



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Carrboro
Carrboro, North Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Carrboro, North Carolina, as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Carrboro's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Carrboro as of June 30, 2011, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2011 on our consideration of the Town of Carrboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the 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's and the Other Postemployment Benefits' Schedules of Funding Progress and Schedules of Employer Contributions on pages 3 through 12 and 56 through 59, respectively, 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 the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Town of Carrboro, North Carolina. The introductory information, combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and the statistical tables, as well as the accompanying schedule of expenditures of Federal and State awards as required by the applicable sections of 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 nonmajor fund financial 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 statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Dixon Hughes Goodman LLP

November 11, 2011

TOWN OF CARRBORO, NORTH CAROLINA
Management's Discussion and Analysis
For the Year Ended June 30, 2011

The intent of this discussion and analysis is to provide an overview to the reader of the Town's financial performance and activities for the fiscal year ending June 30, 2011. Readers should review the transmittal letter and the basic financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the fiscal year by \$36,403,665 (net assets).
- Total net assets increased by \$295,451 due to increases in the net assets of the governmental-type activities.
- At June 30, 2011, the Town's governmental funds had a combined ending fund balances of \$15,058,032, an increase of \$82,542 in comparison with the prior year. Approximately 39.1% or \$5,888,077 of this total amount is available for spending at the government's discretion (*unassigned fund balance*).
- Unassigned fund balance for the General Fund was \$8,354,128 or 47.4% of total General Fund expenditures at the end of the fiscal year.
- Total debt for the Town increased slightly by \$531,251 (4.5%) compared to the previous fiscal year of 50.1% primarily due to debt financing for the new fire substation.
- The Town has maintained and currently holds credit ratings of A+ with Standard and Poor's, A1 with Moody's; and a rating of 83 with the North Carolina Municipal Council.

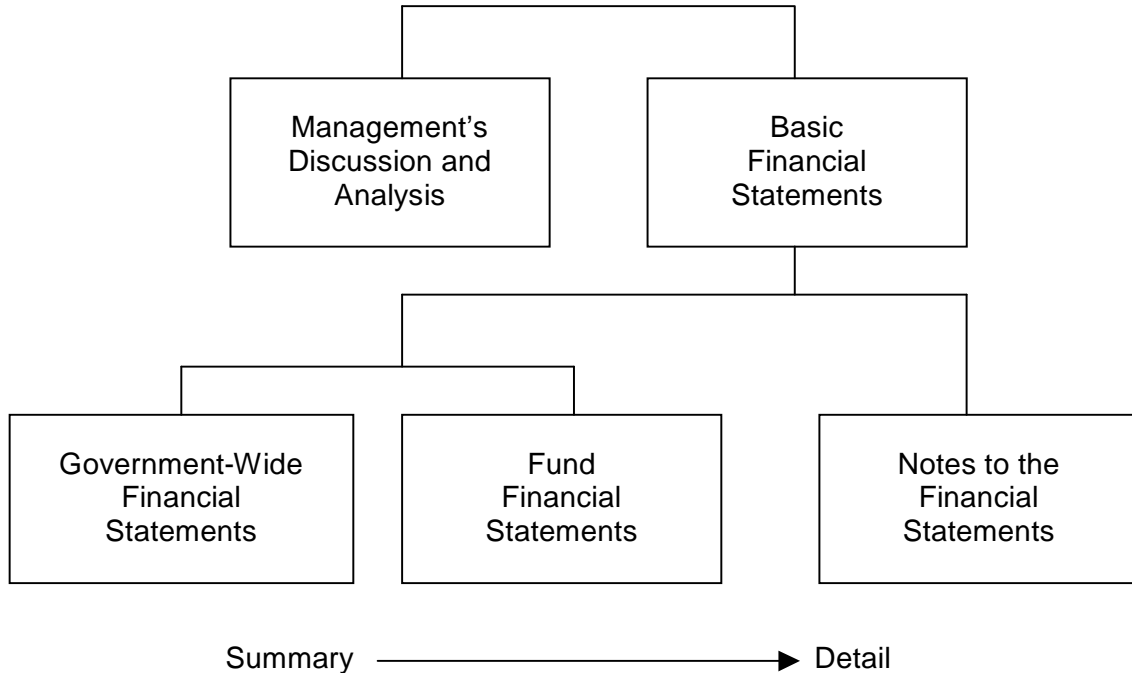
Overview of the Financial Statements

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

Management's Discussion and Analysis (Continued)

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements are Fund Financial Statements (Exhibits 3 through 5). These statements focus on the activities of the individual parts of the Town's government at a more detailed level than the government-wide statements. There are two parts to the Fund Financial Statements: (1) the governmental funds statements and (2) the budgetary comparison statements.

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

Management's Discussion and Analysis (Continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to financial statements of a private-sector business. The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The two government-wide statements report the Town's net assets and how they have changed. Net assets reported on the *statement of net assets* are the difference between the Town's total assets and total liabilities. Measuring net assets is one way to gauge the Town's financial condition. The *statement of activities* presents information showing how the Town's net assets have changed during the fiscal year.

The government-wide statements contain a category called governmental activities that include most of the Town's basic services such as public safety, public works, parks and recreation, and general government. Property taxes as well as state-collected local revenues, including sales tax, electric franchise and state telecommunications monies, finance most of these activities.

The government-wide financial statements are on pages 15 and 16 of this report.

Fund Financial Statements

The fund financial statements provide a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town are categorized under governmental funds and can be found beginning on page 17 of this report.

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

Management's Discussion and Analysis (Continued)

The Town adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. Exhibit 5 shows four columns: (1) the original budget as adopted by the Board; (2) the final budget as amended by the Board; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges.

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 are on pages 21 through 54 of this report.

Supplemental Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 56 of this report.

Management's Discussion and Analysis (Continued)

Government-Wide Financial Analysis

The Town of Carrboro's Net Assets

Figure 2

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 19,515,294	\$ 20,033,376
Capital assets	<u>30,460,922</u>	<u>29,326,070</u>
Total assets	<u>49,976,216</u>	<u>49,359,446</u>
Other liabilities	5,157,008	5,520,252
Long-term liabilities outstanding	<u>8,415,543</u>	<u>7,730,980</u>
Total liabilities	<u>13,572,551</u>	<u>13,251,232</u>
Net assets:		
Invested in capital assets, net of related debt	22,800,027	23,811,827
Restricted	2,625,784	1,250,603
Unrestricted	<u>10,977,854</u>	<u>11,045,784</u>
Total net assets	<u>\$ 36,403,665</u>	<u>\$ 36,108,214</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Town exceeded liabilities by \$36,403,665 as of June 30, 2011. The Town's net assets increased by \$295,451 for the fiscal year ended June 30, 2011. The largest portion of net assets (62.6%) reflects the Town'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 Town of Carrboro uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the Town'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 these liabilities. An additional portion of the Town's net assets, \$2,625,784, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$10,977,854 (30.2%) is unrestricted.

Management's Discussion and Analysis (Continued)

The Town of Carrboro's Changes in Net Assets

Figure 3

	<u>Governmental Activities</u> <u>2011</u>	<u>Governmental Activities</u> <u>2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,358,733	\$ 1,438,821
Operating grants and contributions	791,842	786,375
Capital grants and contributions	647,514	236,894
General revenues:		
Property taxes	11,366,191	11,286,461
Taxes	3,551,585	3,548,275
Grants and contributions not restricted to specific programs	951,820	870,613
Other	63,320	49,175
Total revenues	<u>18,731,005</u>	<u>18,216,614</u>
Expenses:		
General government	3,355,221	3,139,849
Public safety	6,757,198	6,087,506
Planning	1,232,157	1,399,817
Transportation	1,184,975	1,032,835
Public works	3,929,320	3,614,262
Parks and recreation	1,498,043	1,833,715
Economic and physical development	185,874	50,543
Interest on long-term debt	292,766	327,037
Total expenses	<u>18,435,554</u>	<u>17,485,564</u>
Increase in net assets	295,451	731,050
Net assets, July 1	<u>36,108,214</u>	<u>35,377,164</u>
Net assets, June 30	<u>\$ 36,403,665</u>	<u>\$ 36,108,214</u>

Governmental Activities. Governmental activities increased the Town's net assets by \$295,451. Key elements of this change are as follows:

- Ad valorem property tax revenue increased by \$79,730 from \$11,286,461 last year to \$11,366,191 this fiscal year, which represents a 0.7% increase over the prior year. There was a slight increase in the tax collection rate from the prior year and growth in the tax base and tax levies. The tax valuation for this fiscal year remained the same from last fiscal year.
- Sales tax revenue increased by \$73,425 from \$3,039,931 last year to \$3,113,356 this fiscal year compared to last year where the Town experienced a decrease of \$97,905 that reflected lackluster sales returns due to the overall difficult economy.

Management's Discussion and Analysis (Continued)

The Town continued with financing bond-funded sidewalk construction to promote open space preservation goals and walkable access through the Town, and provided for ongoing maintenance of facilities, replacement of computer network and desktop infrastructure, as well as vehicles and equipment. This fiscal year the Town spent \$2,373,015 for capital outlay, which included street resurfacing, Weaver Street reconstruction and the completion of the new fire substation.

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

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,354,128 while total fund balance reached \$13,739,846. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 47.4% of total General Fund expenditures.

At June 30, 2011, the governmental funds of the Town of Carrboro reported a combined fund balance of \$15,058,032, a 0.6% increase over last year. The primary factor for the slight growth in fund balance is due to an increase in revenues received. The reported combined fund balance of the governmental funds includes a deficit fund balance of \$2,068,377 within the Bond Fund. This deficit fund balance is primarily the result of bond anticipation notes that are required to be reported in this fund as a current liability. The Town anticipates that these bond anticipation notes will eventually be refinanced by long-term general obligation bonds approved by a 2003 Bond Referendum.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the General Fund budget on several occasions. Generally, these amendments fall into one of three categories: (1) to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) 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. The General Fund budget was increased by \$1,041,926 increasing the total budget from \$18,573,945 to \$19,615,871.

The comparison of revenue and expenditure financial activity with budgeted estimates suggests that the Town budgeted adequately for ongoing operations. Actual revenue receipts exceeded budgeted projections by \$637,690. Property taxes receipts accounted for roughly 50% of the increase revenue (\$365,021) and sales tax revenue was up by \$51,220. Other taxes and licenses revenue shows receipts exceeding budget projections by \$35,479. Permits and fees also exceeded budget projections by \$67,234. The Town also received more money than budgeted for the Powell Bill.

Management’s Discussion and Analysis (Continued)

The unrestricted intergovernmental revenue shows receipts exceeding budget projections by \$91,801 for video sales programming fees and telecommunication tax. The video sales programming fee is relatively new and there is little history upon which to base the fee. The telecommunications tax receipts reflect an increase that is partially due to the higher tax rate approved by the General Assembly on telecommunications that took effect in April 2008. Interest earnings revenue fell short of budget by \$11,768. Due to variability in cash flow and in interest rates earned on idle cash, interest earnings are not a reliable or level source of revenue. Other revenues include fixed asset sales from which the Town earned \$73,860.

Expenditures, as required by budget ordinance, should not exceed appropriated levels. Overall expenditures were \$1,763,765 less than budgeted figures and all departmental spending was in compliance with budgetary requirements. The largest savings in expenditures are reflected in the General Government, Public Works, Parks and Recreation and General Services functions (combined total of \$1,348,786). The majority of savings in these departments is due to freezes on filling vacant positions and the delay of capital purchases.

Capital Asset and Debt Administration

Capital Assets. The Town’s investment in capital assets for its governmental-type activities as of June 30, 2011, totaled \$30,460,922 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, and vehicles. Major capital asset transactions during the year include the following additions:

- \$674,484 for construction-in-progress with the Weaver Street reconstruction as a major project
- \$496,546 for street resurfacing
- \$598,498 for Fire Station #2

**The Town of Carrboro’s Capital Assets
(Net of Depreciation)**

Figure 4

	Governmental Activities 2011	Governmental Activities 2010
Land	\$ 14,208,393	\$ 14,199,018
Construction-in-progress	1,079,248	2,228,987
Buildings and systems	4,650,868	2,713,150
Improvements other than buildings	474,615	468,323
Machinery and equipment	764,653	729,047
Infrastructure	7,057,896	6,553,744
Vehicles and motorized equipment	2,225,249	2,433,801
Total	\$ 30,460,922	\$ 29,326,070

Additional information on the Town’s capital assets can be found on pages 26 and 35 of this report.

Management's Discussion and Analysis (Continued)

Long-Term Debt. As of June 30, 2011, the Town of Carrboro had no outstanding bonded debt.

The Town of Carrboro's Outstanding Debt

Figure 5

	Governmental Activities	
	2011	2010
Bond anticipation note	\$ 2,590,000	\$ 2,590,000
Installment purchases	6,319,304	7,060,641
Compensated absences	593,905	597,845
Other postemployment benefits obligation	2,473,455	1,234,293
Net pension obligation	359,549	322,184
Total	<u>\$ 12,336,213</u>	<u>\$ 11,804,963</u>

Total debt for the Town increased by \$531,250 (4.5%), during the past fiscal year primarily due to \$476,399 in vehicle and equipment installment purchase financing and an increase in the other postemployment benefits obligation. The Town had normal debt retirement for this fiscal year with the principal repayment of \$1,217,736.

As mentioned in the financial highlights section of this document, the Town currently holds and has maintained its A1 bond rating from Moody's Investor Service and A+ rating from Standard and Poor's Corporation. These bond ratings are a clear indication of the Town's sound financial condition.

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 Town is \$155,130,085. The Town has \$4,600,000 in General Obligation bonds authorized, but unissued at June 30, 2011.

Additional information regarding the Town's long-term debt can be found beginning on page 46 of this report.

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budget and Rates

The following key economic indicators will impact the Town.

- Low unemployment. The Town's low unemployment rate (as reflected in the county-wide Orange County rate) of 7.2% is well below the state average of 10.4% as of June 2011. This trend is expected to continue for the next year.
- Stable property tax base. The Town expects to continue to collect property taxes at rate in excess of 98%.
- Continued sales tax depression is expected to continue into the next fiscal year.

Budget Highlights for the Fiscal Year Ending June 30, 2012

Governmental Activities: The Town has approved an \$18,489,939 General Fund budget for fiscal year 2012, which is a decrease of \$84,006 from the adopted fiscal year 2011 budget. Recognizing that the impact of the economy is also felt by residents, this budget required a disciplined decision to focus on four priorities: 1) public safety, 2) transit, 3) increased debt service related to the sidewalk construction program approved by voters in November 2003, and 4) maintaining current service levels throughout the organization.

Key interests in preparing the FY11-12 budget was to avoid a tax rate increase, maintain current service levels where possible, maintain current active employees' jobs and benefits, and continue with planned long-term capital initiatives. The tax rate for real property equals 58.94 cents per one hundred dollars (.5894), which remained unchanged from fiscal year 2010-2011. Given the continuing sluggishness of the economy, North Carolina local governments continue to face economic challenges that are compounded as the state seeks to address its budget deficits. For FY11-12 Town employee salaries remain unchanged and funded capital needs were limited to recurring vehicle needs.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, 301 West Main Street, Carrboro NC 27510. Other related financial documents may be reviewed online at the Town's website at: <http://www.townofcarrboro.org/departments/ms/budget.htm>.

BASIC FINANCIAL STATEMENTS

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TOWN OF CARRBORO, NORTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2011

Exhibit 1

ASSETS	Governmental Activities
Current assets:	
Cash and investments	\$ 15,161,725
Receivables:	
Taxes receivable, net	367,421
Accrued interest receivable, property taxes	32,303
Accounts receivable, net	636,434
Due from other governments	1,419,932
Notes receivable	327,795
Inventories	62,835
Prepays	150,908
Restricted cash	1,355,941
Total current assets	<u>19,515,294</u>
Noncurrent assets:	
Capital assets:	
Land	14,208,393
Construction-in-progress	1,079,248
Other capital assets, net of depreciation	15,173,281
Total noncurrent assets	<u>30,460,922</u>
Total assets	<u>49,976,216</u>
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	796,532
Customer deposits and performance bonds	107,509
Unearned revenues	209,667
Accrued interest payable	122,629
Current portion of long-term liabilities	3,920,671
Total current liabilities	<u>5,157,008</u>
Long-term liabilities:	
Due in more than one year	8,415,543
Total liabilities	<u>13,572,551</u>
 NET ASSETS	
Invested in capital assets, net of related debt	22,800,027
Restricted	
Stabilization by State Statute	2,625,784
Unrestricted	10,977,854
Total net assets	<u>\$ 36,403,665</u>

The accompanying notes are an integral part of this statement.

**TOWN OF CARRBORO, NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011**

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 3,355,221	\$ 128,530	\$ 93,383	\$ -	\$ (3,133,308)
Public safety	6,757,198	573,316	181,960	-	(6,001,922)
Planning	1,232,157	286,847	12,175	-	(933,135)
Transportation	1,184,975	-	-	-	(1,184,975)
Public works	3,929,320	115,107	449,554	647,514	(2,717,145)
Parks and recreation	1,498,043	254,933	54,770	-	(1,188,340)
Economic and physical development	185,874	-	-	-	(185,874)
Interest on long-term debt	292,766	-	-	-	(292,766)
Total governmental activities	<u>\$ 18,435,554</u>	<u>\$ 1,358,733</u>	<u>\$ 791,842</u>	<u>\$ 647,514</u>	(15,637,465)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					11,366,191
Local option sales taxes					3,113,356
Other taxes					438,229
Unrestricted intergovernmental revenues					951,820
Investment earnings, unrestricted					63,320
Total general revenues					<u>15,932,916</u>
Change in net assets					295,451
Net assets - beginning					<u>36,108,214</u>
Net assets - ending					<u>\$ 36,403,665</u>

The accompanying notes are an integral part of this statement.

**TOWN OF CARRBORO, NORTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011**

Exhibit 3

ASSETS	Major Funds					Total Governmental Funds
	General Fund	Revolving Loan Fund	Bond Fund	Capital Projects Fund	Nonmajor Funds	
Cash and cash equivalents	\$ 12,302,456	\$ 219,373	\$ 263,603	\$ 2,263,461	\$ 112,832	\$ 15,161,725
Taxes receivable, net	367,421	-	-	-	-	367,421
Accounts receivable, net	610,400	-	20,031	6,003	-	636,434
Due from other governments	1,084,851	-	31,809	279,894	23,377	1,419,932
Notes receivable, net	-	294,981	-	-	32,814	327,795
Inventories	62,835	-	-	-	-	62,835
Prepaid Items	150,908	-	-	-	-	150,908
Restricted cash	276,617	-	268,384	810,940	-	1,355,941
Total assets	\$ 14,855,488	\$ 514,354	\$ 583,827	\$ 3,360,298	\$ 169,023	\$ 19,482,991
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	499,790	-	42,173	225,833	28,736	796,532
Customer deposits and performance bonds	107,509	-	-	-	-	107,509
Deferred revenues	367,421	294,981	20,031	6,003	32,814	721,250
Unearned revenues	140,922	-	-	-	68,745	209,667
Short-term debt	-	-	2,590,000	-	-	2,590,000
Total liabilities	1,115,642	294,981	2,652,204	231,836	130,295	4,424,958
Fund balances (deficit):						
Nonspendable						
Inventories	62,835	-	-	-	-	62,835
Prepaid Items	150,908	-	-	-	-	150,908
Restricted for:						
Stabilization by State Statute	2,290,704	-	31,809	279,894	23,377	2,625,784
Capital equipment	169,108	-	-	-	-	169,108
Capital projects	-	-	268,384	810,940	-	1,079,324
Committed for:						
Economic development	-	219,373	-	-	-	219,373
Capital projects	-	-	-	2,037,628	-	2,037,628
Affordable housing	-	-	-	-	12,707	12,707
Energy efficiency	-	-	-	-	100,125	100,125
Assigned for:						
Subsequent year's expenditures	712,163	-	-	-	-	712,163
Capital projects	2,000,000	-	-	-	-	2,000,000
Unassigned	8,354,128	-	(2,368,570)	-	(97,481)	5,888,077
Total fund balances (deficit)	13,739,846	219,373	(2,068,377)	3,128,462	38,728	15,058,032
Total liabilities and fund balances	\$ 14,855,488	\$ 514,354	\$ 583,827	\$ 3,360,298	\$ 169,023	

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

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	30,460,922
Liabilities for earned but deferred revenues in fund statements, including accrued interest receivable on property taxes.	753,553
Some liabilities, including long-term obligations and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	<u>(9,868,842)</u>
Net assets of governmental activities	<u>\$ 36,403,665</u>

The accompanying notes are an integral part of this statement.

TOWN OF CARRBORO, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS
Year Ended June 30, 2011

Exhibit 4
Page 1 of 2

	Major Funds					Total Governmental Funds
	General Fund	Revolving Loan Fund	Bond Fund	Capital Projects Fund	Nonmajor Funds	
Revenues:						
Ad valorem taxes	\$ 11,386,243	\$ -	\$ -	\$ -	\$ -	\$ 11,386,243
Local option sales taxes	3,113,356	-	-	-	-	3,113,356
Other taxes and licenses	438,229	-	-	-	-	438,229
Unrestricted intergovernmental	951,820	-	-	-	-	951,820
Restricted intergovernmental	585,475	-	305,668	71,177	113,564	1,075,884
Permits and fees	1,090,101	-	-	-	-	1,090,101
Sales and services	254,934	-	-	-	-	254,934
Investment earnings	38,232	12,325	482	12,092	189	63,320
Other	53,540	133,690	-	277,599	500	465,329
Total revenues	17,911,930	146,015	306,150	360,868	114,253	18,839,216
Expenditures:						
Current:						
General government	3,162,592	-	-	-	-	3,162,592
Public safety	5,565,626	-	-	58,450	-	5,624,076
Planning	1,132,203	-	-	-	-	1,132,203
Transportation	1,032,825	-	-	-	-	1,032,825
Public works	3,100,603	-	-	-	-	3,100,603
Economic and physical development	-	10,000	-	-	122,826	132,826
Parks and recreation	1,237,163	-	-	-	-	1,237,163
Capital outlay	849,204	-	247,521	1,276,290	-	2,373,015
Debt service:						
Principal	1,217,736	-	-	-	-	1,217,736
Interest and other charges	293,894	-	-	-	-	293,894
Total expenditures	17,591,846	10,000	247,521	1,334,740	122,826	19,306,933
Excess of revenues over (under) expenditures	320,084	136,015	58,629	(973,872)	(8,573)	(467,717)
Other financing sources (uses):						
Transfers from other funds	176,945	-	-	254,483	100,000	531,428
Transfers to other funds	(254,483)	(45,000)	-	(176,945)	(55,000)	(531,428)
Sale of capital assets	73,860	-	-	-	-	73,860
Installment purchase obligations issued	476,399	-	-	-	-	476,399
Total other financing sources (uses)	472,721	(45,000)	-	77,538	45,000	550,259
Net change in fund balances (deficit)	792,805	91,015	58,629	(896,334)	36,427	82,542
Fund balances (deficit), beginning of year	12,947,041	128,358	(2,127,006)	4,024,796	2,301	14,975,490
Fund balances (deficit), ending	\$ 13,739,846	\$ 219,373	\$ (2,068,377)	\$ 3,128,462	\$ 38,728	\$ 15,058,032

The accompanying notes are an integral part of this statement.

**TOWN OF CARRBORO, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2011**

Exhibit 4
Page 2 of 2

**Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities:**

Total net change in fund balances - governmental funds	\$	82,542
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays (\$2,373,015) as expenditures. However, in the statement of activities the cost of estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation (\$1,238,164) in the current period.		1,134,851
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in accrued interest receivable, property taxes		(7,306)
Change in deferred revenues, property taxes		12,744
Change in deferred revenues		(397,256)

The issuance of long-term debt (\$476,399) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$1,217,736) 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.		741,337
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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.		
Accrued interest on general long-term debt		1,128
Compensated absences		3,939
Net pension obligation		(37,365)
Other postemployment benefits		(1,239,163)

Changes in net assets of governmental activities	\$	295,451
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The accompanying notes are an integral part of this statement.

TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended June 30, 2011

Exhibit 5

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 11,021,222	\$ 11,021,222	\$ 11,386,243	\$ 365,021
Local option sales taxes	3,062,136	3,062,136	3,113,356	51,220
Other taxes and licenses	402,750	402,750	438,229	35,479
Unrestricted intergovernmental	860,019	860,019	951,820	91,801
Restricted intergovernmental	553,981	553,981	585,475	31,494
Permits and fees	1,022,867	1,022,867	1,090,101	67,234
Sales and services	244,605	244,605	254,934	10,329
Investment earnings	50,000	50,000	38,232	(11,768)
Other	34,069	36,419	53,540	17,121
Total revenues	17,251,649	17,253,999	17,911,930	657,931
Expenditures:				
Current:				
General government	3,348,354	3,592,456	3,227,594	364,862
Public safety	5,736,446	5,906,947	5,669,604	237,343
Planning	1,159,198	1,241,230	1,132,203	109,027
Transportation	1,064,150	1,064,150	1,032,825	31,325
Public works	3,608,031	4,253,672	3,766,096	487,576
Parks and recreation	1,372,343	1,545,253	1,251,894	293,359
General services	476,248	202,989	-	202,989
Debt service	1,548,915	1,548,914	1,511,630	37,284
Total expenditures	18,313,685	19,355,611	17,591,846	1,763,765
Excess of revenues over (under) expenditures	(1,062,036)	(2,101,612)	320,084	2,421,696
Other financing sources (uses):				
Transfers from other funds	176,945	176,945	176,945	-
Transfers to other funds	(260,260)	(260,260)	(254,483)	5,777
Sale of capital assets	10,000	10,000	73,860	63,860
Installment purchase obligation issued	560,500	560,500	476,399	(84,101)
Total other financing sources	487,185	487,185	472,721	(14,464)
Excess of revenues and other sources over (under) expenditures and other uses	(574,851)	(1,614,427)	792,805	2,407,232
Fund balance appropriated	574,851	1,614,427	-	(1,614,427)
Net change in fund balance	\$ -	\$ -	792,805	\$ 792,805
Fund balance, beginning of year			12,947,041	
Fund balance, ending			<u>\$ 13,739,846</u>	

The accompanying notes are an integral part of this statement.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Town is a political subdivision of Orange County, which is governed by an elected mayor and a six-member Board of Aldermen.

B. Basis of Presentation

Government-Wide Statements: The statement of net assets and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state and federal grants, and various other taxes and licenses. The primary expenditures are for public safety, streets and maintenance, sanitation, and general government services.

Revolving Loan Fund - The Revolving Loan Fund is used to account for loans made to various local businesses. The Town has elected to report this fund as major.

Bond Fund - The Bond Fund accounts for the financial resources to be used for the acquisition or construction of greenways and sidewalks.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The Town reports the following major governmental funds (Continued):

Capital Projects Fund - The Capital Projects Ordinance Fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities. Additionally, the Town has legally adopted a Capital Reserve Fund and Payment in Lieu Reserve Fund. Under GASB 54 guidance the Capital Reserve Fund and Payment in Lieu Reserve Fund are consolidated in the Capital Projects Fund. The budgetary comparisons for the Capital Reserve Fund and the Payment in Lieu Reserve Fund have been included in the supplemental information. The Capital Reserve Fund accounts for resources to be used for future major capital purchases or projects. The Payment in Lieu Reserve Fund accounts for payments received from developers in lieu of providing on-site recreational areas and open spaces. The funds are held in reserve for use in one of four geographically defined quadrants of the Town (where the residential development is located) for use in acquisition and development of recreational facilities present or future.

The Town reports the following non-major governmental funds:

Grants Administration Fund - The Grants Administration Fund was established to account for grant funds that are restricted for a particular project.

Affordable Housing Fund - The Affordable Housing Fund was established to advance the Town of Carrboro's goal of increasing the stock of affordable, safe and decent housing within the Town and its planning jurisdiction.

Energy Efficiency Revolving Loan Fund - The Energy Efficiency Revolving Loan Fund was established to advance the Town of Carrboro's goal of increasing energy efficiency in buildings within the Town in cooperation with the Southeast Energy Efficiency Alliance.

C. Measurement Focus and Basis of Accounting

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

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

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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.

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 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 long-term debt and acquisitions under installment purchase agreements are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the subsequent year. Also, as of January 1, 1993, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Orange 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 Town of Carrboro. For motor vehicles registered under the staggered system, property taxes are due 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 Town's vehicle taxes for vehicles registered in Orange County from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes which 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 utilities franchise tax, collected and held by the state at year end on behalf of the Town are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because they are not measurable until received in cash. Grant revenues which are unearned at year end are recorded as deferred revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

As permitted by generally accepted accounting practices, the Town 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 Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Revolving Loan Fund, the Bond Fund, the Capital Projects Fund, the Grant Administration Fund, the Affordable Housing Fund and the Energy Efficiency Revolving Loan Fund. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for multi-year funds. The Finance Officer is authorized to approve intradepartmental transfer requests between appropriation units and between departmental programs within the limits of the approved departmental budget. In the Capital Projects Fund, the Town Manager is allowed to transfer funds under \$10,000 between line items as long as transfers are within the overall project budget. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities and Fund Equity

1. Deposits and Investments

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

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

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

1. Deposits and Investments (Continued)

The Town's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, and SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

2. Cash and Cash Equivalents

The Town 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.

3. Restricted Assets

The unexpended proceeds from installment purchase agreements in the amount of \$980,048 are classified as restricted assets because their use is completely restricted to the purpose for which the installment purchase agreements were issued, including \$169,108, which will reimburse the General Fund for approved expenditures. The unexpended bond anticipation note proceeds in the amount of \$268,384 are classified as restricted assets of the Bond Fund because their use is completely restricted to the purpose for which the bond anticipation notes were issued. Credit deposits in the amount of \$107,509 are considered a liability and classified as restricted cash. The Town requires builders/contractors to pay a credit deposit when, due to circumstances beyond their control, there is uncompleted work on a construction project and the builder/contractor needs to have the Planning Department issue a Certificate of Occupancy for the property. Once the Town has ensured that the work has been satisfactorily completed, the credit deposit funds are released.

4. Ad Valorem Taxes Receivable

In accordance with state law [G. S. 105-347 and G. S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2010. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

6. Inventory and Prepaid Items

The inventory of the Town is valued at weighted average cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies that are recorded initially in inventory accounts and charged as expenditures when used.

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, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than a certain amount and an estimated useful life in excess of two years.

Minimum capitalization costs are as follows:

	Cost
Land	\$ 1
Buildings and improvements	20,000
Vehicles, furniture and equipment	5,000
Infrastructure	100,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at time of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

	Useful Life
Land improvements and infrastructure	20 to 40 years
Furniture, fixtures, equipment, heavy equipment, and vehicles	5 to 10 years
Computer equipment and software	3 years

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

9. Compensated Absences

The vacation policy of the Town provides for the accumulation of annual vacation leave without any applicable maximum until December 31 of each calendar year. However, if an employee separates from service, payment for accumulated annual vacation leaves shall not exceed 240 hours (14 duty days for shift fire personnel). On December 31 of each calendar year, any employee with more than 240 hours (14 duty days for shift fire personnel) of accumulated leave shall have the excess accumulation converted to sick leave so that only 240 hours (14 duty days for shift fire personnel) are carried forward to January 1 of the next calendar year. The Town 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.

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

10. Net Assets/Fund Balances

Net assets in government-wide 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.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

10. Net Assets/Fund Balances (Continued)

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepaid items – charges entered into accounts for benefits not received yet and are regularly recurring costs of operations such as unexpired insurance premiums. They are recognized as an asset when paid; recognized as an expenditure is incurred.

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

Restricted for Stabilization by State Statute – portion of fund balance restricted by State Statute [G.S. 159-8(a)].

Restricted for Capital equipment – portion of fund balance that represents unspent debt proceeds that are restricted for the purchase of certain equipment.

Restricted for Capital projects – portion of fund balance that represents unspent debt proceeds that are restricted for the construction of certain capital projects.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

10. Net Assets/Fund Balances (Continued)

Fund Balances

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Towns of Carrboro’s Board of Aldermen. Any changes or removal of specific purpose requires majority action by the Board.

Economic development – portion of fund balance committed by the Board for economic development through the use of loans to various businesses.

Capital projects – portion of fund balance committed by the Board for completion of capital projects.

Affordable housing – portion of fund balance committed by the Board for providing safe and decent housing within the Town.

Energy efficiency – portion of fund balance committed by the Board for the goal of increasing energy efficiency in buildings within the Town.

Assigned fund balance – portion of fund balance that the Town intends to use for specific purposes.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

Capital projects - portion of fund balance assigned by Town Management for future capital projects.

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

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

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

10. Net Assets/Fund Balances (Continued)

Fund Balances (Continued)

The Board has adopted a policy of maintaining an unassigned fund balance within a range of 22.5% to 35% of budgeted appropriations. This policy also provides for the transfer of funds to Capital Projects when the unassigned fund balance exceeds 35%.

Note 2. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance of Individual Funds

At June 30, 2011, the Bond Fund has a deficit fund balance of \$2,068,377. This deficit fund balance is primarily the result of bond anticipation notes that are required to be reported in this fund as a current liability. The Town anticipates that these bond anticipation notes will eventually be refinanced by long-term general obligation bonds approved by a 2003 Bond Referendum (see Note 3.B.7.c.). Also at June 30, 2011, the Grants Administration Fund had a deficit fund balance of \$74,104. The deficit fund balance is primarily related to the transfer of unearned revenues received to the Energy Efficiency Loan Fund.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds

A. Assets

1. Deposits

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

At June 30, 2011, the Town's deposits had a carrying amount of \$7,460,807 and a bank balance of \$7,681,547. Of the bank balance, \$669,108 was covered by federal depository insurance and \$7,012,439 was covered under the Pooling Method. The Town had \$2,000 of petty cash on hand at June 30, 2011.

2. Investments

At June 30, 2011, the Town had \$9,054,859 invested with the North Carolina Capital Management Trust Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

There were no realized or unrealized gains or losses on the Town's investments during the fiscal year ended June 30, 2011.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

3. Receivables

Due from Governmental Agencies

Amounts due from other governments consist of the following:

	<u>Other</u>	<u>County</u>	<u>State</u>	<u>Total</u>
<i>General Fund</i>				
Sales and use tax distribution	\$ -	\$ -	\$ 925,856	\$ 925,856
Utilities franchise and telecommunications tax	-	-	148,469	148,469
Other	3,858	1,981	4,688	10,527
<i>Other Funds</i>				
Grants	-	-	55,186	55,186
Other	<u>279,894</u>	<u>-</u>	<u>-</u>	<u>279,894</u>
<i>Total</i>	<u>\$ 283,752</u>	<u>\$ 1,981</u>	<u>\$ 1,134,199</u>	<u>\$ 1,419,932</u>

Notes Receivable

In 1986, the Town obtained three grants from the North Carolina Department of Natural Resources and Community Development for the purpose of making loans to three local businesses. The principal repayments and related interest income have been used to establish a Revolving Loan Fund from which loans have been made to numerous additional local businesses. As of June 30, 2011, the Revolving Loan Fund notes receivable balance was \$294,981, net of a \$158,973 allowance.

In June 2007, an Affordable Housing Fund was created to advance the Town's goal of increasing the stock of affordable, safe and decent housing within the Town and its planning jurisdiction. As of June 30, 2011, the Affordable Housing Fund notes receivable balance was \$32,814.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

3. Receivables (Continued)

Notes Receivable (Continued)

The following is a summary of notes receivable at June 30, 2011:

	Interest Rate	Balance
Alphabet Soup	6.00	\$ 25,559
Cycling Specifics	5.00	7,922
Bryan's Guitar	3.00	55,454
Science Technologies	2.00	12,886
Art in a Pickle	2.00	62,754
The Beehive	3.00	37,657
Carrboro Creative Coworking	2.00	79,067
Cycle 9	3.00	16,648
Original Ornament	3.00	70,000
Kind Coffee	3.00	44,579
Carrboro Citizen	2.00	41,428
105 Cobb Street	2.00	6,782
109 Jones Ferry Road	2.00	<u>26,032</u>
		486,768
Less allowance		<u>(158,973)</u>
Total		<u>\$ 327,795</u>

4. Receivables - Allowance for Doubtful Accounts

The Town provides, as an allowance for uncollectible accounts, a percentage of its receivables which it does not expect to collect based on historical collection rates.

The amounts presented in Exhibit 3, the governmental funds balance sheet, are net of the following allowances for doubtful accounts:

General Fund	
Property taxes, including motor vehicle	<u>\$ 107,967</u>

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

5. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 14,199,018	\$ 9,375	\$ -	\$ 14,208,393
Construction-in-progress	<u>2,228,987</u>	<u>2,373,014</u>	<u>3,522,753</u>	<u>1,079,248</u>
Total capital assets not being depreciated	<u>\$ 16,428,005</u>	<u>\$ 2,382,389</u>	<u>\$ 3,522,753</u>	<u>\$ 15,287,641</u>
Capital assets being depreciated:				
Buildings and improvements	\$ 5,186,636	\$ 2,151,972	\$ -	\$ 7,338,608
Land improvements	579,053	29,378	-	608,431
Infrastructure	7,357,152	773,987	-	8,131,139
Equipment and heavy equipment	2,822,288	344,899	-	3,167,187
Vehicles	<u>5,936,419</u>	<u>213,144</u>	<u>517,852</u>	<u>5,631,711</u>
Total capital assets being depreciated	<u>\$ 21,881,548</u>	<u>\$ 3,513,380</u>	<u>\$ 517,852</u>	<u>\$ 24,877,076</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ 2,473,486	\$ 214,254	\$ -	\$ 2,687,740
Land improvements	110,730	23,086	-	133,816
Infrastructure	803,409	269,834	-	1,073,243
Equipment and heavy equipment	2,093,241	309,293	-	2,402,534
Vehicles	<u>3,502,617</u>	<u>421,697</u>	<u>517,852</u>	<u>3,406,462</u>
Total accumulated depreciation	<u>\$ 8,983,483</u>	<u>\$ 1,238,164</u>	<u>\$ 517,852</u>	<u>\$ 9,703,795</u>
Total capital assets being depreciated, net	<u>\$ 12,898,065</u>			<u>\$ 15,173,281</u>
Governmental activity capital assets, net	<u>\$ 29,326,070</u>			<u>\$ 30,460,922</u>

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

A. Assets (Continued)

5. Capital Assets (Continued)

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

General government	\$ 66,138
Public safety	446,024
Planning	10,198
Public works	544,120
Parks and recreation	<u>171,684</u>
 Total depreciation expense	 <u>\$ 1,238,164</u>

B. Liabilities

1. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at the government-wide level at June 30, 2011 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General	\$ 256,188	\$ 243,281	\$ 321	\$ 499,790
Other governmental	<u>292,992</u>	<u>-</u>	<u>3,750</u>	<u>296,742</u>
 Total governmental activities	 <u>\$ 549,180</u>	 <u>\$ 243,281</u>	 <u>\$ 4,071</u>	 <u>\$ 796,532</u>

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Town 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 6% of their annual covered salary. The Town is required to contribute at an actuarially determined rate. For the Town, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.41% and 6.41%, respectively, of annual covered payroll. The contribution requirements of members and of the Town are established and may be amended by the North Carolina General Assembly. The Town's contributions to LGERS for the years ended June 30, 2011, 2010 and 2009 were \$476,399, \$365,545 and \$350,238, respectively. The contributions made by the Town equaled the required contributions for each year.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

Law Enforcement Officers' Special Separation Allowance

Plan Description. The Town administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% 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.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to, but not yet receiving benefits	-
Active plan members	<u>40</u>
Total	<u><u>43</u></u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies:

Basis of Accounting. The Town 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.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

Law Enforcement Officers' Special Separation Allowance (Continued)

Contribution: The Town 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 Town'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) a 5.0% 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 postretirement benefit increases. The unfunded actuarial accrued liability is being amortized on a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

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

Annual required contribution	\$ 90,934
Interest on net pension obligation	16,109
Adjustment to annual required contribution	<u>(17,249)</u>
Annual pension cost	89,794
Contributions made	<u>52,429</u>
Increase in net pension obligation	37,365
Net pension obligation, beginning of year	<u>322,184</u>
Net pension obligation, end of year	<u>\$ 359,549</u>

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

Law Enforcement Officers' Special Separation Allowance (Continued)

Three-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>
6/30/09	\$ 64,458	71.63%	\$ 293,117
6/30/10	75,980	61.74%	322,184
6/30/11	89,794	58.39%	359,549

Funded Status and Funding Process: As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UALL) was \$901,763. The covered payroll (annual payroll of active employees covered by the plan was \$1,893,173, and the ratio of the UAAL to the covered payroll was 47.63%.

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.

Supplemental Retirement Income Plan

Plan Description. The Town 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 Town. 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.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

2. Pension Plan Obligations (Continued)

Supplemental Retirement Income Plan (Continued)

Funding Policy. Article 12E of G. S. Chapter 143 requires the Town to contribute each month an amount equal to 5% of each law enforcement officer's salary, and all amounts contributed are vested immediately. The Town has elected to contribute each month an amount equal to 3% of each participating general employee's salary. Also, the participants may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2011 were \$446,226, which consisted of \$255,367 from the Town and \$190,859 from the employees.

Additionally, the Town has elected to include all permanent, full-time employees under this plan.

3. Other Post-Employment Benefits

Plan Description. In addition to providing pension benefits, the Town has elected to provide post-retirement health benefits to retirees of the Town who participate in the North Carolina Local Governmental Employees' Retirement System. The benefits are provided to any employees who retire with 10 years or more of continuous service to the Town. The benefits vary based on years of continuous service at retirement and based on date of hire. The Board of Aldermen may amend the benefit provisions.

Membership of the Healthcare Benefits (HCB) Plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	18	3
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>123</u>	<u>40</u>
Total	<u><u>141</u></u>	<u><u>43</u></u>

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

3. Other Post-Employment Benefits (Continued)

Funding Policy. The Town pays the full cost of coverage for the healthcare benefits paid to qualified retirees. Also, retirees who have their dependents covered at the time of retirement may continue to cover dependents if they elect to pay the premiums. Currently, 18 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2011, the Town made payments for post-retirement health premiums of \$133,567. There were no contributions made by employees, except for dependent coverage in the amount of \$48,547. The Town has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 18.63% of annual covered payroll. For the current year, the Town contributed \$85,021 or 1.17% of annual covered payroll. The Town obtains healthcare coverage through private insurers. The Town's required contributions, under a Town resolution, for employees not engaged in law enforcement and for law enforcement officers represented 13.26% and 5.00% of covered payroll, respectively. There were no contributions made by employees, except for dependent coverage in the amount of \$48,547. The Town's obligation to contribute to HBC Plan is established and may be amended by the Town's Board.

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. 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 Town'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 Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 1,324,183
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	1,324,183
Contributions made	(85,021)
Increase in net OPEB obligation	1,239,162
Net OPEB obligation, beginning of year	1,234,293
Net OPEB obligation, end of year	\$ 2,473,455

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

3. Other Post-Employment Benefits (Continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2011 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>
2011	\$ 1,324,193	6.42%	\$ 2,473,455
2010	\$ 1,324,193	6.79%	\$ 1,234,293

Funded Status and Funding Progress. As of December 31, 2008, 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 \$13,138,991. The covered payroll (annual payroll of active employees covered by the plan) was \$7,108,351, and the ratio of the UAAL to the covered payroll was 184.8%. 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 are 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 multi-year trend information about whether the actuarial value of 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.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

3. Other Post-Employment Benefits (Continued)

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% 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% annually. The investment rate included a 3.75% inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

4. Other Employment Benefits

The Town has elected to provide death benefits to local law enforcement 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 local law enforcement 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 Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Town considers these contributions to be immaterial.

The Town provides additional group-term life insurance through American United Life Insurance Company. The death benefit provided by the Town is \$15,000. Employees may purchase additional supplemental insurance. The supplemental amounts are available in increments of \$25,000, \$50,000, or \$75,000. The premiums for the supplemental insurance are deducted from payroll on an after tax basis.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

5. Deferred/Unearned Revenues

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The balances in deferred revenues in the fund financial statements (includes both, the deferred and unearned amounts disclosed below) and unearned revenues in the government-wide financial statements at year end are comprised of the following elements:

	<u>Deferred Revenues</u>	<u>Unearned Revenues</u>
Property taxes receivable, net	\$ 367,421	\$ -
Notes receivable, net	327,795	-
Prepaid privilege license	-	47,158
Other receivables	26,034	-
Parks and recreation program and facility reservations	-	49,099
Grant proceeds not yet earned	-	68,745
Other unearned revenues received	-	44,665
Total	<u>\$ 721,250</u>	<u>\$ 209,667</u>

6. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability of \$2 million per occurrence and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and unlimited lifetime employee health coverage. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property liability in excess of \$500,000 and \$100,000 statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

6. Risk Management (Continued)

The Town carries commercial coverage for police liability and public officials' liability. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town carries flood insurance through the National Flood Insurance Plan (NFIP). The Town has been designated an area X by the Federal Emergency Management Agency. For all buildings and contents located in the NFIP flood zone X, the flood deductible is \$50,000 per occurrence with a \$5,000,000 aggregate limit.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance Officer is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$1,000,000.

7. Short-Term Obligations

Bond Anticipation Notes - Bond Fund (Short-Term Debt)

The Town issued bond anticipation notes (BAN) for sidewalk and greenway trail improvements in the amount of \$2,590,000 on February 10, 2010, which matured on October 27, 2010. The BAN was renewed at the same face value and matured on July 20, 2011. The Town renewed again at the same face value of \$2,590,000. The note bears interest at a stated rate of 1.00 % per annum. The bond anticipation notes do not meet the criteria for classification as general long-term debt as set forth in ASC 470; thus, the accounting for these bonds is maintained in the Bond Fund. The Town anticipates the issuance of general obligation bonds authorized by an order adopted on November 3, 2003 entitled, "Bond Order Authorizing the Issuance of \$4,600,000 Sidewalk and Greenway Trail Bonds of the Town of Carrboro."

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

7. Short-Term Obligations (Continued)

Changes in Short-Term Debt Obligations

During the year ended June 30, 2011, the following changes occurred in short-term obligations:

	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>	<u>Current Portion of Balance</u>
Governmental activities:					
Short-term debt					
Bond anticipation note	\$ 2,590,000	\$ _____ -	\$ _____ -	\$ 2,590,000	\$ 2,590,000
Total debt	<u>\$ 2,590,000</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 2,590,000</u>	<u>\$ 2,590,000</u>

8. Long-Term Obligations

a. Installment Purchase Agreements - Equipment - General Fund

The Town has installment purchase agreements for the purchase and/or improvement of personal property including vehicles and equipment. The installment purchase notes payable at June 30, 2011, are as follows:

The financing contract requires an annual level payment of \$159,044 due June 16, including interest at 3.02%. The financing institution holds a security interest in all or a portion of the property purchased or improved. Payments are due beginning June 16, 2008, and annually thereafter, with a final payment of all outstanding principal and accrued and unpaid interest due on June 16, 2012.

\$ 154,382

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

8. Long-Term Obligations (Continued)

a. Installment Purchase Agreements - Equipment - General Fund (Continued)

The financing contract requires an annual level payment of \$143,970 due June 16, including interest at 3.19%. The financing institution holds a security interest in all or a portion of the property purchased or improved. Payments are due beginning June 16, 2008, and annually thereafter, with a final payment of all outstanding principal and accrued and unpaid interest due on June 16, 2014.

\$ 405,751

The financing contract requires an annual level payment of \$129,114 due June 23, including interest at 2.235%. The financing institution holds a security interest in all or a portion of the property purchased or improved. Payments are due beginning June 23, 2010, and annually thereafter, with a final payment of all outstanding principal and accrued and unpaid interest due on June 23, 2014.

370,102

The financing contract requires an annual level payment of \$98,243 due June 24, including interest at 1.555%. The financing institution holds a security interest in all or a portion of the property purchased or improved. Payments are due beginning June 24, 2011, and annually thereafter, with a final payment of all outstanding principal and accrued and unpaid interest due on June 24, 2015.

378,157

Total \$ 1,308,392

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

8. Long-Term Obligations (Continued)

a. Installment Purchase Agreements - Equipment - General Fund (Continued)

Annual debt service payments of the installment purchase as of June 30, 2011, including \$62,325 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 498,601	\$ 31,770
2013	352,535	18,791
2014	360,518	10,259
2015	96,738	1,505
Total	\$ 1,308,392	\$ 62,325

b. Installment Purchase Agreements - Improvements - General Fund

The Town has installment purchase agreements for improvements. The installment purchase notes payable at June 30, 2011, are as follows:

Installment purchase agreement for the purchase and renovation of a facility for the Carrboro Century Center and for improvements to the Town Hall Municipal Building. The financing contract requires semi-annual payments of \$114,939 due July 3 and January 3, including interest at 3.75%. The financing institution holds a first priority lien on the property and a first priority security interest in any and all fixtures used in connection with the operation of the property.

\$ 1,303,177

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

8. Long-Term Obligations (Continued)

b. Installment Purchase Agreements - Improvements - General Fund

Installment purchase agreement to partially finance the purchase of land for a park. The financing contract requires semi-annual payments of \$12,336 due July 1 and January 1, including interest at 3.99%. The financing institution holds a first lien security interest on the property and to any improvements to the real estate. \$ 90,390

Installment purchase agreement to finance the purchase of land for construction of a new Public Works building in the future. The financing contract requires semi-annual payments of \$25,567 due August 1 and February 1, plus interest at 3.96%. The financing institution holds a first lien security interest on the property and to any improvements to the real estate. 332,345

Installment purchase agreement to finance the purchase of land for preservation. The financing contract requires annual principal payments of \$40,000 plus interest accrued at 4.1% due July 1. The financing institution holds a first lien security interest on the property and to any improvements to the real estate. 360,000

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

8. Long-Term Obligations (Continued)

b. Installment Purchase Agreements - Improvements - General Fund

Installment purchase agreement to finance the construction of the fire substation. The financing contract requires semi-annual payments of \$108,333 due July 15 and January 15, plus interest at 4.07%. The financing institution holds a first lien security interest on the property and first priority security interest in any and all fixtures used in connection with the operation of the property.

\$ 2,925,000

Total

\$ 5,010,912

Annual debt service payments of the installment purchases as of June 30, 2011, including \$1,136,218 of interest, are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 504,295	\$ 194,997
2013	519,558	174,743
2014	527,627	154,131
2015	519,764	133,243
2016	536,004	117,747
2017-2021	1,637,862	306,735
2022-2025	<u>765,802</u>	<u>54,622</u>
Total	<u>\$ 5,010,912</u>	<u>\$ 1,136,218</u>

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

8. c. Changes in Long-Term Debt Obligations

During the year ended June 30, 2011, the following changes occurred in long-term and short-term obligations:

	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>	<u>Current Portion of Balance</u>
Governmental activities:					
Long-term debt					
Installment purchases - improvements	\$ 5,515,207	\$ -	\$ 504,295	\$ 5,010,912	\$ 504,295
Installment purchases - equipment	1,545,434	476,399	713,441	1,308,392	498,601
Compensated absences	597,845	323,836	327,775	593,906	327,775
Other post-employment benefits	1,234,293	1,324,183	85,021	2,473,455	-
Net pension obligation	<u>322,184</u>	<u>89,794</u>	<u>52,429</u>	<u>359,549</u>	<u>-</u>
Total long-term obligations	<u>\$ 9,214,963</u>	<u>\$ 2,214,212</u>	<u>\$ 1,682,961</u>	<u>\$ 9,746,214</u>	<u>\$ 1,330,671</u>

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

B. Liabilities (Continued)

8. Long-Term Obligations (Continued)

c. Changes in Long-Term Debt Obligations (Continued)

Compensated absences and net pension obligation liabilities have typically been liquidated in the General Fund.

The Town has \$4,600,000 in bonds authorized, but unissued at June 30, 2011. The Town's legal debt margin at June 30, 2011 was \$155,130,085.

C. Interfund Balances and Activity

Transfers to/from other funds:

Transfers to/from other funds at June 30, 2011 consist of the following:

From the General Fund to the Capital Projects Fund for future capital projects expenditures	\$ 254,483
From the Capital Projects Fund to the General Fund for project expenditures	176,945
From the Revolving Loan Fund to the Energy Efficiency Revolving Loan Fund for project expenditures	45,000
From the Grants Administration Fund to the Energy Efficiency Fund Revolving Loan Fund for future project expenditures	<u>55,000</u>
Total	<u>\$ 531,428</u>

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 3. Detail Notes on All Funds (Continued)

D. Fund Balance

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

Total fund balance - General Fund	\$ 13,739,846
Less:	
Inventories	62,835
Prepaid items	150,908
Stabilization by state statute	2,290,704
Capital Equipment	169,108
Subsequent year's expenditures	712,163
Capital projects	2,000,000
Working capital / fund balance policy	6,471,479
Remaining fund balance	1,882,649

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year end.

General Fund	\$ 595,453
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Note 4. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The Town has received proceeds from several 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 monies 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 monies.

Employment Security Benefits

The Town has elected to pay the direct cost of employment security benefits in lieu of unemployment payroll taxes. A liability for such payments could accrue in the period following the discharge of an employee. The Town made payments of \$616 for employment security benefits during the current fiscal year.

TOWN OF CARRBORO, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

Note 5. Future Expected Annual Cell Tower Revenue

The Town entered into contractual arrangements with four wireless communication service providers. The lease contracts have staggering maturity dates.

The Town has allowed these providers to have equipment on the Town-owned cell towers and has allowed service provider equipment on the Town's site. The lessee is responsible for keeping in full force and effect a comprehensive general liability insurance policy of at least \$2,000,000 from any one occurrence in respect to bodily injury (including death) and damage to property. The lessee agrees that no part of the equipment, building or improvements constructed, erected or placed by the lessee on the tower or site shall be considered as being affixed or part of the tower or site and will be removed by the lessee upon termination of the contractual agreement.

The expected annual cell tower revenues are as follows:

2012	\$ 104,245
2013	105,302
2014	<u>37,391</u>
	<u>\$ 246,938</u>

REQUIRED SUPPLEMENTARY 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 Other Postemployment Benefits.
- Schedule of Employer Contributions for Other Postemployment Benefits.
- Notes to the Required Schedules for Other Postemployment Benefits.

**TOWN OF CARRBORO, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

Exhibit A-1

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 Percentage of Covered Payroll ((b) - (a)) ÷ (c)
12/31/01	\$ -	\$ 355,690	\$ 355,690	0.00%	\$ 1,333,658	26.67%
12/31/02	-	403,085	403,085	0.00%	1,311,158	30.74%
12/31/03	-	423,271	423,271	0.00%	1,375,349	30.78%
12/31/04	-	460,887	460,887	0.00%	1,523,125	30.26%
12/31/05	-	412,323	412,323	0.00%	1,560,379	26.42%
12/31/06	-	534,900	534,900	0.00%	1,752,714	30.52%
12/31/07	-	557,745	557,745	0.00%	1,718,362	32.46%
12/31/08	-	654,656	654,656	0.00%	1,848,527	35.42%
12/31/09	-	889,339	889,339	0.00%	1,965,368	45.25%
12/31/10	-	901,763	901,763	0.00%	1,893,173	47.63%

**TOWN OF CARRBORO, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Exhibit A-2

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Annual Percentage Contributed</u>
2002	\$ 35,631	34.71%
2003	40,896	50.83%
2004	44,347	48.60%
2005	47,919	44.98%
2006	53,533	40.26%
2007	51,586	44.15%
2008	61,562	58.88%
2009	64,458	71.63%
2010	75,980	61.74%
2011	89,794	58.39%

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	December 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

**TOWN OF CARRBORO, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

Exhibit B-1

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 Percentage of Covered Payroll ((b) - (a)) ÷ (c)
12/31/2008	\$ -	\$ 13,138,991	\$ 13,138,991	0.00%	\$ 7,108,351	184.84%

SUPPLEMENTARY INFORMATION

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes			
Taxes	\$ 11,000,222	\$ 11,361,375	\$ 361,153
Penalties and interest	21,000	24,868	3,868
Total	11,021,222	11,386,243	365,021
Local option sales taxes			
Article 39, 1%	1,078,500	1,058,115	(20,385)
Article 40, ½%	720,992	756,344	35,352
Article 42, ½%	639,716	528,228	(111,488)
North Carolina Department of Transportation	4,200	4,556	356
Utilities franchise and telecommunications tax			
Beer and wine tax	826,247	859,597	33,350
Total	860,019	951,820	91,801
Restricted intergovernmental			
Powell Bill	415,154	450,033	34,879
Solid Waste Disposal Tax Distribution	8,500	13,483	4,983
Planning Work Grant	22,740	10,844	(11,896)
NC Risk Mgmt Agency Grant (bullet proof vests)	750	-	(750)
Byrne JAG - K9 Grant	-	2,702	2,702
SAFER Grant - Fire Department	62,189	58,817	(3,372)
Orange County Arts Commission Grant	2,250	-	(2,250)
ABC Board Grant	6,500	9,450	2,950
North Carolina Department of Revenue seizure funds	-	4,248	4,248
Recreation municipal supplement	35,898	35,898	-
Total	553,981	585,475	31,494

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 2 of 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Permits and fees			
Fire district fees	\$ 420,878	\$ 427,786	\$ 6,908
Building permits	55,000	57,818	2,818
Electrical permits	50,000	70,853	20,853
Mechanical permits	40,000	43,163	3,163
Re-inspection fees	600	2,500	1,900
Plumbing permits	40,000	30,379	(9,621)
Refuse collection fees	90,288	111,883	21,595
Development review	20,000	38,396	18,396
Engineering fees	30,000	25,830	(4,170)
Technical Review - future equipment	10,000	13,600	3,600
Tower fees	123,477	123,548	71
Dog fees	5,300	5,418	118
Sign permits	500	880	380
Street closing	500	240	(260)
Street signs	-	1,864	1,864
Street inspection fees	100	-	(100)
Parking violations	3,500	416	(3,084)
Court officer fees	3,000	4,184	1,184
School Resource Officer contract fees	107,624	107,624	-
Recycling fees	4,800	5,277	477
Time Warner Peg Access fee	12,000	2,876	(9,124)
Car seat sales	-	565	565
Fire Permitting fees	4,800	10,115	5,315
Miscellaneous fees	500	4,886	4,386
Total	<u>1,022,867</u>	<u>1,090,101</u>	<u>67,234</u>
Sales and services			
Recreation fees	158,093	185,800	27,707
Town Center fees	86,512	69,134	(17,378)
Total	<u>244,605</u>	<u>254,934</u>	<u>10,329</u>
Investment earnings			
Interest on investments	<u>50,000</u>	<u>38,232</u>	<u>(11,768)</u>
Other			
Sale of lots	6,000	9,730	3,730
Refuse cart sales	3,500	5,452	1,952
Yard waste container sales	2,600	2,713	113
Farmers' Market rent	2,000	2,370	370
Donations	15,169	15,089	(80)
Miscellaneous	7,150	18,186	11,036
Total	<u>36,419</u>	<u>53,540</u>	<u>17,121</u>
Total revenues	<u>17,253,999</u>	<u>17,911,930</u>	<u>657,931</u>

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 3 of 5

	Budget	Actual	Variance Positive (Negative)
Expenditures			
General government			
Mayor and Board of Aldermen			
Personnel services	\$ 119,086	\$ 121,551	\$ (2,465)
Operations	162,650	139,387	23,263
Total	281,736	260,938	20,798
Advisory boards			
Operations	16,135	6,965	9,170
Total	16,135	6,965	9,170
Governmental support			
Operations	267,934	264,498	3,436
Total	267,934	264,498	3,436
Town Manager			
Personnel services	425,503	415,526	9,977
Operations	806,308	673,301	133,007
Capital outlay	74,750	65,001	9,749
Total	1,306,561	1,153,828	152,733
Town Clerk			
Personnel services	99,570	95,263	4,307
Operations	15,300	8,557	6,743
Total	114,870	103,820	11,050
Management services			
Personnel services	487,436	466,781	20,655
Operations	548,379	462,681	85,698
Total	1,035,815	929,462	106,353
Personnel			
Personnel services	330,935	314,608	16,327
Operations	63,170	48,322	14,848
Total	394,105	362,930	31,175
Economic and community development			
Personnel services	118,614	115,945	2,669
Operations	56,686	29,208	27,478
Total	175,300	145,153	30,147
Total general government	3,592,456	3,227,594	364,862

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 4 of 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public safety			
Police department			
Personnel services	\$ 2,810,529	\$ 2,784,759	\$ 25,770
Operations	354,890	291,831	63,059
Capital outlay	124,759	103,978	20,781
Total	<u>3,290,178</u>	<u>3,180,568</u>	<u>109,610</u>
Fire department			
Personnel services	2,164,548	2,231,596	(67,048)
Operations	292,221	257,440	34,781
Capital outlay	160,000	-	160,000
Total	<u>2,616,769</u>	<u>2,489,036</u>	<u>127,733</u>
Total public safety	<u>5,906,947</u>	<u>5,669,604</u>	<u>237,343</u>
Planning			
Personnel services	1,018,300	1,017,143	1,157
Operations	222,930	115,060	107,870
Total planning	<u>1,241,230</u>	<u>1,132,203</u>	<u>109,027</u>
Transportation			
Operations	1,064,150	1,032,825	31,325
Total transportation	<u>1,064,150</u>	<u>1,032,825</u>	<u>31,325</u>
Public works			
Public works department			
Personnel services	1,886,171	1,797,966	88,205
Operations	1,500,435	1,302,636	197,799
Capital outlay	867,066	665,494	201,572
Total public works	<u>4,253,672</u>	<u>3,766,096</u>	<u>487,576</u>
Parks and recreation			
Recreation department			
Personnel services	1,023,289	961,541	61,748
Operations	347,355	275,622	71,733
Capital outlay	174,609	14,731	159,878
Total parks and recreation	<u>1,545,253</u>	<u>1,251,894</u>	<u>293,359</u>
General services			
Personnel services	173,182	-	173,182
Operations	29,807	-	29,807
Total general services	<u>202,989</u>	<u>-</u>	<u>202,989</u>

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 5 of 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt service			
Principal retirement	\$ 1,237,000	\$ 1,217,736	\$ 19,264
Interest and fees	311,914	293,894	18,020
Total debt service	<u>1,548,914</u>	<u>1,511,630</u>	<u>37,284</u>
Total expenditures	<u>19,355,611</u>	<u>17,591,846</u>	<u>1,763,765</u>
Revenues over (under) expenditures	<u>(2,101,612)</u>	<u>320,084</u>	<u>2,421,696</u>
Other financing sources (uses)			
Transfers from (to) other funds			
From Capital Reserve Fund	176,945	176,945	-
To Capital Reserve Fund	(260,260)	(254,483)	5,777
Sale of capital assets	10,000	73,860	63,860
Installment purchase obligations issued	560,500	476,399	(84,101)
Total other financing sources	<u>487,185</u>	<u>472,721</u>	<u>(14,464)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(1,614,427)</u>	<u>792,805</u>	<u>2,407,232</u>
Appropriated fund balance	<u>1,614,427</u>	<u>-</u>	<u>(1,614,427)</u>
Net change in fund balance	<u>\$ -</u>	<u>792,805</u>	<u>\$ 792,805</u>
Fund balance, beginning of year		<u>12,947,041</u>	
Fund balance, ending		<u>\$ 13,739,846</u>	

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION AND
ACTUAL - REVOLVING LOAN FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 2
Page 1 of 2

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Closed Loans	Current Year		
Revenues						
General revenues						
Investment earnings						
Interest on investments	\$ 231,210	\$ 231,360	\$ -	\$ 660	\$ 232,020	\$ 810
Interest repayments	331,445	348,600	-	11,665	360,265	28,820
Total investment earnings	562,655	579,960	-	12,325	592,285	29,630
Other general revenues						
Revolving loan payments						
University Printery principal repay Acme Food & Beverage Co. principal repay	27,243	29,999	(30,000)	-	(1)	(27,244)
Alphabet Soup	50,000	49,999	(50,000)	-	(1)	(50,001)
Science Technologies	17,733	19,868	-	2,572	22,440	4,707
Bryan's Guitar	12,611	17,312	-	4,803	22,115	9,504
Blue Icon	26,189	30,306	-	4,241	34,547	8,358
Cycling Specifics	7,237	12,101	-	6,028	18,129	10,892
Art in a Pickle	32,699	35,028	-	1,863	36,891	4,192
Carrboro Coworking	12,514	26,876	-	15,371	42,247	29,733
Cycle 9	-	5,364	-	5,569	10,933	10,933
The Beehive	-	7,493	-	44,398	51,891	51,891
The Kind Coffee	-	7,060	-	5,284	12,344	12,344
The Carrboro Citizen	-	4,869	-	7,552	12,421	12,421
Carrboro Raw	-	3,690	-	4,881	8,571	8,571
Original loan repayments	-	8,871	(40,000)	31,128	(1)	(1)
Total revolving loan payments	273,087	273,087	-	-	273,087	-
Total revenues	459,313	531,923	(120,000)	133,690	545,613	86,300
Total revenues	1,021,968	1,111,883	(120,000)	146,015	1,137,898	115,930
Expenditures						
Current:						
General government						
Contractual services	16,679	7,754	-	-	7,754	8,925
Miscellaneous	10,000	221	-	-	221	9,779
Administration	-	9,478	-	-	9,478	(9,478)
Total current	26,679	17,453	-	-	17,453	9,226
Economic and Physical Development:						
University Printery	30,000	30,000	(30,000)	-	-	30,000
Acme Food & Beverage Co.	50,000	50,000	(50,000)	-	-	50,000
Alphabet Soup	48,000	48,000	-	-	48,000	-
Science Technologies	35,000	35,000	-	-	35,000	-
Bryan's Guitar	90,000	90,000	-	-	90,000	-
Blue Icon Hairstylists	18,000	18,000	-	-	18,000	-
Cycling Specifics	45,000	45,000	-	-	45,000	-
Art in a Pickle	105,000	105,000	-	-	105,000	-
Carrboro Coworking	90,000	90,000	-	-	90,000	-
Original Ornament	70,000	70,000	-	-	70,000	-
Cycle 9	68,540	68,540	-	-	68,540	-
The Beehive	50,000	50,000	-	-	50,000	-
The Kind Coffee	57,000	57,000	-	-	57,000	-
Carrboro Citizen	50,000	40,000	-	10,000	50,000	-
Carrboro Raw	40,000	40,000	(40,000)	-	-	40,000
Loss on loans	70,533	70,532	-	-	70,532	1
Unexpended reserves	29,216	-	-	-	-	29,216
Total Economic and Physical Development	946,289	907,072	(120,000)	10,000	797,072	149,217

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION AND
ACTUAL - REVOLVING LOAN FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 2
Page 2 of 2

	<u>Project Authorization</u>	<u>Actual</u>			<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Closed Loans</u>	<u>Current Year</u>		
Total expenditures	\$ 972,968	\$ 924,525	\$ (120,000)	\$ 10,000	\$ 814,525	\$ 158,443
Revenues over expenditures	49,000	187,358	-	136,015	323,373	274,373
Other financing sources (uses)						
Transfers from (to) other funds						
From General Fund	135,000	80,000	-	-	80,000	(55,000)
To Energy Efficiency Fund	(45,000)	-	-	(45,000)	(45,000)	-
To General Fund	(139,000)	(139,000)	-	-	(139,000)	-
Total other financing uses	(49,000)	(59,000)	-	(45,000)	(104,000)	(55,000)
Net change in fund balance	\$ -	\$ 128,358	\$ -	91,015	\$ 219,373	\$ 219,373
Fund balance, beginning of year				128,358		
Fund balance, end of year				\$ 219,373		

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND DEFICIT - PROJECT AUTHORIZATION
AND ACTUAL - BOND FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 3
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	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Bond projects					
Morgan Creek/Bolin Creek Greenway					
Interest earnings	\$ 22,971	\$ 22,971	\$ -	\$ 22,971	\$ -
Federal STP-DA funds	100,000	53,327	41,904	95,231	(4,769)
Total Morgan Creek/Bolin Creek Greenway	<u>122,971</u>	<u>76,298</u>	<u>41,904</u>	<u>118,202</u>	<u>(4,769)</u>
Bolin Forest Sidewalk					
Federal STP-DA funds	15,960	15,960	-	15,960	-
Donations	2,100	2,100	-	2,100	-
Total Bolin Forest Sidewalk	<u>18,060</u>	<u>18,060</u>	<u>-</u>	<u>18,060</u>	<u>-</u>
Hannah Street Sidewalk					
Federal STP-DA funds	55,564	55,564	-	55,564	-
Bolin Creek Co-Housing	88,644	88,644	-	88,644	-
Total Hannah Street Sidewalk	<u>144,208</u>	<u>144,208</u>	<u>-</u>	<u>144,208</u>	<u>-</u>
Phase IB Bond Sidewalk Projects					
Interest earnings	132,786	103,670	482	104,152	(28,634)
Miscellaneous	7,863	7,862	-	7,862	(1)
Total Phase IB Bond Sidewalk projects	<u>140,649</u>	<u>111,532</u>	<u>482</u>	<u>112,014</u>	<u>(28,635)</u>
Ashe/Bim Sidewalk Project					
ARRA Federal Grant	327,300	420	263,764	264,184	(63,116)
Elm Street Sidewalk Project					
ARRA Federal Grant	300,000	-	-	-	(300,000)
Wilson Park Multi-Use Path Project					
ARRA Federal Grant	168,684	-	-	-	(168,684)
Total revenues	<u>1,221,872</u>	<u>350,518</u>	<u>306,150</u>	<u>656,668</u>	<u>(565,204)</u>
Expenditures					
General					
Professional services	73,000	53,994	-	53,994	19,006
Miscellaneous	2,000	1,507	-	1,507	493
Design	1,945	1,945	-	1,945	-
Total General	<u>76,945</u>	<u>57,446</u>	<u>-</u>	<u>57,446</u>	<u>19,499</u>
Morgan Creek/Bolin Creek Greenway					
Design	125,000	122,379	-	122,379	2,621
Total Morgan Creek/Bolin Creek Greenway	<u>125,000</u>	<u>122,379</u>	<u>-</u>	<u>122,379</u>	<u>2,621</u>
Quail Roost Sidewalk					
Engineering inspections	1,436	1,436	-	1,436	-
Construction	129,056	129,056	-	129,056	-
Design	15,507	15,507	-	15,507	-
Total Quail Roost Sidewalk	<u>145,999</u>	<u>145,999</u>	<u>-</u>	<u>145,999</u>	<u>-</u>

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND DEFICIT - PROJECT AUTHORIZATION
AND ACTUAL - BOND FUND
From Project Inception and for the Year Ended June 30, 2011

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Lisa Drive Sidewalk					
Engineering inspections	\$ 1,805	\$ 1,805	\$ -	\$ 1,805	\$ -
Construction	112,605	112,605	-	112,605	-
Design	13,390	13,390	-	13,390	-
Total Lisa Drive Sidewalk	<u>127,800</u>	<u>127,800</u>	<u>-</u>	<u>127,800</u>	<u>-</u>
Bolin Forest Sidewalk					
Miscellaneous	305	306	-	306	(1)
Engineering inspections	490	490	-	490	-
Construction	41,087	41,086	-	41,086	1
Design	13,019	13,019	-	13,019	-
Total Bolin Forest Sidewalk	<u>54,901</u>	<u>54,901</u>	<u>-</u>	<u>54,901</u>	<u>-</u>
Hannah Street Sidewalk					
Engineering inspections	5,097	5,098	-	5,098	(1)
Construction	188,398	188,398	-	188,398	-
Design	17,372	17,371	-	17,371	1
Total Hannah Street Sidewalk	<u>210,867</u>	<u>210,867</u>	<u>-</u>	<u>210,867</u>	<u>-</u>
N. Greensboro Street Sidewalk					
Engineering inspections	6,223	6,223	-	6,223	-
Construction	302,395	302,395	-	302,395	-
Design	40,246	40,246	-	40,246	-
Total N. Greensboro Street Sidewalk	<u>348,864</u>	<u>348,864</u>	<u>-</u>	<u>348,864</u>	<u>-</u>
Williams Street Sidewalk					
Engineering inspections	388	388	-	388	-
Construction	26,208	26,208	-	26,208	-
Design	4,959	4,959	-	4,959	-
Total Williams Street Sidewalk	<u>31,555</u>	<u>31,555</u>	<u>-</u>	<u>31,555</u>	<u>-</u>
Lloyd Street Sidewalk					
Engineering inspections	97	97	-	97	-
Construction	8,267	8,266	-	8,266	1
Design	2,491	2,491	-	2,491	-
Total Lloyd Street Sidewalk	<u>10,855</u>	<u>10,854</u>	<u>-</u>	<u>10,854</u>	<u>1</u>
Jones Ferry Sidewalk					
Engineering inspections	146	144	-	144	2
Construction	11,933	11,934	-	11,934	(1)
Design	3,839	3,838	-	3,838	1
Total Jones Ferry Sidewalk	<u>15,918</u>	<u>15,916</u>	<u>-</u>	<u>15,916</u>	<u>2</u>
Fowler Street Sidewalk					
Engineering inspections	146	145	-	145	1
Construction	12,996	12,996	-	12,996	-
Design	3,393	3,393	-	3,393	-
Total Fowler Street Sidewalk	<u>16,535</u>	<u>16,534</u>	<u>-</u>	<u>16,534</u>	<u>1</u>

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND DEFICIT - PROJECT AUTHORIZATION
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From Project Inception and for the Year Ended June 30, 2011

Schedule 3
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	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
S. Greensboro Street Sidewalk					
Engineering inspections	\$ 486	\$ 486	\$ -	\$ 486	\$ -
Construction	36,915	36,915	-	36,915	-
Design	5,752	5,752	-	5,752	-
Total S. Greensboro Street Sidewalk	43,153	43,153	-	43,153	-
Phase IB Bond Sidewalk Projects					
Professional services	4,312	4,312	-	4,312	-
Engineering inspections	17,807	16,392	-	16,392	1,415
Construction	1,194,797	749,395	-	749,395	445,402
Design	351,790	294,652	52,752	347,404	4,386
ROW/Easement	20,000	-	-	-	20,000
Contingency	1,865	-	-	-	1,865
Total Phase IB Bond Sidewalk Projects	1,590,571	1,064,751	52,752	1,117,503	473,068
NCDOT Enhancement Sidewalk Projects					
Inspections	10,744	10,744	-	10,744	-
Construction	111,033	111,033	-	111,033	-
Design	5,072	5,072	-	5,072	-
Total NCDOT Enhancement Sidewalk Projects	126,849	126,849	-	126,849	-
Ashe/Bim Sidewalk Project					
Inspections	43,300	18,623	5,559	24,182	19,118
Construction	284,000	93,698	142,378	236,076	47,924
Total Ashe/Bim Sidewalk	327,300	112,321	147,937	260,258	67,042
Elm Street Sidewalk Project					
Inspections	14,500	-	10,417	10,417	4,083
Construction	271,000	-	-	-	271,000
Design	14,500	35	945	980	13,520
ROW/Easement	16,000	-	-	-	16,000
Total Elm Street Sidewalk	316,000	35	11,362	11,397	304,603
Wilson Park Multi-Use Path Project					
Construction	230,000	-	-	-	230,000
Design	36,000	-	35,470	35,470	530
Total Wilson Park Multi-Use Path	266,000	-	35,470	35,470	230,530
Total expenditures	3,835,112	2,490,224	247,521	2,737,745	1,097,367
Revenues over (under) expenditures	(2,613,240)	(2,139,706)	58,629	(2,081,077)	532,163
Other financing sources (uses)					
Transfers from (to) other funds					
From General Fund	12,700	12,700	-	12,700	-
From Capital Reserve Fund	239,988	239,988	-	239,988	-
To Capital Reserve Fund	(239,988)	(239,988)	-	(239,988)	-
Installment purchase obligations issued	2,600,540	-	-	-	(2,600,540)
Total other financing sources	2,613,240	12,700	-	12,700	(2,600,540)
Net change in fund deficit	\$ -	\$ (2,127,006)	58,629	\$ (2,068,377)	\$ (2,068,377)
Fund deficit, beginning of year			(2,127,006)		
Fund deficit, end of year			\$ (2,068,377)		

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - PROJECT AUTHORIZATION
CHANGES AND ACTUAL - CAPITAL PROJECTS FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 4
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	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
General revenues					
Interest on investments	\$ 22,232	\$ 27,117	\$ 4,616	\$ 31,733	\$ 9,501
Miscellaneous revenue	-	5,438	-	5,438	5,438
Total general revenues	22,232	32,555	4,616	37,171	14,939
Bus shelter					
Federal pass-through grant	76,296	4,800	71,177	75,977	(319)
Total bus shelter	76,296	4,800	71,177	75,977	(319)
Weaver Street reconstruction					
OWASA reimbursement	-	-	270,611	270,611	270,611
Total Weaver Street reconstruction	-	-	270,611	270,611	270,611
Rogers Road					
Federal pass-through grant	428,960	-	-	-	(428,960)
Total revenues	527,488	37,355	346,404	383,759	(143,729)
Expenditures					
Fire Substation #2 project					
Architectural services	230,000	221,810	5,766	227,576	2,424
Professional services	39,022	26,933	6,493	33,426	5,596
Computer and peripherals	210,602	182,397	14,455	196,852	13,750
Miscellaneous	58,500	605	55,003	55,608	2,892
Equipment	346,000	127,494	122,026	249,520	96,480
Construction	2,000,020	1,313,550	465,140	1,778,690	221,330
Construction services	9,375	9,375	-	9,375	-
Contingency	137,283	-	-	-	137,283
Total Fire Substation #2 project	3,030,802	1,882,164	668,883	2,551,047	479,755
Fire Substation #2 Fiber Optics					
Computer and peripherals	219,198	-	3,327	3,327	215,871
Total Fire Substation #2 Fiber Optics	219,198	-	3,327	3,327	215,871
Weaver Street reconstruction					
Construction	1,143,000	-	571,198	571,198	571,802
Design	260,000	52,316	87,902	140,218	119,782
Contingency	73,270	-	-	-	73,270
Total Weaver Street reconstruction	1,476,270	52,316	659,100	711,416	764,854
Public Works facility land					
Professional services	6,068	10,856	-	10,856	(4,788)
Engineering	4,051	-	-	-	4,051
Park supplies	5,000	5,750	-	5,750	(750)
Land	751,881	739,879	-	739,879	12,002
Total Public Works facility land	767,000	756,485	-	756,485	10,515

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - PROJECT AUTHORIZATION
CHANGES AND ACTUAL - CAPITAL PROJECTS FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 4
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	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Bus shelter					
Construction	\$ 71,496	\$ 66,283	\$ 3,430	\$ 69,713	\$ 1,783
Design	4,800	4,800	-	4,800	-
Total bus shelter	<u>76,296</u>	<u>71,083</u>	<u>3,430</u>	<u>74,513</u>	<u>1,783</u>
Rogers Road					
Construction	469,175	-	-	-	469,175
Design	67,025	-	-	-	67,025
Contingency	36,583	-	-	-	36,583
Total Rogers Road reconstruction	<u>572,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>572,783</u>
Total expenditures	<u>6,142,349</u>	<u>2,762,048</u>	<u>1,334,740</u>	<u>4,096,788</u>	<u>2,045,561</u>
Revenues under expenditures	<u>(5,614,861)</u>	<u>(2,724,693)</u>	<u>(988,336)</u>	<u>(3,713,029)</u>	<u>1,901,832</u>
Other financing sources (uses)					
Transfers from (to) other funds					
From General Fund	729,323	616,883	-	616,883	(112,440)
From Capital Reserve Fund	915,093	597,999	-	597,999	(317,094)
To General Fund	(20,000)	(20,000)	-	(20,000)	-
To Capital Reserve Fund	(26,555)	(26,555)	-	(26,555)	-
To Undesignated Fund Balance	-	4,322	-	4,322	4,322
Installment purchase obligations issued	4,017,000	4,017,000	-	4,017,000	-
Total other financing sources	<u>5,614,861</u>	<u>5,189,649</u>	<u>-</u>	<u>5,189,649</u>	<u>(425,212)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,464,956</u>	<u>(988,336)</u>	<u>\$ 1,476,620</u>	<u>\$ 1,476,620</u>
Fund balance, beginning of year			2,464,956		
Fund balance, end of year			<u>\$ 1,476,620</u>		

Amounts reported for Revenue, Expenditures and changes in Fund Balance are different for the Budgeted/Actual Statement due to consolidation of the Capital Reserve Fund and the Payment in Lieu Reserve Fund

Investment earnings - Capital Reserve Fund	\$ 7,013
Other revenues - Capital Reserve Fund	941
Transfers in - Capital Reserve Fund	254,483
Transfers out - Capital Reserve Fund	(176,945)
Investment earnings - Payment in Lieu Reserve Fund	463
Other revenues - Payment in Lieu Reserve Fund	6,047
Fund balance, beginning (Capital Reserve Fund)	1,416,570
Fund balance, beginning (Payment in Lieu Reserve Fund)	<u>143,270</u>
Fund balance, ending (Consolidated Capital Projects Fund)	<u>\$ 3,128,462</u>

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CAPITAL RESERVE FUND
Year Ended June 30, 2011

Schedule 5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest earnings	\$ -	\$ 7,013	\$ 7,013
Other revenues	-	941	941
Total revenues	-	7,954	7,954
Other financing sources			
Transfers from (to) other funds:			
From General Fund	-	254,483	254,483
To General Fund	(176,945)	(176,945)	-
Total other financing uses	(176,945)	77,538	254,483
Revenues and other sources over (under) expenditures and other uses	(176,945)	85,492	262,437
Fund balance appropriated	176,945	-	(176,945)
Net change in fund balance	\$ -	85,492	\$ 85,492
Fund balance, beginning of year		1,416,570	
Fund balance, end of year		\$ 1,502,062	

**TOWN OF CARRBORO, NORTH CAROLINA
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 PAYMENT IN LIEU RESERVE FUND
 Year Ended June 30, 2011**

Schedule 6

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Old Pittsboro - Recreational Area	\$ -	\$ 6,047	\$ 6,047
Investment earnings	-	463	463
Total revenues	<u>-</u>	<u>6,510</u>	<u>6,510</u>
Net change in fund balance	<u>\$ -</u>	6,510	<u>\$ 6,510</u>
Fund balance, beginning of year		<u>143,270</u>	
Fund balance, end of year		<u>\$ 149,780</u>	

**TOWN OF CARRBORO, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011**

Schedule 7

	<u>Grants Administration Fund</u>	<u>Affordable Housing Fund</u>	<u>Energy Efficiency Revolving Loan Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ -	\$ 12,707	\$ 100,125	\$ 112,832
Due from other governments	23,377	-	-	23,377
Notes receivable	-	32,814	-	32,814
	<u>-</u>	<u>32,814</u>	<u>-</u>	<u>32,814</u>
Total assets	<u>\$ 23,377</u>	<u>\$ 45,521</u>	<u>\$ 100,125</u>	<u>\$ 169,023</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 28,736	\$ -	\$ -	\$ 28,736
Deferred revenue	-	32,814	-	32,814
Unearned revenue	68,745	-	-	68,745
	<u>97,481</u>	<u>32,814</u>	<u>-</u>	<u>130,295</u>
Fund balances:				
Restricted				
Stabilization by State Statute	23,377	-	-	23,377
Committed				
Affordable housing	-	12,707	-	12,707
Energy efficiency	-	-	100,125	100,125
Unassigned	(97,481)	-	-	(97,481)
	<u>(74,104)</u>	<u>12,707</u>	<u>100,125</u>	<u>38,728</u>
Total fund balances	<u>(74,104)</u>	<u>12,707</u>	<u>100,125</u>	<u>38,728</u>
Total liabilities and fund balances	<u>\$ 23,377</u>	<u>\$ 45,521</u>	<u>\$ 100,125</u>	<u>\$ 169,023</u>

TOWN OF CARRBORO, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011

Schedule 8

	<u>Grants Administration Fund</u>	<u>Affordable Housing Fund</u>	<u>Energy Efficiency Revolving Loan Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Restricted intergovernmental	\$ 113,564	\$ -	\$ -	\$ 113,564
Miscellaneous	-	500	-	500
Interest earnings	20	44	125	189
Total revenues	<u>113,584</u>	<u>544</u>	<u>125</u>	<u>114,253</u>
Expenditures:				
Economic and physical development	100,688	22,138	-	122,826
Total expenditures	<u>100,688</u>	<u>22,138</u>	<u>-</u>	<u>122,826</u>
Revenues over (under) expenditures	<u>12,896</u>	<u>(21,594)</u>	<u>125</u>	<u>(8,573)</u>
Other financing sources (uses)				
Transfer to the Energy Efficiency Revolving Loan Fund	(55,000)	-	-	(55,000)
Transfer from Grants Administration Fund	-	-	55,000	55,000
Transfer from Revolving Loan Fund	-	-	45,000	45,000
Total other financing sources	<u>(55,000)</u>	<u>-</u>	<u>100,000</u>	<u>45,000</u>
Net change in fund balance	(42,104)	(21,594)	100,125	(8,573)
Fund balance, beginning of year	<u>(32,000)</u>	<u>34,301</u>	<u>-</u>	<u>2,301</u>
Fund balance, end of year	<u>\$ (74,104)</u>	<u>\$ 12,707</u>	<u>\$ 100,125</u>	<u>\$ 38,728</u>

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION
AND ACTUAL - GRANTS ADMINISTRATION FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
U.S. Department of Energy Watershed restoration Southeast Energy Efficiency Alliance	\$ 205,000 75,000	\$ - -	\$ 98,450 6,255	\$ 98,450 6,255	\$ (106,550) (68,745)
U.S. Department of Justice Fingerprinting grant	82,515	70,756	-	70,756	(11,759)
U.S. Department of Health and Human Services Physical activity FIT grant Safe route to school (non-infrastructure)	24,900 12,864	- -	7,714 654	- 7,714 654	- (17,186) (12,210)
Recreational trails program	75,000	-	-	-	(75,000)
Transportation demand management	-	-	491	491	491
Investment earnings	-	-	20	20	20
Total revenues	<u>475,279</u>	<u>70,756</u>	<u>113,584</u>	<u>184,340</u>	<u>(290,939)</u>
Expenditures:					
Watershed restoration	205,000	32,000	87,450	119,450	85,550
Southeast Energy Efficiency Alliance	20,000	-	6,255	6,255	13,745
Fingerprinting	68,315	56,556	-	56,556	11,759
Physical activity	24,900	-	5,825	5,825	19,075
Safe route to school (non-infrastructure)	12,864	-	1,158	1,158	11,706
Recreational trails program	75,000	-	-	-	75,000
Total expenditures	<u>406,079</u>	<u>88,556</u>	<u>100,688</u>	<u>189,244</u>	<u>216,835</u>
Revenue over (under) expenditures	<u>69,200</u>	<u>(17,800)</u>	<u>12,896</u>	<u>(4,904)</u>	<u>(74,104)</u>
Other financing uses					
Transfer to the Energy Efficiency Fund	(55,000)	-	(55,000)	(55,000)	-
Transfer to the General Fund	(14,200)	(14,200)	-	(14,200)	-
	<u>(69,200)</u>	<u>(14,200)</u>	<u>(55,000)</u>	<u>(69,200)</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ (32,000)</u>	<u>(42,104)</u>	<u>\$ (74,104)</u>	<u>\$ (74,104)</u>
Fund balance, beginning of year			<u>(32,000)</u>		
Fund balance, end of year			<u>\$ (74,104)</u>		

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION
AND ACTUAL - AFFORDABLE HOUSING FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Miscellaneous	\$ -	\$ -	\$ 500	\$ 500	\$ 500
Interest earned	-	376	44	420	420
Total revenue	<u>-</u>	<u>376</u>	<u>544</u>	<u>920</u>	<u>920</u>
Expenditures:					
Deferred loan expense	48,000	14,075	22,138	36,213	11,787
Revenue under expenditures	<u>(48,000)</u>	<u>(13,699)</u>	<u>(21,594)</u>	<u>(35,293)</u>	<u>12,707</u>
Other financing sources					
Transfer from General Fund	48,000	48,000	-	48,000	-
Net changes in fund balance	<u>\$ -</u>	<u>\$ 34,301</u>	<u>(21,594)</u>	<u>\$ 12,707</u>	<u>\$ 12,707</u>
Fund balance, beginning of year			<u>34,301</u>		
Fund balance, end of year			<u>\$ 12,707</u>		

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION
AND ACTUAL - ENERGY EFFICIENCY REVOLVING LOAN FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Interest earned	\$ -	\$ -	\$ 125	\$ 125	\$ 125
Total revenue	<u>-</u>	<u>-</u>	<u>125</u>	<u>125</u>	<u>125</u>
Expenditures:					
Economic and physical development	100,000	-	-	-	100,000
Revenues over (under) expenditures	<u>(100,000)</u>	<u>-</u>	<u>125</u>	<u>125</u>	<u>100,125</u>
Other financing sources					
Transfer from Grant Fund	55,000	-	55,000	55,000	-
Transfer from Revolving Loan Fund	45,000	-	45,000	45,000	-
Total other financing sources	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>100,125</u>	<u>\$ 100,125</u>	<u>\$ 100,125</u>
Fund balance, beginning of year			<u>-</u>		
Fund balance, end of year			<u>\$ 100,125</u>		

ADDITIONAL FINANCIAL DATA

This section contains additional information on property taxes.

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

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TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2011

Schedule 12

<u>Year of Levy</u>	<u>Uncollected Balance July 1, 2010</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2011</u>
2010-2011	\$ -	\$ 11,792,820	\$ 11,578,630	\$ 214,190
2009-2010	215,714	-	123,989	91,725
2008-2009	33,053	-	23,660	9,393
2008 and prior	275,043	-	114,963	160,080
	523,810	\$ 11,792,820	\$ 11,841,242	475,388
Less allowance for uncollectible accounts	(143,645)			(107,967)
Receivables, net	\$ 380,165			\$ 367,421
Reconciliation of revenues with collections:				
General Fund				\$ 11,361,375
General Fund vehicle license fees				349,389
Total revenues				11,710,764
Reconciling items:				
Adjustments				105,610
Penalties and interest				24,868
				\$ 11,841,242

TOWN OF CARRBORO, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY - TOWN-WIDE LEVY
Year Ended June 30, 2011

Schedule 13

	Town-Wide		Total Levy		
	Property Valuation**	Rate	Total Levy*	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 1,908,388,531	\$ 0.5894	\$ 11,248,042	\$ 10,859,915	\$ 388,127
Motor vehicles taxed at prior year's rate	30,737,530	0.5894	181,167	-	181,167
Penalties and interest	-		3,081	3,081	-
Total property valuation	<u>\$ 1,939,126,061</u>		11,432,290	10,862,996	569,294
Vehicle tag fees			360,530	-	360,530
Total gross levy			11,792,820	10,862,996	929,824
Uncollected taxes at June 30, 2011			214,190	106,394	107,796
Current year's taxes collected			<u>\$ 11,578,630</u>	<u>\$ 10,756,602</u>	<u>\$ 822,028</u>
Current levy collection percentage			<u>98.18%</u>	<u>99.02%</u>	<u>88.41%</u>

* Total adjusted levy includes discoveries and abatements.

** Properly tax valuation prior to the discoveries and abatements.

SUPPLEMENTARY INFORMATION

STATISTICAL SECTION

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Statistical Section

This part of the Town of Carrboro'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 Town's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends Information	88
<i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	
Revenue Capacity Information	94
<i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	
Debt Capacity Information	101
<i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	106
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	
Operating Information	110
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.</i>	

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.*

Financial Trends Information:

Town of Carrboro
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

Table 1

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 13,197,169	\$ 16,174,743	\$ 17,735,292	\$ 18,647,239	\$ 20,377,789	\$ 22,845,981	\$ 23,811,827	\$ 22,800,027
Restricted	-	-	18,851	-	-	-	-	2,625,784
Unrestricted	7,031,287	7,689,017	9,607,945	11,347,696	12,151,591	12,531,183	12,296,387	10,977,854
Total governmental activities net assets	<u>\$ 20,228,456</u>	<u>\$ 23,863,760</u>	<u>\$ 27,362,088</u>	<u>\$ 29,994,935</u>	<u>\$ 32,529,380</u>	<u>\$ 35,377,164</u>	<u>\$ 36,108,214</u>	<u>\$ 36,403,665</u>

Town of Carrboro
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

Table 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses								
Governmental activities:								
General government	\$ 2,325,813	\$ 2,406,566	\$ 2,568,563	\$ 2,828,685	\$ 3,027,301	\$ 3,099,916	\$ 3,139,849	\$ 3,355,221
Public Safety	3,970,899	4,031,288	4,219,432	5,098,641	5,088,188	5,565,460	6,087,506	6,757,198
Planning	906,766	1,057,324	943,711	1,112,435	1,195,300	1,124,240	1,399,817	1,232,157
Transportation	817,003	917,900	841,313	962,714	970,617	1,033,837	1,032,835	1,184,975
Public Works	2,775,381	1,754,626	2,874,392	3,296,515	3,469,934	3,582,740	3,614,262	3,929,320
Parks and recreation	1,182,059	1,206,197	1,244,258	1,212,610	1,248,818	1,383,873	1,833,715	1,498,043
Economic and Community Development	25,000	140,405	63,000	37,850	231,808	413,790	50,543	185,874
Interest on long-term debt	196,168	170,476	180,274	222,372	284,025	265,285	327,037	292,766
Total governmental activities expenses	<u>12,199,089</u>	<u>11,684,782</u>	<u>12,934,943</u>	<u>14,771,822</u>	<u>15,515,991</u>	<u>16,469,141</u>	<u>17,485,564</u>	<u>18,435,554</u>
Total primary government expenses	<u>\$ 12,199,089</u>	<u>\$ 11,684,782</u>	<u>\$ 12,934,943</u>	<u>\$ 14,771,822</u>	<u>\$ 15,515,991</u>	<u>\$ 16,469,141</u>	<u>\$ 17,485,564</u>	<u>\$ 18,435,554</u>
Program Revenues								
Governmental activities:								
Charges for services:								
Public Safety	\$ 410,203	\$ 423,505	\$ 413,970	\$ 529,742	\$ 608,682	\$ 570,840	\$ 577,392	\$ 573,316
Planning	400,831	313,146	365,758	446,710	286,029	274,697	384,667	286,847
Public Works	111,335	106,197	88,309	110,746	74,539	97,516	85,779	115,107
Parks and Recreation	179,150	247,421	269,006	284,621	305,231	226,141	256,639	254,933
General Government	73,023	74,905	78,685	97,751	150,508	134,473	134,344	128,530
Operating grants and contributions	629,886	747,236	723,297	1,008,712	847,507	1,370,387	786,375	791,842
Capital grants and contributions	-	1,130,949	1,392,470	196,115	391,468	1,054,333	236,894	647,514
Total governmental activities program revenues	<u>1,804,428</u>	<u>3,043,359</u>	<u>3,331,495</u>	<u>2,674,397</u>	<u>2,663,964</u>	<u>3,728,387</u>	<u>2,462,090</u>	<u>2,798,089</u>
Total primary government program revenues	<u>\$ 1,804,428</u>	<u>\$ 3,043,359</u>	<u>\$ 3,331,495</u>	<u>\$ 2,674,397</u>	<u>\$ 2,663,964</u>	<u>\$ 3,728,387</u>	<u>\$ 2,462,090</u>	<u>\$ 2,798,089</u>
Net Expense								
Governmental activities	\$ (10,394,661)	\$ (10,394,661)	\$ (9,603,448)	\$ (12,097,425)	\$ (12,852,027)	\$ (12,740,754)	\$ (15,023,474)	\$ (15,637,465)
Total primary government net expense	<u>\$ (10,394,661)</u>	<u>\$ (10,394,661)</u>	<u>\$ (9,603,448)</u>	<u>\$ (12,097,425)</u>	<u>\$ (12,852,027)</u>	<u>\$ (12,740,754)</u>	<u>\$ (15,023,474)</u>	<u>\$ (15,637,465)</u>

**Town of Carrboro
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)**

Table 2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes	\$ 10,909,066	\$ 10,909,066	\$ 12,185,361	\$ 13,503,535	\$ 13,799,533	\$ 14,432,869	\$ 14,834,736	\$ 14,917,776
Unrestricted intergovernmental revenues	531,121	531,121	608,951	691,784	874,786	943,578	870,613	951,820
Miscellaneous and unrestricted investment earnings	146,056	146,056	307,424	534,953	712,153	212,091	49,175	63,320
Total governmental activities	<u>11,586,243</u>	<u>11,586,243</u>	<u>13,101,736</u>	<u>14,730,272</u>	<u>15,386,472</u>	<u>15,588,538</u>	<u>15,754,524</u>	<u>15,932,916</u>
Total primary government	<u>\$ 11,586,243</u>	<u>\$ 11,586,243</u>	<u>\$ 13,101,736</u>	<u>\$ 14,730,272</u>	<u>\$ 15,386,472</u>	<u>\$ 15,588,538</u>	<u>\$ 15,754,524</u>	<u>\$ 15,932,916</u>
Change in Net Assets								
Governmental activities	<u>\$ 1,191,582</u>	<u>\$ 1,191,582</u>	<u>\$ 3,498,288</u>	<u>\$ 2,632,847</u>	<u>\$ 2,534,445</u>	<u>\$ 2,847,784</u>	<u>\$ 731,050</u>	<u>\$ 295,451</u>

Town of Carrboro
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Reserved	\$ 1,251,462	\$ 1,085,035	\$ 1,930,188	\$ 1,612,492	\$ 2,795,270	\$ 2,049,578	\$ 3,265,631	\$ 1,482,537	\$ 2,062,813	N/A
Unreserved, designated	538,158	877,347	756,958	894,434	1,182,684	1,120,725	2,544,847	1,081,717	933,608	N/A
Unreserved, undesignated	2,930,759	3,417,726	3,595,765	4,667,033	5,337,052	7,116,388	6,956,301	8,563,125	9,950,620	N/A
Non-spendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	213,743
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,459,812
Committed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,712,163
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8,354,128
Total general fund	<u>4,720,379</u>	<u>5,380,108</u>	<u>6,282,911</u>	<u>7,173,959</u>	<u>9,315,006</u>	<u>10,286,691</u>	<u>12,766,779</u>	<u>11,127,379</u>	<u>12,947,041</u>	<u>13,739,846</u>
All other governmental funds										
Reserved	88,423	-	2,463	27,644	560,080	249,183	144,013	94,281	-	N/A
Unreserved, reported in:										
Special revenue funds	1,330,029	1,382,960	1,317,854	1,004,601	1,182,811	1,687,061	1,350,616	(118,563)	(436,507)	N/A
Capital projects funds	301,228	268,001	190,021	162,378	(942,995)	(1,163,714)	(1,334,116)	716,763	2,464,956	N/A
Non-spendable	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Restricted	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,414,404
Committed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,369,833
Assigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-
Unassigned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(2,466,051)
Total all other governmental funds	<u>1,719,680</u>	<u>1,650,961</u>	<u>1,510,338</u>	<u>1,194,623</u>	<u>799,896</u>	<u>772,530</u>	<u>160,513</u>	<u>692,481</u>	<u>2,028,449</u>	<u>1,318,186</u>
Total, all governmental funds	<u>\$ 6,440,059</u>	<u>\$ 7,031,069</u>	<u>\$ 7,793,249</u>	<u>\$ 8,368,582</u>	<u>\$ 10,114,902</u>	<u>\$ 11,059,221</u>	<u>\$ 12,927,292</u>	<u>\$ 11,819,860</u>	<u>\$ 14,975,490</u>	<u>\$ 15,058,032</u>

N/A - Not applicable prior to and subsequent to the implementation of GASB Statement No. 54.

Town of Carrboro
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Ad valorem taxes	\$ 6,838,670	\$ 7,324,513	\$ 7,791,921	\$ 8,227,622	\$ 8,578,222	\$ 9,672,841	\$ 10,041,553	\$ 10,824,131	\$ 11,213,669	\$ 11,386,243
Local option sales taxes	2,102,576	2,278,779	2,705,076	2,874,741	3,089,493	3,353,665	3,382,770	3,137,836	3,039,931	3,113,356
Other taxes and licenses	444,264	387,152	428,338	439,840	460,350	420,065	355,295	428,654	508,344	438,229
Unrestricted intergovernmental	369,242	564,687	531,121	549,086	613,183	691,784	874,786	947,801	875,129	951,820
Restricted intergovernmental	809,595	689,984	629,886	552,907	565,374	1,039,979	778,193	903,072	731,165	1,075,884
Permits and fees	746,206	747,441	995,392	917,919	955,371	1,223,918	1,074,762	1,062,027	1,175,313	1,090,101
Sales and services	151,403	195,494	179,150	236,134	258,309	276,599	270,543	260,829	256,639	254,934
Investment earnings	131,432	78,616	51,269	130,270	291,873	534,956	525,462	201,829	49,174	63,320
Other	162,568	167,324	129,649	444,023	157,549	209,087	487,963	189,840	148,927	539,189
Total revenues	11,755,956	12,433,990	13,441,802	14,372,542	14,969,723	17,422,894	17,791,327	17,956,019	17,998,291	18,913,076
Expenditures										
General government	1,868,732	1,923,071	2,409,684	2,421,531	2,543,543	3,003,404	3,222,136	3,029,383	2,980,135	3,162,592
Public Safety	3,521,900	3,442,054	3,945,853	4,025,778	4,257,421	5,555,899	5,144,593	5,279,145	5,397,502	5,624,076
Planning	843,097	922,863	911,521	1,071,142	956,304	1,110,467	1,179,139	1,110,797	1,098,192	1,132,203
Transportation	702,753	747,737	817,003	917,900	841,313	962,714	970,617	1,033,837	1,032,835	1,032,825
Public Works	2,654,718	2,919,627	3,008,021	3,073,794	3,033,855	3,776,477	3,642,698	3,004,354	2,958,684	3,100,603
Parks and recreation	899,066	994,878	1,130,239	1,035,472	1,171,889	1,211,738	1,208,191	1,207,492	1,243,416	1,237,163
Economic and community development	45,000	138,041	25,000	140,000	63,000	-	-	413,790	47,825	132,826
Capital outlay	-	-	-	1,029,693	332,181	739,123	863,924	2,556,751	2,474,729	2,373,015
Debt service										
Interest	304,789	300,630	224,737	162,707	176,902	206,475	259,935	326,311	263,461	1,217,736
Principal	730,600	848,478	893,239	1,019,472	939,841	1,046,466	1,100,962	1,101,591	1,214,257	293,894
Total expenditures	11,570,655	12,237,379	13,365,297	14,897,489	14,316,249	17,612,763	17,592,195	19,063,451	18,711,036	19,306,933
Excess of revenues over (under) expenditures	185,301	196,611	76,505	(524,947)	653,474	(189,869)	199,132	(1,107,432)	(712,745)	(393,857)
Other Financing Sources (Uses)										
Proceeds from borrowing	349,550	1,105,139	543,192	1,100,280	1,092,846	1,134,188	1,668,939	(1,634,299)	3,867,955	476,399
Proceeds from refunding	-	637,250	-	-	-	-	-	-	-	-
Payments to escrow agent	-	(622,000)	-	-	-	-	-	-	-	-
Transfers in	488,504	332,474	604,723	699,528	705,992	310,000	1,321,914	-	975,923	531,428
Transfers out	(488,504)	(292,474)	(604,723)	(699,528)	(705,992)	(310,000)	(1,321,914)	1,634,299	(975,923)	(531,428)
Total other financing sources	349,550	1,160,389	543,192	1,100,280	1,092,846	1,134,188	1,668,939	-	3,867,955	476,399
Net change in fund balances	\$ 534,851	\$ 1,357,000	\$ 619,697	\$ 575,333	\$ 1,746,320	\$ 944,319	\$ 1,868,071	\$ (1,107,432)	\$ 3,155,210	\$ 82,542
Capital outlay included in expenditures above	64,711	938,741	135,046	1,610,364	1,106,998	2,676,218	2,208,378	2,556,751	2,474,729	2,373,015
Debt service as a percentage of noncapital expenditures	9.0%	10.2%	8.5%	8.9%	8.5%	8.4%	8.8%	8.7%	9.1%	8.9%

Revenue Capacity Information:

Town of Carrboro
Program Revenues by Function/Program
Last Eight Fiscal Years
(accrual basis of accounting)

Table 5

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Function/Program								
Governmental activities:								
Public Safety	\$ 465,312	\$ 455,520	\$ 433,218	\$ 609,234	\$ 620,852	\$ 800,903	\$ 700,807	\$ 755,276
Public Works and Transportation	535,810	1,640,413	1,977,871	1,132,819	816,891	1,661,709	828,263	1,212,175
Planning	423,781	343,545	371,758	540,057	325,666	381,452	427,535	299,022
Economic and Physical Development	-	113,241	66,066	-	244,243	337,894	42,179	-
Parks and Recreation	215,048	390,193	335,807	339,541	368,196	294,760	314,311	309,703
General Government	164,477	100,447	146,775	124,752	288,116	251,669	148,995	221,913
Total primary government	<u>\$ 1,804,428</u>	<u>\$ 3,043,359</u>	<u>\$ 3,331,495</u>	<u>\$ 2,746,403</u>	<u>\$ 2,663,964</u>	<u>\$ 3,728,387</u>	<u>\$ 2,462,090</u>	<u>\$ 2,798,089</u>

Town of Carrboro
Tax Revenues by Source, Governmental Funds ^a
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6

<u>Fiscal Year</u>	<u>Property Taxes</u>
2002	\$ 6,838,670
2003	7,324,513
2004	7,791,921
2005	8,227,662
2006	8,578,222
2007	9,672,841
2008	10,041,553
2009	10,824,131
2010	11,213,669
2011	11,386,243
Change 2002-2011	66.5%

a This table presents the Town's most significant own source of revenues. All other taxes and revenues are either comparatively insignificant or levied by another governmental entity besides Town of Carrboro.

**Town of Carrboro
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

Table 7

Fiscal Year Ended June 30,	Tax Year	Real Property	Personal Property	Public Service Companies	Total Taxable Assessed Value	Direct Tax Rate (<u>\$100 of Assessed Value</u>)	Estimated Actual Taxable Value	Taxable Assessed Value as Percentage of Actual Taxable Value
2002	2001	\$ 916,537,233	\$ 106,149,593	\$ 14,063,739	\$ 1,036,750,565	0.6568	\$ 1,036,750,565	100%
2003	2002	952,750,323	105,406,710	14,015,046	1,072,172,079	0.6852	1,072,172,079	100%
2004	2003	1,005,282,825	108,676,566	14,505,050	1,128,464,441	0.6582	1,128,464,441	100%
2005	2004	1,029,610,609	108,489,664	14,468,769	1,152,569,042	0.7148	1,152,569,042	100%
2006	2005	1,252,027,870	105,636,174	14,737,286	1,372,401,330	0.6244	1,372,401,330	100%
2007	2006	1,462,675,049	120,737,680	13,425,570	1,596,838,299	0.6244	1,596,838,299	100%
2008	2007	1,400,382,686	124,823,950	13,379,348	1,538,585,984	0.6537	1,538,585,984	100%
2009	2008	1,445,628,863	121,818,472	14,519,342	1,581,966,677	0.6863	1,581,966,677	100%
2010	2009	1,784,120,826	116,231,101	15,520,866	1,915,872,793	0.5894	1,915,872,793	100%
2011	2010	1,808,720,407	116,141,072	14,264,582	1,939,126,061	0.5894	1,939,126,061	100%

Source: Orange County, North Carolina, Tax Assessor.

Note: Property in the Town of Carrboro is assessed and collected by Orange County, North Carolina. Property is assessed every four years at 100% actual value.

Town of Carrboro
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Table 8

Fiscal Year	Town of Carrboro	Orange County
	Direct Rate	Overlapping Rate
2002	0.6568	0.8050
2003	0.6852	0.8300
2004	0.6852	0.8450
2005	0.7148	0.8800
2006	0.6244	0.8430
2007	0.6244	0.9030
2008	0.6537	0.9500
2009	0.6863	0.9471
2010	0.5894	0.8580
2011	0.5894	0.8580

Source: Orange County, North Carolina, Tax Assessor.

**Town of Carrboro
Property Tax Levies and Collections
Last Ten Fiscal Years**

Table 9

Fiscal Year Ended June 30,	Tax Year	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
2002	2001	\$ 6,984,830	\$ 6,883,438	98.55%	\$ 81,338	\$ 6,964,776	99.71%
2003	2002	7,551,366	7,433,914	98.44%	93,910	7,527,824	99.69%
2004	2003	7,988,802	7,874,710	98.57%	79,095	7,953,805	99.56%
2005	2004	8,479,108	8,361,431	98.61%	77,410	8,438,841	99.53%
2006	2005	8,820,233	8,695,718	98.59%	73,180	8,768,898	99.42%
2007	2006	9,892,881	9,784,087	98.90%	97,043	9,881,130	99.88%
2008	2007	10,303,874	10,177,986	98.78%	102,561	10,280,547	99.77%
2009	2008	11,167,691	11,014,097	98.62%	144,204	11,158,301	99.92%
2010	2009	11,686,026	11,470,312	98.15%	123,989	11,594,301	99.22%
2011	2010	11,792,820	11,578,630	98.18%	-	11,578,630	98.18%

**Town of Carrboro
Principal Property Tax Payers
Current Year and Nine Years Ago**

Table 10

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>2010 Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Town Taxable Assessed Value</u>	<u>2001 Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
VAC Limited Partnership	\$ 23,689,220	1	1.22%	Information		Information
Fairfield Autumn Woods Apartments, Inc.	20,478,784	2	1.06%	Not		Not
Carr Mill Mall Limited	16,417,310	3	0.85%	Available		Available
Villages of Chapel Hill	16,060,336	4	0.83%			
CRIT NC III, LLC	16,048,281	5	0.83%			
Westdale Poplar Place LLC	14,967,548	6	0.77%			
Carrboro Shopping Center, Inc.	13,223,589	7	0.68%			
Capkov Ventures, Inc.	12,731,095	8	0.66%			
188 Claremont LLC	10,717,951	9	0.55%			
100 Rock Haven LLC	10,024,928	10	0.52%			
Total	\$ 154,359,042		7.96%	\$ -		0.00%

Source: Orange County Tax Assessor Office.

Note: Per Orange County, the 2002 Taxable Assessed Value was not available.

Debt Capacity Information:

Town of Carrboro
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 11

Governmental Activities					
Fiscal Year	General Obligation Bonds	Installment Purchase Agreements	Bond Anticipation Notes Payable	Total Primary Government	Per Capita
2002	\$ 859,000	\$ 3,838,120	\$ -	\$ 4,697,120	\$ 269.08
2003	737,250	4,231,781	-	4,969,031	282.57
2004	575,393	4,043,591	-	4,618,984	261.73
2005	433,536	4,266,256	-	4,699,792	264.08
2006	331,679	4,521,157	1,230,000	6,082,836	337.94
2007	229,822	4,710,738	2,590,000	7,530,560	413.77
2008	127,964	5,380,571	2,590,000	8,098,535	435.15
2009	26,107	4,380,836	2,590,000	6,996,944	359.20
2010	-	7,060,641	2,590,000	9,650,641	485.18
2011	-	6,319,304	2,590,000	8,909,304	447.91

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

Town of Carrboro
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 12

Fiscal Year	General Bonded Debt Outstanding		Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total			
2002	\$ 859,000	\$ 859,000	\$ 1,036,750,565	0.08	\$ 49.21
2003	737,250	737,250	1,072,172,079	0.07	41.92
2004	575,393	575,393	1,128,465,441	0.05	32.60
2005	433,536	433,536	1,152,569,042	0.04	24.36
2006	331,679	331,679	1,372,401,330	0.02	18.43
2007	229,822	229,822	1,596,838,299	0.01	12.63
2008	127,964	127,964	1,538,585,984	0.01	6.88
2009	26,107	26,107	1,581,966,677	0.01	1.34
2010	-	-	1,915,872,793	0.00	0.00
2011	-	-	1,939,126,061	0.00	0.00

Town of Carrboro
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

Table 13

<u>Town of Carrboro</u>	<u>Total Outstanding</u>	<u>Percentage Applicable to Town</u>	<u>Amount Applicable to Town</u>
General Obligation Debt			
Town of Carrboro general debt obligation	\$ -	100.00%	\$ -
Overlapping (bonded) Debt - Orange County			
Overlapping debt - Orange County	103,490,000	12.34%	12,766,852
Subtotal, overlapping debt			<u>12,766,852</u>
Total direct and overlapping debt			<u>\$ 12,766,852</u>

Sources:

Budgeted revenues used to estimate applicable percentages. Debt outstanding provided by Orange County, NC Finance Dept.

**Town of Carrboro
Legal Debt Margin Information,
Last Ten Fiscal Years**

Table 14

										Legal Debt Margin Calculation for Fiscal Year 2011	
										Assessed value	\$ 1,939,126,061
										Debt limit (8% of assessed value)	155,130,085
										Debt applicable to limit:	
										General obligation bonds	-
										Total gross bonded debt	-
										Total net debt applicable to limit	-
										Legal debt margin	<u>\$ 155,130,085</u>
Fiscal Year											
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	
Debt limit	\$ 82,940,045	\$ 85,773,766	\$ 90,277,235	\$ 92,205,523	\$ 109,792,106	\$ 127,517,242	\$ 123,086,879	\$ 126,557,334	\$ 153,269,823	\$ 155,130,085	
Total net debt applicable to limit	<u>859,000</u>	<u>737,250</u>	<u>575,393</u>	<u>433,536</u>	<u>331,679</u>	<u>229,822</u>	<u>127,964</u>	<u>26,107</u>	<u>-</u>	<u>-</u>	
Legal debt margin	<u>\$ 82,081,045</u>	<u>\$ 85,036,516</u>	<u>\$ 89,701,842</u>	<u>\$ 91,771,987</u>	<u>\$ 109,460,427</u>	<u>\$ 127,287,420</u>	<u>\$ 122,958,915</u>	<u>\$ 126,531,227</u>	<u>\$ 153,269,823</u>	<u>\$ 155,130,085</u>	
Total net debt applicable to the limit as a percentage of debt limit	1.04%	0.86%	0.64%	0.47%	0.30%	0.18%	0.10%	0.02%	0.00%	0.00%	

Note: Under State Finance law, the Town's outstanding general obligation debt should not exceed 8% of total assessed property value.

Demographic and Economic Information:

**Town of Carrboro
Demographic and Economic Statistics,
Last Ten Calendar Years**

Table 15

Year	Population	Per Capita Personal Income	Median Age	Chapel Hill and Carrboro Schools Public School Enrollment	Carrboro Schools Only Public School Enrollment	Unemployment Rate
2002	17,456	\$ 33,375	28.1	10,003	488	4.5%
2003	17,585	34,182	28.1	10,592	535	5.0%
2004	17,648	35,191	28.1	10,699	562	4.5%
2005	17,797	39,380	28.1	10,958	596	4.3%
2006	18,000	39,380	28.1	11,018	582	3.2%
2007	18,200	39,380	28.1	11,389	535	3.9%
2008	18,611	39,380	28.1	11,630	1,140	4.6%
2009	19,479	39,380	28.1	11,618	1,591	7.0%
2010	19,891	39,380	28.1	11,657	1,611	6.4%
2011	19,582	32,198	30.1	11,892	1,663	7.2%

Notes:

Orange County unemployment rate is used.

Population for 2011 is based on last actual value calculated in 2010 from the US Census Bureau.

Per capita personal income is based on last actual value calculated in 2011 from the US Census Bureau for Orange County. Information for Carrboro was not available.

Median age is estimated from the 2000 and 2010 Census of Population.

Public school enrollment is based on information received from Chapel Hill-Carrboro Schools for FY2002 through FY2011.

Schools that have a Carrboro mailing address are included in this demographic, which are Carrboro Elementary and Carrboro High School. Carrboro High School opened in 2007.

**Town of Carrboro
Principal Employers
Current Year and Nine Years Ago**

Table 16

2011				2002			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Carrboro Elementary School	218	1	1.98%	Chapel Hill-Carrboro City Schools	1,500	1	13.64%
Town of Carrboro	155	2	1.41%	Orange Water & Sewer Authority	148	2	1.35%
Orange Water & Sewer Authority	112	3	1.02%	Town of Carrboro	134	3	1.22%
Piedmont Health Services	104	4	0.95%	Residential Services, Inc.	103	4	0.94%
Elmo's Diner	101	5	0.92%	Elmo's Diner	90	5	0.82%
Food Lion	97	6	0.88%	Triem, Inc.	87	6	0.79%
Harris Teeter	88	7	0.80%	Fitches Lumber	45	7	0.41%
Weaver Street Market	72	8	0.65%	Carolina Cleaners	43	8	0.39%
Tylers Restaurant & Tap Room	51	9	0.46%	Willow Springs Long Term Care	40	9	0.36%
Crescent Green of Carrboro	48	10	0.44%	Acme Food & Beverage Company	32	10	0.29%
Total	1,046		9.51%		2,222		20.20%

Source:

Orange County Economic Development Commission

Note:

Percentages based on estimated Town employment of 11,000.

Town of Carrboro
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Table 17

<u>Function/Program</u>	<u>Full-Time Equivalent Employees as of June 30</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government										
Mayor and Board of Aldermen	0	0	0	0	0	0	0	0	0	0
Town Manager	2	2	2	2	2	2	2	2	2	4
Economic Development	1	1	1	1	1	1	1	1	1	1
Town Clerk	1	1	1	1	1	1	1	1	1	1
Management Services	7	7	8	8	8	8	8	8	8	6
Human Resources	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police	37	37	40	40	42	41	42	42	44	44
Fire	24	28	28	28	28	33	36	36	36	36
Planning	14	14	14	14	14	14	14	14	14	14
Public Works	35	35	35	35	35	36	36	36	36	36
Parks and Recreation	<u>9</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
Total	<u>132</u>	<u>136</u>	<u>141</u>	<u>141</u>	<u>143</u>	<u>148</u>	<u>153</u>	<u>153</u>	<u>155</u>	<u>155</u>

Note:

The Town does not calculate part-time equivalents.

Operating Information:

**Town of Carrboro
Operating Indicators by Function/Program
Last Ten Fiscal Years**

Table 18

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Revolving loan inquiries	40	21	26	25	31	39	42	40	50	50
Small business counseling referrals	40	31	33	38	37	32	45	40	29	40
Privilege licenses issued	610	671	788	763	944	925	917	1,115	1,253	1,158
Public Safety										
Police (a)										
Major crimes	1,924	1,964	1,409	1,259	1,174	1,275	972	814	750	716
Criminal arrests	708	615	656	833	762	713	881	881	830	767
Motor vehicle accidents	586	498	541	546	524	540	466	573	494	479
Narcotics arrests	58	42	70	70	55	56	107	132	204	157
Fire (a)										
Fire and EMS responses	1,037	836	874	872	920	1,397	1,480	1,576	1,530	1,392
Inspections	365	259	420	363	400	633	486	955	998	1,006
Planning										
Annexations	3	6	2	2	2	2	1	-	-	-
Zoning permits	105	121	121	246	110	129	119	66	89	88
Building permits for new residential	84	61	72	57	41	71	55	54	77	50
Building permits for new commercial	8	4	38	7	22	1	7	3	78	4
Value of building permits issued	\$ 22,973,279	\$ 19,365,209	\$ 23,102,327	\$ 18,598,016	\$ 41,510,253	\$ 34,883,581	\$ 15,634,025	\$ 15,313,066	\$ 29,410,835	\$ 18,883,628
Public Works										
Paved streets maintained (miles)	31	32	35	35	37	37	39	39	39	42
Unpaved streets maintained (miles)	2	2	2	2	2	2	2	2	2	2
Paved bikeways maintained (miles)	3	3	3	3	3	3	3	3	3	3
Litter collection (hours annually)	408	370	400	400	400	400	400	400	425	425
Residential refuse collection (tons annually)	2,285	2,350	2,480	2,500	2,635	2,611	3,250	3,483	3,765	3,645
Multi-family & commercial refuse collection	5,026	5,150	4,470	4,710	4,600	3,521	4,379	4,146	2,865	3,098
Bus shelters maintained	16	16	18	18	18	20	20	20	22	23
Parks and Recreation										
Athletic activities offered	36	44	37	43	46	54	46	61	48	50
Athletic activity participants	2,200	2,512	2,507	2,694	2,470	2,442	2,904	3,229	2,760	2,909
Athletic activity hours	776	762	882	868	864	1,000	1,003	1,111	952	934
Other activities offered	N/A	N/A	187	198	213	255	276	333	284	263
Other activity participants	13,336	14,118	17,708	21,482	20,255	25,015	25,111	27,517	26,122	17,476
Century Center rentals (a)	231	200	1,269	1,052	1,351	1,957	2,211	418	139	127
Park rentals (b)	161	326	284	519	560	856	1,008	234	203	181

Sources: Town departments

Notes:

N/A - Information was not collected/available.

(a) Century Center open FY2001.

(b) Rental information for FY00-01 is for Town Commons only. The information on the other parks was unavailable.

**Town of Carrboro
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

Table 19

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	30	36	42	42	42	41	43	42	42	43
Fire stations	1	1	1	1	1	1	1	1	1	2
Fire trucks	5	5	5	5	5	5	5	6	6	6
Public Works										
Refuse collection trucks	8	8	8	8	8	8	7	7	7	7
Replacement refuse collection trucks	3	3	3	3	3	1	1	1	1	1
Streets (miles)	33.18	37.57	37	39	38	38.7	38.79	39.35	39.35	43.27
Bike paths (miles)	3	3	3	3	3	3.32	3.32	3.32	3.32	3.32
Streetlights	709	721	742	781	803	869	962	968	968	986
Parks and recreation										
Parkland (acres)	86	86	95.7	95.7	95.7	112	112	112	112	112
Parks (quantity)	8	8	8	9	9	10	10	10	10	10
Hiking trails	2	2	2	5	5	5	5	6	6	6
Dog parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Baseball/softball fields	5	5	5	5	5	6	6	6	6	6
Basketball courts	4	4	4	4	4	4	4	4	4	4
Tennis courts	6	6	6	6	6	6	6	6	6	6
Volleyball courts	2	2	2	2	2	2	2	2	2	2
Multi-purpose fields	3	3	3	3	3	3	3	3	3	3
Fishing ponds	1	1	1	1	1	1	1	1	1	1
Playgrounds	5	5	5	5	5	7	7	8	8	8
Picnic shelters	5	5	5	5	5	5	4	4	4	5

Sources:

Town Departments

SUPPLEMENTARY INFORMATION

COMPLIANCE SECTION

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DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

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, Board of Aldermen
and the Town Manager
Town of Carrboro
Carrboro, North Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Carrboro, North Carolina as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 11, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of Carrboro is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Carrboro's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Carrboro's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, members of the Board of Aldermen, 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 specified parties.

Dixon Hughes Goodman LLP

November 11, 2011

SUPPLEMENTARY INFORMATION

SINGLE AUDIT SECTION

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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 Board of Aldermen
Town of Carrboro, North Carolina

Compliance

We have audited the Town of Carrboro, North Carolina compliance 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 its major State program for the year ended June 30, 2011. The Town of Carrboro's major State program is identified in the summary of auditors' 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 Town of Carrboro's management. Our responsibility is to express an opinion on the Town of Carrboro's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Town of Carrboro'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 Town of Carrboro's compliance with those requirements.

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

Internal Control Over Compliance

Management of the Town of Carrboro 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 Town of Carrboro's internal control over compliance with the requirements that could have a direct and material effect on a major State program 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 Town's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a 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 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 organization, members of the Board of Aldermen, 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 specified parties.

Dixon Hughes Goodman LLP

November 11, 2011

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011

Schedule 14
Page 1 of 2

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

- Noncompliance material to financial statements noted? _____ Yes X No

State Awards

Internal control over major state programs:

- Material weaknesses identified? _____ Yes X No

- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

- Noncompliance material to State awards? _____ Yes X No

Type of auditors' report issued on compliance for major state programs: Unqualified

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

Identification of major state program:

_____ Program Name
Powell Bill

II. Financial Statement Findings

There were no findings related to the financial statements for the fiscal year ended June 30, 2011.

III. State Award Findings and Questioned Costs

There were no findings related to state awards for the fiscal year ended June 30, 2011.

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2011

Schedule 15

<u>Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant ID/ Project Award Number</u>	<u>Federal and Pass-Through Expenditures</u>	<u>State Expenditures</u>
FEDERAL AWARDS				
<i>U.S. Department of Justice</i>				
Byrne JAG for canine - AARA funding	16.804	2009-FB-V9-1203	\$ 2,656	\$ -
Total U.S. Department of Justice			<u>2,656</u>	<u>-</u>
<i>U.S. Department of Homeland Security</i>				
FY2007 Staffing for Adequate Fire and Emergency Response (SAFER)	97.044	EMW-2007-FF-00360	58,817	-
Total U.S. Department of Homeland Security			<u>58,817</u>	<u>-</u>
<i>U.S. Department of Energy</i>				
Passed through N.C. State Energy Office: Southeast Energy Efficiency Alliance - AARA funding	81.128	DE-EE0003575	6,255	-
Total U.S. Department of Energy			<u>6,255</u>	<u>-</u>
<i>U.S. Environmental Protection Agency</i>				
Passed through N.C. Department of Environment and Natural Resources Division of Water Quality: Grant 319 - watershed restoration	66.460	2870	87,450	-
Total U.S. Environmental Protection Agency			<u>87,450</u>	<u>-</u>
<i>U.S. Department of Health and Human Services</i>				
Passed through N.C. Department of Health and Human Services: Physical activity FIT grant - AARA funding	93.723	3U58DP001981-01S4	5,825	-
Total U.S. Department of Health and Human Services			<u>5,825</u>	<u>-</u>
<i>U.S. Department of Transportation</i>				
Highway planning and construction				
Bus shelter project - AARA funding	20.205	EL-5103	3,430	-
Ashe/Bim Street sidewalk construction - AARA funding	20.205	U-4726 DA/DB	147,938	-
STP-DA funding				
Passed through N.C. Department of Transportation				
Wilson Park multi-use path	20.205	U-4726DC	35,470	-
Passed through the City of Durham: Regional planning work program	20-2058	Sec 104(F) DCHC	29,992	-
Total U.S. Department of Transportation			<u>216,830</u>	<u>-</u>
Total federal awards			<u>377,834</u>	<u>-</u>
STATE AWARDS				
<i>N.C. Department of Transportation</i>				
Safe Routes to School Program - Infrastructure		WBS 40924.3.30	-	11,362
Safe Routes to School Program - Non-Infrastructure		WSB 40922.1.18	-	1,158
Bicycle Master Plan		WBS 373091.1	-	41,904
Powell Bill		WBS 32570	-	450,033
Total N.C. Department of Transportation			<u>-</u>	<u>504,457</u>
Total state awards			<u>-</u>	<u>504,457</u>
TOTAL ASSISTANCE			<u>\$ 377,834</u>	<u>\$ 504,457</u>

Note to the Schedule of Expenditures of Federal and State Awards

Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Town of Carrboro, NC, and is presented on the modified accrual basis of accounting. The information in this schedule is in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State Single Audit Implementation Act.

SUPPLEMENTARY INFORMATION

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 1 of 5

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes			
Taxes	\$ 11,000,222	\$ 11,361,375	\$ 361,153
Penalties and interest	21,000	24,868	3,868
Total	11,021,222	11,386,243	365,021
Local option sales taxes			
Article 39, 1%	1,078,500	1,058,115	(20,385)
Article 40, ½%	720,992	756,344	35,352
Article 42, ½%	639,716	528,228	(111,488)
North Carolina Department of Transportation	4,200	4,556	356
Utilities franchise and telecommunications tax			

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 2 of 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Permits and fees			
Fire district fees	\$ 420,878	\$ 427,786	\$ 6,908
Building permits	55,000	57,818	2,818
Electrical permits	50,000	70,853	20,853
Mechanical permits	40,000	43,163	3,163
Re-inspection fees	600	2,500	1,900
Plumbing permits	40,000	30,379	(9,621)
Refuse collection fees	90,288	111,883	21,595
Development review	20,000	38,396	18,396
Engineering fees	30,000	25,830	(4,170)
Technical Review - future equipment	10,000	13,600	3,600
Tower fees	123,477	123,548	71
Dog fees	5,300	5,418	118
Sign permits	500	880	380
Street closing	500	240	(260)
Street signs	-	1,864	1,864
Street inspection fees	100	-	(100)
Parking violations	3,500	416	(3,084)
Court officer fees	3,000	4,184	1,184
School Resource Officer contract fees	107,624	107,624	-
Recycling fees	4,800	5,277	477
Time Warner Peg Access fee	12,000	2,876	(9,124)
Car seat sales	-	565	565
Fire Permitting fees	4,800	10,115	5,315
Miscellaneous fees	500	4,886	4,386
Total	<u>1,022,867</u>	<u>1,090,101</u>	<u>67,234</u>
Sales and services			
Recreation fees	158,093	185,800	27,707
Town Center fees	86,512	69,134	(17,378)
Total	<u>244,605</u>	<u>254,934</u>	<u>10,329</u>
Investment earnings			
Interest on investments	<u>50,000</u>	<u>38,232</u>	<u>(11,768)</u>
Other			
Sale of lots	6,000	9,730	3,730
Refuse cart sales	3,500	5,452	1,952
Yard waste container sales	2,600	2,713	113
Farmers' Market rent	2,000	2,370	370
Donations	15,169	15,089	(80)
Miscellaneous	7,150	18,186	11,036
Total	<u>36,419</u>	<u>53,540</u>	<u>17,121</u>
Total revenues	<u>17,253,999</u>	<u>17,911,930</u>	<u>657,931</u>

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 3 of 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
General government			
Mayor and Board of Aldermen			
Personnel services	\$ 119,086	\$ 121,551	\$ (2,465)
Operations	<u>162,650</u>	<u>139,387</u>	<u>23,263</u>
Total	<u>281,736</u>	<u>260,938</u>	<u>20,798</u>
Advisory boards			
Operations	<u>16,135</u>	<u>6,965</u>	<u>9,170</u>
Total	<u>16,135</u>	<u>6,965</u>	<u>9,170</u>
Governmental support			
Operations	<u>267,934</u>	<u>264,498</u>	<u>3,436</u>
Total	<u>267,934</u>	<u>264,498</u>	<u>3,436</u>
Town Manager			
Personnel services	425,503	415,526	9,977
Operations	806,308	673,301	133,007
Capital outlay	<u>74,750</u>	<u>65,001</u>	<u>9,749</u>
Total	<u>1,306,561</u>	<u>1,153,828</u>	<u>152,733</u>
Town Clerk			
Personnel services	99,570	95,263	4,307
Operations	<u>15,300</u>	<u>8,557</u>	<u>6,743</u>
Total	<u>114,870</u>	<u>103,820</u>	<u>11,050</u>
Management services			
Personnel services	487,436	466,781	20,655
Operations	<u>548,379</u>	<u>462,681</u>	<u>85,698</u>
Total	<u>1,035,815</u>	<u>929,462</u>	<u>106,353</u>
Personnel			
Personnel services	330,935	314,608	16,327
Operations	<u>63,170</u>	<u>48,322</u>	<u>14,848</u>
Total	<u>394,105</u>	<u>362,930</u>	<u>31,175</u>
Economic and community development			
Personnel services	118,614	115,945	2,669
Operations	<u>56,686</u>	<u>29,208</u>	<u>27,478</u>
Total	<u>175,300</u>	<u>145,153</u>	<u>30,147</u>
Total general government	<u>3,592,456</u>	<u>3,227,594</u>	<u>364,862</u>

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 4 of 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public safety			
Police department			
Personnel services	\$ 2,810,529	\$ 2,784,759	\$ 25,770
Operations	354,890	291,831	63,059
Capital outlay	124,759	103,978	20,781
Total	<u>3,290,178</u>	<u>3,180,568</u>	<u>109,610</u>
Fire department			
Personnel services	2,164,548	2,231,596	(67,048)
Operations	292,221	257,440	34,781
Capital outlay	160,000	-	160,000
Total	<u>2,616,769</u>	<u>2,489,036</u>	<u>127,733</u>
Total public safety	<u>5,906,947</u>	<u>5,669,604</u>	<u>237,343</u>
Planning			
Personnel services	1,018,300	1,017,143	1,157
Operations	222,930	115,060	107,870
Total planning	<u>1,241,230</u>	<u>1,132,203</u>	<u>109,027</u>
Transportation			
Operations	1,064,150	1,032,825	31,325
Total transportation	<u>1,064,150</u>	<u>1,032,825</u>	<u>31,325</u>
Public works			
Public works department			
Personnel services	1,886,171	1,797,966	88,205
Operations	1,500,435	1,302,636	197,799
Capital outlay	867,066	665,494	201,572
Total public works	<u>4,253,672</u>	<u>3,766,096</u>	<u>487,576</u>
Parks and recreation			
Recreation department			
Personnel services	1,023,289	961,541	61,748
Operations	347,355	275,622	71,733
Capital outlay	174,609	14,731	159,878
Total parks and recreation	<u>1,545,253</u>	<u>1,251,894</u>	<u>293,359</u>
General services			
Personnel services	173,182	-	173,182
Operations	29,807	-	29,807
Total general services	<u>202,989</u>	<u>-</u>	<u>202,989</u>

**TOWN OF CARRBORO, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011**

Schedule 1
Page 5 of 5

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt service			
Principal retirement	\$ 1,237,000	\$ 1,217,736	\$ 19,264
Interest and fees	311,914	293,894	18,020
Total debt service	<u>1,548,914</u>	<u>1,511,630</u>	<u>37,284</u>
Total expenditures	<u>19,355,611</u>	<u>17,591,846</u>	<u>1,763,765</u>
Revenues over (under) expenditures	<u>(2,101,612)</u>	<u>320,084</u>	<u>2,421,696</u>
Other financing sources (uses)			
Transfers from (to) other funds			
From Capital Reserve Fund	176,945	176,945	-
To Capital Reserve Fund	(260,260)	(254,483)	5,777
Sale of capital assets	10,000	73,860	63,860
Installment purchase obligations issued	560,500	476,399	(84,101)
Total other financing sources	<u>487,185</u>	<u>472,721</u>	<u>(14,464)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(1,614,427)</u>	<u>792,805</u>	<u>2,407,232</u>
Appropriated fund balance	<u>1,614,427</u>	<u>-</u>	<u>(1,614,427)</u>
Net change in fund balance	<u>\$ -</u>	<u>792,805</u>	<u>\$ 792,805</u>
Fund balance, beginning of year		<u>12,947,041</u>	
Fund balance, ending		<u>\$ 13,739,846</u>	

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION AND
ACTUAL - REVOLVING LOAN FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 2
Page 1 of 2

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Closed Loans	Current Year		
Revenues						
General revenues						
Investment earnings						
Interest on investments	\$ 231,210	\$ 231,360	\$ -	\$ 660	\$ 232,020	\$ 810
Interest repayments	331,445	348,600	-	11,665	360,265	28,820
Total investment earnings	562,655	579,960	-	12,325	592,285	29,630
Other general revenues						
Revolving loan payments						
University Printery principal repay Acme Food & Beverage Co. principal repay	27,243	29,999	(30,000)	-	(1)	(27,244)
Alphabet Soup	50,000	49,999	(50,000)	-	(1)	(50,001)
Science Technologies	17,733	19,868	-	2,572	22,440	4,707
Bryan's Guitar	12,611	17,312	-	4,803	22,115	9,504
Blue Icon	26,189	30,306	-	4,241	34,547	8,358
Cycling Specifics	7,237	12,101	-	6,028	18,129	10,892
Art in a Pickle	32,699	35,028	-	1,863	36,891	4,192
Carrboro Coworking	12,514	26,876	-	15,371	42,247	29,733
Cycle 9	-	5,364	-	5,569	10,933	10,933
The Beehive	-	7,493	-	44,398	51,891	51,891
The Kind Coffee	-	7,060	-	5,284	12,344	12,344
The Carrboro Citizen	-	4,869	-	7,552	12,421	12,421
Carrboro Raw	-	3,690	-	4,881	8,571	8,571
Original loan repayments	-	8,871	(40,000)	31,128	(1)	(1)
Total revolving loan payments	273,087	273,087	-	-	273,087	-
Total revenues	459,313	531,923	(120,000)	133,690	545,613	86,300
Total revenues	1,021,968	1,111,883	(120,000)	146,015	1,137,898	115,930
Expenditures						
Current:						
General government						
Contractual services	16,679	7,754	-	-	7,754	8,925
Miscellaneous	10,000	221	-	-	221	9,779
Administration	-	9,478	-	-	9,478	(9,478)
Total current	26,679	17,453	-	-	17,453	9,226
Economic and Physical Development:						
University Printery	30,000	30,000	(30,000)	-	-	30,000
Acme Food & Beverage Co.	50,000	50,000	(50,000)	-	-	50,000
Alphabet Soup	48,000	48,000	-	-	48,000	-
Science Technologies	35,000	35,000	-	-	35,000	-
Bryan's Guitar	90,000	90,000	-	-	90,000	-
Blue Icon Hairstylists	18,000	18,000	-	-	18,000	-
Cycling Specifics	45,000	45,000	-	-	45,000	-
Art in a Pickle	105,000	105,000	-	-	105,000	-
Carrboro Coworking	90,000	90,000	-	-	90,000	-
Original Ornament	70,000	70,000	-	-	70,000	-
Cycle 9	68,540	68,540	-	-	68,540	-
The Beehive	50,000	50,000	-	-	50,000	-
The Kind Coffee	57,000	57,000	-	-	57,000	-
Carrboro Citizen	50,000	40,000	-	10,000	50,000	-
Carrboro Raw	40,000	40,000	(40,000)	-	-	40,000
Loss on loans	70,533	70,532	-	-	70,532	1
Unexpended reserves	29,216	-	-	-	-	29,216
Total Economic and Physical Development	946,289	907,072	(120,000)	10,000	797,072	149,217

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION AND
ACTUAL - REVOLVING LOAN FUND
From Project Inception and for the Year Ended June 30, 2011

	<u>Project Authorization</u>	<u>Actual</u>			<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Closed Loans</u>	<u>Current Year</u>		
Total expenditures	\$ 972,968	\$ 924,525	\$ (120,000)	\$ 10,000	\$ 814,525	\$ 158,443
Revenues over expenditures	49,000	187,358	-	136,015	323,373	274,373
Other financing sources (uses)						
Transfers from (to) other funds						
From General Fund	135,000	80,000	-	-	80,000	(55,000)
To Energy Efficiency Fund	(45,000)	-	-	(45,000)	(45,000)	-
To General Fund	(139,000)	(139,000)	-	-	(139,000)	-
Total other financing uses	(49,000)	(59,000)	-	(45,000)	(104,000)	(55,000)
Net change in fund balance	\$ -	\$ 128,358	\$ -	91,015	\$ 219,373	\$ 219,373
Fund balance, beginning of year				128,358		
Fund balance, end of year				\$ 219,373		

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND DEFICIT - PROJECT AUTHORIZATION
AND ACTUAL - BOND FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 3
Page 1 of 3

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Bond projects					
Morgan Creek/Bolin Creek Greenway					
Interest earnings	\$ 22,971	\$ 22,971	\$ -	\$ 22,971	\$ -
Federal STP-DA funds	100,000	53,327	41,904	95,231	(4,769)
Total Morgan Creek/Bolin Creek Greenway	<u>122,971</u>	<u>76,298</u>	<u>41,904</u>	<u>118,202</u>	<u>(4,769)</u>
Bolin Forest Sidewalk					
Federal STP-DA funds	15,960	15,960	-	15,960	-
Donations	2,100	2,100	-	2,100	-
Total Bolin Forest Sidewalk	<u>18,060</u>	<u>18,060</u>	<u>-</u>	<u>18,060</u>	<u>-</u>
Hannah Street Sidewalk					
Federal STP-DA funds	55,564	55,564	-	55,564	-
Bolin Creek Co-Housing	88,644	88,644	-	88,644	-
Total Hannah Street Sidewalk	<u>144,208</u>	<u>144,208</u>	<u>-</u>	<u>144,208</u>	<u>-</u>
Phase IB Bond Sidewalk Projects					
Interest earnings	132,786	103,670	482	104,152	(28,634)
Miscellaneous	7,863	7,862	-	7,862	(1)
Total Phase IB Bond Sidewalk projects	<u>140,649</u>	<u>111,532</u>	<u>482</u>	<u>112,014</u>	<u>(28,635)</u>
Ashe/Bim Sidewalk Project					
ARRA Federal Grant	327,300	420	263,764	264,184	(63,116)
Elm Street Sidewalk Project					
ARRA Federal Grant	300,000	-	-	-	(300,000)
Wilson Park Multi-Use Path Project					
ARRA Federal Grant	168,684	-	-	-	(168,684)
Total revenues	<u>1,221,872</u>	<u>350,518</u>	<u>306,150</u>	<u>656,668</u>	<u>(565,204)</u>
Expenditures					
General					
Professional services	73,000	53,994	-	53,994	19,006
Miscellaneous	2,000	1,507	-	1,507	493
Design	1,945	1,945	-	1,945	-
Total General	<u>76,945</u>	<u>57,446</u>	<u>-</u>	<u>57,446</u>	<u>19,499</u>
Morgan Creek/Bolin Creek Greenway					
Design	125,000	122,379	-	122,379	2,621
Total Morgan Creek/Bolin Creek Greenway	<u>125,000</u>	<u>122,379</u>	<u>-</u>	<u>122,379</u>	<u>2,621</u>
Quail Roost Sidewalk					
Engineering inspections	1,436	1,436	-	1,436	-
Construction	129,056	129,056	-	129,056	-
Design	15,507	15,507	-	15,507	-
Total Quail Roost Sidewalk	<u>145,999</u>	<u>145,999</u>	<u>-</u>	<u>145,999</u>	<u>-</u>

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND DEFICIT - PROJECT AUTHORIZATION
AND ACTUAL - BOND FUND
From Project Inception and for the Year Ended June 30, 2011

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Lisa Drive Sidewalk					
Engineering inspections	\$ 1,805	\$ 1,805	\$ -	\$ 1,805	\$ -
Construction	112,605	112,605	-	112,605	-
Design	13,390	13,390	-	13,390	-
Total Lisa Drive Sidewalk	127,800	127,800	-	127,800	-
Bolin Forest Sidewalk					
Miscellaneous	305	306	-	306	(1)
Engineering inspections	490	490	-	490	-
Construction	41,087	41,086	-	41,086	1
Design	13,019	13,019	-	13,019	-
Total Bolin Forest Sidewalk	54,901	54,901	-	54,901	-
Hannah Street Sidewalk					
Engineering inspections	5,097	5,098	-	5,098	(1)
Construction	188,398	188,398	-	188,398	-
Design	17,372	17,371	-	17,371	1
Total Hannah Street Sidewalk	210,867	210,867	-	210,867	-
N. Greensboro Street Sidewalk					
Engineering inspections	6,223	6,223	-	6,223	-
Construction	302,395	302,395	-	302,395	-
Design	40,246	40,246	-	40,246	-
Total N. Greensboro Street Sidewalk	348,864	348,864	-	348,864	-
Williams Street Sidewalk					
Engineering inspections	388	388	-	388	-
Construction	26,208	26,208	-	26,208	-
Design	4,959	4,959	-	4,959	-
Total Williams Street Sidewalk	31,555	31,555	-	31,555	-
Lloyd Street Sidewalk					
Engineering inspections	97	97	-	97	-
Construction	8,267	8,266	-	8,266	1
Design	2,491	2,491	-	2,491	-
Total Lloyd Street Sidewalk	10,855	10,854	-	10,854	1
Jones Ferry Sidewalk					
Engineering inspections	146	144	-	144	2
Construction	11,933	11,934	-	11,934	(1)
Design	3,839	3,838	-	3,838	1
Total Jones Ferry Sidewalk	15,918	15,916	-	15,916	2
Fowler Street Sidewalk					
Engineering inspections	146	145	-	145	1
Construction	12,996	12,996	-	12,996	-
Design	3,393	3,393	-	3,393	-
Total Fowler Street Sidewalk	16,535	16,534	-	16,534	1

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND DEFICIT - PROJECT AUTHORIZATION
AND ACTUAL - BOND FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 3
Page 3 of 3

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
S. Greensboro Street Sidewalk					
Engineering inspections	\$ 486	\$ 486	\$ -	\$ 486	\$ -
Construction	36,915	36,915	-	36,915	-
Design	5,752	5,752	-	5,752	-
Total S. Greensboro Street Sidewalk	43,153	43,153	-	43,153	-
Phase IB Bond Sidewalk Projects					
Professional services	4,312	4,312	-	4,312	-
Engineering inspections	17,807	16,392	-	16,392	1,415
Construction	1,194,797	749,395	-	749,395	445,402
Design	351,790	294,652	52,752	347,404	4,386
ROW/Easement	20,000	-	-	-	20,000
Contingency	1,865	-	-	-	1,865
Total Phase IB Bond Sidewalk Projects	1,590,571	1,064,751	52,752	1,117,503	473,068
NCDOT Enhancement Sidewalk Projects					
Inspections	10,744	10,744	-	10,744	-
Construction	111,033	111,033	-	111,033	-
Design	5,072	5,072	-	5,072	-
Total NCDOT Enhancement Sidewalk Projects	126,849	126,849	-	126,849	-
Ashe/Bim Sidewalk Project					
Inspections	43,300	18,623	5,559	24,182	19,118
Construction	284,000	93,698	142,378	236,076	47,924
Total Ashe/Bim Sidewalk	327,300	112,321	147,937	260,258	67,042
Elm Street Sidewalk Project					
Inspections	14,500	-	10,417	10,417	4,083
Construction	271,000	-	-	-	271,000
Design	14,500	35	945	980	13,520
ROW/Easement	16,000	-	-	-	16,000
Total Elm Street Sidewalk	316,000	35	11,362	11,397	304,603
Wilson Park Multi-Use Path Project					
Construction	230,000	-	-	-	230,000
Design	36,000	-	35,470	35,470	530
Total Wilson Park Multi-Use Path	266,000	-	35,470	35,470	230,530
Total expenditures	3,835,112	2,490,224	247,521	2,737,745	1,097,367
Revenues over (under) expenditures	(2,613,240)	(2,139,706)	58,629	(2,081,077)	532,163
Other financing sources (uses)					
Transfers from (to) other funds					
From General Fund	12,700	12,700	-	12,700	-
From Capital Reserve Fund	239,988	239,988	-	239,988	-
To Capital Reserve Fund	(239,988)	(239,988)	-	(239,988)	-
Installment purchase obligations issued	2,600,540	-	-	-	(2,600,540)
Total other financing sources	2,613,240	12,700	-	12,700	(2,600,540)
Net change in fund deficit	\$ -	\$ (2,127,006)	58,629	\$ (2,068,377)	\$ (2,068,377)
Fund deficit, beginning of year			(2,127,006)		
Fund deficit, end of year			<u>\$ (2,068,377)</u>		

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - PROJECT AUTHORIZATION
CHANGES AND ACTUAL - CAPITAL PROJECTS FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 4
Page 1 of 2

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
General revenues					
Interest on investments	\$ 22,232	\$ 27,117	\$ 4,616	\$ 31,733	\$ 9,501
Miscellaneous revenue	-	5,438	-	5,438	5,438
Total general revenues	22,232	32,555	4,616	37,171	14,939
Bus shelter					
Federal pass-through grant	76,296	4,800	71,177	75,977	(319)
Total bus shelter	76,296	4,800	71,177	75,977	(319)
Weaver Street reconstruction					
OWASA reimbursement	-	-	270,611	270,611	270,611
Total Weaver Street reconstruction	-	-	270,611	270,611	270,611
Rogers Road					
Federal pass-through grant	428,960	-	-	-	(428,960)
Total revenues	527,488	37,355	346,404	383,759	(143,729)
Expenditures					
Fire Substation #2 project					
Architectural services	230,000	221,810	5,766	227,576	2,424
Professional services	39,022	26,933	6,493	33,426	5,596
Computer and peripherals	210,602	182,397	14,455	196,852	13,750
Miscellaneous	58,500	605	55,003	55,608	2,892
Equipment	346,000	127,494	122,026	249,520	96,480
Construction	2,000,020	1,313,550	465,140	1,778,690	221,330
Construction services	9,375	9,375	-	9,375	-
Contingency	137,283	-	-	-	137,283
Total Fire Substation #2 project	3,030,802	1,882,164	668,883	2,551,047	479,755
Fire Substation #2 Fiber Optics					
Computer and peripherals	219,198	-	3,327	3,327	215,871
Total Fire Substation #2 Fiber Optics	219,198	-	3,327	3,327	215,871
Weaver Street reconstruction					
Construction	1,143,000	-	571,198	571,198	571,802
Design	260,000	52,316	87,902	140,218	119,782
Contingency	73,270	-	-	-	73,270
Total Weaver Street reconstruction	1,476,270	52,316	659,100	711,416	764,854
Public Works facility land					
Professional services	6,068	10,856	-	10,856	(4,788)
Engineering	4,051	-	-	-	4,051
Park supplies	5,000	5,750	-	5,750	(750)
Land	751,881	739,879	-	739,879	12,002
Total Public Works facility land	767,000	756,485	-	756,485	10,515

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - PROJECT AUTHORIZATION
CHANGES AND ACTUAL - CAPITAL PROJECTS FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 4
Page 2 of 2

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Bus shelter					
Construction	\$ 71,496	\$ 66,283	\$ 3,430	\$ 69,713	\$ 1,783
Design	4,800	4,800	-	4,800	-
Total bus shelter	<u>76,296</u>	<u>71,083</u>	<u>3,430</u>	<u>74,513</u>	<u>1,783</u>
Rogers Road					
Construction	469,175	-	-	-	469,175
Design	67,025	-	-	-	67,025
Contingency	36,583	-	-	-	36,583
Total Rogers Road reconstruction	<u>572,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>572,783</u>
Total expenditures	<u>6,142,349</u>	<u>2,762,048</u>	<u>1,334,740</u>	<u>4,096,788</u>	<u>2,045,561</u>
Revenues under expenditures	<u>(5,614,861)</u>	<u>(2,724,693)</u>	<u>(988,336)</u>	<u>(3,713,029)</u>	<u>1,901,832</u>
Other financing sources (uses)					
Transfers from (to) other funds					
From General Fund	729,323	616,883	-	616,883	(112,440)
From Capital Reserve Fund	915,093	597,999	-	597,999	(317,094)
To General Fund	(20,000)	(20,000)	-	(20,000)	-
To Capital Reserve Fund	(26,555)	(26,555)	-	(26,555)	-
To Undesignated Fund Balance	-	4,322	-	4,322	4,322
Installment purchase obligations issued	4,017,000	4,017,000	-	4,017,000	-
Total other financing sources	<u>5,614,861</u>	<u>5,189,649</u>	<u>-</u>	<u>5,189,649</u>	<u>(425,212)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,464,956</u>	<u>(988,336)</u>	<u>\$ 1,476,620</u>	<u>\$ 1,476,620</u>
Fund balance, beginning of year			2,464,956		
Fund balance, end of year			<u>\$ 1,476,620</u>		

Amounts reported for Revenue, Expenditures and changes in Fund Balance are different for the Budgeted/Actual Statement due to consolidation of the Capital Reserve Fund and the Payment in Lieu Reserve Fund

Investment earnings - Capital Reserve Fund	\$ 7,013
Other revenues - Capital Reserve Fund	941
Transfers in - Capital Reserve Fund	254,483
Transfers out - Capital Reserve Fund	(176,945)
Investment earnings - Payment in Lieu Reserve Fund	463
Other revenues - Payment in Lieu Reserve Fund	6,047
Fund balance, beginning (Capital Reserve Fund)	1,416,570
Fund balance, beginning (Payment in Lieu Reserve Fund)	<u>143,270</u>
Fund balance, ending (Consolidated Capital Projects Fund)	<u>\$ 3,128,462</u>

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CAPITAL RESERVE FUND
Year Ended June 30, 2011

Schedule 5

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Interest earnings	\$ -	\$ 7,013	\$ 7,013
Other revenues	-	941	941
Total revenues	-	7,954	7,954
Other financing sources			
Transfers from (to) other funds:			
From General Fund	-	254,483	254,483
To General Fund	(176,945)	(176,945)	-
Total other financing uses	(176,945)	77,538	254,483
Revenues and other sources over (under) expenditures and other uses	(176,945)	85,492	262,437
Fund balance appropriated	176,945	-	(176,945)
Net change in fund balance	\$ -	85,492	\$ 85,492
Fund balance, beginning of year		1,416,570	
Fund balance, end of year		\$ 1,502,062	

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PAYMENT IN LIEU RESERVE FUND
Year Ended June 30, 2011

Schedule 6

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Old Pittsboro - Recreational Area	\$ -	\$ 6,047	\$ 6,047
Investment earnings	-	463	463
Total revenues	<u>-</u>	<u>6,510</u>	<u>6,510</u>
Net change in fund balance	<u>\$ -</u>	6,510	<u>\$ 6,510</u>
Fund balance, beginning of year		<u>143,270</u>	
Fund balance, end of year		<u>\$ 149,780</u>	

**TOWN OF CARRBORO, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011**

Schedule 7

	<u>Grants Administration Fund</u>	<u>Affordable Housing Fund</u>	<u>Energy Efficiency Revolving Loan Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ -	\$ 12,707	\$ 100,125	\$ 112,832
Due from other governments	23,377	-	-	23,377
Notes receivable	-	32,814	-	32,814
	<u>-</u>	<u>32,814</u>	<u>-</u>	<u>32,814</u>
Total assets	<u>\$ 23,377</u>	<u>\$ 45,521</u>	<u>\$ 100,125</u>	<u>\$ 169,023</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 28,736	\$ -	\$ -	\$ 28,736
Deferred revenue	-	32,814	-	32,814
Unearned revenue	68,745	-	-	68,745
	<u>97,481</u>	<u>32,814</u>	<u>-</u>	<u>130,295</u>
Fund balances:				
Restricted				
Stabilization by State Statute	23,377	-	-	23,377
Committed				
Affordable housing	-	12,707	-	12,707
Energy efficiency	-	-	100,125	100,125
Unassigned	(97,481)	-	-	(97,481)
Total fund balances	<u>(74,104)</u>	<u>12,707</u>	<u>100,125</u>	<u>38,728</u>
Total liabilities and fund balances	<u>\$ 23,377</u>	<u>\$ 45,521</u>	<u>\$ 100,125</u>	<u>\$ 169,023</u>

TOWN OF CARRBORO, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011

Schedule 8

	<u>Grants Administration Fund</u>	<u>Affordable Housing Fund</u>	<u>Energy Efficiency Revolving Loan Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Restricted intergovernmental	\$ 113,564	\$ -	\$ -	\$ 113,564
Miscellaneous	-	500	-	500
Interest earnings	20	44	125	189
Total revenues	<u>113,584</u>	<u>544</u>	<u>125</u>	<u>114,253</u>
Expenditures:				
Economic and physical development	100,688	22,138	-	122,826
Total expenditures	<u>100,688</u>	<u>22,138</u>	<u>-</u>	<u>122,826</u>
Revenues over (under) expenditures	<u>12,896</u>	<u>(21,594)</u>	<u>125</u>	<u>(8,573)</u>
Other financing sources (uses)				
Transfer to the Energy Efficiency Revolving Loan Fund	(55,000)	-	-	(55,000)
Transfer from Grants Administration Fund	-	-	55,000	55,000
Transfer from Revolving Loan Fund	-	-	45,000	45,000
Total other financing sources	<u>(55,000)</u>	<u>-</u>	<u>100,000</u>	<u>45,000</u>
Net change in fund balance	(42,104)	(21,594)	100,125	(8,573)
Fund balance, beginning of year	<u>(32,000)</u>	<u>34,301</u>	<u>-</u>	<u>2,301</u>
Fund balance, end of year	<u>\$ (74,104)</u>	<u>\$ 12,707</u>	<u>\$ 100,125</u>	<u>\$ 38,728</u>

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION
AND ACTUAL - GRANTS ADMINISTRATION FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 9

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
U.S. Department of Energy Watershed restoration Southeast Energy Efficiency Alliance	\$ 205,000 75,000	\$ - -	\$ 98,450 6,255	\$ 98,450 6,255	\$ (106,550) (68,745)
U.S. Department of Justice Fingerprinting grant	82,515	70,756	-	70,756	(11,759)
U.S. Department of Health and Human Services Physical activity FIT grant Safe route to school (non-infrastructure)	24,900 12,864	- -	7,714 654	- 7,714 654	- (17,186) (12,210)
Recreational trails program	75,000	-	-	-	(75,000)
Transportation demand management	-	-	491	491	491
Investment earnings	-	-	20	20	20
Total revenues	<u>475,279</u>	<u>70,756</u>	<u>113,584</u>	<u>184,340</u>	<u>(290,939)</u>
Expenditures:					
Watershed restoration	205,000	32,000	87,450	119,450	85,550
Southeast Energy Efficiency Alliance	20,000	-	6,255	6,255	13,745
Fingerprinting	68,315	56,556	-	56,556	11,759
Physical activity	24,900	-	5,825	5,825	19,075
Safe route to school (non-infrastructure)	12,864	-	1,158	1,158	11,706
Recreational trails program	75,000	-	-	-	75,000
Total expenditures	<u>406,079</u>	<u>88,556</u>	<u>100,688</u>	<u>189,244</u>	<u>216,835</u>
Revenue over (under) expenditures	<u>69,200</u>	<u>(17,800)</u>	<u>12,896</u>	<u>(4,904)</u>	<u>(74,104)</u>
Other financing uses					
Transfer to the Energy Efficiency Fund	(55,000)	-	(55,000)	(55,000)	-
Transfer to the General Fund	(14,200)	(14,200)	-	(14,200)	-
	<u>(69,200)</u>	<u>(14,200)</u>	<u>(55,000)</u>	<u>(69,200)</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ (32,000)</u>	<u>(42,104)</u>	<u>\$ (74,104)</u>	<u>\$ (74,104)</u>
Fund balance, beginning of year			<u>(32,000)</u>		
Fund balance, end of year			<u>\$ (74,104)</u>		

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION
AND ACTUAL - AFFORDABLE HOUSING FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 10

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Miscellaneous	\$ -	\$ -	\$ 500	\$ 500	\$ 500
Interest earned	-	376	44	420	420
Total revenue	<u>-</u>	<u>376</u>	<u>544</u>	<u>920</u>	<u>920</u>
Expenditures:					
Deferred loan expense	48,000	14,075	22,138	36,213	11,787
Revenue under expenditures	<u>(48,000)</u>	<u>(13,699)</u>	<u>(21,594)</u>	<u>(35,293)</u>	<u>12,707</u>
Other financing sources					
Transfer from General Fund	48,000	48,000	-	48,000	-
Net changes in fund balance	<u>\$ -</u>	<u>\$ 34,301</u>	<u>(21,594)</u>	<u>\$ 12,707</u>	<u>\$ 12,707</u>
Fund balance, beginning of year			<u>34,301</u>		
Fund balance, end of year			<u>\$ 12,707</u>		

TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - PROJECT AUTHORIZATION
AND ACTUAL - ENERGY EFFICIENCY REVOLVING LOAN FUND
From Project Inception and for the Year Ended June 30, 2011

Schedule 11

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Interest earned	\$ -	\$ -	\$ 125	\$ 125	\$ 125
Total revenue	<u>-</u>	<u>-</u>	<u>125</u>	<u>125</u>	<u>125</u>
Expenditures:					
Economic and physical development	100,000	-	-	-	100,000
Revenues over (under) expenditures	<u>(100,000)</u>	<u>-</u>	<u>125</u>	<u>125</u>	<u>100,125</u>
Other financing sources					
Transfer from Grant Fund	55,000	-	55,000	55,000	-
Transfer from Revolving Loan Fund	45,000	-	45,000	45,000	-
Total other financing sources	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net changes in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>100,125</u>	<u>\$ 100,125</u>	<u>\$ 100,125</u>
Fund balance, beginning of year			<u>-</u>		
Fund balance, end of year			<u>\$ 100,125</u>		

ADDITIONAL FINANCIAL DATA

This section contains additional information on property taxes.

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

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TOWN OF CARRBORO, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2011

Schedule 12

<u>Year of Levy</u>	<u>Uncollected Balance July 1, 2010</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2011</u>
2010-2011	\$ -	\$ 11,792,820	\$ 11,578,630	\$ 214,190
2009-2010	215,714	-	123,989	91,725
2008-2009	33,053	-	23,660	9,393
2008 and prior	275,043	-	114,963	160,080
	523,810	\$ 11,792,820	\$ 11,841,242	475,388
Less allowance for uncollectible accounts	(143,645)			(107,967)
Receivables, net	\$ 380,165			\$ 367,421
Reconciliation of revenues with collections:				
General Fund				\$ 11,361,375
General Fund vehicle license fees				349,389
Total revenues				11,710,764
Reconciling items:				
Adjustments				105,610
Penalties and interest				24,868
				\$ 11,841,242

TOWN OF CARRBORO, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY - TOWN-WIDE LEVY
Year Ended June 30, 2011

Schedule 13

	Town-Wide		Total Levy		
	Property Valuation**	Rate	Total Levy*	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 1,908,388,531	\$ 0.5894	\$ 11,248,042	\$ 10,859,915	\$ 388,127
Motor vehicles taxed at prior year's rate	30,737,530	0.5894	181,167	-	181,167
Penalties and interest	-		3,081	3,081	-
Total property valuation	<u>\$ 1,939,126,061</u>		11,432,290	10,862,996	569,294
Vehicle tag fees			360,530	-	360,530
Total gross levy			11,792,820	10,862,996	929,824
Uncollected taxes at June 30, 2011			214,190	106,394	107,796
Current year's taxes collected			<u>\$ 11,578,630</u>	<u>\$ 10,756,602</u>	<u>\$ 822,028</u>
Current levy collection percentage			<u>98.18%</u>	<u>99.02%</u>	<u>88.41%</u>

* Total adjusted levy includes discoveries and abatements.

** Properly tax valuation prior to the discoveries and abatements.