

CITY OF BURLINGTON NORTH CAROLINA

"Connecting the Triad & Triangle"



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2010

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CITY OF BURLINGTON

FISCAL YEAR ENDED JUNE 30, 2010



CITY COUNCIL

RONNIE K. WALL, MAYOR
DAVID R. HUFFMAN, MAYOR PRO TEM
JAMES B. BUTLER, COUNCILMEMBER
CELO I. FAUCETTE, JR., COUNCILMEMBER
STEPHEN M. ROSS, COUNCILMEMBER

CITY MANAGER
HAROLD OWEN

DIRECTOR OF FINANCE AND RISK MANAGEMENT
PEGGY B. REECE, CPA

Prepared by the City of Burlington Finance Department

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CITY OF BURLINGTON

PRELIMINARY DRAFT

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FINANCE DEPARTMENT

October 13, 2010

The Honorable Mayor, Members of the City Council, and Citizens of the City of Burlington, North Carolina:

The *Comprehensive Annual Financial Report* of the City of Burlington, North Carolina, for the year ended June 30, 2010, is submitted for your review. This report was prepared by the City's Finance Department and it is the comprehensive publication of the City's financial position and results of operations for the fiscal year ended June 30, 2010, for all funds and the component unit of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with city management. To provide a reasonable basis for making these representations, we have established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Burlington's financial statements in conformity with generally accepted accounting principles (GAAP). Because the costs of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the data as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and component unit of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City is required by North Carolina General Statutes Section 159-34 to have an annual independent audit. A compliance audit on federal and state financial assistance programs is also required under the Federal Single Audit Act of 1984 and the U. S. Office of Management and Budget's Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and the State Single Audit Implementation Act. The City of Burlington's financial statements have been audited by Stout, Stuart, McGowen & King, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Burlington for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Burlington's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is included in the financial section of this report. In addition, the auditor's report, required as part of a single audit, is found in the Single Audit Section of this report. This report focuses not only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements involving the administration of state and federal awards.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form

of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Burlington's MD&A can be found immediately following the report of the independent auditor.

CITY PROFILE

The City of Burlington, incorporated on February 14, 1893, is located in the Piedmont Region of Central North Carolina along Interstate Highways 85/40. The City is the largest municipality in Alamance County, with a land area of 25.61 square miles and a population of 51,577. The City is empowered by statute to levy an annual ad valorem property tax on the appraised value of all real and tangible property except manufacturers, retailers and wholesalers inventory located therein. The City is also empowered by statute to extend its corporate limits by annexation. Since January 1980, the City has annexed 8.96 square miles, which includes its most recent annexations of 0.039 square miles. These annexations represent industrial and institutional properties. The City generally annexes on a voluntary basis.

The City of Burlington operates under the council-manager form of government. Policy-making and legislative authority are vested in the City Council, which consists of a mayor and four council members. The City Council members are responsible for the government and general management of the City, approve and amend all general and technical ordinances, including budgetary appropriations and construction and zoning ordinances, approve all contracts, and appoint the City Manager and City Attorney. Council members are elected at large to four-year staggered terms, and the Mayor is elected to a two-year term. The Mayor presides at all meetings of the City Council, and has the right to vote upon all issues, but has no additional vote in case of a tie and no veto power.

The City Manager is responsible for carrying out the policies and ordinances of the Council and administering the daily operations and programs of the City through appointed department heads and their staff members.

The City of Burlington provides a full range of services to its citizens, including police and fire protection, construction and maintenance of streets and other infrastructure, traffic control, recreational activities, cultural events, and sanitation in the form of solid waste collection. The City also owns and operates a cemetery and a golf course. In addition, the City operates a water treatment and distribution system, a sewer treatment and collection system, and a storm water fund.

The annual budget serves as the foundation for the City of Burlington's financial planning and control. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year for all funds for which an annual budget is required. Activities of the General Fund, Special Revenue Funds (except for Grant Project Funds), and Proprietary Funds are included in the annual appropriated budget. Project-length financial plans are adopted for Grant and Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by the department level within the funds. Any increase or decrease in the original budget as adopted must be approved by City Council. The City also maintains an encumbrance accounting system as one technique to accomplish budgetary control. Encumbered amounts lapse at year end; however, outstanding encumbrances generally are re-appropriated as part of the following year's budget. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund the budgetary comparison is presented in Exhibit 5, page 7, as part of the Basic Financial Statements pertaining to the governmental funds. For other governmental funds with annual and project-length budgets, detailed budget to actual comparisons are presented in the supplementary information subsection of this report, which starts on page 70.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burlington, North Carolina operates.

Local Economy

The City of Burlington's economy has remained fairly stable considering the surrounding county and national situation. The City is continuing cost-saving measures to reduce the impact of the economy. There have been no significant losses of businesses. While there has been closing of some small retail stores, there have also been openings of small businesses in the recent months. This past year has seen an increase in the water and sewer revenues due to two very different conditions. First, drought type conditions at certain times of the year, increased water sales to municipalities. Second, at other times of the year, heavier than normal rain falls, caused an increase in the inflow and infiltration treatment services to other municipalities that the City sells these services to. The City's largest employer, LabCorp, a provider of medical testing services, has been in their new \$18 million dollar corporate headquarters building in downtown Burlington for a year. Labcorp has also recently announced that they will be building a \$26 million addition to one of their current buildings, in order to consolidate services from outside locations into Burlington. Burlington Regional Airport is well under way with the runway extension project that will allow larger jets to land. The runway will extend from 5,000 to 7,000 feet. The City is participating in this expansion through its Economic Development Program. The airport is the new home of the World Headquarters of Honda Aero. Honda Aero builds jet engines for Honda aircraft as well as other aircraft. Phase I building at Honda Aero, which includes the administrative and manufacturing facility is nearly complete. Phase II construction will include a service center. Honda is investing over \$65 million in the facility. Other new developments in the area include another major retail development, Tanger Outlet that is approximately 10 miles east outside of Burlington but in Alamance County. It is projected to bring an additional \$7 million in annual sales tax revenue to the state of North Carolina, which the City of Burlington will also benefit from. Second, about 10 miles west, American Express has announced that they will be building a \$600 million data center, and a \$400 million back up data center close by. Shown below are the ten largest employers within the City of Burlington.

**City of Burlington, North Carolina
 Principal Employers
 June 30, 2010**

<u>Name of Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
LabCorp, Inc.	Medical supplies, services & facilities	3,300
Alamance-Burlington School Sys	Public Education	3,260
Alamance Regional Medical Center	Health Care	2,300
Walmart Stores, Inc.	Retail Sales	1,100
City of Burlington	Local Government	875
Kayser-Roth Corp	Textiles	380
Kernodle Clinic, Inc.	Health Care	325
American Multimedia, Inc.	Wholesale media	300
ITG	Textiles	250
Carolina Hosiery Mills, Inc.	Textiles	220

Source: Alamance County Area Chamber of Commerce - (336) 228-1338

Alamance County reached its peak unemployment in July 2009 as evidenced in the following statistics. The average unemployment rate in Alamance County for the nine months calendar-year-to-date is 12%, higher than the State and national rates of 10.8% and 9.0%, respectively. Despite these statistics, the City of Burlington ranked 33rd in a recent Forbes magazine analysis of ideal places to live for young professionals.

% Unemployment (Alamance County)

	<u>00</u>	<u>01</u>	<u>02</u>	<u>03</u>	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>	<u>10</u>		<u>00</u>	<u>01</u>	<u>02</u>	<u>03</u>	<u>04</u>	<u>05</u>	<u>06</u>	<u>07</u>	<u>08</u>	<u>09</u>
Jan	3.2	4.1	7.5	7.6	6.9	6.0	5.6	5.6	5.4	10.6	13.2	Jul	3.4	6.5	7.5	7.9	6.4	6.5	6.2	5.4	6.8	12.9
Feb	3.4	4.7	7.6	7.7	6.7	6.5	5.8	5.4	5.5	11.4	13.2	Aug	3.6	6.8	7.3	7.3	6.1	6.3	5.7	5.1	6.9	12.5
Mar	2.8	4.8	7.4	7.1	6.4	5.9	5.3	4.8	5.3	11.5	12.1	Sept	3.0	6.2	6.6	6.7	5.5	5.9	5.2	4.6	6.6	12.0
Apr	2.4	4.5	7.1	7.2	6.1	5.6	5.0	4.8	5.1	12.0	11.1	Oct	3.2	6.3	6.6	6.7	6.2	5.9	5.1	4.7	7.1	12.0
May	3.0	4.9	7.1	7.3	6.3	6.0	5.5	5.0	5.8	12.1	11.0	Nov	3.4	6.6	7.0	6.8	6.0	6.0	5.3	4.8	7.9	12.1
Jun	3.3	5.5	7.4	8.0	6.8	6.3	6.0	5.4	6.4	12.5		Dec	3.3	6.8	7.0	6.4	5.8	5.4	4.8	5.0	8.8	12.5

Source: Bureau of Labor Statistics

The following is a comparison of average annual unemployment rates (%) for the County, State and United States.

Comparison of average annual unemployment rates (%) for the County, State & US

<u>Year</u>	<u>County</u>	<u>State</u>	<u>US</u>
1998	2.9	3.4	4.5
1999	2.5	3.2	4.2
2000	3.5	3.6	4.0
2001	5.6	5.5	4.7
2002	7.1	6.7	5.8
2003	7.2	6.4	6.0
2004	6.2	5.4	5.5
2005	6.0	5.2	5.1
2006	5.5	4.8	4.6
2007	5.1	4.7	4.6
2008	6.6	6.3	5.8
2009	12.0	11.4	9.3
2010	*12.1	*11.6	*9.7

*Through May 2010

Source: Bureau of Labor Statistics

The City has maintained its stable financial condition in spite of the current downturn in the national economy. Revenues from building permits and fees for the current year are \$341,424, down approximately \$151,599 from the previous fiscal year, indicative of the current economic climate and the lack of credit available for development as in other areas of the state and the country as a whole. Commercial growth has slowed across the City, but still continues at a steady pace along the University Drive Corridor.

Located on the Interstate Highways 85/40, between the larger cities of Greensboro (to the west) and Raleigh (to the east), the City remains in an ideal position for growth. In addition, the Burlington Downtown Corporation, a component unit, has initiated a master plan for redevelopment of the downtown area. The Company Shops Market, a cooperatively owned, full-service

grocery store and café is in the middle of remodeling a building downtown, looking towards opening in the Spring of 2011. The Company Shops Market was also the sub-recipient of the Main Street Solutions Grant in the amount of \$298,460 to assist them with the \$2.3 million renovation project.

Alamance Crossing has built the first two phases of retail shops and restaurants. Located in the northeast quadrant of Interstate 85/40, more than 840,000 total square feet of new retail development is planned for the shopping center. Construction of the third and final phase has begun and will continue through calendar year 2011. The first two phases included retail stores such as Belks, JC Pennys, Dillard's, American Eagle, as well as several restaurants like Olive Garden, Red Robin, Texas Roadhouse, and Buffalo Wild Wings. The third phase is going to have Kohls, Dick's Sporting Goods and BJ's Wholesale Club. Limited commercial development has continued to develop along the University Drive corridor in commercial developments such as University Commons, Burlington Station, and Shoppes at Waterford.

New residential development has slowed across the City. Burlington is not immune to the effects of the recession that has hit the entire country as a whole. In the past two years, as with the rest of the nation, new development has been at a minimum. However, limited multi-family and residential developments have continued across the western portions of the City.

Long-term Financial Planning

(1) Water and Sewer Resources Issues/Stormwater Issues

The City has applied for funding through the American Recovery and Reinvestment Act of 2009. In fiscal year 2008-09, the City was awarded funding to install a rainwater-harvesting device at the John Robert Kernodle Senior Center to capture runoff for irrigation purposes.

The City (Engineering) has continued to administer construction contracts for the replacement of deteriorating two-inch water lines. This is an ongoing process for the water and sewer distribution systems.

The Geographic Information System (GIS) mapping of the City's water and sewer lines project began in Fiscal Year 2006-07 and has been completed. In the process, several buried manholes were located. This project is intended to more accurately tie locations of lines, valves, etc. to actual parcel maps, and store and retrieve this data through technology, rather than the older paper maps. The mapping will continue to be refined and updated.

The B. Everett Jordan Reservoir Water Supply Nutrient Strategy (also called the Jordan Lake Rules) is a comprehensive set of rules enacted by the North Carolina Environmental Management Commission and the North Carolina General Assembly in 2009. Jordan Lake Rules are regulations to remove excessive nutrients that result from runoff from treatment plants, agriculture, etc. from surface waters that feed into Jordan Lake and to minimize nutrient impact in an effort to restore water quality at Jordan Lake. The City anticipates issuing revenue bonds at the end of 2010 in order to make the changes necessary to both treatment plants to comply with the new Jordan Lake Rules.

Engineering studies have determined that both Lake Cammack Dam (built in 1961) and Stony Creek Dam (built in 1928) have the potential to be unstable during extreme storm events and the

spillway capacity does not meet current design standards for the Stoney Creek Dam. Proposed repairs for both dams involve the installation of a series of post-tensioned anchors installed by drilling vertically through the dam into the bedrock below the dam. The multiple anchors will provide required stability during the design storm. Additionally, it is proposed that the earthen embankments and abutments be reinforced/raised.

(2) ERP

Enterprise Resource Planning (ERP) is a financial and business computer system that integrates all departments and functions across the City with one single, powerful, yet easy to use, computer system. Due to constant changes in federal and state laws, as well as changes in the software environment, there will always be updates to our existing software that need to be implemented. The City is planning on installing three (3) more modules: TOP (Tyler Output Processor), Content Manager, and Web access for Licensing. Two of the three will assist the City with its paper storage/retrieval issues as they will allow near-paperless solutions for accounts payable, purchasing, accounting, human resources (various personnel records), etc. The City has also upgraded servers to enhance security, reliability and storage space.

(3) Capital Improvements

In keeping with the City's goal of reducing expenditures, several capital projects were delayed. The City has been awarded stimulus funds to install sidewalks on Piedmont Way and pedestrian walkways at Willowbrook Park in fiscal year 2009-2010.

Community Development Block Grant (CDBG) funds were used during the year for several projects meeting the requirements for use of those funds.

Housing Projects: The Housing Rehabilitation Program provided funds to correct Minimum Housing Code violations, to reduce lead-based paint hazards and to improve the energy efficiency in single-family dwellings occupied by low- and moderate-income households. As of June 30, 2010, the City completed the rehabilitation of eleven (11) owner-occupied houses. As a member of the HOME Program Consortium, the City in the past had conducted a homebuyer's assistance program using American Dream Down-payment Initiative (ADDI) funds. All the funds were expended in prior years except for the remaining County funds. Efforts were made to expend the remaining funds but no homebuyers qualified. The city will market the remaining funds for the upcoming fiscal year.

Public Facilities: In the five-year strategic plan, CDBG proposed to undertake one new public facility or infrastructure improvement project per year to ensure new or improved availability/access to a suitable living environment for low- and moderate-income area residents. During the program year, the City launched several projects that include the construction of sidewalks on Maple Avenue and Whitsett Street, pool upgrades and pump house repairs at City-owned North Park Pool, the installation of a new roof at Residential Treatment Services, and the purchase of new appliances for Family Abuse Services to upgrade kitchen appliances at its Transitional Housing Facility.

The CDBG Division also established multiple projects for the upcoming fiscal year 2010-11.

(4) Plans For Debt Issuance

There are plans to continue the annual installment purchase agreement that provides funding for approximately \$1 million in capital equipment in the General Fund that the City purchases each fiscal year. This policy allows for ongoing purchases of equipment without causing major fluctuations in each annual budget.

Cash Management Policies and Practices

Cash temporarily idle during the year was invested in certificates of deposit, high-quality commercial paper, and interest-bearing bank accounts. The maturities of the investments generally range from one hundred twenty-one days to seven hundred thirty-two days, with the average maturity being 328 days (about eleven months). Investment maturities continue to be kept short due to the uncertainty of interest rates. The average yield on the investments was 1.95%, with an amount of interest earned for the year of \$804,158. Despite the increase in the portfolio of approximately \$10.4 million, the amount of interest earned is a decrease from the previous year due to the record low interest rates. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Of the total bank balances of \$31,151,072, \$1,000,000 was covered by Federal Depository Insurance, and \$30,151,072 was collateralized by the Pooling Method. At June 30, Federal Depository Insurance covered all deposits of the component unit, Burlington Downtown Corporation.

Risk Management

The City of Burlington has a risk management program handled by the Director of Finance and Risk Management and the Human Resources Director. The City is partially self-insured for health benefits and workers compensation, and fully self-insured for dental benefits. In addition, the City is commercially insured for general liability, property loss, public officials liability, and law enforcement liability. The City continues to make a significant commitment to wellness to help minimize future health insurance costs. The City has previously interviewed and hired an independent consultant to assist in negotiating the most cost effective health and dental plans on an annual basis. The consultant also assists in determining the best voluntary plans to offer to employees. Likewise, due to the success in this philosophy, the City has taken a similar approach in selecting an independent broker who has been employed to get the best cost in general liability products for fiscal year 2010-2011. Additional information on the City of Burlington's risk management activity can be found in the Notes to the Financial Statements on pages 31-32.

Pension and Other Post-Employment Benefits

The City provides pension benefits for all permanent, full-time employees through the statewide Local Governmental Employees' Retirement System (LGERS), a multiple-employer, cost-sharing, defined benefit pension plan, administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Covered employees are required by State statute to contribute 6% of their salaries to LGERS. The City is required by State statute to contribute the remaining amounts necessary to pay benefits when due, based on an actuarially determined contribution requirement. The City of Burlington has no obligation in connection with benefits offered through this plan beyond its annual contractual payment to the State. Due to investment losses with the State Retirement Pension fund, the City's contribution increased by 1% over last

year's contribution percentage. The City has been advised that future increases are also likely.

The General Statutes of North Carolina require the City to provide a special separation allowance for law enforcement officers. Each year, an independent actuary calculates the amount of annual pension cost and the net pension obligation. The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund.

All law enforcement officers employed by the City participate in the State of North Carolina Supplemental Retirement Income Plan, a 401(k) defined contribution pension plan, administered by the State of North Carolina. The City is required to contribute 5% on each officer's salary to the plan. Law enforcement officers may make voluntary contributions to the plan. The City has elected to contribute to the Supplemental Retirement Income Plan for general employees in the amount of 5% of their salaries. Non-police employees may also make voluntary contributions to the plan.

The State of North Carolina contributes, on behalf of the City of Burlington, to the Firemen's and Rescue Squad Workers' Pension Fund, a cost-sharing, multiple-employer, defined benefit pension fund. The City does not contribute to the Fund, but has recognized on-behalf of payments for pension contributions made by the State as a revenue and expenditure of \$82,965.88 for the fiscal year ended June 30, 2010.

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City pays the amounts deferred by employees into accounts with third-party fiduciaries in accordance with IRS regulations.

The City provides post-employment health and dental care benefits to retirees of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System and have at least five years of creditable service with the City. To qualify for health benefits, these retirees must be under the age of sixty-five (65). Also the retirees may purchase coverage for their dependents (under age 65) at the City's group rates. When the retiree reaches age 65, he/she must leave the City's plan and go under Medicare. Any retiree's dependents covered, will lose their coverage, unless they elect to be placed on COBRA as per Federal law. Currently, 135 retirees are eligible for these post-employment benefits, which are financed on a pay-as-you-go basis. The Governmental Accounting Standards Board issued a statement (GASB 45) requiring governments to report a liability in the financial statements, in connection with an employer's obligation to provide these benefits. GASB 45 was implemented at the City of Burlington in this fiscal year and the net OPEB obligation is \$852,951.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burlington for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the eleventh consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles (GAAP) and applicable legal requirements.

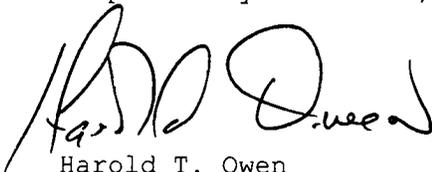
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement

Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

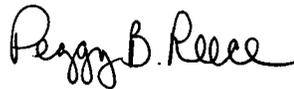
The preparation of this comprehensive annual financial report would not have been possible without the dedication and collective efforts of the entire staff of the Finance and Risk Management Department. We would like to take this opportunity to express gratitude to all members of the department for their efforts. In addition, it is also important to express appreciation to the City Department Heads who supply information regarding the numerous projects with which they are involved.

Finally, credit must be given to the Mayor and City Council members for their unflinching support and for maintaining the highest standards of professionalism and fiduciary responsibility in the management of the City of Burlington's finances.

Respectfully submitted,



Harold T. Owen
City Manager



Peggy B. Reece, CPA
Director of Finance & Risk Management

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Burlington
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



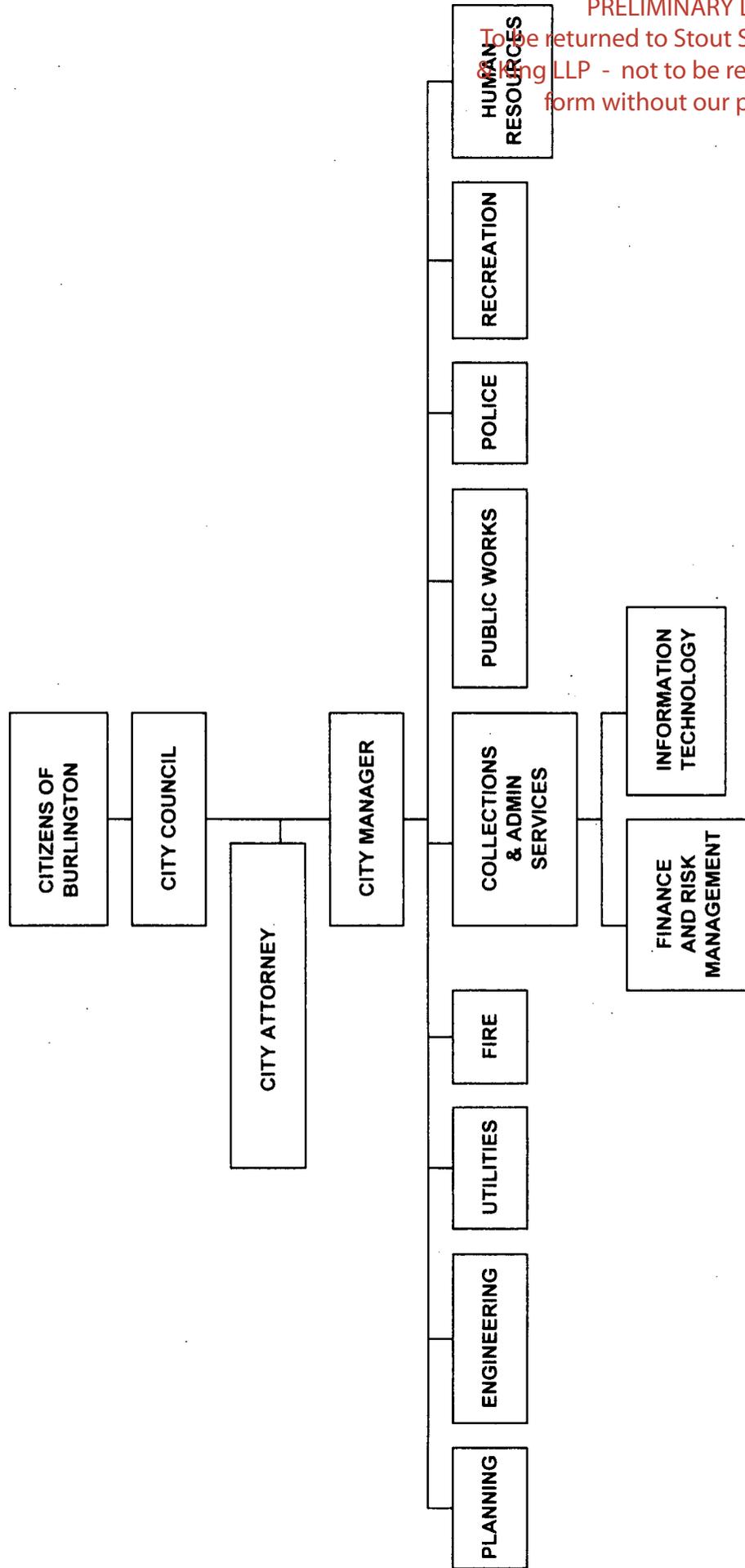
A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

CITY OF BURLINGTON, NORTH CAROLINA
ORGANIZATIONAL CHART



PRELIMINARY DRAFT
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CITY OF BURLINGTON

List of Principal Appointed Officials For the Fiscal Year Ended June 30, 2010

City Manager	Harold T. Owen
City Attorney	Robert M. Ward
Director of Administrative Services and Revenue Collections	Frank F. Hope, III
Utilities Director	Robert Patterson, Jr.
Human Resources Director	Aaron P. Noble, Jr.
Recreation and Human Services Director	Anthony G. Laws
Public Works Director	Nolan Kirkman
Director of Finance and Risk Management	Peggy B. Reece, CPA
Police Chief	Michael R. Williams
Fire Chief	Jay A. Smith
Director of Information Technology	Rodger Burden
City Engineer	Albert L. Rhew
City Planner	Robert R. Harkrader, III



*Certified
Public
Accountants*

*Advisors to
Management*

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The AICPA Alliance
For CPA Firms*

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e-mail: ssmk@ssmkllp.com*

INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Burlington, North Carolina as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City of Burlington, North Carolina's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of Burlington Downtown Corporation were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, North Carolina as of June 30, 2010, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison of the General Fund and the Capital Reserve Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 13, 2010 on our consideration of the City of Burlington's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and Schedule of Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the City of Burlington, North Carolina. The combining and individual fund statements, budgetary schedules and other schedules, as well as the accompanying schedule of expenditures of Federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules and the accompanying schedule of expenditures of Federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied by us in the audit of basic financial statements and, accordingly, we express no opinion on them.

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STOUT STUART MCGOWEN & KING LLP

October 13, 2010

City of Burlington, North Carolina

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Burlington, we offer readers of our financial statements this narrative overview and analysis of the financial activities of the City of Burlington for the fiscal year ended June 30, 2010. The Management's Discussion and Analysis (MD&A) section is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial condition, identify material deviations from the financial budget, and identify individual fund issues or concerns.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter, which can be found on pages i-ix of this report, and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

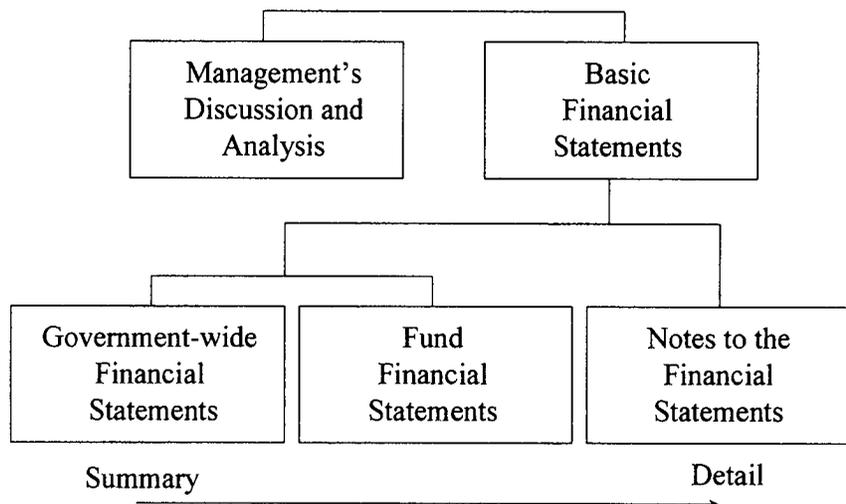
- The assets of the City of Burlington exceeded its liabilities at the close of the fiscal year ended June 30, 2010 by \$264,812,409 (net assets). Of this amount, \$71,773,646 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$10,692,492 (4.21%) compared to fiscal year 2009. The governmental net assets increased by \$4,640,666(4.25%), and the business-type net assets increased by \$6,051,826 (4.17%).
- During the year, the City's governmental expenses were \$44,602,994, an increase of \$1,547,375, while expenses in the business-type activities were \$19,078,046, a decrease of \$933,049.
- At the end of the fiscal year, the City of Burlington's governmental funds reported combined ending fund balances of \$60,941,346, an increase of \$4,101,625 in comparison with the prior year. Approximately \$8,356,723 (or 13.7%) is available for spending, with \$39,341,617 designated for specific purposes. For example, \$871,613 is externally restricted by nature of the Special Revenue Funds.
- At the end of the year unreserved fund balance for the general fund was \$8,356,723, or 19.5% of total general fund expenditures of \$42,917,904.
- The General Fund budget for fiscal year ending 6/30/10 was adopted with a \$.59 per \$100 assessed valuation tax rate, a decrease from \$.625 per \$100 in fiscal year 2008-2009. Even though there is a decrease in the tax rate, the rate represents a revenue neutral tax rate due to a slight increase in property values as a result of the revaluation performed by Alamance County, that is performed once every eight years.
- The City of Burlington's total long-term debt decreased \$1,316,252. There was a increase of (\$775,862) in the governmental activities as well as a decrease of (\$2,092,114) in the business-type.
- The City raised its bond rating with Standard & Poor's Corporation from AA- to AA while maintaining its A1 bond ratings from Moody's Investment Service.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Burlington's basic financial statements. The new financial statements, implemented in fiscal year 2003, are comprised of two kinds of statements that present different views of the City: (1) Government-Wide Financial Statements and (2) Fund Financial Statements. Both perspectives, however, are essential and complementary components that allow the user to address relevant questions, broaden a basis for comparison, and enhance the City's accountability. Another important element of the basic financial statements is the notes to the financial statements. This report also contains other supplementary information in addition to the basic statements that will enhance the reader's understanding of the financial condition of the City of Burlington. (See Figure 1 below.)

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 City's financial status.

The next statements (Exhibits 3 through 9) are the **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City'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 City's individual funds. Budgetary information required by the NC General Statutes also can be found in this part of the statements.

A. Government-wide financial statements

The government-wide financial statements report both short-term and long-term information about the financial condition of the City as a whole, focusing on the government's operational accountability. The accounting methods of these statements are similar to those of private sector companies in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government.

The *statement of net assets* reports the City's net assets and includes all, both current and non-current, assets and liabilities of the City. The difference between the two is reported as net assets. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods; for example, uncollected taxes and earned, but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the City of Burlington that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The government-wide financial statements of the City of Burlington are divided into three categories:

Governmental Activities: Most of the City's basic services are included here, such as police, fire, public works, sanitation, recreation, and general administration. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Business-type Activities: The City charges fees to customers to help cover the cost of certain services it provides. The City's water and sewer activities are included in this category.

Component Unit: The City includes one discretely presented component unit entity in its report. Financial information for the Burlington Downtown Corporation is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 1-3 (Exhibits 1 and 2) of this report.

B. Fund financial statements

A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Burlington, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements such as the General Statutes of North Carolina and the City's budget ordinance. The fund financial statements provide more detailed information about the City's major funds while focusing on the fiscal accountability, and are used to account for specific sources of funding such as those required by state law, bond covenants, and spending for particular purposes. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City'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 City's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Burlington adopts an annual appropriated budget for its General Fund, as required by the General Statutes of North Carolina. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City 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 City Council; (2) the final budget as amended by the City Council; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

The basic governmental fund financial statements can be found on pages 4-8 of this report.

Proprietary funds of two different types are maintained by the City of Burlington. *Enterprise funds* are used to report the same functions presented as business-type activities; that is, the water and sewer operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Burlington's various functions. The city uses internal service funds to account for

its self-insured dental, health, and workers' compensation benefits. Because these internal service funds benefit both governmental and business-type activities, they have been allocated to both based on their respective percentage of personnel costs (including fringe benefits) to total personnel costs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund and the Storm Water Fund, the only two enterprise fund operations of the City of Burlington.

The basic proprietary fund financial statements can be found on pages 9-12 of this report.

C. 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 can be found on pages 13-42 of this report.

D. Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Burlington, assets exceeded liabilities by \$264,812,409. The City's net assets increased by \$10,692,492 for the fiscal year ended June 30, 2010. However, the largest portion (56.5%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City of Burlington uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Burlington's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate those liabilities. An additional portion of the City of Burlington's net assets (16.43%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$8,356,723 is unrestricted/undesignated.

At the end of the current fiscal year, the City of Burlington is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Figure 2
City of Burlington's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
ASSETS						
Current and other assets	\$ 80,183,743	\$ 73,937,868	\$ 44,064,556	\$ 38,033,731	\$124,248,299	\$111,971,599
Capital assets	58,747,083	58,569,878	129,723,173	131,324,568	188,470,256	189,894,446
Total assets	<u>138,930,826</u>	<u>132,507,746</u>	<u>173,787,729</u>	<u>169,358,299</u>	<u>312,718,555</u>	<u>301,866,045</u>
LIABILITIES						
Current and other liabilities	7,161,110	6,534,094	4,325,533	3,982,583	11,486,643	10,516,677
Long-term liabilities:	18,082,218	16,926,820	18,337,285	20,302,631	36,419,503	37,229,451
Total liabilities	<u>25,243,328</u>	<u>23,460,914</u>	<u>22,662,818</u>	<u>24,285,214</u>	<u>47,906,146</u>	<u>47,746,128</u>
NET ASSETS						
Invested in capital assets, net of related debt	39,828,855	41,007,895	109,690,950	109,331,715	149,519,805	150,339,610
Restricted	30,330,078	26,384,988	13,188,880	12,414,038	43,518,958	38,799,026
Unrestricted	43,528,565	41,653,949	28,245,081	23,327,332	71,773,646	64,981,281
Total net assets	<u>\$113,687,498</u>	<u>\$109,046,832</u>	<u>\$151,124,911</u>	<u>\$145,073,085</u>	<u>\$264,812,409</u>	<u>\$254,119,917</u>

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

- The property tax rate was reduced to \$.59 per \$100 assessed valuation, which is the revenue neutral rate, due to the property revaluation performed by the Alamance County and effective January 1, 2009. The property tax base increased by 7.1%, which helped contribute to an increase of 2.74% in the total monies collected for property taxes in the General Fund.
- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 97.8%, which is slightly above the statewide average of 97.42%.
- The interest rates continued a further decline begun in prior years to the lowest rates seen in many years. The rates remained at this low point for the entire fiscal year. These low rates were the primary contributing factor to the City's approximately \$1,177,490 decrease in interest income from the City's investments for governmental activities, as well as a \$389,352 decrease in business type activities.
- Sales tax revenues, reversing trends from prior years, decreased by 6.2% over the prior year, due to the effects of the downturn in the economy.

The Capital Reserve Fund's Restricted Net Assets increased by \$1.9 million, from two sources, one being interest income earned and the second being a transfer from the General Fund. There were \$275,000 transfers out as the only expenses for this fund in the year ending June 30, 2010.

Figure 3

City of Burlington Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for services	\$ 6,989,290	\$ 7,033,538	\$22,786,328	\$20,843,932	\$29,775,618	\$27,877,470
Operating grants & contributions	4,052,652	3,716,104			4,052,652	3,716,104
Capital grants & contributions			1,352,089	3,744,889	1,352,089	3,744,889
General Revenues:						
Property taxes, levied for general purpose	25,790,731	24,116,052			25,790,731	24,116,052
Other taxes	8,539,976	9,335,642			8,539,976	9,335,642
Grants and contributions not restricted to specific programs						
Other	3,643,718	3,734,621			3,643,718	3,734,621
Other	490,030	1,840,514	728,718	775,992	1,218,748	2,616,506
Total Revenues	49,506,397	49,776,471	24,867,135	25,364,813	74,373,532	75,141,284
Expenses:						
General government	9,215,323	8,490,313			9,215,323	8,490,313
Public safety	19,012,031	18,063,290			19,012,031	18,063,290
Transportation	7,511,084	8,513,949			7,511,084	8,513,949
Economic and physical development	1,510,984	933,593			1,510,984	933,593
Cultural and recreation	6,566,740	6,311,568			6,566,740	6,311,568
Interest on long-term debt	786,832	742,906			786,832	742,906
Water and sewer			19,078,046	20,011,095	19,078,046	20,011,095
Total Expenses	44,602,994	43,055,619	19,078,046	20,011,095	63,681,040	63,066,714
Change in Net Assets before transfers	4,903,403	6,720,852	5,789,089	5,353,718	10,692,492	12,074,570
Transfers	(262,737)	188,515	262,737	(188,515)	-	-
Increase in net assets	4,640,666	6,909,367	6,051,826	5,165,203	10,692,492	12,074,570
Net assets-beginning Prior Period Adjustments	109,046,832	102,137,465	145,073,085	139,907,882	254,119,917	242,045,347
Net assets-beginning (re-stated)	109,046,832	102,137,465	145,073,085	139,907,882	254,119,917	242,045,347
Net assets-ending	113,687,498	109,046,832	151,124,911	145,073,085	264,812,409	254,119,917

Governmental activities

Governmental activities increased the City's net assets by \$4,640,666, thereby accounting for 43.4% of the total growth in the net assets of the City of Burlington. The increases came from the following funds:

- The Capital Reserve Fund's net assets increased approximately \$1.9 million, due to budgeted capital expenditures being delayed because of the economy. This represents 41.4% of the total increase in net assets for governmental activities.
- The City also has a capital project fund for the Recovery Economic Development Zone project, primarily paving streets, which had an increase of approximately \$1.5 million, 31.4% of the net assets for governmental activities.

- For all of the internal service funds, which are the Dental Self Insurance Fund, Workers Compensation Self Insurance Fund, and Group Health Self Insurance Fund, claims were less than expected and resulted in approximately \$410,000 increase in net assets. This represents 8.83% of the total increase in net assets for governmental activities.
- The final main contributing factor to the net increase in capital assets is from the increase in capital assets (net of depreciation) by approximately \$177,205.

Offsetting these increases are the following decreases:

- Charges for services decreased by \$44,248 in the General Fund. Recreation has seen a roughly 5.1% decrease in participation of their events. Sanitation also saw a decrease, albeit minimal of 4.9% in their services, attributed to the economy.
- Building permit fees continued with a decrease of 13.5%, over and above the 48.3% decrease in the prior year, which is indicative of the continued low number of permits issued compared with two years ago.
- Sales tax revenues decreased 9.9% in the General Fund, primarily due to the continuance of a sluggish economy that has hit the entire country with unemployment rates at all time highs.
- Interest earnings saw another major decline, decreasing 80.9% on top of the 32.8% decrease in the prior year, due to the unprecedented drop in interest rates from the prior year. Interest rates have hit a historical all time low, rates not seen since the 1920's.

Figure 4

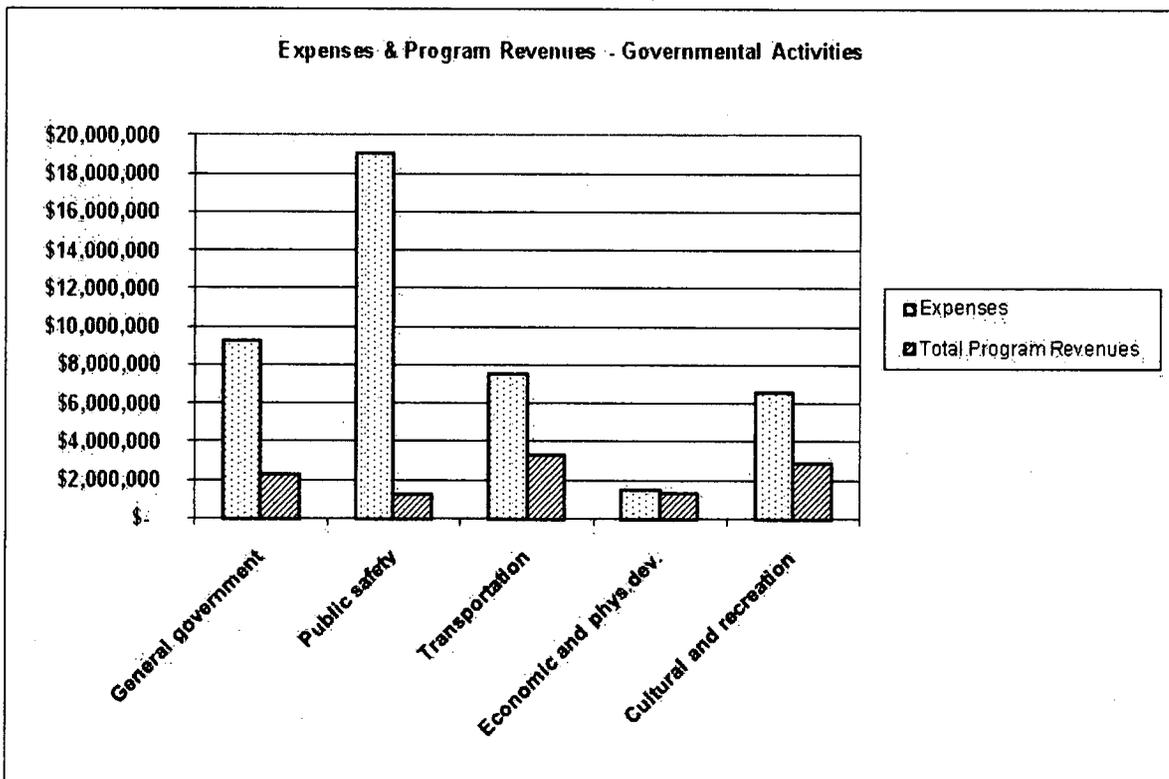
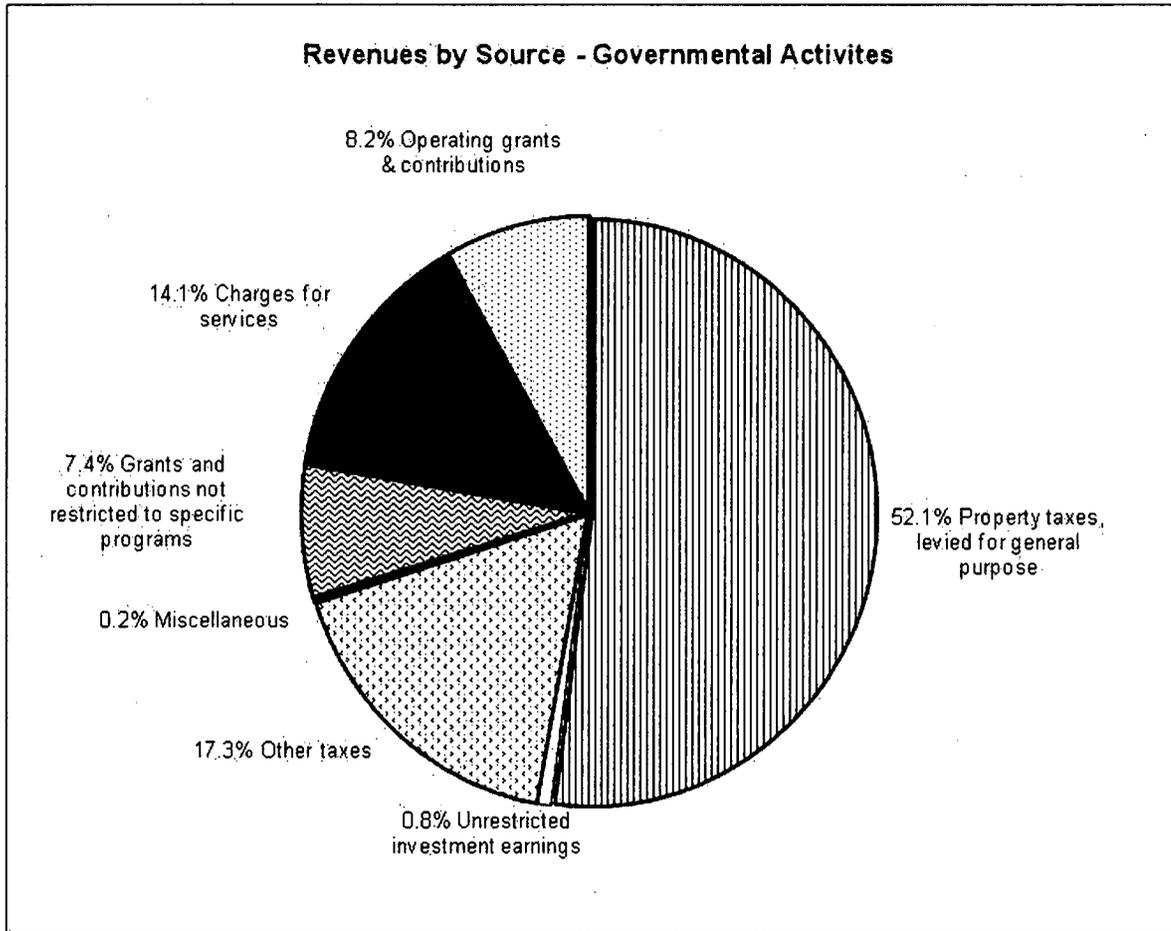


Figure 4 (continued)



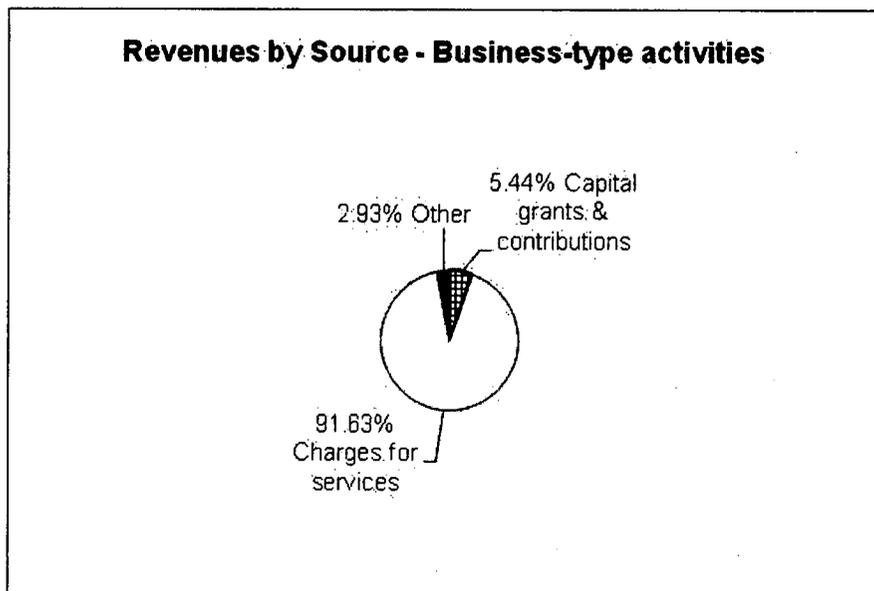
- Ad valorem taxes provided 52.1% of the revenues for governmental activities in the General Fund, with other taxes and charges for services providing 31.4% of revenues.
- Total expenses increased approximately \$1.5 million or 3.6%. With revenues decreasing \$270,000 or 0.5%, the total net asset increase was 4.3%. The largest portion (98%) of the expense increase was threefold, one being the effect of a 2.5% merit for police, which is part of a program put in place two years ago for officer retention which occurred in the General Fund. The second and third being the expenses incurred in two new capital project funds, one for several capital improvement projects for recreation in the total amount of \$250,000, and the other for the Recovery Zone Economic Development Bonds which is primarily for paving streets.

Business-type activities

Business-type activities increased the City of Burlington's net assets by \$6,051,826, accounting for 56.6% of the total growth in the government's net assets. Key elements of this increase are as follows:

- Charges for services were up over the prior year by \$1.9 million. This can be attributed to two primary factors. Sales to the City of Greensboro were approximately \$795,000 more than the prior year. Also, due to the significant amounts of rain, amounts charged to other municipalities due to inflow and infiltration was approximately \$954,000 more than the prior year.
- The Water Capital Reserve Fund and the Sewer Capital Reserve Fund net assets both increased by approximately \$910,000 and \$1.1 million respectively, due to budgeted capital expenditures being delayed due to the economy. This represents 37.0% of the total increase in net assets for business-type activities.
- The Stoney Creek and Lake Cammack Dams Project Fund net assets increased \$717,000 due to the fact that only professional services expenditures had been incurred by year end. This represents 11.85% of the total increase in net assets for business-type activities.
- The City received approximately \$341,000 in donated water and sewer lines from builders of housing developments that had been completed.
- The remainder of the increase in net assets for business-type activities was a combination of two items. First, a couple of capital projects were closed and the remaining funds were transferred back into the water and sewer fund. Second, expenditures were a approximately \$933,049 less than the prior year.

Figure 5



- In fiscal year 2009-2010, the Water & Sewer Fund saw a 0.5% decline overall in business type activities revenues. Three factors contributed to this decline. The first was due to significant amounts of rain in Burlington, which resulted in increases in inflow and infiltration being treated and thus, charges to municipalities was approximately \$954,000 more than the prior year. The second factor was due to an increase in sales of water to the City of Greensboro due to the demands of their customers. The third impact to revenue was a significant decrease

in interest income (60.9%) due to the extremely low interest rates as mentioned above.

- The City of Burlington instituted a rate increase for the 2009-2010 fiscal year in the Water & Sewer Fund. The rate increase amounted to approximately a 5.0% increase for water and sewer rates for all customers, inside and outside the corporate city limits. Even with these increases, Burlington's rates continue to remain below other cities with similar collection and distribution systems.
- Expenses decreased 4.66% overall primarily due to two factors, capital expenditures being held to a minimum in order to contain costs in the Water & Sewer Fund and vacant positions were frozen in order to help reduce costs. Expenditures for the storm water fund remained consistent with the prior year, except for capital costs. There were no capital expenses in the Storm Water fund for fiscal year 2009-2010.
- The City operates two enterprise funds, the Water & Sewer Fund that constitutes most of the business-type activities, and the Storm Water Fund. There is a small allocation of the internal service funds included in the business-type activities.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of the City of Burlington's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Burlington. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,356,723, while total fund balance reached \$31,807,559. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19.5% of total General Fund expenditures.

At June 30, 2010, the governmental funds of the City of Burlington reported a combined fund balance of \$60,941,346, a \$4,101,625 increase over last year. Key factors in the changes of the fund balances for the governmental funds are noted below:

- The capital reserve fund increased \$1.9 million, due to a contribution from the general fund and interest earnings from investments. This accounts for 46.8% of the total change in the combined fund balance for governmental funds.
- The Home Program fund received a new grant in the amount of \$190,529.
- The Community Development Block Grant Program received a new grant in the amount of \$576,626.
- The RICO fund received \$471,998 that was used for installing fiber optic lines to the training center on the outskirts of the City and for purchasing laptops and air cards for police vehicles.
- The Edward Byrne Justice Assistance Grant Fund received a new grant in the amount of \$416,704.

- The City also received an Energy efficiency grant in the amount of \$223,900.
- The \$676,607 increase in fund balance in the general fund is indicative of the management strategy employed by the City's top officials. Capital expenditures were limited to necessary items only; no merit increases were given except for police and department heads kept operational costs in line with prior years as well. Any increases in ad valorem taxes (\$863,520) were more than offset by the significant decrease in sales taxes (\$874,836), building permits (\$109,679) and interest earnings (\$645,183). The major savings from expenses came from \$1,123,316 in unspent personnel costs due primarily to unfilled positions that were frozen for the current year, \$1,258,000 in budgeted capital items not purchased, and \$192,000 in lower maintenance & repair expenses.

General Fund Budgetary Highlights. During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments 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.

Differences between the original budget and the final amended budget were approximately a \$3.88 million increase in appropriations, and the main items can be briefly summarized as follows:

- \$1,077,538 capital equipment financing consisting of a fire ladder truck (\$825,000), 20 police vehicles (\$190,538), an asphalt wagon (\$37,000), and various other purchased equipment (\$25,000)
- \$319,510 for projects carried forward from the prior year (10 vehicles in the amount of \$225,538, and \$40,000 for building maintenance are two of the main projects carried forward)
- \$473,015 grant programs for police
- \$18,873 donations and fees for recreation programs
- \$1,923,000 in year-end adjustments, fuel purchases for resale to Alameda County (\$500,000), operating transfers out (\$600,000), ERP project (\$250,000), transfer to workman's comp self insurance fund (\$300,000), contracted/professional services (\$100,000), personnel (\$50,000), on behalf of payments for fire & rescue (\$75,000), and other miscellaneous items (\$48,000).

Differences between the final amended budget and actual amounts can be briefly summarized as follows:

- Ad Valorem tax revenues were greater than final amended budgeted amounts due to a conservative estimate of a 95% collection rate rather than the actual 95.3% rate.
- Unrestricted intergovernmental fees were up by only \$122,185 (3.0%), partly due to higher than expected utility franchise taxes.
- Sales and services were \$227,825 (6.0%) over final amended budget primarily due to the sanitation fees bringing in more than expected.
- Investment interest actual earnings were \$102,348 (40.1%) below final amended budgeted revenues due to the continuance of record low interest rates.

- General government actual expenditures were \$3,825,502.66 (7.5%) under final amended budgeted expenditures due to budgeted expenses that were not incurred. Personnel costs (\$1,123,316) were lower than expected due to vacant positions that were frozen. Department heads were charged with reducing actual expenditures. As a result, the following are the major items that were under budget: departmental supplies (\$202,408), maintenance /repair and maintenance contracts (\$349,945), utilities (\$92,000), economic development (\$150,000), and operating transfers out (\$100,000). Also, capital costs (\$1,258,383) were lower than expected due to a ladder fire truck and police vehicles that were ordered but had not been delivered yet.

- Public works actual expenditures were \$1,190,461(11.4%)under final amended budgeted expenditures primarily due to a significant amount of resurfacing and patching that did not get accomplished (approximately \$415,107), and lower than expected labor costs (approximately \$419,000) due primarily to vacant positions that were frozen at the beginning of the fiscal year.

Proprietary funds. The City of Burlington's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net assets of the Water and Sewer Fund and Storm Water Fund combined at the end of the fiscal year amounted to \$27,842,817. The total growth in net assets was \$6,035,954. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Burlington's business-type activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Burlington's investment in capital assets for its governmental and business-type activities as of June 30, 2010, totals \$188,470,256 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles, among other types of assets. This investment represents a decrease of \$(1,424,190) or 0.75% over the prior year.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

Governmental activities:

- Streets and sidewalks increased \$564,202. This represents completion of routine maintenance and repaving of streets, sidewalks, and culverts.
- Construction in progress increased \$1.5 million due to the City being in the middle of paving streets financed through Recovery Zone Economic Development bonds. This project should be finished by June 30, 2011.
- Buildings increased \$312,216. This represents the maintenance and repairs to all the City buildings with the four primary repairs being the replacement of the amphitheater cover for approximately \$89,200, the replacement of a roof at the fire department headquarters for approximately \$67,460, improvements to a building to establish a spay & neuter clinic for approximately \$38,865, as well as the installing of fiber optic lines to the animal spay & neuter clinic for approximately \$28,140.

- Equipment increased \$205,050. The increases are due to expenditures for various computer hardware and software for approximately \$99,000, a generator for the municipal building for approximately 30,000, radio devices for hazard preparedness for approximately 25,540, and other miscellaneous items for the remaining \$50,510.
- Vehicles increased only \$390,374. The increase in vehicles is due to the approximately 10 vehicles purchased for police as part of the normal replacement rotation for approximately \$239,000, including a fullsize cargo van for animal control. There were also 7 trucks and 1 sedan purchased for approximately \$151,000. A ladder fire truck and a couple of large vehicles were ordered but did not come in prior to year end. Thus, the reason vehicle purchases are about \$1 million less than in prior years.
- The remaining increases/ decreases in equipment and vehicles represent the typical activity of acquisitions of new equipment to replace old discarded equipment.

Business-type activities:

- The \$1.4 million increase in water and sewer lines is attributed to the completion of several water and sewer lines. These items include water and sewer lines (\$526,000), a culvert (\$230,000), water and sewer taps (\$115,498), and an outfall (\$23,000). Lines donated to the City from developers of housing/commercial projects for the 2009-2010 fiscal year were valued at \$341,000.
- The increase in buildings is approximately \$183,000 which represents repairs to the current structures due the normal course of wear and tear.
- The remaining increases/ decreases in equipment and vehicles represent the typical activity of acquisitions of new equipment to replace old discarded equipment.
- No major demolitions were recorded this year.

Figure 6

**City of Burlington Capital Assets
 (net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 8,400,841	\$ 8,400,841	\$ 6,945,444	\$ 6,945,444	\$ 15,346,285	\$ 15,346,285
Buildings and system	26,934,120	27,550,200	54,990,964	56,971,162	81,925,084	84,521,362
Improvements other than buildings			65,535,208	65,924,714	65,535,208	65,924,714
Machinery and equipment	2,056,198	2,374,700	621,707	577,208	2,677,905	2,951,908
Infrastructure	16,283,111	16,377,889	-	-	16,283,111	16,377,889
Vehicles and motorized equipment	3,563,223	3,833,169	536,148	629,259	4,099,371	4,462,428
Construction in progress	1,509,590	33,079	1,093,702	276,781	2,603,292	309,860
Total	\$ 58,747,083	\$ 58,569,878	\$129,723,173	\$131,324,568	\$188,470,256	\$189,894,446

Additional information on the City's capital assets can be found in note III.A.4 of the Basic Financial Statements on pages 23-24.

Long-term debt. As of June 30, 2010, the City of Burlington had total bonded debt outstanding of \$25,813,812. This includes \$2.899 million of private activity bonds that is not shown on the table below. Of this amount, all is backed by the full faith and credit of the City.

Figure 7
City of Burlington's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 12,855,089	\$ 13,979,593	\$ 10,059,723	\$ 11,342,849	\$ 22,914,812	\$ 25,322,442
Revenue bonds	-	-	-	-	-	-
Total	\$ 12,855,089	\$ 13,979,593	\$ 10,059,723	\$ 11,342,849	\$ 22,914,812	\$ 25,322,442

The City of Burlington's total debt showed a net decrease of \$2,407,630 (9.5%) during the past fiscal year. The City issued \$1,325,622 in installment financings, bearing an interest rate of 2.05%, to acquire certain vehicles and other equipment for general government uses, to be paid back over a 3 year period. The decrease, net of the \$1,077,538 addition, represents the normal shrinkage in debt due to payments made throughout the year.

As mentioned in the financial highlights of this document, the City of Burlington's bond ratings was raised from AA- to AA for Standard & Poor's Corporation, while maintaining its A1 rating from Moody's Investor Services.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the City of Burlington is \$310,045,747. The City has no bonds authorized but un-issued at June 30, 2010.

Additional information regarding the City of Burlington's long-term debt can be found in note III.B.6, beginning on page 33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following key economic indicators reflect the challenges facing the City during these recessionary times.

- Steadily rising unemployment rate. From last year's average at 9.5%, the average rate has risen to 11.2% for Alamance County, in which the City of Burlington is located. The area compares unfavorably with the State 11.6% and US averages at 9.7%.
- Interest rates are at approximately 1.96%, a 12.8% decrease over last fiscal year. The City's average yield has decreased by 1.27% over last year, or 39.4%. Since no appropriated fund balance was used in 2009, the City's portfolio has remained stable. With the current national economy barely coming out of a recession, it is projected for the portfolio to produce a comparable amount of investment income in 2011 as it did in 2010. Retail sales are also down in 2010 due to the current sad state of the economy. Likewise, with the current state of the economy and the high unemployment in our area, there is expected to be a further decrease in sales tax for 2011, but not as great as the decrease from 2009 to 2010. Sales tax revenue for 2010 was \$7,888,998, a decrease of \$874,836, or 9.9% over 2009.

- Both residential and commercial developments have shown an increase from the prior year, from 241 permits issued in the prior year to 349 permits issued for the fiscal year ending 6/30/2010. Even though this reflects a 45% increase, the actual number of permits is still relatively low. Commercial development had a 84% decrease, with 82 permits issued in the prior year, and 151 permits issued for the fiscal year ending 6/30/2010. Both of these are signs that the economy is turning, albeit slowly, in the area.
- The City's largest taxpayer Laboratory Corporation has been in its new headquarters in downtown Burlington for one year. The organization already has approximately 19 facilities downtown and approximately 16 others inside Alamance County. They have recently announced that they are expanding an existing location within the City of Burlington in order to consolidate services from other locations outside the City. They are estimating the expansion to cost about \$26 million.

BUDGET HIGHLIGHTS FOR THE FISCAL YEAR ENDING JUNE 30, 2011

Governmental activities. Total revenues budgeted for the year ending 2011 will decrease by another \$246,521. This is on top of a \$617,953 decrease from the year before. Property taxes are projected at a \$167,869 increase due to only minimal increases in growth. Sales tax has been projected to decrease by another \$313,300 or 3.7% on top of the \$943,000 or 10% decrease in the prior year, due to the state of the economy in the area, and the nation as a whole. Interest earnings are projected to remain low, especially since the Federal Reserve Board has dropped the federal funds rate to 0.25%. No new programs were instituted in the 2011 budget. The City has begun to participate in performance measurement analysis. Specifically looking at indirect costs, performance measures validate that the dollar amount the general fund charges to the water and sewer fund for administrative charges is very reasonable.

Budgeted expenditures in the General Fund are projected to decrease by 0.5%, or \$246,521. The majority of the decrease is for two reasons, the amount budgeted for paving streets was cut by \$100,000 and operating transfers out budget has been reduced by \$156,000. Each department head in his/her respective department in the General Fund was charged with matching any budgeted increases in a specific department with corresponding decreases.

Business-type activities. Total revenue increased approximately \$1,198,120 over the previous fiscal year. Practically all of the increase is due to a 7% increase in both the water and sewer rates that will be used to cover the projected debt payments expected with the issuance of revenue bonds in fiscal year 2011. Both water and sewer rates are double the inside rate for customers outside the corporate limits of the City. In addition, the "municipal service rate" remains the same such that the rate is now 110% of the inside sewer rate, thereby assuring that inside City customers would be paying the lesser rate for their sewer service.

Operating expenses are also budgeted to increase by \$1,198,120, or 5.5%. The increases are primarily due to the projected debt payments that will occur with the issuance of revenue bonds in fiscal year 2011.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Burlington's finances for all those with an interest in the City's finances and its accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Burlington Finance & Risk Management Department, P. O. Box 1358, Burlington, North Carolina 27216-1358.

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**BASIC
FINANCIAL STATEMENTS**

City of Burlington, North Carolina
Statement of Net Assets
June 30, 2010

Exhibit 1

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	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Burlington Downtown Corporation
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 61,542,052	\$ 26,719,012	\$ 88,261,064	\$ 189,733
Taxes receivables (net)	2,346,560	-	2,346,560	-
Accrued interest receivable on taxes	554,703	-	554,703	-
Accounts receivable (net)	15,594,544	2,779,094	18,373,638	2,144
Internal balances	(402,264)	402,264	-	-
Inventories	-	791,954	791,954	-
Bond premium and fees	11,327	36,773	48,100	-
Prepaid items	-	3,600	3,600	-
Prepaid pension obligations	536,821	-	536,821	-
Restricted assets:				
Cash and cash equivalents	-	13,247,397	13,247,397	-
Accounts receivable	-	84,462	84,462	-
Total current assets	80,183,743	44,064,556	124,248,299	191,877
Noncurrent assets:				
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	9,910,431	8,039,146	17,949,577	-
Other capital assets, net of depreciation	48,836,652	121,684,027	170,520,679	-
Total capital assets	58,747,083	129,723,173	188,470,256	-
Total assets	\$ 138,930,826	\$ 173,787,729	\$ 312,718,555	\$ 191,877
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 3,078,548	\$ 217,730	\$ 3,296,278	\$ 631
Unearned revenue	529,931	1,174,163	1,704,094	-
Accrued interest payable	297,983	185,901	483,884	-
Customer deposit	-	499,288	499,288	-
Payable from restricted assets	-	142,979	142,979	-
Current portion of long-term liabilities	3,254,648	2,105,472	5,360,120	-
Total current liabilities	7,161,110	4,325,533	11,486,643	631
Noncurrent liabilities:				
Other postemployment benefits	716,479	136,472	852,951	-
Due in more than one year	17,365,739	18,200,813	35,566,552	-
Total noncurrent liabilities	18,082,218	18,337,285	36,419,503	-
Total liabilities	25,243,328	22,662,818	47,906,146	631
NET ASSETS				
Invested in capital assets, net of related debt	39,828,855	109,690,950	149,519,805	-
Restricted for:				
Capital projects	20,132,500	13,188,880	33,321,380	-
Public works	-	-	-	-
Public safety	730,637	-	730,637	-
Economic development	9,466,941	-	9,466,941	-
Cultural and recreation	-	-	-	-
Unrestricted	43,528,565	28,245,081	71,773,646	191,246
Total net assets	\$ 113,687,498	\$ 151,124,911	\$ 264,812,409	\$ 191,246

The notes to the financial statements are an integral part of this statement.

City of Burlington, North Carolina
Statement of Activities
For the Year Ended June 30, 2010

Exhibit 2
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Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 9,215,323	\$ 2,281,618	\$ 14,682	\$ -
Public safety	19,012,031	297,876	914,632	-
Public works	7,511,084	1,505,613	1,824,533	-
Economic and physical development	1,510,984	-	1,293,805	-
Cultural and recreation	6,566,740	2,904,183	5,000	-
Interest on long-term debt	786,832	-	-	-
Total governmental activities (See Note 1)	<u>44,602,994</u>	<u>6,989,290</u>	<u>4,052,652</u>	<u>-</u>
Business-type activities:				
Storm water	364,391	444,484	-	-
Water and sewer	18,713,655	22,341,844	-	1,352,089
Total business-type activities	<u>19,078,046</u>	<u>22,786,328</u>	<u>-</u>	<u>1,352,089</u>
Total primary government	<u>\$ 63,681,040</u>	<u>\$ 29,775,618</u>	<u>\$ 4,052,652</u>	<u>\$ 1,352,089</u>
Component unit:				
Burlington Downtown Corporation	\$ 140,971	\$ 128,570	\$ 85,244	\$ -
Total component units	<u>\$ 140,971</u>	<u>\$ 128,570</u>	<u>\$ 85,244</u>	<u>\$ -</u>

General revenues:

Taxes:

- Property taxes, levied for general purpose
- Local options sales tax
- Other taxes and licenses

Grants and contributions not restricted to specific programs

- Unrestricted investment earnings
- Miscellaneous

Transfers

- Total general revenues, special items, and transfers
- Change in net assets

Net assets-beginning

Net assets-ending

The notes to the financial statements are an integral part of this statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (6,919,023)		\$ (6,919,023)	\$ -
(17,799,523)		(17,799,523)	-
(4,180,938)		(4,180,938)	-
(217,179)		(217,179)	-
(3,657,557)		(3,657,557)	-
(786,832)		(786,832)	-
(33,561,052)	-	(33,561,052)	-
-	80,093	80,093	
-	4,980,278	4,980,278	
-	5,060,371	5,060,371	
\$ (33,561,052)	\$ 5,060,371	\$ (28,500,681)	\$ -
			72,843
\$ -	\$ -	\$ -	72,843
25,790,731	-	25,790,731	-
7,888,988	-	7,888,988	-
650,988	-	650,988	-
3,643,718	-	3,643,718	-
377,042	253,715	630,757	4
112,988	475,003	587,991	-
(262,737)	262,737	-	-
38,201,718	991,455	39,193,173	4
4,640,666	6,051,826	10,692,492	72,847
109,046,832	145,073,085	254,119,917	118,399
\$ 113,687,498	\$ 151,124,911	\$ 264,812,409	\$ 191,246

The notes to the financial statements are an integral part of this statement.

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City of Burlington
Balance Sheet
Governmental Funds
June 30, 2010

	MAJOR FUND		Total Non-Major Funds	Total Governmental Funds
	General	Capital Reserve Fund		
ASSETS				
Cash and cash equivalents	\$ 28,911,376	\$ 17,474,402	\$ 3,240,350	\$ 49,626,128
Receivables, net:				
Taxes	2,282,074	-	64,486	2,346,560
Accounts	5,469,149	45,106	2,587,384	8,101,639
Housing rehabilitation loans	-	-	2,486,609	2,486,609
Home incentive loans	-	-	4,730,685	4,730,685
Due from other funds	119,550	-	150,483	270,033
Total assets	\$ 36,782,149	\$ 17,519,508	\$ 13,259,997	\$ 67,561,654
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,138,637	\$ -	\$ 298,944	\$ 2,437,581
Due to other funds	139,412	-	140,789	280,201
Deferred revenue	2,166,610	-	1,205,985	3,372,595
Unearned revenue	529,931	-	-	529,931
Total liabilities	4,974,590	-	1,645,718	6,620,308
Fund balances:				
Reserved for:				
State statute	5,704,163	-	7,538,843	13,243,006
Unreserved Fund Balance:	8,356,723	-	-	8,356,723
Designated for subsequent year's expenditures:				
General Fund	17,746,673	-	-	17,746,673
Special Revenue Funds	-	17,519,508	1,462,444	18,981,952
Capital Projects Fund	-	-	2,612,992	2,612,992
Total fund balances	31,807,559	17,519,508	11,614,279	60,941,346
Total liabilities and fund balances	\$ 36,782,149	\$ 17,519,508	\$ 13,259,997	

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 costs - \$98,677,895 accumulated depreciation - (\$39,930,812.)	58,747,083
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred in the funds.	554,703
The pension assets resulting from contributions in excess of annual required contributions are not financial resources and therefore are not reported in the funds	536,821
Miscellaneous adjustments to net assets include investment income receivable and interest subsidy receivable	266,015
Other long-term debt (post employment benefits) are not due and therefore are not reported in the funds.	(716,479)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(402,264)
Liabilities for earned but deferred revenues in fund statements.	3,372,595
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.	11,294,720
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds. General obligation bonds-\$12,855,089 installment purchases-\$3,164,139, recovery zone economic development bonds-\$2,899,000, compensated absences-\$1,702,158, accrued interest-\$297,983 and bond issuance cost (\$11,327).	(20,907,042)
Net assets of governmental activities	\$ 113,687,498

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2010

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	Major Fund			Total Governmental Funds
	General Fund	Capital Reserve Fund	Total Non-Major Funds	
REVENUES				
Ad valorem taxes	\$ 24,724,373	\$ -	\$ 128,571	\$ 24,852,944
Other taxes and licenses	9,081,632	-	-	9,081,632
Unrestricted intergovernmental	4,040,185	-	258,049	4,298,234
Restricted intergovernmental	2,459,274	-	2,192,203	4,651,477
Permits and fees	700,723	-	-	700,723
Sales and services	4,012,940	-	33,589	4,046,529
Investment earnings	152,652	145,421	3,502	301,575
Miscellaneous	318,046	-	106,906	424,952
Total revenues	45,489,825	145,421	2,722,820	48,358,066
EXPENDITURES				
Current:				
General government	8,238,393	-	-	8,238,393
Public safety	17,790,343	-	794,230	18,584,573
Public works	6,924,894	-	-	6,924,894
Economic and physical development	-	-	1,522,589	1,522,589
Culture and recreation	5,320,276	-	177,903	5,498,179
Debt service:				
Principal	2,793,551	-	-	2,793,551
Interest and other charges	705,857	-	-	705,857
Capital outlay	1,144,590	-	1,803,763	2,948,353
Total expenditures	42,917,904	-	4,298,485	47,216,389
Excess (deficiency) of revenues over expenditures	2,571,921	145,421	(1,575,665)	1,141,677
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	96,000	2,050,000	579,287	2,725,287
Transfers to other funds	(3,068,852)	(275,000)	(398,025)	(3,741,877)
Issuance of private activity bonds (RZED)	-	-	2,899,000	2,899,000
Issuance of installment purchase	1,077,538	-	-	1,077,538
Total other financing sources (uses)	(1,895,314)	1,775,000	3,080,262	2,959,948
Net change in fund balance	676,607	1,920,421	1,504,597	4,101,625
Fund balances-beginning	31,130,952	15,599,087	10,109,682	56,839,721
Fund balances-ending	\$ 31,807,559	\$ 17,519,508	\$ 11,614,279	\$ 60,941,346

The notes to the financial statements are an integral part of this statement.

(continued)

City of Burlington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2010

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

Net changes in fund balances - total governmental funds \$ 4,101,625

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- (\$2,948,353) exceeded depreciation-(\$2,771,147) in the current period 177,206

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenue for economic development loans receivable	132,076
Change in deferred revenue for street assessments	3,000
Change in accrued interest receivable	(61,227)
Change in pension asset	937,787
Change in deferred revenue for tax revenues	97,777

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. (Issuance of debt- (\$3,976,538), principal expenditures- \$2,793,551, change in accrued interest payable- \$(83,927) and net change amortization \$2,952 and change in bond issuance cost (\$1,273)) (1,265,235)

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	404,171
Other post employment benefits	(280,339)

Net revenue of internal service funds determined to be governmental-type. 393,825

Total changes in net assets of governmental activities \$ 4,640,666

The notes to the financial statements are an intergral part of this statement.

City of Burlington
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$23,595,631	\$23,595,631	\$ 24,724,373	\$ 1,128,742
Other taxes and licenses	9,470,202	9,470,202	9,081,632	(388,570)
Unrestricted intergovernmental	3,918,000	3,918,000	4,040,185	122,185
Restricted intergovernmental	2,271,000	2,334,851	2,459,274	124,423
Permits and fees	810,916	810,916	700,723	(110,193)
Sales and services	3,543,180	3,609,685	4,012,940	403,255
Investment earnings	255,000	255,000	152,652	(102,348)
Miscellaneous	349,351	368,582	318,046	(50,536)
	<u>44,213,280</u>	<u>44,362,867</u>	<u>45,489,825</u>	<u>1,126,958</u>
Expenditures:				
Current:				
General government	9,179,793	9,505,443	8,296,483	1,208,960
Public safety	18,138,014	19,428,117	18,285,208	1,142,909
Public works	7,481,175	8,320,561	7,441,893	878,668
Cultural and recreation	5,489,565	5,761,524	5,394,912	366,612
Principal retirement	2,837,009	2,837,009	2,793,551	43,458
Interest and other charges	705,858	705,858	705,857	1
	<u>43,831,414</u>	<u>46,558,512</u>	<u>42,917,904</u>	<u>3,640,608</u>
Revenues over (under) expenditures	<u>381,866</u>	<u>(2,195,645)</u>	<u>2,571,921</u>	<u>4,767,566</u>
Other financing sources (uses):				
Transfers from other funds	-	96,000	96,000	-
Transfers to other funds	(2,018,852)	(3,168,852)	(3,068,852)	100,000
Installment Financing	-	1,077,538	1,077,538	-
	<u>(2,018,852)</u>	<u>(1,995,314)</u>	<u>(1,895,314)</u>	<u>100,000</u>
Revenues and other sources over (under)	<u>(1,636,986)</u>	<u>(4,190,959)</u>	<u>676,607</u>	<u>\$ 4,867,566</u>
Fund balances, beginning of year	<u>1,636,986</u>	<u>4,190,959</u>	<u>31,130,952</u>	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,807,559</u>	

The notes to the financial statements are an integral part of this statement.

City of Burlington
Capital Reserve Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2010

	Capital Reserve Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Investment earnings	-	-	145,421	145,421
Miscellaneous	-	-	-	-
	-	-	145,421	145,421
Expenditures:				
Current:				
General government	1,500,000	2,125,000	-	2,125,000
Public safety	-	-	-	-
Public works	-	-	-	-
Cultural and recreation	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	1,500,000	2,125,000	-	2,125,000
Revenues over (under) expenditures	(1,500,000)	(2,125,000)	145,421	2,270,421
Other financing sources (uses):				
Transfers from other funds	1,500,000	2,150,000	2,050,000	(100,000)
Transfers to other funds	-	(275,000)	(275,000)	-
Total other financing sources (uses)	1,500,000	1,875,000	1,775,000	(100,000)
Revenues and other sources over (under) expenditures and other uses	-	(250,000)	1,920,421	<u>\$ 2,170,421</u>
Fund balances, beginning of year	-	(250,000)	15,599,087	
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,519,508</u>	

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Net Assets
Proprietary Funds
June 30, 2010

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	Enterprise Funds			Governmental
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	Internal Service Funds
ASSETS				
Cash and cash equivalents	\$ 25,622,131	\$ 1,096,881	\$ 26,719,012	\$ 11,872,643
Accounts receivable (net) - billed	1,489,643	32,216	1,521,859	43,274
Accounts receivable (net) - unbilled	1,241,078	16,157	1,257,235	-
Due from other funds	-	-	-	10,168
Prepaid assets	3,600	-	3,600	9,596
Inventories	791,954	-	791,954	-
Bond premium and fees	36,773	-	36,773	-
Restricted assets:				
Cash and cash equivalents	13,247,397	-	13,247,397	-
Accounts receivable	84,462	-	84,462	-
Total current assets	42,517,038	1,145,254	43,662,292	11,935,681
Noncurrent assets:				
Capital assets:				
Land and other non-depreciable assets	8,039,146	-	8,039,146	-
Other capital assets, net of depreciation	121,567,174	116,853	121,684,027	-
Capital assets (net)	129,606,320	116,853	129,723,173	-
Total noncurrent assets	129,606,320	116,853	129,723,173	-
Total assets	\$ 172,123,358	\$ 1,262,107	\$ 173,385,465	\$ 11,935,681
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 403,631	\$ -	\$ 403,631	\$ 640,958
Due to other funds	-	-	-	-
Compensated absences - current	116,352	4,236	120,588	-
Customer deposits	499,288	-	499,288	-
Unearned revenue	1,174,163	-	1,174,163	-
General obligation bonds payable- current	1,242,384	-	1,242,384	-
COP's financing - current portion	710,000	-	710,000	-
Revolving loan	32,500	-	32,500	-
Liabilities payable from restricted assets:				
Accounts payable	142,979	-	142,979	-
Total current liabilities	4,321,297	4,236	4,325,533	640,958
Noncurrent liabilities:				
Other noncurrent liabilities:				
Other postemployment benefits	136,472	-	136,472	-
Compensated absences	148,084	5,390	153,474	-
General obligation bonds payable- noncurrent (net)	8,817,339	-	8,817,339	-
COP's financing - noncurrent	9,230,000	-	9,230,000	-
Total noncurrent liabilities	18,331,895	5,390	18,337,285	-
Total liabilities	22,653,192	9,626	22,662,818	640,958
NET ASSETS				
Invested in capital assets, net of related debt	109,574,097	116,853	109,690,950	
Restricted for Capital projects	13,188,880	-	13,188,880	
Unrestricted	26,707,189	1,135,628	27,842,817	11,294,723
Total net assets	\$ 149,470,166	\$ 1,252,481	150,722,647	\$ 11,294,723
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			402,264	
Net assets of business-type activities			\$ 151,124,911	

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Enterprise Funds			Governmental Activities-
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 22,362,699	\$ 444,484	\$ 22,807,183	\$ 4,963,707
Water and sewer taps	151,843	-	151,843	-
Total operating revenues	<u>22,514,542</u>	<u>444,484</u>	<u>22,959,026</u>	<u>4,963,707</u>
OPERATING EXPENSES				
Building and administrative	2,332,913	-	2,332,913	-
Customer services	1,027,989	354,014	1,382,003	-
Supervision - lines	232,304	-	232,304	-
Line maintenance and repairs	995,429	-	995,429	-
Line services and construction	417,318	-	417,318	-
Supervision - treatment	257,698	-	257,698	-
Water source of supply	216,515	-	216,515	-
Water plant operations	2,595,869	-	2,595,869	-
Sewage treatment plant operations	3,865,488	-	3,865,488	-
Laboratories	611,255	-	611,255	-
Plants maintenance	620,119	-	620,119	-
Lakes and marinas	336,216	-	336,216	-
Depreciation	4,226,967	10,377	4,237,344	-
Claims paid, excess loss coverage and claims administration	-	-	-	5,633,107
Total operating expenses	<u>17,736,080</u>	<u>364,391</u>	<u>18,100,471</u>	<u>5,633,107</u>
Operating income (loss)	<u>4,778,462</u>	<u>80,093</u>	<u>4,858,555</u>	<u>(669,400)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	239,936	13,779	253,715	136,712
Interest and other charges	(977,575)	-	(977,575)	-
Gain on disposal of capital assets	-	-	-	-
Other revenues	475,003	-	475,003	-
Total nonoperating revenue (expenses)	<u>(262,636)</u>	<u>13,779</u>	<u>(248,857)</u>	<u>136,712</u>
Income (loss) before contributions and transfers	4,515,826	93,872	4,609,698	(532,688)
Capital contributions	1,352,089	-	1,352,089	-
Transfers to other funds	(209,442)	-	(209,442)	-
Transfers from other funds	262,737	20,872	283,609	942,424
Change in net assets	5,921,210	114,744	6,035,954	409,736
Total net assets - beginning	<u>143,548,956</u>	<u>1,137,737</u>		<u>10,884,987</u>
Total net assets - ending	<u>\$ 149,470,166</u>	<u>\$ 1,252,481</u>		<u>\$ 11,294,723</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>15,872</u>	
Change in net assets - business-type activities			<u>\$ 6,051,826</u>	

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT¹¹
Exhibit 9
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	Enterprise Funds			Internal Service Funds
	Water and Sewer Fund	Non-Major Storm Water Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 22,317,618	\$ 444,783	\$ 22,762,401	\$ 5,067,301
Cash paid for goods and services	(7,988,123)	(29,313)	(8,017,436)	(5,211,662)
Cash paid to or on behalf of employees for services	(5,470,975)	(324,724)	(5,795,699)	(311,879)
Net change in customer deposits	21,222	-	21,222	-
Net cash provided by operating activities	<u>8,879,742</u>	<u>90,746</u>	<u>8,970,488</u>	<u>(456,240)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
(Increase) decrease in interfund payables	-	-	-	(436)
Transfers from other funds	262,737	20,872	283,609	942,424
Transfers to other funds	(209,442)	-	(209,442)	-
Total cash flows used by noncapital financing activities	<u>53,295</u>	<u>20,872</u>	<u>74,167</u>	<u>941,988</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(957,856)	-	(957,856)	-
Proceeds of COPS financing	65,000	-	65,000	-
Principal paid on COPS financing	(710,000)	-	(710,000)	-
Principal paid on bond maturities	(1,283,450)	-	(1,283,450)	-
Interest and fees paid on debt maturities	(1,007,385)	-	(1,007,385)	-
Other capital revenues	475,003	-	475,003	-
Net cash used by capital and related financing activities	<u>(3,418,688)</u>	<u>-</u>	<u>(3,418,688)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	344,409	28,979	373,388	136,712
Net increase in cash and cash equivalents	5,858,758	140,597	5,999,355	622,460
Balances-beginning of the year	33,010,770	956,284	33,967,054	11,250,183
Balances-end of the year	<u>\$ 38,869,528</u>	<u>\$ 1,096,881</u>	<u>\$ 39,966,409</u>	<u>\$ 11,872,643</u>
Reconciliation of Cash and Cash Equivalents:				
Cash and Cash Equivalents - Current	\$ 25,622,131	\$ 1,096,881	\$ 26,719,012	\$ 11,250,183
Cash and Cash Equivalents - Restricted	13,247,397	-	13,247,397	-
Total Cash and Cash Equivalents - June 30, 2008	<u>\$ 38,869,528</u>	<u>\$ 1,096,881</u>	<u>\$ 39,966,409</u>	<u>\$ 11,250,183</u>

(continued)

The notes to the financial statements are an integral part of this statement.

City of Burlington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2010

Exhibit 9
(continued)

	Water and Sewer Fund	Non-Major Storm Water Fund	Total	Internal Service Fund
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 4,778,462	\$ 80,093	\$ 4,858,555	\$ (669,400)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	4,226,967	10,377	4,237,344	-
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(201,477)	298	(201,179)	148,036
Decrease in inventory	44,637	-	44,637	-
Increase in prepaid asset	-	-	-	(9,596)
Increase (decrease) in accounts payable and accrued liabilities	81,065	(22)	81,043	74,720
Increase (decrease) in accrued vacation pay	(131,484)	-	(131,484)	-
Increase in accrued OPEB liability	60,350	-	60,350	-
Increase in customer deposits	21,222	-	21,222	-
Total adjustments	4,101,280	10,653	4,111,933	213,160
Net cash provided by operating activities	<u>\$ 8,879,742</u>	<u>\$ 90,746</u>	<u>\$ 8,970,488</u>	<u>\$ (456,240)</u>
Noncash investing, capital, and financing activities:				
Donated water and sewer lines	<u>\$ 341,182</u>	<u>\$ -</u>	<u>\$ 341,182</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2010

I. Summary of Significant Accounting Policies:

The accounting policies of the City of Burlington and its discretely presented component unit 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 City of Burlington is a municipal corporation that is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The discretely presented component unit presented below is reported in a separate column in the City's financial statements in order to emphasize that it is legally separate from the City.

Burlington Downtown Corporation

The Burlington Downtown Corporation exists to promote economic and physical development in the downtown area. The Corporation is financed primarily by proceeds of property taxes levied on the Downtown Special Tax District by the City Council of the City of Burlington. The Corporation has a separate board that governs its operations. The City approves the annual budget of the Burlington Downtown Corporation. The Corporation, which has a June 30 year-end, is presented as if it were a governmental fund. Complete financial statements for this component unit may be obtained from the Burlington Downtown Corporation, P.O. Box 761, Burlington, NC 27216.

B. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government and its component unit. 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 City. 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 City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

I. Summary of Significant Accounting Policies: (continued)

Fund Financial Statements: The fund financial statements provide information about the City'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 non-operating revenues are ancillary activities such as investment earnings.

The City reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the City. 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 public safety, public works, recreation, and general government services.

Capital Reserve Special Revenue Fund. This fund is used to account for funds reserved for future capital projects.

The City reports the following non-major governmental funds:

Special Revenue Funds. The Special Revenue funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City has eighteen Special Revenue Funds: the Community Development Fund, the Rehabilitation Loan Program Fund, the Rental Rehabilitation Loan Program Fund, the Downtown Special Tax District Fund, the Home Program Project Fund, the RICO Fund, the Controlled Substance Tax Fund, the MPO Planning Transportation Fund, the Governor Highway Safety Grant Project Fund, the Energy Efficiency Conservative Fund, the Guilford Mackintosh Fund, the Weed & Seed Fund Grant Program, the Medicare Part D Grant Project Fund, the Edward Bryne Justice Assistance Grant Fund, the Gang Investigator Grant Fund, the Fit Community Grant Fund, Governor Crime Commission Project Safe Neighborhood Grant Fund and the AU Hazard Preparedness Grant – Lake Cammack.

Capital Projects. The Capital Project Fund is used to account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed in the enterprise fund) and infrastructure. The city has 9 projects at this time.

The City reports the following major enterprise fund:

Water and Sewer Fund. This fund is used to account for operations and maintenance of the water and sewer system, which includes operation of 2 waste water treatment facilities and 2 water treatment plants. This fund also covers acquisition and/or construction of major utility capital facilities and infrastructure projects, sewer projects and utility capital reserve. This is the City's only enterprise fund.

I. Summary of Significant Accounting Policies: (continued)

The City reports the following non-major enterprise fund:

Storm Water Fund. This fund is used to account for the federally mandated program of storm water system management, which is supported by a city-wide storm water fee.

The City reports the following fund type:

Internal Service Fund. The Internal Service Funds account for the general insurance program of the City. The City of Burlington has three Internal Service Funds: the Dental Self-Insurance Fund, the Workers Compensation Self-Insurance Fund, and the Group Health Benefits Self-Insurance Fund.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City 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 City 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 City enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered

I. Summary of Significant Accounting Policies: (continued)

motor vehicles in North Carolina. Effective with this change in the law, Alamance County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City of Burlington. For motor vehicles registered under the staggered system, property taxes are due on the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the City's vehicle taxes for vehicles registered in Alamance County from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

As permitted by generally accepted accounting principles, the City has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

D. Budgetary Data

The City'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. An annual budget is also adopted for the following Special Revenue and Capital Project Funds: Rehabilitation Loan Program Fund, Rental Rehabilitation Loan Program Fund, Downtown Special Tax District Fund, Rico Fund, Guilford Mackintosh Fund, Controlled Substance Tax Fund, MPO Planning Transportation Fund, Capital Reserve Fund, and Drainage Improvement Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for all other Special Revenue and Capital Projects Funds. The City's Dental Self Insurance Fund, Workers Compensation Self Insurance Fund and Group Health Benefits Self Insurance Fund, intragovernmental service funds, operate under financial plans that were adopted by the governing board at the time the City's budget ordinance was approved, as is required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the Council. 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.

I. Summary of Significant Accounting Policies: (continued)

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the City and the Burlington Downtown Corporation are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City and the Burlington Downtown Corporation may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City and the Burlington Downtown Corporation 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 City and the Burlington Downtown Corporation 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 (NCCMT). The City's and the Burlington Downtown Corporation's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT – Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities are valued at fair value.

In accordance with State law, the City has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Burlington Downtown Corporation considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2009. As allowed by State law, the City has established a schedule of discounts that apply to taxes paid prior to the due date. In the City's General Fund and Downtown Special Tax District Fund, ad valorem tax revenues are reported net of such discounts.

I. Summary of Significant Accounting Policies: (continued)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.

6. Inventory

The inventories of the City are valued at cost (first-in, first-out), which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures when used rather than when purchased.

The inventories of the City's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government wide and fund financial statements and expensed as the items are used.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$5,000; vehicles and motorized equipment, \$10,000; and computer equipment, \$500. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement 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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Buildings	40
Improvements	40
Vehicles	7
Furniture and equipment	10
Computer equipment	5

I. Summary of Significant Accounting Policies: (continued)

8. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Compensated Absences

The vacation policies of the City and the Burlington Downtown Corporation provide for the accumulation of up to forty-eight (48) days earned but unused annual leave, which would be paid to employees upon separation from the City. For the City'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 City has assumed a first in, first out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

Both the City and the Burlington Downtown Corporation's sick leave policies provide 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 neither the City nor the Burlington Downtown Corporation has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Assets/Fund Balances

Net Assets

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

Fund Balances

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

I. Summary of Significant Accounting Policies: (continued)

The governmental fund types classify fund balances as follows:

Reserved:

Reserved for inventories – portion of fund balance that is not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

Reserved for encumbrances – portion of fund balance available to pay for commitments related to purchase orders or contracts which remain unperformed at year-end.

Reserved by State statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

Reserved for streets – Powell Bill – portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Unreserved:

Designated for subsequent year's expenditures – portion of the total fund balance available for appropriation has been designated for the adopted 2010-2011 budget ordinance.

Undesignated – portion of total fund balance available for appropriation that is uncommitted at year-end.

11. Accounting Changes and Reclassifications

The City adopted GASB Statement 43, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans (OPEB). The City's plan is pay as you go and they have recognized the unpaid premium as a liability in the Statement of Net Assets.

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the year ended June 30, 2010, the Dental Insurance Fund had expenditures that exceeded the authorized appropriated amounts made by the governing board by \$30,764. The over-expenditure occurred because claims were paid during the year and an adjustment to the financial plan was not made. Management and Board will more closely review budget reports to ensure compliance in future years.

III. Detail Notes on All Funds:A. Assets1. Deposits

All the deposits of the City and the Burlington Downtown Corporation 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 City's and Burlington Downtown Corporation's agents in these units' names. 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 City and the Burlington Downtown Corporation, these deposits are considered to be held by the City's and the Burlington Downtown Corporation's agents in their names. 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 City, the Burlington Downtown Corporation, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City and the Burlington Downtown Corporation 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 City 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 City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Burlington Downtown Corporation's deposits are all insured.

At June 30, 2010, the City's deposits had a carrying amount of \$31,910,948 and a bank balance of \$31,151,072. Of the bank balance, \$1,000,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the Burlington Downtown Corporation was \$189,733 and the bank balance was \$163,838. All of the bank balance was covered by federal depository insurance. At June 30, 2010, the City's petty cash fund totaled \$4,930.

2. Investments

At June 30, 2010, the City's investments were as follows:

Investment Type	Fair Value	Maturity	Rating
Commercial Paper – General Electric	32,083,689	various	A-1+
NC Capital Management Trust – Cash Portfolio	28,722,546	N/A	AAAm
NC Capital Management Trust – Term Portfolio	8,786,348	0.9 years	Unrated
Total:	\$ 69,592,583		

III. Detail Notes on All Funds: (continued)

Interest Rate Risk. The City has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's internal investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

Credit Risk. The City has no formal policy regarding credit risk, but has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in the NC Capital Management Trust Cash Portfolio is rated AAAM by Standard and Poor's as of June 30, 2010. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The City's investments in U.S. Agencies (Federal Home Loan Bank) are rated Aaa by Moody's Investor Service and AAA by Standard and Poor's.

Custodial Credit Risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has no formal policy on custodial credit risk, but management procedures are that the City shall utilize a third party custodial agent for book entry transactions, all of which shall be held in the City's name.

3. Receivables

The amount of taxes receivable presented in the Balance Sheet and the Statement of Net Assets includes penalties levied and outstanding in the amount of \$37,003.

The amounts presented in Balance Sheet and the Statement of Net Assets are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>6/30/10</u>
General Fund:	
Taxes receivable	\$ 500,692
Solid Waste receivables	388,515
Special Revenue Funds:	
Rehabilitation Loan Program Fund:	
Rehabilitation Loans	110,430
Home Incentive Loans	6,512
Rental Rehabilitation Loan Program Fund:	
Rehabilitation Loans	24,757
Downtown Special Tax District Fund:	
Taxes Receivable	44,289
Home Program Fund:	
Home Incentive Loans	240,245
Enterprise Fund:	
Water and Sewer Fund:	
Utility Receivables	<u>64,503</u>
Total	<u>\$ 1,379,943</u>

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III. Detail Notes on All Funds: (continued)

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2010, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	8,400,841	\$ -	\$ -	\$ 8,400,841
Construction in progress	<u>33,079</u>	<u>1,506,096</u>	<u>29,585</u>	<u>1,509,590</u>
Total capital assets not being depreciated	<u>8,433,920</u>	<u>1,506,096</u>	<u>29,585</u>	<u>9,910,431</u>
Capital assets being depreciated:				
Buildings	41,220,080	312,216	-	41,532,296
Streets and sidewalks	27,540,335	564,202	-	28,104,537
Equipment	6,685,831	205,050	9,495	6,881,386
Vehicles	<u>12,132,965</u>	<u>390,374</u>	<u>274,094</u>	<u>12,249,245</u>
Total capital assets being depreciated	<u>87,579,211</u>	<u>1,471,842</u>	<u>283,589</u>	<u>88,767,464</u>
Less accumulated depreciation for:				
Buildings	13,669,880	928,296	-	14,598,176
Streets and sidewalks	11,162,446	658,980	-	11,821,426
Equipment	4,311,131	523,552	9,495	4,825,188
Vehicles	<u>8,299,796</u>	<u>660,320</u>	<u>274,094</u>	<u>8,686,022</u>
Total accumulated depreciation	<u>37,443,253</u>	<u>2,771,148</u>	<u>283,589</u>	<u>39,930,812</u>
Total capital assets being depreciated, net	<u>50,135,958</u>			<u>48,836,652</u>
Governmental activity capital assets, net	<u>\$58,569,878</u>			<u>58,747,083</u>

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

General government	\$ 691,228
Public safety	497,586
Public works	611,960
Cultural and recreational	<u>970,374</u>
Total depreciation expense	<u>\$ 2,771,148</u>

III. Detail Notes on All Funds: (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Storm Water Fund				
Capital assets being depreciated:				
General equipment	\$ 142,919	\$ -	\$ -	\$ 142,919
Total capital assets being depreciated	142,919	-	-	142,919
Less accumulated depreciation for:				
General equipment	15,689	10,377	-	26,066
Total accumulated depreciation	15,689	\$ 10,377	\$ -	26,066
Total capital assets being depreciated, net	127,230			116,853
Storm water fund capital assets, net	127,230			116,853
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	6,945,444	-	-	6,945,444
Construction in progress	276,781	816,921	-	1,093,702
Total capital assets not being depreciated	7,222,225	816,921	-	8,039,146
Capital assets being depreciated:				
Water and sewer lines	96,517,405	1,419,729	-	97,937,134
Buildings, plant, and pumping equipment	111,729,855	182,184	-	111,912,039
General equipment	2,568,499	148,345	6,268	2,710,576
Vehicles	2,394,432	-	14,099	2,380,333
Total capital assets being depreciated	213,210,191	1,750,258	20,367	214,940,082
Less accumulated depreciation for:				
Water and sewer lines	30,592,691	1,809,235	-	32,401,926
Buildings, plant, and pumping equipment	54,758,693	2,162,382	-	56,921,075
General equipment	2,118,521	93,469	6,268	2,205,722
Vehicles	1,765,173	93,111	14,099	1,844,185
Total accumulated depreciation	89,235,078	\$ 4,158,197	\$ 20,367	93,372,908
Total capital assets being depreciated, net	123,975,113			121,567,174
Water and Sewer fund capital assets, net	131,197,338			129,606,320
Business-type activity capital assets, net	\$ 131,324,568			\$ 129,723,173

Construction Commitments

The government has active construction projects as of June 30, 2010. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Street Resurfacing	\$ 1,380,429	\$ 337,363
Church Street Waterline Replacement	112,371	64,434
Total	\$ 1,492,800	\$ 401,797

III. Detail Notes on All Funds: (continued)B. Liabilities1. Pension Plan Obligationsa. Local Governmental Employees' Retirement System

Plan Description. The City of Burlington contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.90% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of the City of Burlington are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$1,190,300, \$1,195,960, and \$1,149,671, respectively. The contributions made by the City equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance1. *Plan Description.*

The City of Burlington administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

III. Detail Notes on All Funds: (continued)

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	24
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>122</u>
Total	<u>146</u>

A separate report was not issued for the plan.

2. *Summary of Significant Accounting Policies.*

Basis of Accounting. The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

3. *Contributions.*

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include post-employment benefit increases.

Annual Pension Cost and Net Pension Obligation. The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 318,047
Interest on net pension obligation	(31,831)
Adjustment to annual required contribution	<u>27,657</u>
	313,873
Annual pension cost	
Contributions made	<u>411,650</u>
(Decrease) in net pension obligation	(97,777)
Net pension obligation beginning of year	<u>(439,044)</u>
Net pension obligation end of year	<u>\$ (536,821)</u>

III. Detail Notes on All Funds: (continued)

3-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/08	257,507	151.40%	(309,395)
6/30/09	288,703	144.91%	(439,044)
6/30/10	313,873	131.15%	(536,821)

4. *Funded Status and Funding Progress.*

As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$4,198,917. The covered payroll (annual payroll of active employees covered by the plan) was \$6,192,080, and the ratio of the UAAL to the covered payroll was 67.81%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

5. *Actuarial Methods and Assumptions*

The annual required contribution (ARC) for the fiscal year ended June 30, 2010 is calculated as of December 31, 2009. In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return, projected salary increases at 4.5-12.3% and a 3.75% inflation component. The actuarial value of assets was determined using a market valuation. The UAAL is being amortized on a level percent of pay closed. The remaining amortization period at December 31, 2009 was 21 years.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2010 were \$444,474, which consisted of \$302,318 from the City and \$142,156 from the law enforcement officers. The City has elected to contribute to the Supplemental Retirement Income Plan for general employees as well as for law enforcement officers. Contributions for the year ended June 30, 2010 for general employees were \$1,344,894, which consisted of \$914,759 from the City and \$430,135 from the general employees.

III. Detail Notes on All Funds: (continued)d. Firemen's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the City of Burlington, to the Firemen's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firemen's and Rescue Squad Workers' Pension Fund 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 the Firemen's and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly. For the fiscal year ended June 30, 2010, the City has recognized on-behalf of payments for pension contributions made by the State as a revenue and an expenditure of \$82,965.

e. Other Post-employment Benefits1. Healthcare Benefits

In addition to the pension benefits described in Note 1, the City provides post-employment health care benefits to retirees and City Council members of the City, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the City. The City pays the full cost of coverage for employees who retire with 25 years of creditable service; 75% of the cost of coverage for retirees with 20 years of creditable service; 50% of the cost of coverage for retirees with 15 years of creditable service; and 25% of the cost of coverage for retirees with 10 years of creditable service. The City pays the full cost of coverage for City Council members with 16 years of service; 75% of the cost for City Council members with 12 years of service; 50% of the cost of coverage for City Council members with 8 years of service; and 25% of the cost of coverage for City Council members with 4 years of service. The City's contribution will cease when the retiree reaches age 65. At this point in time, some City retirees are eligible for Medicare supplement reimbursement. The retiree must have been covered under the City's health plan immediately before reaching age 65. The Medicare supplement reimbursement is also based on years of service. The City pays \$159 per month of the Medicare supplement for employees who retire with 25 years of creditable service; 75% of this amount of Medicare supplement for employees who retire with 20 years of creditable service, 50% of this amount of the Medicare supplement for employees who retire with 15 years of creditable service; and 25% of this amount of the Medicare supplement for employees who retire with 10 years of creditable service. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. Currently, 128 retirees are eligible for post-employment health benefits. For the fiscal year ended June 30, 2010, the city made payments for post-employment health benefit premiums of \$902,422. The City obtains healthcare coverage through private insurers.

The City also provides dental coverage to retirees of the City. The City will pay 100% of the dental premium for employees who retire with 25 years of service, 75% for employees who retire with 20 years of service, 50% for employees who retire with 15 years of service, and 25% for employees with 10 years of service. When a retired employee reaches age 65, the employee is responsible for 100% of the cost of the premium for dental coverage. The dental coverage ceases at age 70. The plan has no deductible and will pay a maximum of \$1,000 per year for any service provided by a local dentist.

III. Detail Notes on All Funds: (continued)

Membership of the Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	190	-
Active plan members	<u>426</u>	<u>113</u>
Total	<u>616</u>	<u>113</u>

Funding Policy. The City pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a City resolution that can be amended by the City Council. The City's members pay \$125 per month for dependent coverage. The City has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 6.90% of annual covered payroll. For the current year, the City contributed \$713,514 or 3% of annual covered payroll toward actual benefit payments. The City obtains health care and dental coverage through a self-funded program and through a private insurer for life insurance benefits. The City's obligation to contribute to the plan is established and may be amended by the City Council during the budget process.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the Internal Service Fund, which is maintained on the modified accrual basis of accounting. Internal changes are made to various other City funds for the respective active employees, based upon the pre-determined City Contribution rate. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The City's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 1,240,297
Interest on net OPEB obligation	20,491
Adjustment to annual required contribution	<u>(17,678)</u>
Annual OPEB cost (expense)	1,243,110
Contributions made	<u>902,422</u>
Increase (decrease) in net OPEB obligations	340,688
Net OPEB obligation, beginning of year	<u>512,263</u>
Net OPEB obligation, end of year	<u>\$ 852,951</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2009	\$ 1,240,297	58.7 %	\$ 512,263
2010	\$ 1,243,110	72.59%	\$ 852,951

III. Detail Notes on All Funds: (continued)

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$22,509,884. The covered payroll (annual payroll of active employees covered by the plan) was \$23,783,806, and the ratio of the UAAL to the covered payroll was 94.6% percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. The investment rate included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using a market valuation. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2009 was 30 years.

2. Other Employment Benefit

The City has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2010, the City made contributions to the State for death benefits of \$26,775. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.10% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City considers these contributions to be immaterial.

III. Detail Notes on All Funds: (continued)

The Local Government Employees Retirement System provides group-term life insurance to City employees ranging from \$25,000 up to \$50,000 depending on their salary. The City also provides group-term life insurance equal to one and a half times the employee's salary up to a maximum of \$150,000. Any amount of the two coverages combined that exceeds \$50,000 is taxed as an employee fringe benefit and included on the employee's annual W-2.

3. Deferred Revenues/Unearned Revenues

The balance in deferred/unearned revenues at year-end is composed of the following elements:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Prepaid taxes not yet earned	\$ -	\$ 239,296
Taxes receivable (net) – general fund	2,282,074	-
Taxes receivable (net) – Downtown Special Tax	64,486	-
Home loan interest receivable	795,334	-
Prepaid licenses and fees	-	290,635
Vacant lot and demolition assessments receivable	<u>230,701</u>	<u>-</u>
Total	<u>\$ 3,372,595</u>	<u>\$ 529,931</u>

4. Risk Management

The City 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 City partially self-insures workers compensation coverage, with commercial insurance providing coverage for workers compensation claims in excess of \$200,000 per claim (\$225,000 if a vehicle claim). The commercial insurance provides \$1,000,000 in coverage for claims in excess of the City's assumed aggregate risk of \$1,000,000 annually. The City also retains the risk for Employers' Liability Coverage of \$500,000 in aggregate annually. At June 30, 2010 the Workers Compensation Self Insurance Fund had recorded a liability of \$130,000 for estimated unpaid claims.

The City provides its employees with dental coverage through a choice of self-insurance plans. Covered claims are limited to a maximum of \$550 per employee annually. At June 30, 2010, the Dental Self Insurance Fund had recorded a liability of \$66,120 for estimated unpaid claims.

On July 1, 1999, the City began to partially self-insure group health benefits, with commercial insurance providing coverage for health benefit claims in excess of \$75,000 per claim. The commercial coverage provides \$925,000 in coverage for claims in excess of the City's assumed claim risk of \$75,000. The City also has commercial coverage for claims exceeding approximately \$1,809,000 in aggregate annually. At June 30, 2010 the Group Health Benefits Fund had a recorded liability of \$442,496 for estimated unpaid claims.

III. Detail Notes on All Funds: (continued)

A summary of changes in the liability recorded for estimated unpaid claims follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Estimated</u> <u>Claims</u> <u>Incurred</u>	<u>Claims</u> <u>Paid</u>	<u>Balance</u> <u>June 30, 2010</u>
Workers Compensation				
Self Insurance Fund	\$ 130,000	\$ 342,842	\$ 342,842	\$ 130,000
Dental Self Insurance Fund	42,538	410,654	387,072	66,120
Group Health Benefits Fund	<u>350,114</u>	<u>4,157,723</u>	<u>4,065,341</u>	<u>442,496</u>
	<u>\$ 522,652</u>	<u>\$ 4,911,219</u>	<u>\$ 4,795,255</u>	<u>\$ 638,616</u>

	<u>Balance</u> <u>July 1, 2008</u>	<u>Estimated</u> <u>Claims</u> <u>Incurred</u>	<u>Claims</u> <u>Paid</u>	<u>Balance</u> <u>June 30, 2009</u>
Workers Compensation				
Self Insurance Fund	\$ 519,559	\$ 14,695	\$ 404,254	\$ 130,000
Dental Self Insurance Fund	88,255	-	45,717	42,538
Group Health Benefits Fund	<u>517,713</u>	<u>3,279,197</u>	<u>3,446,796</u>	<u>350,114</u>
	<u>\$ 1,125,527</u>	<u>\$ 3,293,892</u>	<u>\$ 3,896,767</u>	<u>\$ 522,652</u>

The City carries commercial coverage for all other risks of loss. 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 City has obtained flood insurance coverage through Millennium Insurance Group; the City has purchased coverage of \$1,000,000 per occurrence.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer and assistant finance officer are each individually bonded for \$100,000 and the tax collector is bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

The Burlington Downtown Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Burlington Downtown Corporation has property, general liability, workers' compensation, and employee health coverages. Claims have not exceeded coverage in any of the past three fiscal years and there has been no significant reduction in insurance coverage in the prior year.

5. Claims, Judgments, and Contingent Liabilities

At June 30, 2010, the City was a defendant to various lawsuits. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

III. Detail Notes on All Funds: (continued)6. Long-Term Obligationsa. Installment Purchase

On October 11, 1995, the City entered into an installment purchase contract to finance recreational facility improvements. The financing contract requires thirty semi-annual payments of \$161,471 beginning April 11, 1996 with interest at 4.91% per annum. On September 2, 2003, the City amended its original financing contract to finance the recreational facility improvements. The financing contract now requires fifteen semi-annual payments of \$146,562 beginning October 11, 2003 with interest at 2.6% per annum. On May 13, 2002 the City entered into a second installment purchase contract to finance the construction of the Springwood Recreation Park. The financing contract requires thirty semi-annual payments of \$133,333 beginning November 13, 2002 with interest at 4.78% per annum. On August 15, 2003, the City amended its second installment purchase contract to finance the construction of the Springwood Recreation Park. The financing contract now requires twenty-eight semi-annual payments of \$133,333 beginning November 13, 2003 with interest at 3.840% per annum. On December 12, 2007, the City entered into an installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$336,430 beginning December 12, 2007 with interest at 3.14% per annum. The installment was paid in full at June 30, 2010. On November 30, 2008, the City entered into an installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$455,041 beginning November 30, 2008 with interest at 3.01% per annum. On April 22, 2010 the City entered into an installment purchase contract to purchase various pieces of equipment. The financing contract requires three annual payments of \$366,492 beginning April 22, 2010 with interest at 2.05% per annum.

Annual debt service payments of the installment purchase as of June 30, 2010, including \$305,916 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 1,205,008	\$ 98,874
2012	625,796	66,242
2013	266,667	48,640
2014	266,667	38,400
2015	266,667	28,160
2016-2017	<u>533,334</u>	<u>25,600</u>
Present value of the minimum lease payments	<u>\$ 3,164,139</u>	
Total interest payments		<u>\$ 305,916</u>

b. General Obligation Indebtedness

The City's general obligation bonds serviced by the governmental funds were issued for the acquisition of public safety equipment. Those general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the City. Principal and interest requirements are appropriated when due.

III. Detail Notes on All Funds: (continued)

Bonds payable at June 30, 2010 are comprised of the following individual issues:

General Obligation Bonds

Serviced by the General Fund:

\$2,537,216 of 1996 General Obligation Refunding Bonds to refund 1989 Public Improvements Serial Bonds and 1990 Fire Station Serial Bonds; due in annual installments of \$30,464 to \$292,672 through February 1, 2010; interest at rates ranging from 4.70% to 5.20% per annum. This bond was paid in full at June 30, 2010. \$ -

\$1,704,350 of 2000 General Obligation Public Improvement Bonds; due in annual installments of \$208,696 to \$591,305 through February 1, 2010; interest at rates ranging from 5.00% to 5.20% per annum. This bond was paid in full at June 30, 2010 -

\$5,521,801 of 2005 General Obligation Refunding Bonds due in annual installments of \$31,305 to \$662,616 through February 1, 2019; interest at rates ranging from 3.75% to 5.00% per annum. 5,365,277

\$9,300,000 of 2006 General Obligation Street Bonds due in annual installments of \$465,000 through June 1, 2026; interest at rates ranging from 3.60% to 4.20% per annum. The amount shown includes the unamortized bond premium of \$49,812. 7,489,812

Serviced by the Water and Sewer Fund:

\$9,122,784 of 1996 General Obligation Refunding Bonds to refund 1989 Water and Sewer Serial Bonds and 1990 Water and Sewer Serial Bonds due in annual installments of \$109,536 to \$1,024,947 through February 1, 2010; interest at rates ranging from 4.70% to 5.20% per annum. This bond was paid in full at June 30, 2010. -

\$3,195,650 of 2000 General Obligation Public Improvement Bonds; due in annual installments of \$391,304 to \$1,108,696 through February 1, 2010; interest at rates ranging from 5.00% to 5.20% per annum. This bond was paid in full at June 30, 2010. -

\$10,353,198 of 2005 General Obligation Refunding Bonds due in annual installments of \$58,695 to \$1,242,384 through February 1, 2019; interest at rates ranging from 3.75% to 5.00% per annum. 10,059,723

\$ 22,914,812

c. Recovery Zone Economic Development Bonds

\$2,899,000 of Recovery Zone Economic Development Bonds (Direct Payment) with 1 payment of \$173,074 and 14 installments of \$194,709 due on February 1 through February 1, 2025; plus interest at 5.89% due on August 1 and February 1. The city receives a subsidiary of 45% of interest cost from the Federal Government reducing the effective interest rate to 2.65%. \$ 2,899,000

III. Detail Notes on All Funds: (continued)General Obligation Bonds

Annual debt service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Principal	Interest	Principal	Interest
2011	\$ 1,127,616	\$ 528,422	\$ 1,242,384	\$ 419,052
2012	1,117,181	486,630	1,222,819	375,568
2013	1,110,225	441,943	1,209,775	326,656
2014	1,105,007	397,534	1,199,993	278,265
2015	1,103,268	346,934	1,196,732	218,265
2016-2020	4,451,980	1,045,583	3,988,020	348,585
2021-2025	2,325,000	385,834	-	-
2026	465,000	19,530	-	-
Total	<u>\$ 12,805,277</u>	<u>\$ 3,652,410</u>	<u>\$ 10,059,723</u>	<u>\$ 1,966,391</u>

Recovery Zone Economic Development Bonds

Year Ending June 30	Principal	Interest	Subsidy	Net
				Interest
2011	\$ 173,074	\$ 151,778	\$ 68,300	\$ 83,478
2012	194,709	160,557	72,250	88,307
2013	194,709	149,088	67,090	81,998
2014	194,709	137,620	61,930	75,690
2015	194,709	126,152	56,768	69,384
2016-2020	973,545	458,734	206,430	252,304
2021-2025	973,545	172,027	77,412	94,615
Total	<u>\$ 2,899,000</u>	<u>\$ 1,355,956</u>	<u>\$ 610,180</u>	<u>\$ 745,776</u>

At June 30, 2010, the City of Burlington had a legal debt margin of \$310,045,747.

d. Certificate of Participation

On April 15, 2004, the City issued 2004 certificates of participation, bearing interest rates ranging from 2.5% to 5.0% to provide funds to acquire and construct certain improvements, certain vehicles, and equipment for various government uses. Interest payments began October 1, 2004. Principal and interest requirements will be provided by the Water and Sewer Fund for \$14,235,000 of the 2004 certificates.

Future requirements to pay principal and interest on the contracts at June 30, 2010 are as follows:

Year Ending June 30	<u>Business-Type Activities</u>	
	Principal	Interest
2011	710,000	464,163
2012	710,000	435,763
2013	710,000	405,588
2014	710,000	374,525
2015	710,000	346,125
2016-2020	3,550,000	1,198,125
2021-2024	<u>2,840,000</u>	<u>337,250</u>
Total	<u>\$ 9,940,000</u>	<u>\$ 3,561,539</u>

III. Detail Notes on All Funds: (continued)e. Revolving Loan

The City entered into an agreement with the Department of Environment and Natural Resources for an ARRA loan for \$65,000. The term of the loan shall not exceed 20 years at an interest rate of zero percent per annum. Principal equivalent to ½ of the total project cost of \$32,500 was forgiven. The City has opted to make one payment of \$32,500.

f. Advance Refunding

On June 13, 1996, the City issued \$11,660,000 in general obligation Refunding Bonds with interest at rates ranging from 4.70% to 5.20% to advance refund \$8,305,000 of outstanding 1989 and 1990 Water and Sewer Bonds with interest rates ranging from 6.25% to 7.00%, \$2,060,000 of outstanding 1989 Public Improvement Bonds with interest rates ranging from 6.25% to 6.50%, and \$250,000 of outstanding 1990 Fire Station Bonds with interest rates ranging from 6.75% to 7.00%. The total of the bonds advance refunded by the City was \$10,615,000. The net proceeds of the \$11,660,000 refunding Bonds were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability for the refunded bonds has been removed from the Water and Sewer Fund. At June 30, 2006, there was no principal balance outstanding on the refunded bonds.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,045,000. This difference related to water and sewer bonds, net of current years amortization of \$484,484, is reported in the accompanying financial statements as a deduction from bonds payable and is being charged to operations through the year 2008, the life of the refunded debt which is shorter than the life of the new debt, using the effective-interest method. The bond issuance costs associated with the advance refunding were capitalized and are being amortized over the life of the refunded debt. The City completed the advance refunding to reduce its total future debt service payments by \$499,948.

On September 1, 2005, the City issued \$15,875,000 in general obligation Refunding Bonds with interest at rates ranging from 3.50% to 5.00% to advance refund \$15,700,000 of outstanding 2000 General Obligation Public Improvement Bonds with interest rates ranging from 5.00% to 5.20%. The total of the bonds advance refunded by the City was \$15,875,000. The net proceeds of the \$15,875,000 refunding bonds were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded bonds. As a result, the refunded bonds are considered defeased and the liability for the refunded bonds has been removed from the General Fund and Water and Sewer Fund. At June 30, 2006, there was no principal balance outstanding on the refunded bonds.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$175,000. This difference related to water and sewer bonds, net of current years amortization of \$114,130, is reported in the accompanying financial statements as a deduction from bonds payable and is being charged to operations through the year 2010, the life of the refunded debt which is shorter than the life of the new debt, using the effective-interest method. The bond issuance costs associated with the advance refunding were capitalized and are being amortized over the life of the refunded debt. The City completed the advance refunding to reduce its total future debt service payments by \$1,955,663.

III. Detail Notes on All Funds: (continued)g. Changes in Long-Term Liabilities

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Current Portion of Balance
Governmental activities:					
General Obligation bonds	\$ 13,926,829	\$ -	\$ 1,121,552	\$ 12,805,277	\$ 1,127,616
Less: deferred amount for loss on defeasance	30,864	-	30,864	-	-
Add: Bond premium	<u>83,628</u>	<u>-</u>	<u>33,816</u>	<u>49,812</u>	<u>-</u>
Total General Obligation bonds	<u>\$ 13,979,593</u>	<u>\$ -</u>	<u>\$ 1,124,504</u>	<u>\$ 12,855,089</u>	<u>\$ 1,127,616</u>
RZED Bonds	\$ -	\$ 2,899,000	\$ -	\$ 2,899,000	\$ 173,075
Installment purchase	\$ 3,758,602	\$ 1,077,537	\$ 1,672,000	\$ 3,164,139	\$ 1,205,008
Compensated absences	<u>2,106,329</u>	<u>984,568</u>	<u>1,388,739</u>	<u>1,702,158</u>	<u>748,949</u>
Governmental activity long-term liabilities	<u>\$19,844,524</u>	<u>\$ 4,961,105</u>	<u>\$ 4,185,243</u>	<u>\$ 20,620,386</u>	<u>\$ 3,254,648</u>
Business-type activities:					
General obligation bonds	\$11,343,172	\$ -	\$ 1,283,449	\$ 10,059,723	\$ 1,242,384
Less: deferred amount for loss on defeasance	57,874	-	57,874	-	-
Add: Bond premium	<u>57,555</u>	<u>-</u>	<u>57,555</u>	<u>-</u>	<u>-</u>
Total general obligation bonds	<u>\$11,342,853</u>	<u>\$ -</u>	<u>\$ 1,283,130</u>	<u>\$ 10,059,723</u>	<u>\$ 1,242,384</u>
Revolving Loan	\$ -	\$ 65,000	\$ 32,500	\$ 32,500	\$ 32,500
Compensated absences	405,545	229,279	360,763	274,061	120,587
Certificate of Participation	<u>10,650,000</u>	<u>-</u>	<u>710,000</u>	<u>9,940,000</u>	<u>710,000</u>
Business-type activity long-term liabilities	<u>\$ 22,398,398</u>	<u>\$ 294,279</u>	<u>\$ 2,386,393</u>	<u>\$ 20,306,284</u>	<u>\$ 2,105,471</u>

Compensated absences for governmental activities has typically been liquidated in the General Fund.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2010, consist of the following:

Due To/From Other Funds:

Fund	Due From	Due To
General Fund	121,301	141,162
Rehab Loan	1,024	3,808
Community Development	555,637	543,160
Dental	4,420	-
Group Health	5,748	-
Home Program	-	-
Rental Rehab	<u>11,101</u>	<u>11,101</u>
Total Due to/from Other Funds	<u>\$ 699,231</u>	<u>\$ 699,231</u>
Due to Internal Service Funds for its activity allocation to the Proprietary Funds		<u>\$ 15,872</u>

III. Detail Notes on All Funds: (continued)

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.

Transfers to/from other funds at June 30, 2010 consist of the following:

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
Transfers To/From Other Funds:		
<u>General Fund</u>		
Capital Reserve Fund		2,050,000
Group Health Benefits		176,000
MPO Planning Transportation		64,998
ERP System Project		200,000
Weed & Seed	89,000	
Workmen's Compensation		577,854
Inspection Municipal Buildings	<u>7,000</u>	<u> </u>
Total General Fund	<u>96,000</u>	<u>3,068,852</u>
<u>Capital Reserve Fund</u>		
General Fund	2,050,000	
Drainage Improvements		25,000
Renovation Existing Recreation Park Facility		<u>250,000</u>
Total Capital Reserve	<u>2,050,000</u>	<u>275,000</u>
<u>Special Revenue Funds</u>		
Rico Fund		
Governor Highway Safety	3,250	
MPO Planning Transportation		
General Fund	64,998	
Gang Investigator Grant Project		
Rico Fund		6,576
Governors Highway Safety		
Rico Fund		3,250
Rico Fund		
Gang Investigator Grant Project	6,576	
Edward Byrne Justice		
General Fund		
Home Program Project Fund		
Rehabilitation Loan Program Fund	29,462	
Domestic Violence Grant Project		
General Fund		
Weed & Seed		
General Fund		89,000
Community Development		
Mebane St./St. John Culvert		117,446
Rental Rehabilitation Loan Program Fund		
Home Program Project Fund		<u>29,462</u>
Total Special Revenue Fund	<u>104,286</u>	<u>245,734</u>

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III. Detail Notes on All Funds: (continued)

	<u>In</u>	<u>Out</u>
<u>Internal Service Funds</u>		
Group Health Benefits		
General Fund	176,000	
Water & Sewer Fund	70,000	
Workmen's Compensation Fund		
General Fund	577,854	
Water & Sewer Fund	<u>118,570</u>	
Total Internal Service Fund	<u>942,424</u>	
 <u>Water Fund</u>		
Water Capital Reserve		1,372,973
Sewer Capital Reserve		1,372,973
Workmen's Compensation		118,570
GIS Utilities Project Fund	101,704	
Elevated Water Storage Tanks		33,586
Stoney Creek and Lake Cammack Dams		419,000
Group Health Insurance		70,000
Senior Center ARRA Cistern Project Ord.		
Sanitary Sewer Bond Project Fund	24,904	
Water & Sewer Future Growth	<u>1,055,421</u>	
Total Water Fund	<u>1,182,029</u>	<u>3,387,102</u>
 <u>Water Capital Projects</u>		
Water Capital Reserve		
Stoney Creek Lake Cammack Dams		419,000
Water & Sewer Fund	1,372,973	
Jordan Lake Rules Project		125,000
GIS for Utilities	21,793	
Sewer Capital Reserve		
Water & Sewer Fund	1,372,973	
Jordan Lake Rules Project		125,000
GIS for Utilities Project	21,793	
Water & Sewer Future Growth Project		
Water & Sewer Fund		1,055,421
Storm Water Fund		
Mebane St.-St. John St.	20,872	
Stoney Creek and Lake Cammack Dams Project		
Water & Sewer Fund	419,000	
Water Capital Reserve	419,000	
Elevated Water Storage Tanks		
Water & Sewer Fund	33,586	
Building Renovations Project		
Water & Sewer Fund		
Jordan Lake Rules Project		
Water Capital Reserve	125,000	
Sewer Capital Reserve	125,000	

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III. Detail Notes on All Funds: (continued)

	<u>In</u>	<u>Out</u>
Sanitary Sewer Bond Project Fund		
Water & Sewer Fund		24,904
Senior Center ARRA Cistern Project		
Water & Sewer Fund		
Mebane St. - St. John Culvert		
Storm Water Fund		20,872
Mebane St. - St. John Culvert		
Community Development	<u>117,446</u>	<u> </u>
Total Water Capital Projects	<u>4,049,436</u>	<u>1,770,197</u>

Capital Projects

ERP System Project		
General Fund	200,000	
Inspection Municipal Bridges		
General Fund		7,000
Traffic Signal System Project		
Capital Reserve		
Water Capital Reserve		
Sewer Capital Reserve		
Streetscape Project		
General Fund		
Bubble Replacement Project		
General Fund		
Renovation of Existing Rec. & Park Facilities		
Capital Reserve	250,000	
Drainage Improvement Project		
Capital Reserve Fund	25,000	
GIS for Utilities Project		
Water Capital Reserve		21,793
Sewer Capital Reserve		21,793
Water and Sewer Fund		<u>101,704</u>
Total Capital Projects	<u>475,000</u>	<u>152,290</u>
Total Operating Transfers	<u>\$ 8,899,175</u>	<u>\$ 8,899,175</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts providing matching funds for various grant programs.

III. Detail Notes on All Funds: (continued)D. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2010, the City of Burlington has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of \$25,905 for the 91 employed fireman who perform firefighting duties for the City's fire department. The employees elected to be members of the Firemen and Rescue Worker's Pension Fund, a cost-sharing, multiple employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation.

Also, the City has recognized as a revenue and an expenditure on-behalf payments for fringe benefits and salaries of \$57,060 for the salary supplement and stipend benefits paid to eligible firemen by the local board of trustees of the Firemen's Relief Fund during the fiscal year ended June 30, 2010. Under State law the local board of trustees for the Fund receives an amount each year, which the board may use at its own discretion for eligible firemen or their departments.

IV. Jointly Governed Organization

The City, in conjunction with six counties and thirty-two other municipalities, established the Piedmont Triad Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The City paid membership fees of \$17,528 to the Council during the fiscal year ended June 30, 2010.

V. Joint Ventures

The City, in conjunction with the City of Graham, participates in the Burlington-Graham Board of Alcoholic Control. Each participating government appoints two members to the five-member board. The two governments jointly appoint one member to the Board. The ABC Board is a joint venture established to facilitate control over alcoholic beverages within the two cities. The City of Burlington and the City of Graham are legally obligated under the intergovernmental agreement that created the ABC Board to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The two cities were not required to contribute to the ABC Board during the fiscal year ended June 30, 2010. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2010. Complete financial statements for the ABC Board can be obtained from the administrative offices at 603 W. Harden Street, City of Graham, NC 27253.

The City, in conjunction with Alamance County, participates in the Burlington-Alamance Airport Authority. Each participating government appoints two members to the five member board. The two governments jointly appoint one member to the board. The Airport Authority is a joint venture established to maintain airport facilities in the County of Alamance for the citizens of Burlington, Alamance County and vicinity. The City has an ongoing financial responsibility for the Airport Authority because it and the County are legally obligated under the intergovernmental agreement that created the Airport Authority to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The City contributed \$232,500 to the Airport Authority during the fiscal year ended June 30, 2010. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2010. Complete financial statements on the Airport Authority can be obtained from the Airport Authority's administrative office at 3441A N. Aviation Drive, Burlington, NC 27215.

III. Detail Notes on All Funds: (continued)VI. Related Organization

The members of the governing board of the Burlington Housing Authority are appointed by the City but the City has no authority in selecting the management of the Authority. The City is not responsible for financing any deficits of the Authority nor is it entitled to any surpluses. The Authority does operate within the geographical boundaries of the City and is for the benefit of the residents of the City. The City exercises no financial or budgetary control over the Authority.

VII. Summary Disclosure of Significant ContingenciesFederal and State Assisted Programs

The City 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 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.



**REQUIRED SUPPLEMENTAL
FINANCIAL DATA**
Individual Fund Schedules

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Funding Progress for the Other Postemployment Benefits.
- Schedule of Employer Contributions for the the Other Postemployment Benefits.
- Notes to the Required Schedules for the Other Postemployment Benefits.

CITY OF BURLINGTON, NORTH CAROLINA
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

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Actuarial Valuation Date *	Actuarial Value of Assets ** (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/04	-	2,928,878	2,928,878	-%	4,322,595	67.76%
12/31/05	-	2,926,068	2,926,068	-%	4,548,732	64.33%
12/31/06	-	2,888,027	2,888,027	-%	4,821,106	59.90%
12/31/07	-	3,305,028	3,305,028	-%	5,104,180	64.75%
12/31/08	-	3,440,042	3,440,042	-%	5,660,065	60.78%
12/31/09	-	4,198,917	4,198,917	-%	6,192,080	67.81%

* Information is based on the actuarial studies performed as of December 31, 2009, 2008, 2007, 2006, 2005, and 2004, respectively. No actuarial studies were performed for the City prior to 1996.

** At Cost.

CITY OF BURLINGTON, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

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<u>Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2005	\$ 250,617	114.19%
2006	265,514	118.01%
2007	253,886	127.16%
2008	257,507	151.40%
2009	288,703	144.91%
2010	313,873	131.15%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.5% - 12.3%
* Includes inflation at	3.75%
Cost of living adjustments	None

CITY OF BURLINGTON, NORTH CAROLINA
 OTHER POSTEMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

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Actuarial Valuation Date *	Actuarial Value of Assets ** (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/08	-	\$ 17,050,699	17,050,699	-%	\$ 24,769,558	68.80%
12/31/09	-	22,509,884	22,509,884	-%	23,783,806	94.60%

CITY OF BURLINGTON, NORTH CAROLINA
 OTHER POSTEMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS

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<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2009	1,240,297	58.70%
2010	1,243,110	72.59%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 Years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment rate of return*	4.00%
Projected salary increases*	10.50%-5.00%
Year of Ultimate trend rate	2017
* Includes inflation at	3.75%

PRELIMINARY DRAFT
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GENERAL FUND
Individual Fund Schedule

CITY OF BURLINGTON, NORTH CAROLINA

GENERAL FUND

BALANCE SHEET

For the Fiscal Year Ended June 30, 2010

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June 30,
2010ASSETS

Cash and cash equivalents	\$	28,911,376
Receivables (net):		
Taxes		2,282,074
Accounts		5,469,149
Due from other funds		<u>119,550</u>
Total assets	\$	<u>36,782,149</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:

Accounts payable and accrued liabilities	\$	2,138,637
Due to other funds		139,412
Deferred revenues		<u>2,696,541</u>
Total liabilities		<u>4,974,590</u>

FUND BALANCES:

Reserved by state statute		5,704,163
Unreserved:		
Designated for subsequent year's expenditures		2,599,318
Designated for future projects		15,147,355
Undesignated		<u>8,356,723</u>
Total fund balances		<u>31,807,559</u>
Total liabilities and fund balances	\$	<u>36,782,149</u>

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Current year	\$	\$ 23,939,877	\$
Prior year		866,086	
Penalties and interest		216,546	
Tax discounts		(298,136)	
Total	<u>23,595,631</u>	<u>24,724,373</u>	<u>1,128,742</u>
Other Taxes and Licenses:			
Payment in lieu of taxes		159,352	
Privilege licenses		541,649	
Cable TV franchise tax		491,633	
Local option sales tax		7,888,998	
Total	<u>9,470,202</u>	<u>9,081,632</u>	<u>(388,570)</u>
Unrestricted Intergovernmental Revenues:			
Utility franchise tax		3,354,999	
Beer and wine tax		72,638	
Alamance County fuel purchase		433,084	
ABC revenue		153,317	
Alamance Jr. Tennis Foundation		26,147	
Total	<u>3,918,000</u>	<u>4,040,185</u>	<u>122,185</u>
Restricted Intergovernmental Revenues:			
ABC police contract		37,214	
Powell Bill allocation		1,354,573	
N. C. Department of Transportation		469,960	
On-behalf of Payments- Fire and rescue		82,965	
Camp Green Leaves		17,533	
PTCOG Grants		14,682	
Alamance-Burlington Schools – Afterschool Program		130,026	
Alamance-Burlington Schools – School Guards		80,080	
Miscellaneous		2,975	
Fire grants		500	
Animal Shelter		4,151	
Spay/Neuter Clinic		35,399	
Teen to Teen Theatre		7,863	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues: (continued)			
Restricted Intergovernmental			
Revenues: (continued)			
Junior Police Academy		13,886	
Recreation		44,223	
Senior Programs		59,631	
Reimbursed Cost		103,613	
Total	<u>2,334,851</u>	<u>2,459,274</u>	<u>124,423</u>
Permits and Fees:			
Building permits and inspection fees		341,424	
Fees and permits – other		359,299	
Total	<u>810,916</u>	<u>700,723</u>	<u>(110,193)</u>
Sales and Services:			
Animal Control – Alamance County		350,762	
Miscellaneous		171,356	
Recreation department revenues		1,954,088	
Cemetery lots and fees		131,878	
Sanitation fees		1,404,856	
Total	<u>3,609,685</u>	<u>4,012,940</u>	<u>403,255</u>
Investment Earnings:			
Investment earnings		145,354	
Interest earned-street assessments		7,298	
Total	<u>255,000</u>	<u>152,652</u>	<u>(102,348)</u>
Miscellaneous:			
Sale of properties and materials		39,786	
Miscellaneous		278,260	
Total	<u>368,582</u>	<u>318,046</u>	<u>(50,536)</u>
Total Revenues	<u>44,362,867</u>	<u>45,489,825</u>	<u>1,126,958</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures:			
General Government:			
City Council:			
Salaries and employee benefits		73,285	
Operating expenditures		<u>106,467</u>	
Total City Council	<u>155,789</u>	<u>179,752</u>	<u>(23,963)</u>
Public Administration:			
Salaries and employee benefits		285,309	
Operating expenditures		<u>12,810</u>	
Total Public Administration	<u>305,190</u>	<u>298,119</u>	<u>7,071</u>
Public Information:			
Salaries and employee benefits		72,450	
Operating expenditures		<u>55,960</u>	
Total		<u>128,410</u>	
Reimbursement from Water and Sewer Fund		(24,713)	
Total Public Information	<u>130,922</u>	<u>103,697</u>	<u>27,225</u>
Finance:			
Supervision:			
Salaries and employee benefits		449,917	
Operating expenditures		<u>14,325</u>	
Total		464,242	
Reimbursement from Water and Sewer Fund		<u>(109,828)</u>	
Net		<u>354,414</u>	
Collections:			
Salaries and employee benefits		242,020	
Operating expenditures		<u>90,823</u>	
Total		<u>332,843</u>	
Reimbursement from Water and Sewer Fund		<u>(137,544)</u>	
Net		<u>195,299</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures: (continued)			
General Government: (continued)			
Finance: (continued)			
Purchasing:			
Salaries and employee benefits		354,424	
Operating expenditures		<u>11,713</u>	
Total		366,137	
Reimbursement from Water and Sewer Fund		<u>(166,265)</u>	
Net		<u>199,872</u>	
Total Finance	<u>814,548</u>	<u>749,585</u>	<u>64,963</u>
Information Technologies:			
Salaries and employee benefits		460,810	
Operating expenditures		135,973	
Capital outlay		<u>33,844</u>	
Total		630,627	
Reimbursement from Water and Sewer Fund		<u>(251,433)</u>	
Total Information Technologies	<u>484,584</u>	<u>379,194</u>	<u>105,390</u>
Legal:			
Salaries and employee benefits		280,016	
Operating expenditures		<u>87,109</u>	
Total		367,125	
Reimbursement from Water and Sewer Fund		<u>(124,748)</u>	
Total Legal	<u>565,633</u>	<u>242,377</u>	<u>323,256</u>

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Human Resources:			
Salaries and employee benefits		228,793	
Operating expenditures		<u>370,244</u>	
Total		599,037	
Reimbursement from Water and Sewer Fund		<u>(105,832)</u>	
Total Human Resources	<u>511,635</u>	<u>493,205</u>	<u>18,430</u>
Planning GIS Division:			
Salaries and employee benefits		156,521	
Operating expenditures		<u>28,194</u>	
Total Planning GIS Division	<u>254,502</u>	<u>184,715</u>	<u>69,787</u>
Planning:			
Salaries and employee benefits		460,923	
Operating expenditures		<u>67,806</u>	
Total Planning	<u>572,733</u>	<u>528,729</u>	<u>44,004</u>
Inspections:			
Salaries and employee benefits		153,322	
Operating expenditures		85,986	
Capital outlay		<u>15,192</u>	
Total		<u>254,500</u>	
Reimbursement from Water and Sewer Fund		<u>(244,710)</u>	
Total Inspections	<u>105,314</u>	<u>9,790</u>	<u>95,524</u>

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
General Government: (continued)			
Engineering:			
Salaries and employee benefits		809,648	
Operating expenditures		165,037	
Capital outlay		<u>16,948</u>	
Total		991,633	
Reimbursement from Water and Sewer Fund		<u>(434,927)</u>	
Total Engineering	<u>558,470</u>	<u>556,706</u>	<u>1,764</u>
Traffic Control Supervisor:			
Salaries and employee benefits		426,342	
Operating expenditures		<u>241,550</u>	
Total Traffic Control	<u>896,276</u>	<u>667,892</u>	<u>228,384</u>
Transportation Tech Services:			
Salaries and employee benefits		608,156	
Operating expenditures		39,407	
Capital outlay		<u>16,948</u>	
Total Transportation Tech Services	<u>743,965</u>	<u>664,511</u>	<u>79,454</u>
Street lighting	<u>500,000</u>	<u>496,044</u>	<u>3,956</u>
General Administration and Building:			
Salaries and employee benefits		1,627,687	
Insurance		405,794	
Operating expenditures		476,186	
Special projects		<u>232,500</u>	
Total General Administration and Building	<u>2,905,882</u>	<u>2,742,167</u>	<u>163,715</u>
Total General Government	<u>9,505,443</u>	<u>8,296,483</u>	<u>1,208,960</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Safety:			
Police:			
Administration:			
Salaries and employee benefits		651,520	
Operating expenditures		619,613	
Capital outlay		<u>61,678</u>	
Total		<u>1,332,811</u>	
Records:			
Salaries and employee benefits		201,164	
Operating expenditures		<u>30,289</u>	
Total		<u>231,453</u>	
Training and Personnel Services:			
Salaries and employee benefits		168,683	
Operating expenditures		<u>185,116</u>	
Total		<u>353,799</u>	
Criminal Investigations:			
Salaries and employee benefits		1,532,584	
Operating expenditures		<u>70,586</u>	
Total		<u>1,603,170</u>	
Field Operations Division:			
Salaries and employee benefits		5,120,830	
Operating expenditures		<u>11,889</u>	
Total		<u>5,132,719</u>	
Retirees:			
Salaries and employee benefits		<u>439,564</u>	
Total		<u>439,564</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Police: (continued)			
Community Policing:			
Salaries and employee benefits		97,829	
Operating expenditures		<u>14,626</u>	
Total		<u>112,455</u>	
Animal Services-Field:			
Salaries and employee benefits		102,624	
Operating expenditures		<u>696</u>	
Total		<u>103,320</u>	
Identification:			
Salaries and employee benefits		119,381	
Operating expenditures		<u>17,456</u>	
Total		<u>136,837</u>	
Communications:			
Salaries and employee benefits		684,481	
Operating expenditures		<u>273,370</u>	
Total		<u>957,851</u>	
Animal Services Shelter:			
Salaries and employee benefits		454,294	
Operating expenditures		<u>256,894</u>	
Total		<u>711,188</u>	
Informational Services:			
Salaries and employee benefits		71,156	
Operating expenditures		<u>946</u>	
Total		<u>72,102</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Public Safety: (continued)			
Police: (continued)			
Spay/Neuter:			
Salaries and employee benefits		320	
Operating expenditures		29,893	
Capital outlay		<u>38,866</u>	
Total		<u>69,079</u>	
Special Operations:			
Salaries and employee benefits		791,517	
Operating expenditures		<u>72,537</u>	
Total		<u>864,054</u>	
Emergency Management:			
Salaries and employee benefits		79,971	
Operating expenditures		<u>2,008</u>	
Total		<u>81,979</u>	
Total Police	<u>12,556,407</u>	<u>12,202,381</u>	<u>354,026</u>
Fire:			
Supervision:			
Salaries and employee benefits		500,213	
Operating expenditures		<u>101,000</u>	
Total		<u>601,213</u>	
Training:			
Salaries and employee benefits		157,520	
Operating expenditures		12,330	
Capital outlay		<u>19,077</u>	
Total		<u>188,927</u>	
Industrial Inspection and Prevention:			
Salaries and employee benefits		353,633	
Operating expenditures		<u>13,702</u>	
Total		<u>367,335</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures: (continued)			
Public Safety: (continued)			
Fire: (continued)			
Fire Fighting:			
Salaries and employee benefits		4,267,945	
Operating expenditures		<u>251,788</u>	
Total		<u>4,519,733</u>	
Fire Station and Buildings:			
Operating expenditures		<u>213,402</u>	
Total		<u>213,402</u>	
Training Center:			
Operating expenditures		<u>36,047</u>	
Total		<u>36,047</u>	
Emergency Response Equipment:			
Operating expenditures		134,600	
Capital outlay		<u>21,570</u>	
Total		<u>156,170</u>	
Total Fire	<u>6,871,710</u>	<u>6,082,827</u>	<u>788,883</u>
Total Public Safety	<u>19,428,117</u>	<u>18,285,208</u>	<u>1,142,909</u>
Public Works:			
Public Works Department:			
Public Works Supervision:			
Salaries and employee benefits		1,126	
Operating expenditures		<u>11,126</u>	
Total		<u>12,252</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures (continued):			
Public Works Department (continued):			
Public Works Supervision (continued):			
Building Maintenance:			
Salaries and employee benefits		489,611	
Operating expenditures		61,966	
Capital outlay		<u>20,918</u>	
Total		<u>572,495</u>	
Equipment Maintenance:			
Salaries and employee benefits		577,234	
Operating expenditures		516,840	
Capital outlay		<u>17,550</u>	
Total		<u>1,111,624</u>	
Street Signs - Marking:			
Salaries and employee benefits		141,490	
Operating expenditures		30,226	
Capital outlay		<u>5,075</u>	
Total		<u>176,791</u>	
Municipal Building:			
Operating expenditures		312,827	
Capital outlay		<u>25,750</u>	
Total		<u>338,577</u>	
May Memorial Library:			
Operating expenditures		<u>112,401</u>	
Total		<u>112,401</u>	
Total Public Works Department	<u>2,502,246</u>	<u>2,324,140</u>	<u>178,106</u>
Street Department:			
Supervision:			
Salaries and employee benefits		153,007	
Operating expenditures		<u>23,714</u>	
Total		<u>176,721</u>	

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (<u>Negative</u>)
Expenditures (continued):			
Public Works Department (continued):			
Street Department (continued):			
Maintenance-Paved Streets:			
Salaries and employee benefits		749,312	
Operating expenditures		<u>990,453</u>	
Total		<u>1,739,765</u>	
Total Street Department	<u>2,332,625</u>	<u>1,916,486</u>	<u>416,139</u>
Sanitation Department:			
Supervision:			
Salaries and employee benefits		138,759	
Operating expenditures		<u>22,633</u>	
Total		<u>161,392</u>	
Cleaning Streets:			
Salaries and employee benefits		35,304	
Operating expenditures		<u>14,198</u>	
Total		<u>49,502</u>	
Garbage and Waste Collection:			
Salaries and employee benefits		692,378	
Operating expenditures		981,390	
Recycling collection fee		<u>505,307</u>	
Total		<u>2,179,075</u>	
Total Sanitation	<u>2,600,271</u>	<u>2,389,969</u>	<u>210,302</u>
Cemetery Department:			
Maintenance:			
Supervision:			
Salaries and employee benefits		144,635	
Operating expenditures		<u>4,625</u>	
Total		<u>149,260</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public Works Department (continued):			
Cemetery (continued):			
Interment and Maintenance:			
Salaries and employee benefits		531,489	
Operating expenditures		<u>118,349</u>	
Total		<u>649,838</u>	
Total Cemetery	<u>861,039</u>	<u>799,098</u>	<u>61,941</u>
Street Tree Program:			
Operating expenditures		<u>12,200</u>	
Total Street Program	<u>24,380</u>	<u>12,200</u>	<u>12,180</u>
 Total Public Works	 <u>8,320,561</u>	 <u>7,441,893</u>	 <u>878,668</u>
Cultural and Recreation:			
Recreation:			
Supervision:			
Salaries and employee benefits		511,501	
Operating expenditures		<u>27,588</u>	
Total		<u>539,089</u>	
Day Camps and Afterschools:			
Salaries and employee benefits		444,563	
Operating expenditures		<u>96,510</u>	
Total		<u>541,073</u>	

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Cultural and Recreation:			
Recreation: (continued)			
Athletics:			
Salaries and employee benefits		609,494	
Operating expenditures		524,478	
Capital outlay		<u>22,822</u>	
Total		<u>1,156,794</u>	
Special Events:			
Salaries and employee benefits		9,441	
Operating expenditures		<u>157,034</u>	
Total		<u>166,475</u>	
Fairchild Stadium:			
Operating expenditures		<u>81,909</u>	
Total		<u>81,909</u>	
Recreation Buildings:			
Salaries and employee benefits		907,614	
Operating expenditures		507,602	
Special projects		52,247	
Capital outlay		<u>22,420</u>	
Total		<u>1,489,883</u>	
Aquatics:			
Salaries and employee benefits		196,941	
Operating expenditures		144,295	
Capital outlay		<u>7,100</u>	
Total		<u>348,336</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Cultural and Recreation:			
Recreation: (continued)			
Camp Green Leaves:			
Salaries and employee benefits		32,115	
Operating expenditures		<u>20,138</u>	
Total		<u>52,253</u>	
Amusement Park:			
Salaries and employee benefits		108,053	
Operating expenditures		94,290	
Capital outlay		<u>13,302</u>	
Total		<u>215,645</u>	
Golf Course:			
Salaries and employee benefits		358,458	
Operating expenditures		245,957	
Capital outlay		<u>11,987</u>	
Total		<u>616,402</u>	
Paramount Theater:			
Salaries and employee benefits		134,255	
Operating expenditures		<u>52,798</u>	
Total	_____	<u>187,053</u>	_____
 Total Cultural and Recreation	 <u>5,761,524</u>	 <u>5,394,912</u>	 <u>366,612</u>

CITY OF BURLINGTON, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Debt Service:			
Principal - bond	1,121,551	1,121,551	-
Interest and other			
charges - bond	580,743	580,742	1
Principal - capital lease	1,715,458	1,672,000	43,458
Interest and other			
charges - capital lease	<u>125,115</u>	<u>125,115</u>	<u>-</u>
Total Debt Service	<u>3,542,867</u>	<u>3,499,408</u>	<u>43,459</u>
Total Expenditures	<u>46,558,512</u>	<u>42,917,904</u>	<u>3,640,608</u>
Revenues Over (Under) Expenditures	<u>(2,195,645)</u>	<u>2,571,921</u>	<u>4,767,566</u>
Other Financing Sources (Uses):			
Transfers from (to) other funds:			
Worker's Compensation			
Self Insurance Fund	(577,854)	(577,854)	-
Issuance from installment			
financing	1,077,538	1,077,538	-
Group Health Benefits	(176,000)	(176,000)	-
MPO Transportation	(64,998)	(64,998)	-
Capital Reserve Fund	(2,150,000)	(2,050,000)	100,000
Weed & Seed	89,000	89,000	-
ERP System Project	(200,000)	(200,000)	-
Inspection Municipal			
Bridges	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Total Other Financing			
Sources (Uses)	<u>(1,995,314)</u>	<u>(1,895,314)</u>	<u>100,000</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures			
and Other Financing Uses	(4,190,959)	676,607	<u>\$ 4,867,566</u>
Fund Balances beginning	<u>4,190,959</u>	<u>31,130,952</u>	
Fund Balances, ending	<u>\$ -</u>	<u>\$ 31,807,559</u>	

CITY OF BURLINGTON
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

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	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,044,018	\$ 1,196,332	\$ 3,240,350
Receivables, net:			
Taxes	64,486	-	64,486
Accounts	1,135,922	1,451,462	2,587,384
Housing rehabilitation loans	2,486,609	-	2,486,609
Home incentive loans	4,730,685	-	4,730,685
Due from other funds	150,483	-	150,483
Total Assets	\$ 10,612,203	\$ 2,647,794	\$ 13,259,997
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 264,142	\$ 34,802	\$ 298,944
Due to other funds	140,789	-	140,789
Deferred revenue	1,205,985	-	1,205,985
Total Liabilities	1,610,916	34,802	1,645,718
Fund balances:			
Reserved for:			
State statute	7,538,843	-	7,538,843
Special Revenue funds	1,462,444	-	1,462,444
Capital Projects Fund	-	2,612,992	2,612,992
Total Fund Balances	9,001,287	2,612,992	11,614,279
Total liabilities and fund balances	\$ 10,612,203	\$ 2,647,794	\$ 13,259,997

CITY OF BURLINGTON
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Ad valorem taxes	\$ 128,571	\$ -	\$ 128,571
Unrestricted intergovernmental	258,049	-	258,049
Restricted intergovernmental	2,164,686	27,517	2,192,203
Sales and services	33,589	-	33,589
Investment earnings	1,755	1,747	3,502
Miscellaneous	106,906	-	106,906
Total revenues	2,693,556	29,264	2,722,820
EXPENDITURES			
Current:			
Public Safety	794,230	-	794,230
Economic and physical development	1,522,589	-	1,522,589
Culture and recreation	177,903	-	177,903
Capital Outlay		1,803,763	1,803,763
Total expenditures	2,494,722	1,803,763	4,298,485
Revenues over (under) expenditures	198,834	(1,774,499)	(1,575,665)
OTHER FINANCING SOURCES (USES)			
Proceeds from RZED	-	2,899,000	2,899,000
Transfers from other funds	104,287	475,000	579,287
Transfers to other funds	(245,735)	(152,290)	(398,025)
Total other financing sources	(141,448)	3,221,710	3,080,262
Revenue and other sources over expenditures and other uses	57,386	1,447,211	1,504,597
Fund balances:			
Fund balances - beginning	8,943,901	1,165,781	10,109,682
Fund balances - ending	\$ 9,001,287	\$ 2,612,992	11,614,279

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SPECIAL REVENUE FUNDS
Combining Schedules
and
Individual Fund Schedules

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CITY OF BURLINGTON, NORTH CAROLINA
 ALL SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 June 30, 2010

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	Community Development Fund	Rehabili- tation Loan Program Fund	Rental Rehabili- tation Loan Program Fund	Downtown Special Tax District Fund	HOME Program Project Fund	RICO Fund	All Hazard Preparedness Fund	Edward Byrne Justice Assistance Grant Fund	Governor Crime Commission Project Safe Neighborhood
ASSETS									
Cash and cash equivalents	\$ 8,874	\$ 367,902	\$ 390,477	\$ -	\$ -	\$628,053	\$ -	\$ 35,973	\$ 7,139
Receivables (net):									
Taxes	-	-	-	64,486	-	-	-	-	-
Accounts	-	33,213	125,184	2,144	795,334	-	90,285	-	1,539
Housing Rehabilitation loans	-	2,016,222	470,387	-	-	-	-	-	-
Home Incentive loans	-	117,617	-	-	4,613,068	-	-	-	-
Due from other funds	138,358	1,024	-	-	11,101	-	-	-	-
Total assets	\$ 147,232	\$ 2,535,978	\$ 986,048	\$ 66,630	\$5,419,503	\$628,053	\$ 90,285	\$ 35,973	\$ 8,678
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 60	\$ 170	\$ -	\$ 2,144	\$ 76,560	\$ 13,860	\$ 90,285	\$ 1,476	\$ 7,160
Due to other funds	125,881	3,807	11,101	-	-	-	-	-	-
Deferred revenue	-	-	-	64,486	1,141,499	-	-	-	-
Total liabilities	125,941	3,977	11,101	66,630	1,218,059	13,860	90,285	1,476	7,160
Fund Balances:									
Reserved by State Statute	-	2,532,001	974,947	-	4,031,895	-	-	-	-
Unreserved:									
Designated for subsequent year's expenditures	21,291	-	-	-	169,549	614,193	-	-	-
Undesignated	-	-	-	-	-	-	-	34,497	1,518
Total fund balances	21,291	2,532,001	974,947	-	4,201,444	614,193	-	34,497	1,518
Total liabilities and fund balances	\$ 147,232	\$ 2,535,978	\$ 986,048	\$ 66,630	\$5,419,503	\$628,053	\$ 90,285	\$ 35,973	\$ 8,678

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Guilford Mackintosh Fund	Controlled Substance Tax Fund	MPO Planning Transportation Fund	Governor's Highway Safety Grant Project Fund	Energy Efficiency Conservative Fund	Fit Community Grant Fund	Medicare Part D Grant Project Fund	Gang Investigator Grant Fund	Weed & Seed Grant Program	Totals
\$ -	\$ 66,580	\$ 304,431	\$ -	\$ 202,365	\$ -	\$ 18,375	\$ -	\$ 13,849	\$ 2,044,018
-	-	-	-	-	-	-	-	-	64,486
43,612	-	44,611	-	-	-	-	-	-	1,135,922
-	-	-	-	-	-	-	-	-	2,486,609
-	-	-	-	-	-	-	-	-	4,730,685
-	-	-	-	-	-	-	-	-	150,483
<u>\$ 43,612</u>	<u>\$ 66,580</u>	<u>\$ 349,042</u>	<u>\$ -</u>	<u>\$ 202,365</u>	<u>\$ -</u>	<u>\$ 18,375</u>	<u>\$ -</u>	<u>\$ 13,849</u>	<u>\$ 10,612,203</u>

\$ 43,612	\$ -	\$ 28,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	264,142
-	-	-	-	-	-	-	-	-	140,789
-	-	-	-	-	-	-	-	-	1,205,985
<u>43,612</u>	<u>-</u>	<u>28,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,610,916</u>
-	-	-	-	-	-	-	-	-	7,538,843
-	66,580	-	-	-	-	-	-	-	871,613
-	-	320,227	-	202,365	-	18,375	-	13,849	590,831
-	66,580	320,227	-	202,365	-	18,375	-	13,849	9,001,287
<u>\$ 43,612</u>	<u>\$ 66,580</u>	<u>\$ 349,042</u>	<u>\$ -</u>	<u>\$ 202,365</u>	<u>\$ -</u>	<u>\$ 18,375</u>	<u>\$ -</u>	<u>\$ 13,849</u>	<u>\$ 10,612,203</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL SPECIAL REVENUE FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 For The Fiscal Year Ended June 30, 2010

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	Community Development Fund	Rehabilitation Loan Program Fund	Rental Rehabili- tation Loan Program Fund	Downtown Special Tax District Fund	HOME Program Project Fund	RICO Fund	All Hazard Preparedness Fund	Edward Byrne Justice Assistance Grant Fund	Governor Crime Commission Project Safe Neighborhood
Revenues:									
Ad Valorem taxes Unrestricted	\$ -	\$ -	\$ -	\$ 128,571	\$ -	\$ -	\$ -	\$ -	\$ -
intergovernmental	-	-	-	-	-	-	90,285	-	-
Restricted intergovernmental	576,626	-	-	-	190,529	471,998	-	416,704	16,196
Sales and services	-	-	-	-	-	-	-	-	-
Investment earnings	-	1,478	-	-	-	277	-	-	-
Miscellaneous	-	13,232	84,563	-	9,111	-	-	-	-
Total Revenues	576,626	14,710	84,563	128,571	199,640	472,275	90,285	416,704	16,196
Expenditures:									
Current:									
Public safety	-	-	-	-	-	320,950	-	418,142	24,678
Cultural and recreation	-	-	-	-	-	-	-	-	-
Economic and physical development	469,047	127,350	-	128,571	343,364	-	90,285	-	-
Total Expenditures	469,047	127,350	-	128,571	343,364	320,950	90,285	418,142	24,678
Revenues Over (Under) Expenditures	107,579	(112,640)	84,563	-	(143,724)	151,325	-	(1,438)	(8,482)
Other Financing Sources (Uses):									
Transfers from other funds	-	-	-	-	29,462	9,827	-	-	-
Transfers to other funds	(117,446)	-	(29,462)	-	-	-	-	-	-
Transfer to component unit	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(117,446)	-	(29,462)	-	29,462	9,827	-	-	-
Net change in fund balances	(9,867)	(112,640)	55,101	-	(114,262)	161,152	-	(1,438)	(8,482)
Fund balance, beginning	31,158	2,644,641	919,846	-	4,315,706	453,041	-	35,935	10,000
Fund balance, ending	\$ 21,291	\$ 2,532,001	\$ 974,947	\$ -	\$ 4,201,444	\$ 614,193	\$ -	\$ 34,497	\$ 1,518

Guilford Mackintosh Fund	Controlled Substance Tax Fund	MPO Planning Transportation Fund	Governor's Highway Safety Grant Project Fund	Energy Efficiency Conservative Fund	Fit Community Project Fund	Medicare Part D Grant Project Fund	Gang Investigator Grant Fund	Weed & Seed Grant Program Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,571
144,314	23,450	-	-	-	-	-	-	-	258,049
-	-	230,069	-	223,900	52,872	-	-	(14,208)	2,164,686
33,589	-	-	-	-	-	-	-	-	33,589
-	-	-	-	-	-	-	-	-	1,755
-	-	-	-	-	-	-	-	-	106,906
<u>177,903</u>	<u>23,450</u>	<u>230,069</u>	<u>-</u>	<u>223,900</u>	<u>52,872</u>	<u>-</u>	<u>-</u>	<u>(14,208)</u>	<u>2,693,556</u>
-	29,324	-	-	-	-	-	-	1,136	794,230
177,903	-	-	-	-	-	-	-	-	177,903
-	-	286,726	-	21,535	52,872	2,839	-	-	1,522,589
<u>177,903</u>	<u>29,324</u>	<u>286,726</u>	<u>-</u>	<u>21,535</u>	<u>52,872</u>	<u>2,839</u>	<u>-</u>	<u>1,136</u>	<u>2,494,722</u>
-	(5,874)	(56,657)	-	202,365	-	(2,839)	-	(15,344)	198,834
-	-	64,998	-	-	-	-	-	-	104,287
-	-	-	(3,251)	-	-	-	(6,576)	(89,000)	(245,735)
-	-	-	-	-	-	-	-	-	-
-	-	64,998	(3,251)	-	-	-	(6,576)	(89,000)	(141,448)
-	(5,874)	8,341	(3,251)	202,365	-	(2,839)	(6,576)	(104,344)	57,386
-	72,454	311,886	3,251	-	-	21,214	6,576	118,193	8,943,901
<u>\$ -</u>	<u>\$ 66,580</u>	<u>\$ 320,227</u>	<u>\$ -</u>	<u>\$ 202,365</u>	<u>\$ -</u>	<u>\$ 18,375</u>	<u>\$ -</u>	<u>\$ 13,849</u>	<u>\$ 9,001,287</u>

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CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 From Inception and For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT
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	Total Authorized Revenues	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
Federal Grants -					
Program Year:					
2010	\$ 439,247	\$ -	\$ -	\$ -	\$ (439,247)
2009	432,444	-	376,776	376,776	(55,668)
2008	447,676	359,438	82,404	441,842	(5,834)
2007	440,794	440,794	-	440,794	-
2006	490,388	490,388	-	490,388	-
2005	518,000	518,000	-	518,000	-
2004	531,000	531,000	-	531,000	-
2003	389,000	389,000	-	389,000	-
2002	422,000	422,000	-	422,000	-
2001	436,000	436,000	-	436,000	-
2000	428,000	428,000	-	428,000	-
1999	425,000	425,000	-	425,000	-
1998	400,000	400,000	-	400,000	-
1997	406,000	406,000	-	406,000	-
1996	416,833	416,833	-	416,833	-
1995	463,000	463,000	-	463,000	-
Federal Recovery Grant	-	-	117,446	117,446	117,446
Total Restricted Intergovernmental	<u>7,085,382</u>	<u>6,125,453</u>	<u>576,626</u>	<u>6,702,079</u>	<u>(383,303)</u>
Miscellaneous Revenues:					
Urban renewal land sales and related income	-	145,641	-	145,641	145,641
Sale of property:					
2007	-	200	-	200	200
2004	-	200	-	200	200
2002	50,000	50,000	-	50,000	-
1997	-	14,083	-	14,083	14,083
1996	22,500	22,500	-	22,500	-
1995	29,000	28,991	-	28,991	(9)
Program income - 1995	8,526	5,653	-	5,653	(2,873)
Sales tax refunds:					
1996	1,155	-	-	-	(1,155)
1995	4,822	8,872	-	8,872	4,050
Green Level - administration - 1996	<u>14,000</u>	<u>14,000</u>	<u>-</u>	<u>14,000</u>	<u>-</u>
Total Miscellaneous Revenues	<u>130,003</u>	<u>290,140</u>	<u>-</u>	<u>290,140</u>	<u>160,137</u>
Total Revenues	<u>7,215,385</u>	<u>6,415,593</u>	<u>576,626</u>	<u>6,992,219</u>	<u>(223,166)</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 From Inception and For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures:					
Economic and Physical Development:					
Program Year 1995:					
Public Works Facilities, Site Improvements:					
Beaumont Avenue Culvert	157,000	157,000	-	157,000	-
Apple Street Improvements	129,715	129,715	-	129,715	-
Transitional Housing	62,345	62,345	-	62,345	-
Provision of Public Services:					
North Park Library	7,000	7,000	-	7,000	-
Administration	98,003	98,000	3	98,003	-
Contingency	4,285	4,285	-	4,285	-
Total Program Year 1995	458,348	458,345	3	458,348	-
Program Year 1996:					
Public Works Facilities, Site Improvements:					
Apple Street Improvements	173,042	173,042	-	173,042	-
Morgan Hill Trail Improvements	8,776	8,776	-	8,776	-
Independent Apartment Development Disabled	50,000	50,000	-	50,000	-
LBP Inspections Reduction	8,000	8,000	-	8,000	-
Public Infrastructure	1,224	1,224	-	1,224	-
Provision of Public Services:					
North Park Library	7,000	7,000	-	7,000	-

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 From Inception and For The Fiscal Year Ended June 30, 2010

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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures: (continued)					
Economic and Physical					
Development: (continued)					
Program Year 1996:					
(continued)					
Administration	98,000	98,000	-	98,000	-
Consultant	<u>16,988</u>	<u>16,988</u>	-	<u>16,988</u>	-
Total Program Year 1996	<u>363,030</u>	<u>363,030</u>	-	<u>363,030</u>	-
Program Year 1997:					
Public Works					
Facilities, Site					
Improvements:					
Apple Street Improvements	10,000	10,000	-	10,000	-
Miami Avenue Storm Sewer	15,585	15,585	-	15,585	-
Recreation Facility Improvements	100,000	100,000	-	100,000	-
Independent Apartments Development Disabled	50,000	50,000	-	50,000	-
Lincoln Street Improvements	5,000	5,000	-	5,000	-
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Administration	98,323	98,000	323	98,323	-
Relocation	10,000	10,000	-	10,000	-
Contingency	<u>7,092</u>	<u>7,092</u>	-	<u>7,092</u>	-
Total Program Year 1997	<u>306,000</u>	<u>305,677</u>	<u>323</u>	<u>306,000</u>	-

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PRELIMINARY DRAFT

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures: (continued)					
Economic and Physical Development: (continued)					
Program Year 1998:					
Public Works Facilities, Site Improvements:					
Independent Apartments Development	22,353	22,353	-	22,353	-
Dillard Circle	4,862	4,862	-	4,862	-
Kilby Street Culvert Improvements	6,647	6,647	-	6,647	-
Recreation Facility Improvements	21,000	21,000	-	21,000	-
Hall Avenue Facility	21,000	21,000	-	21,000	-
Provision of Public Services:					
North Park Library	10,000	10,000	-	10,000	-
LBP Inspections Reduction	12,000	12,000	-	12,000	-
Section 108 Loan Payments	75,000	75,000	-	75,000	-
Administration	98,000	98,000	-	98,000	-
Contingency	4,138	4,138	-	4,138	-
Total Program Year 1998	275,000	275,000	-	275,000	-
Program Year 1999:					
Public Works Facilities, Site Improvements:					
Public improvement infrastructure	52,000	52,000	-	52,000	-
Hall Avenue Facility	1,000	1,000	-	1,000	-

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year					
1999 (continued):					
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Section 108					
Loan Payments	64,000	64,000	-	64,000	-
Administration	98,000	97,600	400	98,000	-
Total Program Year 1999	<u>225,000</u>	<u>224,600</u>	<u>400</u>	<u>225,000</u>	<u>-</u>
Program Year 2000:					
Public Works					
Facilities, Site					
Improvements:					
Lincoln Street					
Improvements	35,000	35,000	-	35,000	-
Kilby Street Culvert					
Improvements	4,165	4,165	-	4,165	-
Habitat for					
Humanity					
Subdivision	124,000	124,000	-	124,000	-
Provision of					
Public Services:					
North Park					
Library	10,000	10,000	-	10,000	-
Community					
Oriented					
Police Project	122,000	122,000	-	122,000	-
Section 108					
Loan Payments	61,000	61,000	-	61,000	-
Administration	98,000	96,548	1,452	98,000	-
Relocation	9,500	9,500	-	9,500	-
Contingency	14,335	14,335	-	14,335	-
Total Program Year 2000	<u>478,000</u>	<u>476,548</u>	<u>1,452</u>	<u>478,000</u>	<u>-</u>
Program Year 2001:					
Public Works					
Facilities, Site					
Improvements:					
St. John Street					
Culvert	33,300	33,300	-	33,300	-

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year					
2001 (continued):					
Public Works					
Facilities, Site					
Improvements (continued):					
Kilby Street Culvert					
Improvements	6,275	6,275	-	6,275	-
Apple Street					
Improvements	140,000	140,000	-	140,000	-
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Recreation					
Facility					
Improvements	30,000	30,000	-	30,000	-
Drew Center					
Improvements	25,000	25,000	-	25,000	-
Public					
Infrastructure					
Improvements	9,700	9,700	-	9,700	-
Section 108					
Loan Payments	58,000	58,000	-	58,000	-
Administration	106,725	106,275	450	106,725	-
Relocation	15,000	15,000	-	15,000	-
Total Program					
Year 2001	<u>436,000</u>	<u>435,550</u>	<u>450</u>	<u>436,000</u>	<u>-</u>
Program Year 2002:					
Public Works					
Facilities, Site					
Improvements:					
Kilby Street Culvert					
Improvements	149,705	149,705	-	149,705	-
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Community					
Policing					
Substation	1,295	1,295	-	1,295	-

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
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	<u>Total Authorized Costs</u>	<u>Reported In Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total To Date</u>	
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year					
2002 (continued):					
Provision of					
Public Services (continued):					
Hall Avenue Facility	55,000	55,000	-	55,000	-
Mobile Learning Center	26,000	26,000	-	26,000	-
Section 108 Loan					
Payments	55,000	55,000	-	55,000	-
Administration	106,000	104,400	1,600	106,000	-
Relocation	17,000	12,944	4,056	17,000	-
Total Program Year 2002	<u>422,000</u>	<u>416,344</u>	<u>5,656</u>	<u>422,000</u>	<u>-</u>
Program Year 2003:					
Public Works Facilities, Site Improvements:					
Kilby Street Culvert Improvements	156	156	-	156	-
Glen Raven Infrastructure	49,844	49,844	-	49,844	-
Provision of Public Services:					
North Park Library	12,000	12,000	-	12,000	-
Construction Training Program	65,000	65,000	-	65,000	-
Public Infrastructure Improvements	125,000	125,000	-	125,000	-
Section 108 Loan					
Payments	30,976	30,976	-	30,976	-
Administration	106,024	104,592	1,432	106,024	-
Total Program Year 2003	<u>389,000</u>	<u>387,568</u>	<u>1,432</u>	<u>389,000</u>	<u>-</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
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			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2004:					
Public Works					
Facilities, Site					
Improvements:					
Durham Street/ Morgan Hill Trail	82,084	82,084	-	82,084	-
Glen Raven Project	155,467	155,467	-	155,467	-
Hunt Street Project	3,249	3,249	-	3,249	-
Ross Street Subdivision	50,000	50,000	-	50,000	-
FAS Plumbing Repairs	4,900	4,900	-	4,900	-
Provision of					
Public Services:					
North Park Library	12,000	12,000	-	12,000	-
Fairchild Comfort Station	4,800	4,800	-	4,800	-
Construction Training Program	65,000	65,000	-	65,000	-
Recreation Facilities Improvements	3,200	3,200	-	3,200	-
FAS Security System	3,500	3,495	-	3,495	5
Administration	110,000	95,601	6,374	101,975	8,025
Contingency	<u>36,800</u>	<u>62</u>	<u>-</u>	<u>62</u>	<u>36,738</u>
Total Program Year 2004	<u>531,000</u>	<u>479,858</u>	<u>6,374</u>	<u>486,232</u>	<u>44,768</u>
Program Year 2005:					
Public Works					
Facilities, Site					
Improvements:					
Glen Raven Project	340,000	340,000	-	340,000	-
Provision of					
Public Services:					
North Park Library	12,000	12,000	-	12,000	-
Construction Training Program	65,000	65,000	-	65,000	-
Administration	<u>101,000</u>	<u>73,471</u>	<u>4,133</u>	<u>77,604</u>	<u>23,396</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
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			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical Development (continued):					
Program Year 2005 (continued):					
Total Program Year 2005	<u>518,000</u>	<u>490,471</u>	<u>4,133</u>	<u>494,604</u>	<u>23,396</u>
Program Year 2006:					
Public Works Facilities, Site Improvements:					
Glen Raven Infrastructure	317,388	317,388	-	317,388	-
Provision of Public Services:					
North Park Library	10,000	10,000	-	10,000	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	<u>98,000</u>	<u>57,843</u>	<u>6,410</u>	<u>64,253</u>	<u>33,747</u>
Total Program Year 2006	<u>490,388</u>	<u>450,231</u>	<u>6,410</u>	<u>456,641</u>	<u>33,747</u>
Program Year 2007:					
Public Works Facilities, Site Improvements:					
Glen Raven Project	47,593	47,593	-	47,593	-
Church Street Sidewalk	48,038	48,038	-	48,038	-
Street Improvements (Jackson/Peace)	27,017	9,241		9,241	17,776
Storm Sewer Replacement	30,469	30,469	-	30,469	-
Provision of Public Services:					
Hall Avenue Facility Improvements	69,899	69,899	-	69,899	-
North Park Library	10,000	10,000	-	10,000	-
North Park Pool Upgrades	5,200	-	5,200	5,200	-
Fairchild Comfort Station	39,578	39,578	-	39,578	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	<u>98,000</u>	<u>47,372</u>	<u>-</u>	<u>47,372</u>	<u>50,628</u>
Total Program Year 2007	<u>440,794</u>	<u>367,190</u>	<u>5,200</u>	<u>372,390</u>	<u>68,404</u>

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CITY OF BURLINGTON, NORTH CAROLINA
SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical					
Development (continued):					
Program Year 2008:					
Public Works					
Facilities, Site					
Improvements:					
Sidewalk					
Improvements	92,714	90,160	-	90,160	2,554
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Recreation Facility					
Improvements	82,676	82,676	-	82,676	-
Hall Avenue Facility					
Improvements	97,286	97,286	-	97,286	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	98,000	47,915	-	47,915	50,085
Total Program	447,676	395,037	-	395,037	52,639
Program Year 2009:					
Public Works					
Facilities, Site					
Improvements:					
Sidewalk					
Improvements	130,000	40,081	85,667	125,748	4,252
Provision of					
Public Services:					
North Park					
Library	12,000	12,000	-	12,000	-
Fairchild Park					
Improvements	127,444	127,444	-	127,444	-
Construction					
Training Program	65,000	65,000	-	65,000	-
Administration	98,000	51,512	3,327	54,839	43,161
Total Program	432,444	296,037	88,994	385,031	47,413

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 From Inception and For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT
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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued): Economic and Physical Development (continued):					
Program Year 2010:					
Public Works					
Facilities, Site Improvements:					
Maple Avenue Sidewalk	153,397	-	112,699	112,699	40,698
Provision of Public Services:					
North Park Library	10,000	-	10,000	10,000	-
Residential Treatment Services					
Mebane Street Facility Repairs	9,350	-	9,175	9,175	175
North Park Improvements	100,000	-	100,000	100,000	-
Family Abuse Services					
Transitional Housing Upgrade	3,500	-	3,066	3,066	434
Construction					
Training Program	65,000	-	65,000	65,000	-
Administration	<u>98,000</u>	<u>-</u>	<u>48,280</u>	<u>48,280</u>	<u>49,720</u>
Total Program Year 2010	<u>439,247</u>	<u>-</u>	<u>348,220</u>	<u>348,220</u>	<u>91,027</u>
 Total Expenditures	 <u>6,651,927</u>	 <u>5,821,486</u>	 <u>469,047</u>	 <u>6,290,533</u>	 <u>361,394</u>
 Revenues Over (Under) Expenditures	 <u>563,458</u>	 <u>594,107</u>	 <u>107,579</u>	 <u>701,686</u>	 <u>138,228</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 From Inception and For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures (continued):					
Economic and Physical Development (continued):					
Other Financing (Uses):					
Transfers to other funds:					
Mebane St./ St. John Culvert Rehabilitation Loan Program Fund:					
Program Year:					
1995	(47,000)	(47,000)	-	(47,000)	-
1996	(16,458)	(15,949)	-	(15,949)	509
Recreation Bond Project Ordinance:					
Program Year:					
1996	(75,000)	(75,000)	-	(75,000)	-
1997	(100,000)	(100,000)	-	(100,000)	-
1998	(125,000)	(125,000)	-	(125,000)	-
1999	(200,000)	(200,000)	-	(200,000)	-
Total Other Financing (Uses)	<u>(563,458)</u>	<u>(562,949)</u>	<u>(117,446)</u>	<u>(680,395)</u>	<u>(116,937)</u>
Revenues and Other Sources Over (Under) Expenditures And Other Uses	<u>\$ -</u>	<u>\$ 31,158</u>	<u>(9,867)</u>	<u>\$ 21,291</u>	<u>\$ 21,291</u>
Fund balance, beginning			<u>31,158</u>		
Fund balance, ending			<u>\$ 21,291</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – REHABILITATION LOAN PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ _____	\$ 1,478	\$ _____
Miscellaneous:			
Interest on loans	_____	13,232	_____
Total Revenues	<u> 16,000</u>	<u> 14,710</u>	<u> (1,290)</u>
Expenditures:			
Economic and Physical Development:			
Operating expenditures		129,137	
Provision for bad debts		(1,787)	
Total Expenditures	<u> 166,850</u>	<u> 127,350</u>	<u> 39,500</u>
Revenues Over (Under) Expenditures	(150,850)	(112,640)	<u> 38,210</u>
Fund balance, appropriated	<u> 150,850</u>		
Net change in fund balance	<u> \$ _____</u>		
Fund balance, beginning		<u> 2,644,641</u>	
Fund balance, ending		<u> \$ 2,532,001</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – RENTAL REHABILITATION LOAN PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	\$	\$	-
Miscellaneous:			
Interest on loans	<u> </u>	<u>83,522</u>	<u> </u>
Total Revenues	<u>2,000</u>	<u>83,522</u>	<u>81,522</u>
Expenditures:			
Economic and Physical Development:			
Provision for bad debts	<u> </u>	<u>(1,041)</u>	<u> </u>
Total Expenditures	<u>10,800</u>	<u>(1,041)</u>	<u>11,841</u>
Revenues Over (Under) Expenditures	<u>(8,800)</u>	<u>84,563</u>	<u>93,363</u>
Other Financing Sources (Uses):			
Transfers to other fund:			
Home Program Project	<u>(29,462)</u>	<u>(29,462)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(29,462)</u>	<u>(29,462)</u>	<u>-</u>
Revenues (Under) Expenditures and Other Uses	<u>(38,262)</u>	<u>55,101</u>	<u>\$ 93,363</u>
Fund balance, appropriated	<u>38,262</u>		
Net change in fund balance	<u>\$ -</u>		
Fund balance, beginning		<u>919,846</u>	
Fund balance, ending		<u>\$ 974,947</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – DOWNTOWN SPECIAL TAX DISTRICT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$	\$ 130,875	\$
Tax discounts		(2,304)	
Total	<u>92,451</u>	<u>128,571</u>	<u>36,120</u>
Sales and Services:			
Parade Holiday Events		-	
Farmers market		-	
Promotional sales		-	
Total	<u>85,000</u>	<u>-</u>	<u>(85,000)</u>
Total Revenues	<u>177,451</u>	<u>128,571</u>	<u>(48,880)</u>
Expenditures:			
Economic and Physical Development:			
Salaries and employee benefits		-	
Operating expenditures		128,571	
Equipment		-	
Total Expenditures	<u>198,650</u>	<u>128,571</u>	<u>70,079</u>
Revenues Over (Under) Expenditures	(21,199)	-	<u>\$ 21,199</u>
Fund balance, beginning	<u>21,199</u>	<u>-</u>	
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - HOME PROGRAM PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception and For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
Federal Grant	\$ 3,611,801	\$ 3,069,324	\$ 186,131	\$ 3,255,455	\$ (356,346)
Federal Grant - County	1,445,764	1,251,688	4,398	1,256,086	(189,678)
State Grant	-	2,667	-	2,667	2,667
Local Funds	<u>36,465</u>	<u>6,481</u>	<u>-</u>	<u>6,481</u>	<u>(29,984)</u>
Total	5,094,030	4,330,160	190,529	4,520,689	(573,341)
Miscellaneous:					
Program income	<u>83,685</u>	<u>199,035</u>	<u>9,111</u>	<u>208,146</u>	<u>124,461</u>
Total Revenues	<u>5,177,715</u>	<u>4,529,195</u>	<u>199,640</u>	<u>4,728,835</u>	<u>(448,880)</u>
Expenditures:					
Economic and Physical Development:					
Administrative	344,057	244,230	3,944	248,174	95,883
Homebuyer assistance	161,167	49,620	-	49,620	111,547
CHDO project assistance	716,924	651,699	978	652,677	64,247
Rehabilitation – owner	4,324,728	260,779	262,206	522,985	3,801,743
Rehabilitation rental	313,250	115,442	-	115,442	197,808
Lead based paint reduction	37,500	37,500	-	37,500	-
Relocation	64,781	64,781	-	64,781	-
CTP Housing Activities	455,000	12,324	59,800	72,124	382,876
Provision for bad debts	<u>-</u>	<u>220,852</u>	<u>16,436</u>	<u>237,288</u>	<u>(237,288)</u>
Total Expenditures	<u>6,417,407</u>	<u>1,657,227</u>	<u>343,364</u>	<u>2,000,591</u>	<u>4,416,816</u>

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - HOME PROGRAM PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception and For The Fiscal Year Ended June 30, 2010

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	<u>Total Authorized Costs</u>	<u>Reported In Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total To Date</u>	
Revenues Over (Under) Expenditures	<u>(1,239,692)</u>	<u>2,871,968</u>	<u>(143,724)</u>	<u>2,728,244</u>	<u>3,967,936</u>
Other Financing Sources:					
Transfers from other funds:					
HOME Investment Partnership Project Fund	-	450,726	-	450,726	450,726
Rental Rehabilitation Loan Program	547,138	616,660	29,462	646,122	98,984
Rehabilitation Loan Program Fund	-	232,688	-	232,688	232,688
Single Family Housing Project Fund	-	143,664	-	143,664	143,664
Total Other Financing Sources	<u>547,138</u>	<u>1,443,738</u>	<u>29,462</u>	<u>1,473,200</u>	<u>926,062</u>
Revenues and Other Sources Over (Under) Expenditures	(692,554)	<u>\$ 4,315,706</u>	(114,262)	<u>\$ 4,201,444</u>	<u>\$ 4,893,998</u>
Fund balance, beginning	<u>692,554</u>		<u>4,315,706</u>		
Fund balance, ending	<u>\$ -</u>		<u>\$ 4,201,444</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - GUILFORD MACKINTOSH FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Unrestricted Intergovernmental:			
Guilford County Reimbursement	\$ _____	\$ 144,314	\$ _____
Total	<u>181,491</u>	<u>144,314</u>	<u>(37,177)</u>
Sales and Service:			
Boat rentals		17,100	
Fishing fees		5,846	
Boat launch fees		3,572	
Concession sales		3,071	
Shelter rentals		4,000	
Total	<u>22,000</u>	<u>33,589</u>	<u>11,589</u>
Total Revenues	<u>203,491</u>	<u>177,903</u>	<u>(25,588)</u>
Expenditures:			
Cultural and Recreation:			
Salaries and employee benefits		137,258	
Operating expenditures		40,645	
Total Expenditures	<u>203,491</u>	<u>177,903</u>	<u>25,588</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - CONTROLLED SUBSTANCE TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Unrestricted Intergovernmental:			
Controlled substance funds	\$ _____	\$ 23,450	\$ _____
Total Revenues	_____ -	_____ 23,450	_____ 23,450
Expenditures:			
Public Safety:			
Salaries and Employee Benefits	_____	_____ 29,324	_____
Total Expenditures	_____ 27,000	_____ 29,324	_____ (2,324)
Revenues Over (Under) Expenditures	(27,000)	(5,874)	\$ <u>21,126</u>
Fund balance, appropriated	_____ 27,000		
Net change in fund balance	\$ _____ -		
Fund balance, beginning		_____ 72,454	
Fund balance, ending		\$ <u>66,580</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - MPO PLANNING TRANSPORTATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Restricted Intergovernmental:			
State Grant	\$	\$ 229,804	\$
Interest		265	
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>272,495</u>	<u>230,069</u>	<u>(42,426)</u>
Expenditures:			
Economic and Physical Development:			
Operating expenditures		286,726	
Special projects		-	
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	<u>337,493</u>	<u>286,726</u>	<u>50,767</u>
Revenues Over (Under) Expenditures	<u>(64,998)</u>	<u>(56,657)</u>	<u>8,341</u>
Other Financing Sources:			
Transfers from other funds:			
General Fund	64,998	64,998	-
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources	<u>64,998</u>	<u>64,998</u>	<u>-</u>
Revenues and Other Sources (Under) Expenditures	-	8,341	<u>\$ 8,341</u>
Fund balance, beginning	<u>-</u>	<u>311,886</u>	
Fund balance, ending	<u>\$ -</u>	<u>\$ 320,227</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – GOVERNOR'S HIGHWAY SAFETY GRANT PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception and For The Fiscal Year Ended June 30, 2010

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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ _____	\$ 272,151	\$ -	\$ 272,151	\$ _____
Total Revenues	<u>262,236</u>	<u>272,151</u>	<u>-</u>	<u>272,151</u>	<u>9,915</u>
Expenditures:					
Public Safety:					
Salaries and Employee benefits		234,238	-	234,238	
Equipment		159,712	-	159,712	
Operating expenditures		15,294	-	15,294	
Total Expenditures	<u>451,580</u>	<u>409,244</u>	<u>-</u>	<u>409,244</u>	<u>42,336</u>
Revenues (Under) Expenditures	<u>(189,344)</u>	<u>(137,093)</u>	<u>-</u>	<u>(137,093)</u>	<u>52,251</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
General Fund	73,662	99,662	-	99,662	26,000
Rico Fund	40,682	40,682	-	40,682	-
Rico Fund	<u>(3,251)</u>	<u>-</u>	<u>(3,251)</u>	<u>(3,251)</u>	<u>-</u>
Total Other Financing Sources	<u>111,093</u>	<u>140,344</u>	<u>(3,251)</u>	<u>137,093</u>	<u>26,000</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(78,251)</u>	<u>\$ 3,251</u>	<u>(3,251)</u>	<u>\$ -</u>	<u>\$ 78,251</u>
Fund balance, appropriated	<u>78,251</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>3,251</u>		
Fund balance, ending			<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL

From Inception and For The Fiscal Year Ended June 30, 2010

	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
ARRA Grant	\$ 223,900	\$ -	\$ 223,900	\$ 223,900	\$ -
Total Revenues	<u>223,900</u>	<u>-</u>	<u>223,900</u>	<u>223,900</u>	<u>-</u>
Expenditures:					
Economic and physical development:					
Professional services	60,000	-	21,535	21,535	38,465
Projects	158,900	-	-	-	158,900
Operating expenditures	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>223,900</u>	<u>-</u>	<u>21,535</u>	<u>21,535</u>	<u>202,365</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,365</u>	<u>\$ 202,365</u>	<u>\$ 202,365</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 202,365</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND - CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Interest income	\$ _____	\$ 145,421	\$ _____
Total Revenues	_____ -	145,421	145,421
Expenditures:			
Capital Outlay	2,125,000	_____ -	2,125,000
Total Expenditures	2,125,000	_____ -	2,125,000
Revenues Over (Under) Expenditures	(2,125,000)	145,421	2,270,421
Other Financing Sources (Uses):			
Transfers from other funds:			
General Fund	2,150,000	2,050,000	(100,000)
Transfers to other funds:			
Renovation Existing Recreation & Park Facility	(250,000)	(250,000)	-
Drainage Improvement Project	(25,000)	(25,000)	-
Total Other Financing Sources	1,875,000	1,775,000	(100,000)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(250,000)	1,920,421	\$ 2,170,421
Fund balance, appropriated	250,000		
Net change in fund balance	\$ _____ -		
Fund balance, beginning		15,599,087	
Fund balance, ending		\$ 17,519,508	

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – MEDICARE PART D GRANT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

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	Project Authorization	Actual			Variance Positive (Negative)
		Reported In Prior Years	Current Year	Total To Date	
Revenues:					
State Grant	\$ 48,100	\$ 48,100	\$ -	\$ 48,100	\$ -
Total Revenues	48,100	48,100	-	48,100	-
Expenditures:					
Operating expenditures	48,100	26,886	2,839	29,725	18,375
Total Expenditures	48,100	26,886	2,839	29,725	18,375
Revenues Over Expenditures	\$ -	\$ 21,214	(2,839)	\$ 18,375	\$ 18,375
Fund balance, beginning			21,214		
Fund Balance, ending			\$ 18,375		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – WEED & SEED GRANT PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

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	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
State Grant					
Reimbursement	750,000	731,316	(14,208)	717,108	(32,892)
Donations	<u>6,600</u>	<u>6,500</u>	<u>-</u>	<u>6,500</u>	<u>(100)</u>
Total Revenues	<u>756,600</u>	<u>737,816</u>	<u>(14,208)</u>	<u>723,608</u>	<u>(32,992)</u>
Expenditures:					
Salaries and Employee					
Benefits	471,194	409,758	-	409,758	61,436
Professional Services	95,551	107,024	-	107,024	(11,473)
Travel	25,400	16,581	-	16,581	8,819
Supplies	109,533	65,513	1,136	66,649	42,884
Service Contracts	129,422	95,323	-	95,323	34,099
Equipment	<u>14,500</u>	<u>14,424</u>	<u>-</u>	<u>14,424</u>	<u>76</u>
Total Expenditures	<u>845,600</u>	<u>708,623</u>	<u>1,136</u>	<u>709,759</u>	<u>135,841</u>
Revenues Over (Under) Expenditures	<u>(89,000)</u>	<u>29,193</u>	<u>(15,344)</u>	<u>13,849</u>	<u>102,849</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	89,000	89,000	-	89,000	-
Transfer to other funds:					
Capital Reserve Fund	<u>(89,000)</u>	<u>-</u>	<u>(89,000)</u>	<u>(89,000)</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>89,000</u>	<u>(89,000)</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over Expenditures and Other Uses	(89,000)	<u>\$ 118,193</u>	(104,344)	<u>\$ 13,849</u>	<u>\$ 102,849</u>
Fund balance, appropriated	<u>89,000</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>118,193</u>		
Fund balance, ending			<u>\$ 13,849</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – EDWARD BYRNE JUSTICE ASSISTANCE GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 606,150	\$ 67,449	\$ 416,704	\$ 484,153	\$ (121,997)
Total Revenues	<u>606,150</u>	<u>67,449</u>	<u>416,704</u>	<u>484,153</u>	<u>(121,997)</u>
Expenditures:					
Public Safety:					
Equipment	315,983	39,617	176,820	216,437	99,546
Operating expenditures	<u>349,124</u>	<u>50,854</u>	<u>241,322</u>	<u>292,176</u>	<u>56,948</u>
Total Expenditures	<u>665,107</u>	<u>90,471</u>	<u>418,142</u>	<u>508,613</u>	<u>156,494</u>
Revenues Over (Under) Expenditures	<u>(58,957)</u>	<u>(23,022)</u>	<u>(1,438)</u>	<u>(24,460)</u>	<u>34,497</u>
Other Financing Sources:					
Transfers from other funds:					
Rico Fund	<u>58,957</u>	<u>58,957</u>	<u>-</u>	<u>58,957</u>	<u>-</u>
Total Other Financing Sources	<u>58,957</u>	<u>58,957</u>	<u>-</u>	<u>58,957</u>	<u>-</u>
Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 35,935</u>	<u>(1,438)</u>	<u>\$ 34,497</u>	<u>\$ 34,497</u>
Fund balance, beginning			<u>35,935</u>		
Fund balance, ending			<u>\$ 34,497</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – GANG INVESTIGATOR GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 162,433	\$ 109,318	\$ -	\$ 109,318	\$ (53,115)
Total Revenues	<u>162,433</u>	<u>109,318</u>	<u>-</u>	<u>109,318</u>	<u>(53,115)</u>
Expenditures:					
Public Safety:					
Salaries and Employee benefits	227,596	173,719	-	173,719	53,877
Equipment	35,855	29,205	-	29,205	6,650
Operating Expenditures	<u>8,734</u>	<u>9,570</u>	<u>-</u>	<u>9,570</u>	<u>(836)</u>
Total Expenditures	<u>272,185</u>	<u>212,494</u>	<u>-</u>	<u>212,494</u>	<u>59,691</u>
Revenues (Under) Expenditures	<u>(109,752)</u>	<u>(103,176)</u>	<u>-</u>	<u>(103,176)</u>	<u>6,576</u>
Other Financing Sources:					
Transfers from (to) other funds:					
Rico Fund	109,752	109,752	-	109,752	-
Rico Fund	<u>(32,575)</u>	<u>-</u>	<u>(6,576)</u>	<u>(6,576)</u>	<u>25,999</u>
Total Other Financing Sources	<u>77,177</u>	<u>109,752</u>	<u>(6,576)</u>	<u>103,176</u>	<u>25,999</u>
Revenues and Other Sources Over Expenditures and Other Uses	(32,575)	<u>\$ 6,576</u>	(6,576)	<u>\$ -</u>	<u>\$ 32,575</u>
Fund balance, appropriated	<u>32,575</u>				
Net change in fund balance	<u>\$ -</u>				
Fund balance, beginning			<u>6,576</u>		
Fund balance, ending			<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – GOVERNOR CRIME COMMISSION PROJECT SAFE NEIGHBORHOOD
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT
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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 130,126	\$ 42,154	\$ 16,196	\$ 58,350	\$ (71,776)
Total Revenues	<u>130,126</u>	<u>42,154</u>	<u>16,196</u>	<u>58,350</u>	<u>(71,776)</u>
Expenditures:					
Public Safety:					
Salaries and Employee benefits	77,175	30,441	8,396	38,837	38,338
Operating Expenditures	<u>62,951</u>	<u>11,713</u>	<u>16,282</u>	<u>27,995</u>	<u>34,956</u>
Total Expenditures	<u>140,126</u>	<u>42,154</u>	<u>24,678</u>	<u>66,832</u>	<u>73,294</u>
Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>-</u>	<u>(8,482)</u>	<u>(8,482)</u>	<u>1,518</u>
Other Financing Sources:					
Transfers from other funds:					
General Fund	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total Other Financing Sources	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 10,000</u>	<u>(8,482)</u>	<u>\$ 1,518</u>	<u>\$ 1,518</u>
Fund balance, beginning			<u>10,000</u>		
Fund balance, ending			<u>\$ 1,518</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – FIT COMMUNITY GRANT & PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

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	Total Authorized Costs	Reported In Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
State Grant	\$ 54,000	\$ 1,044	\$ 52,872	\$ 53,916	\$ (84)
Total Revenues	<u>54,000</u>	<u>1,044</u>	<u>52,872</u>	<u>53,916</u>	<u>(84)</u>
Expenditures:					
Cultural and Recreation:					
Departmental					
Supplies	19,702	1,044	40,703	41,747	(22,045)
Contingency	3,778	-	-	-	3,778
Improvements	30,520	-	-	-	30,520
Equipment	<u>-</u>	<u>-</u>	<u>12,169</u>	<u>12,169</u>	<u>(12,169)</u>
Total Expenditures	<u>54,000</u>	<u>1,044</u>	<u>52,872</u>	<u>53,916</u>	<u>84</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 SPECIAL REVENUE FUND – ALL HAZARD PREPAREDNESS GRANT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

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	<u>Total Authorized Costs</u>	<u>Reported In Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total To Date</u>	
Revenues:					
Emergency Management Grant	\$ 181,717	\$ -	\$ 90,285	\$ 90,285	\$ (91,432)
Total Revenues	<u>181,717</u>	<u>-</u>	<u>90,285</u>	<u>90,285</u>	<u>(91,432)</u>
Expenditures:					
Equipment	<u>181,717</u>	<u>-</u>	<u>90,285</u>	<u>90,285</u>	<u>91,432</u>
Total Expenditures	<u>181,717</u>	<u>-</u>	<u>90,285</u>	<u>90,285</u>	<u>91,432</u>
Revenues Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		



CAPITAL PROJECT FUNDS
Combining Schedules
and
Individual Fund Schedules

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CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING BALANCE SHEET
 June 30, 2010

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	Drainage Improvement Project Fund	Renovation of Existing Recreation & Park Facilities	Willowbrook Park Multi-use Trail Project	Mebane St./ Grand Oaks Sidewalk Project Fund	GIS for Utilities Project Ordinance Fund
<u>ASSETS</u>					
Cash and cash equivalents	\$ 293,003	\$ 76,948	\$ -	\$ 189,673	\$ -
Receivables:					
Accounts	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 293,003	\$ 76,948	\$ -	\$ 189,673	\$ -
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	-	-	-
Fund Balances:					
Reserved by State Statute	-	-	-	-	-
Unreserved:					
Designated for subsequent year's expenditures	293,003	76,948	-	189,673	-
Total Fund Balances	293,003	76,948	-	189,673	-
Total Liabilities and Fund Balances	\$ 293,003	\$ 76,948	\$ -	\$ 189,673	\$ -

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Piedmont Way Widening & Sidewalk Project	ERP System Project Fund	Inspection of Municipal Bridges Project	Street Resurfacing Project	Totals
\$ -	\$ 596,561	\$ -	\$ 40,147	\$ 1,196,332
27,517	-	-	1,423,945	1,451,462
-	-	-	-	-
<u>\$ 27,517</u>	<u>\$ 596,561</u>	<u>\$ -</u>	<u>\$ 1,464,092</u>	<u>\$ 2,647,794</u>
\$ 27,517	\$ -	\$ -	\$ 7,285	\$ 34,802
-	-	-	-	-
-	-	-	-	-
<u>27,517</u>	<u>-</u>	<u>-</u>	<u>7,285</u>	<u>34,802</u>
-	596,561	-	1,456,807	2,612,992
-	596,561	-	1,456,807	2,612,992
<u>\$ 27,517</u>	<u>\$ 596,561</u>	<u>\$ -</u>	<u>\$ 1,464,092</u>	<u>\$ 2,647,794</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL CAPITAL PROJECT FUNDS
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT ¹⁰³
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	Drainage Improvement Project Fund	Renovation of Existing Recreation & Park Facilities	Willowbrook Park Multi-use Trail Project	Mebane St./ Grand Oaks Sidewalk Project Fund	GIS for Utilities Project Ordinance Fund
Revenues:					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	500	-	-	47	-
Miscellaneous	-	-	-	-	-
Total Revenues	500	-	-	47	-
Expenditures:					
Capital outlay	-	173,052	-	-	-
Total Expenditures	-	173,052	-	-	-
Revenues Over (Under) Expenditures	500	(173,052)	-	47	-
Other Financing Sources (Uses):					
Proceeds from Installment Financing	-	-	-	-	-
Transfers from other funds	25,000	250,000	-	-	-
Transfers (to) other funds	-	-	-	-	(145,290)
Total Other Financing Sources (Uses)	25,000	250,000	-	-	(145,290)
Net change in fund balances	25,500	76,948	-	47	(145,290)
Fund balance, beginning	267,503	-	-	189,626	145,290
Fund balance, ending	\$ 293,003	\$ 76,948	\$ -	\$ 189,673	\$ -

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Piedmont Way Widening & Sidewalk Project	ERP System Project Fund	Inspection of Municipal Bridges	Street Resurfacing Project	Totals
\$ 27,517	\$ -	\$ -	\$ -	\$ 27,517
-	1,200	-	-	1,747
-	-	-	-	-
27,517	1,200	-	-	29,264
27,517	161,001	-	1,442,193	1,803,763
27,517	161,001	-	1,442,193	1,803,763
-	(159,801)	-	(1,442,193)	(1,774,499)
-	-	-	2,899,000	2,899,000
-	200,000	-	-	475,000
-	-	(7,000)	-	(152,290)
-	200,000	(7,000)	2,899,000	3,221,710
-	40,199	(7,000)	1,456,807	1,447,211
-	556,362	7,000	-	1,165,781
\$ -	\$ 596,561	\$ -	\$ 1,456,807	2,612,992

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND - DRAINAGE IMPROVEMENT PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment Earnings	\$ -	\$ 500	\$ 500
Total Revenues	<u>-</u>	<u>500</u>	<u>500</u>
Expenditures:			
Supplies	\$ -	\$ -	\$ -
Construction	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Revenues (Under) Expenditures	\$ (25,000)	500	\$ 25,500
Other Financing Sources:			
Transfer from other fund: Capital Reserve	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	25,500	<u>\$ 25,500</u>
Fund balance, beginning		<u>267,503</u>	
Fund balance, ending		<u>\$ 293,003</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – WILLOWBROOK PARK MULTI-USE TRAIL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
ARRA Grant	\$ 85,000	\$ -	\$ -	\$ -	\$ (85,000)
Total Revenues	85,000	-	-	-	(85,000)
Expenditures:					
Capital improvements	85,000	-	-	-	85,000
Total Expenditures	85,000	-	-	-	85,000
Revenues Over (Under) Expenditures	\$ -	\$ -		\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – PIEDMONT WAY WIDENING & SIDEWALK PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

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 DEWALK PROJECT FUND
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	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual</u>		<u>Variance Positive (Negative)</u>
			<u>Current Year</u>	<u>Total To Date</u>	
Revenues:					
ARRA Grant	\$ 50,000	\$ -	\$ 27,517	\$ 27,517	\$ (22,483)
Total Revenues	<u>50,000</u>	<u>-</u>	<u>27,517</u>	<u>27,517</u>	<u>(22,483)</u>
Expenditures:					
Capital other improvements	50,000	-	27,517	27,517	22,483
Total Expenditures	<u>50,000</u>	<u>-</u>	<u>27,517</u>	<u>27,517</u>	<u>22,483</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning					
Fund balance, ending			<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – ERP SYSTEM PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Investment earnings	-	1,584	1,200	2,784	2,784
Total Revenues	-	1,584	1,200	2,784	2,784
Expenditures:					
Professional Services	\$ 50,000	\$ 148,936	\$ 3,938	\$ 152,874	\$ (102,874)
Travel – Consultants	-	18,522	-	18,522	(18,522)
Software	1,729,750	647,439	111,944	759,383	970,367
Equipment - Hardware	107,000	342,970	39,392	382,362	(275,362)
Other Equipment	117,500	56,903	-	56,903	60,597
Supplies	-	34,702	5,727	40,429	(40,429)
Total Expenditures	2,004,250	1,249,472	161,001	1,410,473	593,777
Revenues Over (Under) Expenditures	<u>(2,004,250)</u>	<u>(1,247,888)</u>	<u>(159,801)</u>	<u>(1,407,689)</u>	<u>596,561</u>
Other Financing Sources:					
Transfers from other funds:					
Capital Reserve	362,650	362,650	-	362,650	-
Water & Sewer	398,100	398,100	-	398,100	-
General Fund	<u>1,243,500</u>	<u>1,043,500</u>	<u>200,000</u>	<u>1,243,500</u>	<u>-</u>
Total Other Financing Sources	2,004,250	1,804,250	200,000	2,004,250	-
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 556,362</u>	<u>40,199</u>	<u>\$ 596,561</u>	<u>\$ 596,561</u>
Fund balance, beginning			<u>556,362</u>		
Fund balance, ending			<u>\$ 596,561</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – STREET RESURFACING
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures:					
Professional Services	50,000	-	15,250	15,250	34,750
Loan fees	5,000	-	500	500	4,500
Wi-fi project	-	-	61,778	61,778	(61,778)
Contingency	290,000	-	-	-	290,000
Street resurfacing/ repair	<u>2,554,000</u>	<u>-</u>	<u>1,364,665</u>	<u>1,364,665</u>	<u>1,189,335</u>
Total Expenditures	<u>2,899,000</u>	<u>-</u>	<u>1,442,193</u>	<u>1,442,193</u>	<u>1,456,807</u>
Revenues (Under)					
Expenditures	<u>(2,899,000)</u>	<u>-</u>	<u>(1,442,193)</u>	<u>(1,442,193)</u>	<u>1,456,807</u>
Other Financing Sources:					
Proceeds from RZED installment financing	<u>2,899,000</u>	<u>-</u>	<u>2,899,000</u>	<u>2,899,000</u>	<u>-</u>
Total Other Financing Sources	<u>2,899,000</u>	<u>-</u>	<u>2,899,000</u>	<u>2,899,000</u>	<u>-</u>
Revenues and Other Sources					
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,456,807</u>	<u>\$ 1,456,807</u>	<u>\$ 1,456,807</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 1,456,807</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – MEBANE ST./GRAND OAKS SIDEWALK PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Investment earnings	\$ -	\$ 1,141	\$ 47	\$ 1,188	\$ 1,188
Total Revenues	-	1,141	47	1,188	1,188
Expenditures:					
Mebane St. Sidewalk	170,402	-	-	-	170,402
Grand Oaks Building Sidewalk	18,083	-	-	-	18,083
Total Expenditures	188,485	-	-	-	188,485
Revenues Over (Under) Expenditures	(188,485)	1,141	47	1,188	189,673
Other Financing Sources:					
Transfers from other funds					
General Fund	188,485	188,485	-	188,485	-
Total Other Financing Sources	188,485	188,485	-	188,485	-
Revenues and Other Sources Over Expenditures	\$ -	\$ 189,626	47	\$ 189,673	\$ 189,673
Fund balance, beginning			189,626		
Fund balance, ending			\$ 189,673		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – INSPECTION OF MUNICIPAL BRIDGES
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Expenditures:					
Professional Services	7,000	-	-	-	7,000
Total Expenditures	7,000	-	-	-	7,000
Revenues Over (Under) Expenditures	(7,000)	-	-	-	(7,000)
Other Financing Sources (Uses):					
Transfers from other funds					
General Fund	7,000	-	-	-	7,000
Transfers to other funds					
Capital Reserve	(7,000)	-	(7,000)	(7,000)	-
Total Other Financing Sources	-	-	(7,000)	(7,000)	7,000
Revenues and Other Sources Over Expenditures	(7,000)	\$ -	(7,000)	\$ (7,000)	\$ -
Fund balance, appropriated	7,000				
Net change in fund balance	\$ -				
Fund balance, beginning			7,000		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – GIS FOR UTILITIES PROJECT ORDINANCE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Investment earnings	\$ -	\$ 451	\$ -	\$ 451	\$ 451
Total Revenues	-	451	-	451	451
Expenditures:					
Professional Services	621,215	476,376	-	476,376	144,839
Total Expenditures	621,215	476,376	-	476,376	144,839
Revenues Over (Under) Expenditures	(621,215)	(475,925)	-	(475,925)	145,290
Other Financing Sources (Uses):					
Transfers from (to) other funds					
Water Fund	435,700	435,700	-	435,700	-
Water Capital Reserve	92,757	92,757	-	92,757	-
Sewer Capital Reserve	92,758	92,758	-	92,758	-
Water Fund	(101,704)	-	(101,704)	(101,704)	-
Water Capital Reserve	(21,793)	-	(21,793)	(21,793)	-
Sewer Capital Reserve	(21,793)	-	(21,793)	(21,793)	-
Total Other Financing Sources	475,925	621,215	(145,290)	475,925	-
Revenues and Other Sources Over Expenditures	(145,290)	\$ 145,290	(145,290)	\$ -	\$ 145,290
Fund balance, appropriated	145,290				
Net change in fund balance	\$ -				
Fund balance, beginning			145,290		
Fund balance, ending			\$ -		

CITY OF BURLINGTON, NORTH CAROLINA
 CAPITAL PROJECTS FUND – RENOVATION OF EXISTING RECREATION & PARK FACILITIES
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Expenditures:					
Buildings	\$ 40,200	\$ -	\$ 18,700	\$ 18,700	\$ 21,500
Maintenance repair					
Building and Ground	128,634	-	65,152	65,152	63,482
Capital Other					
Improvements	<u>81,166</u>	<u>-</u>	<u>89,200</u>	<u>89,200</u>	<u>(8,034)</u>
Total Expenditures	<u>250,000</u>	<u>-</u>	<u>173,052</u>	<u>173,052</u>	<u>76,948</u>
Revenues (Under)					
Expenditures	<u>(250,000)</u>	<u>-</u>	<u>(173,052)</u>	<u>(173,052)</u>	<u>76,948</u>
Other Financing Sources:					
Transfers from other					
funds					
Capital Reserve	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Other Financing					
Sources	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Revenues and Other Sources					
Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>76,948</u>	<u>\$ 76,948</u>	<u>\$ 76,948</u>
Fund balance, appropriated	<u>1,571</u>				
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 76,948</u>		

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ENTERPRISE FUNDS
Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 STORM WATER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Stormwater Fees	\$ _____	\$ 442,969	\$ _____
Total Operating Revenues	\$ 406,402	\$ 442,969	\$ 36,567
Nonoperating Revenues:			
Other fees and charges	_____	15,294	_____
Total Nonoperating Revenues	_____	15,294	15,294
Total Revenues	<u>406,402</u>	<u>458,263</u>	<u>51,861</u>
Expenditures:			
Salaries and Employee Benefits		324,724	
Operating Expenditures		25,293	
Capital Improvements		-	
Engineering/professional fees		3,997	
Equipment		-	
Total Expenditures	<u>418,396</u>	<u>354,014</u>	<u>64,382</u>
Revenues Over (Under) Expenditures	(11,994)	\$ 104,249	\$ 116,243
Other Financing Sources (Uses):			
Transfers from other funds:			
Mebane Street-St. John Street Culvert Project Fund	20,872	20,872	-
Total Other Financing Sources (Uses)	<u>20,872</u>	<u>20,872</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	8,878	<u>\$ 125,121</u>	<u>\$ 116,243</u>
Fund Equity Appropriated	<u>(8,878)</u>		
	<u>\$ -</u>		
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues Over Expenditures		\$ 125,121	
Reconciling items:			
Depreciation		<u>(10,377)</u>	
Net Income		<u>\$ 114,744</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating Revenues:			
Water sales		10,375,862	
Sewer charges		11,986,837	
Water taps		128,823	
Sewer taps		23,020	
Total Operating Revenues	<u>21,210,500</u>	<u>22,514,542</u>	<u>1,304,042</u>
Nonoperating Revenues:			
Interest on investments		239,936	
Interest on assessments		7,327	
Miscellaneous		848,808	
Water and sewer assessments		-	
Water line assessments		156,959	
Sewer line assessments		3,000	
Water connection fees		2,000	
Sewer connection fees		-	
Other fees and charges		208,614	
Total Nonoperating Revenues	<u>558,520</u>	<u>1,466,644</u>	<u>908,124</u>
Total Revenues	<u>21,769,020</u>	<u>23,981,186</u>	<u>2,212,166</u>
Expenditures:			
Building and Administrative - Water:			
Salaries and employee benefits		272,269	
Operating expenditures		459,968	
Reimbursement to General Fund		1,600,000	
Total	<u>2,478,608</u>	<u>2,332,237</u>	<u>146,371</u>
Customer Services:			
Salaries and employee benefits		636,221	
Operating expenditures		410,253	
Total	<u>1,151,383</u>	<u>1,046,474</u>	<u>104,909</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Supervision:			
Salaries and employee benefits		186,113	
Operating expenditures		<u>58,216</u>	
Total	<u>331,814</u>	<u>244,329</u>	<u>87,485</u>
Water Line - Maintenance and Repairs:			
Salaries and employee benefits		329,549	
Operating expenditures		<u>338,970</u>	
Total	<u>688,927</u>	<u>668,519</u>	<u>20,408</u>
Sewer Line - Maintenance and Repairs:			
Salaries and employee benefits		245,985	
Operating expenditures		<u>88,148</u>	
Total	<u>431,555</u>	<u>334,133</u>	<u>97,422</u>
Water Line Service and Construction:			
Salaries and employee benefits		171,643	
Operating expenditures		87,290	
Materials - taps		139,805	
Materials - lines		<u>46,819</u>	
Total	<u>559,941</u>	<u>445,557</u>	<u>114,384</u>
Sewer Line Service and Construction:			
Salaries and employee benefits		41,421	
Operating expenditures		46,919	
Materials - taps		13,659	
Materials - lines		<u>34,961</u>	
Total	<u>316,238</u>	<u>136,960</u>	<u>179,278</u>
Supervision:			
Salaries and employee benefits		194,913	
Operating expenditures		<u>85,836</u>	
Total	<u>530,582</u>	<u>280,749</u>	<u>249,833</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Water Sources - Protection:			
Utilities		64,100	
Operating expenditures		<u>152,415</u>	
Total	<u>238,930</u>	<u>216,515</u>	<u>22,415</u>
Ed Thomas Water Plant:			
Salaries and employee benefits		376,096	
Chemicals		239,105	
Utilities		152,842	
Operating expenditures		<u>109,807</u>	
Total	<u>942,087</u>	<u>877,850</u>	<u>64,237</u>
Lake Mackintosh Water Plant:			
Salaries and employee benefits		476,842	
Utilities		332,795	
Chemicals		603,436	
Operating expenditures		<u>253,698</u>	
Total	<u>2,034,040</u>	<u>1,666,771</u>	<u>367,269</u>
South Burlington Waste Treatment Plant:			
Salaries and employee benefits		631,819	
Utilities		593,139	
Chemicals		140,992	
Operating expenditures		<u>538,461</u>	
Total	<u>2,002,099</u>	<u>1,904,411</u>	<u>97,688</u>
East Burlington Waste Treatment Plant:			
Salaries and employee benefits		747,850	
Utilities		606,439	
Chemicals		87,765	
Operating expenditures		478,710	
Sludge disposal		<u>171,200</u>	
Total	<u>2,403,448</u>	<u>2,091,964</u>	<u>311,484</u>
Laboratories:			
Salaries and employee benefits		444,595	
Operating expenditures		<u>162,135</u>	
Total	<u>713,964</u>	<u>606,730</u>	<u>107,234</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT
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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures: (continued)			
Plants Maintenance:			
Salaries and employee benefits		457,712	
Operating expenditures		<u>171,613</u>	
Total	<u>707,722</u>	<u>629,325</u>	<u>78,397</u>
Lakes and Marinas:			
Salaries and related benefits		257,947	
Utilities		23,631	
Operating expenditures		<u>58,211</u>	
Total	<u>362,752</u>	<u>339,789</u>	<u>22,963</u>
Debt Service:			
Principal - water bonds	78,092	78,092	-
Interest - water bonds	4,061	4,061	-
Principal - sewer bonds	1,205,358	1,205,358	-
Interest - sewer bonds	480,951	480,951	-
Principal-COPS	710,000	710,000	-
Interest-COPS	<u>492,563</u>	<u>492,563</u>	-
Total	<u>2,971,025</u>	<u>2,971,025</u>	-
Capital Outlay:			
Water lines	679,588	412,084	267,504
Miscellaneous water	449,819	25,395	424,424
Sewer lines	383,200	333,190	50,010
Miscellaneous sewer	<u>392,309</u>	<u>133,935</u>	<u>258,374</u>
Total Capital Outlay	<u>1,904,916</u>	<u>904,604</u>	<u>1,000,312</u>
Total Expenditures	<u>20,770,031</u>	<u>17,697,942</u>	<u>3,072,089</u>
Revenues Over (Under) Expenditures	<u>998,989</u>	<u>6,283,244</u>	<u>5,284,255</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other Financing Sources (Uses):			
Transfers from other Funds:			
Water and Sewer Future Growth Project Fund	1,803,001	1,055,421	(747,580)
GIS Utilities Project Fund	101,704	101,704	-
Sanitary Sewer Bond Project Fund	24,904	24,904	-
Transfers to other funds:			
Elevated Water Storage Tanks Solar Powered Project Fund	(33,586)	(33,586)	-
Group Health Insurance Fund	(70,000)	(70,000)	-
Stoney Creek and Lake Cammack Dams Project Fund	(419,000)	(419,000)	-
Workmen's Compensation Self Insurance Fund	(118,570)	(118,570)	-
Water Capital Reserve	(1,372,973)	(1,372,973)	-
Sewer Capital Reserve	<u>(1,372,973)</u>	<u>(1,372,973)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,457,493)</u>	<u>(2,205,073)</u>	<u>(747,580)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(458,504)	<u>\$ 4,078,171</u>	<u>\$ 4,536,675</u>
Fund Equity Appropriated	<u>458,504</u>		
	<u>\$ -</u>		

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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Reconciliation From Budgetary Basis (Modified Accrual)
to Full Accrual:

Revenues and other sources over expenditures and other uses	\$ 4,078,171
Reconciling Items:	
Escrow adjustments	(746,705)
Bond principal payments	1,283,450
COPS principal payments	710,000
Amortization of deferred loss on refunding	(57,874)
Amortization of bond discount and fees	(5,052)
Amortization of bond premium	57,555
Capital outlay	904,604
Operating transfers (in) out	2,118,207
Decrease in inventories	(44,637)
Decrease in accrued interest payable	29,810
Decrease in accrued vacation pay	131,484
Increase in accrued OPEB liability	(60,350)
Increase in unearned revenue	(207,045)
Assessments	(5,000)
Capital project cost sharing and other reimbursements	1,961,559
Depreciation	<u>(4,226,967)</u>
Net Income	<u>\$ 5,921,210</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - WATER CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

Total Reserve Fund out Stuart McGowen & King LLP - not to be reproduced in any form without our permission

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment Earnings	\$ _____ -	\$ 59,770	\$ 59,770
Total Revenues	_____ -	59,770	59,770
Expenditures:			
Capital Outlay	1,372,973	-	1,372,973
Total Expenditures	1,372,973	-	1,372,973
Revenues Over (Under) Expenditures	(1,372,973)	59,770	1,432,743
Other Financing Sources (Uses):			
Transfers from other funds:			
Water and Sewer Fund	1,372,973	1,372,973	-
GIS Project Fund	21,794	21,794	-
Transfers to other Funds:			
Jordan Lake Rules Project	(125,000)	(125,000)	-
Stoney Creek and Lake Cammack Dams	(419,000)	(419,000)	-
Total Other Financing Sources (Uses)	850,767	850,767	-
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(522,206)	910,537	<u>\$ 1,432,743</u>
Fund balance, appropriated	522,206		
Net change in fund balance	\$ _____ -		
Fund Balance, beginning		4,592,596	
Fund Balance, ending		<u>\$ 5,503,133</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - SEWER CAPITAL RESERVE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment Earnings	\$ -	\$ 56,277	\$ 56,277
Total Revenues	<u>-</u>	<u>56,277</u>	<u>56,277</u>
Expenditures:			
Capital Outlay	<u>1,372,973</u>	<u>-</u>	<u>1,372,973</u>
Total Expenditures	<u>1,372,973</u>	<u>-</u>	<u>1,372,973</u>
Revenues Over (Under) Expenditures	<u>(1,372,973)</u>	<u>56,277</u>	<u>1,429,250</u>
Other Financing Sources (Uses):			
Transfers from other funds:			
Water and Sewer Fund	1,372,973	1,372,973	-
GIS Project Fund	21,793	21,793	-
Transfers to other funds:			
Jordan Lake Rules Fund	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,269,766</u>	<u>1,269,766</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(103,207)	1,326,043	<u>\$ 1,429,250</u>
Fund balance appropriated	<u>103,207</u>		
Net change in fund balance	<u>\$ -</u>		
Fund Balance, beginning		<u>4,615,049</u>	
Fund Balance, ending		<u>\$ 5,941,092</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - TANK REMOVAL PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Restricted					
Intergovernmental:					
UST					
reimbursement	\$ 335,000	\$ 502,754	\$ -	\$ 502,754	\$ 167,754
Miscellaneous					
Investment earnings	-	1,887	403	2,290	2,290
Sales tax refunds	-	520	-	520	520
Total Revenues	<u>335,000</u>	<u>505,161</u>	<u>403</u>	<u>505,564</u>	<u>170,564</u>
Expenditures:					
Tank Removal	835,000	866,696	-	866,696	(31,696)
Utilities	-	9,521	-	9,521	(9,521)
Remediation	<u>120,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,600</u>
Total Expenditures	<u>955,600</u>	<u>876,217</u>	<u>-</u>	<u>876,217</u>	<u>79,383</u>
Revenues Over (Under) Expenditures	<u>(620,600)</u>	<u>(371,056)</u>	<u>403</u>	<u>(370,653)</u>	<u>249,947</u>
Other Financing Sources:					
Transfers from other funds:					
Water Capital Reserve Fund	500,000	500,000	-	500,000	-
Capital Reserve Fund	<u>120,600</u>	<u>120,600</u>	<u>-</u>	<u>120,600</u>	<u>-</u>
Total Other Financing Sources	<u>620,600</u>	<u>620,600</u>	<u>-</u>	<u>620,600</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 249,544</u>	<u>\$ 403</u>	<u>\$ 249,947</u>	<u>\$ 249,947</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS - SANITARY SEWER BOND PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

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	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues:					
Investment earnings	\$ 687,413	\$ 687,408	\$ -	\$ 687,408	\$ (5)
Total Revenues	<u>687,413</u>	<u>687,408</u>	<u>-</u>	<u>687,408</u>	<u>(5)</u>
Expenditures:					
Bond counsel fees	13,647	13,646	-	13,646	1
Land and right of ways	376,918	376,918	-	376,918	-
Construction	11,592,383	11,592,381	-	11,592,381	2
Rating agency fees	17,678	17,678	-	17,678	-
Engineer/professional fees	391,412	391,412	-	391,412	-
Supplies	8,424	8,424	-	8,424	-
Permits and fees	1,090	1,090	-	1,090	-
Contracted services	14,099	14,098	-	14,098	1
Buildings	3,058,291	3,058,290	-	3,058,290	1
Equipment	213,471	213,471	-	213,471	-
Total Expenditures	<u>15,687,413</u>	<u>15,687,408</u>	<u>-</u>	<u>15,687,408</u>	<u>5</u>
Revenues Over (Under) Expenditures	<u>(15,000,000)</u>	<u>(15,000,000)</u>	<u>-</u>	<u>(15,000,000)</u>	<u>-</u>
Other Financing Sources:					
Bond proceeds	15,000,000	15,000,000	-	15,000,000	-
Transfer to Other Funds:					
Water and Sewer Fund	<u>(24,904)</u>	<u>-</u>	<u>(24,904)</u>	<u>(24,904)</u>	<u>-</u>
Total Other Financing Sources	<u>14,975,096</u>	<u>15,000,000</u>	<u>(24,904)</u>	<u>14,975,096</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ 24,904</u>	<u>\$ -</u>	<u>\$ (24,904)</u>	<u>\$ (24,904)</u>	<u>\$ -</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – ELEVATED WATER STORAGE TANKS, SOLAR POWERED
 FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

TRIGRETT, TANKS, SAMPSON & MCGOWEN
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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Expenditures:					
Professional services	\$ 42,500	\$ -	\$ 16,850	\$ 16,850	\$ 25,650
Construction	115,200	-	-	-	115,200
Loan fee	2,826	-	-	-	2,826
Contingency	<u>5,760</u>	-	-	-	<u>5,760</u>
Total Expenditures	<u>166,286</u>	-	<u>16,850</u>	<u>16,850</u>	<u>149,436</u>
Revenues Over (Under) Expenditures	<u>(166,286)</u>	-	<u>(16,850)</u>	<u>(16,850)</u>	<u>149,436</u>
Other Financing Sources:					
Transfers from other funds:					
Water and Sewer Fund	33,586	-	33,586	33,586	-
Revolving loan proceeds	<u>132,700</u>	-	-	-	<u>(132,700)</u>
Total Other Financing Sources (Uses)	<u>166,286</u>	-	<u>33,586</u>	<u>33,586</u>	<u>132,700</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,736</u>	<u>\$ 16,736</u>	<u>\$ 16,736</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – WATER AND SEWER FUTURE GROWTH PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Interest	\$ 22,418	\$ 30,909	\$ 1,569	\$ 32,478	\$ 10,060
Premium	169,275	169,275	-	169,275	-
Developer Contributions	-	500,000	-	500,000	500,000
Total Revenues	191,693	700,184	1,569	701,753	510,060
Expenditures:					
Engineering and Professional fees	1,454,250	1,239,977	2,694	1,242,671	211,579
Land and right of ways	66,277	125,319	-	125,319	(59,042)
Construction	11,019,210	9,347,556	-	9,347,556	1,671,654
Underwriters discount	128,980	128,979	-	128,979	1
Issuance costs	73,904	77,490	-	77,490	(3,586)
Insurance	194,249	194,248	-	194,248	1
Contingency	1,253,825	-	-	-	1,253,825
Equipment	674,000	693,722	-	693,722	(19,722)
Debt service	2,609,592	-	-	-	2,609,592
Total Expenditures	17,474,287	11,807,291	2,694	11,809,985	5,664,302
Revenues Over (Under) Expenditures	(17,282,594)	(11,107,107)	(1,125)	(11,108,232)	6,174,362
Other Financing Sources:					
COPS proceeds	15,890,843	13,263,286	(167,246)	13,096,040	(2,794,803)
Transfers from other funds:					
Sewer Capital Reserve Fund	229,681	229,681	-	229,681	-
Water Capital Reserve Fund	62,682	62,682	-	62,682	-
Transfer to other funds:					
Water and Sewer Fund	(1,803,000)	(1,224,750)	(1,055,421)	(2,280,171)	(477,171)
Total Other Financing Sources	14,380,206	12,330,899	(1,222,667)	11,108,232	(3,271,974)
Revenues and Other Sources Over (Under) Expenditures	\$ (2,902,388)	\$ 1,223,792	\$ (1,223,792)	\$ -	\$ 2,902,388

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – STONEY CREEK AND LAKE CAMMACK DAMS PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Expenditures:					
Professional Services - Stoney Creek	\$ 493,000	\$ -	\$ 95,532	\$ 95,532	\$ 397,468
Professional Services - Lake Cammack	<u>345,000</u>	<u>-</u>	<u>25,142</u>	<u>25,142</u>	<u>319,858</u>
Total Expenditures	<u>838,000</u>	<u>-</u>	<u>120,674</u>	<u>120,674</u>	<u>717,326</u>
Revenues Over (Under) Expenditures	<u>(838,000)</u>	<u>-</u>	<u>(120,674)</u>	<u>(120,674)</u>	<u>717,326</u>
Other Financing Sources:					
Transfers from other funds:					
Water and Sewer Fund	419,000	-	419,000	419,000	-
Water Capital Reserve Fund	<u>419,000</u>	<u>-</u>	<u>419,000</u>	<u>419,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>838,000</u>	<u>-</u>	<u>838,000</u>	<u>838,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 717,326</u>	<u>\$ 717,326</u>	<u>\$ 717,326</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – MEBANE ST./GRAND OAKS WATER LINE PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Interest	\$ -	\$ 9,690	\$ 2,647	\$ 12,337	\$ 12,337
Total Revenues	-	9,690	2,647	12,337	12,337
Expenditures:					
Construction	1,507,425	-	779,463	779,463	727,962
Total Expenditures	1,507,425	-	779,463	779,463	727,962
Revenues Over (Under) Expenditures	(1,507,425)	9,690	(776,816)	(767,126)	740,299
Other Financing Sources:					
Transfers from other funds:					
Water and Sewer Fund	1,257,425	1,257,425	-	1,257,425	-
Storm Water Fund	250,000	250,000	-	250,000	-
Total Other Financing Sources	1,507,425	1,507,425	-	1,507,425	-
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ 1,517,115	\$ (776,816)	\$ 740,299	\$ 740,299

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – JORDAN LAKE RULES PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Expenditures:					
Engineering fees	\$ 3,916,157	144,260	337,181	481,441	3,434,716
Total Expenditures	3,916,157	144,260	337,181	481,441	3,434,716
Revenues Over (Under) Expenditures	(3,916,157)	(144,260)	(337,181)	(481,441)	3,434,716
Other Financing Sources:					
Transfers from other funds:					
Bond proceeds	3,460,057	-	-	-	(3,460,057)
Water and Sewer Fund	206,100	206,100	-	206,100	-
Water Capital Reserve	125,000	-	125,000	125,000	-
Sewer Capital Reserve	125,000	-	125,000	125,000	-
Total Other Financing Sources	3,916,157	206,100	250,000	456,100	(3,460,057)
Revenues and Other Sources Over (Under) Expenditures	\$ -	\$ 61,840	\$ (87,181)	\$ (25,341)	\$ (25,341)

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – SENIOR CENTER AREA SYSTEM PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Expenditures:					
Professional fees	\$ 13,000	12,419	-	12,419	581
Contingency	3,105	-	-	-	3,105
Personnel	2,000	-	-	-	2,000
Closing costs	1,300	-	650	650	650
Construction	<u>62,115</u>	<u>-</u>	<u>37,459</u>	<u>37,459</u>	<u>24,656</u>
Total Expenditures	<u>81,520</u>	<u>12,419</u>	<u>38,109</u>	<u>50,528</u>	<u>30,992</u>
Revenues Over (Under) Expenditures	<u>(81,520)</u>	<u>(12,419)</u>	<u>(38,109)</u>	<u>(50,528)</u>	<u>30,992</u>
Other Financing Sources:					
ARRA Revolving loan	65,000	-	65,000	65,000	-
Transfers from other funds:					
Water and Sewer Fund	<u>16,520</u>	<u>16,520</u>	<u>-</u>	<u>16,520</u>	<u>-</u>
Total Other Financing Sources	<u>81,520</u>	<u>16,520</u>	<u>65,000</u>	<u>81,520</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 4,101</u>	<u>\$ 26,891</u>	<u>\$ 30,992</u>	<u>\$ 30,992</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WATER AND SEWER CAPITAL PROJECTS – MEBANE STREET – ST. JOHN STREET CULVERT PROJECT
 FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 From Inception And For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Expenditures:					
Professional services	\$ 18,500	-	-	-	18,500
Construction	<u>248,950</u>	-	<u>230,176</u>	<u>230,176</u>	<u>18,774</u>
Total Expenditures	<u>267,450</u>	-	<u>230,176</u>	<u>230,176</u>	<u>37,274</u>
Revenues Over (Under)					
Expenditures	<u>(267,450)</u>	-	<u>(230,176)</u>	<u>(230,176)</u>	<u>37,274</u>
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Stormwater Fund	150,000	150,000	-	150,000	-
Community Development	117,450	-	117,446	117,446	(4)
Storm Water	<u>(37,271)</u>	-	<u>(20,872)</u>	<u>(20,872)</u>	<u>16,399</u>
Total Other Financing Sources	<u>230,179</u>	<u>150,000</u>	<u>96,574</u>	<u>246,574</u>	<u>16,395</u>
Revenues and Other Sources Over (Under)					
Expenditures	<u>\$ (37,271)</u>	<u>\$ 150,000</u>	<u>\$ (133,602)</u>	<u>\$ 16,398</u>	<u>\$ 53,669</u>



INTERNAL SERVICE FUND
Combining Schedules
And Individual Fund Schedules

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 STATEMENT OF NET ASSETS
 June 30, 2010

PRELIMINARY DRAFT
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	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,659,535	\$ 2,300,913	\$ 7,912,195	\$ 11,872,643
Accounts receivable	918	7,090	35,266	43,274
Due from other funds	4,420	-	5,748	10,168
Prepaid Insurance	-	-	9,596	9,596
Total Assets	<u>\$ 1,664,873</u>	<u>\$ 2,308,003</u>	<u>\$ 7,962,805</u>	<u>\$ 11,935,681</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities	\$ 66,120	\$ 130,494	\$ 444,344	\$ 640,958
Total Current Liabilities	<u>66,120</u>	<u>130,494</u>	<u>444,344</u>	<u>640,958</u>
NET ASSETS:				
Unrestricted	<u>1,598,753</u>	<u>2,177,509</u>	<u>7,518,461</u>	<u>11,294,723</u>
Total Net Assets	<u>\$ 1,598,753</u>	<u>\$ 2,177,509</u>	<u>\$ 7,518,461</u>	<u>\$ 11,294,723</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 COMBINING SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Dental Self Insurance Fund	Workers Compensation Self Insurance Fund	Group Health Benefits Self Insurance Fund	Total Internal Service Fund
Operating Revenues:				
Charges for services	\$ 482,228	\$ -	\$ 4,481,479	\$ 4,963,707
Total Operating Revenues	<u>482,228</u>	<u>-</u>	<u>4,481,479</u>	<u>4,963,707</u>
Operating Expenses:				
Salaries and employee benefits	-	186,622	125,257	311,879
Operating expenses	-	102,917	29,096	132,013
Claims paid, excess loss coverage and claims administration	<u>427,605</u>	<u>342,842</u>	<u>4,418,768</u>	<u>5,189,215</u>
Total Operating Expenses	<u>427,605</u>	<u>632,381</u>	<u>4,573,121</u>	<u>5,633,107</u>
Operating Income (Loss)	<u>54,623</u>	<u>(632,381)</u>	<u>(91,642)</u>	<u>(669,400)</u>
Non-Operating Revenues:				
Interest earned on investments	<u>15,400</u>	<u>30,208</u>	<u>91,104</u>	<u>136,712</u>
Total Non-Operating Revenues	<u>15,400</u>	<u>30,208</u>	<u>91,104</u>	<u>136,712</u>
Income (Loss) before transfers	70,023	(602,173)	(538)	(532,688)
Transfers from other funds	<u>-</u>	<u>696,424</u>	<u>246,000</u>	<u>942,424</u>
Change in net assets	70,023	94,251	245,462	409,736
Total net assets – beginning	<u>1,528,730</u>	<u>2,083,258</u>	<u>7,272,999</u>	<u>10,884,987</u>
Net Assets, End of Year	<u>\$ 1,598,753</u>	<u>\$ 2,177,509</u>	<u>\$ 7,518,461</u>	<u>\$ 11,294,723</u>

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	Dental Self Insurance Fund	Workers Compensation Self Insurance Fund	Group Health Benefits Self Insurance Fund	Total Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 490,460	\$ -	\$ 4,576,841	\$ 5,067,301
Cash paid for goods and services	(440,440)	(416,592)	(4,354,630)	(5,211,662)
Cash paid to employees	-	(186,622)	(125,257)	(311,879)
Net cash provided by operating activities	<u>50,020</u>	<u>(603,214)</u>	<u>96,954</u>	<u>(456,240)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
(Increase) Decrease in due from other funds	<u>(46)</u>	<u>-</u>	<u>(390)</u>	<u>(436)</u>
Net cash provided (used) by noncapital financing activities	<u>(46)</u>	<u>-</u>	<u>(390)</u>	<u>(436)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Transfer from other funds:				
General Fund	-	577,854	176,000	753,854
Water and Sewer	-	118,570	70,000	188,570
Net cash provided by capital and related financing activities	<u>-</u>	<u>696,424</u>	<u>246,000</u>	<u>942,424</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>15,400</u>	<u>30,208</u>	<u>91,104</u>	<u>136,712</u>
Net cash provided by investing activities	<u>15,400</u>	<u>30,208</u>	<u>91,104</u>	<u>136,712</u>
Net Increase (Decrease) in Cash and Cash Equivalents	65,374	123,418	433,668	622,460
Balances – Beginning of Year	<u>1,594,161</u>	<u>2,177,495</u>	<u>7,478,527</u>	<u>11,250,183</u>
Balances – End of Year	<u>\$ 1,659,535</u>	<u>\$ 2,300,913</u>	<u>\$ 7,912,195</u>	<u>\$ 11,872,643</u>

Continued on next page.

CITY OF BURLINGTON, NORTH CAROLINA
 ALL INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Dental Self Insurance Fund</u>	<u>Workers Compensation Self Insurance Fund</u>	<u>Group Health Benefits Self Insurance Fund</u>	<u>Total Internal Service Fund</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating income (loss) \$	54,623	\$ (632,381)	\$ (91,642)	\$ (669,400)
Adjustments to reconcile operating income to net cash provided by operating activities:				
(Increase) Decrease in accounts receivable	8,232	34,846	104,958	148,036
(Increase) Decrease in prepaid insurance	-	-	(9,596)	(9,596)
Increase (Decrease) in accounts payable	<u>(12,835)</u>	<u>(5,679)</u>	<u>93,234</u>	<u>74,720</u>
Net cash provided by operating activities	<u>\$ 50,020</u>	<u>\$ (603,214)</u>	<u>\$ 96,954</u>	<u>\$ (456,240)</u>

CITY OF BURLINGTON, NORTH CAROLINA
 WORKERS COMPENSATION SELF INSURANCE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
City of Burlington	\$ _____	\$ _____ -	\$ _____
Total Operating Revenues	-	-	-
Non-Operating Revenues:			
Investment Earnings	<u>18,000</u>	<u>30,208</u>	<u>12,208</u>
Totals Revenues	<u>18,000</u>	<u>30,208</u>	<u>12,208</u>
Expenditures:			
Salaries and employee benefits		186,622	
Operating expenses		17,330	
Contractual services		83,511	
Workers compensation		342,842	
Safety training		<u>2,076</u>	
Total Expenditures	<u>1,144,587</u>	<u>632,381</u>	<u>512,206</u>
Revenues Over (Under) Expenditures	<u>(1,126,587)</u>	<u>(602,173)</u>	<u>524,414</u>
Other Financing Sources			
Transfers from other funds:			
General Fund		577,854	
Water and Sewer Fund		<u>118,570</u>	
Total Other Financing Sources	<u>1,126,587</u>	<u>696,424</u>	<u>(430,163)</u>
Revenues and Other Sources Over Expenditures	<u>\$ _____ -</u>	<u>\$ 94,251</u>	<u>\$ 94,251</u>
Reconciliation From Financial Plan (Modified Accrual) to Full Accrual Basis:			
Revenues Over Expenditures		\$ 94,251	
Reconciling Items:			
Decrease in allowance for unfiled claims		<u>-</u>	
Net Income		<u>\$ 94,251</u>	

CITY OF BURLINGTON, NORTH CAROLINA
 GROUP HEALTH BENEFITS SELF INSURANCE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 For The Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT

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	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
City of Burlington	\$	\$ 2,735,695	\$
City of Burlington Employee Premium	<u> </u>	<u>1,745,784</u>	<u> </u>
Total Operating Revenues	4,381,831	4,481,479	99,648
Non-Operating Revenues:	<u>-</u>	<u>91,104</u>	<u>91,104</u>
Total Revenues	<u>4,381,831</u>	<u>4,572,583</u>	<u>190,752</u>
Expenditures:			
Salaries and employee benefits		125,257	
Operating expenditures		29,096	
Third party administration		261,045	
City of Burlington Claims		<u>4,065,341</u>	
Total Expenditures	<u>4,627,831</u>	<u>4,480,739</u>	<u>147,092</u>
Revenues Over (Under) Expenditures	<u>\$ (246,000)</u>	<u>\$ 91,844</u>	<u>\$ 337,844</u>
Other Financing Sources			
Transfers from other funds:			
General Fund	176,000	176,000	-
Water and Sewer Fund	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Total Other Financing Sources	<u>246,000</u>	<u>246,000</u>	<u>-</u>
Revenues and Other Sources Over Expenditures	<u>\$ -</u>	<u>\$ 337,844</u>	<u>\$ 337,844</u>
Reconciliation From Financial Plan Basis (Modified Accrual) to Full Accrual Basis:			
Revenues and Other Sources Over		\$ 337,844	
Reconciling Items:			
Decrease in allowance for unfiled claims		<u>(92,382)</u>	
Net Income		<u>\$ 245,462</u>	

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OTHER SCHEDULES

OTHER SCHEDULES

This section includes additional information on property taxes and interfund transfers.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 June 30, 2010

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<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2009</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2010</u>
2009-2010	\$ -	\$ 25,452,617	\$ 24,282,140	\$ 1,170,477
2008-2009	997,506	-	534,391	463,115
2007-2008	377,573	-	126,990	250,583
2006-2007	274,175	-	82,535	191,640
2005-2006	194,256	-	33,954	160,302
2004-2005	159,522	-	31,249	128,273
2003-2004	114,290	-	9,109	105,181
2002-2003	115,731	-	5,426	110,305
2001-2002	66,272	-	3,642	62,630
2000-2001	55,054	-	2,480	52,574
1999-2000	42,445	-	34,521	7,924
1998-1999	17,099	-	10,992	6,107
1965-1997	18,933	-	1,437	17,496
	<u>\$ 2,432,856</u>	<u>\$ 25,452,617</u>	<u>\$ 25,158,866</u>	<u>\$ 2,726,607</u>
Less: Allowance for uncollectible accounts:				
General Fund				(500,692)
Special Revenue Fund				<u>(44,289)</u>
Ad Valorem Taxes Receivable - Net				<u>\$ 2,181,626</u>
<u>Reconcilement with Revenues:</u>				
Taxes - ad valorem - General Fund				\$ 24,805,961
Taxes - ad valorem - Special Revenue Fund				<u>130,134</u>
Total				24,936,095
Reconciling Items:				
Discounts allowed				300,440
Interest collected				(216,546)
Taxes written off				<u>138,877</u>
Total Collections and Credits				<u>\$ 25,158,866</u>

CITY OF BURLINGTON, NORTH CAROLINA

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ANALYSIS OF CURRENT TAX LEVY

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CITY WIDE LEVY

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For The Fiscal Year Ended June 30, 2010

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	City-Wide			Total Levy	
	Property Valuation	Rate per \$100	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
City-Wide Levy:					
Original Levy:					
Property taxed at current year's rate	\$ 4,150,657,966	.590	\$ 24,488,882	\$ 22,750,661	\$ 1,738,221
Penalties	-		16,016	16,016	-
Total	<u>4,150,657,966</u>		<u>24,504,898</u>	<u>22,766,677</u>	<u>1,738,221</u>
Discoveries:					
Current year taxes	137,788,644	.590	812,953	791,440	21,513
Prior year taxes	-		-	-	-
Penalties	-		-	-	-
Total	<u>137,788,644</u>		<u>812,953</u>	<u>791,440</u>	<u>21,513</u>
Abatements and Adjustments:					
Advertising, interest and adjustments	-		(19,537)	(19,537)	-
Abatements	<u>(51,740,678)</u>	.590	<u>(305,270)</u>	<u>(262,905)</u>	<u>(42,365)</u>
Total	<u>(51,740,678)</u>		<u>(324,807)</u>	<u>(282,442)</u>	<u>(42,365)</u>
Total Property Valuation	<u>\$ 4,236,705,932</u>				
Net City Wide levy			24,993,044	23,275,675	1,717,369
Uncollected Taxes at June 30, 2010			<u>(1,167,711)</u>	<u>(926,856)</u>	<u>(240,855)</u>
Current Year's Taxes Collected			<u>\$ 23,825,333</u>	<u>\$ 22,348,819</u>	<u>\$ 1,476,514</u>
Current City-Wide Levy Collection Percentage			<u>95.33%</u>	<u>96.02%</u>	<u>85.98%</u>
Downtown Special Tax District:					
Original Levy:					
Property taxed at current year's rate	\$ 84,220,625	.16	\$ 134,753	\$ 133,704	\$ 1,049
Discoveries:					
Current year taxes	8,125		13	-	13
Abatements and Adjustments:					
Abatements	<u>(2,890,625)</u>		<u>(4,625)</u>	<u>(4,525)</u>	<u>(100)</u>
Total Property Valuation	<u>\$ 81,338,125</u>				
Net Downtown Special Tax District Levy			130,141	129,179	962
Uncollected Taxes at June 30, 2010			<u>(2,766)</u>	<u>(2,756)</u>	<u>(10)</u>
Current Year's Taxes Collected			<u>\$ 127,375</u>	<u>\$ 126,423</u>	<u>\$ 952</u>
Current Downtown Special Tax District Levy Collection Percentage			<u>97.87%</u>	<u>97.87%</u>	<u>98.96%</u>

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Statistical Section

This part of the City of Burlington's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	141-147
Revenue Capacity These schedules contain information to help the reader assess the city's most significant revenue source, the property tax.	148-151
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	152-155
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	156-157
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	158-160

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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Schedule 1
City of Burlington, North Carolina
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities								
Invested in capital assets, net of related debt	\$ 39,828,855	\$ 41,007,895	\$ 38,362,340	\$ 36,184,194	\$ 35,180,314	\$ 34,883,928	\$ 35,735,210	\$ 35,401,001
Restricted	30,330,078	26,384,988	23,458,009	25,085,657	17,798,695	15,781,629	7,045,027	7,920,876
Unrestricted	43,528,565	41,653,949	40,317,116	31,377,433	28,535,344	25,390,153	29,935,573	28,450,804
Total governmental activities net assets	\$ 113,687,498	\$ 109,046,832	\$ 102,137,465	\$ 92,647,284	\$ 81,514,353	\$ 76,055,710	\$ 72,715,810	\$ 71,772,681
Business-type activities								
Invested in capital assets, net of related debt	\$ 109,690,950	\$ 109,331,715	\$ 107,080,492	\$ 106,829,594	\$ 102,785,481	\$ 104,670,547	\$ 91,988,311	\$ 94,599,034
Restricted	13,188,880	12,414,038	10,161,377	5,917,865	4,682,220	5,558,529	12,482,476	15,468,102
Unrestricted	28,245,081	23,327,332	22,666,013	18,172,728	17,554,426	11,936,626	14,891,537	2,957,612
Total business-type activities net assets	\$ 151,124,911	\$ 145,073,085	\$ 139,907,882	\$ 130,920,187	\$ 125,022,127	\$ 122,165,702	\$ 119,362,324	\$ 113,024,748
Primary government								
Invested in capital assets, net of related debt	\$ 149,519,805	\$ 150,339,610	\$ 145,442,832	\$ 143,013,788	\$ 137,965,795	\$ 139,554,475	\$ 127,723,521	\$ 130,000,035
Restricted	43,518,958	38,799,026	33,619,386	31,003,522	22,480,915	15,781,629	19,527,503	23,388,978
Unrestricted	71,773,646	64,981,281	62,983,129	49,550,161	46,089,770	37,326,779	44,827,110	31,408,416
Total primary government net assets	\$ 264,812,409	\$ 254,119,917	\$ 242,045,347	\$ 223,567,471	\$ 206,536,480	\$ 192,662,883	\$ 192,078,134	\$ 184,797,429

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Schedule 2
City of Burlington, North Carolina
Changes in Net Assets
Last Eight Fiscal Years
 (accrual basis of accounting)

	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses								
Governmental activities:								
General government	\$ 9,215,323	\$ 8,490,313	\$ 7,635,312	\$ 7,733,445	\$ 6,836,967	\$ 6,834,386	\$ 6,812,074	\$ 6,642,864
Public safety	19,012,031	18,063,290	17,759,301	16,297,845	15,740,847	15,526,355	14,890,057	13,590,526
Public works	7,511,084	8,513,949	9,064,789	6,985,391	6,931,658	6,273,072	7,014,302	6,564,032
Economic and physical development	1,510,984	933,593	820,213	723,084	1,019,551	1,258,892	830,763	645,551
Cultural and recreation	6,566,740	6,311,568	6,074,962	6,055,589	6,738,048	6,758,306	6,021,347	6,374,503
Interest on long-term debt	786,832	742,906	817,062	830,820	758,857	634,554	751,201	-
Total governmental activities expenses	44,602,994	43,055,619	42,171,639	38,626,174	38,025,928	37,285,565	36,319,744	33,817,476
Business-type activities:								
Storm water	364,391	310,215	167,149	180,423	97,631	-	-	-
Water and sewer	18,713,655	19,700,880	20,085,892	20,170,270	18,751,389	17,716,510	15,222,472	15,298,137
Total business-type activities expenses	19,078,046	20,011,095	20,253,041	20,350,693	18,849,020	17,716,510	15,222,472	15,298,137
Total primary government expenses	\$ 63,681,040	\$ 63,066,714	\$ 62,424,680	\$ 58,976,867	\$ 56,874,948	\$ 55,002,075	\$ 51,542,216	\$ 49,115,613
Program Revenues								
Governmental activities:								
Charges for services:								
General Government	\$ 2,281,618	\$ 2,498,973	\$ 2,799,530	\$ 3,244,533	\$ 2,670,060	\$ 1,890,103	\$ 1,732,506	\$ 2,272,542
Public safety	297,876	165,633	303,219	256,793	257,795	248,848	198,018	187,122
Public works	1,505,613	1,308,766	1,221,897	1,025,645	1,014,710	1,096,505	1,174,926	1,095,689
Cultural and recreation	2,904,183	3,060,166	3,198,844	2,903,431	2,818,126	2,553,060	2,312,867	2,022,256
Operating grants and contributions	4,052,652	3,716,104	4,274,106	3,878,463	4,020,829	3,680,905	2,831,209	2,620,504
Capital grants and contributions	-	-	-	-	-	136,114	956,326	756,970
Total governmental activities program revenues	11,041,942	10,749,642	11,797,596	11,308,865	10,781,520	9,605,535	9,205,852	9,055,983

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Business-type activities:									
Charge for services:									
Storm water	444,484	384,996	436,852	409,920	426,982				
Water and sewer	22,341,844	20,458,936	21,783,210	19,523,541	19,491,890	17,164,878	16,906,694	14,926,099	
Operating grants and contributions									
Capital grants and contributions	1,352,089	3,744,889	3,478,513	3,721,422	670,974	2,069,678	2,836,874	2,108,597	
Total business-type activities program revenues	24,138,417	24,588,821	25,698,575	23,654,883	20,589,846	19,234,556	19,743,568	17,034,696	
Total primary government program revenues	\$ 35,180,359	\$ 35,338,463	\$ 37,496,171	\$ 34,963,748	\$ 31,371,366	\$ 28,840,091	\$ 28,949,420	\$ 26,189,779	

Net (Expense)/Revenue									
Governmental activities	\$(33,561,052)	\$(32,305,977)	\$(30,374,043)	\$(27,317,309)	\$(27,244,408)	\$(27,680,030)	\$(27,113,892)	\$(24,662,393)	
Business-type activities	5,060,371	4,577,726	5,445,534	3,304,190	1,740,826	1,518,046	4,521,096	1,736,559	
Total primary government net expense	\$(28,500,681)	\$(27,728,251)	\$(24,928,509)	\$(24,013,119)	\$(25,503,582)	\$(26,161,984)	\$(22,592,796)	\$(22,925,834)	

General Revenues and Other Changes in Net Assets

Governmental activities:									
Taxes									
Property taxes	\$ 25,790,731	\$ 24,116,052	\$ 22,908,219	\$ 22,052,513	\$ 19,031,183	\$ 18,737,396	\$ 16,634,150	\$ 16,702,452	
Other taxes	8,539,976	9,335,642	9,905,788	9,956,747	8,686,534	7,722,097	7,077,783	6,235,009	
Unrestricted grants and contributions	3,643,718	3,734,621	3,696,587	3,599,190	3,180,211	3,792,403	3,642,220	3,604,136	
Unrestricted investment earnings	377,042	1,554,532	2,235,375	2,725,717	1,620,694	759,283	333,452	370,076	
Miscellaneous	112,988	285,982	171,730	139,223	186,929	204,794	205,226	242,541	
Transfers	(262,737)	188,515	443,500	(23,150)	(2,500)	(135,802)	(622,863)	315,000	
Total governmental activities	38,201,718	39,215,344	39,361,199	38,450,240	32,703,051	31,080,171	27,269,968	27,469,214	

Business-type activities:									
Unrestricted investment earnings	253,715	643,067	1,037,433	1,273,104	813,760	373,969	181,758	271,388	
Miscellaneous	475,003	132,925	1,099,668	1,297,616	299,339	775,561	482,749	314,300	
Transfers	262,737	(188,515)	(443,500)	23,150	2,500	135,802	622,863	(315,000)	
Total business-type activities	991,455	587,477	1,693,601	2,593,870	1,115,599	1,285,332	1,287,370	270,688	
Total primary government	\$ 39,193,173	\$ 39,802,821	\$ 41,054,800	\$ 41,044,110	\$ 33,818,650	\$ 32,365,503	\$ 28,557,338	\$ 27,739,902	

Change in Net Assets

Governmental activities	\$ 4,640,666	\$ 6,909,367	\$ 8,987,156	\$ 11,132,931	\$ 5,458,643	\$ 3,400,141	\$ 156,076	\$ 2,906,821	
Business-type activities	6,051,826	5,165,203	7,139,135	5,898,060	2,856,425	2,803,378	5,808,466	2,907,247	
Total primary government	\$ 10,692,492	\$ 12,074,570	\$ 16,126,291	\$ 17,030,991	\$ 8,315,068	\$ 6,203,519	\$ 5,964,542	\$ 4,814,068	

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Schedule 3
City of Burlington, North Carolina
Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund				
Reserved	\$ 5,704,163	\$ 4,790,077	\$ 5,594,611	\$ 3,779,002
Unreserved	8,356,723	9,424,139	7,995,407	10,662,379
Designated for subsequent year's expenditures	17,746,673	16,916,736	17,484,970	13,397,095
Total general fund	<u>\$ 31,807,559</u>	<u>\$ 31,130,952</u>	<u>\$ 31,074,988</u>	<u>\$ 27,838,476</u>
All Other Governmental Funds				
Reserved	\$ 7,538,843	\$ 7,764,131	\$ 7,415,684	\$ 6,936,527
Unreserved, reported in:			7,975,904	
Designated for subsequent year's expenditures:				
Special revenue funds	18,981,952	16,778,857	638,619	5,296,068
Capital projects funds	2,612,992	1,165,781	6,863,526	5,837,718
Total all other governmental funds	<u>\$ 29,133,787</u>	<u>\$ 25,708,769</u>	<u>\$ 22,893,733</u>	<u>\$ 18,070,313</u>

Fiscal Year					
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 2,847,904	\$ 6,136,701	\$ 3,965,041	\$ 6,426,029	\$ 2,249,758	\$ 4,993,933
11,646,018	8,033,236	6,146,674	9,834,740	8,508,053	6,680,428
9,580,099	8,400,210	10,040,293	3,085,486	6,511,068	7,277,438
<u>\$ 24,074,021</u>	<u>\$ 22,570,147</u>	<u>\$ 20,152,008</u>	<u>\$ 19,346,255</u>	<u>\$ 17,268,879</u>	<u>\$ 18,951,799</u>
\$ 6,694,424	\$ 6,541,509	\$ 6,015,438	\$ 5,843,710	\$ 6,377,790	\$ 12,089,714
9,554,742	7,694,423	329,258	300,491	723,379	617,441
1,114,577	1,545,697	7,234,302	7,478,956	10,746,104	3,820,608
<u>\$ 17,363,743</u>	<u>\$ 15,781,629</u>	<u>\$ 13,578,998</u>	<u>\$ 13,623,157</u>	<u>\$ 17,847,273</u>	<u>\$ 16,527,763</u>

Schedule 4
City of Burlington, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
 (modified accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Revenues				
Ad valorem taxes	\$ 24,852,944	\$ 23,944,594	\$ 22,959,919	\$ 22,020,569
Other taxes and licenses	9,081,632	9,910,654	10,425,711	9,956,747
Unrestricted intergovernmental	4,298,234	4,344,070	4,492,768	4,284,884
Restricted intergovernmental	4,651,477	4,208,258	4,816,213	4,241,322
Permits and fees	700,723	810,402	1,428,348	1,918,985
Sales and services	4,046,529	4,224,621	3,957,048	3,673,388
Investment earnings	301,575	1,184,744	2,097,076	2,273,169
Miscellaneous	424,952	492,277	301,892	312,095
Total revenues	48,358,066	49,119,620	50,478,975	48,681,159
Expenditures				
General government	8,238,393	8,007,500	7,529,925	7,774,715
Public safety	18,584,573	17,527,448	17,587,449	16,130,108
Public works	6,924,894	7,688,216	8,186,747	7,158,072
Economic and physical development	1,522,589	933,595	817,368	722,891
Culture and recreation	5,498,179	5,687,867	5,408,875	5,525,920
Debt service:				
Principal	2,793,551	2,748,834	2,548,160	2,688,134
Interest	705,857	770,893	838,078	874,616
Capital Outlay	2,948,353	3,644,647	7,360,677	5,713,214
Total expenditures	47,216,389	47,009,000	50,277,279	46,587,670
Excess of revenues over (under) expenditures	1,141,677	2,110,620	201,696	2,093,489
Other Financing Sources (Uses)				
Transfers from other funds	2,725,287	3,781,627	2,407,433	2,454,576
Transfers to other funds	(3,741,877)	(4,346,869)	(2,717,787)	(3,209,456)
Transfers to component unit	-	-	-	-
Capital lease obligations issued	-	-	-	-
Certificates of participation issued	-	-	-	-
Issuance of private activity bonds (RZED)	2,899,000	-	-	-
Proceeds from bond issuance	-	-	-	9,359,162
Proceeds from installment purchase	1,077,538	1,325,622	1,664,789	277,055
Total other financing sources (uses)	2,959,948	760,380	1,354,435	8,881,337
Net change in fund balances	\$ 4,101,625	\$ 2,871,000	\$ 1,556,131	\$ 10,974,826
Debt service as a percentage of noncapital expenditures	7.9%	8.1%	7.9%	8.9%

Fiscal Year					
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 18,993,866	\$ 18,524,056	\$ 16,685,362	\$ 16,535,835	\$ 14,064,465	\$ 12,484,476
9,194,171	8,173,551	7,511,238	6,663,570	5,966,135	6,295,951
3,745,537	3,947,053	3,773,185	3,742,948	3,034,234	5,057,018
4,352,292	4,149,194	4,004,997	4,586,002	3,555,013	3,224,803
1,341,313	734,605	564,603	525,156	578,027	496,060
3,576,218	3,324,187	3,079,077	3,053,699	2,786,834	2,743,881
1,577,263	677,657	343,577	511,832	1,045,240	1,747,485
566,928	1,048,006	1,110,576	592,959	783,586	813,292
43,347,588	40,578,309	37,072,615	36,212,001	31,813,534	32,862,966
7,101,680	6,310,133	6,250,019	5,502,377	5,363,143	5,011,939
15,718,644	14,972,428	13,790,378	13,150,331	12,966,666	12,900,709
6,999,791	5,660,416	6,027,469	5,882,710	5,981,413	5,776,500
1,048,340	1,275,662	817,194	755,334	749,472	1,055,732
6,388,082	5,966,471	5,561,503	5,136,131	5,569,479	6,586,946
1,748,916	1,629,609	1,120,916	1,177,730	897,298	752,886
753,937	630,911	766,652	786,006	636,608	457,163
471,920	439,308	2,213,199	3,832,835	4,131,294	2,378,049
40,231,310	36,884,938	36,547,330	36,223,454	36,295,373	34,919,924
3,116,278	3,693,371	525,285	(11,453)	(4,481,839)	(2,056,958)
1,845,882	2,991,440	1,938,964	2,525,911	3,543,899	7,309,393
(2,987,867)	(3,127,242)	(3,005,327)	(4,710,911)	(3,443,899)	(5,929,393)
-	-	(114,381)	-	(119,114)	(105,901)
-	-	-	165,000	4,145,000	144,000
-	-	630,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	8,000,000
1,111,695	1,063,200	-	-	-	-
(30,290)	927,398	(550,744)	(2,020,000)	4,125,886	9,418,099
\$ 3,085,988	\$ 4,620,769	\$ (25,459)	\$ (2,031,453)	\$ (355,953)	\$ 7,361,141

6.6%	6.4%	5.5%	6.1%	4.8%	3.7%
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Schedule 5
City of Burlington, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended June 30,	Real Property	Personal Property	Public Service Companies	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	\$ 3,400,229,485	\$ 640,124,432	\$ 74,014,766	\$ 24,980,100	4,089,388,583	\$ 0.590
2009	3,148,340,051	724,788,680	65,329,774	25,420,105	3,913,038,400	0.625
2008	2,998,789,899	702,223,245	71,968,398	24,782,192	3,748,199,350	0.625
2007	2,929,664,431	580,421,602	68,488,939	25,353,405	3,553,221,567	0.625
2006	2,825,617,455	577,276,951	66,643,479	25,250,317	3,444,287,568	0.555
2005	2,747,318,689	581,978,838	77,794,418	17,464,456	3,389,627,489	0.555
2004	2,686,124,520	585,656,234	63,860,782	15,393,336	3,320,248,200	0.500
2003	2,671,355,793	619,101,605	62,998,105	23,034,639	3,330,420,864	0.500
2002	2,663,156,801	669,680,557	66,101,228	12,274,777	3,386,663,809	0.420
2001	1,749,999,166	702,548,165	56,974,037	12,140,317	2,497,381,051	0.500

Source: Annual audited financial reports of the entity and reports of the Tax Assessor and Tax Collector for this entity.

Note: Alamance County does a revaluation every eight (8) years and only records increases and decreases in the other years. The last revaluation was done in 2009, with the next due in 2017.

**Schedule 6
City of Burlington, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)**

Fiscal Year	City Direct Rates										Overlapping Rates	
	Basic Rate	General Obligation Debt Service	Redevelopment Debt Service	Redevelopment Program	Total Direct	Downtown Corp	Alamance County					
2010	0.500	\$ 0.0903	-	-	0.590	0.160	\$ 0.520					
2009	0.525	0.0996	-	-	0.625	0.160	0.580					
2008	0.525	0.0998	-	-	0.625	0.160	0.580					
2007	0.512	0.1134	-	-	0.625	0.160	0.575					
2006	0.476	0.0791	-	-	0.555	0.160	0.563					
2005	0.495	0.0596	-	-	0.555	0.160	0.510					
2004	0.435	0.0650	-	-	0.500	0.160	0.520					
2003	0.439	0.0608	-	-	0.500	0.160	0.500					
2002	0.371	0.0488	-	-	0.420	0.160	0.420					
2001	0.442	0.0583	-	-	0.500	0.200	0.525					

Source: City of Burlington's Finance Department

Schedule 7
City of Burlington, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Labcorp	\$ 151,275,672	1	4.45 %	\$ 68,884,134	1	2.32 %
Alamance Crossing LLC	46,441,404	2	1.37			
Roche	34,038,357	3	1.00			
Duke Energy Corp	30,685,661	4	0.90	23,347,648	6	0.81
PGS Burlington, LLC	29,485,389	5	0.87			
Carolina Hosiery	25,028,146	6	0.74	17,813,643	7	0.60
Ethan Pointe LLC	21,797,839	7	0.64			
Koury Properties	18,165,301	8	0.53			
Callicott/Hunters Bridge Apt	17,221,830	9	0.51	13,977,744	9	0.52
Alamance Indust. Park	17,198,856	10	0.51			
Colonial Mall				32,964,328	2	1.10
Burlington Industries				32,755,108	3	1.11
West Point Pepperell				25,469,098	4	0.79
Bell South				23,998,027	5	0.86
Glen Raven Mills				15,287,502	8	0.43
Anneleen				12,817,950	10	0.47
Total	\$ 391,338,455		11.52 %	\$ 267,315,182		9.01 %

Source: City of Burlington Tax Department

**Schedule 8
City of Burlington, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 24,993,044	\$23,825,333	95.33 %	\$ 980,628	24,805,961	99.25 %
2009	24,442,673	23,455,196	95.96	669,445	24,124,641	98.70
2008	23,439,381	22,583,026	96.35	388,238	22,971,264	98.00
2007	22,168,691	21,431,448	96.67	649,209	22,080,657	99.60
2006	19,113,060	18,542,350	97.01	423,044	18,965,394	99.23
2005	18,749,105	18,175,039	96.94	337,317	18,512,356	98.74
2004	16,633,761	16,168,531	97.20	399,593	16,568,124	99.61
2003	16,625,046	16,120,634	96.97	298,109	16,418,743	98.76
2002	14,215,806	13,684,745	96.26	379,720	14,064,465	98.94
2001	12,513,819	12,162,815	97.20	321,661	12,484,476	99.77

Source: Annual audited financial reports of the entity and reports of the Tax Assessor and Tax Collector for this entity.

Schedule 9
City of Burlington, North Carolina
Ratios of Outstanding Debt by Type
Last Eight Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities					Percentage of Personal Income	Per Capita
	General Obligation Bonds	Private Activity Bonds	Installment Purchase	Capitalized Leases	Certificates of Participation	General Obligation Bonds	Revolving Loan	Certificates of Participation	Total Primary Government			
2010	\$12,855,089	\$2,899,000	\$3,164,139	\$ -	\$ -	\$10,059,723	\$ 32,500	\$ 9,940,000	\$38,950,451	8.4 %	754	
2009	13,979,593	-	3,758,602	-	-	11,342,853	-	10,650,000	39,731,048	9.3	780	
2008	15,103,317	-	4,060,782	-	-	12,626,408	-	11,360,000	43,150,507	10.8	875	
2007	16,118,945	-	4,617,391	-	-	13,903,542	-	12,075,000	46,714,878	12.1	980	
2006	7,732,142	-	5,234,365	-	210,000	15,315,348	-	12,795,000	41,286,855	11.0	873	
2005	7,970,338	-	5,392,596	-	420,000	16,180,387	1,000,000	13,515,000	44,478,321	12.5	954	
2004	8,455,393	-	5,209,312	54,655	630,000	17,515,580	2,000,000	14,235,000	48,099,940	13.7	1,040	
2003	5,739,204	-	8,944,789	156,274	-	18,866,422	3,000,000	-	36,706,689	10.6	798	

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Schedule 10
City of Burlington, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
 (dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value (1) of Property	Per Capita (2)
	General Obligation Bonds	Redevelopment Bonds	Total		
2010	\$ 12,855,089	\$ -	\$ 12,855,089	0.31 %	248.83
2009	13,979,593	-	13,979,593	0.36	274.50
2008	15,103,317	-	15,103,317	0.40	306.09
2007	16,118,945	-	16,118,945	0.45	337.98
2006	7,732,142	-	7,732,142	0.22	163.49
2005	7,970,338	-	7,970,338	0.24	175.14
2004	8,455,386	-	8,455,386	0.25	182.89
2003	8,944,785	-	8,944,785	0.27	194.41
2002	9,438,536	-	9,438,536	0.28	206.81
2001	9,935,552	-	9,935,552	0.40	219.71

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements
 (1) See Schedule 5 for property value data.
 (2) Population data can be found in Schedule 14.

Schedule 11

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City of Burlington, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010
 (dollars in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable(a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Alamance County General Obligation Debt	\$ 64,955,000	34.83%	\$ 22,622,020
Guilford County General Obligation Debt	813,410,000	10.69%	86,915,237
Other debt			
Alamance County Installment Loans	15,910,324	34.83%	5,541,123
Guilford County Authorized & Unissued Bonds	347,330,000	10.69%	37,113,226
Guilford County Lease Purchase	4,147,088	10.69%	443,128
Subtotal, overlapping debt			152,634,736
City direct debt			13,979,593
Total direct and overlapping debt			\$ 166,614,329

Sources: Population data used to estimate applicable percentages came from NC State Demographics. Debt outstanding data provided by each governmental unit.

(a) The percentage of overlapping debt applicable is estimated using population figures. Applicable percentages were estimated by dividing the City's population by the County's population.

Schedule 12
 City of Burlington, North Carolina
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year

Assessed value of taxable property	4,236,705,932
Debt limit (8% of assessed value)	338,936,475
Gross Debt:	
Total Bonded Debt	22,914,812
Private Activity Bonds	2,899,000
Certificate of Participation	9,940,000
Revolving Loan	32,500
Lease Financing Agreements	3,164,139
Total Gross Debt	38,950,451
Less: Water and Sewer Bonds	(10,059,723)
Total net debt applicable to limit	28,890,728
Legal debt margin	310,045,747

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$199,790,484	\$270,933,105	\$266,433,669	\$265,619,856	\$271,170,199	\$275,543,005	\$284,257,725	\$299,855,948	\$312,963,072	\$338,936,475
Total net debt applicable to limit	18,456,286	15,803,989	14,840,267	15,450,846	13,932,209	13,075,035	32,811,336	30,524,099	28,388,195	28,890,728
Legal debt margin	\$181,334,198	\$255,129,116	\$251,593,402	\$250,169,010	\$257,237,990	\$262,467,970	\$251,446,389	\$269,331,849	\$284,574,877	\$310,045,747

Total net debt applicable to the limit as a percentage of debt limit	9.24%	5.83%	5.57%	5.82%	5.14%	4.75%	11.54%	10.18%	9.07%	8.92%
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Note: Under North Carolina Local Budget & Control Act, the city's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

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Schedule 13
City of Burlington, North Carolina
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population Estimates (1)	Alamance County Personal Income (2)	Alamance County Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2010	51,662	**	**	22,384	11.7%
2009	50,927	*	*	22,304	9.3%
2008	49,343	4,659,254	31,501	22,260	5.2%
2007	47,692	4,282,107	29,575	22,202	5.3%
2006	47,295	4,012,634	28,265	21,772	5.9%
2005	46,645	3,863,435	27,551	21,614	5.9%
2004	46,233	3,740,467	27,016	21,538	6.7%
2003	46,010	3,556,329	26,030	21,366	7.6%
2002	45,638	3,512,493	25,895	21,096	7.5%
2001	45,222	3,458,024	25,878	20,556	5.3%

* Not available until April, 2011

** Not available until April, 2012

Sources:

- (1) N. C. State Demographics
- (2) U. S. Department of Commerce - Bureau of Economic Analysis
- (3) N. C. Department of Public Instruction
- (4) U. S. Department of Labor - Bureau of Labor Statistics

**Schedule 14
City of Burlington, North Carolina
Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	2010			2001		
	Employees	Rank	Percentage of Total City Employment %	Employees	Rank	Percentage of Total City Employment %
LabCorp, Inc.	3,300	1	16.30 %	3,200	1	14.87 %
Alamance-Burlington School Sys	3,260	2	16.10	2,400	2	11.15
Alamance Regional Medical Ctr	2,300	3	11.36	1,400	6	6.50
Wal-Mart Stores, Inc.	1,100	4	5.43	-	-	-
City of Burlington	875	5	4.32	-	-	-
Kayser-Roth Corp	380	6	1.88	-	-	-
Kernodle Clinic, Inc.	325	7	1.61	-	-	-
American Multimedia, Inc.	300	8	1.48	-	-	-
ITG	250	9	1.23	-	-	-
Carolina Hosiery Mills, Inc.	220	10	1.09	-	-	-
Burlington Industries, Inc.	-	-	-	2,000	3	9.29
Culp Mills	-	-	-	2,000	4	9.29
Glen Raven Mills, Inc.	-	-	-	1,498	5	6.96
Alamance Health Services	-	-	-	1,300	7	6.04
Great American Knitting	-	-	-	897	8	4.17
GKN Automotive	-	-	-	850	9	3.95
West Point Stevens	-	-	-	800	10	3.72
Total	12,310		60.81 %	16,345		75.93 %

Sources:
Alamance County Chamber of Commerce
Employment Security Commission of North Carolina

Schedule 15
City of Burlington, North Carolina
Full-time Equivalent City Government Employees by Function/Program
Last Five Fiscal Years

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General government					
Administration/Public Information	3	3	3	3	4
Customer Service/Collections	16	19	19	18	18
Finance	13	14	13	13	12
Information Technology	6	6	6	7	8
Legal	2	2	2	2	2
Human Resources	5	4	5	5	5
Planning	11	11	9	10	9
Inspections	10	11	14	13	13
Engineering/Traffic Control	18	17	18	18	17
Police					
Sworn Officers	115	112	106	105	112
Civilians	40	42	40	43	40
Fire					
Firefighter and officers	87	88	89	90	90
Civilians	1	1	2	2	2
Public Works					
Administration	2	2	2	2	3
Maintenance	22	23	24	22	23
Street	23	24	24	23	23
Cemetery	16	16	13	14	13
Sanitation	21	22	23	21	23
Recreation	42	41	44	45	42
Water and Sewer	84	87	84	86	83

Source: Full-time Equivalent Employee information was provided by the City of Burlington's payroll system that was installed in June of 2006. Only five years of data were available.

Schedule 16
City of Burlington, North Carolina
Operating Indicators by Function/Program
Last Eight Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Police								
Physical arrests	5,432	5,797	5,903	6,527	5,197	6,603	6,902	5,860
Parking violations	1,620	2,129	3,440	2,985	3,972	2,877	3,738	4,774
Traffic violations	5,612	4,793	6,063	8,651	7,414	11,192	10,732	9,457
Fire								
Emergency responses	5,056	5,064	4,375	4,501	5,071	3,386	3,420	3,150
Fires responses	2,061	1,610	2,036	1,438	1,571	1,632	1,718	1,668
Inspections	2,648	2,844	2,528	2,951	2,657	2,233	2,951	3,213
Refuse collection								
Refuse collected (tons per day)	73	69	79	76	74	78	75	75
Recyclables collected (tons per day)	29	33	30	31	28	28	31	23
Other Public Works								
Street resurfacing (miles)	13.4	0	7	35	30	7	0	4
Potholes repaired	542	335	101	100	100	100	100	100
Recreation and Parks								
Athletic field permits issued	103	82	82	75	70	63	65	48
Community center admissions	151,100	145,255	140,132	128,725	120,186	114,149	112,640	135,965
Water								
New connections	33	61	83	81	121	170	99	158
Water mains breaks	81	78	101	83	39	n/a	n/a	n/a
Average daily consumption (thousands of gallons)	11,875	10,200	12,461	11,586	11,755	9,800	9,800	11,100
Peak daily consumption (thousands of gallons)	19,000	19,000	18,897	16,670	17,469	15,300	13,100	16,500
Wastewater								
Average daily sewage treatment (thousands of gallons)	12,000	11,200	11,170	10,900	11,950	12,300	14,600	13,000

Sources: Various city departments. Due to record retention schedules, only eight years of data are available at this time.

Schedule 17
City of Burlington, North Carolina
Capital Asset Statistics by Function/Program
Last Eight Fiscal Years

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Function/Program	Fiscal Year							
	2010	2009	2008	2007	2006	2005	2004	2003
Police								
Stations	1	1	1	1	1	1	1	1
Substations	7	6	4	3	3	3	3	4
Patrol units	144	141	134	133	130	130	123	123
Fire Stations	5	5	5	5	5	5	5	5
Refuse collection								
Collection trucks	20	18	16	15	15	15	15	16
Other public works								
Streets (miles)	237.9	238	238	234	230	223	219	218
Highways (miles)	62.27	61	61	61	63	66	60	59
Streetlights	4,754	4,738	4,706	4,492	4,239	4,145	4,064	4,048
Traffic Signals	35	35	35	32	32	32	32	32
Recreation and parks								
Acreeage	631.45	631.45	631.45	631.45	631.45	631.45	631.45	631.45
Playgrounds	16	16	16	16	16	16	14	14
Baseball/softball diamonds	17	17	17	17	17	17	13	13
Soccer/football fields	12	12	12	12	12	12	5	5
Community centers	6	6	6	6	6	6	6	6
Water								
Water mains (miles)	385.12	383	376.15	360.22	350.00	342.80	333.16	327.66
Fire hydrants	2,064	2,032	1,900	1,900	1,886	1,846	1,846	1,846
Storage capacity (thousands of gallons)	4,500	4,500	4,500	4,500	4,500	4,500	3,000	3,000
Wastewater								
Sanitary sewers (miles)	382.85	382.85	378.24	364.55	371.00	362.57	356.41	348.29
Storm sewers (miles)	213	113	100	100	100	-	-	-
Treatment capacity (thousands of gallons per day)	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000

Sources: Various city departments. Due to record retention schedules, only eight years of data are available at this time.

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Management*

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregated remaining fund information of the City of Burlington, North Carolina, as of and for the year ended June 30, 2010, which collectively comprises the City of Burlington's basic financial statements and have issued our report thereon dated October 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Burlington's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Burlington's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Burlington's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Burlington, in a separate letter dated October 13, 2010.

This report is intended solely for the information and use of management, others within the entity, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

STOUT STUART MCGOWEN & KING LLP

October 13, 2010



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*Advisors to
Management*

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Compliance

We have audited the compliance of the City of Burlington, North Carolina, compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Burlington's major federal programs for the year ended June 30, 2010. The City of Burlington's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Burlington's management. Our responsibility is to express an opinion on the City of Burlington's compliance based on our audit.

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

In our opinion, the City of Burlington complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

STOUT STUART MCGOWEN & KING LLP

October 13, 2010

**STOUT
STUART
McGOWEN
& KING LLP**



*Certified
Public
Accountants*

*Advisors to
Management*

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH APPLICABLE SECTIONS OF OMB CIRCULAR A-133 AND THE STATE SINGLE
AUDIT IMPLEMENTATION ACT**

To The Honorable Mayor and
Members of the City Council
City of Burlington
Burlington, North Carolina

Compliance

We have audited the compliance of the City of Burlington, North Carolina, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2010. The City of Burlington's major State program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major State program is the responsibility of the City of Burlington's management. Our responsibility is to express an opinion on the City of Burlington's compliance based on our audit.

*Member of PCPS,
The AICPA Alliance
For CPA Firms*

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

In our opinion, the City of Burlington complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State program for the year ended June 30, 2010.

Internal Control Over Compliance

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

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.

STOUT STUART MCGOWEN & KING LLP

October 13, 2010

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT
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Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant Deficiency(s) identified that are not
 considered to be material weaknesses

_____ Yes X None Reported

Noncompliance material to financial statements noted

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

_____ Yes X No

Significant Deficiency(s) identified that are not
 considered to be material weaknesses

_____ Yes X None Reported

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

Unqualified

Any audit findings disclosed that are required to be
 reported in accordance with Section 510(a) of
 Circular A-133

_____ Yes X No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	HOME Investment Partnership Program
16.738	Edward Byrne Memorial Justice Assistance Grant

Dollar threshold used to distinguish between Type A and
 Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

CITY OF BURLINGTON, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

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Section I. Summary of Auditor's Results

State Awards

Internal control over major State programs:

Material weakness(es) identified? _____ Yes X No

Significant Deficiency(s) identified that are not considered to be material weaknesses _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Implementation Act _____ Yes X No

Identification of major State program:

Program Name

Powell Bill

Section II. Financial Statement Findings

None Reported

Section III. Federal Award Findings and Questioned Costs

None reported.

Section IV. State Award Findings and Questioned Costs

None reported.

CITY OF BURLINGTON, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2010

PRELIMINARY DRAFT¹⁶⁹
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Finding 09-1

Status: Internal control procedures for handling collections and inventory have been reviewed and strengthened to insure proper handling of funds and inventory.

Corrective Action: The Finance Department will be reviewing the revenue sheets and other supporting documentation on a regular basis. The department head will verify that this procedure is being done.

CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2010

PRELIMINARY DRAFT
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Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal (Direct and Pass Through) Expenditures	State Expenditures	Local Expenditures
Federal Grants:				
Cash Programs:				
<u>U.S. Department of Housing and Urban Development Direct Program:</u>				
Community Development Block Grant - Entitlement Grant	14.218	\$ 533,194		
Community Development Block Grant ARRA Entitlement Grant (CDBG-R)	14.253	117,446		
Passed-through Greensboro Consortium: Home Investment Partnership Program	14.239	343,364		
Passed-through N.C. Housing Financing Agency: Stewart B. McKinney Homeless Assistance Act	14.000	65,000		
<u>U.S. Department of Justice</u>				
Direct Programs:				
Weed and Seed Program	16.595	1,136		
Passed-through North Carolina Department Of Crime Control and Public Safety: Edward Byrne Memorial Justice Assistance Grant	16.738	418,142		
Project Safe Neighborhoods	16.609	24,678		
<u>U.S. Department of Transportation</u>				
Passed-through North Carolina Department of Transportation:				
Highway Planning and Construction Grant	20.205	221,784		
Federal Transit Metropolitan Planning Grants	20.505	21,200	2,650	64,998
ARRA - Highway Planning and Construction Grant	20.205	27,517		
<u>U.S. Department of Energy</u>				
Direct Programs:				
ARRA - Energy Efficiency and Conservation Block Grant	81.128	21,535		
<u>U.S. Environmental Protection Agency</u>				
Passed-through North Carolina Department of Environment and Natural Resources:				
ARRA - Drinking Water State Revolving Fund	66.468	38,109		
<u>U.S. Department of Homeland Security</u>				
Passed-through North Carolina Division of Emergency Management:				
Emergency Management Performance Grant	97.042	90,285		
Total assistance - federal programs		<u>1,923,390</u>	<u>2,650</u>	<u>64,998</u>

Continued on next page.

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CITY OF BURLINGTON, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 For the Year Ended June 30, 2010

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal (Direct and Pass Through) Expenditures</u>	<u>State Expenditures</u>	<u>Local Expenditures</u>
State Grants:				
Cash Assistance:				
<u>N.C. Department of Transportation:</u>				
Powell Bill			1,364,573	
<u>Piedmont Triad Council of Governments:</u>				
Division of Aging			14,682	
<u>N.C. Department of Health and Human Services:</u>				
Get Alarmed Grant			500	
<u>N.C. Health and Wellness Trust Fund Commission:</u>				
Fit Community			52,872	
Total assistance - State programs		-	1,432,627	-
Total assistance		<u>\$ 1,923,390</u>	<u>\$ 1,435,277</u>	<u>\$ 64,998</u>

Notes to the Schedule of Expenditures Federal and State Financial Awards:

- The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the City of Burlington and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note: Revenue includes operating and nonoperating but not other financing sources. Amounts should be taken from the fund statements instead of the government-wide.

Type of Fund	Computes "X" if Meets			Liabilities	Computes "X" if Meets			Revenue	Computes "X" if Meets			Expenses/	Computes "X" if Fund is Major if a "Category" Has an "X" in Both Columns, Then Fund is a Major Fund
	Assets	10% Rule	5% Rule		10% Rule	5% Rule	10% Rule		5% Rule	10% Rule	5% Rule		
General Fund	36,782,149	N/A	N/A	4,974,590	N/A	N/A	45,489,825	N/A	N/A	42,917,904	N/A	YES, ALWAYS MAJOR	
Special Revenue Funds:													
Mpo Planning/Trans.(20)	349,042			28,815			230,069			286,726		MAJOR	
Capital Reserve(15)	17,519,508	X					145,421						
Substance Abuse(12)	66,580		X				23,450			29,324			
Rico (13)	628,053			13,860			472,275			320,950			
Home Program (65)	5,419,503			1,218,059	X		199,640			343,364			
Community Dev.	147,232			125,941			576,626			469,047			
All Hazard Preparedness	90,285			90,285			90,285			90,285			
Downtown	66,630			66,630			128,571			128,571			
Gov. Hwy Safety Grant(23)							177,903			177,903			
Guilford Mackintosh(24)	43,612			43,612			14,710			127,350			
Rehab Loan (62)	2,535,978			3,977			(14,208)			1,136			
Weed & Seed	13,849						223,900			21,535			
Energy Efficiency Conservative Fund	202,365									2,839			
Medicare Part D	18,375						16,196			24,678			
Governor Crime Commission Proj. Safe	8,678			7,160			416,704			416,142			
Edward Byrne Justice Assistance	35,973			1,476									
Gang Investigator Grant Fund													
Fit Community Project Fund							52,872			52,872			
Rental Rehab (31)	986,048			11,101			84,563						
Total Special Revenue	28,131,711			1,610,916			2,838,977			2,494,722			
Debt Service Fund													
Capital Projects Funds:													
ERP System	596,561						1,200			161,001			
Renovation of Existing Rec. & Park Facilities	76,948						47			173,052			
Mebane St./Grand Oak Sidewalk	189,673												
Gas for Utilities													
Inspection of Municipal Bridges													
Willowbrook Park Multi-use Trail													
Drainage Improvement (14)	293,003						500						
Street Resurfacing Project	1,464,092			7,285						1,442,193			
Piedmont Way Widening & Sidewalk Proj.	27,517			27,517			27,517			27,517			
Total Capital Projects	2,647,794			34,802			29,264			1,803,763			
Total Governmental Funds	67,561,654			6,620,308			48,358,066			47,216,389			
10% of Total Governmental Funds	6,756,165			662,031			4,835,807			4,721,639			
Enterprise Funds:													
Water and Sewer	172,123,358	X		22,653,192	X		22,514,542	X		17,736,080	X	MAJOR	
Storm Water	1,145,254			9,626			444,484			364,391			
Other Enterprise Fund 1													
Other Enterprise Fund 2													
Other Enterprise Fund 3													
Other Enterprise Fund 4													
Total Enterprise Funds	173,268,612			22,662,818			22,959,026			18,100,471			
10% of Total Enterprise Funds	17,326,861			2,266,282			2,295,903			1,810,047			
Total Governmental & Enterprise Funds	240,830,266			29,283,126			71,317,092			65,316,860			
5% of Total Governmental & Enterprise Funds	12,041,513			1,464,156			3,565,855			3,265,843			