

DLK

Darrell L. Keller, CPA, PA

TOWN OF BOILING SPRINGS
BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010

FINANCIAL SECTION

Town of Boiling Springs, North Carolina
Table of Contents
June 30, 2010

<u>Exhibit</u>		<u>Page</u>
	Financial Section:	
	Independent Auditor's Report	1-2
	Management's Discussion and Analysis	3-11
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Assets	12
2	Statement of Activities	13
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds	14
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	14
4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
6	Statement of Revenues, Expenditures, and Changes in Fund Balances – Annual Budget and Actual – General and Major Special Revenue Fund	17
7	Statement of Fund Net Assets – Proprietary Funds	18
8	Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	19
9	Statement of Cash Flows – Proprietary Funds	20

<u>Exhibit</u>	<u>Page</u>
Notes to the Financial Statements	21-33
Required Supplemental Financial Data:	
Individual Fund Statements and Schedules:	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	34-36
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Water and Sewer Fund	37-38
Other Schedules:	
Schedule of Ad Valorem Taxes Receivable	39
Analysis of Current Tax Levy – Town-Wide Levy	40

Independent Auditor's Report

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Boiling Springs, North Carolina, as of and for the year ended June 30, 2010, 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 Boiling Springs's management. My responsibility is to express opinions on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Boiling Springs, North Carolina as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on page 3 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. I 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, I did not audit this information and express no opinion on it.

My audit was performed for the purpose of forming an opinion on the basic financial statements that collectively comprise the basic financial statements of the Town of Boiling Springs, North Carolina, taken as a whole. The individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Darrell L Keller, CPA, PA

Darrell L Keller, CPA, PA

October 8, 2010

TOWN OF BOILING SPRINGS, NORTH CAROLINA

Management's Discussion and Analysis

June 30, 2010

As management of the Town of Boiling Springs, we offer readers of the Town of Boiling Springs' financial statements this narrative overview and analysis of the financial activities of the Town of Boiling Springs for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented. All amounts, unless otherwise indicated, are expressed in dollars.

Financial Highlights

- The assets of the Town of Boiling Springs exceeded its liabilities at the close of the most recent fiscal year by \$6,787,612 (*net assets*). Of this amount, \$2,451,375 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$179,354, primarily due to increases in the business-type activities net assets.
- As of the close of the current fiscal year, the Town of Boiling Springs' governmental funds reported combined ending fund balances of \$2,353,132, an increase of \$352,725 in comparison with the prior year. Approximately 58.6 percent of this total amount, or \$1,378,806, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,378,806, or 171.22 % of total general fund expenditures for the fiscal year.

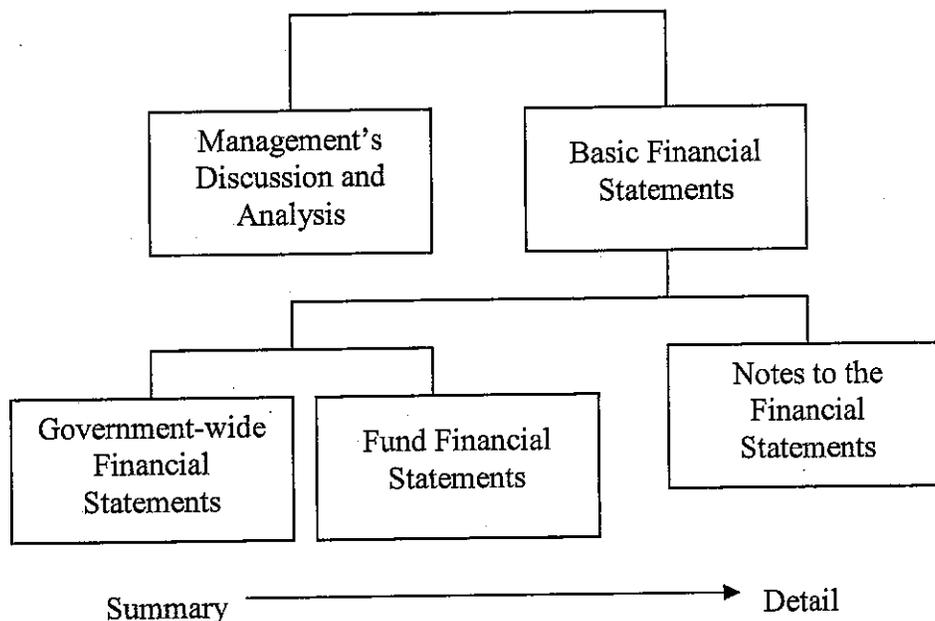
Ab 102.2%

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Boiling Springs' 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 of Boiling Springs.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (pages 13 through 14) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental fund statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

Government-wide Financial Statements

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

The two government-wide statements report the Town's net assets and how they have changed. 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 government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Boiling Springs.

Fund Financial Statements

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

Governmental Fund – 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 the governmental fund. 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*, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The Town of Boiling Springs maintains one governmental fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balance for the General Fund, which is considered to be a major fund.

The Town of Boiling Springs adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format,

language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is show at the end of the budgetary statement.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 22 through 36 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information. Required supplementary information can be found on pages 36 through 41 of this report.

Government-Wide Financial Analysis

Boiling Springs Net Assets

Figure 2

	Governmental		Business-type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Current and other assets	\$2,386,533	\$2,040,752	\$1,004,176	\$ 867,677	\$3,390,709	\$2,908,429
Capital assets	1,140,889	1,468,502	4,558,748	4,708,123	5,699,637	6,176,625
Total assets	<u>3,527,422</u>	<u>3,509,254</u>	<u>5,562,924</u>	<u>5,575,800</u>	<u>9,090,346</u>	<u>9,085,054</u>
Long term liabilities outstanding	-	-	2,224,445	2,416,466	2,224,445	2,416,466
Other liabilities	12,099	14,168	66,190	46,162	78,289	60,330
Total liabilities	<u>12,099</u>	<u>14,168</u>	<u>2,290,635</u>	<u>2,462,628</u>	<u>2,302,734</u>	<u>2,476,796</u>
Net assets:						
Invested in capital assets net of related debt	1,140,889	1,468,502	2,334,303	2,291,657	3,475,192	3,760,159
Restricted	861,045	758,615	-	-	861,045	758,615
Unrestricted	1,513,389	1,267,969	937,986	821,515	2,451,375	2,089,484
Total assets	<u>\$3,515,323</u>	<u>\$3,495,086</u>	<u>\$3,272,289</u>	<u>\$3,113,172</u>	<u>\$6,787,612</u>	<u>\$6,608,258</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 of Boiling Springs exceeded liabilities by \$6,787,612 as of June 30, 2010. The Town's net assets increased by \$179,354 for the fiscal year ended June 30, 2010. However, the largest portion (51.2%) 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 Boiling Springs uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Boiling Springs' 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 of Boiling Springs' net assets (12.69%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,451,375 is unrestricted.

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

- Increased property tax revenue due to marginal Town growth with a tax collection percentage of 97.62%.
- Assets donated to the newly merged Rural Fire Department with a book value of \$280,376.

The Town of Boiling Springs' Changes in Net Assets

Figure 3

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues:						
Program revenues:						
Charges for services	\$ 157,836	\$ 149,186	\$ 1,324,077	\$ 1,323,589	\$ 1,481,913	\$ 1,472,775
Operating grants and contributions	216,890	186,813	-	-	216,890	186,813
Capital grants and contributions					-	-
General revenues:						
Property taxes	780,201	775,020	-	-	780,201	775,020
Other taxes	465,450	299,696	-	-	465,450	299,696
Other	76,449	322,183	44,038	58,241	120,487	380,424
Total revenues	1,696,826	1,732,898	1,368,115	1,381,830	3,064,941	3,114,728
Expenses:						
General government	360,559	366,031	-	-	360,559	366,031
Public safety	912,756	556,512	-	-	912,756	556,512
Transportation	71,018	60,592	-	-	71,018	60,592
Environmental protection	166,411	166,444	-	-	166,411	166,444
Culture and recreation	165,845	127,017	-	-	165,845	127,017
Interest on long-term debt	-	1,461	-	-	-	1,461
Water and sewer	-	-	1,208,998	1,195,197	1,208,998	1,195,197
Total expenses	1,676,589	1,278,057	1,208,998	1,195,197	2,885,587	2,473,254
Increase in net assets	20,237	454,841	159,117	186,633	179,354	641,474
Net assets, beginning of year	3,495,086	3,040,245	3,113,172	2,926,539	6,608,258	5,966,784
Net assets, end of year	\$ 3,515,323	\$ 3,495,086	\$ 3,272,289	\$ 3,113,172	\$ 6,787,612	\$ 6,608,258

Governmental activities: Governmental activities increased the Town's net assets by \$20,237. Key elements of this increase are as follows:

- Assets donated to the newly merged Rural Fire Department with a book value of \$280,376.

Business-type activities: Business-type activities increased the Town of Boiling Springs' net assets by \$159,117.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Boiling Springs. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,378,806, while total fund balance reached \$2,353,132. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 102.21% of total General Fund expenditures, while total fund balance represents 171.22% of that same amount.

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

The actual operating revenues for the General Fund were more than the budget amount by \$85,704. Factors concerning the finances of this fund have already been addressed in the discussion of the Town of Boiling Springs' governmental activities.

Proprietary Fund: The Town of Boiling Springs' proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets at the fiscal year-end in the Water and Sewer Fund were \$937,986. Factors concerning the finances of this fund have already been addressed in the discussion of the Town of Boiling Springs' business-type activities.

Capital Asset and Debt Administration

Capital assets: The Town of Boiling Springs' investment in capital assets for its governmental and business-type activities as of June 30, 2010 totals \$5,699,637 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following disposal:

- The Town donated the assets of the Fire Department to the newly merged Rural Fire Department that had a book value of \$280,376.

The Town of Boiling Springs' Capital Assets

Figure 4

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 297,445	\$ 291,945	\$ 55,472	\$ 33,342	\$ 352,917	\$ 325,287
Buildings and system	209,075	216,361	2,392,564	2,487,803	2,601,639	2,704,164
Machinery and equipment	116,719	176,079	2,091,033	2,158,050	2,207,752	2,334,129
Infrastructure	293,660	301,365	-	-	293,660	301,365
Vehicles and motorized equipment	223,990	482,752	19,679	28,928	243,669	511,680
Total capital assets (net of depreciation)	\$ 1,140,889	\$ 1,468,502	\$ 4,558,748	\$ 4,708,123	\$ 5,699,637	\$ 6,176,625

Additional information on the Town's capital assets can be found in note 4 of the Basic Financial Statements.

Long-term Debt: As of June 30, 2010, the Town of Boiling Springs had total outstanding debt of \$2,224,445 of which \$328,800 is debt backed by the full faith and credit of the Town. The remaining \$1,895,645 is G.S 160A-20 financing that pledges the assets purchased as collateral instead of the taxing authority of the Town.

The Town of Boiling Springs' Outstanding Debt

Figure 5

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Installment purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Revolving Loan Fund	-	-	910,985	946,212	910,985	946,212
BB&T Govt. Finance Center	-	-	893,646	960,643	893,646	960,643
State Revolving Loan Fund	-	-	328,800	411,000	328,800	411,000
State Revolving Loan Fund	-	-	91,024	98,611	91,024	98,611
Total capital assets (net of accumulated depreciation)	\$ -	\$ -	\$ 2,224,455	\$ 2,416,466	\$ 2,224,455	\$ 2,416,466

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 of Boiling Springs is \$19,122,452.

Additional information regarding the Town of Boiling Springs' long-term debt can be found in note 5 of the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town:

- The unemployment rate in the Cleveland County area decreased from 15.4% in June 2009 to 13.1% in June 2010. The statewide average in June 2010 is 10.1%.
- The Town of Boiling Springs' reputation as a family-oriented, quiet town has made the Town a highly desired place to live in the last several years. This has resulted in higher property tax valuations and increased revenues for services provided.

Budget Highlights for Fiscal Year Ending June 30, 2011

Governmental Activities: The governmental fund's primary revenue resource is property taxes. The property tax rate remains \$.29 per \$100. Due to the current economic climate, growth is expected to be minimal. The Town began a series of sidewalk and drainage projects in the year ended June 30, 2008 that is expected to take approximately five years to complete and use approximately \$1,000,000 in Powell Bill funds.

Business-type Activities: The Town of Boiling Springs purchases water from the City of Shelby for resale to town residents. The City of Shelby increased water rates by approximately 12%. To help fund this increase Town increased water rates by 5.0%. In order meet the increasing financial demands of treating wastewater, the Town increased sewer rates by 3%.

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 Officer, Town of Boiling Springs, P.O. Box 1014, Boiling Springs, NC 28017-1014.

Basic Financial Statements

Town of Boiling Springs, North Carolina
Statement of Net Assets
June 30, 2010

	Primary Government			Boiling Springs Tourism Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,321,750	\$ 821,910	\$ 3,143,660	\$ 34,528
Taxes receivables (net)	21,302	-	21,302	-
Accounts receivable (net)	-	172,554	172,554	-
Due from other governments	32,861	-	32,861	1,240
Prepaid Assets	10,620	9,712 ✓	20,332	-
Total current assets	2,386,533	1,004,176 ✓	3,390,709	35,768
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	274,845	33,342 ✓	308,187	-
Construction In Progress	22,600	22,130 ✓	44,730	-
Other capital assets, net of depreciation	843,444	4,503,276 ✓	5,346,720	-
Total capital assets	1,140,889	4,558,748	5,699,637	-
Total assets	\$ 3,527,422	\$ 5,562,924	\$ 9,090,346	\$ 35,768
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 12,099	\$ 33,125	\$ 45,224	\$ -
Customer deposits	-	33,065	33,065	-
Long-term liabilities:				
Due within one year	-	194,069	194,069	-
Due in more than one year	-	2,030,376	2,030,376	-
Total liabilities	12,099	2,290,635	2,302,734	-
NET ASSETS				
Invested in capital assets, net of related debt	1,140,889	2,334,303	3,475,192	-
Restricted for:				
Streets	861,045	-	861,045	-
Unrestricted	1,513,389	937,986	2,451,375	35,768
Total net assets	\$ 3,515,323	\$ 3,272,289	\$ 6,787,612	\$ 35,768

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

Exhibit 2

Town of Boiling Springs, North Carolina
Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 360,559	\$ -	\$ -	\$ -	\$ (360,559)	\$ -	(360,559)
Public safety	912,756	-	34,243	-	(878,513)	-	(878,513)
Transportation	71,018	-	116,960	-	45,942	-	45,942
Environmental protection	166,411	157,836	-	-	(8,575)	-	(8,575)
Cultural and recreation	165,845	-	65,687	-	(100,158)	-	(100,158)
Interest on long-term debt	-	-	-	-	-	-	-
Total governmental activities (See Note 1)	1,676,589	157,836	216,890	-	(1,301,863)	-	(1,301,863)
Business-type activities:							
Water and sewer	1,208,988	1,324,077	-	-	115,079	115,079	115,079
Total business-type activities	1,208,988	1,324,077	-	-	115,079	115,079	115,079
Total primary government	\$ 2,885,587	\$ 1,481,913	\$ 216,890	\$ -	(1,301,863)	115,079	(1,186,784)
Component unit:							
Tourism Development Authority	\$ 3,118	-	-	-	-	-	(3,118)
Total component unit	\$ 3,118	\$ -	\$ -	\$ -	\$ -	\$ -	(3,118)
General revenues:							
Taxes:							
Property taxes, levied for general purpose				780,201	-	-	780,201
Other taxes				465,450	-	-	465,450
Unrestricted investment earnings				35,087	8,421	-	43,508
Miscellaneous				41,362	35,917	-	76,979
Total general revenues and transfers				1,322,100	44,038	-	1,366,138
Change in net assets				20,237	159,117	-	179,354
Net assets, beginning				3,495,086	3,113,172	-	6,608,258
Net assets, ending				\$ 3,515,323	\$ 3,272,289	\$ -	\$ 6,787,612

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

Town of Boiling Springs
 Balance Sheet
 Governmental Fund
 June 30, 2010

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 2,321,750 ✓ .14
Receivables, net:	
Taxes	21,302 ✓ .10
Accounts	-
Due from other governments	32,861 ✓ 32852.21
Prepaid Expenses	10,620 ✓ .15
Total assets	<u>\$ 2,386,533</u> ✓ 2386531.60
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued liabilities	\$ 12,099 ✓ .80
Due to other funds	-
Deferred revenue	21,302 ✓ .10
Total liabilities	<u>33,401</u> ✓ 96 ✓
Fund balances:	
Reserved for:	
State statute	32,861
Prepaid Expenses	10,620 ✓ .15
Capital Projects	69,800 ✓ 100
Streets-Powell bill	861,045 ✓ .05
Unreserved, General Fund	1,378,806
Total fund balances	<u>2,353,132</u> ✓ 1378803.44
Total liabilities and fund balances	<u>\$ 2,386,533</u>

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,140,889
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	-
Liabilities for earned but deferred revenues in fund statements.	21,302
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds (Note 4).	-
Net assets of governmental activities	<u>\$ 3,515,323</u>

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

Town of Boiling Springs
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2010

	<u>General Fund</u>
REVENUES	
Ad valorem taxes	\$ 785,076
Other taxes and licenses	275,765
Unrestricted intergovernmental	189,685
Restricted intergovernmental	216,890
Permits and fees	199,198
Investment earnings	35,087
Total revenues	<u>1,701,701</u>
EXPENDITURES	
Current:	
General government	350,615
Public safety	619,097
Transportation	64,810
Environmental protection	154,449
Culture and recreation	160,005
Total expenditures	<u>1,348,976</u>
Excess (deficiency) of revenues over expenditures	<u>352,725</u>
OTHER FINANCING SOURCES (USES)	
Transfers from other funds	-
Transfers to other funds	-
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	352,725
Fund balances, beginning	2,000,407
Fund balances, ending	<u>\$ 2,353,132</u>

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

**Town of Boiling Springs
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2009**

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

Net changes in fund balances - total governmental funds	\$ 352,725
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period	(47,237)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred revenue for tax revenues	(4,875)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	-
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.	
Book value of Fire Department Assets Donated	(280,376)
Total changes in net assets of governmental activities	<u>\$ 20,237</u>

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

General Fund				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	765,471	765,471	785,076	19,605
Other taxes and licenses	269,234	269,234	275,765	6,531
Unrestricted intergovernmental	186,172	186,172	189,685	3,513
Restricted intergovernmental	201,720	201,720	216,890	15,170
Permits and fees	158,400	168,400	199,198	30,798
Investment earnings	25,000	25,000	35,087	10,087
Total revenues	1,605,997	1,615,997	1,701,701	85,704
Expenditures:				
Current:				
General government	443,709	391,258	350,615	40,643
Public safety	659,939	659,939	619,097	40,842
Transportation	154,397	154,397	64,810	89,587
Environmental protection	198,762	167,263	154,449	12,814
Cultural and recreation	149,190	160,689	160,005	684
Total expenditures	1,605,997	1,533,546	1,348,976	184,570
Revenues over (under) expenditures	-	82,451	352,725	270,274
Other financing sources (uses):				
Fund Balance Appropriated	-	-	-	-
Transfer to Capital Reserve	-	(82,451)	-	-
Capital lease obligations issued	-	-	-	-
Total other financing sources (uses)	-	(82,451)	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	352,725	\$ 270,274
Fund balances, beginning			2,000,407	
Fund balances, ending			\$ 2,353,132	

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

**Town of Boiling Springs
Statement of Net Assets
Proprietary Fund
June 30, 2010.**

	Water and Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 821,910
Accounts receivable (net) - billed	108,722
Accounts receivable (net) - unbilled	63,832
Due from other governments	-
Prepaid Expenses	9,712
Total current assets	1,004,176
Capital assets:	
Land and other non-depreciable assets	33,342
Construction In Progress	22,130
Other capital assets, net of depreciation	4,503,276
Capital assets (net)	4,558,748
Total noncurrent assets	4,558,748
Total assets	\$ 5,562,924 ✓
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	33,125 ✓
Customer deposits	33,065 ✓
Compensated absences - current	-
General obligation bonds payable-current	51,716 ✓
State Revolving Loan Fund Payable-Current	142,353 ✓
Total current liabilities	260,259
Noncurrent liabilities:	
Compensated absences	-
General obligation bonds payable-noncurrent (net)	859,269 ✓
State Revolving Loan Fund	1,171,107 ✓
Total noncurrent liabilities	2,030,376
Total liabilities	2,290,635
NET ASSETS	
Invested in capital assets, net of related debt	2,334,303
Unrestricted	937,986
Total net assets	\$ 3,272,289

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

TOWN OF BOILING SPRINGS, NORTH CAROLINA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN NET ASSETS
 WATER AND SEWER FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	WATER AND SEWER FUND	
	June 30, 2010	June 30, 2009
OPERATING REVENUES		
Water and Sewer Charges	\$ 1,290,883	\$ 1,283,328
Water and Sewer Taps	33,194	40,261
Total Operating Income	1,324,077	1,323,589
OPERATING EXPENSES		
Salaries	236,729	244,284
Utilities	67,375	63,540
Repairs and Maintenance	36,987	20,511
Materials and Supplies	87,842	83,475
Retirement	22,830	25,132
Social Security	17,736	18,280
Group Insurance	43,278	41,494
Uniforms	5,792	5,474
Gas	10,354	11,303
Contracted and Professional Service	359,345	354,482
Depreciation	245,553	246,263
Total Operating Expenses	1,133,821	1,114,238
Operating Income (Loss)	190,256	209,351
NON-OPERATING REVENUES (EXPENSES)		
Miscellaneous Revenues	35,617	46,823
Investment Earnings	8,421	11,418
Interest on Long Term Debt	(75,177)	(80,959)
Total Non-Operating Revenues (Expenses)	(31,139)	(22,718)
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	159,117	186,633
OPERATING TRANSFERS IN (OUT)	-	-
TRANSFER TO CAPITAL PROJECT FUND	-	-
CHANGE IN NET ASSETS	159,117	186,633
TOTAL NET ASSETS, BEGINNING	3,113,172	2,926,539
TOTAL NET ASSETS, ENDING	\$ 3,272,289	\$ 3,113,172

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

TOWN OF BOILING SPRINGS, NORTH CAROLINA
 WATER AND SEWER FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

EXHIBIT 9

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 1,313,577	\$ 1,290,163
Cash Paid for Goods and Services	(636,220)	(586,774)
Cash Paid to Employees	(236,729)	(244,284)
Customer Deposits - Net	1,545	(1,953)
Net Cash Provided by Operating Activities	442,173	457,152
CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES:		
Rural Center Grant	-	-
Cash from Miscellaneous Revenues	35,617	46,821
Net Cash Provided By Noncapital Financing	35,617	46,821
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Debt Proceeds	-	-
Acquisition of Capital Assets	(96,178)	(88,654)
Principal Paid	(192,021)	(190,037)
Interest Paid	(75,177)	(80,959)
Net Cash Used for Capital and Related Financing Activities	(363,376)	(359,650)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on Investments	8,421	11,418
Net Increase (Decrease) in Cash and Cash Equivalents	122,835	155,741
Cash and Cash Equivalents at Beginning of Year	699,075	543,334
Cash and Cash Equivalents at End of Year	\$ 821,910	\$ 699,075
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 190,256	\$ 209,351
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	245,553	246,263
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable and Accrued Interest	(10,500)	6,835
(Increase) Decrease in Due From Other Governments	-	-
(Increase) Decrease in Prepaid Assets	(3,164)	(4,237)
Increase (Decrease) in Accounts Payable	18,483	893
Increase (Decrease) in Customer Deposits	1,545	(1,953)
Total Adjustments	6,364	1,538
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 442,173	\$ 457,152

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

Town of Boiling Springs, North Carolina

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2010

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Boiling Springs and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

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

Boiling Springs Tourism Development Authority

The members of the Authority's governing board are appointed by the Town. The Authority, which has a June 30 year end, is presented as a governmental fund (discrete presentation). Complete financial statements may be obtained at Town of Boiling Springs, P O Box 1014, Boiling Springs, NC 28017-1014.

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. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a 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. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The Town reports the following major governmental fund:

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

The Town reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange 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.

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

The 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 current 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, Cleveland 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 Boiling Springs. 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 Cleveland County from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues. For vehicles registered under the annual system, taxes are due on May 1 of each year. For those vehicles registered and billed under the annual system, uncollected taxes are reported as a receivable on the financial statements and are offset by deferred revenues because the due date and the date upon which interest begins to accrue passed prior to June 30. The taxes for vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2010 because they are intended to finance the Town's operations during the 2011 fiscal year.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the 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.

As permitted by generally accepted accounting principles, 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, the Emergency Telephone Special Revenue Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Grant Projects Special Revenue Fund, the Capital Projects Fund, and the Enterprise Fund Capital Projects Funds, which are consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the Town and the Authority are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may and the Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina.

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

The Town's and the Authority's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, the Town and the Authority consider that all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. 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, 2009. 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.

4. Allowances for Doubtful Accounts

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

5. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of three years. The minimum capitalization costs are \$500. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	39
Improvements	39
Vehicles	5
Furniture and equipment	10
Computer equipment	3

6. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to 240 hours of earned vacation leave with such leave being fully vested when earned. All hours accumulated above this level are converted to sick time. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a 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 does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

8. Net Assets/Fund Balances

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on

resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

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

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

The governmental fund types classify fund balances as follows:

Reserved:

Reserved for Capital Projects-portion of fund balance that is available for appropriation but is legally segregated for future capital expenditures.

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

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

Unreserved:

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

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

II. Stewardship, Compliance, and Accountability

A. Material Violations of Finance-Related Legal and Contractual Provisions

1. No material violations noted.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town and the Authority 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 or the Authority's agents in the units' 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 and the Authority, these deposits are considered to be held by the Town's and the Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, the Authority, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and the Authority under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town and the Authority have no policy regarding custodial credit risks for deposits.

At June 30, 2010, the Town's deposits had a carrying amount of \$3,143,460 and a bank balance of \$3,222,788. Of the bank balance, \$397,168 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2010, the Town's petty cash fund totaled \$200. The Authority's deposits had a carrying amount of \$34,528 and a bank balance amount of \$34,591.

2. Receivables - Allowances for Doubtful Accounts

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

<u>Fund</u>	<u>6/30/2010</u>
General fund:	
Taxes Receivable	\$ 8,638
Accounts Receivable	-
Total	<u>\$ 8,638</u>
Enterprise Funds	35,176
Total	<u>\$ 43,814</u>

3. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 274,845	\$ -	\$ -	\$ 274,845
Construction in progress	17,100	5,500	-	22,600
Total capital assets not being depreciated	291,945	5,500	-	297,445
Capital assets being depreciated:				
Buildings	380,616	-	-	380,616
Equipment	347,894	21,709	117,254	252,349
Vehicles and motorized equipment	1,160,515	25,522	574,318	611,719
Infrastructure	308,203	-	-	308,203
Total capital assets being depreciated	2,197,228	47,231	691,572	1,552,887
Less accumulated depreciation for:				
Buildings	164,255	7,286	-	171,541
Equipment	171,815	41,421	77,606	135,630
Vehicles and motorized equipment	677,763	43,556	333,590	387,729
Infrastructure	6,838	7,705	-	14,543
Total accumulated depreciation	1,020,671	99,968	411,196	709,443
Total capital assets being depreciated, net	1,176,557			843,444
Governmental activity capital assets, net	\$ 1,468,502			\$ 1,140,889

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

General Government	\$ 15,136 ✓
Public Safety	55,322
Transportation	11,708 ✓
Environmental protection	11,962 ✓
Cultural and recreational	5,840 ✓
Total depreciation expense	<u>\$ 99,968</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciate:				
Land	\$ 33,342	\$ -	\$ -	\$ 33,342
Construction in Progress	-	22,130	-	22,130
Total capital assets not being depreciated	33,342	22,130	-	55,472
Capital assets being depreciated:				
Water lines & Equipment	4,513,422	74,048	-	4,587,470
Clean Water Facility	1,020,720	-	-	1,020,720
Waste Water Treatment Plant	2,512,170	-	-	2,512,170
Vehicles	79,206	-	-	79,206
Total capital assets being depreciated	8,125,518	74,048	-	8,199,566
Less accumulated depreciation for:				
Water lines & Equipment	2,355,372	141,065	-	2,496,437
Clean Water Facility	564,092	25,595	-	589,687
Waste Water Treatment Plant	480,995	69,644	-	550,639
Vehicles	50,278	9,249	-	59,527
Total accumulated depreciation	3,450,737	245,553	-	3,696,290
Total capital assets being depreciated, net	4,674,781			4,503,276
Water and Sewer fund capital assets, net	\$ 4,708,123			\$ 4,558,748

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The 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 4.94% and 4.86%, respectively, of annual covered payroll. The contribution requirements of members and of the Town of Boiling Springs is established and may be amended by the North Carolina General Assembly. The Town's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were \$35,016, \$35,779, and \$33,381, respectively. The contributions made by the Town equaled the required contributions for each year.

b. Law Enforcement Officers Special Separation Allowance

1. *Plan Description.*

The Town of Boiling Springs 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 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>8</u>
Total	<u>10</u>

A separate report was not issued for the plan.

2. *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.

3. *Contributions.*

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 Law Enforcement Officers' Special Separation Allowance is a defined benefit pension plan. The Town has not obtained an actuarial valuation for the plan because its required contributions are considered immaterial. The Town funds the plan when the benefit payments are due and records these payments as General Fund Expenditures.

C. Supplemental Retirement Income Plan for Law Enforcement Officers

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.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2010 were \$15,801, which consisted of \$10,837 from the Town and \$4,964 from the law enforcement officers.

The Town has elected to contribute to the Supplemental Retirement Income for general employees as well as for law enforcement officers. Contributions for the year ended June 30, 2010 for general employees were \$31,527 which consisted of \$23,883 from the Town and \$7,644 from the general employees.

2. Deferred Revenues

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

	<u>Deferred Revenue</u>
Prepaid taxes (General Fund)	\$ -
Taxes receivable (General Fund)	<u>21,302</u>
Total	<u><u>\$ 21,302</u></u>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance to cover property, general liability and auto liability. Limits are \$ 1 million per occurrence, workmen's compensation of \$ 100,000 per accident and employee health coverage up to a \$ 1 million lifetime limit. Settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years. The Town does not have flood insurance. The finance officer is covered by a \$50,000 fidelity bond.

4. Claims, Judgments and Contingent Liabilities

At June 30, 2010, the Town was not involved in any lawsuits.

5. Long-Term Obligations

a. General Obligation Indebtedness

General obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

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

General Obligation Bonds

Serviced by the Water and Sewer Fund:

BB&T Governmental Finance Center

\$1,200,500 loan due in semi-annual installments of \$44,271 with interest at 4.10%. There is a balloon payment due at December 23, 2018 of \$396,629 910,985

State Revolving Loan Fund

Loan due in annual installments of \$52,567 plus interest at 2.305% through May 2027. 893,646

Loan due in annual installments of \$82,200 through May 1, 2014 plus interest at 2.910%. 328,800

\$151,706 loan due in annual installments of \$7,585 through May 1, 2022 plus interest at 2.57%. 91,024

\$2,224,445

At June 30, 2010, the Town of Boiling Springs had a legal debt margin of \$19,122,452.

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

Year Ending June 30	Business-type Activities	
	Principal	Interest
2011	\$ 194,068	\$ 69,332
2012	196,210	63,391
2013	198,441	57,361
2014	200,764	51,240
2015	120,984	45,022
2016-2020	930,838	131,905
2021-2025	278,009	30,877
2026-2028	105,131	3,635
Total	<u>\$ 2,224,445</u>	<u>\$ 452,763</u>

f. Changes in Long-Term Liabilities

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010	Current Portion of Balance
Governmental activities:					
Installment purchase	\$ -	\$ -	\$ -	\$ -	\$ -
Governmental activity long-term liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Business-type activities:					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
BB&T Governmental Finance Center	960,643	-	49,669	910,974	51,716
State Revolving Loan Fund	411,000	-	82,200	328,800	82,200
State Revolving Loan Fund	946,212	-	52,567	893,645	52,568
State Revolving Loan Fund	98,611	-	7,585	91,026	7,585
Business-type activity long-term liabilities	\$ 2,416,466	\$ -	\$ 192,021	\$ 2,224,445	\$ 194,069

During the fiscal year ended June 30, 2004, the Town refinanced \$1,185,500 of general obligation bonds through BB&T Governmental Finance Center. This was a non-cash transaction and qualified as G.S. 160A-20 financing that pledges the assets as collateral instead of the taxing authority of the Town.

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

Fire Department

During the current year the Town Fire Department merged with the Rural Fire Department. As a result, the Town donated all of the fire department assets with a net book value of \$280,376 to the new fire department. The Town then contracted with the new fire department to provide fire protection to the Town for \$91,500 for the year ending June 30, 2011, and after that the amount will be based on Cleveland County's countywide fire tax rate.

Supplementary Statements

This section contains additional statements required by the Local Government Commission in North Carolina.

TOWN OF BOILING SPRINGS, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

SCHEDULE 1

	June 30, 2010		VARIANCE FAVORABLE (UNFAVORABLE)	6/30/2009 ACTUAL
	BUDGET	ACTUAL		
REVENUES				
Advalorem Taxes:				
Current Year	\$ 751,071	\$ 755,406	\$ 4,335	\$ 747,601
Prior Years	14,000	26,049	12,049	18,978
Discounts & Interest-Net	400	3,621	3,221	4,914
Total	<u>765,471</u>	<u>785,076</u>	<u>19,605</u>	<u>771,493</u>
Other Taxes & Licenses:				
Local Option Sales Tax	267,234	273,402	6,168	297,631
Privilege License	2,000	2,363	363	2,065
Total	<u>269,234</u>	<u>275,765</u>	<u>6,531</u>	<u>299,696</u>
Unrestricted Intergovernmental Revenue:				
Franchise Tax	186,172	189,685	3,513	182,318
Restricted Intergovernmental Revenue:				
Grants	94,823	99,930	5,107	20,553
"State Street Aid" Allocation	106,897	116,960	10,063	166,260
	<u>201,720</u>	<u>216,890</u>	<u>15,170</u>	<u>186,813</u>
Permits, fees, other receipts:				
Court Fees	6,500	9,473	2,973	9,130
Zoning	2,000	840	(1,160)	2,145
Waste Fees	140,000	157,836	17,836	149,186
Other	19,900	31,049	11,149	81,826
Total	<u>168,400</u>	<u>199,198</u>	<u>30,798</u>	<u>242,287</u>
Investment Earnings:				
Interest-General Fund	17,000	23,918	6,918	27,703
Interest-Powell Bill	8,000	11,169	3,169	19,061
Total	<u>25,000</u>	<u>35,087</u>	<u>10,087</u>	<u>46,764</u>
TOTAL REVENUES	<u>\$ 1,615,997</u>	<u>\$ 1,701,701</u>	<u>\$ 85,704</u>	<u>\$ 1,729,371</u>

TOWN OF BOILING SPRINGS, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

SCHEDULE 1

	June 30, 2010		VARIANCE FAVORABLE (UNFAVORABLE)	6/30/2009 ACTUAL
	BUDGET	ACTUAL		
EXPENDITURES:				
General Government:				
Operating Expenses	\$ 73,900	\$ 43,379	\$ 30,521	\$ 46,106
Dues	13,500	13,575	(75)	14,365
Professional Services	15,000	13,751	1,249	16,645
Total	<u>102,400</u>	<u>70,705</u>	<u>31,695</u>	<u>77,116</u>
Administration:				
Salaries	172,047	172,260	(213)	168,024
Operating Expenses	2,500	1,263	1,237	2,128
Social Security	13,162	12,705	457	12,188
Retirement	16,315	16,268	47	16,412
Capital Outlay	5,200	5,192	8	41,926
Group Insurance	17,534	17,446	88	15,604
General Insurance	50,100	43,292	6,808	43,659
Total	<u>276,858</u>	<u>268,426</u>	<u>8,432</u>	<u>299,941</u>
Public Buildings:				
Operating Expenses	3,000	2,693	307	3,676
Utilities	9,000	8,791	209	8,759
Total	<u>12,000</u>	<u>11,484</u>	<u>516</u>	<u>12,435</u>
TOTAL GENERAL GOVERNMENT	<u>\$ 391,258</u>	<u>\$ 350,615</u>	<u>\$ 40,643</u>	<u>\$ 389,492</u>
Public Safety:				
Police:				
Salaries	277,035	289,631	(12,596)	269,743
Capital Outlay	44,500	42,038	2,462	123,705
Operating Expenses	194,839	163,827	31,012	164,331
Total	<u>516,374</u>	<u>495,496</u>	<u>20,878</u>	<u>557,779</u>
Fire:				
Capital Outlay	1,000	-	1,000	91,870
Operating Expenses	142,565	123,601	18,964	62,514
Total	<u>143,565</u>	<u>123,601</u>	<u>19,964</u>	<u>154,384</u>
TOTAL PUBLIC SAFETY	<u>\$ 659,939</u>	<u>\$ 619,097</u>	<u>\$ 40,842</u>	<u>\$ 712,163</u>
Transportation:				
Operating Expenses	39,500	39,111	389	38,051
Street Repair-Powell Bill	114,897	25,699	89,198	296,291
Total	<u>154,397</u>	<u>64,810</u>	<u>89,587</u>	<u>334,342</u>

TOWN OF BOILING SPRINGS, NORTH CAROLINA
GENERAL FUND

SCHEDULE 1

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	June 30, 2010		VARIANCE FAVORABLE (UNFAVORABLE)	6/30/2009
	BUDGET	ACTUAL		ACTUAL
Environmental Protection:				
Salaries - Sanitation	\$ 71,163	\$ 61,725	\$ 9,438	\$ 60,019
Operating Expenses	53,100	47,674	5,426	54,536
Waste Fees	43,000	42,747	253	39,957
Capital Outlay	-	2,303	(2,303)	423
Total	<u>167,263</u>	<u>154,449</u>	<u>12,814</u>	<u>154,935</u>
Recreation:				
Salaries	78,009	71,433	6,576	53,440
Operating Expenses	82,680	88,572	(5,892)	68,547
Capital Outlay	-	-	-	5,438
	<u>160,689</u>	<u>160,005</u>	<u>684</u>	<u>127,425</u>
TOTAL EXPENDITURES	<u>1,533,546</u>	<u>1,348,976</u>	<u>184,570</u>	<u>1,718,357</u>
REVENUES OVER (UNDER) EXPENDITURES	82,451	352,725	270,274	11,014
OTHER FINANCING SOURCES				
Fund Balance Appropriated	-	-	-	-
Transfer to Water & Sewer Fund	-	-	-	-
Transfer to Capital Reserve	<u>(82,451)</u>	<u>-</u>	<u>(82,451)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	352,725	<u>\$ 352,725</u>	11,014
FUND BALANCE				
Beginning of Year, July 1		2,000,407		1,989,393
End of Year, June 30		<u>\$2,353,132</u>		<u>\$ 2,000,407</u>

TOWN OF BOILING SPRINGS, NORTH CAROLINA
WATER AND SEWER FUND

Schedule 2

STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	June 30, 2010		Variable Favorable (Unfavorable)	06/30/09 Actual
	Budget	Actual		
OPERATING REVENUES				
Water & Sewer Charges	\$ 1,284,000	\$ 1,290,883	\$ 6,883	\$ 1,283,328
Water & Sewer Taps	26,800	33,194	6,394	40,261
Total Operating Revenue	<u>1,310,800</u>	<u>1,324,077</u>	<u>13,277</u>	<u>1,323,589</u>
NON OPERATING REVENUES				
Transfer from General Fund	-	-	-	-
Fund Balance Appropriated	-	-	-	-
Interest Income	8,000	8,421	421	11,418
Miscellaneous	36,450	35,617	(833)	46,823
TOTAL REVENUES	<u>\$ 1,355,250</u>	<u>\$ 1,368,115</u>	<u>\$ 12,865</u>	<u>\$ 1,381,830</u>
OPERATING EXPENDITURES				
Salaries	\$ 247,521	\$ 236,729	\$ 10,792	\$ 244,284
Social Security	19,028	17,736	1,292	18,280
Retirement	24,798	22,830	1,968	25,132
Group Insurance	44,324	43,278	1,046	41,494
Utilities	67,000	67,375	(375)	63,540
Repairs & Maintenance	36,800	36,987	(187)	20,511
Materials & Supplies	38,300	36,222	2,078	36,926
Uniforms	5,800	5,792	8	5,474
Gas	10,000	10,354	(354)	11,303
Contracted Services	396,450	359,345	37,105	354,482
Insurance	24,700	24,626	74	19,958
Telephone & Postage	20,900	19,785	1,115	19,753
Travel and Training	2,500	65	2,435	525
Miscellaneous	7,500	7,144	356	6,313
Total Operating Expenditures	<u>945,621</u>	<u>888,268</u>	<u>57,353</u>	<u>867,975</u>
OTHER EXPENDITURES				
Transfer to Capital Reserve	22,287	-	22,287	-
Transfer to Capital Project Fund	-	-	-	-
Contingency	20,000	-	20,000	-
Capital Outlay	100,200	96,178	4,022	88,654
Debt Interest	76,000	75,177	823	80,959
Debt Principle	191,142	192,022	(880)	190,037
Total Other Expenditures	<u>409,629</u>	<u>363,377</u>	<u>46,252</u>	<u>359,650</u>
TOTAL EXPENDITURES	<u>\$ 1,355,250</u>	<u>\$ 1,251,645</u>	<u>\$ 103,605</u>	<u>\$ 1,227,625</u>

TOWN OF BOILING SPRINGS, NORTH CAROLINA
WATER AND SEWER FUND
STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON GAAP)
FOR THE YEAR ENDED JUNE 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

Schedule 2

Note: Prepared on the budgetary basis which is modified accrual.

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS

Total Revenues from page 1 of 2	\$ 1,368,115
Total Expenditures from page 1 of 2	<u>1,251,645</u>
Excess Revenues over (under) Expenditures	116,470
Depreciation	(245,553)
Transfer to Capital Project	-
Principle Payment on Debt	192,022
Capital Outlay	<u>96,178</u>
Net Income (Loss) at Exhibit 8	<u><u>\$ 159,117</u></u>

Other Schedules

This section contains additional information required on property taxes.

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

TOWN OF BOILING SPRINGS, NORTH CAROLINA
 SCHEDULE OF TAXES RECEIVABLE
 FISCAL YEAR ENDED JUNE 30, 2010

SCHEDULE 3

	<u>Balance 7/1/2009</u>	<u>2009 Levy</u>	<u>Collections</u>	<u>Discoveries Adjustments</u>	<u>Balance 6/30/2010</u>
1999 Levy	\$ 705		\$ -	\$ (705)	\$ -
2000 Levy	613		128	-	485
2001 Levy	740		44	-	696
2002 Levy	803		106	-	697
2003 Levy	1,783		963	-	820
2004 Levy	2,060		1,197	-	863
2005 Levy	2,524		1,499	(25)	1,000
2006 Levy	3,351		2,084	(55)	1,212
2007 Levy	4,508		2,487	(109)	1,912
2008 Levy	21,525		17,541	(148)	3,836
2009 Levy	-	<u>773,825</u>	<u>755,406</u>		<u>18,419</u>
Totals	<u>\$ 38,612</u>	<u>\$773,825</u>	<u>\$ 781,455</u>	<u>\$ (1,042)</u>	<u>\$ 29,940</u>
					<u>8,638</u>
					<u>\$ 21,302</u>

Less: Allowance for uncollectible accounts
 Ad Valorem taxes receivable - net

Adjustments are to write off old taxes and adjust remaining balances to actual per reconciliations.

Reconciliation with revenues:	
Ad valorem taxes - general fund	\$ 785,076
Reconciling items:	
Interest collected	(5,656)
Discounts allowed	2,035
Total Collections	<u>\$ 781,455</u>

TOWN OF BOILING SPRINGS, NORTH CAROLINA
 ANALYSIS OF CURRENT TAX LEVY
 TOWN WIDE LEVY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SCHEDULE 4

	<u>Town Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxed at current year's rate	\$ 266,836,207	\$ 0.29	\$ 773,825	\$ 685,532	\$ 88,293
Discoveries:					
Current year taxes	-	0.29	-	-	-
Prior year taxes	-	-	-	-	-
Total	<u>266,836,207</u>	<u>0.29</u>	<u>773,825</u>	<u>685,532</u>	<u>88,293</u>
Abatements	-		-	-	-
Total property valuation	<u><u>\$ 266,836,207</u></u>				
Net Levy			773,825	685,532	88,293
Uncollected taxes at June 30, 2010			<u>18,419</u>	<u>10,965</u>	<u>7,454</u>
Current year's taxes collected			<u><u>\$ 755,406</u></u>	<u><u>\$ 674,567</u></u>	<u><u>\$ 80,839</u></u>
Current levy collection percentage			<u><u>97.62%</u></u>	<u><u>98.40%</u></u>	<u><u>91.56%</u></u>