
TOWN OF JAMESTOWN

FINANCIAL STATEMENTS

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

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

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

Prepared by: Finance Department

JAMESTOWN, RHODE ISLAND

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

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTORY SECTION	
<i>LIST OF TOWN OFFICIALS</i>	i
II. FINANCIAL SECTION	
<i>INDEPENDENT AUDITORS' REPORT</i>	1
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	3
<i>BASIC FINANCIAL STATEMENTS</i>	
<i>Government Wide Financial Statements</i>	
Statement of Net Assets	13
Statement of Activities	14
<i>Fund Financial Statements</i>	
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances of the Governmental Funds to the Statement of Activities	17
Statement of Net Assets – Proprietary Funds	18
Statement of Revenue, Expenses, and Changes in Fund Net Assets – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Statement of Fiduciary Net Assets	21
Statement of Changes in Fiduciary Net Assets	22
<i>Notes to the Financial Statements</i>	
Required Disclosures and Other Information	23
<i>REQUIRED SUPPLEMENTARY INFORMATION (RSI)</i>	
Budgetary Comparison Schedule – Schedule of Revenues, and Expenditures– General Fund	59
Budgetary Comparison Schedule – Schedule of Revenues Budget and Actual (Budgetary Basis) - General Fund	60
Budgetary Comparison Schedule – Schedule of Expenditures Budget and Actual (Budgetary Basis) - General Fund	61

continued

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

TABLE OF CONTENTS

(continued)

	<u>PAGE</u>
Budgetary Comparison Schedule – Schedule of Revenues, and Expenditures – School Capital Improvement Fund	66
Notes to Required Supplementary Information	67
 <i>Supplementary Information</i>	
Combining Balance Sheet – Non-major Governmental Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	69
Combining Balance Sheet – Restricted Special Revenue Funds -Town	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Restricted Special Revenue Funds Town	75
Combining Balance Sheet – Restricted Special Revenue Funds School	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Restricted Special Revenue Funds School	84
Combining Balance Sheet – Capital Project Funds	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Project Funds	89
Combining Statement of Revenues, Expenditures – Budget and Actual- Enterprise Funds	90
Combining Statement of Fiduciary Net Assets – Private Purpose Trust Funds	92
Combining Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Funds	93
Balance Sheet – School Department	94
Schedule of Revenues and Expenditures – School Department Operations	95
Budgetary Comparison Schedule – Schedule of Revenues, and Expenditures – School Department Operations	96
Budgetary Comparison Schedule – Schedule of Revenues Budget and Actual – School Department Operations	97
Budgetary Comparison Schedule – Schedule of Expenditures Budget and Actual – School Department Operations	98
 III. STATISTICAL SECTION	
Tax Collectors Annual Report	99
Schedules of General Long-term Debt	100
Schedules of Long-term Debt – Enterprise Fund	101
Legal Debt Margin	102

continued

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

TABLE OF CONTENTS

(continued)

IV. SINGLE AUDIT SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	103
Independent Auditor's 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	105
Schedule of Expenditures of Federal Awards	107
Schedule of Findings and Questioned Costs	108
Schedule of Prior Year Findings and Questioned Costs	111
Notes to Schedule of Expenditures of Federal Awards	112

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

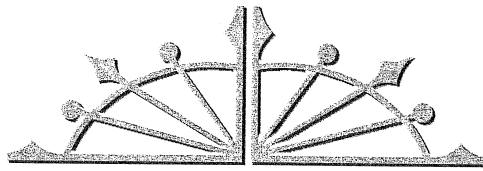
SCHOOL DIRECTOR OF FINANCE

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

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- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type 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- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Revenues						
Program revenues						
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
General Revenues						
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>
Expenses						
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
Total fund balances	<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- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type 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	\$ 21,152	\$ 18,602	\$ 39,754	\$ 20,522	\$ 17,975	\$ 38,497

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- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type 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	\$ 10,650	\$ 11,725	\$ 22,375	\$ 10,000	\$ 11,080	\$ 21,080

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,394,440	\$ 488,975	\$ 8,883,415
Accounts receivable:			
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
Capital assets:			
Property, plant and equipment - net	20,521,867	17,974,109	38,495,976
Total capital assets	20,521,867	17,974,109	38,495,976
TOTAL ASSETS	31,515,314	18,223,591	49,738,905
 LIABILITIES			
Accounts payable	358,818	61,375	420,193
Accrued expenses	1,287,004	133,566	1,420,570
Deferred revenue	315,686	-	315,686
Long-term liabilities			
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
Total liabilities	14,232,764	11,371,660	25,604,424
 NET ASSETS			
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
Total net assets	\$ 17,282,550	\$ 6,851,931	\$ 24,134,481

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

Functions/ Programs Primary government	Program revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental	Primary Government
				Activities	Business-type Activities
					Total
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)
Total governmental activities	22,829,553	1,320,902	1,383,298	(20,125,353)	(20,125,353)
Business type activities:					
Harbor management fund	276,147	258,564	-	-	\$ (17,583)
Water fund	1,020,152	810,666	-	-	(209,486)
On-site wastewater fund	41,686	35,560	-	-	(6,126)
Sewer fund	1,084,891	971,549	-	-	(113,342)
Total business-type activities	2,422,876	2,076,339	-	-	(346,537)
Total primary government	\$ 25,252,429	\$ 3,397,241	\$ 1,383,298	(20,125,353)	(20,471,890)
General revenues:					
Taxes:					
Property taxes, levied for general purposes				17,849,996	17,849,996
Unrestricted investment earnings				159,265	162,305
State aid				678,083	678,083
Miscellaneous				1,451,155	1,662,296
Transfers				(8,000)	-
Total general revenues				20,130,499	20,352,680
Change in net assets				5,146	(119,210)
Net assets-beginning				17,281,691	24,257,978
Prior period adjustment (see note 18)				(4,287)	(4,287)
Net assets-beginning - restated				17,277,404	24,253,691
Net assets-ending				\$ 17,282,550	\$ 24,134,481

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

	General Fund	Capital Improvement Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 8,132,114	\$ 87,050	\$ 175,276	\$ 8,394,440
Accounts receivable:				
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
TOTAL ASSETS	\$ 10,282,640	\$ 1,334,890	\$ 1,761,795	\$ 13,379,325
 LIABILITIES AND FUND BALANCES				
Liabilities:				
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
Total liabilities	3,542,635	1,058,849	848,328	5,449,812
 Fund balances:				
<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
Total fund balances	6,740,005	276,041	913,467	7,929,513
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,282,640	\$ 1,334,890	\$ 1,761,795	

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)
Net assets of governmental activities	\$ 17,282,550

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 Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
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
Total revenues	<u>21,050,747</u>	<u>250,000</u>	<u>1,539,128</u>	<u>22,839,875</u>
Expenditures				
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
Debt service:				
Principal	650,000	-	-	650,000
Interest	429,695	-	-	429,695
Total expenditures	<u>19,773,366</u>	<u>785,527</u>	<u>1,803,595</u>	<u>22,362,488</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>1,277,381</u>	<u>(535,527)</u>	<u>(264,467)</u>	<u>477,387</u>
Other financing sources (uses)				
Transfers from other funds	150,000	810,800	59,830	1,020,630
Transfers to other funds	(1,028,630)	-	-	(1,028,630)
Total other financing sources (uses)	<u>(878,630)</u>	<u>810,800</u>	<u>59,830</u>	<u>(8,000)</u>
Excess of revenues and other sources over(under) expenditures and other uses	<u>398,751</u>	<u>275,273</u>	<u>(204,637)</u>	<u>469,387</u>
Fund balances - beginning	<u>4,518,896</u>	<u>768</u>	<u>1,122,391</u>	<u>5,642,055</u>
Prior period adjustment (see note 18)	1,822,358	-	(4,287)	1,818,071
Fund balances - beginning restated	<u>6,341,254</u>	<u>768</u>	<u>1,118,104</u>	<u>7,460,126</u>
Fund balances - ending	<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

	<u>Enterprise Funds</u>				
	<u>Harbor Management Fund</u>	<u>Water Fund</u>	<u>On-Site Wastewater Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
ASSETS					
Current assets					
Cash and cash equivalents	\$ 45,461	\$ 233,759	\$ -	\$ 209,755	\$ 488,975
Accounts receivable - net:					
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
Total current assets	<u>79,293</u>	<u>340,546</u>	<u>-</u>	<u>427,694</u>	<u>847,533</u>
Non-current assets					
Property, plant and equipment					
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
TOTAL ASSETS	<u>128,424</u>	<u>8,577,369</u>	<u>-</u>	<u>10,205,249</u>	<u>18,911,042</u>
LIABILITIES					
Current liabilities					
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
Total current liabilities	<u>24,716</u>	<u>570,585</u>	<u>2,951</u>	<u>949,833</u>	<u>1,548,085</u>
Non-current liabilities					
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
Total non-current liabilities	<u>-</u>	<u>5,517,144</u>	<u>-</u>	<u>4,993,882</u>	<u>10,511,026</u>
Total liabilities	<u>24,716</u>	<u>6,087,729</u>	<u>2,951</u>	<u>5,943,715</u>	<u>12,059,111</u>
Net Assets					
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)
Total Net Assets	<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

	Enterprise Funds				
	Harbor Management Fund	Water Fund	On-Site Wastewater Fund	Sewer Fund	
Operating revenues					
Assessments and user fees	\$ 258,564	\$ 810,666	\$ 35,560	\$ 971,549	\$ 2,076,339
Other revenues	-	210,341	-	800	211,141
Total operating revenues	<u>258,564</u>	<u>1,021,007</u>	<u>35,560</u>	<u>972,349</u>	<u>2,287,480</u>
Operating expenses					
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
Total operating expenses	<u>276,147</u>	<u>811,526</u>	<u>41,686</u>	<u>995,470</u>	<u>2,124,829</u>
Operating income (loss)	<u>(17,583)</u>	<u>209,481</u>	<u>(6,126)</u>	<u>(23,121)</u>	<u>162,651</u>
Non-operating revenues (expenses)					
Interest income	-	3,040	-	-	3,040
Interest expense	-	(208,626)	-	(89,421)	(298,047)
Transfer-in from golf course	-	-	-	8,000	8,000
Total non-operating (expenses)	<u>-</u>	<u>(205,586)</u>	<u>-</u>	<u>(81,421)</u>	<u>(287,007)</u>
Change in Net Assets	<u>(17,583)</u>	<u>3,895</u>	<u>(6,126)</u>	<u>(104,542)</u>	<u>(124,356)</u>
Total Net Assets - beginning	<u>121,291</u>	<u>2,485,745</u>	<u>3,175</u>	<u>4,366,076</u>	<u>6,976,287</u>
Total Net Assets - ending	<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 Management Fund	Water Fund	On-Site Wastewater Fund	Sewer Fund	
Cash flows from operating activities					
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)
Net cash provided by (used for) operating activities	<u>(4,919)</u>	<u>446,803</u>	<u>(6,126)</u>	<u>425,501</u>	<u>861,259</u>
Cash flows from capital and related financing activities					
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)
Net cash provided (used for) capital and related financing activities	<u>-</u>	<u>(518,607)</u>	<u>-</u>	<u>(460,346)</u>	<u>(978,953)</u>
Cash flows from non-capital financing activities					
Interfund transfers	(72,628)	89,729	6,126	(45,612)	(22,385)
Net cash provided by (used for) non-capital financing activities	<u>(72,628)</u>	<u>89,729</u>	<u>6,126</u>	<u>(45,612)</u>	<u>(22,385)</u>
Cash flows from investing activities					
Interest on investments	-	3,040	-	-	3,040
Net cash provided by (used for) investing activities	<u>-</u>	<u>3,040</u>	<u>-</u>	<u>-</u>	<u>3,040</u>
Net increase (decrease) in cash and cash equivalents	<u>(77,547)</u>	<u>20,965</u>	<u>-</u>	<u>(80,457)</u>	<u>(137,039)</u>
Cash and cash equivalents at beginning of year	123,008	212,794	-	290,212	626,014
Cash, (cash overdrafts recorded as payables) and cash equivalents at end of year	<u>\$ 45,461</u>	<u>\$ 233,759</u>	<u>\$ -</u>	<u>\$ 209,755</u>	<u>\$ 488,975</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income (Loss)	\$ (17,583)	\$ 209,481	\$ (6,126)	\$ (23,121)	\$ 162,651
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	9,826	202,731	-	453,473	666,030
Changes in assets and liabilities:					
(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)
Total adjustments	<u>12,664</u>	<u>237,322</u>	<u>-</u>	<u>448,622</u>	<u>698,608</u>
Net cash provided by operating activities	<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

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

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 Retirement Plan</u>	<u>Private-purpose Trusts</u>
Additions		
Contributions		
Employer	\$ 141,780	\$ -
Plan members	60,169	-
Total contributions	<u>201,949</u>	<u>-</u>
Investment earnings		
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>
Total additions	<u>1,436,974</u>	<u>872</u>
Deductions		
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
Net assets end of year June 30, 2011	<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

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 unit 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

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

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

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

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

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

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

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.
-

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

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

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

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

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$ 9,440,537
 <i>Investments</i>	
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>
<i>Total Cash and Investments</i>	<u><u>\$ 18,479,539</u></u>

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

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

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 Other Funds</u>	<u>Due To Other Funds</u>
General Fund:		
Total General Fund	\$ 1,588,408	\$ 1,984,917
Special Revenue Funds:		
Total Special Revenue Funds	1,108,853	481,603
Capital Project Funds:		
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
Enterprise Funds:		
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
TOTALS	<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 Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
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:

Governmental activities:	
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 Balance
	Beginning Balance	Increases	Decreases	
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 55,200	\$ -	\$ -	\$ 55,200
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>55,200</u>	<u>-</u>	<u>-</u>	<u>55,200</u>
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	<u>24,819,110</u>	<u>32,117</u>	<u>-</u>	<u>24,851,227</u>
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	<u>6,271,738</u>	<u>660,580</u>	<u>-</u>	<u>6,932,318</u>
Business-type activities capital assets, net	<u>\$ 18,602,572</u>	<u>\$ (628,463)</u>	<u>\$ -</u>	<u>\$ 17,974,109</u>

Depreciation expense was charged to functions as follows:

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

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

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations	Statement Net Assets Totals
Assets				
Cash and cash equivalents	\$ 8,394,440	\$ -	\$ -	\$ 8,394,440
Accounts receivable:				
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
Total assets	13,379,325	21,646,210	(3,510,221)	31,515,314
 LIABILITIES AND FUND BALANCES				
Liabilities:				
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
Long-term liabilities				
Due within one year	-	665,000	-	665,000
Due in more than one year	-	11,606,256	-	11,606,256
Total liabilities	5,449,812	12,293,173	(3,510,221)	14,232,764
Fund Balances/Net Assets				
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

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
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
Total revenues	<u>22,839,875</u>	<u>(1,585)</u>	<u>-</u>	<u>4,409</u>	<u>22,842,699</u>
Expenditures					
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)	-	-
Debt service:					
Principal	650,000	-	-	(650,000)	-
Interest	429,695	(1,341)	-	-	428,354
Total expenditures	<u>22,362,488</u>	<u>(1,341)</u>	<u>629,883</u>	<u>(161,477)</u>	<u>22,829,553</u>
Other financing uses/changes in net assets					
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	<u>\$ 465,100</u>	<u>\$ (244)</u>	<u>\$ (629,883)</u>	<u>\$ 165,886</u>	<u>\$ 859</u>

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)
	<u>\$ (1,585)</u>

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
	<u>1,341</u>

(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	<u>\$ (629,883)</u>

(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
	<u>\$ 649,725</u>

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	<u>(483,839)</u>

Reclass of prior period adjust for the School Departments Special Revenue Fund only for Fund Financial Statements see Note 18	\$ (1,822,358)
	<u>(1,822,358)</u>

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 July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Amounts Due within One Year</u>
Governmental Activities					
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>
Business-Type Activities					
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
Total All Funds		<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 Year Ended <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
TOTALS	<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 Year Ended <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
TOTALS	<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

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.

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 Valuation Date July 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((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 Required Pension Cost</u>	<u>Percentage 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

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.

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

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

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

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 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 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.

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 Required Pension Cost</u>	<u>Percentage 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

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 Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension 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 Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Excess of Assets Over AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Excess of Assets Over AAL as a Percentage of Covered Payroll [(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

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 Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((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	<u>(13,928)</u>
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	<u>240,850</u>
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 Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((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

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

Special Revenue Funds	
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**
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* 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

	GENERAL FUND			
	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
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
TOTAL REVENUES	20,332,069	20,332,069	20,783,944	451,875
EXPENDITURES				
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)
Debt service				
Principal	585,000	585,000	650,000	(65,000)
Interest	425,933	425,933	429,695	(3,762)
TOTAL EXPENDITURES	19,821,269	19,821,269	19,506,563	314,706
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	510,800	510,800	1,277,381	766,581
OTHER FINANCING SOURCES (USES)				
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)	-
TOTAL OTHER FINANCING USES	(510,800)	(510,800)	(510,800)	-
Excess of Revenues and Other Financing Sources Over (Under) 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 BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
GENERAL PROPERTY TAXES				
Real estate and personal property taxes	\$ 17,647,227	17,647,227	\$ 17,851,581	\$ 204,354
TOTAL GENERAL PROPERTY TAXES	<u>17,647,227</u>	<u>17,647,227</u>	<u>17,851,581</u>	<u>204,354</u>
INTERGOVERNMENTAL AND DEPARTMENTAL REVENUES				
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)
TOTAL INTERGOVERNMENTAL AND DEPARTMENTAL REVENUES	<u>1,481,171</u>	<u>1,481,171</u>	<u>1,644,734</u>	<u>163,563</u>
LICENSES AND PERMITS				
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
TOTAL LICENSES AND PERMITS	<u>899,000</u>	<u>899,000</u>	<u>993,196</u>	<u>94,196</u>
FINES AND INTEREST ON LATE PAYMENTS				
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)
TOTAL FINES AND INTEREST ON LATE PAYMENTS	<u>150,000</u>	<u>150,000</u>	<u>144,689</u>	<u>(5,311)</u>
INTEREST ON INVESTMENTS				
	<u>75,000</u>	<u>75,000</u>	<u>61,488</u>	<u>(13,512)</u>
OTHER REVENUES				
Miscellaneous revenue	79,671	79,671	88,256	8,585
TOTAL OTHER REVENUES	<u>79,671</u>	<u>79,671</u>	<u>88,256</u>	<u>8,585</u>
TOTAL REVENUES	<u>20,332,069</u>	<u>20,332,069</u>	<u>20,783,944</u>	<u>451,875</u>
OTHER FINANCING SOURCES				
Use of prior year accumulated surplus	367,830	367,830	367,830	-
Transfer-in other funds	150,000	150,000	150,000	-
TOTAL OTHER FINANCING SOURCES	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<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 BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
LEGISLATIVE, JUDICIAL, AND GENERAL ADMINISTRATIVE				
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 BUDGET</u>	<u>REVISED 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 GENERAL ADMINISTRATIVE	<u>1,979,009</u>	<u>1,979,009</u>	<u>1,909,146</u>	<u>69,863</u>
FINANCIAL ADMINISTRATION AND TAX ASSESSOR				
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 AND TAX ASSESSOR	<u>288,827</u>	<u>288,827</u>	<u>293,462</u>	<u>(4,635)</u>
PUBLIC SAFETY				
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 BUDGET</u>	<u>REVISED 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>
TOTAL PUBLIC SAFETY	<u>2,160,931</u>	<u>2,160,931</u>	<u>2,138,029</u>	<u>22,902</u>
PUBLIC WORKS				
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 BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Snow Removal				
Snow removal	22,000	22,000	21,389	611
Equipment and supplies	40,000	40,000	41,793	(1,793)
Total Snow Removal	<u>62,000</u>	<u>62,000</u>	<u>63,182</u>	<u>(1,182)</u>
Waste Removal				
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
Total Waste Removal	<u>411,196</u>	<u>411,196</u>	<u>392,330</u>	<u>18,866</u>
Street Lighting				
Electricity	47,500	47,500	50,673	(3,173)
Total Street Electric	<u>47,500</u>	<u>47,500</u>	<u>50,673</u>	<u>(3,173)</u>
Other Public Works				
Town cemetery and parade	2,100	2,100	2,042	58
Total Other Public Works	<u>2,100</u>	<u>2,100</u>	<u>2,042</u>	<u>58</u>
Public Buildings				
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
Total Public Buildings	<u>211,900</u>	<u>211,900</u>	<u>205,145</u>	<u>6,755</u>
TOTAL PUBLIC WORKS	<u>1,598,784</u>	<u>1,598,784</u>	<u>1,604,492</u>	<u>(5,708)</u>
PUBLIC WELFARE				
Salaries and wages	3,964	3,964	3,964	-
New Visions, Newport County	1,500	1,500	-	1,500
TOTAL PUBLIC WELFARE	<u>5,464</u>	<u>5,464</u>	<u>3,964</u>	<u>1,500</u>
PUBLIC HEALTH				
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	-
TOTAL PUBLIC HEALTH	<u>261,693</u>	<u>261,693</u>	<u>244,165</u>	<u>17,528</u>
TREE WARDEN				
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
TOTAL TREE WARDEN	<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 BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
LIBRARY				
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>
PARKS AND RECREATION				
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>
SCHOOL DEPARTMENT				
Education	11,606,867	11,606,867	11,304,980	301,887
TOTAL EDUCATION	<u>11,606,867</u>	<u>11,606,867</u>	<u>11,304,980</u>	<u>301,887</u>
OTHER				
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>
DEBT SERVICE				
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>
OTHER FINANCING USES				
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>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<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 BUDGET	REVISED 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 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 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 Fund GAAP Basis	School Capital Improvement GAAP 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 Restricted Town	Special Revenue Restricted School	School Food Service	Capital Projects Fund	Totals
ASSETS					
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
Total assets	\$ 869,288	\$ 440,209	\$ 93,892	\$ 358,406	\$ 1,761,795
LIABILITIES AND FUND BALANCES					
Liabilities					
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
Total liabilities	384,323	440,109	23,396	500	848,328
Fund balances (deficits)					
<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>	<i>(377,594)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(377,594)</i>
Fund balances (deficits)	484,965	100	70,496	357,906	913,467
Total liabilities and fund balances	\$ 869,288	\$ 440,209	\$ 93,892	\$ 358,406	\$ 1,761,795

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

	Special Revenue Restricted Town	Special Revenue Restricted School	School Food Service	Capital Projects Fund	Totals
Revenues					
Intergovernmental	\$ 489,798	\$ 447,026	\$ 17,513	33,293	\$ 987,630
Other	390,985	84,685	75,828	-	551,498
Total Revenues	<u>880,783</u>	<u>531,711</u>	<u>93,341</u>	<u>33,293</u>	<u>1,539,128</u>
Expenditures					
Education	-	531,611	-	-	531,611
Other	939,610	-	130,783	134,622	1,205,015
Capital improvements/restricted programs	-	-	-	66,969	66,969
Total expenditures	<u>939,610</u>	<u>531,611</u>	<u>130,783</u>	<u>201,591</u>	<u>1,803,595</u>
Excess of revenues over (under) Expenditures	(58,827)	100	(37,442)	(168,298)	(264,467)
Other Financing Sources (uses)					
Operating transfers (to) from	(158,000)	-	23,000	194,830	59,830
Total other financing sources	<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 (under) expenditures and other uses	(216,827)	100	(14,442)	26,532	(204,637)
FUND BALANCE - July 1, 2010	<u>706,079</u>	<u>-</u>	<u>84,938</u>	<u>331,374</u>	<u>1,122,391</u>
Prior period adjustment (see note 18)	(4,287)	-	-	-	(4,287)
FUND BALANCE - June 30, 2011	<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 GIFTS & BOOK SALES	RECREATION	LAND REGULATION SUBDIVISION DEDICATION	FRIENDS OF JAMESTOWN COMMUNITY CENTER	GOLF COURSE	TREE GRANT	JAMESTOWN LIBRARY 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	-
TOTAL ASSETS	\$ 16,902	\$ 28,659	\$ 260,172	\$ 7,626	\$ 282,268	\$ 1,646	\$ 11,248
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	-	2,460	-	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	2,460	-	-
FUND BALANCE							
<i>Restricted for:</i>							
Public welfare	-	-	260,172	-	-	1,646	-
<i>Committed for:</i>							
Public works programs	16,902	28,659	-	7,626	279,808	-	11,248
Public safety programs	-	-	-	-	-	-	-
Public welfare	-	-	-	-	-	-	-
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>	16,902	28,659	260,172	7,626	279,808	1,646	11,248
TOTAL FUND BALANCE	\$ 16,902	\$ 28,659	\$ 260,172	\$ 7,626	\$ 282,268	\$ 1,646	\$ 11,248
TOTAL LIABILITIES AND FUND BALANCE	\$ 16,902	\$ 28,659	\$ 260,172	\$ 7,626	\$ 282,268	\$ 1,646	\$ 11,248

(continued)

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

	COMMUNITY DEVELOPMENT BLOCK GRANT	DRUG FORFEITURE FUND	DRUG FORFEITURE FUND 2005	SUBSTANCE ABUSE FUND	TOWN CLERK	BYRNE GRANT 2009	WIND STUDY
ASSETS							
Cash and cash equivalents	\$ 7,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	346	-	43,027	20,836	-	-
TOTAL ASSETS	\$ 7,125	\$ 346	\$ -	\$ 43,027	\$ 20,836	\$ -	\$ -
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,269	-	386	-	-	4,260	13,954
TOTAL LIABILITIES	4,269	-	386	-	-	4,260	13,954
FUND BALANCE							
<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)
TOTAL FUND BALANCE	2,856	346	(386)	43,027	20,836	(4,260)	(13,954)
TOTAL LIABILITIES AND FUND BALANCE	\$ 7,125	\$ 346	\$ -	\$ 43,027	\$ 20,836	\$ -	\$ -

(continued)

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

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

(continued)

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

	WEST FERRY SEWER ASSESSMENT	NORTH END FIRE PROTECTION FUND	STREET/SCAPE	PRESERVATION & TECH UPGRADE	AFFORDABLE HOUSING	FIRE DEPARTMENT INSPECTIONS	TRAIL GUIDE
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	4,245	-	-	-	-	-	-
Due from other funds	2,353	1,387	-	76,304	5,076	11,872	1,864
TOTAL ASSETS	\$ 6,598	\$ 1,387	\$ -	\$ 76,304	\$ 5,076	\$ 11,872	\$ 1,864
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	615	-	-	-	-
TOTAL LIABILITIES	-	-	615	-	-	-	-
FUND BALANCE							
<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)	-	-	-	-
TOTAL FUND BALANCE	\$ 6,598	\$ 1,387	\$ (615)	\$ 76,304	\$ 5,076	\$ 11,872	\$ 1,864
TOTAL LIABILITIES AND FUND BALANCE	\$ 6,598	\$ 1,387	\$ -	\$ 76,304	\$ 5,076	\$ 11,872	\$ 1,864

(continued)

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

	JAMESTOWN COMMUNITY THEATRE	KIDS ROCK	FEMA 2010 STORM	POLICE PARKING	TOTALS
ASSETS					
Cash and cash equivalents	\$ -	15,707	\$ -	-	\$ 90,120
Accounts receivable	-	-	-	-	5,042
Due from other funds	14,723	-	-	14,357	774,126
TOTAL ASSETS	\$ 14,723	\$ 15,707	\$ -	\$ 14,357	\$ 869,288
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ -	-	\$ -	-	\$ 26,143
Due to other funds	-	-	40,614	-	358,180
TOTAL LIABILITIES	-	-	40,614	-	384,323
FUND BALANCE					
<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)
TOTAL FUND BALANCE	14,723	15,707	(40,614)	14,357	484,965
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,723	\$ 15,707	\$ -	\$ 14,357	\$ 869,288

(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 GIFTS & BOOK SALES	RECREATION	LAND REGULATION SUBDIVISION DEDICATION	FRIENDS OF JAMESTOWN COMMUNITY CENTER	GOLF COURSE	TREE GRANT	JAMESTOWN LIBRARY 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>196,400</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>46,918</u>	-	<u>250</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>3,312</u>	<u>21,365</u>	<u>20,611</u>	-	<u>149,482</u>	-	<u>11,248</u>
OTHER FINANCING SOURCES (USES)							
Transfer (to) from other funds	-	-	-	-	(158,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	<u>(158,000)</u>	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>3,312</u>	<u>21,365</u>	<u>20,611</u>	-	<u>(8,518)</u>	-	<u>11,248</u>
FUND BALANCE - July 1, 2010	13,590	7,294	239,561	7,626	288,326	1,646	-
Prior period adjustment (see note 18)	-	-	-	-	-	-	-
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 DEVELOPMENT BLOCK GRANT	DRUG FORFEITURE FUND	DRUG FORFEITURE FUND 2005	SUBSTANCE ABUSE FUND	TOWN CLERK	BYRNE GRANT 2009	WIND STUDY
REVENUES							
Intergovernmental revenue and departmental	\$ 37,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	-	-	-	23,042	9,409	-	-
TOTAL REVENUES	37,000	-	-	23,042	9,409	-	-
EXPENDITURES							
Capital	84,830	-	-	-	-	-	-
Other	84,830	-	500	26,398	7,466	4,260	15,000
TOTAL EXPENDITURES	169,660	-	500	26,398	7,466	4,260	15,000
Excess (deficiency) of Revenues Over (Under) Expenditures	(47,830)	-	(500)	(3,356)	1,943	(4,260)	(15,000)
OTHER FINANCING SOURCES (USES)							
Transfer (to) from other funds	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(47,830)	-	(500)	(3,356)	1,943	(4,260)	(15,000)
FUND BALANCE - July 1, 2010	50,686	346	114	46,383	18,893	-	1,046
Prior period adjustment (see note 18)	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2011	2,856	346	(386)	43,027	20,836	(4,260)	(13,954)

(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 ENERGY FUND	SCHOOL ROUTE GRANT	STREETSCAPE IMPROVEMENTS	HISTORIC PRESERVATION PLANNING	BYRNE GRANT 2008	4 GRINELL ST.	MARSH 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	(508)	(3,112)	(268,458)	4,310	7,075	7,876	-
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	(508)	(3,112)	(268,458)	4,310	7,075	7,876	-
FUND BALANCE - July 1, 2010	(5,871)	(27,899)	(9,627)	(6,600)	(4,301)	16,140	14,755
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 FERRY SEWER ASSESSMENT	NORTH END FIRE PROTECTION FUND	STREETSCAPE	PRESERVATION & TECH UPGRADE	AFFORDABLE HOUSING	FIRE DEPARTMENT INSPECTIONS	TRAIL GUIDE
REVENUES							
Intergovernmental revenue and departmental	\$ -	-	60,735	\$ -	-	-	\$ -
Other revenue	-	-	-	11,938	-	3,230	389
TOTAL REVENUES	-	-	60,735	11,938	-	3,230	389
EXPENDITURES							
Capital	-	-	-	-	-	-	-
Other	-	-	-	10,713	-	659	53
TOTAL EXPENDITURES	-	-	-	10,713	-	659	53
Excess (deficiency) of Revenues Over (Under) Expenditures	-	-	60,735	1,225	-	2,571	336
OTHER FINANCING SOURCES (USES)							
Transfer (to) from other funds	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	60,735	1,225	-	2,571	336
FUND BALANCE - July 1, 2010	6,598	1,387	(61,350)	75,079	5,076	9,301	-
Prior period adjustment (see note 18)	-	-	-	-	-	-	1,528
FUND BALANCE - June 30, 2011	\$ 6,598	\$ 1,387	\$ (615)	\$ 76,304	\$ 5,076	\$ 11,872	\$ 1,864

(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 COMMUNITY THEATRE	KIDS ROCK	FEMA 2010 STORM	POLICE PARKING	TOTALS
REVENUES					
Intergovernmental revenue and departmental	\$ -	\$ -	\$ 89,239	\$ -	\$ 489,798
Other revenue	11,274	15,707	-	2,535	390,985
TOTAL REVENUES	11,274	15,707	89,239	2,535	880,783
EXPENDITURES					
Other	10,300	-	110,289	6,058	939,610
TOTAL EXPENDITURES	10,300	-	110,289	6,058	939,610
Excess (deficiency) of Revenues Over (Under) Expenditures	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)	-	-	-	-	(158,000)
Excess (Deficiency) of Revenues and Other Financing Sources 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	\$ 14,723	\$ 15,707	\$ (40,614)	\$ 14,357	\$ 484,965

(concluded)

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

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

(continued)

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

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

(continued)

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

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

(continued)

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

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

(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

	EARLY CHILDHOOD	ACHIEVE ALGEBRA	LANGUAGE ASSISTANCE	LITERACY SET ASIDE	PROFESSIONAL DEVELOPMENT	STUDENT EQUITY
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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

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

(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

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

(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

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

(concluded)

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

	SCHOOL CAPITAL IMPROVEMENT FUND	WETLAND OPEN SPACE	LIBRARY BUILDING FUND	TOTAL
ASSETS				
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
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to other funds	-	-	500	500
TOTAL LIABILITIES	-	-	500	500
FUND BALANCE				
<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

	SCHOOL CAPITAL IMPROVEMENT FUND	WETLAND OPEN SPACE	LIBRARY BUILDING FUND	TOTAL
REVENUES				
Intergovernmental and departmental	\$ 32,895	-	\$ 398	\$ 33,293
TOTAL REVENUES	<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
TOTAL EXPENDITURES	<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
TOTAL OTHER FINANCING SOURCES (USES)	<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

	HARBOR MANAGEMENT FUND			WATER FUND		
	Budget	Actual	Variance	Budget	Actual	Variance
OPERATING REVENUE						
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
TOTAL OPERATING REVENUE	<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>
OPERATING EXPENSES						
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
TOTAL OPERATING EXPENSES	<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)	-	(17,583)	(17,583)	361,292	183,235	(178,057)
NON-OPERATING REVENUES (EXPENSES)						
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)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(361,292)</u>	<u>(480,586)</u>	<u>(119,294)</u>
Net Income	\$ -	\$ (17,583)	\$ (17,583)	\$ -	\$ (297,351)	\$ (297,351)

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
OPERATING REVENUE									
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
TOTAL OPERATING REVENUE	<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>
OPERATING EXPENSES									
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
TOTAL OPERATING EXPENSES	<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>
Operating Income (Loss)	(8,000)	(23,121)	(15,121)	-	(6,126)	(6,126)	353,292	136,405	(216,887)
NON-OPERATING REVENUES (EXPENSES)									
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)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<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>
Net Income	\$ -	\$ (475,467)	\$ (475,467)	\$ -	\$ (6,126)	\$ (6,126)	\$ -	\$ (796,527)	\$ (796,527)

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

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

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

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

SCHOOL DEPARTMENT OPERATIONS

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

	School Department
ASSETS	
Cash and cash equivalents	\$ -
Accounts receivable:	
Accounts receivable net	35,628
Due from other governments	35,568
Internal balances	3,322,730
TOTAL ASSETS	\$ 3,393,926
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 57,959
Accrued expenses	823,225
Internal balances	500,924
Total liabilities	1,382,108
 Fund balances:	
<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>	-
Total fund balances	2,011,818
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,393,926

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

	ACTUAL
REVENUES	
Intergovernmental and departmental revenue	\$ 536,236
Intergovernmental On-behalf payments	266,803
TOTAL REVENUES	803,039
EXPENDITURES	
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
TOTAL EXPENDITURES	11,571,783
Excess (deficiency) of Revenues Over (Under) Expenditures Before Operating Transfers	(10,768,744)
OPERATING TRANSFERS	
Town appropriation	11,176,034
Transfers out	(217,830)
TOTAL OPERATING TRANSFERS	10,958,204
Excess of Revenues and Operating Transfers Over (Under) Expenditures	189,460
Operational Reserves - beginning	1,822,358
Operational Reserves - ending	\$ 2,011,818

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

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
Intergovernmental and departmental revenue	\$ 430,833	\$ 430,833	\$ 536,236	\$ 105,403
TOTAL REVENUES	<u>430,833</u>	<u>430,833</u>	<u>536,236</u>	<u>105,403</u>
EXPENDITURES				
Education	11,606,867	11,606,867	11,304,980	301,887
TOTAL EXPENDITURES	<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 Before Operating Transfers	<u>(11,176,034)</u>	<u>(11,176,034)</u>	<u>(10,768,744)</u>	<u>407,290</u>
OPERATING TRANSFERS				
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)	-
TOTAL OPERATING TRANSFERS	<u>11,176,034</u>	<u>11,176,034</u>	<u>11,176,034</u>	<u>-</u>
Excess of Revenues and Operating Transfers 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

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES				
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
TOTAL REVENUES	<u>430,833</u>	<u>430,833</u>	<u>536,236</u>	<u>105,403</u>
OTHER FINANCING SOURCES				
Town appropriation	11,176,034	11,176,034	11,176,034	-
Use of prior year accumulated surplus	217,830	217,830	217,830	-
TOTAL OTHER FINANCING SOURCES	<u>11,393,864</u>	<u>11,393,864</u>	<u>11,393,864</u>	<u>-</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 11,824,697</u>	<u>\$ 11,824,697</u>	<u>\$ 11,930,100</u>	<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

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
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	217,830	217,830	217,830	-
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	(89,611)
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2011	219,675
Prior year revenue received in current year	(232,965)
CURRENT YEAR RE PROPERTY TAX & EXCISE TAX REVENUE	<u>\$ 18,344,762</u>

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

PURPOSE	DATE OF ISSUANCE	INTEREST RATE	DATE OF MATURITY	AUTHORIZED AND ISSUED	OUTSTANDING June 30, 2010	ADDITIONS	MATURITIES DURING YEAR	OUTSTANDING June 30, 2011
GENERAL OBLIGATION BONDS PAYABLE								
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
TOTAL GENERAL OBLIGATION BONDS PAYABLE				<u>13,521,500</u>	<u>10,650,500</u>	<u>-</u>	<u>650,000</u>	<u>10,000,500</u>
TOTAL BONDS PAYABLE - GOVERNMENTAL ACTIVITIES								
				\$ 13,521,500	\$ 10,650,500	\$ -	\$ 650,000	\$ 10,000,500
OTHER LONG-TERM LIABILITIES								
Net Pension Benefit					(1,152,450)	80,763	-	(1,071,687)
Net OPPEB Obligation					1,084,614	444,161	-	1,528,775
Accrued Compensated Absences					783,066	17,799	58,884	741,981
TOTAL OTHER LONG-TERM LIABILITIES					<u>715,230</u>	<u>542,723</u>	<u>58,884</u>	<u>1,199,069</u>
TOTAL LONG-TERM LIABILITIES - GOVERNMENTAL ACTIVITIES								
					\$ 11,365,730	\$ 542,723	\$ 708,884	\$ 11,199,569

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

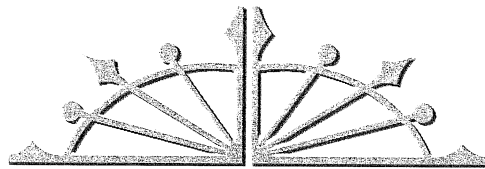
PURPOSE	DATE OF ISSUANCE	INTEREST RATE	DATE OF MATURITY	AUTHORIZED AND ISSUED	OUTSTANDING June 30, 2010	NEW ISSUES	MATURITIES DURING YEAR	OUTSTANDING June 30, 2011
WATER FUND								
Clean Water Refunding Bonds	3/7/2007	3.05%	9/1/2027	\$ 6,200,000	\$ 5,753,000	\$ -	\$ 235,000	\$ 5,518,000
	6/1/2004	2.75-5.00%	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>
SEWER FUND								
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
Total taxable assessed value	<u><u>\$ 1,993,516,986</u></u>
Debt Limit - 3 percent of total assessed value	\$ 59,805,510
Amount of debt applicable to debt limit:	
Total bonded debt	10,000,500
Legal debt margin	<u><u>\$ 49,805,010</u></u>

TOWN OF JAMESTOWN, RHODE ISLAND

SINGLE AUDIT SECTION



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

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.

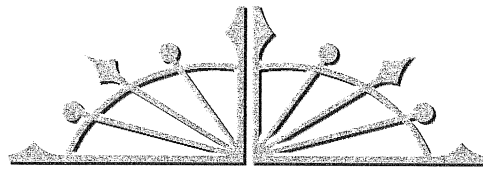
Compliance and Other Matter

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

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 that reads "Baxter Dansereau & Associates, LLP". The signature is written in a cursive, flowing style.

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 CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through the State of Rhode Island Department of Education			
<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
Total U.S. Department of Agriculture			<u>\$ 52,519</u>
U.S. Department of Housing and Urban Development			
Passed through the State of Rhode Island Office of Housing and Community Development			
Community Development Block Grant/States Program	14.228	N/A	\$ 84,830
Total U.S. Department of Housing and Urban Development			<u>\$ 84,830</u>
U.S. Department of the Interior			
Passed-through the State of Rhode Island Historical Preservation Heritage Commission			
Historic Preservation Fund Grants-In-Aid	15.904	N/A	\$ 2,290
Total U.S. Department of the Interior			<u>\$ 2,290</u>
U.S. Department of Justice			
Passed through the State of Rhode Island Department of Mental Health			
Enforcing Underage Drinking Laws Program	16.727	N/A	\$ 26,398
Passed through the State of Rhode Island Department of Public Safety			
<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
Total U.S. Department of Justice			<u>\$ 64,813</u>
U.S. Department of Transportation			
Passed-through the State of Rhode Island Department of Transportation			
ARRA-Highway Planning and Construction	20.205	N/A	\$ 510,235
Total U.S. Department of Transportation			<u>\$ 510,235</u>
U.S. Department of Energy			
Passed-through the State of Rhode Island Office of Energy Resources			
ARRA-Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	N/A	\$ 23,437
Total U.S. Department of Energy			<u>\$ 23,437</u>
U.S. Department of Education			
Passed-through the State of Rhode Island Department of Education			
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
Total U.S. Department of Education			<u>\$ 503,150</u>
U.S. Department of Homeland Security			
Passed-through the State of Rhode Island Department of Administration			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	\$ 110,289
Total U.S. Department of Homeland Security			<u>\$ 110,289</u>
Total Federal Expenditures			<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:

CFDA Number(s)	Name of Federal Program or Cluster
	<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.