

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>Major Fund</u>	<u>Total Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Funds</u>	<u>Governmental</u>
			<u>Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 8,674,207	\$ 856,510	\$ 9,530,717
Receivables:			
Taxes Receivable - Net	401,437	-	401,437
Accounts Receivable	100,768	27,734	128,502
Due From Other Governments	1,898,358	6,750	1,905,108
Due From Component Unit	15,833	-	15,833
Due From Other Funds	429,937	-	429,937
Note Receivable - Wainman Homes	60,500	-	60,500
Inventories	432,174	-	432,174
Total Assets	<u>\$ 12,013,214</u>	<u>\$ 890,994</u>	<u>\$ 12,904,208</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 191,228	\$ 3,350	\$ 194,578
Retainage Payable	-	-	-
Due to Other Funds	-	350,000	350,000
Deposits	25,968	-	25,968
Unearned Revenues	331,020	-	331,020
Deferred Revenues	547,196	27,734	574,930
Total Liabilities	<u>1,095,412</u>	<u>381,084</u>	<u>1,476,496</u>
Fund Balances:			
Reserved For:			
State Statute	2,359,636	6,750	2,366,386
Inventories	432,174	-	432,174
Streets - Powell Bill	1,508,368	-	1,508,368
Unreserved:			
Designated for Subsequent Year's Expenditures	485,149	-	485,149
Undesignated	6,132,475	-	6,132,475
Unreserved, Reported in Nonmajor:			
Designated for Capital Projects	-	243,690	243,690
Special Revenue Funds	-	259,470	259,470
Total Fund Balances	<u>10,917,802</u>	<u>509,910</u>	<u>11,427,712</u>
Total Liabilities and Fund Balances	<u>\$ 12,013,214</u>	<u>\$ 890,994</u>	

Amounts reported for governmental activities in the statement of net assets (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	\$ 54,025,596	
Accumulated depreciation	<u>(28,687,855)</u>	25,337,741

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

6,321

Liabilities for earned but deferred revenues in fund statements.

574,930

Some liabilities, including bonds payable, accrued interest, pension and other postemployment benefits, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.

(3,941,855)

\$ 33,404,849

The Notes to Financial Statements are an integral part of these Statements.

CITY OF ASHEBORO, NORTH CAROLINA

Exhibit 4
(Page 1 of 2)

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2009

	<u>Major Fund</u> <u>General</u>	<u>Total Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Ad Valorem Taxes	\$ 11,531,005	\$ -	\$ 11,531,005
Other Taxes and Licenses	299,201	-	299,201
Intergovernmental Revenues:			
Unrestricted	6,233,867	-	6,233,867
Restricted	1,139,608	978,912	2,118,520
Permits and Fees	128,723	-	128,723
Sales and Services	1,532,697	-	1,532,697
Investment Earnings	205,532	-	205,532
Miscellaneous Revenue	299,217	5,044	304,261
Total Revenues	<u>21,369,850</u>	<u>983,956</u>	<u>22,353,806</u>
Expenditures:			
Current:			
General Government	2,796,054	-	2,796,054
Public Safety	9,410,152	5,711	9,415,863
Transportation	2,739,653	-	2,739,653
Environmental Protection	2,121,376	-	2,121,376
Cultural and Recreational	2,595,713	-	2,595,713
Economic and Physical Development	195,524	1,484,510	1,680,034
Debt Service	600,101	-	600,101
Capital Outlay	-	633,651	633,651
Total Expenditures	<u>20,458,573</u>	<u>2,123,872</u>	<u>22,582,445</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>911,277</u>	<u>(1,139,916)</u>	<u>(228,639)</u>
Other Financing Sources (Uses):			
Transfers From Other Funds	165,616	806,700	972,316
Transfers to Other Funds	(1,290,591)	(223,522)	(1,514,113)
Total Other Financing Sources (Uses)	<u>(1,124,975)</u>	<u>583,178</u>	<u>(541,797)</u>
Net Change in Fund Balances	<u>(213,698)</u>	<u>(556,738)</u>	<u>(770,436)</u>
Fund Balance Beginning of Year, July 1	<u>11,131,500</u>	<u>1,066,648</u>	<u>12,198,148</u>
Fund Balance End of Year, June 30	<u>\$ 10,917,802</u>	<u>\$ 509,910</u>	<u>\$ 11,427,712</u>

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CITY OF ASHEBORO, NORTH CAROLINA

Exhibit 4
(Page 2 of 2)

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2009

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

Net changes in fund balances - total governmental funds \$ (770,436)

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

Capital outlay expenditures which were capitalized	\$ 1,013,381	
Depreciation expense for governmental assets	<u>(2,013,213)</u>	(999,832)

Cost of capital assets disposed of during the year, not recognized on the modified accrual basis. (207,219)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Change in deferred revenues	54,187
Amount of donated assets	97,500

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 516,781

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.

Compensated absences	(50,610)
Net pension obligation	(42,113)
Other Postemployment Benefits	(278,446)
Accrued interest payable	<u>269</u>

Total changes in net assets of governmental activities \$ (1,679,919)

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STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2009

	General Fund			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Ad Valorem Taxes	\$ 11,210,554	\$ 11,190,854	\$ 11,531,005	\$ 340,151
Other Taxes and Licenses	275,000	294,700	299,201	4,501
Intergovernmental Revenues:				
Unrestricted	6,048,005	6,058,005	6,233,867	175,862
Restricted	972,412	973,292	1,139,608	166,316
Permits and Fees	355,300	355,308	128,723	(226,585)
Sales and Services	1,602,646	1,596,146	1,532,697	(63,449)
Investment Earnings	350,000	350,000	205,532	(144,468)
Miscellaneous Revenue	239,168	234,780	299,217	64,437
Total Revenues	21,053,085	21,053,085	21,369,850	316,765
Expenditures:				
Current:				
General Government	2,939,358	3,076,358	2,796,054	280,304
Public Safety	9,630,178	9,524,858	9,410,152	114,706
Transportation	2,953,854	2,857,154	2,739,653	117,501
Environmental Protection	2,408,763	2,408,763	2,121,376	287,387
Cultural and Recreational	2,704,367	2,717,957	2,595,713	122,244
Economic and Physical Development	207,200	207,200	195,524	11,676
Debt Service	573,332	573,062	600,101	(27,039)
Total Expenditures	21,417,052	21,365,352	20,458,573	906,779
Revenues Over (Under) Expenditures	(363,967)	(312,267)	911,277	1,223,544
Other Financing Sources (Uses):				
Transfers to Other Funds	(450,033)	(1,290,624)	(1,290,591)	33
Transfers From Other Funds	-	-	165,616	165,616
Lease Purchase Agreement Issued	171,000	171,000	-	(171,000)
Total Other Financing Sources (Uses)	(279,033)	(1,119,624)	(1,124,975)	(5,351)
Appropriated Fund Balance	643,000	1,431,891	-	(1,431,891)
Net Change in Fund Balance	\$ -	\$ -	(213,698)	\$ (213,698)
Fund Balance Beginning of Year, July 1			11,131,500	
Fund Balance End of Year, June 30			\$ 10,917,802	

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STATEMENT OF NET ASSETS

PROPRIETARY FUND

June 30, 2009

	Water and Sewer Fund
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 9,707,185
Accounts Receivable - Net	1,705,289
Due from Other Governments	15,659
Inventories	727,496
Deferred Charges	52,731
Total Current Assets	<u>12,208,360</u>
Noncurrent Assets:	
Restricted Assets:	
Cash and Cash Equivalents	<u>41,980</u>
Capital Assets:	
Land, Improvements and Construction in Progress	4,820,671
Other Capital Assets, Net of Depreciation	<u>42,446,600</u>
Total Capital Assets (Net)	<u>47,267,271</u>
Total Noncurrent Assets	<u>47,309,251</u>
Total Assets	<u>\$ 59,517,611</u>
Liabilities:	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 281,790
Retainage Payable	14,024
Due to Other Funds	79,937
Customer Deposits	350,512
Accrued Interest Payable	30,744
Compensated Absences - Current	121,575
General Obligation Bonds Payable - Current	901,725
Notes Payable State of North Carolina - Current	<u>643,703</u>
Total Current Liabilities	<u>2,424,010</u>
Noncurrent Liabilities:	
Liabilities Payable From Restricted Assets:	
Accounts Payable	41,980
Other Noncurrent Liabilities:	
Other Postemployment Benefits	65,314
Compensated Absences	200,849
General Obligation Bonds Payable - Noncurrent (Net)	3,460,932
Notes Payable State of North Carolina - Noncurrent	8,313,953
Unearned Revenues	<u>31,255</u>
Total Noncurrent Liabilities	<u>12,114,283</u>
Total Liabilities	<u>14,538,293</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	33,946,915
Unrestricted	<u>11,032,403</u>
Total Net Assets	<u>\$ 44,979,318</u>

The Notes to Financial Statements are an integral part of these Statements.

CITY OF ASHEBORO, NORTH CAROLINA

Exhibit 7

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUND TYPE

For the Year Ended June 30, 2009

	<u>Water and Sewer Fund</u>
Operating Revenues:	
Water Sales	\$ 5,822,017
Sewer Charges	4,151,151
Water and Sewer Taps	95,833
Sampling and Monitoring Fees	17,495
Surcharges	94,403
Septic Tank Discharge	33,865
Other Operating Revenues	<u>315,584</u>
Total Operating Revenues	<u>10,530,348</u>
Operating Expenses:	
Billing and Collections	330,219
Water Meter Operations	519,569
Water Supply Treatment	1,969,519
Wastewater Treatment	2,989,374
Water Maintenance	1,001,956
Wastewater Maintenance	1,220,907
Depreciation	<u>1,517,887</u>
Total Operating Expenses	<u>9,549,431</u>
Operating Income	<u>980,917</u>
Nonoperating Revenues (Expenses):	
Investment Earnings	182,114
Interest and Other Charges	(335,393)
Other Nonoperating Revenues	101,422
Amortization of Bond Issue Costs	<u>(11,288)</u>
Total Nonoperating Revenues (Expenses)	<u>(63,145)</u>
Income Before Contributions and Transfers	917,772
Capital Contributions	606,183
Transfers From Other Funds:	
From North Fayetteville Street Sidewalk Capital Project Fund	57,906
From General Fund	<u>483,891</u>
Change in Net Assets	2,065,752
Total Net Assets - Beginning of Year	<u>42,913,566</u>
Total Net Assets - End of Year	<u>\$ 44,979,318</u>

The Notes to Financial Statements are an integral part of these Statements.

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	<u>Water and Sewer Fund</u>
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 11,060,226
Cash Paid for Goods and Services	(4,246,894)
Cash Paid to Employees for Services	(4,117,616)
Customer Deposits Received	30,841
Other Operating Revenues	417,006
	<u>3,143,563</u>
Net Cash Provided by Operating Activities	
Cash Flows From Noncapital Financing Activities:	
Due to Other Funds	(524,477)
Transfers From Other Funds	541,797
	<u>17,320</u>
Total Cash Flows From Noncapital Financing Activities	
Cash Flows From Capital and Related Financing Activities:	
Acquisition of Capital Assets	(1,596,514)
Principal Paid on Bonds and Installment Purchase Agreements	(1,324,158)
Interest Paid on Bonds and Installment Purchase Agreements	(335,393)
Capital Contributions - Local	78,385
Proceeds From State Sewer/Water Loans	163,994
	<u>(3,013,686)</u>
Net Cash (Used) by Capital and Related Financing Activities	
Cash Flows from Investing Activities:	
Interest Earned on Investments	182,114
	<u>329,311</u>
Net Increase in Cash and Cash Equivalents	
Cash and Cash Equivalents at Beginning of Year	<u>9,419,854</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,749,165</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 980,917
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	1,517,887
Amortization of Deferred Loss on Refunding	31,742
Other Nonoperating Revenue	101,422
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	831,911
(Increase) in Inventory	(122,335)
(Decrease) in Accounts Payable and Accrued Liabilities	(330,093)
Increase in Customer Deposits	30,841
Increase in Accrued Compensated Absences	22,406
Increase in Other Postemployment Benefits	65,314
Increase in Deferred Revenues	13,551
	<u>2,162,646</u>
Total Adjustments	
Net Cash Provided by Operating Activities	<u>\$ 3,143,563</u>

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