,

Test 2 - The potential component unit is fiscally dependent upon the primary government; or

Test 3 - The financial statements would be misleading if data from the potential component writ were not included.

The following entities were considered for classification as component units for the fiscal year ended 2011:

- \* Jamestown School Department
- \* Jamestown Fire Department
- \* Jamestown Housing Authority

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

Although the School Department meets certain criteria of the tests listed above, the School Department is not deemed to have separate legal status apart from the Town. As a result, the financial data of the School Department has been included as part of the Town's General Fund within the Town's financial statements.

The Town of Jamestown's financial statements do not include the Jamestown Fire Department or the Jamestown Housing Authority.

A description of these entities and the reasons for their exclusion from the reporting entity are summarized below:

The Jamestown Fire Department is located in a Town-owned building. The Department was organized to provide fire protection for the citizens of Jamestown. Although this relationship suggests that the Department might be part of the reporting entity, the following factors suggest that the Department should not be included in the reporting entity:

- The Department is responsible for its fiscal affairs including the funding of deficits and the disposition of surpluses.
- The Department's management is responsible for the day-to-day operations of the department.
- The management of the Department is accountable to a governing board, which is not accountable to Town administration.

The Housing Authority services only citizens of the Town of Jamestown with low income housing throughout Jamestown. Although this relationship might suggest that the Housing Authority should be part of the reporting entity, the following factors suggest that the authority should not be included in the reporting entity:

- The Housing Authority is exclusively responsible for its fiscal affairs including the funding of deficits and the disposition of surpluses.
- The Housing Authority's management is responsible for employment of personnel and for the day-to-day operations of the Authority.
- The management of the Housing Authority is accountable to the Housing Authority's governing board, which is not accountable to the Town administration or Town Council.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

**BASIS OF PRESENTATION**

**Recently Issued Accounting Standards**

The Town has adopted as of its effective date the following new accounting pronouncement.

- GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, effective for the Town's fiscal year ending June 30, 2011.

***Government-Wide Financial Statements***

The statement of net assets and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for *fiduciary funds* (the activity of these funds are reported in the statements of fiduciary net assets and changes in fiduciary net assets). The government-wide financial statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds, each of which, is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- (a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), and
- (b) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

**GOVERNMENTAL FUND TYPES:**

These are the funds through which most governmental functions are typically financed. The funds included in this category are as follows:

*General Fund* - is used to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenues used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

*Special Revenue Funds* - are used to account for restricted or committed revenues that comprise a substantial portion of the *inflows* of a fund.

*Capital Projects Funds* - are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust funds).

**PROPRIETARY FUND TYPES:**

These funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are as follows:

*Enterprise Funds* - are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy management control, accountability, or other purposes.

**FIDUCIARY FUND TYPES:**

These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. *Fiduciary Fund types are not part of the reporting entity in the Government-wide financial statements.* These funds are as follows:

*Pension Trust Fund* - is established to provide pension benefits to Police employees. The principal revenue source for this fund is employer and employee contributions and investment income.

*Private Purpose Trust Funds and Agency Funds* - are used to account for funds that are to be used for educational and welfare expenditures and for funds held in escrow for other parties.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

**BASIS OF ACCOUNTING**

***Measurement Focus – Government Wide Financial Statements***

In the government wide financial statements the Statement of Net Assets and Statement of Activities (governmental and business-type activities) are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

***Measurement Focus – Fund Financial Statements***

The accounting and financial reporting treatment applied to the *fund financial statements* is determined by its measurement focus. All Governmental Fund Types and Expendable Trust Funds are accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Fund Types, Private Purpose Trust Funds and Pension Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net assets) is segregated into contributed capital and retained earnings components. Proprietary Fund Type operating statements present increases (i.e., revenues) and decreases (i.e. expenses) in net assets.

All governmental fund types and agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Licenses and permits, charges for services, fines, forfeits, and miscellaneous revenue are recorded as revenues when received in cash. Those revenues susceptible to accrual are property taxes and investment earnings. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations, which are recognized when paid.

Non-current portions of long-term receivables of Governmental Fund Types are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate; however, that they should not be considered "available expendable resources" since they do not represent net current assets. Recognition of Governmental Fund Type revenues represented by non-current receivables is deferred until they become current receivables.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

***BASIS OF ACCOUNTING (continued)***

Because of their spending measurement focus, expenditure recognition for Governmental Fund Types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund Type expenditures or fund liabilities. They are instead reported as Long-term Liabilities – Governmental Activities.

In applying the "susceptible to accrual" concept to intergovernmental revenues the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of such revenues. For one type, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded.

For the other type, revenues are virtually unrestricted as to purpose of expenditure and nearly irrevocable or revocable only for failure to comply with the prescribed requirements, such as a Community Development Block Grant. These resources are reflected as revenues at the time of receipt or earlier if they meet the "available" criteria.

All Proprietary Funds and Pension Trust Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

In accordance with Governmental Accounting Standards Board (GASB) Statement #20, the Town of Jamestown has elected to apply to all Proprietary Fund Types all applicable GASB Pronouncements, as well as the following pronouncements issued on or before November 30, 1989: FASB Statements and Interpretations, APB opinions and ARB's unless these pronouncements conflict with or contradict GASB pronouncements.

***Budgetary Data and Budgetary Compliance*** - In accordance with the Town's Charter, the Town has formally established budgetary accounting control for its General Fund, and School Capital Improvement Fund, which is a Capital Projects Fund. All of the above are subject to annual operating budgets recommended by the Town Council and adopted at the annual financial town meeting.

The annual operating budgets' appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The General Fund and School Capital Improvement Fund budgets are in conformity with the legally enacted budgetary basis, which is not in conformity with generally accepted accounting principles. The budget to actual presentations in the financial statements for these funds is reflected on both the GAAP and budgetary basis. The difference between the budgetary basis and the generally accepted accounting principles basis is explained further in the Notes to Required Supplementary Information on page 70.

Appropriations, which are not expended or encumbered, lapse at year-end. The Town had no additional appropriations during the year.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

***BASIS OF ACCOUNTING (continued)***

***Cash and Cash Equivalents*** - For purposes of the Statement of Cash Flows, the Proprietary Fund Types consider all highly liquid investments with a maturity of three months or less when purchased to be a cash equivalent.

***Investments*** – Are Government Securities, Commercial Paper and various types of corporate stocks and bonds held in the Governmental or Fiduciary Fund Types, which are recorded at fair value. Fair value is determined by independent reporting agencies for all investments.

***Receivables*** - Accounts receivable are recorded in the General, Special Revenue and Enterprise Funds. Estimated unbilled and un-advanced billed revenue from the Water and Sewer funds are recognized (or deferred) at the end of the year. The town uses the direct write off method to account for bad debt.

Property taxes, which were levied on the first Monday of June of the current year and other delinquent balances, are recorded as receivables offset by deferred revenue accounts on the balance sheets.

***Inventories*** -Inventories are maintained on a perpetual system and are stated at cost (first in, first out method of inventory valuation) in the Enterprise Funds. Inventories are recorded as expenditures when consumed. All other funds consider the purchase of supplies and materials to be an expense when incurred.

***Other Assets*** - Other assets held are recorded and accounted for at cost.

***Pensions*** - The provision for pension cost is recorded on an accrual basis, and the Town's policy is to fund pension costs as they accrue.

***Capital Assets*** - In Governmental Fund type, operations are accounted for using the “current financial resources” measurement focus. Capital assets, which include property, plant and equipment, and infrastructure (e.g. road, curbs and gutters, streets and sidewalks, and drainage systems), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). Pursuant to the implementation of GASB Statement No. 34, the historical costs of infrastructure assets (retroactive to January 1, 1979) are included as part of the governmental capital assets reported in the government-wide statements. Donated assets are recorded at estimated fair market value at the date 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.

The Town capitalizes certain interest costs in accordance with GASB Code Section 1400 as part of constructed assets. Interest is capitalized throughout the construction period in the Capital projects fund prior to the assets being transferred to the governmental fund and placed in service.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

Property, plant and equipment for Proprietary Fund Types are valued at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

|                            |             |
|----------------------------|-------------|
| Underground Piping         | 65 Years    |
| Buildings & Infrastructure | 25-65 Years |
| Other Improvements         | 15-30 Years |
| Land Improvements          | 10-65 Years |
| Machinery and Equipment    | 6-30 Years  |
| Vehicles                   | 5 Years     |

**Equity Classifications**

**Government-Wide Statements** - Equity is classified as net assets and displayed in three components:

- **Invested in capital assets, net of related debt** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net assets** - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted net assets** - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

**Governmental Fund Financial Statements** - For the fiscal year ended June 30, 2011 the Town has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Acceptance of this statement has changed the Town's presentation of the elements of fund balances, a key indicator of inter-period equity. Listed below are the new fund balance categories and their definitions.

- **Non-spendable** – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories.
  - **Restricted** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions.
  - **Committed** – are balances with constraints imposed by the government using the highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority taking the same type of action.
  - **Assigned** – are balances intended for a specific purpose by the government's management and are also appropriations of existing fund balances.
  - **Unassigned** – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund.
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**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

The Town has set classification policies and procedures for the above noted level of fund balance reporting.

- a) For committed fund balances: the Town Council is the highest level of decision making authority.
- b) For assigned fund balance: Town management has decision making authority, with approval from the Town council.
- c) The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and considers committed amounts to have been spent when and expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

**Revenues, Expenditures and Expenses** - Revenues for Governmental Fund Types are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for Governmental Fund Types are recorded when the related liability is incurred. The Town will make use of any available restricted resources first versus unrestricted when determining expendable funds, when both are available. Revenues and expenses of Proprietary Fund Types are recognized using the full accrual basis of accounting. Revenue is recognized as earned and expenses as incurred. Operating revenues are defined as those revenues generated from fees and assessments all others are deemed non-operating.

**Property Taxes** - The Town is permitted by State law to levy property taxes. Current tax collections for the Town were approximately 98 % of the total 2010-2011 levy. The Town Council establishes the tax rate for the Town and it is then voted on at the annual Financial Town Meeting.

The Town's 2011 property taxes were levied on the first Monday of June 2010 on assessed valuations as of December 31, 2009. Upon levy, taxes are billed quarterly and are due in September, December, March and June. Failure to make payments by due dates will result interest being charged on the unpaid balance. Failure to pay taxes owed will result in the sale of the property for taxes, interest and legal fees.

**Vacation, Sick Leave, and Other Compensated Absences** - Under the terms of various contracts and agreements, Town and School employees are granted vacation and sick leave in varying amounts based on length of service. Accumulated vacation and vested sick leave is to be paid with available expendable financial resources from the Governmental Fund Types and are recorded as a liability in the appropriate fund. For Proprietary Fund Types accrued vacation and sick leave is recorded as a liability within those funds.

**Inter-fund Transactions** - Quasi-external transactions are accounted for as fund revenues, expenditures or expenses (as appropriate). Transactions which constitute reimbursements to a fund for expenditures or expenses initially made from it, which are properly applicable to another fund are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed.

All interfund transactions except advances, quasi-external transactions and reimbursements are accounted for as transfers. Nonrecurring or non-routine transfers of equity between funds are considered equity transfers. All other interfund transactions are treated as operating transfers. The Towns policy is to eliminate inter-fund liabilities when assets become available or through approved equity transfers. In the Government-Wide financial statements these inter-fund balances are eliminated so not to "gross up" the assets and liabilities of the primary government.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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

**Deferred Revenues** - Represent funds received in advance of being owed or receivables, which will be collected and included in revenues of future fiscal years. Deferred revenue includes property tax revenues due at fiscal year-end, which has not been collected within sixty days following the end of the Town's fiscal year.

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and the differences could be material.

**NOTE 2- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Legal Debt Limit** - The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$59,805,210. As of June 30, 2011, the Town's debt was under the debt limit by \$49,805,010. The long-term debt reported in the Water and Sewer Funds are exempt from the three percent limitation.

**Deposits With Financial Institutions** - Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturity's greater than sixty (60) days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposit, regardless of maturity. There were no violations of the requirements noted in the year. At June 30, 2011 the Town's uncollateralized deposits with an institution are \$1,855,515.

**NOTE 3 – CASH AND INVESTMENTS**

**Deposits:** The Town maintains deposits in various financial institutions that are carried at cost except for those amounts which are carried as petty cash. The carrying amount of deposits is separately displayed on the balance sheet as "Cash and Cash Equivalents".

**Investments:** Investment of all idle funds shall be made through national banks or trust companies, providing that the financial conditions and integrity of said institution or institutions are verifiable and can be monitored. The investment of funds shall be in direct obligations of the United States Government and "money market instruments" rated "A" or better. Investments in any one institution shall not exceed five (5) percent of that institutions capital and surplus as set forth in the institutions most recent audited financial statements. All investments will be made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital.

**Interest Rate Risk:** The Town limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market funds, or similar investment pools.

**Concentrations:** The Town policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**NOTE 3 – CASH AND INVESTMENTS (continued)**

**Custodial Credit Risk**

*Deposits:* This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2011, \$1,855,515 of the Town's bank balance of \$9,711,673 was uninsured and uncollateralized.

*Investments:* This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Cash and investments of the Town consist of the following at June 30, 2011

|  |                                    |
|--|------------------------------------|
| <b><i>Cash and Cash Equivalents</i></b>  |                                    |
| Deposits with financial institutions     | \$ 9,440,537                       |
| <br><b><i>Investments</i></b>            |                                    |
| Mutual Funds                             | 1,942,533                          |
| Equities                                 | 3,369,824                          |
| Government Bonds                         | 920,604                            |
| Domestic Corporate Bonds & Fixed Income  | 2,806,041                          |
| Total Pension Investments                | <u>9,039,002</u>                   |
| <b><i>Total Cash and Investments</i></b> | <b><u><u>\$ 18,479,539</u></u></b> |

Cash and investments are classified in the accompanying financial statements as follows:

|  |                                    |
|--|------------------------------------|
| <b><i>Statement of Net Assets</i></b>    |                                    |
| Cash and cash equivalents                | \$ 8,883,415                       |
| <br><b><i>Fiduciary Funds</i></b>        |                                    |
| Cash                                     | 557,122                            |
| Investments                              | <u>9,039,002</u>                   |
|  | <u>9,596,124</u>                   |
| <b><i>Total Cash and Investments</i></b> | <b><u><u>\$ 18,479,539</u></u></b> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 3 – CASH AND INVESTMENTS (continued)**

*Interest Rate Risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the town's debt type investments to this risk using the segment time distribution model is as follows:

| Type of Investment    | Investment Maturities (in Years) |                   |                     |                     |                   |
|-----------------------|----------------------------------|-------------------|---------------------|---------------------|-------------------|
|                       | Fair Value                       | Less Than 1 Year  | 1-5 Years           | 6-10 Years          | Over 10 Years     |
| Government Securities | \$ 894,784                       | -                 | \$ 53,564           | \$ 638,690          | \$ 202,530        |
| Corporate Bonds       | 2,806,041                        | 324,927           | 1,345,800           | 1,135,314           | -                 |
| Total                 | <u>\$ 3,700,825</u>              | <u>\$ 324,927</u> | <u>\$ 1,399,364</u> | <u>\$ 1,774,004</u> | <u>\$ 202,530</u> |

*Credit Risk:* Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

| Average Rating | Bonds               |
|----------------|---------------------|
| Aaa            | \$ 57,983           |
| Aa1            | 279,015             |
| Aa2            | 419,439             |
| Aa3            | 413,475             |
| A1             | 455,199             |
| A2             | 635,602             |
| A3             | 468,382             |
| Ba1            | 53,279              |
| Baa1           | 333,873             |
| Baa2           | 45,720              |
|                | <u>\$ 3,161,967</u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 4 – PROPERTY TAXES**

The Town is responsible for assessing, collecting, and distributing property taxes in accordance with enabling State legislation. Under the “current financial resources” measurement focus (fund accounting) property tax revenue is recognized in accordance with Section P70, “Property Taxes” of the *Codification of Government Accounting and Reporting Standards*, which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. In the government-wide financial statements revenue is recognized when earned (billed). The Town uses the direct write off method for un-collectable property taxes and follows state law when to write off the balance.

**NOTE 5 – INTERFUND RECEIVABLES**

The Town, in the ordinary course of business will transfer monies to various funds in order to meet current expenditures. The amounts are recorded as inter-fund balances. These amounts are expected to be repaid only when the receiving fund has sufficient available funds. These balances are eliminated on the government wide financial statements.

Interfund receivable and payable balances at June 30, 2011 are as follows:

|                               | <u>Due From<br/>Other Funds</u> | <u>Due To<br/>Other Funds</u> |
|-------------------------------|---------------------------------|-------------------------------|
| <b>General Fund:</b>          |                                 |                               |
| Total General Fund            | \$ 1,588,408                    | \$ 1,984,917                  |
| <b>Special Revenue Funds:</b> |                                 |                               |
| Total Special Revenue Funds   | 1,108,853                       | 481,603                       |
| <b>Capital Project Funds:</b> |                                 |                               |
| Town Capital Project Funds    | 1,180,703                       | 1,043,701                     |
| School Capital Improvement    | 289,617                         | -                             |
| Total Capital Project Funds   | 1,470,320                       | 1,043,701                     |
| <b>Enterprise Funds:</b>      |                                 |                               |
| Harbor Management Fund        | 30,091                          | -                             |
| Water Fund                    | -                               | 157,315                       |
| On-site Wastewater Fund       | -                               | 2,951                         |
| Sewer Fund                    | -                               | 527,185                       |
| Total Enterprise Funds        | 30,091                          | 687,451                       |
| <b>TOTALS</b>                 | <u>\$ 4,197,672</u>             | <u>\$ 4,197,672</u>           |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 6. INFORMATION ABOUT CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

|   | Primary Government   |                     |               | Ending<br>Balance    |
|---|----------------------|---------------------|---------------|----------------------|
|   | Beginning<br>Balance | Increases           | Decreases     |                      |
| <b>Governmental activities:</b>               |                      |                     |               |                      |
| Capital assets not being depreciated:         |                      |                     |               |                      |
| Land and improvements                         | \$ 3,318,316         | \$ -                | \$ -          | \$ 3,318,316         |
| Development Rights                            | 3,500,000            | -                   | -             | 3,500,000            |
| Total capital assets not being depreciated    | <u>6,818,316</u>     | <u>-</u>            | <u>-</u>      | <u>6,818,316</u>     |
| Other capital assets:                         |                      |                     |               |                      |
| Buildings and improvements                    | 15,301,724           | 163,269             | -             | 15,464,993           |
| Infrastructure                                | 9,688,417            | 237,005             | -             | 9,925,422            |
| Machinery, equipment and furniture            | 4,746,108            | 93,813              | 85,908        | 4,754,013            |
| Total other capital assets at historical cost | <u>29,736,249</u>    | <u>494,087</u>      | <u>85,908</u> | <u>30,144,428</u>    |
| Less accumulated depreciation for:            |                      |                     |               |                      |
| Buildings and improvements                    | 6,955,566            | 474,972             | -             | 7,430,538            |
| Infrastructure                                | 5,217,258            | 353,577             | -             | 5,570,835            |
| Machinery, equipment and furniture            | 3,229,991            | 295,421             | 85,908        | 3,439,504            |
| Total accumulated depreciation                | <u>15,402,815</u>    | <u>1,123,970</u>    | <u>85,908</u> | <u>16,440,877</u>    |
| Governmental activities capital assets, net   | <u>\$ 21,151,750</u> | <u>\$ (629,883)</u> | <u>\$ -</u>   | <u>\$ 20,521,867</u> |

Depreciation expense was charged to functions as follows:

|  |                     |
|--|---------------------|
| <b>Governmental activities:</b>                    |                     |
| Public safety                                      | \$ 242,562          |
| Public works                                       | 447,490             |
| Parks and recreation                               | 17,552              |
| Public education                                   | 219,170             |
| Other  | 197,196             |
| Total governmental activities depreciation expense | <u>\$ 1,123,970</u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 6. INFORMATION ABOUT CAPITAL ASSETS (continued)**

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

|   | Primary Government   |              |           | Ending<br>Balance |
|---|----------------------|--------------|-----------|-------------------|
|   | Beginning<br>Balance | Increases    | Decreases |                   |
| <b>Business-type activities:</b>              |                      |              |           |                   |
| Capital assets not being depreciated:         |                      |              |           |                   |
| Land  | \$ 55,200            | \$ -         | \$ -      | \$ 55,200         |
| Construction in progress                      | -                    | -            | -         | -                 |
| Total capital assets not being depreciated    | 55,200               | -            | -         | 55,200            |
| Other capital assets:                         |                      |              |           |                   |
| Plant facilities                              | 22,463,680           | 26,246       | -         | 22,489,926        |
| Mains, wells, pumps and hydrants              | 2,017,813            | -            | -         | 2,017,813         |
| Equipment and machinery                       | 337,617              | 5,871        | -         | 343,488           |
| Total other capital assets at historical cost | 24,819,110           | 32,117       | -         | 24,851,227        |
| Less accumulated depreciation for:            |                      |              |           |                   |
| Plant facilities                              | 4,407,897            | 537,598      | -         | 4,945,495         |
| Mains, wells, pumps and hydrants              | 1,644,648            | 77,243       | -         | 1,721,891         |
| Equipment and machinery                       | 219,193              | 45,739       | -         | 264,932           |
| Total accumulated depreciation                | 6,271,738            | 660,580      | -         | 6,932,318         |
| Business-type activities capital assets, net  | \$ 18,602,572        | \$ (628,463) | \$ -      | \$ 17,974,109     |

Depreciation expense was charged to functions as follows:

|   |            |
|---|------------|
| <b>Business-type activities:</b>                    |            |
| Water Fund  | \$ 198,906 |
| Harbor Fund   | 9,826      |
| Sewer Fund  | 451,848    |
| Total business-type activities depreciation expense | \$ 660,580 |

**TOWN OF JAMESTOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 7: DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS.**

"Total fund balances" of the town's governmental funds (\$7,929,513) differs from "net assets" of governmental activities (\$17,282,550) reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

**Balance Sheet/Statement of Net Assets**

|  | <b>Total<br/>Governmental<br/>Funds</b> | <b>Long-term<br/>Assets/<br/>Liabilities (1)</b> | <b>Reclassifications<br/>and<br/>Eliminations</b> | <b>Statement<br/>Net Assets<br/>Totals</b> |
|--|---|--|---|--|
| <b>Assets</b>                                  |   |  |   |  |
| Cash and cash equivalents                      | \$ 8,394,440                            | \$ -   | \$ -  | \$ 8,394,440                               |
| <b>Accounts receivable:</b>                    |   |  |   |  |
| Accounts receivable net                        | 356,116                                 | -  | -   | 356,116                                    |
| Due from other governments                     | 206,754                                 | -  | -   | 206,754                                    |
| Other receivables                              | 150,227                                 | -  | -   | 150,227                                    |
| Internal balances                              | 4,167,581                               | -  | (3,510,221)                                       | 657,360                                    |
| Other Assets - net                             | 104,207                                 | 1,124,343  | -   | 1,228,550                                  |
| Capital assets - net                           | -                                       | 20,521,867                                       | -   | 20,521,867                                 |
| <b>Total assets</b>                            | 13,379,325                              | 21,646,210                                       | (3,510,221)                                       | 31,515,314                                 |
| <br><b>LIABILITIES AND FUND BALANCES</b>       |   |  |   |  |
| <b>Liabilities:</b>                            |   |  |   |  |
| Accounts payable                               | 358,818                                 | -  | -   | 358,818                                    |
| Accrued expenses                               | 1,164,274                               | 122,730  | -   | 1,287,004                                  |
| Internal balances                              | 3,510,221                               | -  | (3,510,221)                                       | -  |
| Deferred revenue                               | 416,499                                 | (100,813)  | -   | 315,686                                    |
| <b>Long-term liabilities</b>                   |   |  |   |  |
| Due within one year                            | -                                       | 665,000  | -   | 665,000                                    |
| Due in more than one year                      | -                                       | 11,606,256                                       | -   | 11,606,256                                 |
| <b>Total liabilities</b>                       | 5,449,812                               | 12,293,173                                       | (3,510,221)                                       | 14,232,764                                 |
| <b>Fund Balances/Net Assets</b>                |   |  |   |  |
| Total fund balances/net assets                 | 7,929,513                               | 9,353,037  | -   | 17,282,550                                 |
| Total liabilities and fund balances/net assets | \$ 13,379,325                           | \$ 21,646,210                                    | \$ (3,510,221)                                    | \$ 31,515,314                              |

(1) When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the town as a whole.

|                          |               |
|--------------------------|---------------|
| Cost of capital assets   | \$ 36,962,744 |
| Accumulated depreciation | (16,440,877)  |
|                          | \$ 20,521,867 |

Because the focus of governmental funds is on short term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example receivables) are offset by deferred revenues in the governmental funds and thus are not included in the fund balance.

|                                |             |
|--------------------------------|-------------|
| Accrued interest               | \$ (45,402) |
| Adjustment of deferred revenue | 100,813     |
|                                | \$ 55,411   |

Long-term liabilities applicable to the town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net assets.

|                              |               |
|------------------------------|---------------|
| Bonds & notes payable        | \$ 10,000,500 |
| Bond premium                 | 77,328        |
| Bond issuance cost           | (52,656)      |
| Accrued compensated absences | 741,981       |
| Net OPEB obligation          | 1,528,775     |
| Net Pension Benefit          | (1,071,687)   |
|                              | \$ 11,224,241 |

**TOWN OF JAMESTOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 8: DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES.**

The "net change in the fund balances" for governmental funds (\$465,100) differs from the "change in net assets" for governmental activities (\$859) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities**

|   | <b>Total<br/>Governmental<br/>Funds</b> | <b>Long-term<br/>Revenues/<br/>Expenses (1)</b> | <b>Capital-<br/>related<br/>Items (2)</b> | <b>Long-term<br/>Debt<br/>Transactions (3)</b> | <b>Statement<br/>of Activities<br/>Totals</b> |
|---|---|---|---|--|---|
| <b>Revenues</b>                                   |   |   |   |  |   |
| General property tax                              | \$ 17,851,581                           | \$ (1,585)                                      | \$ -                                      | \$ -   | \$ 17,849,996                                 |
| Intergovernmental and departmental revenues       | 3,089,181                               | -   | -   | -  | 3,089,181                                     |
| Federal revenue - State fiscal stabilization      | 60,871                                  | -   | -   | -  | 60,871  |
| License and permits                               | 993,196                                 | -   | -   | -  | 993,196                                       |
| Fines and penalties                               | 144,689                                 | -   | -   | -  | 144,689                                       |
| Interest on investments                           | 61,488                                  | -   | -   | -  | 61,488  |
| Other revenues                                    | 638,869                                 | -   | -   | 4,409  | 643,278                                       |
| <b>Total revenues</b>                             | <b>22,839,875</b>                       | <b>(1,585)</b>                                  | <b>-</b>                                  | <b>4,409</b>                                   | <b>22,842,699</b>                             |
| <b>Expenditures</b>                               |   |   |   |  |   |
| Current:  |   |   |   |  |   |
| Legislative, judicial and general administrative  | 1,909,146                               | -   | -   | 488,523  | 2,397,669                                     |
| Financial administration and tax assessor         | 293,462                                 | -   | -   | -  | 293,462                                       |
| Public safety                                     | 2,138,029                               | -   | 242,562                                   | -  | 2,380,591                                     |
| Public works                                      | 1,604,492                               | -   | 433,290                                   | -  | 2,037,782                                     |
| Public welfare                                    | 3,964                                   | -   | -   | -  | 3,964   |
| Public health                                     | 244,165                                 | -   | -   | -  | 244,165                                       |
| Tree warden                                       | 26,503                                  | -   | -   | -  | 26,503  |
| Library   | 380,780                                 | -   | -   | -  | 380,780                                       |
| Parks & recreation                                | 463,806                                 | -   | 17,552                                    | -  | 481,358                                       |
| Other   | 1,635,165                               | -   | 197,196                                   | -  | 1,832,361                                     |
| Education   | 12,103,394                              | -   | 219,170                                   | -  | 12,322,564                                    |
| Capital outlay                                    | 479,887                                 | -   | (479,887)                                 | -  | -   |
| <b>Debt service:</b>                              |   |   |   |  |   |
| Principal   | 650,000                                 | -   | -   | (650,000)                                      | -   |
| Interest  | 429,695                                 | (1,341)   | -   | -  | 428,354                                       |
| <b>Total expenditures</b>                         | <b>22,362,488</b>                       | <b>(1,341)</b>                                  | <b>629,883</b>                            | <b>(161,477)</b>                               | <b>22,829,553</b>                             |
| <b>Other financing uses/changes in net assets</b> |   |   |   |  |   |
| Transfers in/(out)                                | (8,000)                                 | -   | -   | -  | (8,000)                                       |
| Prior period adjustment                           | 1,818,071                               | -   | -   | -  | 1,818,071                                     |
| Less: Non-equity activity                         | (1,822,358)                             | -   | -   | -  | (1,822,358)                                   |
| Net change for the year                           | <b>\$ 465,100</b>                       | <b>\$ (244)</b>                                 | <b>\$ (629,883)</b>                       | <b>\$ 165,886</b>                              | <b>\$ 859</b>                                 |

**TOWN OF JAMESTOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 8: DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES.** *(continued)*

- (1) Because some property taxes will not be collected for several months after the town's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Also, non-monetary transaction such as Town acquisition of tax sale properties are not recorded on the fund statements but are recorded in the statement of activities.

|                |            |
|----------------|------------|
| Property taxes | \$ (1,585) |
|                | \$ (1,585) |

Interest expense in the statement of activities differs from the amount reported in the governmental funds because interest payments are recognized as an expenditure when paid in the governmental funds while in the statement of activities they are recognized when accrued.

|                  |          |
|------------------|----------|
| Accrued interest | 1,341    |
|                  | \$ 1,341 |

- (2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

|                      |              |
|----------------------|--------------|
| Capital outlay       | \$ 494,087   |
| Depreciation expense | (1,123,970)  |
| Difference           | \$ (629,883) |

- (3) Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the town as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. Cost associated with the refinancing of debt are expensed in the fund financials but are long-term assets and liabilities in the statement of activities

|                           |            |
|---------------------------|------------|
| Amortization bond premium | \$ 4,409   |
| Amortization bond cost    | (4,684)    |
| Principal payments made   | 650,000    |
|                           | \$ 649,725 |

Certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the in statement of activities these accrued expenses are recognized and charged to current activities.

|  |              |
|--|--------------|
| Net decrease in compensated absences       | \$ 41,085    |
| Increase in the OPEB obligation            | (444,161)    |
| Net increase in the net pension obligation | (80,763)     |
| Change                                     | \$ (483,839) |

Reclass of prior period adjust for the School Departments Special Revenue Fund only for Fund Financial Statements see Note 18

|  |                |
|--|----------------|
|  | (1,822,358)    |
|  | \$ (1,822,358) |

**TOWN OF JAMESTOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 9 INFORMATION ABOUT LONG-TERM LIABILITIES**

The town reports a long-term liability of the primary government in either governmental type activities or business type activities.

Long-term liability activity for the fiscal year ended June 30, 2011 was as follows:

|   | <u>Balance<br/>July 1, 2010</u> | <u>Additions</u>  | <u>Retirements</u> | <u>Balance<br/>June 30, 2011</u> | <u>Amounts<br/>Due within<br/>One Year</u> |
|---|---------------------------------|-------------------|--------------------|----------------------------------|--|
| <b>Governmental Activities</b>                |                                 |                   |                    |                                  |  |
| Bonds & Notes Payable                         | \$ 10,650,500                   | \$ -              | \$ 650,000         | \$ 10,000,500                    | \$ 665,000                                 |
| Total bonds payable                           | <u>10,650,500</u>               | <u>-</u>          | <u>650,000</u>     | <u>10,000,500</u>                | <u>665,000</u>                             |
| Other liabilities:                            |                                 |                   |                    |                                  |  |
| Accrued compensated absences                  | 783,066                         | 17,799            | 58,884             | 741,981                          | -  |
| Net OPEB Obligation                           | 1,084,614                       | 444,161           | -                  | 1,528,775                        | -  |
| Net Pension Benefit                           | <u>(1,152,450)</u>              | <u>80,763</u>     | <u>-</u>           | <u>(1,071,687)</u>               | <u>-</u>                                   |
| Total other liabilities                       | <u>715,230</u>                  | <u>542,723</u>    | <u>58,884</u>      | <u>1,199,069</u>                 | <u>-</u>                                   |
| Governmental Activities long-term liabilities | <u>\$ 11,365,730</u>            | <u>\$ 542,723</u> | <u>\$ 708,884</u>  | <u>\$ 11,199,569</u>             | <u>\$ 665,000</u>                          |
| <b>Business-Type Activities</b>               |                                 |                   |                    |                                  |  |
| Water Department bonds payable                | \$ 280,000                      | \$ -              | \$ 40,000          | \$ 240,000                       | \$ 45,000                                  |
| Sewer Department bonds payable                | 55,000                          | -                 | 5,000              | 50,000                           | 5,000                                      |
| Total bonds payable                           | <u>335,000</u>                  | <u>-</u>          | <u>45,000</u>      | <u>290,000</u>                   | <u>50,000</u>                              |
| Water Department notes payable                | 5,753,000                       | -                 | 235,000            | 5,518,000                        | 243,000                                    |
| Sewer Department notes payable                | 5,637,454                       | -                 | 365,925            | 5,271,529                        | 372,693                                    |
| Total notes payable                           | <u>11,390,454</u>               | <u>-</u>          | <u>600,925</u>     | <u>10,789,529</u>                | <u>615,693</u>                             |
| Total enterprise funds                        | <u>\$ 11,725,454</u>            | <u>\$ -</u>       | <u>\$ 645,925</u>  | <u>\$ 11,079,529</u>             | <u>\$ 665,693</u>                          |

The following schedule summarizes the Town's bonds and notes

|  | Interest Rates | Principal            | Due Dates |
|--|----------------|----------------------|-----------|
| Governmental bonds and notes payable     | 2.75% - 5.00%  | \$ 10,000,500        | 2012-2033 |
| Enterprise Funds bonds and notes payable | 1.022% - 5.00% | 11,079,529           | 2012-2027 |
| <b>Total All Funds</b>                   |                | <u>\$ 21,080,029</u> |           |

The Town is not obligated in any way for special assessment debt. Neither is there any outstanding special assessment debt.

**TOWN OF JAMESTOWN**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 9. INFORMATION ABOUT LONG-TERM LIABILITIES (continued)**

The debt service through maturity for the Governmental bonds and notes are as follows:

| Fiscal<br>Year Ended<br><u>June 30</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|--|----------------------|---------------------|----------------------|
| 2012                                   | 665,000              | 405,294             | 1,070,294            |
| 2013                                   | 660,000              | 384,008             | 1,044,008            |
| 2014                                   | 675,000              | 358,884             | 1,033,884            |
| 2015                                   | 625,000              | 334,158             | 959,158              |
| 2016                                   | 635,000              | 309,914             | 944,914              |
| 2017                                   | 645,000              | 279,214             | 924,214              |
| 2018                                   | 655,000              | 247,967             | 902,967              |
| 2019                                   | 665,000              | 216,013             | 881,013              |
| 2020                                   | 665,000              | 189,723             | 854,723              |
| Thereafter                             | 4,110,500            | 882,448             | 4,992,948            |
| <b>TOTALS</b>                          | <u>\$ 10,000,500</u> | <u>\$ 3,607,623</u> | <u>\$ 13,608,123</u> |

The debt service through maturity for the Enterprise bonds and notes are as follows:

| Fiscal<br>Year Ended<br><u>June 30</u> | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|--|----------------------|---------------------|----------------------|
| 2012                                   | 665,693              | 287,390             | 953,083              |
| 2013                                   | 680,633              | 271,163             | 951,796              |
| 2014                                   | 700,749              | 254,313             | 955,062              |
| 2015                                   | 718,047              | 236,782             | 954,829              |
| 2016                                   | 733,531              | 218,728             | 952,259              |
| 2017                                   | 702,205              | 201,105             | 903,310              |
| 2018                                   | 719,074              | 183,888             | 902,962              |
| 2019                                   | 738,143              | 166,083             | 904,226              |
| 2020                                   | 757,418              | 147,666             | 905,084              |
| Thereafter                             | 4,664,036            | 524,163             | 5,188,199            |
| <b>TOTALS</b>                          | <u>\$ 11,079,529</u> | <u>\$ 2,491,281</u> | <u>\$ 13,570,810</u> |

*Note: The schedule above shows the anticipate debt service schedules for undrawn funds as well.*

**Accrued Compensated Absences** - Town employees receive vested rights to paid vacation, sick time and compensatory time at the end of their first year of full-time employment with no pro rata payment if employment is terminated before the completion of a full year of service. An expenditure/expense is recognized each month as benefits are used, consistent with the standards established by GASB 16.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS**

**A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

The Town of Jamestown, Rhode Island participates in the Municipal Employees' Retirement System of the State of Rhode Island ("System"), an agent multiple employer defined benefit plan. The System includes a normal plan for general employees and both a normal and optional plan for police personnel. All full-time Town and non-certified School Department general employees participate in the System. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Town. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Ave, Warwick, Rhode Island, 02886, by calling (401) 462-7600 or by accessing their website at [www.ersri.org](http://www.ersri.org).

Eligibility: General employees, police officers and firefighters employed by electing municipalities participate in MERS. Teachers and administrators are covered by the separate Employees' Retirement System of Rhode Island, but other school employees may be covered by MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be classified as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be classified as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a separate unit from the general employees, with separate contribution rates applicable.

Employee Contributions: General employees contribute 6.00% of their salary per year, and police officers and firefighters contribute 7.00%. In addition, if the municipality has elected one of the optional cost-of-living provisions, an additional member contribution of 1.00% of salary is required. If a municipality elects the optional 20-year retirement provision for its police officers and/or its firefighters, an additional contribution of 1.00% of salary will be required from these members. The municipality, at its election, may choose to "pick up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h).

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Employer Contributions: Each participating unit's contribution rate is determined actuarially. Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): The average of the member's highest three consecutive annual salaries. Monthly benefits are based on one-twelfth of this amount.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS**

**A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

**Retirement Benefits**

Eligibility: General employees are eligible for retirement on or after age 58 if they have credit for 10 or more years of service, or at any age if they have credit for at least 30 years of service. Members designated as police officers or firefighters may retire at or after age 55 with credit for at least 10 years of service, or at any age with credit for 25 or more years of service. Members may retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elects to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member may retire at any age with 20 or more years of service.

Monthly Benefit: 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum). If the optional 20-year retirement provisions are adopted by the municipality and the member has attained 20 years of service, the benefit is 2.50% of the member's monthly FAC for each year of service, up to 30 years (75% of FAC maximum). If a police officer or firefighter not covered by the 20-year retirement provision retires before age 55 with at least 20, but less than 25, years of service, benefits are reduced 0.5% per month that the member's age at retirement is less than 55.

Payment Form: Benefits are paid as a monthly life annuity. Optional forms of payment are available; see below.

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member's contributions without interest, less the sum of the monthly benefit payments made before the member's death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.

**Schedule of Funding Progress**

| Actuarial<br>Valuation<br>Date<br>July 1, | Actuarial<br>Value<br>of Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|---|--|---|------------------------------------|--------------------------|---------------------------|---|
| 2006                                      | 6,272,336                              | 8,883,243   | 2,610,907                          | 71%                      | 2,776,018                 | 94%   |
| 2007                                      | 7,252,617                              | 9,938,439   | 2,685,822                          | 73%                      | 2,908,901                 | 92%   |
| 2008                                      | 8,201,795                              | 10,434,577  | 2,232,782                          | 79%                      | 3,261,883                 | 68%   |
| 2009                                      | 8,736,704                              | 11,355,851  | 2,619,147                          | 77%                      | 3,297,840                 | 79%   |
| 2010                                      | 9,142,102                              | 13,648,019  | 4,505,917                          | 67%                      | 3,297,840                 | 137%  |
| 2011                                      | N/A*                                   | N/A*  | N/A*                               | N/A*                     | N/A*                      | N/A*  |

\* Unavailable at time of report

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS**

**A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

***Actuarial Methods and Assumptions***

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

|                                   |  |
|-----------------------------------|--|
| Valuation date                    | June 30, 2010                                  |
| Actuarial cost method             | Entry Age Actuarial Cost Method                |
| Amortization method               | Level Percent of Payroll – Closed 30-yr period |
| Remaining amortization period     | 18 Years                                       |
| Asset valuation method            | 5 Year Smoothed Market                         |
| Actuarial assumptions:            |  |
| Investment rate of return         | 7.50%, Compounded Annually                     |
| Projected salary increases        | 4.00-8.00%, Compounded Annually                |
| Cost-of-living adjustments        | 2.75% Non-Compounded                           |
| Inflation Rate                    | 2.75% Annually                                 |
| Post Retirement Benefit Increases | 3.00% Of Original Retirement Benefit           |

**Annual Pension Cost** - For 2011, the Town contributed \$643,912 to the Municipal Employees Retirement System. The required contribution rate was determined as part of the June 30, 2008 actuarial valuation using the entry age normal cost method with frozen initial liability. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. MERS unfunded actuarial accrued liability is being amortized using the weighted average method over a 30-year period.

**Required Contributions:**

| <u>Fiscal Years Ending</u> | <u>Annual<br/>Required<br/>Pension Cost</u> | <u>Percentage<br/>Contributed</u> |
|----------------------------|---|-----------------------------------|
| June 30, 2009              | 596,706                                     | 100%                              |
| June 30, 2010              | 627,266                                     | 100%                              |
| June 30, 2011              | 643,912                                     | 100%                              |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

All Town of Jamestown, Rhode Island certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer public employee retirement system. The System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Ave, Warwick, Rhode Island, 02886, by calling (401) 462-7600 or by accessing their website at [www.ersri.org](http://www.ersri.org).

Plan Year: A twelve-month period ending June 30th.

Administration: ERSRI is administered by the State of Rhode Island Retirement Board. However, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy.

Type of Plan: ERSRI is a qualified governmental defined benefit retirement plan. Separate contribution rates are determined for state employees and for teachers. For Governmental Accounting Standards Board purposes, it is a cost-sharing multiple employer plan.

Eligibility: Most Rhode Island state employees and certified public school teachers participate in ERSRI. Certain employees of the Airport Corporation, the Economic Development Corporation, and the Narragansett Bay Commission participate in the plan as though they were state employees. State police officers, state judges, and teachers and administrators in the public colleges and universities are covered by their own separate systems, and are therefore excluded. Certain elected state officials are excluded unless they make an election to join ERSRI. Superintendents, principals, business agents and other administrators participate as teachers. Non-certified public school employees, such as teacher's aides, janitors, secretaries, and bus drivers, cannot participate in ERSRI, although they may be covered by the Municipal Employees Retirement System (MERS) or a separate plan maintained by the town or city. Eligible employees become members as of their date of employment.

Employee Contributions: State Employees generally contribute 8.75% of their salary per year. Teachers contribute 9.50% per year. The state —picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h). At their option, the city or town employing a Teacher may also pick up their members' contributions.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Employer Contributions: For Teachers, the state contributes 40% of the employer contribution rate and the city, town or other local employer contributes the remaining 60%. (This basic 40-60 split is further adjusted, since the State bears the cost of repaying certain amounts taken from the trust in the early 1990's.) Contributions determined in a given actuarial valuation go into effect two years after the actuarial valuation. In fiscal years beginning after June 30, 2005, if the State's contribution on behalf of State Employees decreases, the State shall appropriate an additional amount to the retirement trust. Such amount shall be equal to 20% of any decrease in expected contributions.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (continued)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods, such as time spent teaching at a public school in another state, by making an additional contribution to purchase the additional service and those costs will be determined at full actuarial value, except for purchases of military service and redeposits of previously refunded contributions. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): For members eligible to retire as of September 30, 2009, their Final Average Compensation (FAC) will be based on the highest three consecutive annual salaries. For members not eligible to retire as of September 30, 2009, their FAC will be based on the highest five consecutive years of salary. Monthly benefits are based on one-twelfth of this amount.

**Retirement Benefits**

Eligibility:

- (i) Grandfathered Schedule A members—members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009—are eligible to retire on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service.
- (ii) Correctional officers who have reached age 50 and have credit for 20 years of service as of September 30, 2009 are eligible to retire and are grandfathered.
- (iii) Nurses (RNs) employed by MHRH who have reached age 50 with 25 years of service by September 30, 2009 are eligible to retire and are grandfathered.
- (iv) Schedule B members—members with less than 10 years of contributory service as of June 30, 2005 and members hired on or after that date—are eligible for retirement on or after age 65 if they have credit for 10 years of service, or on or after age 62 if they have credit for 29 years of service. In addition, a member who attains age 62 with at least 20 years of service credit may retire with an actuarially reduced retirement benefit. The reduction is based on the difference between 65 and the member's age at retirement.
- (v) Correctional officers who are hired after September 30, 2009 become eligible to retire when they have reach age 55 and have credit for 25 years of service.
- (vi) Nurses (RNs) employed by MHRH who are hired after September 30, 2009 become eligible when they have reach age 55 and have credit for 25 years of service.
- (vii) Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, will be eligible for retirement at an individually determined age. This age is the result of interpolating between the retirement age under the rules applicable to grandfathered employees in (i) above and the retirement age applicable to members hired after September 30, 2009 in (iv) above. The interpolation is based on service as of Sept. 30, 2009 divided by projected service at the retirement age under (i) above.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (continued)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

(viii) Correctional officers hired on or before September 30, 2009 who are not eligible for retirement at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (ii) above and the retirement age applicable to members hired after September 30, 2009 in (v) above.

(ix) Similarly, MHRH nurses (RNs) hired on or before September 30, 2009 who are not eligible to retire at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (iii) above and the retirement age applicable to members hired after September 30, 2009 in (vi) above.

Monthly Benefit: The retirement benefit is a percentage of the member's monthly FAC. This percentage is a function of the member's service as described below.

(i) For grandfathered Schedule A members (members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009), benefits are based under this schedule (Schedule A):

| For Service In:               | Years   | Benefit Percentage Earned |
|-------------------------------|---------|---------------------------|
| The first 10 years of service | 1 – 10  | 1.7% per year             |
| The next 10 years of service  | 11 – 20 | 1.9% per year             |
| The next 14 years of service  | 21 – 34 | 3.0% per year             |
| The next 1 year of service    | 35      | 2.0% per year             |

The maximum benefit is 80% of FAC.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (continued)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

(ii) For Schedule B members (members with less than 10 years of contributory service as of June 30, 2005) and for all future hires, benefits are based on the following schedule (Schedule B):

| For Service In:               | Years   | Benefit Percentage<br>Earned |
|-------------------------------|---------|------------------------------|
| The first 10 years of service | 1 – 10  | 1.6% per year                |
| The next 10 years of service  | 11 – 20 | 1.8% per year                |
| The next 5 years of service   | 21 – 25 | 2.0% per year                |
| The next 5 years of service   | 26 – 30 | 2.25% per year               |
| The next 7 years of service   | 31 – 37 | 2.50% per year               |
| The next 1 year of service    | 38      | 2.25% per year               |

The maximum benefit is 75% of FAC.

(iii) For Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, benefits are based on Schedule A (under (i) above) for service through September 30, 2009 and on Schedule B (under (ii) above) for service after September 30, 2009. The maximum benefit is 80% of FAC.

(iv) MHRH nurses receive a benefit determined under the appropriate formula above.

(v) Correctional Officers receive a benefit computed under a different formula:

| For Service In:               | Years  | Benefit Percentage<br>Earned |
|-------------------------------|--------|------------------------------|
| The first 30 years of service | 1 – 30 | 2.0% per year                |
| The next 1 year of service    | 31     | 6.0% per year                |
| The next 1 year of service    | 32     | 5.0% per year                |
| The next 1 year of service    | 33     | 4.0% per year                |
| The next 1 year of service    | 34     | 3.0% per year                |
| The next 14 years of service  | 35     | 2.0% per year                |

The maximum benefit for correctional officers is 80% of FAC.

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**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (continued)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

**Retirement Benefits**

Payment Form: Benefits are paid as a monthly life annuity. Optional forms of payment are available.

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member's contributions without interest, less the sum of the monthly benefit payments made before the member's death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. These on-behalf payments of fringe benefits have been recognized as revenues and expenditures in the fiscal period ended June 30, 2011. The School Department does not have any investments or related party investment with the State Plan.

Required contributions:

| <u>Fiscal Years Ending</u> | <u>Annual<br/>Required<br/>Pension Cost</u> | <u>Percentage<br/>Contributed</u> |
|----------------------------|---|-----------------------------------|
| June 30, 2009              | \$ 607,713                                  | 100%                              |
| June 30, 2010              | \$ 614,728                                  | 100%                              |
| June 30, 2011              | \$ 565,124                                  | 100%                              |

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the Town has determined that there are no assets or liabilities relating to the funding requirements of the plan.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (continued)**

**B. EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND**

*Actuarial Methods and Assumptions*

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

|                               |  |
|-------------------------------|--|
| Valuation date                | June 30, 2010                                  |
| Actuarial cost method         | Entry Age Actuarial Cost Method                |
| Amortization method           | Level Percent of Payroll – Closed 30-yr period |
| Remaining amortization period | 18 Years                                       |
| Asset valuation method        | 5 Year Smoothed Market                         |
| Actuarial assumptions:        |  |
| Investment rate of return     | 7.50%, Compounded Annually                     |
| Projected salary increases    | 3.00-7.00%                                     |
| Cost-of-living adjustments    | 2.75%  |
| Inflation Rate                | 2.75% Annually                                 |

Post Retirement Benefit Increases: For grandfathered Schedule A members, i.e., members who were retired or eligible to retire by Sept. 30, 2009, the post-retirement benefit increases set by statute to be 3.00%. They are not a function of the actual increases in the cost of living. Other members receive a compound increase each year equal to the increase in the CPI, but limited to 3.00%. This limit lowers the average expected increase below the inflation assumption of 2.75%. The assumed average increase received for this group of employees is 2.35%. The indexed COLA limitation (\$35,000 for 2010) is also assumed to grow at 2.35% per annum.

**C. POLICE DEPARTMENT PENSION PLAN**

*Plan Description*

The Town of Jamestown administers a separately maintained Police Pension Plan. The pension plan is considered to be a single-employer defined benefit pension plan. The plan's funding is based on actuarial valuations that result in annual employer/employee contributions that include an amount for the past, present, and future benefit. The last actuarial valuation, reported herein, was as of July 1, 2011. The plan's assets are reported in the Town's annual financial report as a Pension Trust Fund.

The plan provides retirement benefits as well as death and disability benefits. All members of the police department who contribute to the plan are eligible to participate after six months of service. Participants in the plan who were hired prior to March 1, 1986 are eligible to retire at the earliest of their 55th birthday or completion of a specified number of years of service, depending upon date of hire. A participant hired on or after March 1, 1986 shall be eligible to retire at a date equal to the earliest of their 55th birthday or the completion of 20 years of service.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (continued)**

**C. POLICE DEPARTMENT PENSION PLAN**

***Plan Description***

The plan provides for both occupational and non-occupational disability. Non-occupational disability is provided for a participant who has completed at least 7 years of service and becomes totally and permanently disabled, and shall be entitled to receive a benefit equal to 50 percent of average compensation. A participant who becomes totally and permanently disabled as a result of the course of his employment shall be entitled to receive a benefit equal to 66 2/3 percent of average compensation. Average compensation is the highest three consecutive years of compensation in the last 10 years prior to termination.

If a participant shall die while employed, he shall receive a single sum benefit equal to the greater of the value of accumulated contribution, plus credited interest or \$400 multiplied by years of service up to 25 years subject to a minimum benefit of \$2,000. Employee's spouses are eligible for pre-retirement death benefits of 40 percent of average compensation until death or remarriage.

***Funding Policy***

Police Department Pension Plan members are required to contribute 9% of their annual salary. The Town is required to contribute at an actuarially determined rate. The Town Council has the authority to determine the Town's obligation to contribute to the plan. The funding policy is based on the availability of Town assets. Required contribution rates by plan members are negotiated through labor contracts.

***Annual Pension Costs***

Significant actuarial assumptions included (a) a net investment return of 7 percent annually, (b) projected salary increase of 4 percent annually, (c) mortality RP 2000 M/F Combined Health Mortality Table and (d) a retirement age of 55 and the completion of 25 years of service or the participant's current age, if later.

**C. POLICE DEPARTMENT PENSION PLAN**

***REQUIRED SUPPLEMENTARY INFORMATION***  
Six-Year Trend Information

| Fiscal<br>Year<br>Ending | Annual<br>Pension<br>Cost | Percentage<br>of APC<br>Contributed | Net<br>Pension<br>Benefit |
|--------------------------|---------------------------|-------------------------------------|---------------------------|
| 6/30/2006                | \$ 119,356                | 232%                                | \$ (1,129,466)            |
| 6/30/2007                | \$ 151,079                | 145%                                | \$ (1,151,583)            |
| 6/30/2008                | \$ 164,091                | 127%                                | \$ (1,196,156)            |
| 6/30/2009                | \$ 187,528                | 92%                                 | \$ (1,180,556)            |
| 6/30/2010                | \$ 285,616                | 90%                                 | \$ (1,152,450)            |
| 6/30/2011                | \$ 282,712                | 71%                                 | \$ (1,071,687)            |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (continued)**

**C. POLICE DEPARTMENT PENSION PLAN**

SCHEDULE OF FUNDING PROGRESS

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>Entry Age<br>(b) | Excess of<br>Assets<br>Over AAL<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | Excess of<br>Assets Over<br>AAL as a<br>Percentage<br>of Covered<br>Payroll<br>[(b-a)/c] |
|--------------------------------|--|---|--|--------------------------|---------------------------|--|
| 3/1/04                         | \$ 6,745,427                           | \$ 5,442,622  | \$ (1,302,805)                           | 123.9%                   | \$ 625,768                | -208.2%  |
| 7/1/06                         | \$ 7,319,943                           | \$ 6,063,500  | \$ (1,256,443)                           | 120.7%                   | \$ 708,586                | -177.3%  |
| 7/1/08                         | \$ 8,181,752                           | \$ 6,261,768  | \$ (1,919,984)                           | 130.7%                   | \$ 704,314                | -272.6%  |
| 7/1/09                         | \$ 7,162,384                           | \$ 7,137,088  | \$ (25,296)                              | 100.4%                   | \$ 764,942                | -3.3%  |
| 7/1/10                         | \$ 7,917,927                           | \$ 7,975,138  | \$ 57,211                                | 99.3%                    | \$ 607,806                | 9.4%   |
| 7/1/11                         | \$ 8,822,350                           | \$ 8,051,512  | \$ (770,838)                             | 109.6%                   | \$ 648,605                | -118.8%  |

*Annual Pension Cost and Net Pension Obligation:* The Town's annual pension cost and net pension obligation for the Police Plan's. The plan is currently over funded and appears in the statement of net assets as a current asset on the town records. The current year's activity was as follows:

|   |                             |
|---|-----------------------------|
| Annual required contribution                  | \$ 225,498                  |
| Interest on net pension obligation            | (80,672)                    |
| Adjustment to annual required contribution    | <u>137,886</u>              |
| Annual pension cost                           | 282,712                     |
| Contributions made                            | <u>(201,949)</u>            |
| Increase (decrease) in net pension obligation | 80,763                      |
| Net pension benefit beginning of year         | <u>(1,152,450)</u>          |
| Net pension benefit end of year               | <u><u>\$(1,071,687)</u></u> |

**Actuarial Assumptions**

Inflation Rate: The plan assumes a rate of 3.00% - 3.50%.  
Investment Returns: The plan assumes a return rate of 7.00%.  
Amortization Factor: 10.108  
Amortization Period: 16 Year (decreasing)  
Projected Salary Increases: 4% per annum

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**NOTE 11- FUND EQUITY**

The fund equity balances have been classified to reflect the limitations and restrictions placed on the respective funds as follows:

The following fund balance categories are recorded on the Balance Sheet of Government Funds in the financial statements at June 30, 2011:

- **Non-spendable** – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories. \$104,207
- **Restricted** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions. \$2,060,475
- **Committed** – are balances with constraints imposed by the government using the highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority taking the same type of action. \$1,470,386
- **Assigned** – are balances intended for a specific purpose by the government’s management and are also appropriations of existing fund balances. \$884,498
- **Unassigned** – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund. \$3,409,947

**NOTE 12 –OTHER POST RETIREMENT BENEFITS**

**Plan Description**

In addition to the pension benefits described below, the Town provides post employment health care benefits in accordance with Town union contracts. These benefits are for continued full family or individual health care for the employee groups as described below.

**Plan Types**

Police Officers

Medical: Blue Cross/Healthmate Coast to Coast

Dental: 100% cost paid by employee

School Employees

Medical: Blue Cross Blue Shield Classic Plan/Healthmate Coast to Coast

Dental: Delta Dental

**Eligibility**

Police Officers: After attaining 20 years of service and 55 year of age.

School Union Employees: After attaining 15 years of service and 50 years of age.

School Exempt Employees: After attaining 10 years of service and 50 years of age.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 12 –OTHER POST RETIREMENT BENEFITS (continued)**

**Benefit/Cost Sharing**

Police Officers: The Town pays 100% of coverage for retired employees hired prior to March 1, 1996; the Town also covers 80% of coverage for retired employees hired after March 1, 1996. Retired members are covered until the earlier of age 65 or the time they become eligible for equal or better coverage through a future employer or spouses employer.

School Union Employees: The School pays 100% coverage for retired employees hired prior to August 31, 1985. When the employee becomes Medicare eligible he/she will be covered under Plan 65 (individual coverage only). Retirees also receive individual or family Delta Dental coverage and contribute 5% to their coverage.

School Exempt Employees: Employees hired between August 31, 1985 and July 1, 1997 will receive 2 years of either individual or family medical coverage until age 65.

**Funding Policy**

Contribution requirements are negotiated between the Town and the respective unions. The Town is required to contribute the cost of medical/drug and dental benefits, less the amount of any applicable co-payment in effect at the time of retirement. For the year-ended June 30, 2011, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members.

**Annual OPEB Funded Status and net OPEB Obligation- Police Plan**

The following chart projects the Actuarial Required Contribution (“ARC”), Pay-As-you-Go, Annual OPEB cost and the Net OPEB Obligation an unfunded (pay-as-you-go) scenario.

| Actuarial<br>Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets<br>(a) | Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|---|--|--------------------------------------|------------------------------------|--------------------------|---------------------------|---|
| 01/01/08                                    | \$ -0-                                 | \$1,874,075                          | \$(1,874,075)                      | 0.0%                     | \$611,409                 | 306.5%  |
| 07/01/09                                    | \$ -0-                                 | \$1,661,060                          | \$(1,661,060)                      | 0.0%                     | \$634,944                 | 261.6%  |

*Annual OPEB Cost and Net OPEB Obligation:* Below are the required pension obligation presentations per GASB 45 for the period ending June 30, 2011.

|  |                  |
|--|------------------|
| Annual required contribution               | \$216,224        |
| Interest on OPEB obligation                | 9,634            |
| Adjustment to annual required contribution | ( 13,928)        |
| Annual pension cost                        | 211,930          |
| Contributions made                         | (85,129)         |
| Allocations for implicit rate study        | (42,001)         |
| Increase (decrease) in OPEB obligation     | <u>84,800</u>    |
| Net OPEB obligation beginning of year      | 240,850          |
| Net OPEB obligation end of year            | <u>\$325,650</u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 12 – OTHER POST RETIREMENT BENEFITS** (continued)

**Annual OPEB Funded Status and net OPEB Obligation- School Plan**

The following chart projects the Actuarial Required Contribution (“ARC”), Pay-As-you-Go, Annual OPEB cost and the Net OPEB Obligation an unfunded (pay-as-you-go) scenario.

| Actuarial<br>Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets<br>(a) | Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage<br>of Covered<br>Payroll<br>((b-a)/c) |
|---|--|--------------------------------------|------------------------------------|--------------------------|---------------------------|---|
| 07/01/07                                    | \$ -0-                                 | \$13,129,596                         | \$(13,129,596)                     | 0.0%                     | \$3,944,077               | 332.9%  |
| 07/01/09                                    | \$ -0-                                 | \$14,153,205                         | \$(14,153,205)                     | 0.0%                     | \$3,479,423               | 406.8%  |

**Annual OPEB Funded Status and net OPEB Obligation- School Plan**

*Annual OPEB Cost and Net OPEB Obligation:* Below are the required pension obligation presentations per GASB 45 for the period ending June 30, 2011.

|  |                           |
|--|---------------------------|
| Annual required contribution               | \$925,289                 |
| Interest on OPEB obligation                | 33,751                    |
| Adjustment to annual required contribution | <u>(48,795)</u>           |
| Annual OPEB cost                           | 910,245                   |
| Contributions made                         | (368,107)                 |
| Allocations for implicit rate study        | <u>(182,777)</u>          |
| Increase (decrease) in NOO                 | 359,361                   |
| Net OPEB obligation beginning of year      | <u>843,764</u>            |
| Net OPEB obligation end of year            | <u><u>\$1,203,125</u></u> |

**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 types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Below are the actuarial assumptions used to project future cost of the plan.

**Police Officers Plan**

|                             |  |
|-----------------------------|--|
| Valuation Date:             | July 1, 2009                                 |
| Discount Rate               | 4.00%  |
| Healthy Mortality           | RP-2000 Male/Female Combined                 |
| 2009 Medical Trend Rate     | 9.50% graded 0.5% each year to 4.5% after 10 |
| Ultimate Medical Trend Rate | 4.50%  |
| Amortization Period         | 30 Years                                     |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

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**NOTE 12 –OTHER POST RETIREMENT BENEFITS (continued)**

**School Employees Plan**

|                             |  |
|-----------------------------|--|
| Valuation Date:             | July 1, 2009                                 |
| Discount Rate               | 4.00%  |
| Healthy Mortality           | RP-2000 Male/Female Combined                 |
| 2009 Medical Trend Rate     | 9.50% graded 0.5% each year to 4.5% after 10 |
| Ultimate Medical Trend Rate | 4.50%  |
| Amortization Period         | 30 Years                                     |

**NOTE 13 - LANDFILL POST-CLOSURE CARE COSTS**

State and federal laws and regulations require that the Town of Jamestown perform certain maintenance and monitoring functions for 30 years after its landfill has been closed. The Jamestown landfill was closed during fiscal year 1983. The full liability for landfill post-closure care costs cannot be estimated at this time. Additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by additional charges in future years. For the fiscal year ended June 30, 2011 the town's landfill maintenance cost was \$41,746.

**NOTE 14 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**A. Litigation**

During the ordinary course of its operations, the Town is a party to various claims, other legal actions and complaints. These various legal actions include disputes in property valuations and torts for which the Town has been named as a defendant. In the opinion of the Town's management and legal counsel, they do not anticipate any of them to have a material financial impact or at this time their legal counsel has been unable to assess liability, if any, on the part of the Town.

**B. Federally Assisted Programs - Compliance Audits**

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2011 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

**NOTE 15 - RISK MANAGEMENT**

The Town of Jamestown is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Inter-local Risk Management Trust, Inc.) that provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement that outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The policy is not retrospectively rated, but rather, premiums are based on the ultimate cost of the groups experience to date. The pool is allowed to make additional assessments for claims that are reasonably possible and estimable.

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
*June 30, 2011*

**NOTE 15 - RISK MANAGEMENT** (continued)

The Trust provides this insurance coverage through a pooled, self-insurance mechanism, which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust, retains internally for payment from the pooled contributions of its Members. Under the participation agreement, the Town is insured for a maximum of \$2,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. It is not anticipated that the risks will exceed the trust coverage in the current year. There are no claims incurred for which the insurance pool has denied coverage. Therefore there are no incurred but not recorded liabilities at June 30, 2011.

**NOTE 16 - DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS**

The following individual funds had deficit fund equity balances as of June 30, 2011:

**Governmental Funds**

| <b>Special Revenue Funds</b>   |                   |
|--------------------------------|-------------------|
| Renewable Energy               | \$ 6,379*         |
| Drug Forfeiture                | 386*              |
| Byrne Grant 2009               | 4,260*            |
| School Route Grant             | 31,011*           |
| Wind Study                     | 13,954*           |
| Streetscape Improvements       | 278,085*          |
| Historic Preservation Planning | 2,290*            |
| FEMA Grant                     | 40,614*           |
| Streetscape                    | 615*              |
| Total                          | <u>\$ 377,594</u> |

**Proprietary Funds**

|                         |            |
|-------------------------|------------|
| On-Site Wastewater Fund | \$ 2,951** |
|-------------------------|------------|

\* The deficits will be eliminated by future reimbursements from either the State or the Federal Government.

\*\* The deficit will be eliminated by future assessments.

**NOTE 17 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 20, 2011, the date the financial statements were available to be issued. As a result of this review no subsequent events were noted:

**NOTE 18 - PRIOR PERIOD ADJUSTMENTS**

The Town is currently recognizing financial activity that was disclosed only through balance sheet accounts in prior years. This adjustment reflects the prior year's activity balance of \$4,287.

As required by the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* the Town has discontinued reporting its School Department as a special revenue fund and combined its current year operations in with the General Fund. The School Departments prior years cumulative fund balance of \$1,822,358 will now be reported with the General Fund. School Department schedules are presented on pages 94-98.

## **Required Supplementary Information**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2011**

|  | <b>GENERAL FUND</b>        |                           |                   |                 |
|--|----------------------------|---------------------------|-------------------|-----------------|
|  | <b>ORIGINAL<br/>BUDGET</b> | <b>REVISED<br/>BUDGET</b> | <b>ACTUAL</b>     | <b>VARIANCE</b> |
| <b>REVENUES</b>  |                            |                           |                   |                 |
| Property tax   | \$ 17,647,227              | \$ 17,647,227             | \$17,851,581      | \$ 204,354      |
| Intergovernmental and departmental revenue   | 1,481,171                  | 1,481,171                 | 1,583,863         | 102,692         |
| Federal revenue - State fiscal stabilization   | -                          | -                         | 60,871            | 60,871          |
| License and permits  | 899,000                    | 899,000                   | 993,196           | 94,196          |
| Fines and interest on late payments  | 150,000                    | 150,000                   | 144,689           | (5,311)         |
| Interest on investments  | 75,000                     | 75,000                    | 61,488            | (13,512)        |
| Other revenues   | 79,671                     | 79,671                    | 88,256            | 8,585           |
| <b>TOTAL REVENUES</b>  | <b>20,332,069</b>          | <b>20,332,069</b>         | <b>20,783,944</b> | <b>451,875</b>  |
| <b>EXPENDITURES</b>  |                            |                           |                   |                 |
| Legislative, judicial, and general administrative  | 1,979,009                  | 1,979,009                 | 1,909,146         | 69,863          |
| Financial administration and tax assessor  | 288,827                    | 288,827                   | 293,462           | (4,635)         |
| Public safety  | 2,160,931                  | 2,160,931                 | 2,138,029         | 22,902          |
| Public works   | 1,598,784                  | 1,598,784                 | 1,604,492         | (5,708)         |
| Public welfare   | 5,464                      | 5,464                     | 3,964             | 1,500           |
| Public health  | 261,693                    | 261,693                   | 244,165           | 17,528          |
| Tree Warden  | 26,300                     | 26,300                    | 26,503            | (203)           |
| Library  | 352,706                    | 352,706                   | 380,780           | (28,074)        |
| Parks & recreation   | 476,255                    | 476,255                   | 463,806           | 12,449          |
| Education  | 11,606,867                 | 11,606,867                | 11,304,980        | 301,887         |
| Other  | 53,500                     | 53,500                    | 57,541            | (4,041)         |
| <b>Debt service</b>  |                            |                           |                   |                 |
| Principal  | 585,000                    | 585,000                   | 650,000           | (65,000)        |
| Interest   | 425,933                    | 425,933                   | 429,695           | (3,762)         |
| <b>TOTAL EXPENDITURES</b>  | <b>19,821,269</b>          | <b>19,821,269</b>         | <b>19,506,563</b> | <b>314,706</b>  |
| Excess of Revenues Over (Under) Expenditures<br>Before Other Financing Sources (Uses)                | 510,800                    | 510,800                   | 1,277,381         | 766,581         |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                            |                           |                   |                 |
| Use of prior year accumulated surplus  | 367,830                    | 367,830                   | 367,830           | -               |
| Transfer in from other funds   | 150,000                    | 150,000                   | 150,000           | -               |
| Transfer to other funds  | (217,830)                  | (217,830)                 | (217,830)         | -               |
| Transfer to Capital Improvement Fund   | (810,800)                  | (810,800)                 | (810,800)         | -               |
| <b>TOTAL OTHER FINANCING USES</b>  | <b>(510,800)</b>           | <b>(510,800)</b>          | <b>(510,800)</b>  | <b>-</b>        |
| Excess of Revenues and Other Financing Sources Over (Under)<br>Expenditures and Other Financing Uses | \$ -                       | \$ -                      | \$ 766,581        | \$ 766,581      |

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Revenues**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2011**

|  | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>        | <u>VARIANCE</u>   |
|--|----------------------------|---------------------------|----------------------|-------------------|
| <b>GENERAL PROPERTY TAXES</b>                                |                            |                           |                      |                   |
| Real estate and personal property taxes                      | \$ 17,647,227              | 17,647,227                | \$ 17,851,581        | \$ 204,354        |
| <b>TOTAL GENERAL PROPERTY TAXES</b>                          | <u>17,647,227</u>          | <u>17,647,227</u>         | <u>17,851,581</u>    | <u>204,354</u>    |
| <b>INTERGOVERNMENTAL AND DEPARTMENTAL REVENUES</b>           |                            |                           |                      |                   |
| Library state aid  | 132,732                    | 132,732                   | 134,346              | 1,614             |
| State Education Aid  | 340,833                    | 340,833                   | 368,185              | 27,352            |
| Federal revenue - State fiscal stabilization                 | -                          | -                         | 60,871               | 60,871            |
| Medicaid reimbursement                                       | 90,000                     | 90,000                    | 106,295              | 16,295            |
| Certificate of occupancy                                     | 1,000                      | 1,000                     | 900                  | (100)             |
| State of Rhode Island MV excise                              | 458,372                    | 458,372                   | 493,181              | 34,809            |
| Ambulance - 3rd party billing                                | 100,000                    | 100,000                   | 115,969              | 15,969            |
| Meal Tax Reimbursement                                       | 65,241                     | 65,241                    | 80,408               | 15,167            |
| Tax stamps town share  | 150,000                    | 150,000                   | 136,100              | (13,900)          |
| RI Trust TOPS Dividend                                       | 15,500                     | 15,500                    | 16,160               | 660               |
| Radon tax town share   | -                          | -                         | 49                   | 49                |
| Public housing   | 104,493                    | 104,493                   | 104,494              | 1                 |
| Finance  | 15,000                     | 15,000                    | 16,941               | 1,941             |
| Grant revenue  | -                          | -                         | 3,297                | 3,297             |
| Alarm revenue  | 8,000                      | 8,000                     | 7,538                | (462)             |
| <b>TOTAL INTERGOVERNMENTAL AND<br/>DEPARTMENTAL REVENUES</b> | <u>1,481,171</u>           | <u>1,481,171</u>          | <u>1,644,734</u>     | <u>163,563</u>    |
| <b>LICENSES AND PERMITS</b>                                  |                            |                           |                      |                   |
| Building permits   | 93,000                     | 93,000                    | 105,528              | 12,528            |
| Electric permits   | 25,000                     | 25,000                    | 13,512               | (11,488)          |
| Plumbing permits   | 5,000                      | 5,000                     | 4,503                | (497)             |
| Demolition permits   | 1,000                      | 1,000                     | 600                  | (400)             |
| Mechanical permits   | 20,000                     | 20,000                    | 20,090               | 90                |
| Copies and recording   | 120,000                    | 120,000                   | 108,265              | (11,735)          |
| Licenses and fees  | 10,000                     | 10,000                    | 9,315                | (685)             |
| Zoning fees  | 5,000                      | 5,000                     | 997                  | (4,003)           |
| Probate fees   | 20,000                     | 20,000                    | 21,758               | 1,758             |
| Transfer station stickers                                    | 90,000                     | 90,000                    | 100,430              | 10,430            |
| Animal control   | 5,000                      | 5,000                     | 5,785                | 785               |
| Parks & recreation   | 490,000                    | 490,000                   | 449,302              | (40,698)          |
| Public works   | 15,000                     | 15,000                    | 153,111              | 138,111           |
| <b>TOTAL LICENSES AND PERMITS</b>                            | <u>899,000</u>             | <u>899,000</u>            | <u>993,196</u>       | <u>94,196</u>     |
| <b>FINES AND INTEREST ON LATE PAYMENTS</b>                   |                            |                           |                      |                   |
| Police department fines                                      | 45,000                     | 45,000                    | 40,860               | (4,140)           |
| Library fines  | 5,000                      | 5,000                     | 6,052                | 1,052             |
| Interest on late payments                                    | 100,000                    | 100,000                   | 97,777               | (2,223)           |
| <b>TOTAL FINES AND INTEREST ON LATE PAYMENTS</b>             | <u>150,000</u>             | <u>150,000</u>            | <u>144,689</u>       | <u>(5,311)</u>    |
| <b>INTEREST ON INVESTMENTS</b>                               |                            |                           |                      |                   |
|  | <u>75,000</u>              | <u>75,000</u>             | <u>61,488</u>        | <u>(13,512)</u>   |
| <b>OTHER REVENUES</b>  |                            |                           |                      |                   |
| Miscellaneous revenue  | 79,671                     | 79,671                    | 88,256               | 8,585             |
| <b>TOTAL OTHER REVENUES</b>                                  | <u>79,671</u>              | <u>79,671</u>             | <u>88,256</u>        | <u>8,585</u>      |
| <b>TOTAL REVENUES</b>  | <u>20,332,069</u>          | <u>20,332,069</u>         | <u>20,783,944</u>    | <u>451,875</u>    |
| <b>OTHER FINANCING SOURCES</b>                               |                            |                           |                      |                   |
| Use of prior year accumulated surplus                        | 367,830                    | 367,830                   | 367,830              | -                 |
| Transfer-in other funds                                      | 150,000                    | 150,000                   | 150,000              | -                 |
| <b>TOTAL OTHER FINANCING SOURCES</b>                         | <u>150,000</u>             | <u>150,000</u>            | <u>150,000</u>       | <u>-</u>          |
| <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>            | <u>\$ 20,482,069</u>       | <u>\$ 20,482,069</u>      | <u>\$ 20,933,944</u> | <u>\$ 451,875</u> |

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2011**

|  | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>    | <u>VARIANCE</u> |
|--|----------------------------|---------------------------|------------------|-----------------|
| <b>LEGISLATIVE, JUDICIAL, AND GENERAL ADMINISTRATIVE</b> |                            |                           |                  |                 |
| Town Council   |                            |                           |                  |                 |
| Salaries   | \$ 8,767                   | \$ 8,767                  | \$ 8,767         | \$ -            |
| Fees and supplies  | 1,500                      | 1,500                     | 68               | 1,432           |
| Advertising  | 2,500                      | 2,500                     | -                | 2,500           |
| Total Town Council                                       | <u>12,767</u>              | <u>12,767</u>             | <u>8,835</u>     | <u>3,932</u>    |
| Town Administration                                      |                            |                           |                  |                 |
| Salaries, Administrator, Clerical                        | 152,835                    | 152,835                   | 160,082          | (7,247)         |
| Fees, supplies and dues                                  | 2,800                      | 2,800                     | 1,429            | 1,371           |
| Travel expense   | 5,500                      | 5,500                     | 4,361            | 1,139           |
| Total Town Administration                                | <u>161,135</u>             | <u>161,135</u>            | <u>165,872</u>   | <u>(4,737)</u>  |
| Probate Court  |                            |                           |                  |                 |
| Salaries and wages                                       | 4,490                      | 4,490                     | 4,663            | (173)           |
| Fees and supplies  | 2,100                      | 2,100                     | 581              | 1,519           |
| Total Probate Court                                      | <u>6,590</u>               | <u>6,590</u>              | <u>5,244</u>     | <u>1,346</u>    |
| Elections and Town Meetings                              |                            |                           |                  |                 |
| Salaries, Canvassers                                     | 27,775                     | 27,775                    | 10,092           | 17,683          |
| Fees and supplies  | 3,470                      | 3,470                     | 2,098            | 1,372           |
| Advertising and printing                                 | 840                        | 840                       | 550              | 290             |
| Total Elections and Town Meetings                        | <u>32,085</u>              | <u>32,085</u>             | <u>12,740</u>    | <u>19,345</u>   |
| Other  |                            |                           |                  |                 |
| Social security tax                                      | 268,750                    | 268,750                   | 256,299          | 12,451          |
| Medical  | 720,000                    | 720,000                   | 703,748          | 16,252          |
| Workman's compensation                                   | 70,000                     | 70,000                    | 56,905           | 13,095          |
| Retirement system  | 246,530                    | 246,530                   | 243,161          | 3,369           |
| Life insurance   | 10,000                     | 10,000                    | 8,834            | 1,166           |
| General liability insurance                              | 75,000                     | 75,000                    | 62,358           | 12,642          |
| Salary study adjustment                                  | 3,000                      | 3,000                     | -                | 3,000           |
| Total Other  | <u>1,393,280</u>           | <u>1,393,280</u>          | <u>1,331,305</u> | <u>61,975</u>   |
| Legal  |                            |                           |                  |                 |
| Professional services - legal                            | 95,000                     | 95,000                    | 96,983           | (1,983)         |
| Total legal  | <u>95,000</u>              | <u>95,000</u>             | <u>96,983</u>    | <u>(1,983)</u>  |
| Clerks and Records                                       |                            |                           |                  |                 |
| Salaries and wages                                       | 119,759                    | 119,759                   | 137,310          | (17,551)        |
| Fees, supplies and dues                                  | 33,000                     | 33,000                    | 29,224           | 3,776           |
| Advertising and printing                                 | 3,200                      | 3,200                     | 1,877            | 1,323           |
| Total Clerks and Records                                 | <u>155,959</u>             | <u>155,959</u>            | <u>168,411</u>   | <u>(12,452)</u> |
| Planning   |                            |                           |                  |                 |
| Salaries and wages                                       | 98,243                     | 98,243                    | 101,119          | (2,876)         |
| Planning commission                                      | 7,150                      | 7,150                     | 5,360            | 1,790           |
| Fees, supplies & dues                                    | 5,500                      | 5,500                     | 5,856            | (356)           |
| Advertising  | 600                        | 600                       | 520              | 80              |
| Total planning   | <u>111,493</u>             | <u>111,493</u>            | <u>112,855</u>   | <u>(1,362)</u>  |

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Expenditures**  
**Budget and Actual (NON-GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2011**

(continued)

|  | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>    | <u>VARIANCE</u> |
|--|----------------------------|---------------------------|------------------|-----------------|
| Zoning   |                            |                           |                  |                 |
| Salaries and wages   | 10,000                     | 10,000                    | 6,817            | 3,183           |
| Fees, supplies and dues                                    | 700                        | 700                       | 84               | 616             |
| Total Zoning   | <u>10,700</u>              | <u>10,700</u>             | <u>6,901</u>     | <u>3,799</u>    |
| TOTAL LEGISLATIVE, JUDICIAL, AND<br>GENERAL ADMINISTRATIVE | <u>1,979,009</u>           | <u>1,979,009</u>          | <u>1,909,146</u> | <u>69,863</u>   |
| <b>FINANCIAL ADMINISTRATION AND TAX ASSESSOR</b>           |                            |                           |                  |                 |
| Finance and Tax Assessor Office                            |                            |                           |                  |                 |
| Salaries and wages - Finance Office                        | 77,339                     | 77,339                    | 79,877           | (2,538)         |
| Salary Deputy Tax Collector                                | 56,466                     | 56,466                    | 60,434           | (3,968)         |
| Salaries and wages - Tax Assessor                          | 57,172                     | 57,172                    | 59,084           | (1,912)         |
| Professional services                                      | 14,000                     | 14,000                    | 15,553           | (1,553)         |
| Clerical-Tax Assessor                                      | 3,500                      | 3,500                     | 4,255            | (755)           |
| Fees, supplies and dues - Tax Assessor                     | 12,000                     | 12,000                    | 10,693           | 1,307           |
| Fees, supplies and dues - Finance Office                   | 22,000                     | 22,000                    | 14,639           | 7,361           |
| Salaries and wages- Computer Technician                    | 30,000                     | 30,000                    | 29,288           | 712             |
| Advertising and printing - Finance Office                  | 550                        | 550                       | 187              | 363             |
| Advertising and printing - Tax Assessor                    | 1,200                      | 1,200                     | 807              | 393             |
| Field Inspections  | 1,000                      | 1,000                     | 1,570            | (570)           |
| Total Finance Office                                       | <u>275,227</u>             | <u>275,227</u>            | <u>276,387</u>   | <u>(1,160)</u>  |
| Audit of Accounts  |                            |                           |                  |                 |
| Professional services                                      | 13,600                     | 13,600                    | 17,075           | (3,475)         |
| Total Audit of Accounts                                    | <u>13,600</u>              | <u>13,600</u>             | <u>17,075</u>    | <u>(3,475)</u>  |
| TOTAL FINANCIAL ADMINISTRATION<br>AND TAX ASSESSOR         | <u>288,827</u>             | <u>288,827</u>            | <u>293,462</u>   | <u>(4,635)</u>  |
| <b>PUBLIC SAFETY</b>                                       |                            |                           |                  |                 |
| Police Department  |                            |                           |                  |                 |
| Salaries and wages - Police Department                     | 1,057,923                  | 1,057,923                 | 984,344          | 73,579          |
| Salaries and wages - Animal Control                        | 22,728                     | 22,728                    | 9,918            | 12,810          |
| Police benefits  | 65,702                     | 65,702                    | 55,714           | 9,988           |
| Police overtime and sick leave                             | 150,000                    | 150,000                   | 203,976          | (53,976)        |
| Police retirement  | 141,332                    | 141,332                   | 141,331          | 1               |
| Supplies - Police Department                               | 20,000                     | 20,000                    | 22,976           | (2,976)         |
| Supplies - Animal Control                                  | 500                        | 500                       | 1,232            | (732)           |
| Advertising and printing                                   | 1,250                      | 1,250                     | 1,280            | (30)            |
| Computer maintenance                                       | 16,526                     | 16,526                    | 14,147           | 2,379           |
| Building Maintenance                                       | 5,000                      | 5,000                     | 4,623            | 377             |
| Vehicle insurance - Police Department                      | 8,197                      | 8,197                     | 7,700            | 497             |
| Vehicle insurance - Animal Control                         | 1,053                      | 1,053                     | 915              | 138             |
| Telephone - Police Department                              | 12,539                     | 12,539                    | 16,366           | (3,827)         |
| Equipment, uniforms  | 5,000                      | 5,000                     | 6,445            | (1,445)         |
| Maintenance of uniforms - Police and Animal Control        | 32,700                     | 32,700                    | 29,550           | 3,150           |
| Ammunition and supplies                                    | 6,175                      | 6,175                     | 3,218            | 2,957           |
| Maintenance of police cars                                 | 11,000                     | 11,000                    | 10,809           | 191             |
| Gas and tires - Police                                     | 35,000                     | 35,000                    | 34,137           | 863             |
| Gas, tires, and maintenance - Animal Control               | 2,000                      | 2,000                     | 186              | 1,814           |
| Training of members  | 20,000                     | 20,000                    | 15,045           | 4,955           |
| Maintenance of radio system                                | 15,690                     | 15,690                    | 17,287           | (1,597)         |
| Equipment  | 4,935                      | 4,935                     | 4,667            | 268             |
| Total Police Department                                    | <u>1,635,250</u>           | <u>1,635,250</u>          | <u>1,585,866</u> | <u>49,384</u>   |

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Expenditures**  
**Budget and Actual (Non GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2011**  
(continued)

|                                  | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>    | <u>VARIANCE</u> |
|----------------------------------|----------------------------|---------------------------|------------------|-----------------|
| Fire Department                  |                            |                           |                  |                 |
| Fire incentive program           | 70,000                     | 70,000                    | 68,196           | 1,804           |
| Salaries and wages - Fire        | 103,964                    | 103,964                   | 102,530          | 1,434           |
| Fees, supplies and dues          | 4,800                      | 4,800                     | 4,524            | 276             |
| Insurance                        | 42,184                     | 42,184                    | 42,808           | (624)           |
| Telephone                        | 6,500                      | 6,500                     | 5,854            | 646             |
| Apparatus and truck repair       | 20,000                     | 20,000                    | 28,772           | (8,772)         |
| Gas, tires and oil               | 10,000                     | 10,000                    | 11,648           | (1,648)         |
| Training                         | 8,250                      | 8,250                     | 11,893           | (3,643)         |
| Fuel oil                         | 8,000                      | 8,000                     | 12,105           | (4,105)         |
| Maintenance                      | 8,000                      | 8,000                     | 10,443           | (2,443)         |
| Electricity                      | 10,000                     | 10,000                    | 8,407            | 1,593           |
| Alarm and radio                  | 7,200                      | 7,200                     | 7,017            | 183             |
| Oxygen and air pack              | 5,500                      | 5,500                     | 2,010            | 3,490           |
| Water                            | 1,000                      | 1,000                     | 1,361            | (361)           |
| Fire equipment                   | 10,000                     | 10,000                    | 10,326           | (326)           |
| Fire extinguisher agents         | 2,000                      | 2,000                     | 1,849            | 151             |
| Subscriptions and journals       | 600                        | 600                       | -                | 600             |
| Total Fire Department            | <u>317,998</u>             | <u>317,998</u>            | <u>329,743</u>   | <u>(11,745)</u> |
| Other Protective Services        |                            |                           |                  |                 |
| Salaries and wages               | 103,183                    | 103,183                   | 119,060          | (15,877)        |
| Supplies and expenses            | 4,500                      | 4,500                     | 3,360            | 1,140           |
| Hydrant rental                   | 100,000                    | 100,000                   | 100,000          | -               |
| Total Other Protective Services  | <u>207,683</u>             | <u>207,683</u>            | <u>222,420</u>   | <u>(14,737)</u> |
| <b>TOTAL PUBLIC SAFETY</b>       | <u>2,160,931</u>           | <u>2,160,931</u>          | <u>2,138,029</u> | <u>22,902</u>   |
| <b>PUBLIC WORKS</b>              |                            |                           |                  |                 |
| Administration                   |                            |                           |                  |                 |
| Salary - Public Works Director   | 40,532                     | 40,532                    | 53,450           | (12,918)        |
| Supplies and expenses            | 1,400                      | 1,400                     | 449              | 951             |
| Total Administration             | <u>41,932</u>              | <u>41,932</u>             | <u>53,899</u>    | <u>(11,967)</u> |
| Engineering                      |                            |                           |                  |                 |
| Salary - Professional Services   | 74,805                     | 74,805                    | 66,333           | 8,472           |
| Salary - Environmental Scientist | 27,251                     | 27,251                    | 28,172           | (921)           |
| Supplies                         | 1,200                      | 1,200                     | 768              | 432             |
| Total Engineering                | <u>103,256</u>             | <u>103,256</u>            | <u>95,273</u>    | <u>7,983</u>    |
| Highway                          |                            |                           |                  |                 |
| Salaries and wages               | 559,400                    | 559,400                   | 564,261          | (4,861)         |
| Vehicles and insurance           | 12,000                     | 12,000                    | 12,000           | -               |
| Upkeep of equipment              | 45,000                     | 45,000                    | 54,791           | (9,791)         |
| Oil and gas                      | 55,000                     | 55,000                    | 63,656           | (8,656)         |
| Sand and gravel                  | 13,000                     | 13,000                    | 14,652           | (1,652)         |
| Cold patch                       | 12,000                     | 12,000                    | 17,813           | (5,813)         |
| Other road supplies              | 15,000                     | 15,000                    | 9,691            | 5,309           |
| Equipment rental                 | 3,000                      | 3,000                     | 1,374            | 1,626           |
| Safety and licensing             | 4,500                      | 4,500                     | 3,710            | 790             |
| Total Highway                    | <u>718,900</u>             | <u>718,900</u>            | <u>741,948</u>   | <u>(23,048)</u> |

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Expenditures**  
**Budget and Actual (Non GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2011**  
(continued)

|                                 | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>    | <u>VARIANCE</u> |
|---------------------------------|----------------------------|---------------------------|------------------|-----------------|
| <b>Snow Removal</b>             |                            |                           |                  |                 |
| Snow removal                    | 22,000                     | 22,000                    | 21,389           | 611             |
| Equipment and supplies          | 40,000                     | 40,000                    | 41,793           | (1,793)         |
| <b>Total Snow Removal</b>       | <u>62,000</u>              | <u>62,000</u>             | <u>63,182</u>    | <u>(1,182)</u>  |
| <b>Waste Removal</b>            |                            |                           |                  |                 |
| Salary - Operator               | 50,696                     | 50,696                    | 53,722           | (3,026)         |
| Telephone                       | 500                        | 500                       | 473              | 27              |
| Electricity                     | 1,000                      | 1,000                     | 861              | 139             |
| Maintenance and testing         | 45,000                     | 45,000                    | 41,746           | 3,254           |
| Transfer and trucking           | 310,000                    | 310,000                   | 295,498          | 14,502          |
| Hazardous waste                 | 4,000                      | 4,000                     | 30               | 3,970           |
| <b>Total Waste Removal</b>      | <u>411,196</u>             | <u>411,196</u>            | <u>392,330</u>   | <u>18,866</u>   |
| <b>Street Lighting</b>          |                            |                           |                  |                 |
| Electricity                     | 47,500                     | 47,500                    | 50,673           | (3,173)         |
| <b>Total Street Electric</b>    | <u>47,500</u>              | <u>47,500</u>             | <u>50,673</u>    | <u>(3,173)</u>  |
| <b>Other Public Works</b>       |                            |                           |                  |                 |
| Town cemetery and parade        | 2,100                      | 2,100                     | 2,042            | 58              |
| <b>Total Other Public Works</b> | <u>2,100</u>               | <u>2,100</u>              | <u>2,042</u>     | <u>58</u>       |
| <b>Public Buildings</b>         |                            |                           |                  |                 |
| Contracted services             | 42,000                     | 42,000                    | 39,671           | 2,329           |
| Supplies                        | 4,600                      | 4,600                     | 4,244            | 356             |
| Telephone and alarms            | 20,000                     | 20,000                    | 18,068           | 1,932           |
| Electric                        | 47,000                     | 47,000                    | 49,016           | (2,016)         |
| Water                           | 6,300                      | 6,300                     | 7,020            | (720)           |
| Heating                         | 45,000                     | 45,000                    | 45,873           | (873)           |
| Repairs and maintenance         | 35,000                     | 35,000                    | 31,809           | 3,191           |
| Landscape                       | 12,000                     | 12,000                    | 9,444            | 2,556           |
| <b>Total Public Buildings</b>   | <u>211,900</u>             | <u>211,900</u>            | <u>205,145</u>   | <u>6,755</u>    |
| <b>TOTAL PUBLIC WORKS</b>       | <u>1,598,784</u>           | <u>1,598,784</u>          | <u>1,604,492</u> | <u>(5,708)</u>  |
| <b>PUBLIC WELFARE</b>           |                            |                           |                  |                 |
| Salaries and wages              | 3,964                      | 3,964                     | 3,964            | -               |
| New Visions, Newport County     | 1,500                      | 1,500                     | -                | 1,500           |
| <b>TOTAL PUBLIC WELFARE</b>     | <u>5,464</u>               | <u>5,464</u>              | <u>3,964</u>     | <u>1,500</u>    |
| <b>PUBLIC HEALTH</b>            |                            |                           |                  |                 |
| Ambulance Incentive             | 80,000                     | 80,000                    | 74,492           | 5,508           |
| Ambulance                       | 82,500                     | 82,500                    | 84,010           | (1,510)         |
| Insurance for ambulance         | 22,500                     | 22,500                    | 18,870           | 3,630           |
| Visiting nurse / mental health  | 20,000                     | 20,000                    | 10,100           | 9,900           |
| Senior center operations        | 56,693                     | 56,693                    | 56,693           | -               |
| <b>TOTAL PUBLIC HEALTH</b>      | <u>261,693</u>             | <u>261,693</u>            | <u>244,165</u>   | <u>17,528</u>   |
| <b>TREE WARDEN</b>              |                            |                           |                  |                 |
| Salaries                        | 7,500                      | 7,500                     | 8,575            | (1,075)         |
| Supplies                        | 1,800                      | 1,800                     | 386              | 1,414           |
| Tree pruning                    | 12,000                     | 12,000                    | 15,772           | (3,772)         |
| Purchase of Trees               | 5,000                      | 5,000                     | 1,770            | 3,230           |
| <b>TOTAL TREE WARDEN</b>        | <u>26,300</u>              | <u>26,300</u>             | <u>26,503</u>    | <u>(203)</u>    |

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - Schedule of Expenditures**  
**Budget and Actual (Non GAAP Budgetary Basis) - General Fund**  
**For the Fiscal Year Ended June 30, 2011**  
(continued)

|  | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>        | <u>VARIANCE</u>   |
|--|----------------------------|---------------------------|----------------------|-------------------|
| <b>LIBRARY</b>                                     |                            |                           |                      |                   |
| Salaries and wages                                 | 191,663                    | 191,663                   | 208,900              | (17,237)          |
| Custodian  | 2,772                      | 2,772                     | 2,720                | 52                |
| Fees, supplies & dues                              | 6,003                      | 6,003                     | 6,866                | (863)             |
| Insurance  | 11,689                     | 11,689                    | 8,400                | 3,289             |
| Telephone  | 1,900                      | 1,900                     | 2,000                | (100)             |
| Equipment  | 300                        | 300                       | -                    | 300               |
| Electricity  | 19,000                     | 19,000                    | 20,859               | (1,859)           |
| Heat   | 12,500                     | 12,500                    | 19,718               | (7,218)           |
| Repairs and maintenance                            | 16,000                     | 16,000                    | 13,033               | 2,967             |
| Computer repairs and maintenance                   | 1,000                      | 1,000                     | 1,387                | (387)             |
| Books and periodicals                              | 19,500                     | 19,500                    | 20,496               | (996)             |
| Books - State aid                                  | 70,379                     | 70,379                    | 76,401               | (6,022)           |
| TOTAL LIBRARY                                      | <u>352,706</u>             | <u>352,706</u>            | <u>380,780</u>       | <u>(28,074)</u>   |
| <b>PARKS AND RECREATION</b>                        |                            |                           |                      |                   |
| Salaries and wages                                 | 358,135                    | 358,135                   | 344,642              | 13,493            |
| Supplies   | 5,965                      | 5,965                     | 6,115                | (150)             |
| Advertising and printing                           | 3,750                      | 3,750                     | 3,493                | 257               |
| Insurance  | 5,882                      | 5,882                     | 5,902                | (20)              |
| Telephone  | 3,250                      | 3,250                     | 3,079                | 171               |
| Equipment  | 4,600                      | 4,600                     | 4,288                | 312               |
| Gas and oil  | 7,000                      | 7,000                     | 8,292                | (1,292)           |
| Electricity and field lighting                     | 28,000                     | 28,000                    | 26,895               | 1,105             |
| Fort Getty water removal                           | 7,500                      | 7,500                     | 10,674               | (3,174)           |
| Shores beach / sanitary facilities                 | 2,000                      | 2,000                     | -                    | 2,000             |
| Water  | 12,500                     | 12,500                    | 12,635               | (135)             |
| Trash removal                                      | 11,000                     | 11,000                    | 11,036               | (36)              |
| Repairs, maintenance and improvements              | 21,648                     | 21,648                    | 21,856               | (208)             |
| Summer program                                     | 3,825                      | 3,825                     | 3,759                | 66                |
| Winter program                                     | 1,200                      | 1,200                     | 1,140                | 60                |
| TOTAL PARKS AND RECREATION                         | <u>476,255</u>             | <u>476,255</u>            | <u>463,806</u>       | <u>12,449</u>     |
| <b>SCHOOL DEPARTMENT</b>                           |                            |                           |                      |                   |
| Education  | <u>11,606,867</u>          | <u>11,606,867</u>         | <u>11,304,980</u>    | <u>301,887</u>    |
| TOTAL EDUCATION                                    | <u>11,606,867</u>          | <u>11,606,867</u>         | <u>11,304,980</u>    | <u>301,887</u>    |
| <b>OTHER</b>                                       |                            |                           |                      |                   |
| Incidents and emergencies                          | 50,000                     | 50,000                    | 54,787               | (4,787)           |
| Conservation commission                            | 2,200                      | 2,200                     | 1,454                | 746               |
| Eastern RI CO-OP Extension                         | 1,300                      | 1,300                     | 1,300                | -                 |
| TOTAL OTHER  | <u>53,500</u>              | <u>53,500</u>             | <u>57,541</u>        | <u>(4,041)</u>    |
| <b>DEBT SERVICE</b>                                |                            |                           |                      |                   |
| Principal payments                                 | 585,000                    | 585,000                   | 650,000              | (65,000)          |
| Interest   | 425,933                    | 425,933                   | 429,695              | (3,762)           |
| TOTAL DEBT SERVICE                                 | <u>1,010,933</u>           | <u>1,010,933</u>          | <u>1,079,695</u>     | <u>(68,762)</u>   |
| TOTAL EXPENDITURES                                 | <u>19,821,269</u>          | <u>19,821,269</u>         | <u>19,506,563</u>    | <u>314,706</u>    |
| <b>OTHER FINANCING USES</b>                        |                            |                           |                      |                   |
| Transfer to other funds                            |                            |                           |                      |                   |
| Transfer to other funds                            | 217,830                    | 217,830                   | 217,830              | -                 |
| Capital improvement fund                           | 810,800                    | 810,800                   | 810,800              | -                 |
| TOTAL OTHER FINANCING USES                         | <u>1,028,630</u>           | <u>1,028,630</u>          | <u>1,028,630</u>     | <u>-</u>          |
| <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b> | <u>\$ 20,849,899</u>       | <u>\$ 20,849,899</u>      | <u>\$ 20,535,193</u> | <u>\$ 314,706</u> |

**REQUIRED SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - School Capital Improvement Fund**  
**Schedule of Revenues and Expenditures (Non GAAP Budgetary Basis)**  
**For the Fiscal Year Ended June 30, 2011**

|  | ORIGINAL<br>BUDGET | REVISED<br>BUDGET | ACTUAL           | VARIANCE         |
|--|--------------------|-------------------|------------------|------------------|
| REVENUES   |                    |                   |                  |                  |
| Other  | \$ 15,000          | \$ 15,000         | \$ 32,895        | \$ 17,895        |
| TOTAL REVENUES   | <u>15,000</u>      | <u>15,000</u>     | <u>32,895</u>    | <u>17,895</u>    |
| EXPENDITURES   |                    |                   |                  |                  |
| Capital outlay   | 209,830            | 209,830           | 192,597          | 17,233           |
| TOTAL EXPENDITURES   | <u>209,830</u>     | <u>209,830</u>    | <u>192,597</u>   | <u>17,233</u>    |
| Excess of expenditures over revenues<br>before operating transfers | <u>(194,830)</u>   | <u>(194,830)</u>  | <u>(159,702)</u> | <u>35,128</u>    |
| OTHER FINANCING SOURCES (USES)                                     |                    |                   |                  |                  |
| Transfer from School General Fund                                  | 194,830            | 194,830           | 194,830          | -                |
| TOTAL OPERATING TRANSFERS  | <u>194,830</u>     | <u>194,830</u>    | <u>194,830</u>   | <u>-</u>         |
| Excess of revenues over<br>expenditures and operating transfers    | <u>\$ -</u>        | <u>\$ -</u>       | <u>\$ 35,128</u> | <u>\$ 35,128</u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2011**

The accompanying Statement of Revenues, Expenditures (GAAP or Budgetary Basis Non-GAAP) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principals applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, entity and timing differences in the excess (deficiency) of revenues and other financial resources over expenditure / expenses and other uses of financial resources for the year ended June 30, 2011 is presented below:

|  | General<br>Fund<br>GAAP<br>Basis | School<br>Capital<br>Improvement<br>GAAP<br>Basis |
|--|----------------------------------|---|
| Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (Non-GAAP basis) | \$ 766,581                       | \$ 35,128   |
| <i>Adjustments:</i>  |                                  |   |
| To adjust for use of accumulated surplus   | (367,830)                        | -   |
| Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (GAAP basis)     | \$ 398,751                       | \$ 35,128   |

## **Supplementary Information**

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Combining Balance Sheet - Non-Major Governmental Funds**  
**JUNE 30, 2011**

|  | Special Revenue<br>Restricted<br>Town | Special Revenue<br>Restricted<br>School | School<br>Food Service | Capital<br>Projects<br>Fund | Totals              |
|--|---------------------------------------|---|------------------------|-----------------------------|---------------------|
| <b>ASSETS</b>                              |                                       |   |                        |                             |                     |
| Cash                                       | \$ 90,120                             | \$ -                                    | \$ 33,230              | 51,926                      | \$ 175,276          |
| Due from federal and state governments     | 5,042                                 | 123,423                                 | 42,721                 | -                           | 171,186             |
| Due from other funds                       | 774,126                               | 316,786                                 | 17,941                 | 306,480                     | 1,415,333           |
| <b>Total assets</b>                        | <u>\$ 869,288</u>                     | <u>\$ 440,209</u>                       | <u>\$ 93,892</u>       | <u>\$ 358,406</u>           | <u>\$ 1,761,795</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                                       |   |                        |                             |                     |
| <b>Liabilities</b>                         |                                       |   |                        |                             |                     |
| Accounts payable                           | \$ 26,143                             | \$ 1,000                                | \$ 23,396              | -                           | \$ 50,539           |
| Due to other funds                         | 358,180                               | 123,423                                 | -                      | 500                         | 482,103             |
| Deferred revenues                          | -                                     | 315,686                                 | -                      | -                           | 315,686             |
| <b>Total liabilities</b>                   | <u>384,323</u>                        | <u>440,109</u>                          | <u>23,396</u>          | <u>500</u>                  | <u>848,328</u>      |
| <b>Fund balances (deficits)</b>            |                                       |   |                        |                             |                     |
| <i>Restricted for:</i>                     |                                       |   |                        |                             |                     |
| Public safety programs                     | 48,657                                | -                                       | -                      | -                           | 48,657              |
| <i>Committed for:</i>                      |                                       |   |                        |                             |                     |
| Public works programs                      | -                                     | -                                       | -                      | 357,906                     | 357,906             |
| <i>Assigned for:</i>                       |                                       |   |                        |                             |                     |
| Public safety programs                     | 27,962                                | -                                       | -                      | -                           | 27,962              |
| Education                                  | -                                     | 100                                     | -                      | -                           | 100                 |
| Public welfare                             | 44,799                                | -                                       | 70,496                 | -                           | 115,295             |
| Public works programs                      | 283,171                               | -                                       | -                      | -                           | 283,171             |
| Culture and recreation                     | 457,970                               | -                                       | -                      | -                           | 457,970             |
| <i>Unassigned</i>                          | (377,594)                             | -                                       | -                      | -                           | (377,594)           |
| <b>Fund balances (deficits)</b>            | <u>484,965</u>                        | <u>100</u>                              | <u>70,496</u>          | <u>357,906</u>              | <u>913,467</u>      |
| <b>Total liabilities and fund balances</b> | <u>\$ 869,288</u>                     | <u>\$ 440,209</u>                       | <u>\$ 93,892</u>       | <u>\$ 358,406</u>           | <u>\$ 1,761,795</u> |

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2011**

|  | <u>Special Revenue<br/>Restricted<br/>Town</u> | <u>Special Revenue<br/>Restricted<br/>School</u> | <u>School<br/>Food Service</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Totals</u>     |
|--|--|--|--------------------------------|--------------------------------------|-------------------|
| <b>Revenues</b>  |  |  |                                |                                      |                   |
| Intergovernmental  | \$ 489,798                                     | \$ 447,026                                       | \$ 17,513                      | 33,293                               | \$ 987,630        |
| Other  | 390,985  | 84,685   | 75,828                         | -                                    | 551,498           |
| <b>Total Revenues</b>  | <u>880,783</u>                                 | <u>531,711</u>                                   | <u>93,341</u>                  | <u>33,293</u>                        | <u>1,539,128</u>  |
| <b>Expenditures</b>  |  |  |                                |                                      |                   |
| Education  | -  | 531,611  | -                              | -                                    | 531,611           |
| Other  | 939,610  | -  | 130,783                        | 134,622                              | 1,205,015         |
| Capital improvements/restricted programs   | -  | -  | -                              | 66,969                               | 66,969            |
| <b>Total expenditures</b>  | <u>939,610</u>                                 | <u>531,611</u>                                   | <u>130,783</u>                 | <u>201,591</u>                       | <u>1,803,595</u>  |
| <b>Excess of revenues over (under) Expenditures</b>                              | (58,827)                                       | 100  | (37,442)                       | (168,298)                            | (264,467)         |
| <b>Other Financing Sources (uses)</b>  |  |  |                                |                                      |                   |
| Operating transfers (to) from  | (158,000)                                      | -  | 23,000                         | 194,830                              | 59,830            |
| <b>Total other financing sources</b>   | <u>(158,000)</u>                               | <u>-</u>   | <u>23,000</u>                  | <u>194,830</u>                       | <u>59,830</u>     |
| Excess of revenues and other sources over<br>(under) expenditures and other uses | (216,827)                                      | 100  | (14,442)                       | 26,532                               | (204,637)         |
| <b>FUND BALANCE - July 1, 2010</b>   | <u>706,079</u>                                 | <u>-</u>   | <u>84,938</u>                  | <u>331,374</u>                       | <u>1,122,391</u>  |
| <b>Prior period adjustment (see note 18)</b>                                     | (4,287)  | -  | -                              | -                                    | (4,287)           |
| <b>FUND BALANCE - June 30, 2011</b>  | <u>\$ 484,965</u>                              | <u>\$ 100</u>                                    | <u>\$ 70,496</u>               | <u>\$ 357,906</u>                    | <u>\$ 913,467</u> |

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | LIBRARY<br>GIFTS & BOOK<br>SALES | RECREATION       | LAND<br>REGULATION<br>SUBDIVISION<br>DEDICATION | FRIENDS OF<br>JAMESTOWN<br>COMMUNITY<br>CENTER | GOLF<br>COURSE    | TREE<br>GRANT   | JAMESTOWN<br>LIBRARY<br>TRUSTEE |
|---|----------------------------------|------------------|---|--|-------------------|-----------------|---------------------------------|
| ASSETS                                    |                                  |                  |   |  |                   |                 |                                 |
| Cash and cash equivalents                 | \$ -                             | \$ -             | \$ -  | \$ 7,108                                       | \$ 48,932         | \$ -            | \$ 11,248                       |
| Accounts receivable                       | -                                | -                | -   | -  | 797               | -               | -                               |
| Due from other funds                      | 16,902                           | 28,659           | 260,172   | 518  | 232,539           | 1,646           | -                               |
| <b>TOTAL ASSETS</b>                       | <b>\$ 16,902</b>                 | <b>\$ 28,659</b> | <b>\$ 260,172</b>                               | <b>\$ 7,626</b>                                | <b>\$ 282,268</b> | <b>\$ 1,646</b> | <b>\$ 11,248</b>                |
| LIABILITIES AND FUND BALANCE              |                                  |                  |   |  |                   |                 |                                 |
| LIABILITIES                               |                                  |                  |   |  |                   |                 |                                 |
| Accounts payable                          | \$ -                             | \$ -             | \$ -  | \$ -   | \$ 2,460          | \$ -            | \$ -                            |
| Due to other funds                        | -                                | -                | -   | -  | -                 | -               | -                               |
| <b>TOTAL LIABILITIES</b>                  | <b>-</b>                         | <b>-</b>         | <b>-</b>  | <b>-</b>                                       | <b>2,460</b>      | <b>-</b>        | <b>-</b>                        |
| FUND BALANCE                              |                                  |                  |   |  |                   |                 |                                 |
| <i>Restricted for:</i>                    |                                  |                  |   |  |                   |                 |                                 |
| Public welfare                            |                                  |                  |   |  |                   |                 |                                 |
| <i>Committed for:</i>                     |                                  |                  |   |  |                   |                 |                                 |
| Public works programs                     |                                  |                  |   |  |                   |                 |                                 |
| <i>Assigned for:</i>                      |                                  |                  |   |  |                   |                 |                                 |
| Public safety programs                    |                                  |                  |   |  |                   |                 |                                 |
| Public welfare                            |                                  |                  |   |  |                   |                 |                                 |
| Public works programs                     | -                                | -                | 260,172   | -  | -                 | 1,646           | -                               |
| Culture and recreation                    | 16,902                           | 28,659           | -   | 7,626  | 279,808           | -               | 11,248                          |
| <i>Unassigned</i>                         | -                                | -                | -   | -  | -                 | -               | -                               |
| <b>TOTAL FUND BALANCE</b>                 | <b>16,902</b>                    | <b>28,659</b>    | <b>260,172</b>                                  | <b>7,626</b>                                   | <b>279,808</b>    | <b>1,646</b>    | <b>11,248</b>                   |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 16,902</b>                 | <b>\$ 28,659</b> | <b>\$ 260,172</b>                               | <b>\$ 7,626</b>                                | <b>\$ 282,268</b> | <b>\$ 1,646</b> | <b>\$ 11,248</b>                |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | COMMUNITY<br>DEVELOPMENT<br>BLOCK<br>GRANT | DRUG<br>FORFEITURE<br>FUND | DRUG<br>FORFEITURE<br>FUND 2005 | SUBSTANCE<br>ABUSE<br>FUND | TOWN<br>CLERK    | BYRNE<br>GRANT<br>2009 | WIND<br>STUDY   |
|---|--|----------------------------|---------------------------------|----------------------------|------------------|------------------------|-----------------|
| <b>ASSETS</b>                             |  |                            |                                 |                            |                  |                        |                 |
| Cash and cash equivalents                 | \$ 7,125                                   | \$ -                       | \$ -                            | \$ -                       | \$ -             | \$ -                   | \$ -            |
| Accounts receivable                       | -  | -                          | -                               | -                          | -                | -                      | -               |
| Due from other funds                      | -  | 346                        | -                               | 43,027                     | 20,836           | -                      | -               |
| <b>TOTAL ASSETS</b>                       | <b>\$ 7,125</b>                            | <b>\$ 346</b>              | <b>\$ -</b>                     | <b>\$ 43,027</b>           | <b>\$ 20,836</b> | <b>\$ -</b>            | <b>\$ -</b>     |
| <b>LIABILITIES AND FUND BALANCE</b>       |  |                            |                                 |                            |                  |                        |                 |
| <b>LIABILITIES</b>                        |  |                            |                                 |                            |                  |                        |                 |
| Accounts payable                          | \$ -                                       | \$ -                       | \$ -                            | \$ -                       | \$ -             | \$ -                   | \$ -            |
| Due to other funds                        | 4,269                                      | -                          | 386                             | -                          | -                | 4,260                  | 13,954          |
| <b>TOTAL LIABILITIES</b>                  | <b>4,269</b>                               | <b>-</b>                   | <b>386</b>                      | <b>-</b>                   | <b>-</b>         | <b>4,260</b>           | <b>13,954</b>   |
| <b>FUND BALANCE</b>                       |  |                            |                                 |                            |                  |                        |                 |
| <i>Restricted for:</i>                    |  |                            |                                 |                            |                  |                        |                 |
| Public welfare                            | 2,856                                      | -                          | -                               | 43,027                     | -                | -                      | -               |
| <i>Assigned for:</i>                      |  |                            |                                 |                            |                  |                        |                 |
| Public safety programs                    | -  | 346                        | -                               | -                          | -                | -                      | -               |
| Public welfare                            | -  | -                          | -                               | -                          | -                | -                      | -               |
| Public works programs                     | -  | -                          | -                               | -                          | -                | -                      | -               |
| Culture and recreation                    | -  | -                          | -                               | -                          | 20,836           | -                      | -               |
| <i>Unassigned</i>                         | -  | -                          | (386)                           | -                          | -                | (4,260)                | (13,954)        |
| <b>TOTAL FUND BALANCE</b>                 | <b>2,856</b>                               | <b>346</b>                 | <b>(386)</b>                    | <b>43,027</b>              | <b>20,836</b>    | <b>(4,260)</b>         | <b>(13,954)</b> |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 7,125</b>                            | <b>\$ 346</b>              | <b>\$ -</b>                     | <b>\$ 43,027</b>           | <b>\$ 20,836</b> | <b>\$ -</b>            | <b>\$ -</b>     |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | RENEWABLE<br>ENERGY<br>FUND | SCHOOL<br>ROUTE<br>GRANT | STREETSCAPE<br>IMPROVEMENTS | HISTORIC<br>PRESERVATION<br>PLANNING | BYRNE<br>GRANT<br>2008 | 4 GRINELL ST.    | MARSH<br>RESTORATION |
|---|-----------------------------|--------------------------|-----------------------------|--------------------------------------|------------------------|------------------|----------------------|
| <b>ASSETS</b>                             |                             |                          |                             |                                      |                        |                  |                      |
| Cash and cash equivalents                 | \$ -                        | \$ -                     | \$ -                        | \$ -                                 | \$ -                   | \$ -             | \$ -                 |
| Accounts receivable                       | -                           | -                        | -                           | -                                    | -                      | -                | -                    |
| Due from other funds                      | -                           | -                        | -                           | -                                    | 2,774                  | 24,016           | 14,755               |
| <b>TOTAL ASSETS</b>                       | <u>\$ -</u>                 | <u>\$ -</u>              | <u>\$ -</u>                 | <u>\$ -</u>                          | <u>\$ 2,774</u>        | <u>\$ 24,016</u> | <u>\$ 14,755</u>     |
| <b>LIABILITIES AND FUND BALANCE</b>       |                             |                          |                             |                                      |                        |                  |                      |
| <b>LIABILITIES</b>                        |                             |                          |                             |                                      |                        |                  |                      |
| Accounts payable                          | \$ -                        | \$ -                     | \$ 23,683                   | \$ -                                 | \$ -                   | \$ -             | \$ -                 |
| Due to other funds                        | 6,379                       | 31,011                   | 254,402                     | 2,290                                | -                      | -                | -                    |
| <b>TOTAL LIABILITIES</b>                  | <u>6,379</u>                | <u>31,011</u>            | <u>278,085</u>              | <u>2,290</u>                         | <u>-</u>               | <u>-</u>         | <u>-</u>             |
| <b>FUND BALANCE</b>                       |                             |                          |                             |                                      |                        |                  |                      |
| <i>Restricted for:</i>                    |                             |                          |                             |                                      |                        |                  |                      |
| Public welfare                            | -                           | -                        | -                           | -                                    | 2,774                  | -                | -                    |
| <i>Assigned for:</i>                      |                             |                          |                             |                                      |                        |                  |                      |
| Public safety programs                    | -                           | -                        | -                           | -                                    | -                      | -                | -                    |
| Public welfare                            | -                           | -                        | -                           | -                                    | -                      | 24,016           | -                    |
| Public works programs                     | -                           | -                        | -                           | -                                    | -                      | -                | 14,755               |
| Culture and recreation                    | -                           | -                        | -                           | -                                    | -                      | -                | -                    |
| <i>Unassigned</i>                         | (6,379)                     | (31,011)                 | (278,085)                   | (2,290)                              | -                      | -                | -                    |
| <b>TOTAL FUND BALANCE</b>                 | <u>(6,379)</u>              | <u>(31,011)</u>          | <u>(278,085)</u>            | <u>(2,290)</u>                       | <u>2,774</u>           | <u>24,016</u>    | <u>14,755</u>        |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <u>\$ -</u>                 | <u>\$ -</u>              | <u>\$ -</u>                 | <u>\$ -</u>                          | <u>\$ 2,774</u>        | <u>\$ 24,016</u> | <u>\$ 14,755</u>     |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | WEST<br>FERRY<br>SEWER<br>ASSESSMENT | NORTH END<br>FIRE<br>PROTECTION<br>FUND | STREETScape  | PRESERVATION<br>& TECH<br>UPGRADE | AFFORDABLE<br>HOUSING | FIRE<br>DEPARTMENT<br>INSPECTIONS | TRAIL<br>GUIDE  |
|---|--------------------------------------|---|--------------|-----------------------------------|-----------------------|-----------------------------------|-----------------|
| <b>ASSETS</b>                             |                                      |   |              |                                   |                       |                                   |                 |
| Cash and cash equivalents                 | \$ -                                 | \$ -                                    | \$ -         | \$ -                              | \$ -                  | \$ -                              | \$ -            |
| Accounts receivable                       | 4,245                                | -                                       | -            | -                                 | -                     | -                                 | -               |
| Due from other funds                      | 2,353                                | 1,387                                   | -            | 76,304                            | 5,076                 | 11,872                            | 1,864           |
| <b>TOTAL ASSETS</b>                       | <b>\$ 6,598</b>                      | <b>\$ 1,387</b>                         | <b>\$ -</b>  | <b>\$ 76,304</b>                  | <b>\$ 5,076</b>       | <b>\$ 11,872</b>                  | <b>\$ 1,864</b> |
| <b>LIABILITIES AND FUND BALANCE</b>       |                                      |   |              |                                   |                       |                                   |                 |
| <b>LIABILITIES</b>                        |                                      |   |              |                                   |                       |                                   |                 |
| Accounts payable                          | \$ -                                 | \$ -                                    | \$ -         | \$ -                              | \$ -                  | \$ -                              | \$ -            |
| Due to other funds                        | -                                    | -                                       | 615          | -                                 | -                     | -                                 | -               |
| <b>TOTAL LIABILITIES</b>                  | <b>-</b>                             | <b>-</b>                                | <b>615</b>   | <b>-</b>                          | <b>-</b>              | <b>-</b>                          | <b>-</b>        |
| <b>FUND BALANCE</b>                       |                                      |   |              |                                   |                       |                                   |                 |
| <i>Restricted for:</i>                    |                                      |   |              |                                   |                       |                                   |                 |
| Public welfare                            | -                                    | -                                       | -            | -                                 | -                     | -                                 | -               |
| <i>Assigned for:</i>                      |                                      |   |              |                                   |                       |                                   |                 |
| Public safety programs                    | -                                    | 1,387                                   | -            | -                                 | -                     | 11,872                            | -               |
| Public welfare                            | -                                    | -                                       | -            | -                                 | 5,076                 | -                                 | -               |
| Public works programs                     | 6,598                                | -                                       | -            | -                                 | -                     | -                                 | -               |
| Culture and recreation                    | -                                    | -                                       | -            | 76,304                            | -                     | -                                 | 1,864           |
| <i>Unassigned</i>                         | -                                    | -                                       | (615)        | -                                 | -                     | -                                 | -               |
| <b>TOTAL FUND BALANCE</b>                 | <b>6,598</b>                         | <b>1,387</b>                            | <b>(615)</b> | <b>76,304</b>                     | <b>5,076</b>          | <b>11,872</b>                     | <b>1,864</b>    |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 6,598</b>                      | <b>\$ 1,387</b>                         | <b>\$ -</b>  | <b>\$ 76,304</b>                  | <b>\$ 5,076</b>       | <b>\$ 11,872</b>                  | <b>\$ 1,864</b> |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | JAMESTOWN<br>COMMUNITY<br>THEATRE | KIDS<br>ROCK     | FEMA<br>2010 STORM | POLICE<br>PARKING | TOTALS            |
|---|-----------------------------------|------------------|--------------------|-------------------|-------------------|
| <b>ASSETS</b>                             |                                   |                  |                    |                   |                   |
| Cash and cash equivalents                 | \$ -                              | \$ 15,707        | \$ -               | \$ -              | \$ 90,120         |
| Accounts receivable                       | -                                 | -                | -                  | -                 | 5,042             |
| Due from other funds                      | 14,723                            | -                | -                  | 14,357            | 774,126           |
| <b>TOTAL ASSETS</b>                       | <b>\$ 14,723</b>                  | <b>\$ 15,707</b> | <b>\$ -</b>        | <b>\$ 14,357</b>  | <b>\$ 869,288</b> |
| <b>LIABILITIES AND FUND BALANCE</b>       |                                   |                  |                    |                   |                   |
| <b>LIABILITIES</b>                        |                                   |                  |                    |                   |                   |
| Accounts payable                          | \$ -                              | \$ -             | \$ -               | \$ -              | \$ 26,143         |
| Due to other funds                        | -                                 | -                | 40,614             | -                 | 358,180           |
| <b>TOTAL LIABILITIES</b>                  | <b>-</b>                          | <b>-</b>         | <b>40,614</b>      | <b>-</b>          | <b>384,323</b>    |
| <b>FUND BALANCE</b>                       |                                   |                  |                    |                   |                   |
| <i>Restricted for:</i>                    |                                   |                  |                    |                   |                   |
| Public welfare                            | -                                 | -                | -                  | -                 | 48,657            |
| <i>Assigned for:</i>                      |                                   |                  |                    |                   |                   |
| Public safety programs                    | -                                 | -                | -                  | 14,357            | 27,962            |
| Public welfare                            | -                                 | 15,707           | -                  | -                 | 44,799            |
| Public works programs                     | -                                 | -                | -                  | -                 | 283,171           |
| Culture and recreation                    | 14,723                            | -                | -                  | -                 | 457,970           |
| <i>Unassigned</i>                         | -                                 | -                | (40,614)           | -                 | (377,594)         |
| <b>TOTAL FUND BALANCE</b>                 | <b>14,723</b>                     | <b>15,707</b>    | <b>(40,614)</b>    | <b>14,357</b>     | <b>484,965</b>    |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 14,723</b>                  | <b>\$ 15,707</b> | <b>\$ -</b>        | <b>\$ 14,357</b>  | <b>\$ 869,288</b> |

(concluded)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

|   | LIBRARY<br>GIFTS & BOOK<br>SALES | RECREATION       | LAND<br>REGULATION<br>SUBDIVISION<br>DEDICATION | FRIENDS OF<br>JAMESTOWN<br>COMMUNITY<br>CENTER | GOLF<br>COURSE    | TREE<br>GRANT   | JAMESTOWN<br>LIBRARY<br>TRUSTEE |
|---|----------------------------------|------------------|---|--|-------------------|-----------------|---------------------------------|
| REVENUES  |                                  |                  |   |  |                   |                 |                                 |
| Intergovernmental revenue and departmental  | \$ -                             | \$ -             | \$ -  | \$ -   | \$ -              | \$ -            | \$ -                            |
| Other revenue   | 27,733                           | 42,519           | 20,611  | -  | 196,400           | -               | 11,498                          |
| TOTAL REVENUES  | <u>27,733</u>                    | <u>42,519</u>    | <u>20,611</u>                                   | <u>-</u>                                       | <u>196,400</u>    | <u>-</u>        | <u>11,498</u>                   |
| EXPENDITURES  |                                  |                  |   |  |                   |                 |                                 |
| Capital   | -                                | -                | -   | -  | -                 | -               | -                               |
| Other   | 24,421                           | 21,154           | -   | -  | 46,918            | -               | 250                             |
| TOTAL EXPENDITURES  | <u>24,421</u>                    | <u>21,154</u>    | <u>-</u>  | <u>-</u>                                       | <u>46,918</u>     | <u>-</u>        | <u>250</u>                      |
| Excess (deficiency) of Revenues Over (Under)<br>Expenditures  | <u>3,312</u>                     | <u>21,365</u>    | <u>20,611</u>                                   | <u>-</u>                                       | <u>149,482</u>    | <u>-</u>        | <u>11,248</u>                   |
| OTHER FINANCING SOURCES (USES)  |                                  |                  |   |  |                   |                 |                                 |
| Transfer (to) from other funds  | -                                | -                | -   | -  | (158,000)         | -               | -                               |
| TOTAL OTHER FINANCING SOURCES (USES)  | <u>-</u>                         | <u>-</u>         | <u>-</u>  | <u>-</u>                                       | <u>(158,000)</u>  | <u>-</u>        | <u>-</u>                        |
| Excess (Deficiency) of Revenues and Other Financing Sources<br>Over (Under) Expenditures and Other Financing Uses | <u>3,312</u>                     | <u>21,365</u>    | <u>20,611</u>                                   | <u>-</u>                                       | <u>(8,518)</u>    | <u>-</u>        | <u>11,248</u>                   |
| FUND BALANCE - July 1, 2010   | <u>13,590</u>                    | <u>7,294</u>     | <u>239,561</u>                                  | <u>7,626</u>                                   | <u>288,326</u>    | <u>1,646</u>    | <u>-</u>                        |
| Prior period adjustment (see note 18)   | <u>-</u>                         | <u>-</u>         | <u>-</u>  | <u>-</u>                                       | <u>-</u>          | <u>-</u>        | <u>-</u>                        |
| FUND BALANCE - June 30, 2011  | <u>\$ 16,902</u>                 | <u>\$ 28,659</u> | <u>\$ 260,172</u>                               | <u>\$ 7,626</u>                                | <u>\$ 279,808</u> | <u>\$ 1,646</u> | <u>\$ 11,248</u>                |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

|   | COMMUNITY<br>DEVELOPMENT<br>BLOCK<br>GRANT | DRUG<br>FORFEITURE<br>FUND | DRUG<br>FORFEITURE<br>FUND 2005 | SUBSTANCE<br>ABUSE<br>FUND | TOWN<br>CLERK    | BYRNE<br>GRANT<br>2009 | WIND<br>STUDY      |
|---|--|----------------------------|---------------------------------|----------------------------|------------------|------------------------|--------------------|
| REVENUES  |  |                            |                                 |                            |                  |                        |                    |
| Intergovernmental revenue and departmental  | \$ 37,000                                  | \$ -                       | \$ -                            | \$ -                       | \$ -             | \$ -                   | \$ -               |
| Other revenue   | -  | -                          | -                               | 23,042                     | 9,409            | -                      | -                  |
| TOTAL REVENUES  | <u>37,000</u>                              | <u>-</u>                   | <u>-</u>                        | <u>23,042</u>              | <u>9,409</u>     | <u>-</u>               | <u>-</u>           |
| EXPENDITURES  |  |                            |                                 |                            |                  |                        |                    |
| Capital   | -  | -                          | -                               | -                          | -                | -                      | -                  |
| Other   | 84,830                                     | -                          | 500                             | 26,398                     | 7,466            | 4,260                  | 15,000             |
| TOTAL EXPENDITURES  | <u>84,830</u>                              | <u>-</u>                   | <u>500</u>                      | <u>26,398</u>              | <u>7,466</u>     | <u>4,260</u>           | <u>15,000</u>      |
| Excess (deficiency) of Revenues Over (Under)<br>Expenditures  | <u>(47,830)</u>                            | <u>-</u>                   | <u>(500)</u>                    | <u>(3,356)</u>             | <u>1,943</u>     | <u>(4,260)</u>         | <u>(15,000)</u>    |
| OTHER FINANCING SOURCES (USES)  |  |                            |                                 |                            |                  |                        |                    |
| Transfer (to) from other funds  | -  | -                          | -                               | -                          | -                | -                      | -                  |
| TOTAL OTHER FINANCING SOURCES (USES)  | <u>-</u>                                   | <u>-</u>                   | <u>-</u>                        | <u>-</u>                   | <u>-</u>         | <u>-</u>               | <u>-</u>           |
| Excess (Deficiency) of Revenues and Other Financing Sources<br>Over (Under) Expenditures and Other Financing Uses | <u>(47,830)</u>                            | <u>-</u>                   | <u>(500)</u>                    | <u>(3,356)</u>             | <u>1,943</u>     | <u>(4,260)</u>         | <u>(15,000)</u>    |
| FUND BALANCE - July 1, 2010   | <u>50,686</u>                              | <u>346</u>                 | <u>114</u>                      | <u>46,383</u>              | <u>18,893</u>    | <u>-</u>               | <u>1,046</u>       |
| Prior period adjustment (see note 18)   | -  | -                          | -                               | -                          | -                | -                      | -                  |
| FUND BALANCE - June 30, 2011  | <u>\$ 2,856</u>                            | <u>\$ 346</u>              | <u>\$ (386)</u>                 | <u>\$ 43,027</u>           | <u>\$ 20,836</u> | <u>\$ (4,260)</u>      | <u>\$ (13,954)</u> |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

|  | RENEWABLE<br>ENERGY<br>FUND | SCHOOL<br>ROUTE<br>GRANT | STREETSCAPE<br>IMPROVEMENTS | HISTORIC<br>PRESERVATION<br>PLANNING | BYRNE<br>GRANT<br>2008 | 4 GRINELL ST.    | MARSH<br>RESTORATION |
|--|-----------------------------|--------------------------|-----------------------------|--------------------------------------|------------------------|------------------|----------------------|
| REVENUES   |                             |                          |                             |                                      |                        |                  |                      |
| Intergovernmental revenue and departmental   | \$ 22,929                   | \$ -                     | \$ 238,665                  | \$ -                                 | \$ 41,230              | \$ -             | \$ -                 |
| Other revenue  | -                           | -                        | -                           | 6,600                                | -                      | 8,100            | -                    |
| TOTAL REVENUES   | <u>22,929</u>               | <u>-</u>                 | <u>238,665</u>              | <u>6,600</u>                         | <u>41,230</u>          | <u>8,100</u>     | <u>-</u>             |
| EXPENDITURES   |                             |                          |                             |                                      |                        |                  |                      |
| Capital  | -                           | -                        | -                           | -                                    | -                      | -                | -                    |
| Other  | 23,437                      | 3,112                    | 507,123                     | 2,290                                | 34,155                 | 224              | -                    |
| TOTAL EXPENDITURES   | <u>23,437</u>               | <u>3,112</u>             | <u>507,123</u>              | <u>2,290</u>                         | <u>34,155</u>          | <u>224</u>       | <u>-</u>             |
| Excess (deficiency) of Revenues Over (Under) Expenditures  | <u>(508)</u>                | <u>(3,112)</u>           | <u>(268,458)</u>            | <u>4,310</u>                         | <u>7,075</u>           | <u>7,876</u>     | <u>-</u>             |
| OTHER FINANCING SOURCES (USES)   |                             |                          |                             |                                      |                        |                  |                      |
| Transfer (to) from other funds   | -                           | -                        | -                           | -                                    | -                      | -                | -                    |
| TOTAL OTHER FINANCING SOURCES (USES)   | <u>-</u>                    | <u>-</u>                 | <u>-</u>                    | <u>-</u>                             | <u>-</u>               | <u>-</u>         | <u>-</u>             |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>(508)</u>                | <u>(3,112)</u>           | <u>(268,458)</u>            | <u>4,310</u>                         | <u>7,075</u>           | <u>7,876</u>     | <u>-</u>             |
| FUND BALANCE - July 1, 2010  | <u>(5,871)</u>              | <u>(27,899)</u>          | <u>(9,627)</u>              | <u>(6,600)</u>                       | <u>(4,301)</u>         | <u>16,140</u>    | <u>14,755</u>        |
| Prior period adjustment (see note 18)  | -                           | -                        | -                           | -                                    | -                      | -                | -                    |
| FUND BALANCE - June 30, 2011   | <u>\$ (6,379)</u>           | <u>\$ (31,011)</u>       | <u>\$ (278,085)</u>         | <u>\$ (2,290)</u>                    | <u>\$ 2,774</u>        | <u>\$ 24,016</u> | <u>\$ 14,755</u>     |

(continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**SPECIAL REVENUE RESTRICTED FUNDS - TOWN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | WEST<br>FERRY<br>SEWER<br>ASSESSMENT | NORTH END<br>FIRE<br>PROTECTION<br>FUND | STREETSCAPE     | PRESERVATION<br>& TECH<br>UPGRADE | AFFORDABLE<br>HOUSING | FIRE<br>DEPARTMENT<br>INSPECTIONS | TRAIL<br>GUIDE  |
|--|--------------------------------------|---|-----------------|-----------------------------------|-----------------------|-----------------------------------|-----------------|
| REVENUES   |                                      |   |                 |                                   |                       |                                   |                 |
| Intergovernmental revenue and departmental   | \$ -                                 |   | \$ 60,735       | \$ -                              | \$ -                  | \$ -                              | \$ -            |
| Other revenue  | -                                    | -                                       | -               | 11,938                            | -                     | 3,230                             | 389             |
| TOTAL REVENUES   | <u>-</u>                             | <u>-</u>                                | <u>60,735</u>   | <u>11,938</u>                     | <u>-</u>              | <u>3,230</u>                      | <u>389</u>      |
| EXPENDITURES   |                                      |   |                 |                                   |                       |                                   |                 |
| Capital  | -                                    | -                                       | -               | -                                 | -                     | -                                 | -               |
| Other  | -                                    | -                                       | -               | 10,713                            | -                     | 659                               | 53              |
| TOTAL EXPENDITURES   | <u>-</u>                             | <u>-</u>                                | <u>-</u>        | <u>10,713</u>                     | <u>-</u>              | <u>659</u>                        | <u>53</u>       |
| Excess (deficiency) of Revenues Over (Under) Expenditures  | <u>-</u>                             | <u>-</u>                                | <u>60,735</u>   | <u>1,225</u>                      | <u>-</u>              | <u>2,571</u>                      | <u>336</u>      |
| OTHER FINANCING SOURCES (USES)   |                                      |   |                 |                                   |                       |                                   |                 |
| Transfer (to) from other funds   | -                                    | -                                       | -               | -                                 | -                     | -                                 | -               |
| TOTAL OTHER FINANCING SOURCES (USES)   | <u>-</u>                             | <u>-</u>                                | <u>-</u>        | <u>-</u>                          | <u>-</u>              | <u>-</u>                          | <u>-</u>        |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | <u>-</u>                             | <u>-</u>                                | <u>60,735</u>   | <u>1,225</u>                      | <u>-</u>              | <u>2,571</u>                      | <u>336</u>      |
| FUND BALANCE - July 1, 2010  | <u>6,598</u>                         | <u>1,387</u>                            | <u>(61,350)</u> | <u>75,079</u>                     | <u>5,076</u>          | <u>9,301</u>                      | <u>-</u>        |
| Prior period adjustment (see note 18)  | <u>-</u>                             | <u>-</u>                                | <u>-</u>        | <u>-</u>                          | <u>-</u>              | <u>-</u>                          | <u>1,528</u>    |
| FUND BALANCE - June 30, 2011   | <u>\$ 6,598</u>                      | <u>\$ 1,387</u>                         | <u>\$ (615)</u> | <u>\$ 76,304</u>                  | <u>\$ 5,076</u>       | <u>\$ 11,872</u>                  | <u>\$ 1,864</u> |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - TOWN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

|   | JAMESTOWN<br>COMMUNITY<br>THEATRE | KIDS<br>ROCK     | FEMA<br>2010 STORM | POLICE<br>PARKING | TOTALS            |
|---|-----------------------------------|------------------|--------------------|-------------------|-------------------|
| REVENUES  |                                   |                  |                    |                   |                   |
| Intergovernmental revenue and departmental  | \$ -                              | \$ -             | \$ 89,239          | \$ -              | \$ 489,798        |
| Other revenue   | 11,274                            | 15,707           | -                  | 2,535             | 390,985           |
| TOTAL REVENUES  | <u>11,274</u>                     | <u>15,707</u>    | <u>89,239</u>      | <u>2,535</u>      | <u>880,783</u>    |
| EXPENDITURES  |                                   |                  |                    |                   |                   |
| Other   | 10,300                            | -                | 110,289            | 6,058             | 939,610           |
| TOTAL EXPENDITURES  | <u>10,300</u>                     | <u>-</u>         | <u>110,289</u>     | <u>6,058</u>      | <u>939,610</u>    |
| Excess (deficiency) of Revenues Over (Under)<br>Expenditures  | -<br>974                          | 15,707           | (21,050)           | (3,523)           | (58,827)          |
| OTHER FINANCING SOURCES (USES)  |                                   |                  |                    |                   |                   |
| Transfer (to) from other funds  | -                                 | -                | -                  | -                 | (158,000)         |
| TOTAL OTHER FINANCING SOURCES (USES)  | <u>-</u>                          | <u>-</u>         | <u>-</u>           | <u>-</u>          | <u>(158,000)</u>  |
| Excess (Deficiency) of Revenues and Other Financing Sources<br>Over (Under) Expenditures and Other Financing Uses | 974                               | 15,707           | (21,050)           | (3,523)           | (216,827)         |
| FUND BALANCE - July 1, 2010   | -                                 | -                | -                  | 17,880            | 706,079           |
| Prior period adjustment (see note 18)   | 13,749                            | -                | (19,564)           | -                 | (4,287)           |
| FUND BALANCE - June 30, 2011  | <u>\$ 14,723</u>                  | <u>\$ 15,707</u> | <u>\$ (40,614)</u> | <u>\$ 14,357</u>  | <u>\$ 484,965</u> |

(concluded)

**SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - SCHOOL  
COMBINING BALANCE SHEET  
JUNE 30, 2011**

|   | <u>EARLY<br/>CHILDHOOD</u> | <u>ACHIEVE<br/>ALGEBRA</u> | <u>LANGUAGE<br/>ASSISTANCE</u> | <u>LITERACY<br/>SET ASIDE</u> | <u>PROFESSIONAL<br/>DEVELOPMENT</u> | <u>STUDENT<br/>EQUITY</u> |
|---|----------------------------|----------------------------|--------------------------------|-------------------------------|-------------------------------------|---------------------------|
| <b>ASSETS</b>                             |                            |                            |                                |                               |                                     |                           |
| Due from federal and state governments    | \$ -                       | \$ 800                     | \$ -                           | \$ -                          | \$ -                                | \$ -                      |
| Due from other funds                      | <u>62,322</u>              | <u>-</u>                   | <u>10,365</u>                  | <u>13,833</u>                 | <u>50,761</u>                       | <u>115,829</u>            |
| <b>TOTAL ASSETS</b>                       | <u>\$ 62,322</u>           | <u>\$ 800</u>              | <u>\$ 10,365</u>               | <u>\$ 13,833</u>              | <u>\$ 50,761</u>                    | <u>\$ 115,829</u>         |
| <b>LIABILITIES AND FUND BALANCE</b>       |                            |                            |                                |                               |                                     |                           |
| <b>LIABILITIES</b>                        |                            |                            |                                |                               |                                     |                           |
| Due to other funds                        | \$ -                       | \$ 800                     | \$ -                           | \$ -                          | \$ -                                | \$ -                      |
| Deferred revenue                          | <u>62,322</u>              | <u>-</u>                   | <u>10,365</u>                  | <u>13,833</u>                 | <u>50,761</u>                       | <u>115,829</u>            |
| <b>TOTAL LIABILITIES</b>                  | <u>62,322</u>              | <u>800</u>                 | <u>10,365</u>                  | <u>13,833</u>                 | <u>50,761</u>                       | <u>115,829</u>            |
| <b>FUND BALANCE</b>                       |                            |                            |                                |                               |                                     |                           |
| <i>Restricted for:</i>                    |                            |                            |                                |                               |                                     |                           |
| Education                                 | <u>-</u>                   | <u>-</u>                   | <u>-</u>                       | <u>-</u>                      | <u>-</u>                            | <u>-</u>                  |
| <b>TOTAL FUND BALANCE</b>                 | <u>-</u>                   | <u>-</u>                   | <u>-</u>                       | <u>-</u>                      | <u>-</u>                            | <u>-</u>                  |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <u>\$ 62,322</u>           | <u>\$ 800</u>              | <u>\$ 10,365</u>               | <u>\$ 13,833</u>              | <u>\$ 50,761</u>                    | <u>\$ 115,829</u>         |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - SCHOOL  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|  | <u>TECHNOLOGY</u> | <u>ARRA<br/>PRESCHOOL</u> | <u>ARRA<br/>IDEA PART B</u> | <u>IDEA<br/>PART B</u> | <u>IDEA<br/>PRESCHOOL</u> | <u>TITLE I</u>  |
|--|-------------------|---------------------------|-----------------------------|------------------------|---------------------------|-----------------|
| ASSETS                                 |                   |                           |                             |                        |                           |                 |
| Due from federal and state governments | \$ -              | \$ -                      | \$ 55,053                   | \$ 47,900              | \$ 1,837                  | \$ 7,364        |
| Due from other funds                   | <u>28,321</u>     | <u>-</u>                  | <u>-</u>                    | <u>-</u>               | <u>-</u>                  | <u>-</u>        |
| TOTAL ASSETS                           | <u>\$ 28,321</u>  | <u>\$ -</u>               | <u>\$ 55,053</u>            | <u>\$ 47,900</u>       | <u>\$ 1,837</u>           | <u>\$ 7,364</u> |
| LIABILITIES AND FUND BALANCE           |                   |                           |                             |                        |                           |                 |
| LIABILITIES                            |                   |                           |                             |                        |                           |                 |
| Due to other funds                     | \$ -              | \$ -                      | \$ 55,053                   | \$ 47,900              | \$ 1,837                  | \$ 7,364        |
| Deferred revenue                       | <u>28,321</u>     | <u>-</u>                  | <u>-</u>                    | <u>-</u>               | <u>-</u>                  | <u>-</u>        |
| TOTAL LIABILITIES                      | <u>28,321</u>     | <u>-</u>                  | <u>55,053</u>               | <u>47,900</u>          | <u>1,837</u>              | <u>7,364</u>    |
| FUND BALANCE                           |                   |                           |                             |                        |                           |                 |
| <i>Restricted for:</i>                 |                   |                           |                             |                        |                           |                 |
| Education                              | <u>-</u>          | <u>-</u>                  | <u>-</u>                    | <u>-</u>               | <u>-</u>                  | <u>-</u>        |
| TOTAL FUND BALANCE                     | <u>-</u>          | <u>-</u>                  | <u>-</u>                    | <u>-</u>               | <u>-</u>                  | <u>-</u>        |
| TOTAL LIABILITIES AND FUND BALANCE     | <u>\$ 28,321</u>  | <u>\$ -</u>               | <u>\$ 55,053</u>            | <u>\$ 47,900</u>       | <u>\$ 1,837</u>           | <u>\$ 7,364</u> |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - SCHOOL  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|   | TITLE II<br>PROFESSIONAL<br>DEVELOPMENT | ATHLETIC<br>ACTIVITIES | JAMESTOWN<br>EDUCATIONAL<br>FOUNDATION | EXXON<br>GRANT | TITLE IV    | RISCA<br>GRANT  |
|---|---|------------------------|--|----------------|-------------|-----------------|
| <b>ASSETS</b>                             |   |                        |  |                |             |                 |
| Due from federal and state governments    | \$ 10,469                               | \$ -                   | \$ -                                   | \$ -           | \$ -        | \$ -            |
| Due from other funds                      | -                                       | 737                    | 100                                    | 500            | -           | 1,000           |
| <b>TOTAL ASSETS</b>                       | <b>\$ 10,469</b>                        | <b>\$ 737</b>          | <b>\$ 100</b>                          | <b>\$ 500</b>  | <b>\$ -</b> | <b>\$ 1,000</b> |
| <b>LIABILITIES AND FUND BALANCE</b>       |   |                        |  |                |             |                 |
| <b>LIABILITIES</b>                        |   |                        |  |                |             |                 |
| Due to other funds                        | \$ 10,469                               | \$ -                   | \$ -                                   | \$ -           | \$ -        | \$ -            |
| Deferred revenue                          | -                                       | 737                    | -                                      | 500            | -           | 1,000           |
| <b>TOTAL LIABILITIES</b>                  | <b>10,469</b>                           | <b>737</b>             | <b>-</b>                               | <b>500</b>     | <b>-</b>    | <b>1,000</b>    |
| <b>FUND BALANCE</b>                       |   |                        |  |                |             |                 |
| <i>Restricted for:</i>                    |   |                        |  |                |             |                 |
| Education                                 | -                                       | -                      | 100                                    | -              | -           | -               |
| <b>TOTAL FUND BALANCE</b>                 | <b>-</b>                                | <b>-</b>               | <b>100</b>                             | <b>-</b>       | <b>-</b>    | <b>-</b>        |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$ 10,469</b>                        | <b>\$ 737</b>          | <b>\$ 100</b>                          | <b>\$ 500</b>  | <b>\$ -</b> | <b>\$ 1,000</b> |

(continued)

SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
SPECIAL REVENUE RESTRICTED FUNDS - SCHOOL  
COMBINING BALANCE SHEET  
JUNE 30, 2011

|  | <u>PLAYGROUND</u> | <u>TECHNOLOGY<br/>GRANTS</u> | <u>LIBRARY<br/>FUND</u> | <u>STUDENT<br/>ACTIVITY<br/>FUNDS</u> | <u>AFTER SCHOOL<br/>PROGRAM</u> | <u>RI<br/>FOUNDATION</u> | <u>TOTAL</u>      |
|--|-------------------|------------------------------|-------------------------|---------------------------------------|---------------------------------|--------------------------|-------------------|
| ASSETS                                 |                   |                              |                         |                                       |                                 |                          |                   |
| Due from federal and state governments | \$ -              | \$ -                         | \$ -                    | \$ -                                  | \$ -                            | \$ -                     | \$ 123,423        |
| Due from other funds                   | <u>1,013</u>      | <u>770</u>                   | <u>3,563</u>            | <u>15,726</u>                         | <u>11,946</u>                   | <u>-</u>                 | <u>316,786</u>    |
| TOTAL ASSETS                           | <u>\$ 1,013</u>   | <u>\$ 770</u>                | <u>\$ 3,563</u>         | <u>\$ 15,726</u>                      | <u>\$ 11,946</u>                | <u>\$ -</u>              | <u>\$ 440,209</u> |
| LIABILITIES AND FUND BALANCE           |                   |                              |                         |                                       |                                 |                          |                   |
| LIABILITIES                            |                   |                              |                         |                                       |                                 |                          |                   |
| Accrued expenses                       | \$ -              | \$ -                         | \$ -                    | \$ -                                  | \$ 1,000                        | \$ -                     | \$ 1,000          |
| Due to other funds                     | -                 | -                            | -                       | -                                     | -                               | -                        | 123,423           |
| Deferred revenue                       | <u>1,013</u>      | <u>770</u>                   | <u>3,563</u>            | <u>15,726</u>                         | <u>10,946</u>                   | <u>-</u>                 | <u>315,686</u>    |
| TOTAL LIABILITIES                      | <u>1,013</u>      | <u>770</u>                   | <u>3,563</u>            | <u>15,726</u>                         | <u>11,946</u>                   | <u>-</u>                 | <u>440,109</u>    |
| FUND BALANCE                           |                   |                              |                         |                                       |                                 |                          |                   |
| <i>Restricted for:</i>                 |                   |                              |                         |                                       |                                 |                          |                   |
| Education                              | <u>-</u>          | <u>-</u>                     | <u>-</u>                | <u>-</u>                              | <u>-</u>                        | <u>-</u>                 | <u>100</u>        |
| TOTAL FUND BALANCE                     | <u>-</u>          | <u>-</u>                     | <u>-</u>                | <u>-</u>                              | <u>-</u>                        | <u>-</u>                 | <u>100</u>        |
| TOTAL LIABILITIES AND FUND BALANCE     | <u>\$ 1,013</u>   | <u>\$ 770</u>                | <u>\$ 3,563</u>         | <u>\$ 15,726</u>                      | <u>\$ 11,946</u>                | <u>\$ -</u>              | <u>\$ 440,209</u> |

(concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**SPECIAL REVENUE RESTRICTED FUNDS - SCHOOL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <u>EARLY<br/>CHILDHOOD</u> | <u>ACHIEVE<br/>ALGEBRA</u> | <u>LANGUAGE<br/>ASSISTANCE</u> | <u>LITERACY<br/>SET ASIDE</u> | <u>PROFESSIONAL<br/>DEVELOPMENT</u> | <u>STUDENT<br/>EQUITY</u> |
|--|----------------------------|----------------------------|--------------------------------|-------------------------------|-------------------------------------|---------------------------|
| REVENUES                                     |                            |                            |                                |                               |                                     |                           |
| Intergovernmental revenue and departmental   | \$ -                       | \$ 800                     | \$ -                           | \$ 384                        | \$ -                                | \$ -                      |
| Other revenue                                | -                          | -                          | -                              | -                             | -                                   | -                         |
| TOTAL REVENUES                               | -                          | 800                        | -                              | 384                           | -                                   | -                         |
| EXPENDITURES                                 |                            |                            |                                |                               |                                     |                           |
| Education                                    | -                          | 800                        | -                              | 384                           | -                                   | -                         |
| TOTAL EXPENDITURES                           | -                          | 800                        | -                              | 384                           | -                                   | -                         |
| Excess (deficiency) of Revenues Over (Under) |                            |                            |                                |                               |                                     |                           |
| Expenditures                                 | -                          | -                          | -                              | -                             | -                                   | -                         |
| FUND BALANCE - July 1, 2010                  | -                          | -                          | -                              | -                             | -                                   | -                         |
| FUND BALANCE - June 30, 2011                 | <u>\$ -</u>                | <u>\$ -</u>                | <u>\$ -</u>                    | <u>\$ -</u>                   | <u>\$ -</u>                         | <u>\$ -</u>               |

(continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**SPECIAL REVENUE RESTRICTED FUNDS - SCHOOL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <u>TECHNOLOGY</u> | <u>ARRA<br/>PRESCHOOL</u> | <u>ARRA<br/>IDEA PART B</u> | <u>IDEA<br/>PART B</u> | <u>IDEA<br/>PRESCHOOL</u> | <u>TITLE I</u> |
|--|-------------------|---------------------------|-----------------------------|------------------------|---------------------------|----------------|
| REVENUES                                     |                   |                           |                             |                        |                           |                |
| Intergovernmental revenue and departmental   | \$ 3,563          | \$ 7,995                  | \$ 172,729                  | \$ 180,100             | \$ 6,837                  | \$ 30,165      |
| Other revenue                                | -                 | -                         | -                           | -                      | -                         | -              |
| <b>TOTAL REVENUES</b>                        | <u>3,563</u>      | <u>7,995</u>              | <u>172,729</u>              | <u>180,100</u>         | <u>6,837</u>              | <u>30,165</u>  |
| EXPENDITURES                                 |                   |                           |                             |                        |                           |                |
| Education                                    | 3,563             | 7,995                     | 172,729                     | 180,100                | 6,837                     | 30,165         |
| <b>TOTAL EXPENDITURES</b>                    | <u>3,563</u>      | <u>7,995</u>              | <u>172,729</u>              | <u>180,100</u>         | <u>6,837</u>              | <u>30,165</u>  |
| Excess (deficiency) of Revenues Over (Under) |                   |                           |                             |                        |                           |                |
| Expenditures                                 | -                 | -                         | -                           | -                      | -                         | -              |
| FUND BALANCE - July 1, 2010                  | -                 | -                         | -                           | -                      | -                         | -              |
| FUND BALANCE - June 30, 2011                 | <u>\$ -</u>       | <u>\$ -</u>               | <u>\$ -</u>                 | <u>\$ -</u>            | <u>\$ -</u>               | <u>\$ -</u>    |

(continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**SPECIAL REVENUE RESTRICTED FUNDS - SCHOOL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <u>TITLE II<br/>PROFESSIONAL<br/>DEVELOPMENT</u> | <u>ATHLETIC<br/>ACTIVITIES</u> | <u>JAMESTOWN<br/>EDUCATIONAL<br/>FOUNDATION</u> | <u>EXXON<br/>GRANT</u> | <u>TITLE IV</u> | <u>RISCA<br/>GRANT</u> |
|--|--|--------------------------------|---|------------------------|-----------------|------------------------|
| REVENUES                                     |  |                                |   |                        |                 |                        |
| Intergovernmental revenue and departmental   | \$ 43,598  | \$ -                           | \$ -  | \$ -                   | \$ 855          | \$ -                   |
| Other revenue                                | -  | 790                            | 70,850  | -                      | -               | 1,000                  |
| <b>TOTAL REVENUES</b>                        | <u>43,598</u>                                    | <u>790</u>                     | <u>70,850</u>                                   | <u>-</u>               | <u>855</u>      | <u>1,000</u>           |
| EXPENDITURES                                 |  |                                |   |                        |                 |                        |
| Education                                    | 43,598   | 790                            | 70,750  | -                      | 855             | 1,000                  |
| <b>TOTAL EXPENDITURES</b>                    | <u>43,598</u>                                    | <u>790</u>                     | <u>70,750</u>                                   | <u>-</u>               | <u>855</u>      | <u>1,000</u>           |
| Excess (deficiency) of Revenues Over (Under) |  |                                |   |                        |                 |                        |
| Expenditures                                 | -  | -                              | 100   | -                      | -               | -                      |
| FUND BALANCE - July 1, 2010                  | -  | -                              | -   | -                      | -               | -                      |
| FUND BALANCE - June 30, 2011                 | <u>\$ -</u>                                      | <u>\$ -</u>                    | <u>\$ 100</u>                                   | <u>\$ -</u>            | <u>\$ -</u>     | <u>\$ -</u>            |

(continued)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**SPECIAL REVENUE RESTRICTED FUNDS - SCHOOL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|  | <u>PLAYGROUND</u> | <u>TECHNOLOGY<br/>GRANTS</u> | <u>LIBRARY<br/>FUND</u> | <u>STUDENT<br/>ACTIVITY<br/>FUNDS</u> | <u>AFTER SCHOOL<br/>PROGRAM</u> | <u>RI<br/>FOUNDATION</u> | <u>TOTAL</u>   |
|--|-------------------|------------------------------|-------------------------|---------------------------------------|---------------------------------|--------------------------|----------------|
| REVENUES                                     |                   |                              |                         |                                       |                                 |                          |                |
| Intergovernmental revenue and departmental   | \$ -              | \$ -                         | \$ -                    | \$ -                                  | \$ -                            | \$ -                     | \$ 447,026     |
| Other revenue                                | 2,260             | -                            | -                       | -                                     | 3,785                           | 6,000                    | 84,685         |
| TOTAL REVENUES                               | <u>2,260</u>      | <u>-</u>                     | <u>-</u>                | <u>-</u>                              | <u>3,785</u>                    | <u>6,000</u>             | <u>531,711</u> |
| EXPENDITURES                                 |                   |                              |                         |                                       |                                 |                          |                |
| Education                                    | 2,260             | -                            | -                       | -                                     | 3,785                           | 6,000                    | 531,611        |
| TOTAL EXPENDITURES                           | <u>2,260</u>      | <u>-</u>                     | <u>-</u>                | <u>-</u>                              | <u>3,785</u>                    | <u>6,000</u>             | <u>531,611</u> |
| Excess (deficiency) of Revenues Over (Under) |                   |                              |                         |                                       |                                 |                          |                |
| Expenditures                                 | -                 | -                            | -                       | -                                     | -                               | -                        | 100            |
| FUND BALANCE - July 1, 2010                  | -                 | -                            | -                       | -                                     | -                               | -                        | -              |
| FUND BALANCE - June 30, 2011                 | <u>\$ -</u>       | <u>\$ -</u>                  | <u>\$ -</u>             | <u>\$ -</u>                           | <u>\$ -</u>                     | <u>\$ -</u>              | <u>\$ 100</u>  |

(concluded)

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NON-MAJOR CAPITAL PROJECT FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2011**

|   | <b>SCHOOL<br/>CAPITAL<br/>IMPROVEMENT<br/>FUND</b> | <b>WETLAND<br/>OPEN<br/>SPACE</b> | <b>LIBRARY<br/>BUILDING<br/>FUND</b> | <b>TOTAL</b> |
|---|--|-----------------------------------|--------------------------------------|--------------|
| <b>ASSETS</b>                           |  |                                   |                                      |              |
| Cash and cash equivalents               | \$ -   | \$ -                              | \$ 51,926                            | \$ 51,926    |
| Due from other funds                    | 289,617  | 16,863                            | -                                    | 306,480      |
| TOTAL ASSETS                            | \$ 289,617   | \$ 16,863                         | \$ 51,926                            | \$ 358,406   |
| <br><b>LIABILITIES AND FUND BALANCE</b> |  |                                   |                                      |              |
| <b>LIABILITIES</b>                      |  |                                   |                                      |              |
| Due to other funds                      | \$ -   | \$ -                              | \$ 500                               | \$ 500       |
| TOTAL LIABILITIES                       | -  | -                                 | 500                                  | 500          |
| <br><b>FUND BALANCE</b>                 |  |                                   |                                      |              |
| <i>Committed for:</i>                   |  |                                   |                                      |              |
| Public works programs                   | 289,617  | 16,863                            | 51,426                               | 357,906      |
| TOTAL FUND BALANCE                      | 289,617  | 16,863                            | 51,426                               | 357,906      |
| TOTAL LIABILITIES AND FUND BALANCE      | \$ 289,617   | \$ 16,863                         | \$ 51,926                            | \$ 358,406   |

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**NON-MAJOR CAPITAL PROJECT FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2011**

|  | <b>SCHOOL<br/>CAPITAL<br/>IMPROVEMENT<br/>FUND</b> | <b>WETLAND<br/>OPEN<br/>SPACE</b> | <b>LIBRARY<br/>BUILDING<br/>FUND</b> | <b>TOTAL</b>      |
|--|--|-----------------------------------|--------------------------------------|-------------------|
| REVENUES   |  |                                   |                                      |                   |
| Intergovernmental and departmental                 | \$ 32,895  | \$ -                              | \$ 398                               | \$ 33,293         |
| <b>TOTAL REVENUES</b>                              | <u>32,895</u>                                      | <u>-</u>                          | <u>398</u>                           | <u>33,293</u>     |
| EXPENDITURES                                       |  |                                   |                                      |                   |
| Capital outlay                                     | 66,969   | -                                 | -                                    | 66,969            |
| Non-capital  | 125,628  | -                                 | 8,994                                | 134,622           |
| <b>TOTAL EXPENDITURES</b>                          | <u>192,597</u>                                     | <u>-</u>                          | <u>8,994</u>                         | <u>201,591</u>    |
| Excess (deficiency) of Revenues Over (Under)       |  |                                   |                                      |                   |
| Expenditures Before Other Financing Sources (Uses) | <u>(159,702)</u>                                   | <u>-</u>                          | <u>(8,596)</u>                       | <u>(168,298)</u>  |
| OTHER FINANCING SOURCES (USES)                     |  |                                   |                                      |                   |
| Transfer in from other funds                       | 194,830  | -                                 | -                                    | 194,830           |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>        | <u>194,830</u>                                     | <u>-</u>                          | <u>-</u>                             | <u>194,830</u>    |
| Net change in fund balances                        | <u>35,128</u>                                      | <u>-</u>                          | <u>(8,596)</u>                       | <u>26,532</u>     |
| FUND BALANCE - July 1, 2010                        | <u>254,489</u>                                     | <u>16,863</u>                     | <u>60,022</u>                        | <u>331,374</u>    |
| FUND BALANCE - June 30, 2011                       | <u>\$ 289,617</u>                                  | <u>\$ 16,863</u>                  | <u>\$ 51,426</u>                     | <u>\$ 357,906</u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES AND EXPENDITURES -**  
**BUDGETARY BASIS (NON-GAAP)**  
**For the Fiscal Year Ended June 30, 2011**

|  | <b>HARBOR MANAGEMENT FUND</b> |                    |                    | <b>WATER FUND</b> |                     |                     |
|--|-------------------------------|--------------------|--------------------|-------------------|---------------------|---------------------|
|  | Budget                        | Actual             | Variance           | Budget            | Actual              | Variance            |
| <b>OPERATING REVENUE</b>                       |                               |                    |                    |                   |                     |                     |
| Assessments and user fees                      | \$ 264,808                    | \$ 258,564         | \$ (6,244)         | \$ 807,650        | \$ 810,666          | \$ 3,016            |
| Other operating revenues                       | -                             | -                  | -                  | 193,208           | 210,341             | 17,133              |
| <b>TOTAL OPERATING REVENUE</b>                 | <u>264,808</u>                | <u>258,564</u>     | <u>(6,244)</u>     | <u>1,000,858</u>  | <u>1,021,007</u>    | <u>20,149</u>       |
| <b>OPERATING EXPENSES</b>                      |                               |                    |                    |                   |                     |                     |
| Salaries and benefits                          | 92,100                        | 79,557             | 12,543             | 363,066           | 345,669             | 17,397              |
| Material, supplies and maintenance             | 172,708                       | 186,764            | (14,056)           | 226,500           | 263,126             | (36,626)            |
| Depreciation and amortization                  | -                             | 9,826              | (9,826)            | -                 | 202,731             | (202,731)           |
| Capital improvements                           | -                             | -                  | -                  | 50,000            | 26,246              | 23,754              |
| <b>TOTAL OPERATING EXPENSES</b>                | <u>264,808</u>                | <u>276,147</u>     | <u>(11,339)</u>    | <u>639,566</u>    | <u>837,772</u>      | <u>(198,206)</u>    |
| Operating Income (Loss)                        | <u>-</u>                      | <u>(17,583)</u>    | <u>(17,583)</u>    | <u>361,292</u>    | <u>183,235</u>      | <u>(178,057)</u>    |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>       |                               |                    |                    |                   |                     |                     |
| Transfer-in golf course                        | -                             | -                  | -                  | -                 | -                   | -                   |
| Interest income                                | -                             | -                  | -                  | 3,500             | 3,040               | (460)               |
| Interest expense                               | -                             | -                  | -                  | (89,792)          | (208,626)           | (118,834)           |
| Principal payments                             | -                             | -                  | -                  | (275,000)         | (275,000)           | -                   |
| <b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b> | <u>-</u>                      | <u>-</u>           | <u>-</u>           | <u>(361,292)</u>  | <u>(480,586)</u>    | <u>(119,294)</u>    |
| <b>Net Income</b>                              | <u>\$ -</u>                   | <u>\$ (17,583)</u> | <u>\$ (17,583)</u> | <u>\$ -</u>       | <u>\$ (297,351)</u> | <u>\$ (297,351)</u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES AND EXPENSES-**  
**BUDGETARY BASIS (NON-GAAP)**  
**For the Fiscal Year Ended June 30, 2011**

|  | SEWER FUND     |                     |                     | ON-SITE WASTEWATER |                   |                   | TOTALS           |                     |                     |
|--|----------------|---------------------|---------------------|--------------------|-------------------|-------------------|------------------|---------------------|---------------------|
|  | Budget         | Actual              | Variance            | Budget             | Actual            | Variance          | Budget           | Actual              | Variance            |
| <b>OPERATING REVENUE</b>                       |                |                     |                     |                    |                   |                   |                  |                     |                     |
| Assessments and user fees                      | \$ 506,360     | \$ 971,549          | \$ 465,189          | \$ 35,560          | \$ 35,560         | \$ -              | \$ 1,614,378     | \$ 2,076,339        | \$ 461,961          |
| Other operating revenues                       | 6,000          | 800                 | (5,200)             | -                  | -                 | -                 | 199,208          | 211,141             | 11,933              |
| <b>TOTAL OPERATING REVENUE</b>                 | <u>512,360</u> | <u>972,349</u>      | <u>459,989</u>      | <u>35,560</u>      | <u>35,560</u>     | <u>-</u>          | <u>1,813,586</u> | <u>2,287,480</u>    | <u>473,894</u>      |
| <b>OPERATING EXPENSES</b>                      |                |                     |                     |                    |                   |                   |                  |                     |                     |
| Salaries and benefits                          | 347,760        | 356,465             | (8,705)             | 33,360             | 35,682            | (2,322)           | 836,286          | 817,373             | 18,913              |
| Material, supplies and maintenance             | 172,600        | 185,532             | (12,932)            | 2,200              | 6,004             | (3,804)           | 574,008          | 641,426             | (67,418)            |
| Depreciation and amortization                  | -              | 453,473             | (453,473)           | -                  | -                 | -                 | -                | 666,030             | (666,030)           |
| Capital improvements                           | -              | -                   | -                   | -                  | -                 | -                 | 50,000           | 26,246              | 23,754              |
| <b>TOTAL OPERATING EXPENSES</b>                | <u>520,360</u> | <u>995,470</u>      | <u>(475,110)</u>    | <u>35,560</u>      | <u>41,686</u>     | <u>(6,126)</u>    | <u>1,460,294</u> | <u>2,151,075</u>    | <u>(690,781)</u>    |
| <b>Operating Income (Loss)</b>                 | <u>(8,000)</u> | <u>(23,121)</u>     | <u>(15,121)</u>     | <u>-</u>           | <u>(6,126)</u>    | <u>(6,126)</u>    | <u>353,292</u>   | <u>136,405</u>      | <u>(216,887)</u>    |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>       |                |                     |                     |                    |                   |                   |                  |                     |                     |
| Transfer-in from golf course                   | 8,000          | 8,000               | -                   | -                  | -                 | -                 | 8,000            | 8,000               | -                   |
| Interest income                                | -              | -                   | -                   | -                  | -                 | -                 | 3,500            | 3,040               | (460)               |
| Interest expense                               | -              | (89,421)            | (89,421)            | -                  | -                 | -                 | (89,792)         | (298,047)           | (208,255)           |
| Principal payments                             | -              | (370,925)           | (370,925)           | -                  | -                 | -                 | (275,000)        | (645,925)           | (370,925)           |
| <b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b> | <u>8,000</u>   | <u>(452,346)</u>    | <u>(460,346)</u>    | <u>-</u>           | <u>-</u>          | <u>-</u>          | <u>(353,292)</u> | <u>(932,932)</u>    | <u>(579,640)</u>    |
| <b>Net Income</b>                              | <u>\$ -</u>    | <u>\$ (475,467)</u> | <u>\$ (475,467)</u> | <u>\$ -</u>        | <u>\$ (6,126)</u> | <u>\$ (6,126)</u> | <u>\$ -</u>      | <u>\$ (796,527)</u> | <u>\$ (796,527)</u> |

**SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
COMBINING STATEMENT OF NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
JUNE 30, 2011**

|                                  | <u>ANNA J.<br/>AMBRUST<br/>FUND</u> | <u>FREEBODY<br/>FUND</u> | <u>ELIZABETH<br/>STONE<br/>SCHOLARSHIP<br/>FUND</u> | <u>TOTAL</u>      |
|----------------------------------|-------------------------------------|--------------------------|---|-------------------|
| <b>ASSETS</b>                    |                                     |                          |   |                   |
| Cash & equivalents               | \$ 1,227                            | \$ 1,192                 | \$ 146,223  | \$ 148,642        |
| <b>Total assets</b>              | <u>\$ 1,227</u>                     | <u>\$ 1,192</u>          | <u>\$ 146,223</u>                                   | <u>\$ 148,642</u> |
| <br><b>NET ASSETS</b>            |                                     |                          |   |                   |
| Held in trust for other purposes | 1,227                               | 1,192                    | 146,223   | 148,642           |
| <b>Total net assets</b>          | <u>\$ 1,227</u>                     | <u>\$ 1,192</u>          | <u>\$ 146,223</u>                                   | <u>\$ 148,642</u> |

**SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
COMBINING STATEMENT OF CHANGES IN NET ASSETS  
PRIVATE PURPOSE TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

|                                       | <u>ANNA J.<br/>AMBRUST<br/>FUND</u> | <u>FREEBODY<br/>FUND</u> | <u>ELIZABETH<br/>STONE<br/>SCHOLARSHIP<br/>FUND</u> | <u>TOTAL</u>      |
|---------------------------------------|-------------------------------------|--------------------------|---|-------------------|
| <b>ADDITIONS</b>                      |                                     |                          |   |                   |
| Interest and dividends                | \$ 1                                | \$ 1                     | \$ 870  | \$ 872            |
| <b>Total additions</b>                | <u>1</u>                            | <u>1</u>                 | <u>870</u>  | <u>872</u>        |
| <b>DEDUCTIONS</b>                     |                                     |                          |   |                   |
| Scholarship awards                    | -                                   | -                        | 4,000   | 4,000             |
| <b>Total deductions</b>               | <u>-</u>                            | <u>-</u>                 | <u>4,000</u>  | <u>4,000</u>      |
| <b>Change in net assets</b>           | 1                                   | 1                        | (3,130)   | (3,128)           |
| <b>Net assets - beginning of year</b> | <u>1,226</u>                        | <u>1,191</u>             | <u>149,353</u>                                      | <u>151,770</u>    |
| <b>Net assets - end of year</b>       | <u>\$ 1,227</u>                     | <u>\$ 1,192</u>          | <u>\$ 146,223</u>                                   | <u>\$ 148,642</u> |

# **SCHOOL DEPARTMENT OPERATIONS**

**SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
Balance Sheet  
School Department  
June 30, 2011**

|  | <b>School<br/>Department</b> |
|--|------------------------------|
| <b>ASSETS</b>                              |                              |
| Cash and cash equivalents                  | \$ -                         |
| <b>Accounts receivable:</b>                |                              |
| Accounts receivable net                    | 35,628                       |
| Due from other governments                 | 35,568                       |
| Internal balances                          | 3,322,730                    |
| <b>TOTAL ASSETS</b>                        | <b>\$ 3,393,926</b>          |
| <br><b>LIABILITIES AND FUND BALANCES</b>   |                              |
| <b>Liabilities:</b>                        |                              |
| Accounts payable                           | \$ 57,959                    |
| Accrued expenses                           | 823,225                      |
| Internal balances                          | 500,924                      |
| <b>Total liabilities</b>                   | <b>1,382,108</b>             |
| <br><b>Fund balances:</b>                  |                              |
| <i>Restricted for:</i>                     |                              |
| Educational programs                       | 1,515,365                    |
| <i>Committed for:</i>                      |                              |
| Educational capital programs               | 155,911                      |
| Compensated absences                       | 340,542                      |
| <i>Unassigned:</i>                         | -                            |
| <b>Total fund balances</b>                 | <b>2,011,818</b>             |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 3,393,926</b>          |

**SUPPLEMENTARY INFORMATION  
TOWN OF JAMESTOWN, RHODE ISLAND  
School Department Operations  
Schedule of Revenues and Expenditures  
For the Fiscal Year Ended June 30, 2011**

|   | <b>ACTUAL</b>       |
|---|---------------------|
| <b>REVENUES</b>   |                     |
| Intergovernmental and departmental revenue                | \$ 536,236          |
| Intergovernmental On-behalf payments                      | 266,803             |
| <b>TOTAL REVENUES</b>                                     | <b>803,039</b>      |
| <b>EXPENDITURES</b>                                       |                     |
| Personnel Services - Compensation                         | 4,985,712           |
| Personnel Services - Benefits                             | 2,402,069           |
| Professional Services                                     | 359,937             |
| Purchased Property Services                               | 80,556              |
| Other Purchased Services                                  | 3,210,763           |
| Supplies and materials                                    | 369,405             |
| Capital Outlay - Equipment                                | 70,582              |
| Dues and Fees   | 92,759              |
| <b>TOTAL EXPENDITURES</b>                                 | <b>11,571,783</b>   |
| Excess (deficiency) of Revenues Over (Under) Expenditures |                     |
| Before Operating Transfers                                | <b>(10,768,744)</b> |
| <b>OPERATING TRANSFERS</b>                                |                     |
| Town appropriation  | 11,176,034          |
| Transfers out   | (217,830)           |
| <b>TOTAL OPERATING TRANSFERS</b>                          | <b>10,958,204</b>   |
| Excess of Revenues and Operating Transfers                |                     |
| Over (Under) Expenditures                                 | 189,460             |
| Operational Reserves - beginning                          | 1,822,358           |
| Operational Reserves - ending                             | <b>\$ 2,011,818</b> |

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - School Department Operations**  
**Schedule of Revenues and Expenditures**  
**For the Fiscal Year Ended June 30, 2011**

|   | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>       | <u>VARIANCE</u>   |
|---|----------------------------|---------------------------|---------------------|-------------------|
| <b>REVENUES</b>   |                            |                           |                     |                   |
| Intergovernmental and departmental revenue  | \$ 430,833                 | \$ 430,833                | \$ 536,236          | \$ 105,403        |
| <b>TOTAL REVENUES</b>   | <u>430,833</u>             | <u>430,833</u>            | <u>536,236</u>      | <u>105,403</u>    |
| <b>EXPENDITURES</b>   |                            |                           |                     |                   |
| Education   | 11,606,867                 | 11,606,867                | 11,304,980          | 301,887           |
| <b>TOTAL EXPENDITURES</b>   | <u>11,606,867</u>          | <u>11,606,867</u>         | <u>11,304,980</u>   | <u>301,887</u>    |
| Excess (deficiency) of Revenues Over (Under) Expenditures<br>Before Operating Transfers | <u>(11,176,034)</u>        | <u>(11,176,034)</u>       | <u>(10,768,744)</u> | <u>407,290</u>    |
| <b>OPERATING TRANSFERS</b>  |                            |                           |                     |                   |
| Town appropriation  | 11,176,034                 | 11,176,034                | 11,176,034          | -                 |
| Use of prior year accumulated surplus   | 217,830                    | 217,830                   | 217,830             | -                 |
| Transfer out  | (217,830)                  | (217,830)                 | (217,830)           | -                 |
| <b>TOTAL OPERATING TRANSFERS</b>  | <u>11,176,034</u>          | <u>11,176,034</u>         | <u>11,176,034</u>   | <u>-</u>          |
| Excess of Revenues and Operating Transfers<br>Over (Under) Expenditures                 | <u>\$ -</u>                | <u>\$ -</u>               | <u>\$ 407,290</u>   | <u>\$ 407,290</u> |

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - School Department Operations**  
**Budget and Actual Schedule of Revenues**  
**For the Fiscal Year Ended June 30, 2011**

|   | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>            | <u>VARIANCE</u>       |
|---|----------------------------|---------------------------|--------------------------|-----------------------|
| <b>REVENUES</b>                                       |                            |                           |                          |                       |
| State Aid   | \$ 303,333                 | \$ 303,333                | \$ 329,095               | \$ 25,762             |
| Federal revenue - State fiscal stabilization          | -                          | -                         | 60,871                   | 60,871                |
| Preschool tuition                                     | 37,500                     | 37,500                    | 39,090                   | 1,590                 |
| Medicaid reimbursement                                | 90,000                     | 90,000                    | 106,295                  | 16,295                |
| Miscellaneous   | -                          | -                         | 885                      | 885                   |
| <b>TOTAL REVENUES</b>                                 | <u>430,833</u>             | <u>430,833</u>            | <u>536,236</u>           | <u>105,403</u>        |
| <b>OTHER FINANCING SOURCES</b>                        |                            |                           |                          |                       |
| Town appropriation                                    | 11,176,034                 | 11,176,034                | 11,176,034               | -                     |
| Use of prior year accumulated surplus                 | 217,830                    | 217,830                   | 217,830                  | -                     |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <u>11,393,864</u>          | <u>11,393,864</u>         | <u>11,393,864</u>        | <u>-</u>              |
| <br><b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b> | <br><u>\$ 11,824,697</u>   | <br><u>\$ 11,824,697</u>  | <br><u>\$ 11,930,100</u> | <br><u>\$ 105,403</u> |

**SUPPLEMENTARY INFORMATION**  
**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Budgetary Comparison Schedule - School Department Operations**  
**Budget and Actual Schedule of Expenditures**  
**For the Fiscal Year Ended June 30, 2011**

|   | <u>ORIGINAL<br/>BUDGET</u> | <u>REVISED<br/>BUDGET</u> | <u>ACTUAL</u>        | <u>VARIANCE</u>   |
|---|----------------------------|---------------------------|----------------------|-------------------|
| Personnel Services - Compensation           | \$ 4,938,886               | \$ 4,938,886              | \$ 4,985,712         | \$ (46,826)       |
| Personnel Services - Benefits               | 2,365,640                  | 2,365,640                 | 2,135,266            | 230,374           |
| Professional Services                       | 333,764                    | 333,764                   | 359,937              | (26,173)          |
| Purchased Property Services                 | 100,462                    | 100,462                   | 80,556               | 19,906            |
| Other Purchased Services                    | 3,374,955                  | 3,374,955                 | 3,210,763            | 164,192           |
| Supplies and materials                      | 426,891                    | 426,891                   | 369,405              | 57,486            |
| Capital Outlay - Equipment                  | 42,209                     | 42,209                    | 70,582               | (28,373)          |
| Dues and Fees                               | 24,060                     | 24,060                    | 92,759               | (68,699)          |
| Total Expenditures                          | <u>11,606,867</u>          | <u>11,606,867</u>         | <u>11,304,980</u>    | <u>301,887</u>    |
| Transfer out                                | <u>217,830</u>             | <u>217,830</u>            | <u>217,830</u>       | <u>-</u>          |
| Total Expenditures and other financing uses | <u>\$ 11,824,697</u>       | <u>\$ 11,824,697</u>      | <u>\$ 11,522,810</u> | <u>\$ 301,887</u> |

## ***STATISTICAL SECTION***

The Statistical Schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Town.

**TOWN OF JAMESTOWN, RHODE ISLAND  
SCHEDULE OF TAX COLLECTIONS  
For the Fiscal Year Ended June 30, 2011**

| FISCAL YEAR END | BALANCE July 1, 2010 | CURRENT YEAR ASSESSMENT | REFUNDS          | ADDITIONS AND ADJUSTMENTS | ABATEMENTS        | AMOUNT TO BE COLLECTED | CURRENT YEAR COLLECTIONS | BALANCE June 30, 2011 |
|-----------------|----------------------|-------------------------|------------------|---------------------------|-------------------|------------------------|--------------------------|-----------------------|
| 2011            | \$ -                 | \$ 18,449,582           | \$ 15,063        | \$ 249,230                | \$ 419,917        | \$ 18,293,958          | \$ 18,068,468            | \$ 225,490            |
| 2010            | 241,608              | -                       | 11,103           | 130,458                   | (851)             | 384,020                | 374,092                  | 9,928                 |
| 2009            | 11,368               | -                       | 204              | (410)                     | 673               | 10,489                 | 3,888                    | 6,601                 |
| 2008            | 6,193                | -                       | -                | 294                       | 428               | 6,059                  | 480                      | 5,579                 |
| 2007            | 4,446                | -                       | 5                | 153                       | 1,248             | 3,356                  | 405                      | 2,951                 |
| 2006            | 4,664                | -                       | -                | 146                       | 615               | 4,195                  | 330                      | 3,865                 |
| 2005            | 3,037                | -                       | -                | -                         | 205               | 2,832                  | -                        | 2,832                 |
| 2004            | 1,954                | -                       | -                | -                         | 213               | 1,741                  | -                        | 1,741                 |
| 2003            | 2,240                | -                       | -                | -                         | 205               | 2,035                  | -                        | 2,035                 |
| 2002            | 1,897                | -                       | -                | -                         | 193               | 1,704                  | -                        | 1,704                 |
| 2001            | 3,775                | -                       | -                | -                         | 184               | 3,591                  | -                        | 3,591                 |
| 2000            | 3,722                | -                       | -                | -                         | -                 | 3,722                  | -                        | 3,722                 |
| 1998& Prior     | 50,458               | -                       | -                | -                         | 9                 | 50,449                 | -                        | 50,449                |
|                 | <u>\$ 335,362</u>    | <u>\$ 18,449,582</u>    | <u>\$ 26,375</u> | <u>\$ 379,871</u>         | <u>\$ 423,039</u> | <u>\$ 18,768,151</u>   | <u>\$ 18,447,663</u>     | <u>\$ 320,488</u>     |

**SCHEDULE OF MOST RECENT NET  
ASSESSED PROPERTY VALUE BY CATEGORY**

| DESCRIPTION OF PROPERTY | VALUATIONS              | LEVY                 |
|-------------------------|-------------------------|----------------------|
| Real property           | \$ 1,958,673,100        | \$ 17,843,512        |
| Motor vehicles          | 64,300,360              | 927,211              |
| Tangible personal       | 11,132,212              | 101,414              |
| TOTAL                   | <u>2,034,105,672</u>    | <u>18,872,138</u>    |
| Less exemptions         | 40,588,686              | (422,556)            |
| NET ASSESSED VALUE      | <u>\$ 1,993,516,986</u> | <u>\$ 18,449,582</u> |

**RECONCILIATION OF CURRENT YEAR  
PROPERTY TAX REVENUE**

|   |                             |
|---|-----------------------------|
| Current year collections  | \$ 18,447,663               |
| Less: Refunds, adjustments  | <u>(89,611)</u>             |
| Reserve collected within 60 days subsequent to fiscal year ending June 30, 2011 | <u>219,675</u>              |
| Prior year revenue received in current year                                     | <u>(232,965)</u>            |
| <b>CURRENT YEAR RE PROPERTY TAX &amp; EXCISE TAX REVENUE</b>                    | <u><u>\$ 18,344,762</u></u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**SCHEDULE OF LONG-TERM DEBT - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2011**

| PURPOSE  | DATE<br>OF<br>ISSUANCE | INTEREST<br>RATE | DATE<br>OF<br>MATURITY | AUTHORIZED<br>AND<br>ISSUED | OUTSTANDING<br>June 30, 2010 | ADDITIONS         | MATURITIES<br>DURING<br>YEAR | OUTSTANDING<br>June 30, 2011 |
|--|------------------------|------------------|------------------------|-----------------------------|------------------------------|-------------------|------------------------------|------------------------------|
| <b>GENERAL OBLIGATION BONDS PAYABLE</b>                      |                        |                  |                        |                             |                              |                   |                              |                              |
| General Obligation Bond                                      | 6/15/2008              | 4.15-4.25%       | 6/15/2033              | \$ 4,900,000                | \$ 4,850,000                 | \$ -              | \$ 50,000                    | \$ 4,800,000                 |
| Town Hall Bond   | 4/1/2007               | 3.89%            | 4/1/2027               | 3,300,000                   | 2,805,000                    | -                 | 165,000                      | 2,640,000                    |
| Refunding Bonds  | 6/1/2004               | 2.75-5.00%       | 12/1/2020              | 5,321,500                   | 2,995,500                    | -                 | 435,000                      | 2,560,500                    |
| <b>TOTAL GENERAL OBLIGATION BONDS PAYABLE</b>                |                        |                  |                        | <u>13,521,500</u>           | <u>10,650,500</u>            | <u>-</u>          | <u>650,000</u>               | <u>10,000,500</u>            |
| <b>TOTAL BONDS PAYABLE - GOVERNMENTAL ACTIVITIES</b>         |                        |                  |                        | <u>\$ 13,521,500</u>        | <u>\$ 10,650,500</u>         | <u>\$ -</u>       | <u>\$ 650,000</u>            | <u>\$ 10,000,500</u>         |
| <b>OTHER LONG-TERM LIABILITIES</b>                           |                        |                  |                        |                             |                              |                   |                              |                              |
| Net Pension Benefit  |                        |                  |                        |                             | (1,152,450)                  | 80,763            | -                            | (1,071,687)                  |
| Net OPEB Obligation  |                        |                  |                        |                             | 1,084,614                    | 444,161           | -                            | 1,528,775                    |
| Accrued Compensated Absences                                 |                        |                  |                        |                             | 783,066                      | 17,799            | 58,884                       | 741,981                      |
| <b>TOTAL OTHER LONG-TERM LIABILITIES</b>                     |                        |                  |                        |                             | <u>715,230</u>               | <u>542,723</u>    | <u>58,884</u>                | <u>1,199,069</u>             |
| <b>TOTAL LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES</b> |                        |                  |                        |                             | <u>\$ 11,365,730</u>         | <u>\$ 542,723</u> | <u>\$ 708,884</u>            | <u>\$ 11,199,569</u>         |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**SCHEDULE OF LONG-TERM DEBT - ENTERPRISE FUNDS**  
**For the Fiscal Year Ended June 30, 2011**

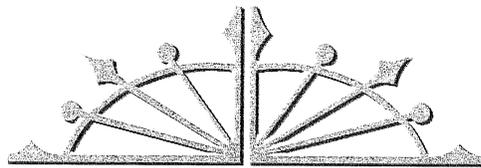
| PURPOSE                       | DATE<br>OF<br>ISSUANCE | INTEREST<br>RATE | DATE<br>OF<br>MATURITY | AUTHORIZED<br>AND<br>ISSUED | OUTSTANDING<br>June 30, 2010 | NEW<br>ISSUES | MATURITIES<br>DURING<br>YEAR | OUTSTANDING<br>June 30, 2011 |
|-------------------------------|------------------------|------------------|------------------------|-----------------------------|------------------------------|---------------|------------------------------|------------------------------|
| <b>WATER FUND</b>             |                        |                  |                        |                             |                              |               |                              |                              |
| Clean Water                   | 3/7/2007               | 3.05%            | 9/1/2027               | \$ 6,200,000                | \$ 5,753,000                 | \$ -          | \$ 235,000                   | \$ 5,518,000                 |
| Refunding Bonds               | 6/1/2004               | 2.75-5.00%       | 12/1/2020              | 470,000                     | 280,000                      | -             | 40,000                       | 240,000                      |
| TOTAL WATER FUND OBLIGATION   |                        |                  |                        | <u>\$ 6,670,000</u>         | <u>\$ 6,033,000</u>          | <u>\$ -</u>   | <u>\$ 275,000</u>            | <u>\$ 5,758,000</u>          |
| <b>SEWER FUND</b>             |                        |                  |                        |                             |                              |               |                              |                              |
| Refunding Bonds               | 6/1/2004               | 2.75-5.00%       | 12/1/2020              | \$ 73,500                   | \$ 55,000                    | \$ -          | \$ 5,000                     | \$ 50,000                    |
| Sewer Plant Rehabilitation-CW | 12/15/2005             | 1.371%           | 9/1/2025               | 2,000,000                   | 1,600,000                    | -             | 100,000                      | 1,500,000                    |
| Sewer Plant Rehabilitation-CW | 10/24/2002             | 1.022%           | 9/1/2022               | 5,500,000                   | 4,037,454                    | -             | 265,925                      | 3,771,529                    |
| TOTAL SEWER FUND OBLIGATION   |                        |                  |                        | <u>\$ 7,573,500</u>         | <u>\$ 5,692,454</u>          | <u>\$ -</u>   | <u>\$ 370,925</u>            | <u>\$ 5,321,529</u>          |
| TOTAL ENTERPRISE FUNDS        |                        |                  |                        | <u>\$ 14,243,500</u>        | <u>\$ 11,725,454</u>         | <u>\$ -</u>   | <u>\$ 645,925</u>            | <u>\$ 11,079,529</u>         |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Computation of Legal Debt Margin**  
**June 30, 2011**

|  |                                |
|--|--------------------------------|
| Grossed assessed value                         | \$ 2,034,105,672               |
| Less: exemptions and adjustments               | 40,588,686                     |
| <b>Total taxable assessed value</b>            | <u><u>\$ 1,993,516,986</u></u> |
| <br>   |                                |
| Debt Limit - 3 percent of total assessed value | \$ 59,805,510                  |
| Amount of debt applicable to debt limit:       |                                |
| Total bonded debt                              | 10,000,500                     |
| <b>Legal debt margin</b>                       | <u><u>\$ 49,805,010</u></u>    |

***TOWN OF JAMESTOWN, RHODE ISLAND***

***SINGLE AUDIT SECTION***



## BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

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*Partners*

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

### 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*

The Honorable President  
and Members of the Town Council  
Town of Jamestown, Rhode Island

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, Rhode Island, as of and for the year fiscal ended June 30, 2011, and have issued our report thereon dated December 20, 2011. 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, Rhode Island is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town'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'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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.

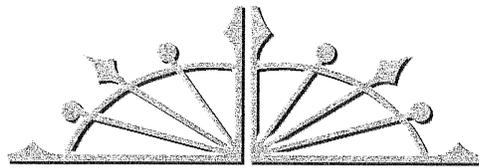
#### **Compliance and Other Matter**

As part of obtaining reasonable assurance about whether Town'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*.

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, the Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Baxter Dansereau & Associates, LLP  
Baxter Dansereau & Associates, LLP  
December 20, 2011



**BAXTER DANSEREAU & ASSOCIATES, LLP**  
Accounting, Consulting & Tax Services

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*Partners*  
William J. Baxter, Jr., CPA  
Paul L. Dansereau, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President  
and Members of the Town Council  
Town of Jamestown, Rhode Island

**Compliance**

We have audited the Town of Jamestown, Rhode Island, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2011. The Town of Jamestown's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Jamestown's management. Our responsibility is to express an opinion on the Town of Jamestown's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

A handwritten signature in black ink, appearing to read "Baxter Dansereau & Associates, LLP". The signature is written in a cursive, flowing style with some overlapping loops.

Baxter Dansereau & Associates, LLP

December 20, 2011

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2011**

|   | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Grantor's Number</u> | <u>Expenditures</u>        |
|---|------------------------------------|--|----------------------------|
| <b>U.S. Department of Agriculture</b>   |                                    |  |                            |
| <b>Passed through the State of Rhode Island Department of Education</b>                         |                                    |  |                            |
| <i>Child Nutrition Cluster:</i>   |                                    |  |                            |
| National School Breakfast Program   | 10.553                             | N/A                                      | \$ 930                     |
| National School Lunch Program   | 10.555                             | N/A                                      | 15,233                     |
| Food Donation (Note 4)  | 10.550                             | N/A                                      | 36,356                     |
| <b>Total U.S. Department of Agriculture</b>   |                                    |  | <u>\$ 52,519</u>           |
| <b>U.S. Department of Housing and Urban Development</b>   |                                    |  |                            |
| <b>Passed through the State of Rhode Island Office of Housing<br/>and Community Development</b> |                                    |  |                            |
| Community Development Block Grant/States Program  | 14.228                             | N/A                                      | \$ 84,830                  |
| <b>Total U.S. Department of Housing and Urban Development</b>                                   |                                    |  | <u>\$ 84,830</u>           |
| <b>U.S. Department of the Interior</b>  |                                    |  |                            |
| <b>Passed-through the State of Rhode Island Historical Preservation Heritage Commission</b>     |                                    |  |                            |
| Historic Preservation Fund Grants-In-Aid  | 15.904                             | N/A                                      | \$ 2,290                   |
| <b>Total U.S. Department of the Interior</b>  |                                    |  | <u>\$ 2,290</u>            |
| <b>U.S. Department of Justice</b>   |                                    |  |                            |
| <b>Passed through the State of Rhode Island Department of Mental Health</b>                     |                                    |  |                            |
| Enforcing Underage Drinking Laws Program  | 16.727                             | N/A                                      | \$ 26,398                  |
| <b>Passed through the State of Rhode Island Department of Public Safety</b>                     |                                    |  |                            |
| <i>Department of Justice Cluster</i>  |                                    |  |                            |
| Edward Byrne Memorial Justice Assistance Grant Program  | 16.738                             | N/A                                      | 29,914                     |
| ARRA - Edward Byrne Memorial Justice Assistance Grant Program                                   | 16.804                             | N/A                                      | 8,501                      |
| <b>Total U.S. Department of Justice</b>   |                                    |  | <u>\$ 64,813</u>           |
| <b>U.S. Department of Transportation</b>  |                                    |  |                            |
| <b>Passed-through the State of Rhode Island Department of Transportation</b>                    |                                    |  |                            |
| ARRA-Highway Planning and Construction  | 20.205                             | N/A                                      | \$ 510,235                 |
| <b>Total U.S. Department of Transportation</b>  |                                    |  | <u>\$ 510,235</u>          |
| <b>U.S. Department of Energy</b>  |                                    |  |                            |
| <b>Passed-through the State of Rhode Island Office of Energy Resources</b>                      |                                    |  |                            |
| ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)                             | 81.128                             | N/A                                      | \$ 23,437                  |
| <b>Total U.S. Department of Energy</b>  |                                    |  | <u>\$ 23,437</u>           |
| <b>U.S. Department of Education</b>   |                                    |  |                            |
| <b>Passed-through the State of Rhode Island Department of Education</b>                         |                                    |  |                            |
| Title I Grants to Local Education Agencies  | 84.010A                            | 2725-11702-001                           | \$ 30,165                  |
| <i>Special Education Cluster:</i>   |                                    |  |                            |
| Special Education - Grants to States  | 84.027A                            | 2725-13202-001                           | 180,100                    |
| Special Education - Preschool Grants  | 84.173A                            | 2725-13502-001                           | 6,837                      |
| ARRA- Special Education - Grants to States  | 84.391                             | 4572-10202-101                           | 172,729                    |
| ARRA-Special Education - Preschool Grants   | 84.392                             | 4572-10802-101                           | 7,995                      |
| Safe and Drug Free Schools and Communities State Grants   | 84.186A                            | 2725-12602-001                           | 855                        |
| Improving Teacher Quality State Grants  | 84.367A                            | 2725-16402-001                           | 43,598                     |
| ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants                          | 84.394                             | 4572-10502-001                           | 60,871                     |
| <b>Total U.S. Department of Education</b>   |                                    |  | <u>\$ 503,150</u>          |
| <b>U.S. Department of Homeland Security</b>   |                                    |  |                            |
| <b>Passed-through the State of Rhode Island Department of Administration</b>                    |                                    |  |                            |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)                         | 97.036                             | N/A                                      | \$ 110,289                 |
| <b>Total U.S. Department of Homeland Security</b>   |                                    |  | <u>\$ 110,289</u>          |
| <b>Total Federal Expenditures</b>   |                                    |  | <u><u>\$ 1,351,563</u></u> |

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For The Fiscal Year Ended June 30, 2011**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified?        yes   X   no

Significant deficiency (ies) identified that are not considered to be material weaknesses?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness (es) identified?        yes   X   no

Significant deficiency (ies) identified that are not considered to be material weakness (es)?        yes   X   none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB circular A-133?        yes   X   no

**Identification of major programs:**

| <b>CFDA Number(s)</b> | <b>Name of Federal Program or Cluster</b> |
|-----------------------|---|
|                       | <i>Special Education Cluster</i>          |
| 84.027                | Special Education Grants to States        |
| 84.173                | Special Education Preschool Grants        |
| 84.391                | ARRA-Special Education Grants to States   |
| 84.392                | ARRA-Special Education Preschool Grants   |
| 20.205                | ARRA-Highway Planning and Construction    |

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low risk auditee?   X   yes        no

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For The Fiscal Year Ended June 30, 2011**  
**(continued)**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

\_\_\_\_\_ yes        X   none

**SECTION III – FEDERAL AWARDS FINDINGS AND  
QUESTIONED COSTS**

\_\_\_\_\_ yes        X   none

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For The Fiscal Year Ended June 30, 2011**  
*(continued)*

**SECTION II – FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT  
AS REQUIRED TO BE REPORTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**A. Significant Deficiency in Internal Control**

None Reported

**B. Compliance**

None Reported

**SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS**

**A. Findings**

None Reported

**B. Questioned Costs**

None Reported

***TOWN OF JAMESTOWN, RHODE ISLAND***  
***Schedule of Prior Year Findings and Questioned Costs***  
***Year Ended June 30, 2011***

**PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS**

**A. Findings**

None Reported

**B. Questioned Costs**

None Reported

**TOWN OF JAMESTOWN, RHODE ISLAND**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2011**

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of Jamestown, Rhode Island.
2. **Basis of Accounting** - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.
3. **Determination of Type A, Type B and Major Programs** - The determination of Type A and Type B federal programs was based upon the expenditures for all federal programs for the Town of Jamestown, Rhode Island. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended June 30, 2011, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

| <u>CFDA</u> | <u>Program Name</u>                     |
|-------------|---|
|             | <i>Special Education Cluster</i>        |
| 84.027      | Special Education Grants to States      |
| 84.173      | Special Education Preschool Grants      |
| 84.391      | ARRA-Special Education Grants to States |
| 84.392      | ARRA-Special Education Preschool Grants |
| 20.205      | ARRA-Highway Planning and Construction  |

4. **Non-Cash Assistance**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$36,356 represents the market value of such commodities used during the period.