

Town of Jamesville, North Carolina

FINANCIAL STATEMENTS

Year Ended June 30, 2020

Town Council

Dennis Anton, Mayor

Carolyn Martin
Larris Tolson
Willis Williams

Mary Allen
Rachel Craddock

Town Clerk

Kimberly Cockrell



**Cumbee, Taylor
& Shook, PA**
CPAs and Advisors

Town of Jamesville, North Carolina
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June 30, 2020

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FINANCIAL SECTION



**Cumbee, Taylor
& Shook, PA**
CPAs and Advisors

Cumbee, Taylor & Shook, PA
P.O. Box 869 - 127 West Boulevard
Williamston, NC 27892
Phone: (252) 792-6081
Fax: (252) 792-8218

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jamesville, North Carolina as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Honorable Mayor and
Members of the Town Council
Town of Jamesville, North Carolina
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Jamesville, North Carolina as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, on pages 4 through 11, Local Governmental Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 43 through 44 and the Other Post-employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios on page 45 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jamesville, North Carolina's basic financial statements. The individual fund statements and schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

To the Honorable Mayor and
Members of the Town Council
Town of Jamesville, North Carolina
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The individual fund statements and schedules and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements and schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Cumbee, Taylor & Shook, PA

Williamston, North Carolina
January 22, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Jamesville, North Carolina Management's Discussion and Analysis

As management of the Town of Jamesville we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$629,382 (*net position*).
- The government's total net position decreased by \$30,238 primarily due to the completion of an asset management plan, a 4% decrease in property tax collections and an increase in Local Governmental Employees' Retirement System's pension expense.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$569,092 with a net increase of \$16,665 in fund balance. Approximately 28% of this amount, or \$161,141, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$358,798, or approximately 139.43 percent of total general fund expenditures for the fiscal year.
- The long-term liabilities of the Town are for compensated absences, other postemployment benefits and retirement liabilities.

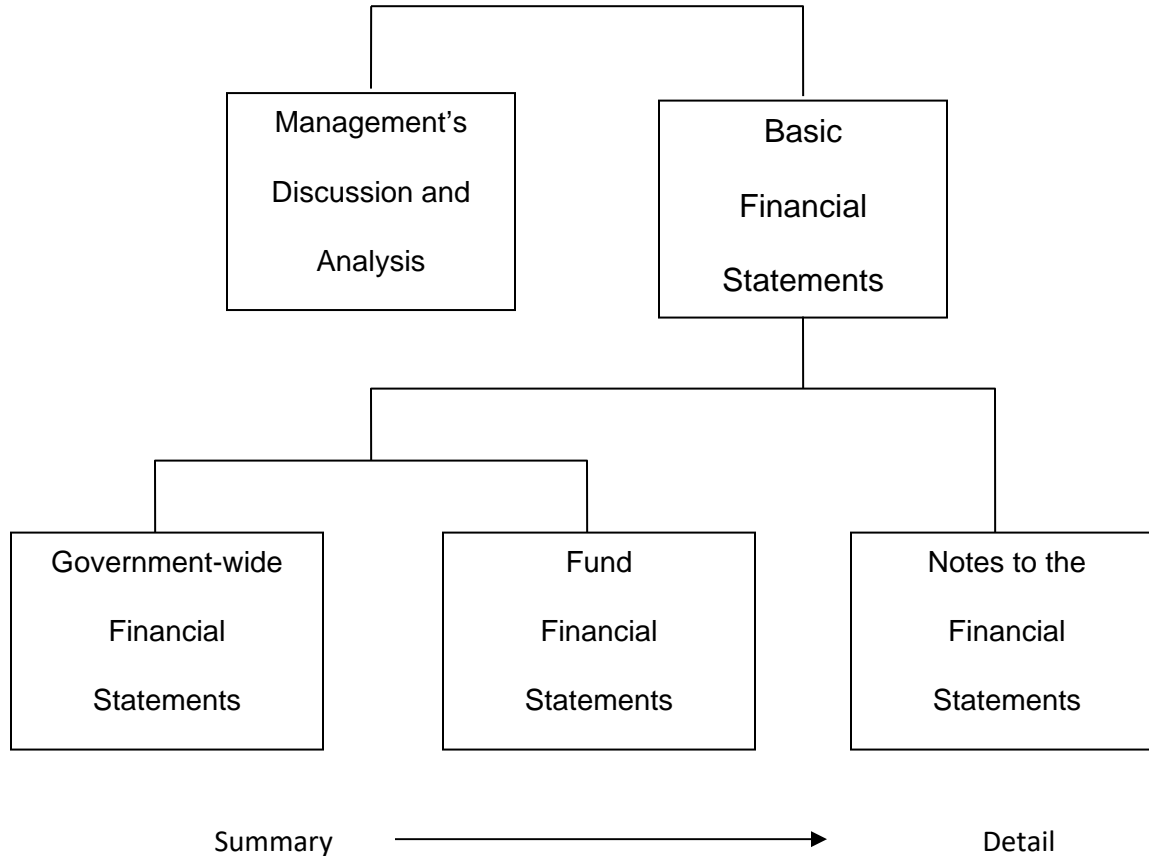
Overview of the Financial Statements

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

Town of Jamesville, North Carolina Management's Discussion and Analysis

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Town of Jamesville, North Carolina Management's Discussion and Analysis

Government-wide Financial Statements

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

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

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

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town like all other governmental entities in North Carolina uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town can be divided into two categories: governmental funds and proprietary funds.

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

The Town adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund

Town of Jamesville, North Carolina Management's Discussion and Analysis

demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – The Town has only one kind of proprietary fund: the Enterprise Fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water and sewer operations. The fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Jamesville's progress in funding its obligation to provide other postemployment benefits and pension benefits to its employees. Required supplementary information can be found beginning on page 43 of this report.

Interdependence with Other Entities: The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

Town of Jamesville, North Carolina Management's Discussion and Analysis

Government-Wide Financial Analysis

The Town of Jamesville's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 630,279	\$ 599,752	\$ 232,399	\$ 240,423	\$ 862,678	\$ 840,175
Capital assets	51,361	50,656	323,741	322,727	375,102	373,383
Deferred outflows of resources	70,555	55,807	55,748	45,069	126,303	100,876
Total assets and deferred outflows of resources	752,195	706,215	611,888	608,219	1,364,083	1,314,434
Other liabilities	19,342	21,667	28,962	27,402	48,304	49,069
Long-term liabilities outstanding	355,650	309,745	269,969	236,265	625,619	546,010
Deferred inflows of resources	38,990	33,831	21,788	25,904	60,778	59,735
Total liabilities and deferred inflows of resources	413,982	365,243	320,719	289,571	734,701	654,814
Net position:						
Net investment in capital assets	51,361	50,656	323,741	322,727	375,102	373,383
Restricted	161,141	165,690	-	-	161,141	165,690
Unrestricted	125,711	124,626	(32,572)	(4,079)	93,139	120,547
Total net position	\$ 338,213	\$ 340,972	\$ 291,169	\$ 318,648	\$ 629,382	\$ 659,620

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town exceeded liabilities and deferred inflows of resources by \$629,382 as of June 30, 2020. The Town's net position decreased by \$30,238 for the fiscal year ended June 30, 2020. The largest portion of net position reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment) at 59.6%. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$161,141 (25.6%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$93,139 (14.8%) is unrestricted.

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

- Completion of an asset management plan
- 4% decrease in property tax collections
- Increase in Local Governmental Employees' Retirement System's pension expense

Town of Jamesville, North Carolina Management's Discussion and Analysis

The Town of Jamesville's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 11,155	\$ 3,124	\$ 195,626	\$ 197,325	\$ 206,781	\$ 200,449
Operating grants and contributions	17,064	18,039	-	-	17,064	18,039
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	146,105	153,789	-	-	146,105	153,789
Grants and contributions not restricted to specific programs	91,236	87,206	-	-	91,236	87,206
Other	10,689	7,068	2,225	7,806	12,914	14,874
Total revenues	276,249	269,226	197,851	205,131	474,100	474,357
Expenses:						
General government	153,933	138,917	-	-	153,933	138,917
Public safety	8,775	11,625	-	-	8,775	11,625
Transportation	38,103	37,060	-	-	38,103	37,060
Environmental protection	78,197	70,350	-	-	78,197	70,350
Water and Sewer	-	-	225,330	204,186	225,330	204,186
Total expenses	279,008	257,952	225,330	204,186	504,338	462,138
Increase (decrease) in net position	(2,759)	11,274	(27,479)	945	(30,238)	12,219
Net position, July 1	340,972	329,698	318,648	317,703	659,620	647,401
Restatement	-	-	-	-	-	-
Net position, beginning, restated	340,972	329,698	318,648	317,703	659,620	647,401
Net position, June 30	\$ 338,213	\$ 340,972	\$ 291,169	\$ 318,648	\$ 629,382	\$ 659,620

Governmental activities. Governmental activities decreased the Town's net position by \$2,759.

The key elements of this decrease are as follows:

- 4% decrease in property tax collections
- Increase in Local Governmental Employees' Retirement System's pension expense

Business-type activities: Business-type activities decreased the Town's net position by \$27,479.

Key elements of the increase are as follows:

- Completion of an asset management plan
- Increase in Local Governmental Employees' Retirement System's pension expense

Financial Analysis of the Town's Funds

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

Town of Jamesville, North Carolina Management's Discussion and Analysis

Governmental Funds. The focus of the Town's governmental fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town of Jamesville's fund balance available in the General Fund was \$517,591, while total fund balance reached \$569,092. The Town currently has an available fund balance of 201% of general fund expenditures, while total fund balance represents 221.4% of the same amount. The Town has not adopted a minimum fund balance policy for the general fund.

The General Fund is the Town's only governmental fund.

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

Total revenues and expenditures were in line with budgeted amounts in the General Fund.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$(32,572). The net position for the Water and Sewer Fund decreased by \$27,479. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$375,102 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment and the water and sewer distribution system. Additions to capital assets included the purchase of a used F-150 utility truck, Hustler mower, hydrant and valve replacement, aerator motors and metering pumps. There were no significant disposals during the June 30, 2020 fiscal year.

**The Town of Jamesville's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 13,500	\$ 13,500	\$ 16,104	\$ 16,104	\$ 29,604	\$ 29,604
Distribution systems	-	-	302,074	300,086	302,074	300,086
Buildings	1,695	1,755	-	-	1,695	1,755
Machinery and equipment	18,595	16,853	5,563	6,537	24,158	23,390
Infrastructure	17,571	18,548	-	-	17,571	18,548
Total	\$ 51,361	\$ 50,656	\$ 323,741	\$ 322,727	\$ 375,102	\$ 373,383

Town of Jamesville, North Carolina Management's Discussion and Analysis

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

Long-Term Debt. As of June 30, 2020, the Town had no outstanding debt.

**The Town of Jamesville's Outstanding Long-Term Liabilities
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$ 11,621	\$ 9,739	\$ 7,790	\$ 4,501	\$ 19,411	\$ 14,240
Total OPEB liability	306,737	279,118	234,024	214,024	540,761	493,142
Net pension liability (LRS)	40,186	26,840	30,273	20,608	70,459	47,448
Total	\$ 358,544	\$ 315,697	\$ 272,087	\$ 239,133	\$ 630,631	\$ 554,830

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town is \$1,593,600.

Additional information regarding the Town's long-term obligations can be found in Note II of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic factors related to the growth of the Town.

The Town is located in Martin County and has a population of 465. The unemployment rate for Martin County at June 30, 2020 was 7.2 percent compared to the statewide rate of 7.6 percent.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities: Due to the COVID-19 pandemic and uncertainty of the impact it will have on the economy, the Town took a conservative approach and cut utility sales tax revenues by 10% and local option sales tax revenues by 3%. There were no COLA or merit raises included in the budget for Town employees.

Fund balance was appropriated to purchase powell bill equipment to repair potholes on the Town streets. Monies were also allocated to fund the Town's annual herring festival, which has now been canceled.

Business – type Activities: The Town's water and sewer rates will increase by 8% to increase revenues to pay for a new water treatment plant coming in late 2021 to early 2022.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Willis Williams, Mayor Protem or Kimberly Cockrell, Town Clerk of the Town of Jamesville, PO Box 215, Jamesville, NC 27846. Telephone – 252-792-5006 and Fax 252-799-4313.

BASIC FINANCIAL STATEMENTS

Town of Jamesville, North Carolina
STATEMENT OF NET POSITION
June 30, 2020
Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 435,284	\$ 213,368	\$ 648,652
Taxes receivables (net)	28,599	-	28,599
Accrued interest receivable on taxes	5,255	-	5,255
Accounts receivable (net)	-	19,641	19,641
Due from other governments	24,305	-	24,305
Internal balances	27,196	(27,196)	-
Restricted cash and cash equivalents	109,640	26,586	136,226
Total current assets	630,279	232,399	862,678
Non-current assets:			
Capital assets (Note 1):			
Land, non-depreciable improvements, and construction in progress	13,500	16,104	29,604
Other capital assets, net of depreciation	37,861	307,637	345,498
Total capital assets	51,361	323,741	375,102
Total non-current assets	51,361	323,741	375,102
TOTAL ASSETS	681,640	556,140	1,237,780
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	25,839	19,730	45,569
OPEB deferrals	44,716	36,018	80,734
Total deferred outflows of resources	70,555	55,748	126,303
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	16,448	258	16,706
Payable from restricted assets	-	26,586	26,586
Compensated absences - current	2,894	2,118	5,012
Total current liabilities	19,342	28,962	48,304
Long-term liabilities:			
Net pension liability	40,186	30,273	70,459
Total OPEB liability	306,737	234,024	540,761
Due in more than one year	8,727	5,672	14,399
TOTAL LIABILITIES	374,992	298,931	673,923
DEFERRED INFLOWS OF RESOURCES			
OPEB deferrals	28,105	21,788	49,893
Unearned revenue	10,885	-	10,885
Total deferred inflows of resources	38,990	21,788	60,778
NET POSITION			
Net investment in capital assets	51,361	323,741	375,102
Restricted for:			
Stabilization by State Statute	51,501	-	51,501
Streets	109,640	-	109,640
Unrestricted	125,711	(32,572)	93,139
TOTAL NET POSITION	\$ 338,213	\$ 291,169	\$ 629,382

The accompanying notes are an integral part of this statement.

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 153,933	\$ 55	\$ -	\$ -
Public safety	8,775	-	-	-
Transportation	38,103	-	16,709	-
Environmental protection	78,197	11,100	355	-
Total governmental activities (See Note 1)	279,008	11,155	17,064	-
Business-type activities:				
Water and sewer	225,330	195,626	-	-
Total business-type activities	225,330	195,626	-	-
Total primary government	\$ 504,338	\$ 206,781	\$ 17,064	\$ -

The accompanying notes are an integral part of this statement.

Town of Jamesville, North Carolina
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020
Exhibit 2

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental Activities:			
General government	\$ (153,878)	\$ -	\$ (153,878)
Public safety	(8,775)	-	(8,775)
Transportation	(21,394)	-	(21,394)
Environmental protection	(66,742)	-	(66,742)
Total governmental activities (See Note 1)	(250,789)	-	(250,789)
Business-type activities:			
Water and sewer	-	(29,704)	(29,704)
Total business-type activities	-	(29,704)	(29,704)
Total primary government	(250,789)	(29,704)	(280,493)
General revenues:			
Taxes:			
Property taxes, levied for general purpose	146,105	-	146,105
Grants and contributions not restricted to specific programs	91,236	-	91,236
Unrestricted investment earnings	4,207	2,225	6,432
Miscellaneous	6,482	-	6,482
Total general revenues	248,030	2,225	250,255
Change in net position	(2,759)	(27,479)	(30,238)
Net position, beginning	340,972	318,648	659,620
Net position, ending	\$ 338,213	\$ 291,169	\$ 629,382

The accompanying notes are an integral part of this statement.

Town of Jamesville, North Carolina
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2020
Exhibit 3

	Major Fund General Fund	Total Governmental Fund
ASSETS		
Cash and cash equivalents	\$ 435,284	\$ 435,284
Restricted cash and cash equivalents	109,640	109,640
Receivables, net:		
Taxes	28,599	28,599
Due from other funds	27,196	27,196
Due from other governments	24,305	24,305
Total assets	\$ 625,024	\$ 625,024
LIABILITIES		
Accounts payable and accrued liabilities	\$ 16,448	\$ 16,448
Total liabilities	16,448	16,448
DEFERRED INFLOWS OF RESOURCES		
Property taxes receivable	28,599	28,599
Unearned revenue	10,885	10,885
Total deferred inflows of resources	39,484	39,484
FUND BALANCES		
Restricted:		
Stabilization by State Statute	51,501	51,501
Streets	109,640	109,640
Assigned:		
Subsequent year's expenditures	49,153	49,153
Unassigned	358,798	358,798
Total fund balances	569,092	569,092
Total liabilities, deferred inflows of resources, and fund balances	\$ 625,024	
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 162,092	
Accumulated depreciation	(110,731)	51,361
Deferred outflows of resources related to pensions are not reported in the funds		25,839
Deferred outflows of resources related to OPEB are not reported in the funds		44,716
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.		5,255
Earned revenues considered deferred inflows of resources in the fund statements.		28,599
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Net pension liability	\$ (40,186)	
Compensated absences	(11,621)	
OPEB liability	(306,737)	(358,544)
Deferred inflows of resources related to OPEB are not reported in the funds		(28,105)
Net position of governmental activities		\$ 338,213

The accompanying notes are an integral part of this statement.

Town of Jamesville, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2020
Exhibit 4

		Major Fund General Fund
REVENUES		
Ad valorem taxes	\$	143,861
Unrestricted intergovernmental		91,341
Restricted intergovernmental		15,508
Permits and fees		30
Sales and services		11,125
Investment earnings		5,658
Miscellaneous		1,722
Total revenues		269,245
EXPENDITURES		
Current:		
General government		152,628
Public safety		8,775
Transportation		32,971
Environmental protection		62,966
Total expenditures		257,340
Excess (deficiency) of revenues over expenditures		11,905
OTHER FINANCING SOURCES		
Sale of capital assets		4,760
Net change in fund balance		16,665
Fund balances, beginning		552,427
Fund balances, ending	\$	569,092

The accompanying notes are an integral part of this statement.

Town of Jamesville, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2020
Exhibit 4

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

Net changes in fund balances - total governmental funds	\$	16,665
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	\$ 6,422	
Depreciation expense for governmental assets	<u>(5,717)</u>	705
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		8,330
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		10,611
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		2,244
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension expense	\$ (19,398)	
Compensated absences	(1,882)	
OPEB plan expense	<u>(20,034)</u>	<u>(41,314)</u>
Total changes in net position of governmental activities	\$	<u><u>(2,759)</u></u>

The accompanying notes are an integral part of this statement.

Town of Jamesville, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
ANNUAL BUDGET AND ACTUAL – GENERAL FUND
For the Fiscal Year Ended June 30, 2020
Exhibit 5

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Ad valorem taxes	\$ 148,000	\$ 142,028	\$ 143,861	\$ 1,833
Unrestricted intergovernmental	85,000	76,551	91,341	14,790
Restricted intergovernmental	15,600	15,422	15,508	86
Permits and fees	30	30	30	-
Sales and services	2,300	22,010	11,125	(10,885)
Investment earnings	4,900	5,694	5,658	(36)
Miscellaneous	530	1,624	1,722	98
Total revenues	256,360	263,359	269,245	5,886
Expenditures				
General government	152,946	161,147	152,628	8,519
Transportation	33,472	33,772	32,971	801
Public safety	16,000	9,500	8,775	725
Environmental protection	62,540	63,700	62,966	734
Total expenditures	264,958	268,119	257,340	10,779
Revenues over (under) expenditures	(8,598)	(4,760)	11,905	16,665
Other financing sources:				
Sale of capital assets	4,598	4,760	4,760	-
Fund balance appropriated	4,000	-	-	-
Net change in fund balance	\$ -	\$ -	16,665	\$ 16,665
Fund balances, beginning			552,427	
Fund balances, ending			\$ 569,092	

The accompanying notes are an integral part of this statement.

Town of Jamesville, North Carolina
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
June 30, 2020
Exhibit 6

		Major Enterprise Fund <u>Water and Sewer Fund</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$	213,368
Accounts receivable (net) - billed		12,567
Accounts receivable (net) - unbilled		7,074
Restricted cash and cash equivalents		26,586
Total current assets		259,595
Noncurrent assets:		
Capital assets:		
Land and other non-depreciable assets		16,104
Other capital assets, net of depreciation		307,637
Capital assets (net)		323,741
Total noncurrent assets		323,741
Total assets		583,336
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals		19,730
OPEB deferrals		36,018
Total deferred outflows of resources		55,748
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities		258
Due to other funds		27,196
Compensated absences - current		2,118
Liabilities payable from restricted assets:		
Customer deposits		26,586
Total current liabilities		56,158
Noncurrent liabilities:		
Compensated absences		5,672
Total OPEB liability		234,024
Net pension liability		30,273
Total noncurrent liabilities		269,969
Total liabilities		326,127
DEFERRED INFLOWS OF RESOURCES		
OPEB deferrals		21,788
Total deferred inflows of resources		21,788
NET POSITION		
Net investment in capital assets		323,741
Unrestricted		(32,572)
Total net position	\$	291,169

The accompanying notes are an integral part of this statement.

Town of Jamesville, North Carolina
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2020
Exhibit 7

	Major Enterprise Fund
	Water and Sewer Fund
Operating revenues	
Charges for services	\$ 194,407
Other operating revenues	1,219
Total operating revenues	195,626
Operating expenses	
Salaries and benefits	126,763
Utilities	15,513
Supplies, materials and repairs	18,784
Depreciation	20,742
Other	43,528
Total operating expenses	225,330
Operating income (loss)	(29,704)
Non-operating revenues (expenses)	
Interest on investments	2,225
Total non-operating revenues (expenses)	2,225
Change in net position	(27,479)
Total net position, beginning	318,648
Total net position, ending	\$ 291,169

The accompanying notes are an integral part of this statement.

Town of Jamesville, North Carolina
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2020
Exhibit 8

		Major Enterprise Fund Water and Sewer Fund
Cash flows from operating activities		
Cash received from customers	\$	196,394
Cash paid for goods and services		(78,115)
Cash paid to or on behalf of employees for services		(108,604)
Customer deposits received		4,200
Customer deposits returned		(1,600)
Other operating revenues		1,219
Net cash provided (used) by operating activities		13,494
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets		(21,756)
Net cash provided (used) for capital and related financing activities		(21,756)
Cash flows from investing activities		
Interest on investments		2,225
Net cash provided (used) by investing activities		2,225
Net increase (decrease) in cash and cash equivalents		(6,037)
Cash and cash equivalents at beginning of year		245,991
Cash and cash equivalents at end of year	\$	239,954
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$	(29,704)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation		20,742
Change in assets, deferred outflows, liabilities and deferred inflows:		
(Increase) decrease in accounts receivable		1,987
(Increase) decrease in deferred outflows of resources - pensions		(1,533)
(Increase) decrease in deferred outflows of resources - OPEB		(9,146)
Increase (decrease) in net pension liability		9,665
Increase (decrease) in deferred inflows of resources - pensions		(86)
Increase (decrease) in accounts payable and accrued liabilities		(290)
Increase (decrease) in customer deposits		2,600
Increase (decrease) in compensated absences		3,289
Increase (decrease) in deferred inflows of resources - OPEB		(4,030)
Increase (decrease) in OPEB liability		20,000
Total adjustments		43,198
Net cash provided (used) by operating activities	\$	13,494

The accompanying notes are an integral part of this statement.

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Town of Jamesville is a municipal corporation which is governed by an elected mayor and a five-member council.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The Town reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for sanitation, street maintenance, public safety and general government services.

Town of Jamesville
Notes to Financial Statements
June 30, 2020

The Town reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor

Town of Jamesville
Notes to Financial Statements
June 30, 2020

vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes which were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Jamesville because the tax is levied by Martin County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances when needed are adopted for the Enterprise Fund Capital Projects Fund, which are consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions to the budget. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust,

Town of Jamesville
Notes to Financial Statements
June 30, 2020

(NCCMT). The Town’s investments are reported at fair value. The NCCMT – Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT – Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than six months.

2. Cash and Cash Equivalents

All cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Town Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

Town of Jamesville Restricted Cash

Governmental Activities		
General Fund		
Streets	\$	109,640
Business-type Activities		
Water and Sewer Fund		
Customer deposits		26,586
Total Restricted Cash	\$	136,226

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. However, effective July 1, 2008, the Town contracts with Martin County to levy, bill, and collect all ad valorem taxes except motor vehicle taxes. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

Town of Jamesville
Notes to Financial Statements
June 30, 2020

6. Inventory

Enterprise fund supplies are recorded as expenses when purchased and not inventoried at year-end because the amounts are considered immaterial by the Town.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings, improvements, substations, lines, and other plant and distribution systems, infrastructure, furniture and equipment, and vehicles, \$500. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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.

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

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Improvements	25
Vehicles	6
Furniture and equipment	10
Computer equipment	3

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, pension and OPEB deferrals for the 2020 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category – property taxes receivable, pension and OPEB deferrals and unearned revenue related to the cancelation of the annual herring festival.

9. Long-term Obligations

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

Town of Jamesville
Notes to Financial Statements
June 30, 2020

10. Compensated Absences

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

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications, as applicable designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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

Restricted for Stabilization by State statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities,*

Town of Jamesville
Notes to Financial Statements
June 30, 2020

encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Jamesville’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing board approves the appropriation.

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

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

12. Defined Benefit Cost Sharing Plan

For the purposes of measuring the net position liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees’ Retirement System (LGERS) and additions to/deductions from LGERS’ fiduciary net position have been determined on the same basis as they are reported to LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Jamesville’s employer contributions are recognized when due and the Town of Jamesville has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

13. Use of Estimates

The preparation of the financial statements in conformity with accounting principles general accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

14. Subsequent Events – Date of Management’s Evaluation

Management has evaluated subsequent events through January 22, 2021, the date which the financial statements were available to be issued. See Note VII for Coronavirus Relief Funds received after year end.

II. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town’s deposits had a carrying amount of \$139,725 and a bank balance of \$142,040. All of the bank balance was covered by federal depository insurance. At June 30, 2020, the Town’s petty cash fund totaled \$26.

2. Investments

At June 30, 2020, the Town of Jamesville had \$645,127 invested with the North Carolina Capital Management Trust’s Government Portfolio which carried a credit rating of AAAM by Standard and Poor’s. The amount has been included with cash and cash equivalents. The Town has no policy regarding credit risk of its investments.

Town of Jamesville
Notes to Financial Statements
June 30, 2020

3. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2020 are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$ 13,008
Enterprise Fund:	
Water and sewer fund - accounts receivable	<u>11,538</u>
	<u>\$ 24,546</u>

4. Capital Assets

Primary Government

Capital asset activity for the primary government for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 13,500	\$ -	\$ -	\$ 13,500
Capital assets being depreciated:				
Buildings	14,849	-	-	14,849
Infrastructure	29,290	-	-	29,290
Vehicles	22,494	1,250	3,000	20,744
Computer equipment	7,115	-	-	7,115
Equipment	71,422	5,172	-	76,594
Total capital assets being depreciated	<u>145,170</u>	<u>6,422</u>	<u>3,000</u>	<u>148,592</u>
Less accumulated depreciation for:				
Buildings	13,094	60	-	13,154
Infrastructure	10,742	977	-	11,719
Vehicles	11,934	3,441	3,000	12,375
Computer equipment	7,115	-	-	7,115
Equipment	65,129	1,239	-	66,368
Total accumulated depreciation	<u>108,014</u>	<u>5,717</u>	<u>3,000</u>	<u>110,731</u>
Total capital assets being depreciated, net	<u>37,156</u>			<u>37,861</u>
Governmental activity capital assets, net	<u>\$ 50,656</u>			<u>\$ 51,361</u>

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

**Town of Jamesville
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June 30, 2020**

General government	\$ 640
Environmental protection	2,377
Transportation	<u>2,700</u>
Total depreciation expense	<u><u>\$ 5,717</u></u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 16,104	\$ -	\$ -	\$ 16,104
Capital assets being depreciated:				
Distribution system	1,900,586	18,411	-	1,918,997
Equipment	68,554	3,345	-	71,899
Total capital assets being depreciated	<u>1,969,140</u>	<u>21,756</u>	<u>-</u>	<u>1,990,896</u>
Less accumulated depreciation for:				
Distribution system	1,600,500	16,423	-	1,616,923
Equipment	62,017	4,319	-	66,336
Total accumulated depreciation	<u>1,662,517</u>	<u>20,742</u>	<u>-</u>	<u>1,683,259</u>
Total capital assets being depreciated, net	<u>306,623</u>			<u>307,637</u>
Water and Sewer Fund capital assets, net	<u><u>\$ 322,727</u></u>			<u><u>\$ 323,741</u></u>

Construction Commitments

Based on the Town's funding request, the Town received a letter of intent in March of 2019 for a Drinking Water State Revolving Fund loan of \$906,066 for a water treatment plant replacement. On June 29, 2020, the Town was approved for the loan assistance in the amount of \$906,066. Of this amount, 75% of the loan can be forgiven and 25% (\$226,516) will be paid back at zero interest. On April 9, 2019, the Town entered into an engineering agreement for the water treatment plant replacement construction project in the amount of \$140,000. No engineering expenditures were made during the June 30, 2020 fiscal year.

B. Liabilities

1. Pension Plan and Postemployment Obligations

Local Governmental Employees' Retirement System

Plan Description. The Town of Jamesville is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERs), a cost-sharing multiple-employer

Town of Jamesville
Notes to Financial Statements
June 30, 2020

defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G. S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Jamesville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Jamesville's contractually required contribution rate for the year ended June 30, 2020, was 8.95% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Jamesville were

Town of Jamesville
Notes to Financial Statements
June 30, 2020

\$14,361 for the year ended June 30, 2020. The Town does not have any law enforcement officers.

Refunds of Contributions – Town employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual’s right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Town reported a liability of \$70,459 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019 (measurement date), the Town’s proportion was .00258% which was an increase of 0.00058% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$33,475. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,064	\$ -
Changes of assumptions	11,483	-
Net difference between projected and actual earnings on pension plan investments	1,719	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	5,942	-
Town contributions subsequent to the measurement date	14,361	-
Total	\$ 45,569	\$ -

\$14,361 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Town of Jamesville
Notes to Financial Statements
June 30, 2020

Year ended June 30:

2021	\$ 14,454
2022	5,541
2023	8,260
2024	2,953
2025	-
Thereafter	-
	<u>\$ 31,208</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

**Town of Jamesville
Notes to Financial Statements
June 30, 2020**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 161,150	\$ 70,459	\$ (4,926)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Town of Jamesville
Notes to Financial Statements
June 30, 2020

Other Post-employment Benefits

Health Care Benefits

Plan Description. The Town provides post-employment health care benefits through a single-employer defined benefit plan to retirees of the Town. The Town Board has the authority to establish and amend benefit terms and financing agreements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. Benefits are provided to retirees of the Town provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least ten years of creditable service with the Town and were hired before November 14, 2011. On November 14, 2011, the Town approved to cease providing postemployment healthcare benefits to future retirees that were hired on or after November 14, 2011. Current employees hired before November 14, 2011 who otherwise qualify will continue to be eligible for postemployment healthcare benefits. Based on the amount of creditable service, the Town pays either the full cost or 50% of coverage for these benefits. The coverage would be at the same rate as is provided for an active permanent employee. For retirees 65 years of age and older, health care coverage would be provided through a Medicare supplement. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the Health Care Benefits Plan consisted of the following at June 30, 2018, the date of the latest actuarial study: Three active plan members and one retiree receiving benefits.

Total OPEB Liability

The Town's total OPEB liability of \$540,761 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%-7.75% including inflation
Discount rate	3.50%
Healthcare cost trend rates	
Pre-Medicare	7.25% for 2018, decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018, decreasing to an ultimate rate of 4.75 by 2022

The discount rate is based on the yield of the Bond Buyer General Obligation 20-year Municipal Bond Index as of the measurement date (as published at the last Thursday of June).

**Town of Jamesville
Notes to Financial Statements
June 30, 2020**

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	\$ 493,142
Changes for the year	
Service cost	14,417
Interest	18,857
Changes of benefit terms	-
Differences between expected and actual experience	856
Changes in assumptions or other inputs	30,402
Benefit payments	(16,913)
Net changes	47,619
Balance at June 30, 2020	\$ 540,761

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 632,189	\$ 540,761	\$ 467,735

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 455,451	\$ 540,761	\$ 649,786

Town of Jamesville
Notes to Financial Statements
June 30, 2020

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Town recognized OPEB expense of \$34,949. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,765	\$ 894
Changes of assumptions	25,996	48,999
Benefit payments and administrative costs made subsequent to the measurement date	20,973	-
Total	\$ 80,734	\$ 49,893

\$20,973 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2021	\$ 1,675
2022	1,675
2023	1,675
2024	1,675
2025	1,471
Thereafter	1,697
	\$ 9,868

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year-end are comprised of the following:

**Town of Jamesville
Notes to Financial Statements
June 30, 2020**

Source	Amount
Contributions to pension plan in current fiscal year	\$ 14,361
Benefit payments and administrative expenses for OPEB made subsequent to measurement date	20,973
Differences between expected and actual experience	45,829
Changes in assumptions	37,479
Net difference between projected and actual earnings on pension plan investments	1,719
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,942
Total	\$ 126,303

Deferred inflows of resources at year-end are comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable (General Fund)	\$ -	\$ 28,599
Unearned revenue	10,885	10,885
Difference between expected and actual experience	894	-
Changes in assumptions	48,999	-
Total	\$ 60,778	\$ 39,484

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries various insurance with private insurance companies. Coverage as of June 30, 2020 included general liability \$3,000,000, real and personal property \$2,629,257 and auto liability \$1,000,000. Workmen's compensation and employee health coverage are purchased through self-funded risk financing pools administered by the North Carolina League of Municipalities. Workmen's compensation coverage is purchased up to statutory limits. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

Town of Jamesville
Notes to Financial Statements
June 30, 2020

There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not carry flood insurance. The Town does not have flood insurance because the Town does not have buildings in an area that floods. In spite of being located on the Roanoke River, the buildings are located on a high bank while the other side of the river in Bertie County is very low so when heavy rains come, the water goes to that side of the river.

In accordance with [G.S. 159-29], the Town employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance Officer is bonded for \$50,000.

4. Long Term Obligations

Changes in Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
Compensated absences	\$ 9,739	\$ 4,776	\$ 2,894	\$ 11,621	\$ 2,894
Total OPEB liability	279,118	27,619	-	306,737	-
Net pension liability (LGERS)	26,840	13,346	-	40,186	-
Total long-term liabilities	\$ 315,697	\$ 45,741	\$ 2,894	\$ 358,544	\$ 2,894

Business-type Activities:

Water and Sewer Fund

Compensated absences	\$ 4,501	\$ 5,407	\$ 2,118	\$ 7,790	\$ 2,118
Total OPEB liability	214,024	20,000	-	234,024	-
Net pension liability (LGERS)	20,608	9,665	-	30,273	-
Total long-term liabilities	\$ 239,133	\$ 35,072	\$ 2,118	\$ 272,087	\$ 2,118

Compensated absences have been liquidated in the General Fund and the Water and Sewer Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

At June 30, 2020, the Town of Jamesville had a legal debt margin of \$1,593,600.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2020, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Water/Sewer Fund	<u><u>\$27,196</u></u>

Town of Jamesville
Notes to Financial Statements
June 30, 2020

Expenditures paid by the General Fund on behalf of the Water and Sewer Fund.

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

D. Fund Balance

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

<u>Total fund balance - General Fund</u>	<u>\$ 569,092</u>
Less:	
Stabilization by State Statute	51,501
Streets - Powell Bill	109,640
Appropriated Fund Balance in 2021 budget	49,153
Working Capital/Fund Balance Policy	-
<u>Remaining Fund Balance</u>	<u>\$ 358,798</u>

III. Jointly Governed Organization

The Town, in conjunction with five counties and thirty-nine other municipalities, is a member of the Mid-East Commission. The participating governments established the Commission to coordinate various funding received from Federal and State agencies. Each participating municipality appoints one member and each participating county government appoints three members to the Commission's governing board. The Town paid membership fees of \$350 to the Commission during the fiscal year ended June 30, 2020.

IV. Related Party Transactions

During the June 30, 2012 fiscal year, the Town council approved for one of its council members to be paid for the council person's services performed for finance related matters. Amounts paid to the council person for these services were \$1,560 for the fiscal year ended June 30, 2020.

V. Major Customers

During the June 30, 2020 fiscal year, the Town had one customer who comprised approximately 12.48% of the total water and sewer revenues. The customer is considered a long-term reliable customer.

VI. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor

Town of Jamesville
Notes to Financial Statements
June 30, 2020

agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

VII. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. Absent any government order or contagion of its workforce, the Town plans to continue its normal operations while taking all reasonable efforts to protect its citizens and employees. The Town's financial position and results of operations as of and for the fiscal year ended June 30, 2020 have not been materially impacted with this pandemic through that date. However, the Town cannot reasonably estimate the length or severity of this pandemic or the extent to which the disruption may materially impact its future financial statements through the distribution of intergovernmental revenues by the State of North Carolina, state and federal grant funding and collection of property and vehicle taxes and customer utility payments. The Town through executive order of the Governor suspended its cut-off policies for non-payment of utilities and extended payment options for its utilities customers. Subsequent to year end, the Town submitted a plan to the State of North Carolina to receive funds under the Coronavirus Relief Fund (CRF) in the amount of \$10,514 and thus far the Town has received \$5,860 of CRF passed through from Martin County. These funds have/will be spent on items to facilitate compliance with COVID-19 related public health measures.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

- Schedule of the Proportionate Share of Net Pension Liability (Asset) for Local Governmental Employees' Retirement System
- Schedule of Contributions to Local Governmental Employees' Retirement System
- Schedule of Changes in the Total OPEB Liability and Related Ratios

Town of Jamesville, North Carolina
Schedule of the Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Seven Fiscal Years*

Local Governmental Employees' Retirement System

	2020	2019	2018	2017	2016	2015	2014
Jamesville's proportion of the net pension liability (asset) (%)	0.00258%	0.00200%	0.00210%	0.00211%	0.00207%	-0.00207%	0.00210%
Jamesville's proportion of the net pension liability (asset) (\$)	\$ 70,459	\$ 47,448	\$ 32,083	\$ 44,782	\$ 9,290	\$ (12,208)	\$ 25,313
Jamesville's covered-employee payroll	\$ 161,018	\$ 171,414	\$ 149,240	\$ 144,440	\$ 134,242	\$ 130,391	\$ 126,661
Jamesville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	43.76%	27.68%	21.50%	31.00%	6.92%	-9.36%	19.98%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

Town of Jamesville, North Carolina
Schedule of Contributions
Required Supplementary Information
Last Seven Fiscal Years

Local Governmental Employees' Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 14,361	\$ 12,480	\$ 12,857	\$ 10,820	\$ 9,634	\$ 9,491	\$ 9,218
Contributions in relation to the contractually required contribution	14,361	12,480	12,857	10,820	9,634	9,491	9,218
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Jamesville's covered-employee payroll	\$ 160,461	\$ 161,018	\$ 171,414	\$ 149,240	\$ 144,440	\$ 134,242	\$ 130,391
Contributions as a percentage of covered-employee payroll	8.95%	7.75%	7.50%	7.25%	6.67%	7.07%	7.07%

Town of Jamesville, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Required Supplementary Information
June 30, 2020

Total OPEB Liability	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 14,417	\$ 19,017	\$ 21,343
Interest	18,857	15,823	13,570
Changes of benefit terms	-	-	-
Differences between expected and actual experience	856	46,517	(1,382)
Changes of assumptions	30,402	(32,686)	(39,878)
Benefit payments	(16,913)	-	-
Net change in total OPEB liability	<u>47,619</u>	<u>48,671</u>	<u>(6,347)</u>
Total OPEB liability, beginning of year	<u>493,142</u>	<u>444,471</u>	<u>450,818</u>
Total OPEB liability, end of year	<u><u>\$ 540,761</u></u>	<u><u>\$ 493,142</u></u>	<u><u>\$ 444,471</u></u>
Covered payroll	\$ 161,018	\$ 171,414	\$ 149,240
Total OPEB liability as a percentage of covered payroll	335.84%	287.69%	297.82%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2020	3.50%
2019	3.89%
2018	3.56%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Town of Jamesville, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes			
Taxes	\$	\$ 140,336	\$
Interest		3,525	
Total	142,028	143,861	1,833
Unrestricted intergovernmental			
Local option sales taxes		60,858	
Payment in lieu of taxes - outside sources		195	
Beer and wine tax		2,017	
Utilities and telecommunications sales tax		26,394	
ABC profit distribution		1,307	
Tax refunds		570	
Total	76,551	91,341	14,790
Restricted intergovernmental			
Powell Bill allocation		15,153	
Solid waste disposal tax		355	
Total	15,422	15,508	86
Permits and fees			
Business registration fees	30	30	-
Sales and Services			
Elections		25	
Cemetery lot sales		11,100	
Total	22,010	11,125	(10,885)
Investment earnings	5,694	5,658	(36)
Miscellaneous			
Miscellaneous revenue	1,624	1,722	98
Total revenues	263,359	269,245	5,886

continued

Town of Jamesville, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
General Government			
Administration			
Salaries and employee benefits		85,569	
Other operating expenses		51,706	
Herring Festival		600	
Professional fees		9,313	
Capital outlay		5,440	
Total general government	161,147	152,628	8,519
Transportation			
Streets and highways			
Street lights		14,454	
Salaries and employee benefits		16,771	
Capital outlay		982	
Repairs/maintenance/supplies		764	
Total transportation	33,772	32,971	801
Environmental protection			
Sanitation/Public Works			
Salaries and employee benefits		52,269	
Supplies and repairs		10,068	
Total sanitation	63,000	62,337	663
Cemetery			
Maintenance	700	629	
Total cemetery	700	629	71
Total environmental protection	63,700	62,966	734
Public safety			
Police			
Contracted services		8,775	
Total public safety	9,500	8,775	725
Total expenditures	268,119	257,340	10,779
Revenues over (under) expenditures	(4,760)	11,905	16,665
Other financing sources:			
Sale of capital assets	4,760	4,760	-
Net change in fund balance	<u>\$ -</u>	16,665	<u>\$ 16,665</u>
Fund balances, beginning		<u>552,427</u>	
Fund balances, ending		<u>\$ 569,092</u>	

Town of Jamesville, North Carolina
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues			
Water and sewer charges	\$	\$ 194,407	\$
Other operating revenues		1,219	
Total operating revenues	198,219	195,626	(2,593)
Non-operating revenues			
Interest on investments		2,225	
Total non-operating revenue	2,240	2,225	(15)
Total revenues	200,459	197,851	(2,608)
Expenditures			
Water and sewer administration			
Salaries and employee benefits		23,918	
Other operating expenses		12,303	
Total administration	38,138	36,221	1,917
Water and sewer treatment and distribution			
Salaries and employee benefits		84,686	
Electricity		15,513	
Supplies and repairs		18,784	
Other operating expenses		31,225	
Total treatment and distribution	161,471	150,208	11,263
Capital outlay	22,109	21,756	353
Total expenditures	221,718	208,185	13,533
Revenues over (under) expenditures	(21,259)	(10,334)	10,925

continued

Town of Jamesville, North Carolina
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Appropriated fund balance	21,259	-	(21,259)
<hr/>			
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ (10,334)	\$ (10,334)
<hr/> <hr/>			

**Reconciliation from budgetary basis
(modified accrual) to full accrual:**

Reconciling items

Capital outlay		21,756	
Depreciation expense		(20,742)	
Increase (decrease) in deferred outflows of resources - pensions		1,533	
(Increase) decrease in net pension liability		(9,665)	
(Increase) decrease in deferred inflows of resources - pensions		86	
(Increase) decrease in accrued compensated absences		(3,289)	
Increase (decrease) in deferred outflows of resources - OPEB		9,146	
(Increase) decrease in deferred inflows of resources - OPEB		4,030	
(Increase) decrease in OPEB liability		(20,000)	
<hr/>			
Total		(17,145)	
<hr/> <hr/>			
Change in net position		\$ (27,479)	
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OTHER SCHEDULES

This section contains additional information on property taxes.

-Schedule of Ad Valorem Taxes Receivable

-Analysis of Current Tax Levy

Town of Jamesville, North Carolina
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 145,416	\$ 127,442	\$ 17,974
2018-2019	12,114	-	3,538	8,576
2018-2019	7,903	-	3,401	4,502
2017-2018	4,757	-	1,796	2,961
2016-2017	3,216	-	1,290	1,926
2015-2016	2,597	-	985	1,612
2014-2015	2,504	-	1,226	1,278
2013-2014	2,112	-	960	1,152
2012-2013	884	-	-	884
2011-2012	742	-	-	742
2010-2011	938	-	938	-
	<u>\$ 37,767</u>	<u>\$ 145,416</u>	<u>\$ 141,576</u>	<u>41,607</u>
Less: allowance for uncollectible accounts:				
General Fund				13,008
Ad valorem taxes receivable – net				<u>\$ 28,599</u>
<u>Reconciliation with Revenues</u>				
Taxes – ad valorem- General Fund				\$ 143,861
Reconciling items:				
Taxes written off				938
Interest collected				(3,525)
Collections - prior years' taxes written off				43
Refunds				259
Subtotal				<u>(2,285)</u>
Total collections and credits				<u>\$ 141,576</u>

Town of Jamesville, North Carolina
ANALYSIS OF CURRENT TAX LEVY
TOWN-WIDE LEVY
For the Fiscal Year Ended June 30, 2020

	Town-Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy: Property taxed at current year's rate	\$ 19,923,014	\$ 0.73	\$ 145,438	\$ 120,090	\$ 25,348
Releases	<u>(3,014)</u>		<u>(22)</u>	<u>(22)</u>	<u>-</u>
Total property valuation	<u><u>\$ 19,920,000</u></u>				
Net levy			145,416	120,068	25,348
Unpaid (by taxpayer) taxes at June 30, 2020			<u>(17,974)</u>	<u>(17,569)</u>	<u>(405)</u>
Current year's taxes collected			<u><u>\$ 127,442</u></u>	<u><u>\$ 102,499</u></u>	<u><u>\$ 24,943</u></u>
Current levy collection percentage			<u><u>87.64%</u></u>	<u><u>85.37%</u></u>	<u><u>98.40%</u></u>