

TOTAL BUDGET - ALL FUNDS

| | FY 07/08 Revised | FY 08/09 Adopted | % Change |
|--|-------------------------|-------------------------|----------------|
| Fund #10 - General Fund | 58,901,363.00 | 57,371,947.00 | -2.60% |
| Fund #17 - Marketing/Communications Fund | 182,827.00 | 125,296.00 | -31.47% |
| Fund #19 - Technology Support Fund | 76,847.00 | 31,500.00 | -59.01% |
| Fund #21 - Community Development Fund | 1,663,804.00 | 712,451.00 | -57.18% |
| Fund #22 - CD - 108 Loan-Downtown Fund | 1,110,341.00 | 23,000.00 | -97.93% |
| Fund #23 - CD - Rehab Fund | 156,482.00 | 33,866.00 | -78.36% |
| Fund #24 - CD - Home Investment Trust Fund | 1,850,454.00 | 853,424.00 | -53.88% |
| Fund #25 - 108 Loan - Neighborhood Revitalization Fund | 321,011.00 | 11,300.00 | -96.48% |
| Fund #26 - 108 Loan - Economic Development Fund | 780,902.00 | 29,000.00 | -96.29% |
| Fund #27 - CD - Economic Development Fund | 948.00 | 0.00 | -100.00% |
| Fund #28 - Occupancy Tax Fund | 500,000.00 | 550,000.00 | 10.00% |
| Fund #29 - Uptown Municipal Services District Fund | 123,010.00 | 123,801.00 | 0.64% |
| Fund #30 - Water & Sewer Enterprise Fund | 29,525,408.00 | 28,972,660.00 | -1.87% |
| Fund #31 - Electric Enterprise Fund | 63,284,396.00 | 65,034,905.00 | 2.77% |
| Fund #32 - Transit System Enterprise Fund | 2,395,413.00 | 2,414,010.00 | 0.78% |
| Fund #33 - Municipal Golf Enterprise Fund | 1,458,974.00 | 1,456,172.00 | -0.19% |
| Fund #36 - Stormwater Utility Fund | 2,209,513.00 | 2,117,705.00 | -4.16% |
| Fund #37 - Power Agency Settlement Fund | 1,625,395.00 | 520,039.00 | -68.01% |
| Fund #42 - Water & Sewer Capital Expansion & Development | 1,125,700.00 | 1,100,000.00 | -2.28% |
| Fund #44 - Airport Capital Projects | 1,056,639.00 | 0.00 | -100.00% |
| Fund #51 - Water & Sewer Renewal & Replacement | 1,453,253.00 | 1,413,133.00 | -2.76% |
| Fund #52 - Electric Renewal & Replacement | 951,869.00 | 1,057,160.00 | 11.06% |
| Fund #62 - Water & Sewer Capital Projects Fund | 8,319,566.00 | 1,200,000.00 | -85.58% |
| Fund #63 - Street Capital Projects Fund | 2,842,400.00 | 35,000.00 | -98.77% |
| Fund #64 - Developer Sidewalks Fund | 19,891.00 | 0.00 | -100.00% |
| Fund #68 - Health Self-Insurance Fund | 7,252,734.00 | 7,145,268.00 | -1.48% |
| Fund #69 - Insurance Capital Reserve Fund | 134,500.00 | 134,500.00 | 0.00% |
| Fund #70 - Dental Self-Insurance | 340,850.00 | 330,800.00 | 100.00% |
| Fund #73 - Federal Asset Forfeiture | 15,000.00 | 15,000.00 | 0.00% |
| Fund #74 - State Asset Forfeiture | 139,854.00 | 52,500.00 | -62.46% |
| Fund #75 - Police Memorial Trust Fund | 2,000.00 | 2,000.00 | 0.00% |
| Fund #76 - Law Enforcement Block Grant Fund | 186,974.00 | 0.00 | -100.00% |
| Fund #77 - Golf Course Capital Projects Fund | 149,631.00 | 100,500.00 | -32.83% |
| Fund #78 - Electric Capital Projects Fund | 2,545,065.00 | 2,073,083.00 | -18.54% |
| Fund #79 - Stormwater Capital Projects Fund | 1,380,492.00 | 319,132.00 | -76.88% |
| Fund #80 - Vehicle/Equipment Renewal & Replacement | 8,129,151.00 | 7,434,337.00 | -8.55% |
| Fund #81 - Technology Internal Services Fund | 772,971.00 | 832,911.00 | 7.75% |
| Fund #83 - General Fund Capital Projects Fund | 5,159,518.00 | 50,000.00 | -99.03% |
| Fund #84 - Downtown Capital Projects Fund | 2,670,000.00 | 96,647.00 | 100.00% |
| Fund #87 - Infrastructure Rehabilitation Fund | 320,000.00 | 250,152.00 | -21.83% |
| TOTAL ALL FUNDS | \$211,135,146.00 | \$184,023,199.00 | -12.84% |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|------------------------------------|--------------------------|--------------------------|-------------------------------|---|-------------------------------|
| <u>GENERAL FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 2,376,467 | 0 | 0 |
| City Fees and Charges | 4,427,769 | 5,199,517 | 5,244,367 | 4,956,829 | 5,327,357 |
| Investment Earnings | 826,901 | 1,122,190 | 963,719 | 934,460 | 975,962 |
| Operating Grants | 443,397 | 370,523 | 474,488 | 142,972 | 494,172 |
| Other Revenues | 2,288,634 | 2,773,613 | 2,450,852 | 1,831,897 | 2,346,779 |
| Ad Valorem Taxes | 24,503,836 | 25,018,436 | 26,960,090 | 27,077,607 | 27,734,775 |
| Funding for Roads | 2,397,805 | 2,425,286 | 2,626,498 | 2,536,269 | 2,478,809 |
| Sales Tax | 9,988,923 | 9,988,923 | 9,988,922 | 9,988,922 | 9,988,922 |
| State Transfers | 4,729,842 | 4,961,971 | 5,632,631 | 5,588,002 | 5,870,171 |
| Transfers In | <u>2,275,238</u> | <u>2,100,000</u> | <u>2,183,329</u> | <u>2,183,329</u> | <u>2,155,000</u> |
| TOTAL REVENUES | <u>51,882,345</u> | <u>53,960,459</u> | <u>58,901,363</u> | <u>55,240,287</u> | <u>57,371,947</u> |
| Airport | 48,634 | 73,369 | 117,338 | 108,071 | 108,788 |
| Budget | 127,803 | 149,860 | 221,017 | 184,153 | 201,738 |
| Neighborhood & Community Resources | 795,257 | 962,469 | 1,281,231 | 1,189,751 | 1,289,632 |
| Mayor/Council/City Manager/Legal | 1,326,144 | 1,421,695 | 1,679,171 | 1,489,620 | 1,572,223 |
| Technology Services | 743,877 | 828,530 | 1,063,447 | 947,898 | 1,140,735 |
| Financial Services | 1,670,419 | 2,587,782 | 3,787,856 | 3,727,033 | 1,634,443 |
| Fire | 9,695,359 | 10,142,697 | 10,640,348 | 10,222,981 | 10,945,667 |
| Fleet Services | 582,509 | 716,566 | 654,993 | 436,399 | 691,317 |
| General Services | 5,760,766 | 5,651,896 | 6,801,685 | 6,114,861 | 6,903,106 |
| Human Resources | 1,855,567 | 1,784,490 | 2,045,528 | 1,881,339 | 2,050,327 |
| Museum | 1,662,130 | 1,789,608 | 1,977,590 | 1,780,517 | 2,120,212 |
| New Development Services | 0 | 0 | 100,431 | 94,433 | 112,181 |
| Planning | 1,332,757 | 1,665,584 | 1,891,729 | 1,686,233 | 1,895,216 |
| Police | 12,616,480 | 14,315,498 | 15,726,301 | 14,981,149 | 16,060,207 |
| Engineering | 1,027,016 | 1,083,290 | 1,156,221 | 1,051,682 | 1,159,733 |
| Recreation | 2,319,841 | 2,836,273 | 2,980,148 | 2,734,520 | 3,088,991 |
| Field Operations/Streets | <u>6,781,140</u> | <u>6,475,630</u> | <u>6,772,847</u> | <u>6,227,709</u> | <u>6,397,431</u> |
| TOTAL EXPENDITURES | <u>48,345,699</u> | <u>52,485,237</u> | <u>58,897,881</u> | <u>54,858,349</u> | <u>57,371,947</u> |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|---|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>MARKETING/COMMUNICATIONS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 32,827 | 0 | 0 |
| City Fees and Charges | 0 | 0 | 0 | 561 | 2,000 |
| Investment Earnings | 0 | -446 | 0 | -742 | 0 |
| Reimbursement - Tourism Authority | <u>0</u> | <u>90,000</u> | <u>150,000</u> | <u>153,103</u> | <u>123,296</u> |
| TOTAL REVENUES | <u>0</u> | <u>89,554</u> | <u>182,827</u> | <u>152,922</u> | <u>125,296</u> |
| Communications/Marketing | <u>0</u> | <u>56,726</u> | <u>182,827</u> | <u>128,156</u> | <u>125,296</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>56,726</u> | <u>182,827</u> | <u>128,156</u> | <u>125,296</u> |
| <u>TECHNOLOGY SUPPORT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 42,847 | 0 | 0 |
| City Fees | 29,358 | 39,910 | 22,583 | 38,246 | 30,000 |
| Investment Earnings | 1,961 | 2,216 | 1,500 | 2,512 | 1,500 |
| Other Revenues | 0 | 0 | 9,917 | 0 | 0 |
| TOTAL REVENUES | <u>31,319</u> | <u>42,126</u> | <u>76,847</u> | <u>40,758</u> | <u>31,500</u> |
| Tech Support/Inspections | <u>48,779</u> | <u>23,468</u> | <u>76,847</u> | <u>15,310</u> | <u>31,500</u> |
| TOTAL EXPENDITURES | <u>48,779</u> | <u>23,468</u> | <u>76,847</u> | <u>15,310</u> | <u>31,500</u> |
| <u>COMMUNITY DEVELOPMENT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | -66,441 | 0 | 72,751 |
| Investment Earnings | 3,192 | -1,009 | 2,480 | 6,865 | 7,900 |
| Operating Grants | 945,542 | 888,632 | 1,494,661 | 852,046 | 631,500 |
| Other Revenues | 14,845 | 51,500 | 233,104 | 231,580 | 300 |
| Transfers In | <u>1,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL REVENUES | <u>964,579</u> | <u>939,123</u> | <u>1,663,804</u> | <u>1,090,491</u> | <u>712,451</u> |
| Individual Development - IDA | 0 | 0 | 52,430 | 2,585 | 1,900 |
| Home Program | -21 | 0 | 21 | 0 | 0 |
| Administration | 264,876 | 302,013 | 407,213 | 297,342 | 240,710 |
| Housing Rehab | 706,639 | 648,666 | 1,200,841 | 933,690 | 466,542 |
| Fair Housing & Counsel | <u>1</u> | <u>0</u> | <u>3,299</u> | <u>399</u> | <u>3,299</u> |
| TOTAL EXPENDITURES | <u>971,495</u> | <u>950,679</u> | <u>1,663,804</u> | <u>1,234,016</u> | <u>712,451</u> |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|--|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>COMMUNITY DEVELOPMENT 108 GUARANTEED LOAN FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 35,451 | 0 | 0 |
| Other Revenues | <u>0</u> | <u>288,110</u> | <u>1,074,890</u> | <u>23,164</u> | <u>23,000</u> |
| TOTAL REVENUES | <u>0</u> | <u>288,110</u> | <u>1,110,341</u> | <u>23,164</u> | <u>23,000</u> |
| 108 Guaranteed Loan | <u>249,870</u> | <u>2,789</u> | <u>1,110,341</u> | <u>12,726</u> | <u>23,000</u> |
| TOTAL EXPENDITURES | <u>249,870</u> | <u>2,789</u> | <u>1,110,341</u> | <u>12,726</u> | <u>23,000</u> |
| <u>COMMUNITY DEVELOPMENT REHAB FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 61,982 | 0 | 0 |
| Investment Earnings | 3,981 | 5,208 | 4,500 | 2,170 | 3,000 |
| Operating Grants | 37,500 | 0 | 0 | 0 | 0 |
| Other Revenues | 61,772 | 0 | 90,000 | 0 | 30,866 |
| Transfers In | <u>25,000</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL REVENUES | <u>128,253</u> | <u>5,208</u> | <u>156,482</u> | <u>2,170</u> | <u>33,866</u> |
| Housing Rehab | <u>98,383</u> | <u>54,558</u> | <u>156,482</u> | <u>51,004</u> | <u>33,866</u> |
| TOTAL EXPENDITURES | <u>98,383</u> | <u>54,558</u> | <u>156,482</u> | <u>51,004</u> | <u>33,866</u> |
| <u>COMMUNITY DEVELOPMENT HOME INVESTMENT TRUST FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | -736,777 | 0 | 0 |
| Investment Earnings | 0 | 198 | 0 | 0 | 0 |
| Fees & Charges | -3,770 | -13,358 | 0 | -8,739 | 0 |
| Operating Grants | 1,155,811 | 1,235,097 | 1,922,299 | 1,179,823 | 821,447 |
| Other Revenues | 186,532 | 48,698 | 494,319 | 163,378 | 24,500 |
| Recurring Grant | <u>0</u> | <u>0</u> | <u>170,613</u> | <u>0</u> | <u>7,477</u> |
| TOTAL REVENUES | <u>1,338,573</u> | <u>1,270,635</u> | <u>1,850,454</u> | <u>1,334,462</u> | <u>853,424</u> |
| Home Program | <u>1,183,899</u> | <u>1,584,704</u> | <u>1,850,454</u> | <u>1,507,173</u> | <u>853,424</u> |
| TOTAL EXPENDITURES | <u>1,183,899</u> | <u>1,584,704</u> | <u>1,850,454</u> | <u>1,507,173</u> | <u>853,424</u> |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|---|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>COMMUNITY DEVELOPMENT 108 LOAN NEIGHBORHOOD REVITALIZATION FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 161,606 | 0 | 0 |
| Investment Earnings | 14,833 | 23,534 | 20,000 | -460 | 9,000 |
| Other Revenues | <u>2,348</u> | <u>80,718</u> | <u>139,405</u> | <u>2,348</u> | <u>2,300</u> |
| TOTAL REVENUES | <u>17,181</u> | <u>104,252</u> | <u>321,011</u> | <u>1,888</u> | <u>11,300</u> |
| 108 Guaranteed Loan | <u>0</u> | <u>103,493</u> | <u>321,011</u> | <u>139,629</u> | <u>11,300</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>103,493</u> | <u>321,011</u> | <u>139,629</u> | <u>11,300</u> |
| <u>COMMUNITY DEVELOPMENT 108 LOAN ECONOMIC DEVELOPMENT FUND</u> | | | | | |
| Investment Earnings | 0 | 0 | 755,902 | 0 | 0 |
| Appropriated Fund Balance | <u>28,557</u> | <u>31,218</u> | <u>25,000</u> | <u>24,648</u> | <u>29,000</u> |
| TOTAL REVENUES | <u>28,557</u> | <u>31,218</u> | <u>780,902</u> | <u>24,648</u> | <u>29,000</u> |
| 108 Guaranteed Loan | <u>239,222</u> | <u>233,111</u> | <u>780,902</u> | <u>92,582</u> | <u>29,000</u> |
| TOTAL EXPENDITURES | <u>239,222</u> | <u>233,111</u> | <u>780,902</u> | <u>92,582</u> | <u>29,000</u> |
| <u>COMMUNITY DEVELOPMENT ECONOMIC DEVELOPMENT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 948 | 0 | 0 |
| Investment Earnings | 334 | 966 | 0 | -71 | 0 |
| Non-Recurring Grants | <u>0</u> | <u>423</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL REVENUES | <u>334</u> | <u>1,389</u> | <u>948</u> | <u>-71</u> | <u>0</u> |
| 108 Guaranteed Loan | <u>0</u> | <u>2,046</u> | <u>948</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>2,046</u> | <u>948</u> | <u>0</u> | <u>0</u> |
| <u>OCCUPANCY TAX FUND</u> | | | | | |
| Investment Earnings | 0 | 0 | 0 | 0 | 0 |
| Occupancy Tax | <u>376,567</u> | <u>440,121</u> | <u>500,000</u> | <u>387,168</u> | <u>550,000</u> |
| TOTAL REVENUES | <u>376,567</u> | <u>440,121</u> | <u>500,000</u> | <u>387,168</u> | <u>550,000</u> |
| Administration | <u>376,567</u> | <u>440,121</u> | <u>500,000</u> | <u>387,168</u> | <u>550,000</u> |
| TOTAL EXPENDITURES | <u>376,567</u> | <u>440,121</u> | <u>500,000</u> | <u>387,168</u> | <u>550,000</u> |

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Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|---|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>UPTOWN MUNICIPAL SERVICES DISTRICT FUND</u> | | | | | |
| Ad Valorem Taxes | <u>96,965</u> | <u>101,621</u> | <u>123,010</u> | <u>119,458</u> | <u>123,801</u> |
| TOTAL REVENUES | <u>96,965</u> | <u>101,621</u> | <u>123,010</u> | <u>119,458</u> | <u>123,801</u> |
| Uptown Development | <u>100,578</u> | <u>96,888</u> | <u>123,010</u> | <u>123,010</u> | <u>123,801</u> |
| TOTAL EXPENDITURES | <u>100,578</u> | <u>96,888</u> | <u>123,010</u> | <u>123,010</u> | <u>123,801</u> |
| <u>WATER AND SEWER FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 579,646 | 0 | 0 |
| Assessments | 93,284 | 49,076 | 56,150 | 117,651 | 49,300 |
| Fees and Charges | 1,086,478 | 1,375,201 | 1,031,512 | 1,282,099 | 1,102,562 |
| Investment Earnings | 158,744 | 198,436 | 150,000 | 172,010 | 110,000 |
| Operating Grants | 10,000 | 0 | 0 | 0 | 0 |
| Other Revenues | 6,713,245 | 38,347 | 58,400 | 32,188 | 57,500 |
| Transfers In | 0 | 0 | 25,700 | 25,700 | 0 |
| Water & Sewer Sales | <u>26,799,082</u> | <u>26,643,187</u> | <u>27,624,000</u> | <u>26,811,940</u> | <u>27,653,298</u> |
| TOTAL REVENUES | <u>34,860,833</u> | <u>28,304,247</u> | <u>29,525,408</u> | <u>28,441,588</u> | <u>28,972,660</u> |
| Warehouse | 7,942 | -20,191 | 3,942 | 4,724 | 0 |
| Non-Departmental | 1,202,476 | 1,324,245 | 1,352,824 | 1,352,824 | 1,357,136 |
| Administration | 4,016,948 | 4,094,516 | 4,514,468 | 3,925,723 | 4,383,202 |
| Debt Service | 14,136,678 | 7,917,156 | 7,542,988 | 7,542,958 | 6,899,157 |
| Sewer Extensions | 117,037 | 88,280 | 56,906 | 56,905 | 155,000 |
| AM/FM/GIS | 10,456 | 14,986 | 17,481 | 9,585 | 24,115 |
| Water Supply & Treatment | 2,569,488 | 2,631,667 | 3,023,602 | 2,519,084 | 3,081,652 |
| Customer Service | 573,157 | 586,311 | 681,078 | 592,502 | 717,324 |
| Facility Maintenance | 833,150 | 914,018 | 1,414,851 | 1,277,062 | 1,330,563 |
| Pasour Resource Recovery Farm | 1,172,561 | 1,150,483 | 1,292,472 | 1,141,303 | 1,151,383 |
| Fields Ops/Water Line Maintenance | 1,268,639 | 1,376,018 | 1,588,248 | 1,480,093 | 1,669,631 |
| Wastewater Treatment | 4,525,520 | 4,984,332 | 5,221,120 | 4,885,688 | 5,433,983 |
| Field Ops/Sewer Line Maintenance | 1,219,639 | 1,469,223 | 1,845,428 | 1,618,101 | 1,799,514 |
| Transfers Out | <u>2,876,820</u> | <u>1,773,205</u> | <u>970,000</u> | <u>970,000</u> | <u>970,000</u> |
| TOTAL EXPENDITURES | <u>34,530,511</u> | <u>28,304,249</u> | <u>29,525,408</u> | <u>27,376,552</u> | <u>28,972,660</u> |

City of Gastonia
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Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|------------------------------|--------------------------|--------------------------|-------------------------------|---|-------------------------------|
| <u>ELECTRIC FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 377,575 | 4,108 | -665,403 |
| Electric Sales | 55,397,456 | 55,457,557 | 60,172,094 | 61,135,100 | 64,085,547 |
| Fees and Charges | 546,948 | 601,578 | 553,600 | 618,747 | 634,900 |
| Investment Earnings | 244,372 | 145,026 | 175,000 | 151,672 | 170,000 |
| Transfers In | 1,064,405 | 844,066 | 730,732 | 885,248 | 639,822 |
| Other Revenues | <u>319</u> | <u>23,752</u> | <u>1,275,395</u> | <u>1,275,395</u> | <u>170,039</u> |
| TOTAL REVENUES | <u>57,253,500</u> | <u>57,071,979</u> | <u>63,284,396</u> | <u>64,070,270</u> | <u>65,034,905</u> |
| Warehouse | -1,997 | 45,967 | 375,631 | -83,163 | 0 |
| Non-Departmental | 629,542 | 603,599 | 700,809 | 700,809 | 938,319 |
| Administration | 2,842,666 | 2,943,055 | 4,474,148 | 2,908,125 | 3,453,826 |
| Purchased Power | 47,197,628 | 47,510,249 | 49,880,389 | 50,070,494 | 51,085,046 |
| ElectriCities Rebate Program | 11,100 | 3,650 | 10,000 | 9,900 | 2,000 |
| Electric Service | 970,003 | 1,095,223 | 1,135,311 | 1,107,645 | 1,326,638 |
| Electric Substations | 381,576 | 375,204 | 371,357 | 341,646 | 479,117 |
| Street Lights | 427,135 | 462,854 | 458,034 | 449,632 | 513,219 |
| Load Management Switches | 2,900 | 2,725 | 2,250 | 1,275 | 0 |
| Electric Line Maintenance | 1,205,485 | 1,175,319 | 1,221,075 | 1,165,794 | 1,503,065 |
| Electric Line Construction | 1,731,050 | 1,671,140 | 1,787,551 | 1,614,422 | 2,019,279 |
| Electric Svc-Generators | 92,883 | 85,662 | 85,500 | 70,234 | 109,313 |
| Transfers Out | <u>2,267,971</u> | <u>2,404,259</u> | <u>2,782,341</u> | <u>2,782,341</u> | <u>3,605,083</u> |
| TOTAL EXPENDITURES | <u>57,757,942</u> | <u>58,378,906</u> | <u>63,284,396</u> | <u>61,139,154</u> | <u>65,034,905</u> |
| <u>TRANSIT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 20,681 | 0 | 197,500 |
| Fees and Charges | 187,607 | 180,338 | 190,000 | 194,307 | 195,500 |
| Investment Earnings | 365 | 5,409 | 0 | 3,716 | 0 |
| Operating Grants | 834,273 | 907,026 | 1,235,000 | 917,166 | 1,235,000 |
| Other Revenues | 318,498 | 282,029 | 282,029 | 276,978 | 271,978 |
| Transfers In | <u>262,144</u> | <u>461,821</u> | <u>667,703</u> | <u>667,703</u> | <u>514,032</u> |
| TOTAL REVENUES | <u>1,602,887</u> | <u>1,836,623</u> | <u>2,395,413</u> | <u>2,059,870</u> | <u>2,414,010</u> |
| Administration | 580,375 | 702,676 | 855,394 | 747,902 | 800,788 |
| Operations | 805,852 | 809,356 | 990,163 | 893,669 | 1,149,934 |
| Maintenance | 189,406 | 214,928 | 274,808 | 267,308 | 275,271 |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|--|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>TRANSIT FUND - Cont'd</u> | | | | | |
| ADA Paratransit | 154,985 | 144,724 | 275,048 | 148,640 | 188,017 |
| TOTAL EXPENDITURES | <u>1,730,618</u> | <u>1,871,684</u> | <u>2,395,413</u> | <u>2,057,519</u> | <u>2,414,010</u> |
| <u>GOLF COURSE</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 0 | 0 | 182,480 |
| Fees and Charges | 771,840 | 780,147 | 983,201 | 881,637 | 1,070,000 |
| Investment Earnings | 1,689 | 6,470 | 5,000 | 5,222 | 5,000 |
| Other Revenues | 63,816 | 103,806 | 49,433 | 70,941 | 49,433 |
| Transfers In | <u>255,785</u> | <u>377,128</u> | <u>421,340</u> | <u>421,340</u> | <u>149,259</u> |
| TOTAL REVENUES | <u>1,093,130</u> | <u>1,267,551</u> | <u>1,458,974</u> | <u>1,379,140</u> | <u>1,456,172</u> |
| Golf Course | 1,035,395 | 1,109,510 | 1,258,416 | 1,179,861 | 1,289,051 |
| Golf Course Grill | 0 | 0 | 80,558 | 68,366 | 67,121 |
| Transfers Out | <u>40,000</u> | <u>40,000</u> | <u>120,000</u> | <u>120,000</u> | <u>100,000</u> |
| TOTAL EXPENDITURES | <u>1,075,395</u> | <u>1,149,510</u> | <u>1,458,974</u> | <u>1,368,227</u> | <u>1,456,172</u> |
| <u>STORMWATER FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 43,763 | 0 | 0 |
| Fees and Charges | 21,863 | 29,712 | 25,750 | 13,293 | 25,600 |
| Investment Earnings | 19,417 | 22,585 | 15,000 | 13,663 | 15,000 |
| Stormwater Sales | 1,920 | 0 | 0 | 0 | 0 |
| Other Revenues | <u>1,978,288</u> | <u>1,986,308</u> | <u>2,125,000</u> | <u>2,006,154</u> | <u>2,077,105</u> |
| TOTAL REVENUES | <u>2,021,488</u> | <u>2,038,605</u> | <u>2,209,513</u> | <u>2,033,110</u> | <u>2,117,705</u> |
| Operations | 467,331 | 587,746 | 627,114 | 547,159 | 595,031 |
| Administration | 935,555 | 976,852 | 1,089,857 | 1,027,613 | 1,153,866 |
| AM/FM/GIS | 60,993 | 25,993 | 76,578 | 25,530 | 79,676 |
| Transfers Out | <u>356,500</u> | <u>799,020</u> | <u>415,964</u> | <u>415,964</u> | <u>289,132</u> |
| TOTAL EXPENDITURES | <u>1,820,379</u> | <u>2,389,611</u> | <u>2,209,513</u> | <u>2,016,266</u> | <u>2,117,705</u> |
| <u>POWER AGENCY SETTLEMENT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 258,895 | 0 | -854,461 |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|--|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>POWER AGENCY SETTLEMENT FUND - Cont'd</u> | | | | | |
| Investment Earnings | 0 | 23,967 | 12,000 | 33,272 | 20,000 |
| Other Revenues | <u>0</u> | <u>1,354,500</u> | <u>1,354,500</u> | <u>1,354,500</u> | <u>1,354,500</u> |
| TOTAL REVENUES | <u>0</u> | <u>1,378,467</u> | <u>1,625,395</u> | <u>1,387,772</u> | <u>520,039</u> |
| Transfers Out | <u>0</u> | <u>234,493</u> | <u>1,625,395</u> | <u>1,625,395</u> | <u>520,039</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>234,493</u> | <u>1,625,395</u> | <u>1,625,395</u> | <u>520,039</u> |
| <u>WATER & SEWER CAPITAL EXPANSION & DEVELOPMENT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 25,700 | 0 | 0 |
| Investment Earnings | 58,566 | 144,949 | 130,000 | 147,364 | 130,000 |
| Transfers In | <u>2,859,394</u> | <u>1,703,466</u> | <u>970,000</u> | <u>970,000</u> | <u>970,000</u> |
| TOTAL REVENUES | <u>2,917,960</u> | <u>1,848,415</u> | <u>1,125,700</u> | <u>1,117,364</u> | <u>1,100,000</u> |
| Transfers Out | <u>1,200,000</u> | <u>1,100,000</u> | <u>1,125,700</u> | <u>1,125,700</u> | <u>1,100,000</u> |
| TOTAL EXPENDITURES | <u>1,200,000</u> | <u>1,100,000</u> | <u>1,125,700</u> | <u>1,125,700</u> | <u>1,100,000</u> |
| <u>AIRPORT CAPITAL PROJECTS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | -102,450 | 0 | 0 |
| Investment Earnings | -6,004 | -6,129 | 0 | -5,350 | 0 |
| Other Revenues | 906,418 | 225,501 | 1,043,179 | 0 | 0 |
| Transfers In | <u>16,700</u> | <u>22,209</u> | <u>115,910</u> | <u>115,910</u> | <u>0</u> |
| TOTAL REVENUES | <u>917,114</u> | <u>241,581</u> | <u>1,056,639</u> | <u>110,560</u> | <u>0</u> |
| Airport Projects | <u>1,139,561</u> | <u>353,133</u> | <u>1,056,639</u> | <u>15,173</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>1,139,561</u> | <u>353,133</u> | <u>1,056,639</u> | <u>15,173</u> | <u>0</u> |
| <u>WATER & SEWER RENEWAL & REPLACEMENT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 1,411,003 | 0 | 1,373,133 |
| Investment Earnings | 36,182 | 52,477 | 42,250 | 46,211 | 40,000 |
| Transfers In | <u>15,679</u> | <u>69,739</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL REVENUES | <u>51,861</u> | <u>122,216</u> | <u>1,453,253</u> | <u>46,211</u> | <u>1,413,133</u> |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|---|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>WATER & SEWER RENEWAL & REPLACEMENT FUND - Cont'd</u> | | | | | |
| Renewal & Replacement | 0 | 0 | 1,453,253 | 0 | 1,413,133 |
| TOTAL EXPENDITURES | <u>0</u> | <u>0</u> | <u>1,453,253</u> | <u>0</u> | <u>1,413,133</u> |
| <u>ELECTRIC RENEWAL & REPLACEMENT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 921,869 | 0 | 972,160 |
| Investment Earnings | 22,937 | 34,444 | 30,000 | 30,564 | 25,000 |
| Transfers In | 60,000 | 60,000 | 0 | 0 | 60,000 |
| TOTAL REVENUES | <u>82,937</u> | <u>94,444</u> | <u>951,869</u> | <u>30,564</u> | <u>1,057,160</u> |
| Renewal & Replacement | 0 | 0 | 951,869 | 0 | 1,057,160 |
| TOTAL EXPENDITURES | <u>0</u> | <u>0</u> | <u>951,869</u> | <u>0</u> | <u>1,057,160</u> |
| <u>WATER & SEWER CAPITAL PROJECTS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 5,746,510 | 0 | 0 |
| Investment Earnings | 471,831 | 457,780 | 100,000 | 272,193 | 100,000 |
| Non-Recurring Grants | 126,612 | 0 | 0 | 0 | 0 |
| Operating Grants | 0 | 55,444 | 118,056 | 118,056 | 0 |
| Other Revenues | 10,328,100 | 248,000 | 1,255,000 | 741,912 | 0 |
| Transfers In | 1,201,747 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| TOTAL REVENUES | <u>12,128,290</u> | <u>1,861,224</u> | <u>8,319,566</u> | <u>2,232,161</u> | <u>1,200,000</u> |
| Crowders Creek WWTP Imp | 422,192 | 440,375 | 56,289 | 0 | 0 |
| NCDOT Sewer Utility Conflict | 0 | 0 | 84,027 | 46,626 | 0 |
| Catawba WWTP Abandonment | 0 | 0 | 6,391 | 0 | 0 |
| Joint Ventures - Sewer Lines | 0 | 13,858 | 341,652 | 31,142 | 0 |
| Sewer Imp - Revenue Bonds | 2,734,032 | 2,091,456 | 205,502 | 0 | 0 |
| Collection System Improvements | 47,768 | 622,039 | 745,517 | 122,831 | 100,000 |
| Sewer Assessments | 186,671 | 461,801 | 269,616 | 229,733 | 50,000 |
| Pumpstation/Forcemain Improvements | 41,218 | 270,250 | 456,358 | 349,443 | 550,000 |
| Long Creek WWTP Expansion | 253,233 | 194,582 | 863,157 | 138,652 | 0 |
| Water Imp - NCDOT Conflicts | 0 | 0 | 434,316 | 335,070 | 0 |
| Mountain Island Lake | 13,590 | 0 | 0 | 0 | 0 |
| Water Distribution Imp | 16,069 | 10,353 | 219,052 | 66,932 | 300,000 |
| Water Supply/Treatment Imp | 189,029 | 182,008 | 511,523 | 221,925 | 200,000 |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|--|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>WATER & SEWER CAPITAL PROJECTS FUND - Cont'd</u> | | | | | |
| Water Assessments | 13,163 | 0 | 203 | 0 | 0 |
| Joint Ventures - Water Lines | 1,207,915 | 248,077 | 1,249,952 | 741,860 | 0 |
| Water Imp - Revenue Bonds | <u>839,132</u> | <u>455,178</u> | <u>2,876,011</u> | <u>527,973</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>5,964,012</u> | <u>4,989,977</u> | <u>8,319,566</u> | <u>2,812,187</u> | <u>1,200,000</u> |
| <u>STREET IMPROVEMENTS CAPITAL PROJECTS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 1,054,538 | 0 | 0 |
| Investment Earnings | 52,656 | 56,760 | 45,000 | 40,865 | 0 |
| Other Revenues | -102 | 169,628 | 495,030 | 495,000 | 0 |
| Funding for Roads | 49,500 | 18,769 | 1,177,832 | 85,188 | 0 |
| Transfers In | <u>15,169</u> | <u>0</u> | <u>70,000</u> | <u>70,000</u> | <u>35,000</u> |
| TOTAL REVENUES | <u>117,223</u> | <u>245,157</u> | <u>2,842,400</u> | <u>691,053</u> | <u>35,000</u> |
| Joint Ventures | 0 | 78 | 21,923 | 3772 | 0 |
| W Franklin Streetscape | 784 | 26,239 | 361,670 | 337,652 | 0 |
| Forbes Road Project | 7,929 | 85 | 0 | 0 | 0 |
| walgreens at Cox Rd | 0 | 0 | 157,828 | 0 | 0 |
| S. Myrtle School Rd Widening | 7,948 | 0 | 0 | 0 | 0 |
| N Myrtle School Rd Widening | 192 | 0 | 0 | 0 | 0 |
| Administration | 0 | 4,742 | 224 | 0 | 0 |
| Gardner Park/Cox Rd | 0 | 0 | 132,857 | 131,904 | 0 |
| Cox Rd Sidewalks | 0 | 0 | 169,200 | 0 | 0 |
| Speed Humps | 25,202 | 36,390 | 23,208 | 0 | 25,000 |
| North 321 Improvements | 135,498 | 221,909 | 8,008 | 4,177 | 0 |
| W Davidson Bridge Replacement | 606 | 0 | 1,114,051 | 119,259 | 10,000 |
| Miscellaneous Sidewalks | 138,488 | 500 | 52,431 | 52,431 | 0 |
| Capital Project Reserve | 0 | 0 | 0 | 0 | 0 |
| Traffic Signal System Improvements | 18,211 | 153,000 | 306,000 | 151,919 | 0 |
| 2/3 GO Bonds - 2008 | <u>0</u> | <u>0</u> | <u>495,000</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>334,858</u> | <u>442,943</u> | <u>2,842,400</u> | <u>801,114</u> | <u>35,000</u> |
| <u>DEVELOPER SIDEWALKS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 19,891 | 0 | 0 |
| Other Revenues | 6,000 | 5,500 | 0 | 6,149 | 0 |
| Investment Earnings | <u>8,784</u> | <u>12,519</u> | <u>0</u> | <u>10,956</u> | <u>0</u> |
| TOTAL REVENUES | <u>14,784</u> | <u>18,019</u> | <u>19,891</u> | <u>17,105</u> | <u>0</u> |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|---|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>DEVELOPER SIDEWALKS FUND - Cont'd</u> | | | | | |
| Redbud - Eckerds | 0 | 0 | 5,876 | 0 | 0 |
| Bessemer City Hwy - 1-A | <u>0</u> | <u>0</u> | <u>14,015</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>0</u> | <u>19,891</u> | <u>0</u> | <u>0</u> |
| <u>HEALTH SELF-INSURANCE FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 5,000 | 0 | 10,268 |
| Investment Earnings | 0 | 23,877 | 19,000 | 31,745 | 35,000 |
| Other Revenues | <u>0</u> | <u>6,925,780</u> | <u>7,228,734</u> | <u>7,069,014</u> | <u>7,100,000</u> |
| TOTAL REVENUES | <u>0</u> | <u>6,949,657</u> | <u>7,252,734</u> | <u>7,100,759</u> | <u>7,145,268</u> |
| Administration | 0 | 5961271 | 7,247,734 | 7,004,221 | 7,145,268 |
| Transfers Out | <u>0</u> | <u>0</u> | <u>5,000</u> | <u>5,000</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>5,961,271</u> | <u>7,252,734</u> | <u>7,009,221</u> | <u>7,145,268</u> |
| <u>INSURANCE CAPITAL RESERVE FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 130,000 | 0 | 130,500 |
| Investment Earnings | 4,260 | 5,071 | 4,500 | 4,226 | 4,000 |
| TOTAL REVENUES | <u>4,260</u> | <u>5,071</u> | <u>134,500</u> | <u>4,226</u> | <u>134,500</u> |
| Human Resources | 0 | 0 | 59,500 | 0 | 79,500 |
| Transfers Out | 54238 | <u>0</u> | 75000 | 75000 | 55000 |
| TOTAL EXPENDITURES | <u>54,238</u> | <u>0</u> | <u>134,500</u> | <u>75,000</u> | <u>134,500</u> |
| <u>DENTAL SELF-INSURANCE FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings | 0 | 0 | 850 | 793 | 800 |
| Other Revenues | <u>0</u> | <u>0</u> | <u>340,000</u> | <u>340,716</u> | <u>330,000</u> |
| TOTAL REVENUES | <u>0</u> | <u>0</u> | <u>340,850</u> | <u>341,509</u> | <u>330,800</u> |
| Administration | <u>0</u> | <u>0</u> | <u>340,850</u> | <u>298,212</u> | <u>330,800</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>0</u> | <u>340,850</u> | <u>298,212</u> | <u>330,800</u> |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|--|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>FEDERAL ASSET FORFEITURE FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 0 | 0 | 0 |
| Investment Earnings | 748 | 937 | 0 | 769 | 0 |
| Other Revenues | <u>4,008</u> | <u>0</u> | <u>15,000</u> | <u>10642</u> | <u>15,000</u> |
| TOTAL REVENUES | <u>4,756</u> | <u>937</u> | <u>15,000</u> | <u>11,411</u> | <u>15,000</u> |
| Asset Forfeitures | 647 | 0 | 15,000 | 0 | 15,000 |
| Transfers Out | <u>0</u> | <u>16786</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>647</u> | <u>16,786</u> | <u>15,000</u> | <u>0</u> | <u>15,000</u> |
| <u>STATE ASSET FORFEITURE FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 100,000 | 0 | 0 |
| Investment Earnings | 3,234 | 5,280 | 1,000 | 3,841 | 2,500 |
| Other Revenues | 73,398 | 99,339 | 38,854 | 75,616 | 50,000 |
| Transfers In | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL REVENUES | <u>76,632</u> | <u>104,619</u> | <u>139,854</u> | <u>79,457</u> | <u>52,500</u> |
| Asset Forfeitures | 106,715 | 50,606 | 129,574 | 90,014 | 52,500 |
| Transfers Out | <u>0</u> | <u>0</u> | <u>10,280</u> | <u>10,280</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>106,715</u> | <u>50,606</u> | <u>139,854</u> | <u>100,294</u> | <u>52,500</u> |
| <u>POLICE MEMORIAL TRUST FUND</u> | | | | | |
| Fees and Charges | 323 | 4,544 | 2,000 | 3,528 | 2,000 |
| Investment Earnings | 439 | 546 | 0 | 549 | 0 |
| Other Revenues | <u>799</u> | <u>1,244</u> | <u>0</u> | <u>100</u> | <u>0</u> |
| TOTAL REVENUES | <u>1,561</u> | <u>6,334</u> | <u>2,000</u> | <u>4,177</u> | <u>2,000</u> |
| Police Memorial Trust Fund | <u>1,210</u> | <u>6,406</u> | <u>2,000</u> | <u>1,391</u> | <u>2,000</u> |
| TOTAL EXPENDITURES | <u>1,210</u> | <u>6,406</u> | <u>2,000</u> | <u>1,391</u> | <u>2,000</u> |
| <u>LOCAL LAW ENFORCEMENT BLOCK GRANT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 36,349 | 0 | 0 |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|---|-----------------------|-----------------------|-------------------------------|---|-------------------------------|
| <u>LOCAL LAW ENFORCEMENT BLOCK GRANT FUND - Cont'd</u> | | | | | |
| Investment Earnings | 995 | 2,405 | 0 | 2,748 | 0 |
| Non-Recurring Grants | 51,667 | 83,899 | 67,154 | 67,239 | 0 |
| Operating Grants | 0 | 0 | 55,842 | 30,104 | 0 |
| Other Revenues | 78,010 | 38,595 | 20,678 | -2,539 | 0 |
| Transfers In | <u>0</u> | <u>16,786</u> | <u>6,951</u> | <u>6,951</u> | <u>0</u> |
| TOTAL REVENUES | <u>130,672</u> | <u>141,685</u> | <u>186,974</u> | <u>104,503</u> | <u>0</u> |
| US DOJ Block Grant 2003 | 11,474 | 0 | 0 | 0 | 0 |
| 2004 US DOJ Block Grant | 30,369 | 4,372 | 0 | -875 | 0 |
| 2006 US DOJ Block Grant | 0 | 42,868 | 41,031 | 41,025 | 0 |
| 2007 JAG Grant | 0 | 0 | 67,154 | 8,903 | 0 |
| Police Dept Grants | 8,119 | 28,063 | 17,117 | 12,046 | 0 |
| Police/Field Services | <u>81,906</u> | <u>45,270</u> | <u>61,672</u> | <u>22,220</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>131,868</u> | <u>120,573</u> | <u>186,974</u> | <u>83,319</u> | <u>0</u> |
| <u>GOLF COURSE CAPITAL PROJECTS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 29,131 | 0 | 0 |
| Investment Earnings | 21 | 1,086 | 500 | 1,398 | 500 |
| Transfers In | <u>40,000</u> | <u>40,000</u> | <u>120,000</u> | <u>120,000</u> | <u>100,000</u> |
| TOTAL REVENUES | <u>40,021</u> | <u>41,086</u> | <u>149,631</u> | <u>121,398</u> | <u>100,500</u> |
| Golf Safety Improvements | <u>80,463</u> | <u>15,686</u> | <u>149,631</u> | <u>115,157</u> | <u>100,500</u> |
| TOTAL EXPENDITURES | <u>80,463</u> | <u>15,686</u> | <u>149,631</u> | <u>115,157</u> | <u>100,500</u> |
| <u>ELECTRIC CAPITAL PROJECTS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 474,619 | 0 | 0 |
| Investment Earnings | 48,462 | 45,338 | 20,000 | 10,346 | 18,000 |
| Other Revenues | 65,655 | 86,896 | 1,018,105 | 435,918 | 300,000 |
| Funding For Roads | 261,809 | 0 | 0 | 0 | 0 |
| Transfers In | <u>0</u> | <u>455,000</u> | <u>1,032,341</u> | <u>1,032,341</u> | <u>1,755,083</u> |
| TOTAL REVENUES | <u>375,926</u> | <u>587,234</u> | <u>2,545,065</u> | <u>1,478,605</u> | <u>2,073,083</u> |
| Financial Management System | 2,496 | 4,675 | 92 | 0 | 0 |
| SCADA Replacement | 170,029 | 30,221 | 285 | 0 | 0 |
| Freightliner Generation | 60,840 | 0 | 0 | 0 | 0 |
| County Fiber Optic Ext | 38,966 | 0 | 0 | 0 | 0 |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|--|-------------------------|-------------------------|-------------------------------|---|-------------------------------|
| <u>ELECTRIC CAPITAL PROJECTS FUND - Cont'd</u> | | | | | |
| Paving-Main St Improvements | 135,867 | 59,519 | 8,229 | 0 | 0 |
| Long Creek Generation Project | 47 | 0 | 0 | 0 | 0 |
| City Electrical Tie Lines | 92,684 | 482,864 | 906,050 | 780,438 | 498,083 |
| Fiber Optic Connections | 14,521 | 0 | 0 | 0 | 0 |
| Electric Developments | 67,319 | 157,786 | 188,660 | 163,858 | 475,000 |
| Residential Dev-System Expansion | 270,939 | 504,580 | 586,420 | 508,462 | 840,000 |
| NCDOT City Fiber | 63,617 | 152,636 | 425,329 | 332,350 | 260,000 |
| Bessemer City Rd Line Relocate | 143,841 | 0 | 0 | 0 | 0 |
| Main Ave Properties | 2,333 | 0 | 0 | 0 | 0 |
| 2/3 GO Bonds - 2008 | <u>0</u> | <u>0</u> | <u>430,000</u> | <u>0</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>1,063,499</u> | <u>1,392,281</u> | <u>2,545,065</u> | <u>1,785,108</u> | <u>2,073,083</u> |
| <u>STORMWATER CAPITAL PROJECTS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 880,528 | 0 | 0 |
| Investment Earnings | 15,936 | 30,188 | 25,000 | 28,314 | 30,000 |
| Non-Recurring Grants | 0 | 0 | 59,000 | 0 | 0 |
| Other Revenues | 0 | 100 | 0 | 0 | 0 |
| Transfers In | <u>356,500</u> | <u>799,020</u> | <u>415,964</u> | <u>415,964</u> | <u>289,132</u> |
| TOTAL REVENUES | <u>372,436</u> | <u>829,308</u> | <u>1,380,492</u> | <u>444,278</u> | <u>319,132</u> |
| Stormwater System Improvements | 186,941 | 487,910 | 574,348 | 1,630 | 239,132 |
| Stormwater Non Capital | <u>45,775</u> | <u>50,462</u> | <u>806,144</u> | <u>329,923</u> | <u>80,000</u> |
| TOTAL EXPENDITURES | <u>232,716</u> | <u>538,372</u> | <u>1,380,492</u> | <u>331,553</u> | <u>319,132</u> |
| <u>VEHICLE/EQUIPMENT RENEWAL & REPLACEMENT FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 850,579 | 0 | -393,557 |
| Investment Earnings | 102,036 | 161,087 | 11,435 | 166,660 | 150,000 |
| Other Revenues | 6,441,348 | 5,544,182 | 7,267,137 | 7,163,057 | 7,677,894 |
| Transfers In | <u>18,366</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL REVENUES | <u>6,561,750</u> | <u>5,705,269</u> | <u>8,129,151</u> | <u>7,329,717</u> | <u>7,434,337</u> |
| Equipment Manager | 1,558,566 | 2,723,733 | 2,460,556 | 1,850,522 | 3,314,424 |
| Equipment-Debt Service | 2,749,026 | 2,687,403 | 3,361,360 | 3,313,905 | 3,302,343 |
| Computer Systems | 228,359 | 606,254 | 1,135,306 | 544,855 | 757,570 |
| Telephone & Radio Systems | 0 | 0 | 85,000 | 83,026 | 60,000 |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|---|-------------------------|-------------------------|-------------------------------|---|-------------------------------|
| <u>VEHICLE/EQUIPMENT RENEWAL & REPLACEMENT FUND - Cont'd</u> | | | | | |
| MDT System/Radar Service | 754,396 | 0 | 0 | 0 | 0 |
| Fire Administration | 0 | 0 | 40,159 | 38,814 | 0 |
| Engineering | 0 | 45,780 | 12,770 | 0 | 0 |
| Museum | 0 | 0 | 74,000 | 0 | 0 0 |
| Water Treatment | 0 | 0 | 800,000 | 0 | 0 |
| Wastewater | 0 | 0 | 160,000 | 9,390 | 0 |
| TOTAL EXPENDITURES | <u>5,290,347</u> | <u>6,063,170</u> | <u>8,129,151</u> | <u>5,840,512</u> | <u>7,434,337</u> |
| <u>TECHNOLOGY INTERNAL SERVICES FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | -45,080 | 0 | 0 |
| Fees & Charges | 85,573 | 81,510 | 114,017 | 103,418 | 123,560 |
| Interest | 819 | 1,690 | 0 | 3,543 | 1,500 |
| Other Revenues | <u>469,371</u> | <u>517,168</u> | <u>704,034</u> | <u>355,873</u> | <u>707,851</u> |
| TOTAL REVENUES | <u>555,763</u> | <u>600,368</u> | <u>772,971</u> | <u>462,834</u> | <u>832,911</u> |
| Administration | 338,978 | 521,031 | 567,299 | 470,481 | 604,937 |
| Public Safety | 215,774 | 254,901 | 272,607 | 204,756 | 270,453 |
| Computer Support | 206,077 | -1,019,698 | 429,101 | 397,828 | 450,801 |
| Mobile Data | 72,815 | 84,070 | 90,065 | 83,995 | 95,259 |
| City Equipment | 422,158 | 450,884 | -1,063,256 | -1,090,160 | -1,067,334 |
| Support Administration | 194,746 | 212,852 | 252,818 | 232,234 | 239,907 |
| External Network Access | 78,855 | 71,009 | 227,819 | 168,237 | 181,525 |
| Working Capital Reserve | 0 | 0 | 0 | 0 | <u>57,363</u> |
| TOTAL EXPENDITURES | <u>1,529,403</u> | <u>575,049</u> | <u>776,453</u> | <u>467,371</u> | <u>832,911</u> |
| <u>GENERAL FUND CAPITAL PROJECTS FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 1,256,374 | 0 | 50,000 |
| Investment Earnings | 185 | 17,540 | 0 | 49,771 | 0 |
| Non-Recurring Grants | 0 | 0 | 740,000 | 19,160 | 0 |
| Operating Grants | 0 | 46,993 | 50,000 | 0 | 0 |
| Other Revenues | 16,550 | 244,479 | 750,137 | 675,017 | 0 |
| Funding for Roads | 0 | 7,339 | 983,644 | 200,974 | 0 |
| Transfers In | <u>276,500</u> | <u>780,000</u> | <u>1,379,363</u> | <u>1,379,363</u> | <u>0</u> |
| TOTAL REVENUES | <u>293,235</u> | <u>1,096,351</u> | <u>5,159,518</u> | <u>2,324,285</u> | <u>50,000</u> |
| Financial Management System | 0 | 0 | 140,000 | 0 | 0 |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|--|-----------------------|-----------------------|-------------------------------|---|-------------------------------|
| GENERAL FUND CAPITAL PROJECTS FUND - Cont'd | | | | | |
| 800 MHz System | 0 | 0 | 250,000 | 0 | 0 |
| Powell Bill | 0 | 200,000 | 115,000 | 0 | 0 |
| Keep Gastonia Beautiful | 0 | 0 | 25,000 | 1,023 | 0 |
| Adult Recreation Center | 0 | 0 | 71,000 | 65,809 | 0 |
| Lineberger Park | 0 | 200 | 1,350,800 | 25,833 | 0 |
| Cemetery | 0 | 0 | 27,000 | 26,223 | 0 |
| Tulip Drive Bridge | 6,597 | 10,671 | 1,200,979 | 435,267 | 50,000 |
| Greenways | 61,874 | 16,849 | 555,363 | 13,211 | 0 |
| Misc Museum Projects | 863 | 0 | 0 | 0 | 0 |
| Tourism Projects | 0 | 26,135 | 158,601 | 158,602 | 0 |
| Recreation Tourism Projects | 0 | 137,283 | 12,718 | 10,692 | 0 |
| Misc Park Projects | 0 | 24,123 | 210,877 | 57,086 | 0 |
| Annexation Street Paving | 0 | 0 | 100,000 | 0 | 0 |
| Annexation | 0 | 49 | 49 | 49 | 0 |
| Paving-Main St Imp | 8,618 | 3,267 | 4,974 | 0 | 0 |
| Garland Center Renovations | 8,269 | 4,549 | 450 | 0 | 0 |
| Capital Project Reserve | 0 | 0 | 0 | 0 | 0 |
| Railroad Improvements | 0 | 0 | 40,326 | 40,325 | 0 |
| 2/3 GO Bonds - 2008 | 0 | 0 | 530,000 | 0 | 0 |
| Smyre Community Park | 27,787 | 0 | 0 | 0 | 0 |
| Main Ave Properties | 0 | 17,745 | 197,229 | 134,898 | 0 |
| City Hall Renovations | 188,347 | 157,373 | 99,152 | 57,352 | 0 |
| Transfers Out | <u>36,169</u> | <u>0</u> | <u>70,000</u> | <u>70,000</u> | <u>0</u> |
| TOTAL EXPENDITURES | <u>338,524</u> | <u>598,244</u> | <u>5,159,518</u> | <u>1,096,370</u> | <u>50,000</u> |
| DOWNTOWN CAPITAL PROJECTS FUND | | | | | |
| Investment Earnings | 0 | 0 | 0 | -230 | 20,647 |
| Other Revenues | 0 | 0 | 2,670,000 | 1,917,543 | 0 |
| Transfers In | 0 | 0 | 0 | 0 | <u>76,000</u> |
| TOTAL REVENUES | <u>0</u> | <u>0</u> | <u>2,670,000</u> | <u>1,917,313</u> | <u>96,647</u> |
| 2/3 GO Bonds - 2008 | 0 | 0 | 1,525,000 | 2,000 | 0 |
| Downtown Plan | <u>0</u> | <u>0</u> | <u>1,145,000</u> | <u>392,523</u> | <u>96,647</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>0</u> | <u>2,670,000</u> | <u>394,523</u> | <u>96,647</u> |

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2009

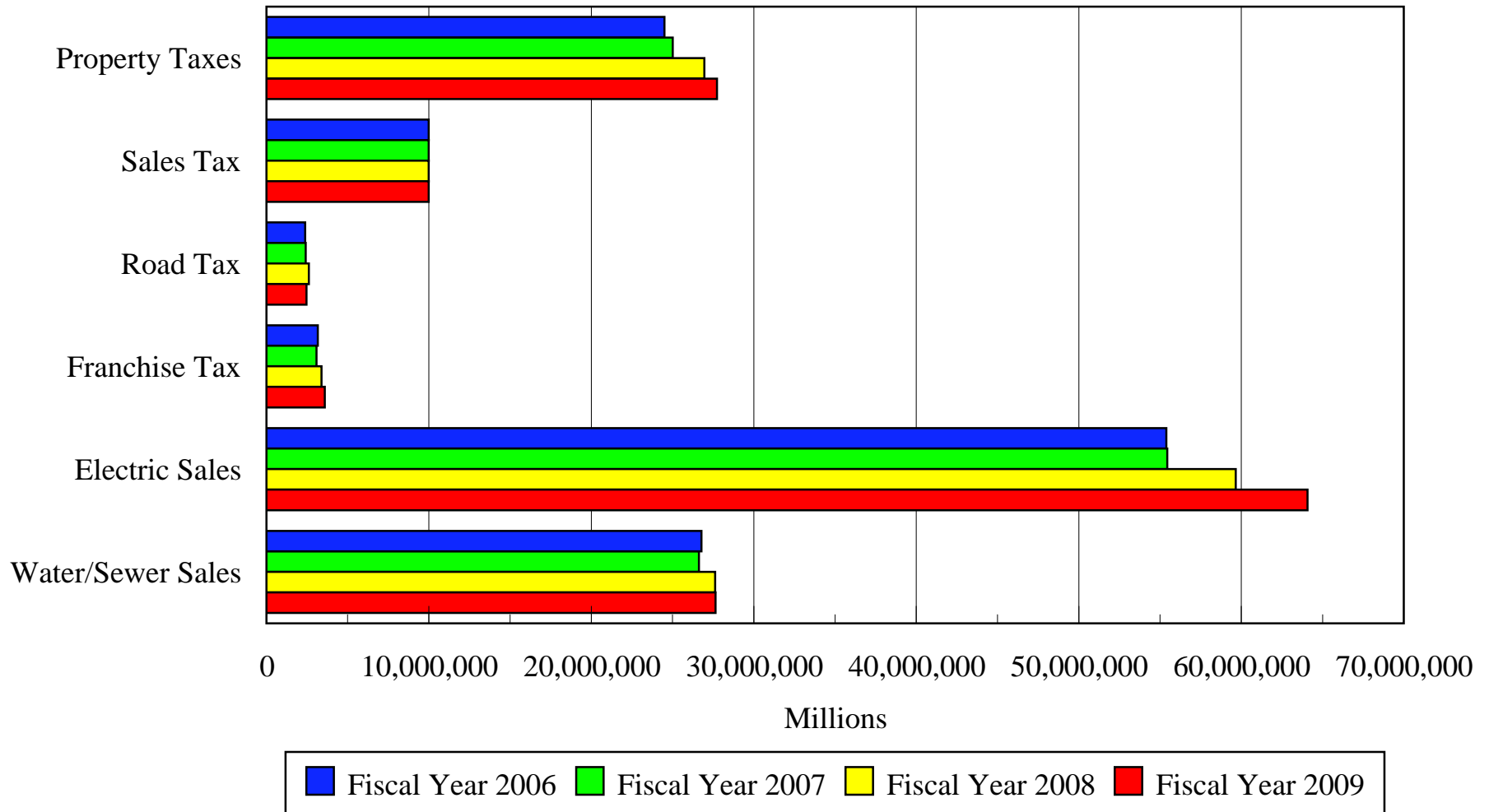
| Title | FY 05/06 Actuals | FY 06/07 Actuals | FY 07/08 Revised Budget | FY 07/08 Year-to-Date (as of 6/30/08) | FY 08/09 Adopted Budget |
|--|---------------------|---------------------|-------------------------------|---|-------------------------------|
| <u>INFRASTRUCTURE REHABILITATION FUND</u> | | | | | |
| Fund Balance Appropriated | 0 | 0 | 0 | 0 | 233,452 |
| Investment Earnings | 0 | 0 | 0 | 11,708 | 8,000 |
| Other Revenues | 0 | 0 | 0 | 237,150 | 8,700 |
| Transfers In | <u>0</u> | <u>0</u> | <u>320,000</u> | <u>320,000</u> | <u>0</u> |
| TOTAL REVENUES | <u>0</u> | <u>0</u> | <u>320,000</u> | <u>568,858</u> | <u>250,152</u> |
| Administration | 0 | 0 | 10,000 | 10,000 | 29,000 |
| Capital Project Reserve | <u>0</u> | <u>0</u> | <u>310,000</u> | <u>0</u> | <u>221,152</u> |
| TOTAL EXPENDITURES | <u>0</u> | <u>0</u> | <u>320,000</u> | <u>10,000</u> | <u>250,152</u> |

City of Gastonia
Revenues, Expenditures, and Other Financing Sources/Uses

| | FY 05-06 | FY 06-07 | FY 07-08 | FY 07-08 Year to-Date (as of 6/30/08) | FY 08-09 Adopted Budget |
|-------------------------------|--------------------|--------------------|--------------------|---|-------------------------------|
| | Actuals | Actuals | Budget | | |
| Appropriated Fund Balance | 0 | 0 | 16,740,614 | 4,108 | 1,308,823 |
| Assessments | 93,284 | 49,076 | 56,150 | 117,651 | 49,300 |
| Electric Sales | 55,397,456 | 55,457,557 | 60,172,094 | 61,135,100 | 64,085,547 |
| City Fees and Charges | 7,157,759 | 8,292,655 | 8,167,030 | 8,092,665 | 8,513,479 |
| Investment Earnings | 2,169,232 | 2,621,309 | 1,803,734 | 2,200,123 | 1,947,309 |
| Non Recurring Grants | 178,279 | 84,322 | 866,154 | 86,399 | 0 |
| Operating Grants | 3,426,523 | 3,503,715 | 5,350,346 | 3,240,167 | 3,182,119 |
| Other Revenues | 29,482,137 | 20,501,920 | 30,463,469 | 24,933,661 | 21,663,719 |
| Ad Valorem taxes | 24,600,801 | 25,120,057 | 27,082,419 | 27,197,065 | 27,858,576 |
| Funding for Roads | 2,709,114 | 2,451,394 | 4,787,974 | 2,822,431 | 2,478,809 |
| Home Investment Initiative | 0 | 0 | 170,613 | 0 | 7,477 |
| Sales Tax | 9,988,923 | 9,988,923 | 9,988,922 | 9,988,922 | 9,988,922 |
| State Transfers | 4,729,842 | 4,961,971 | 5,632,631 | 5,588,002 | 5,870,171 |
| Stormwater Revenues | 1,978,288 | 1,986,308 | 2,125,000 | 2,006,154 | 2,077,105 |
| Transfers In | 7,679,541 | 8,008,921 | 10,103,996 | 10,103,996 | 7,338,545 |
| Water & Sewer Sales | 26,799,082 | 26,643,187 | 27,624,000 | 26,811,940 | 27,653,298 |
| Total Revenues by Type | 176,390,261 | 169,671,315 | 211,135,146 | 184,328,384 | 184,023,199 |
| Overtime | 1,089,692 | 1,224,279 | 1,334,932 | 1,230,841 | 1,182,690 |
| Salaries | 36,481,225 | 38,656,974 | 42,805,988 | 40,431,118 | 44,343,627 |
| Fringe Benefits | 10,550,319 | 11,427,739 | 12,830,182 | 11,962,337 | 13,101,573 |
| Capital Outlay | 9,029,172 | 8,794,202 | 22,389,969 | 6,838,536 | 3,552,073 |
| Contracted Services | 7,390,377 | 8,301,539 | 12,790,996 | 8,289,257 | 9,556,999 |
| Debt Service | 22,852,162 | 16,084,151 | 17,001,104 | 16,243,529 | 14,804,233 |
| Equipment | 2,713,061 | 3,319,652 | 7,656,401 | 2,568,330 | 6,469,217 |
| Insurance | 772,409 | 581,240 | 646,323 | 616,308 | 675,908 |
| Maintenance | 5,808,345 | 6,475,350 | 6,890,456 | 5,566,916 | 7,156,557 |
| Operational Support | 4,367,326 | 10,514,180 | 13,516,097 | 12,520,199 | 13,042,877 |
| Other Expenses | 4,335,327 | 4,192,691 | 5,327,421 | 3,665,036 | 4,809,540 |
| Purchases for Resale | 47,300,510 | 47,638,500 | 50,037,139 | 50,216,790 | 51,237,796 |
| Rate Stabilization | 0 | 0 | 1,178,502 | 0 | 0 |
| Reimbursement for Services | 0 | 0 | 227,806 | 227,804 | -3,645 |
| Transfers Out | 7,679,541 | 8,008,921 | 10,103,996 | 10,103,996 | 7,338,545 |
| Travel & Training | 355,738 | 454,694 | 562,214 | 411,902 | 536,019 |
| Equipment Lease & Utilities | 5,272,191 | 4,912,641 | 5,835,620 | 5,601,539 | 6,219,190 |
| Expenditures by Type | 165,997,395 | 170,586,753 | 211,135,146 | 176,494,439 | 184,023,199 |

COMPARISON OF MAJOR REVENUES

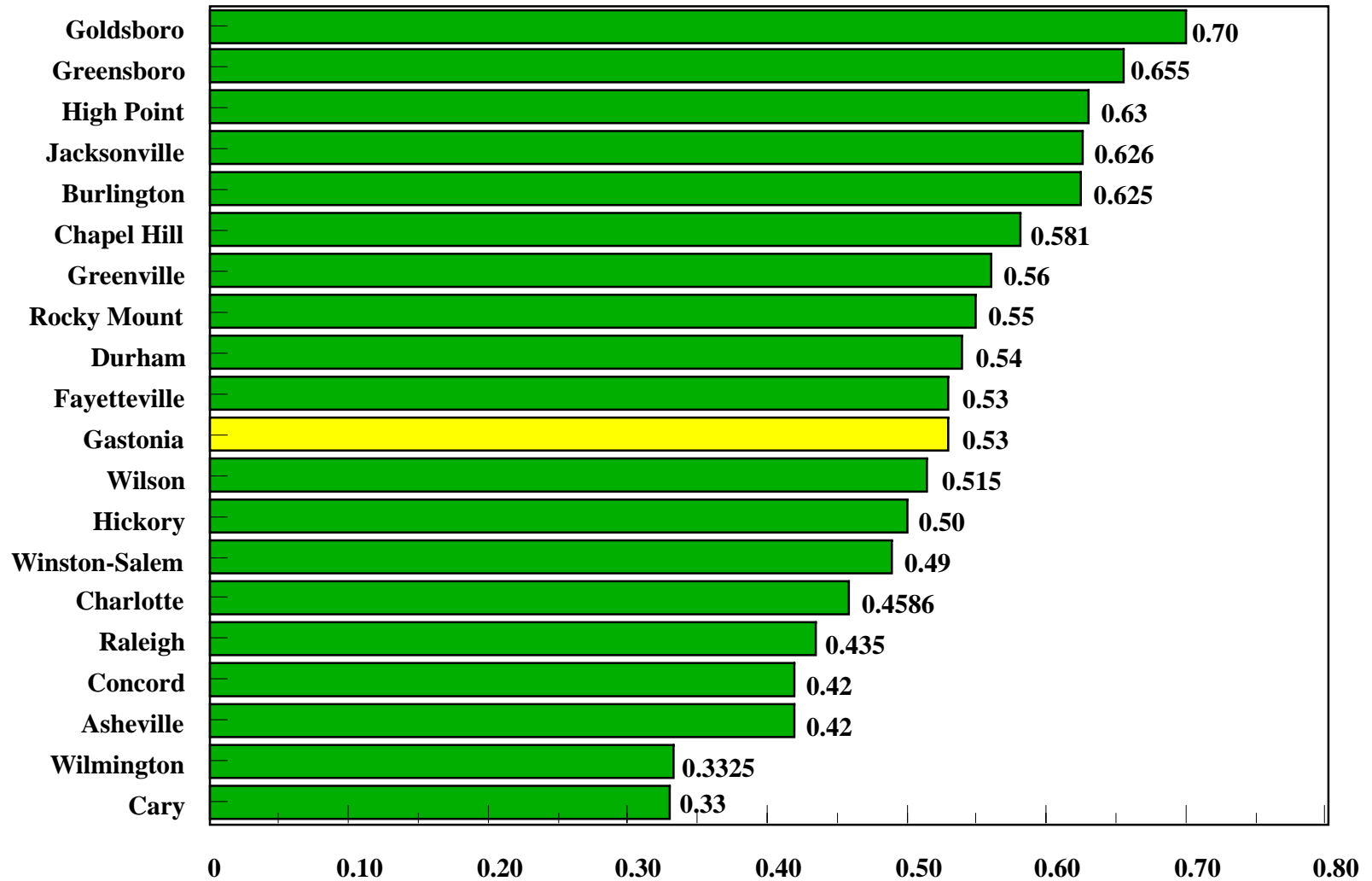
FY06 Actual - FY07 Actual - FY08 Budget - FY09 Adopted



Comparison of Ad Valorem Tax Rates

Twenty Largest Cities in North Carolina

Fiscal Year 2009 Adopted Levies



CITY OF GASTONIA COMPARISON OF BUDGETED TAX LEVIES

| Regular Levy | 2007 Value (FYE 6/30/08) | Estimated 2008 Value (as of 12/31/07) | Projected Property Tax Levies | Applied Collection Percentage | Total Projected Collections for FY 09 | Projected Tax Collections for FY 08 (adjusted 12/31/07) | Budgeted Tax Collections for FY 08 |
|---------------------------------------|-----------------------------|---|-------------------------------------|-------------------------------------|---|--|--|
| Real Property | 3,945,877,634 | 4,092,944,875 | 21,692,608 | 97.00% | 21,041,830 | 20,285,757 | 20,144,026 |
| Personal Property | 485,315,113 | 457,040,040 | 2,422,312 | 97.00% | 2,349,643 | 2,495,005 | 2,438,292 |
| Utility Certifications | 110,131,516 | 110,608,936 | 586,227 | 100.00% | 586,227 | 583,697 | 569,945 |
| Motor Vehicles | 428,148,308 | 429,300,027 | 2,275,290 | 82.18% | 1,869,833 | 1,864,817 | 1,963,152 |
| Grand Total Property Taxes | 4,969,472,571 | 5,089,893,878 | 26,976,438 | | \$25,847,533 | \$25,229,276 | \$25,115,415 |

Revenue Projections Above are Based on the Following:

- 2007 values for real property, personal property, motor vehicles and utility certifications are equal to those reported on TR-2 report for 12/31/06. Growth projections are based on historical values over the last twenty years excluding 1990, 1994, 1998, 2004, and 2008 because of the revaluation of real property.
- Estimated 2009 values and current year projections for real property, personal property, utility certifications and motor vehicles will be adjusted as information is provided by Gaston County

As of May 21, 2008.

Changes from original projections by category are as follows:

| | FY 09 | FY 09 | Difference |
|------------------------|---------------|---------------|-------------|
| Real Property | 3,993,097,952 | 4,092,944,875 | 99,846,923 |
| Personal Property | 487,460,691 | 457,040,040 | -30,420,651 |
| Utility Certifications | 110,608,936 | 110,608,936 | 0 |
| Motor Vehicles | 429,300,027 | 429,300,027 | 0 |
| | | | 69,426,272 |

- Tax Rate of .53 per \$100 of Valuation and Auto Tag Fee of \$15.00 per Licensed Motor Vehicle
- Tax Collection Percentages as shown on Annual Audit - Analysis of Current Tax Levy, 6/30/2007

CITY OF GASTONIA
TAX VALUES, RATES, LEVIES AND COLLECTIONS
(Dollars in Thousands)

| Personal Property | Public Service Companies | Regular Tax Levy | % Collected | Motor Vehicles | Motor Vehicle Tax Levy | % Collected | Total Tax Valuation | Tax Rate | Total Tax Levy | Total Percent Collected |
|--------------------------|---------------------------------|-------------------------|--------------------|-----------------------|-------------------------------|--------------------|----------------------------|-----------------|-----------------------|--------------------------------|
| 485,801 | 113,787 | 14,173 | 97.75% | 365,504 | 1,718 | 84.05% | 3,366,264 | 0.4700 | 15,890 | 96.27% |
| 528,308 | 116,877 | 14,817 | 97.42% | 396,805 | 1,820 | 82.97% | 3,549,548 | 0.4700 | 16,638 | 95.84% |
| 574,244 | 109,196 | 16,314 | 96.46% | 390,667 | 1,869 | 84.24% | 3,684,366 | 0.4925 | 18,183 | 95.20% |
| 556,023 | 105,555 | 16,446 | 95.23% | 398,821 | 1,959 | 91.48% | 3,737,302 | 0.4925 | 18,406 | 94.83% |
| 558,030 | 107,648 | 18,368 | 96.52% | 385,933 | 2,090 | 82.06% | 3,775,582 | 0.5425 | 20,459 | 95.04% |
| 481,328 | 117,053 | 20,388 | 96.43% | 434,471 | 2,119 | 83.57% | 4,246,827 | 0.5300 | 22,507 | 95.22% |
| 392,600 | 99,560 | 20,998 | 96.72% | 380,558 | 2,055 | 84.03% | 4,169,147 | 0.5400 | 23,053 | 95.59% |
| 477,540 | 98,925 | 21,414 | 97.20% | 420,911 | 2,273 | 83.67% | 4,386,539 | 0.5400 | 23,687 | 95.90% |
| 496,793 | 103,924 | 21,950 | 97.50% | 410,628 | 2,217 | 80.79% | 4,474,829 | 0.5400 | 24,167 | 96.40% |
| 500,405 | 110,132 | 24,149 | 97.02% | 432,830 | 2,294 | 82.16% | 4,989,245 | 0.5300 | 26,443 | 96.30% |

1. Revaluation of Real Property became effective with the January 1, 2007 tax levy.

CITY OF GASTONIA
LEGAL DEBT MARGIN - DIRECT & OVERLAPPING DEBT

June 30, 2008
Unaudited

Assessed valuation

Assessed value - Fiscal Year 2008 \$5,089,893,878

Debt Limit

Eight percent (8%) of valuation \$407,191,510

Gross Debt

Authorized & Outstanding bonded debt \$62,174,998

Outstanding debt not evidenced by bonds \$26,580,979

\$88,755,977

Statutory Deductions

Bonds and other debt not evidenced by bonds
applicable to Enterprise Funds \$47,616,677

Amount designated for payment of gross debt
other than Enterprise Fund debt \$29,265

\$47,645,942

Net Debt

\$41,110,035

Legal Debt Limit

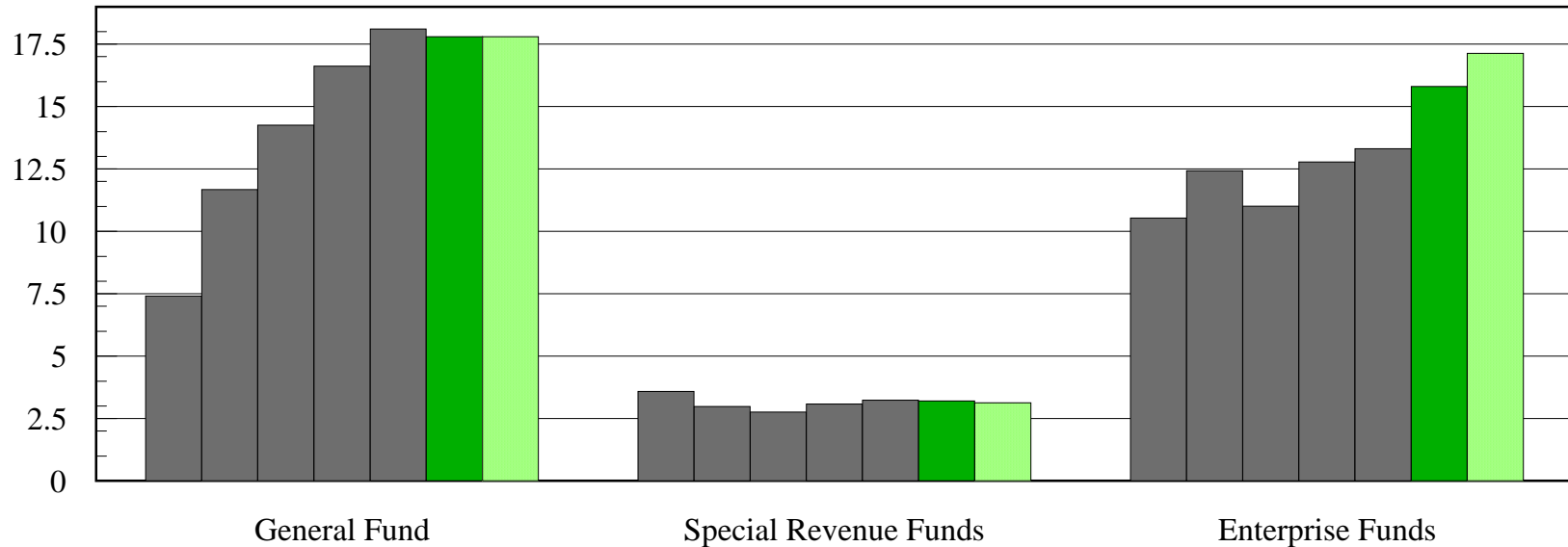
\$366,081,475

Year Over Year Fund Balance Comparison

By Accounting Fund Type

Fiscal Years 2003-2009 (estimate)

Millions



| | General Fund | Special Revenue Funds | Enterprise Funds |
|----------------|--------------|-----------------------|------------------|
| ■ 06/30/03 | \$7,415,396 | \$3,589,970 | \$10,529,418 |
| ■ 06/30/04 | \$11,682,734 | \$2,978,932 | \$12,433,756 |
| ■ 06/30/05 | \$14,261,413 | \$2,763,020 | \$11,006,791 |
| ■ 06/30/06 | \$16,628,487 | \$3,076,785 | \$12,776,550 |
| ■ 06/30/07 | \$18,106,734 | \$3,241,673 | \$13,310,652 |
| ■ 06/30/08 est | \$17,800,000 | \$3,200,000 | \$15,807,000 |
| ■ 06/30/09 est | \$17,800,000 | \$3,130,000 | \$17,140,000 |

General Funds: 10, 17, 18, 19, 67, 69, 73, 74, 75, 76

Special Revenue Funds: 21, 22, 23, 24, 25, 26, 27, 28, 29, 87

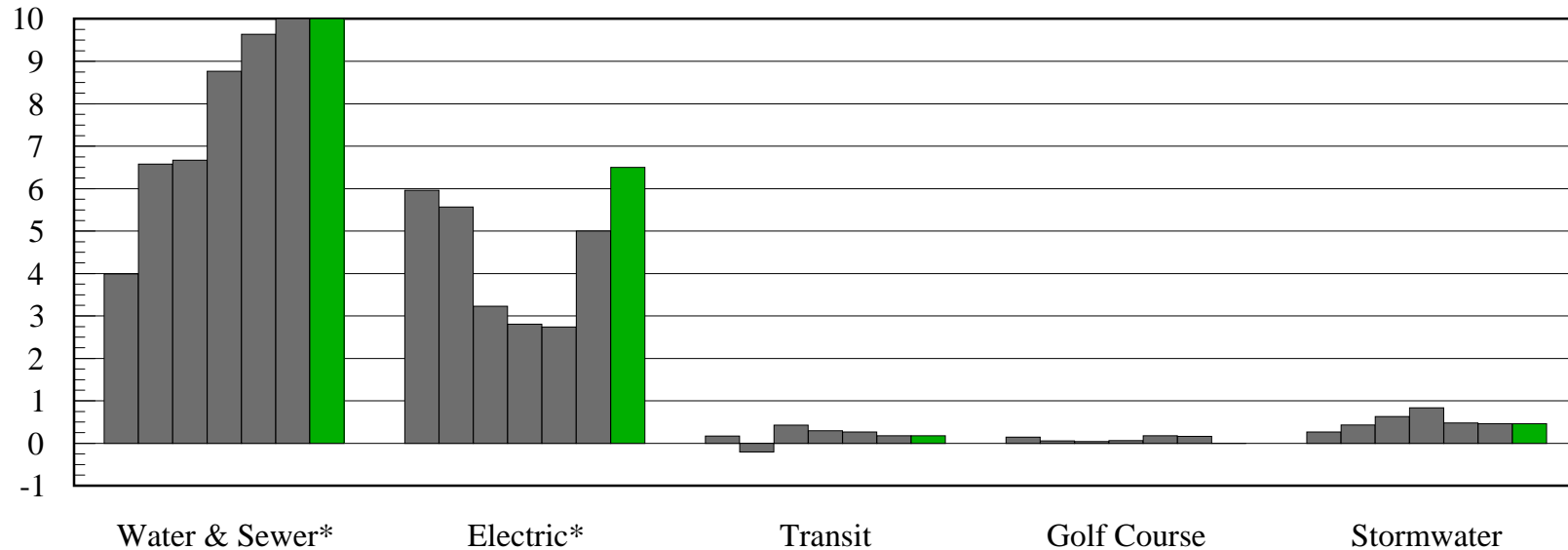
Enterprise Funds: 30, 42, 51, 31, 52, 32, 33, 36, 37

Year Over Year Fund Balance Comparison

Enterprise Funds

Fiscal Years 2003-2009 (estimate)

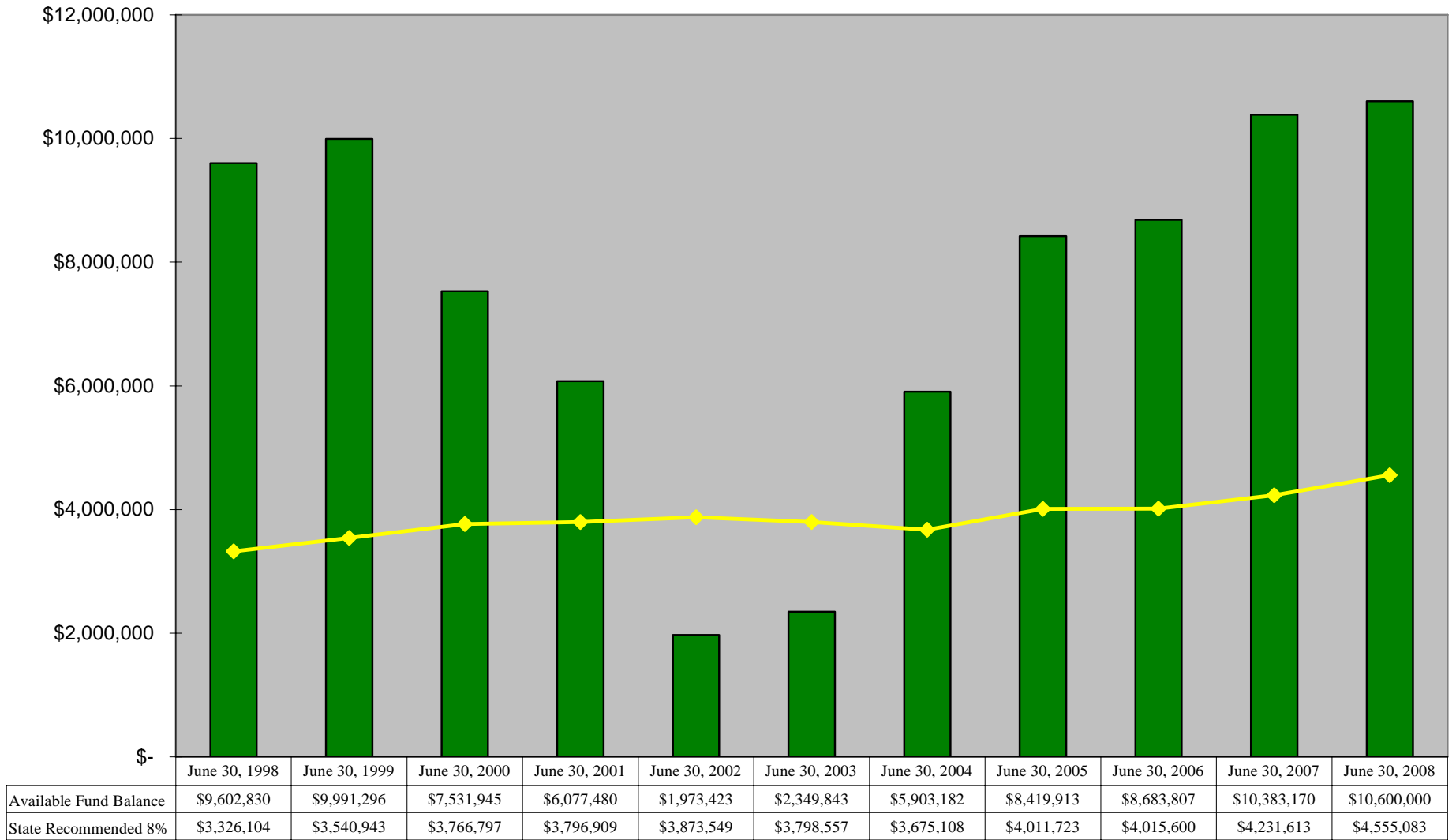
Millions



| | Water & Sewer* | Electric* | Transit | Golf Course | Stormwater |
|---------------|----------------|-------------|-------------|-------------|------------|
| ■ 06/30/03 | \$3,990,969 | \$5,958,980 | \$171,060 | \$143,368 | \$265,041 |
| ■ 06/30/04 | \$6,577,194 | \$5,566,774 | (\$206,100) | \$60,038 | \$435,850 |
| ■ 06/30/05 | \$6,667,983 | \$3,230,020 | \$428,264 | \$46,699 | \$633,825 |
| ■ 06/30/06 | \$8,768,134 | \$2,808,514 | \$300,533 | \$64,435 | \$834,934 |
| ■ 06/30/07 | \$9,638,764 | \$2,740,009 | \$265,474 | \$182,480 | \$483,925 |
| ■ 06/30/08est | \$10,000,000 | \$5,000,000 | \$180,000 | \$167,000 | \$460,000 |
| ■ 06/30/09est | \$10,000,000 | \$6,500,000 | \$180,000 | \$0 | \$460,000 |

* Includes Funds 51 & 52 Water & Sewer/Electric Renewal & Replacement Funds, Fund 42 W/S Expansion Fund, and Fund 37 Power Agreement Settlement Fund.

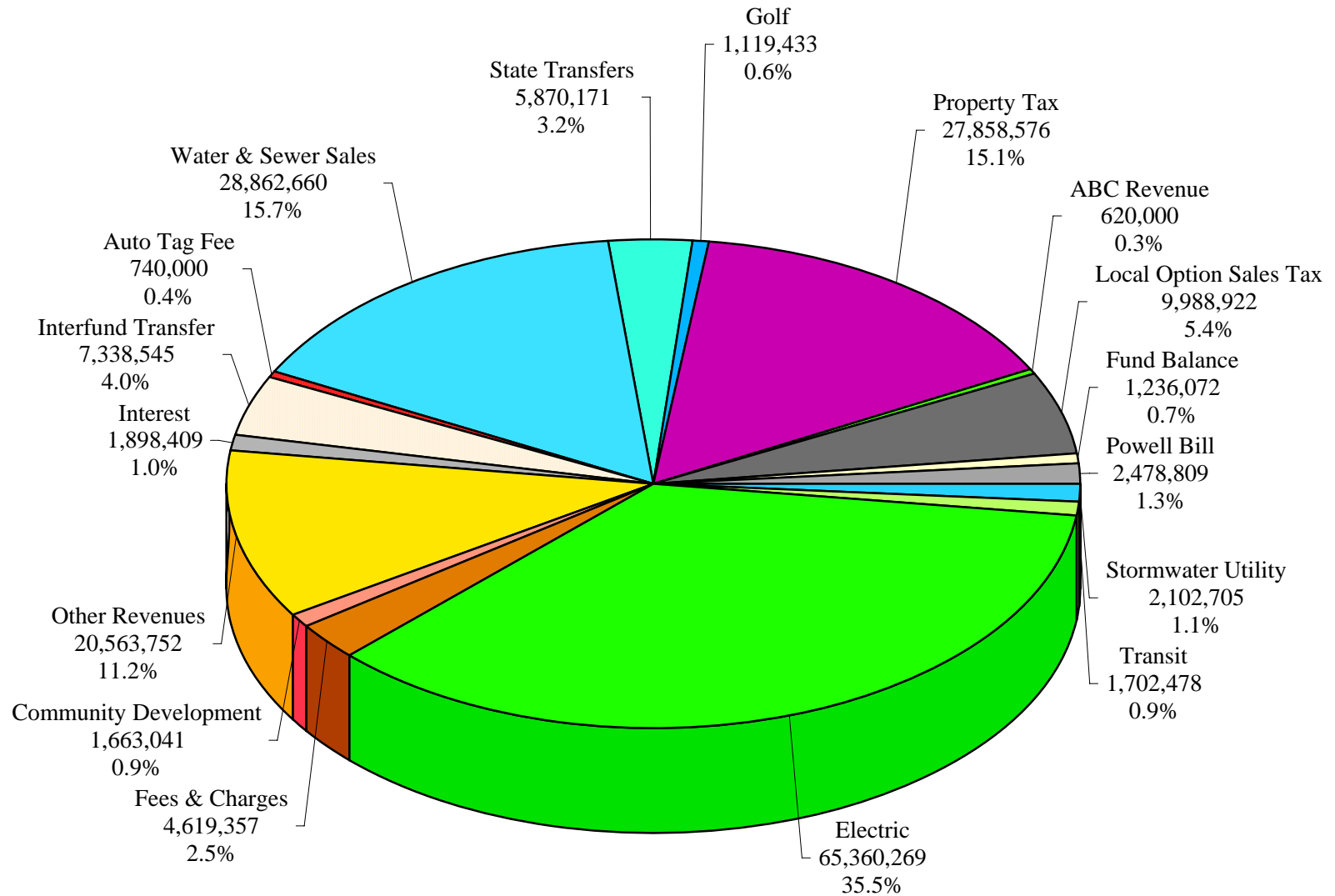
HISTORICAL TREND OF GENERAL FUND AVAILABLE FUND BALANCE



Annual Budget Revenues

Fiscal Year 2009

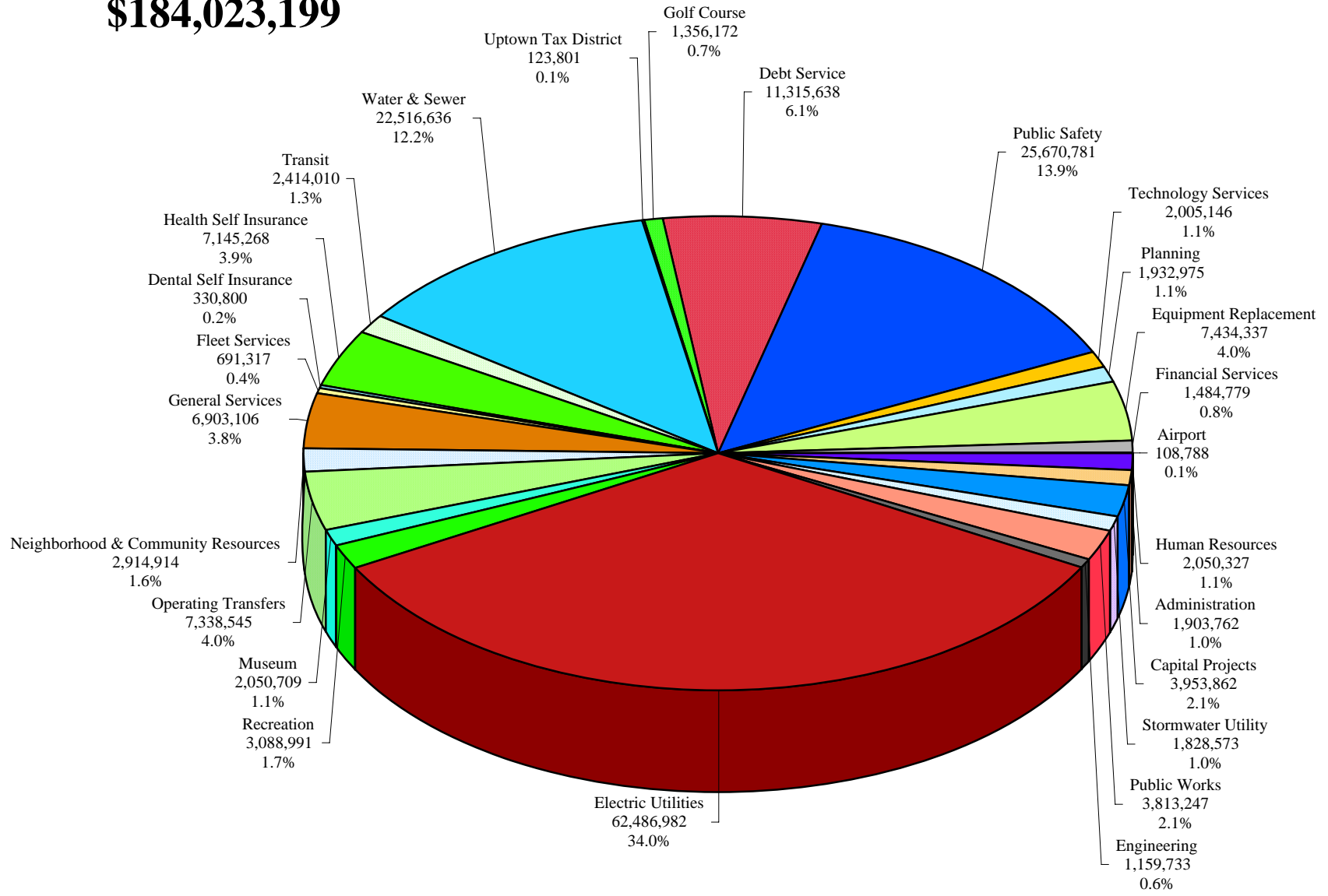
\$184,023,199



Annual Budget Expenditures

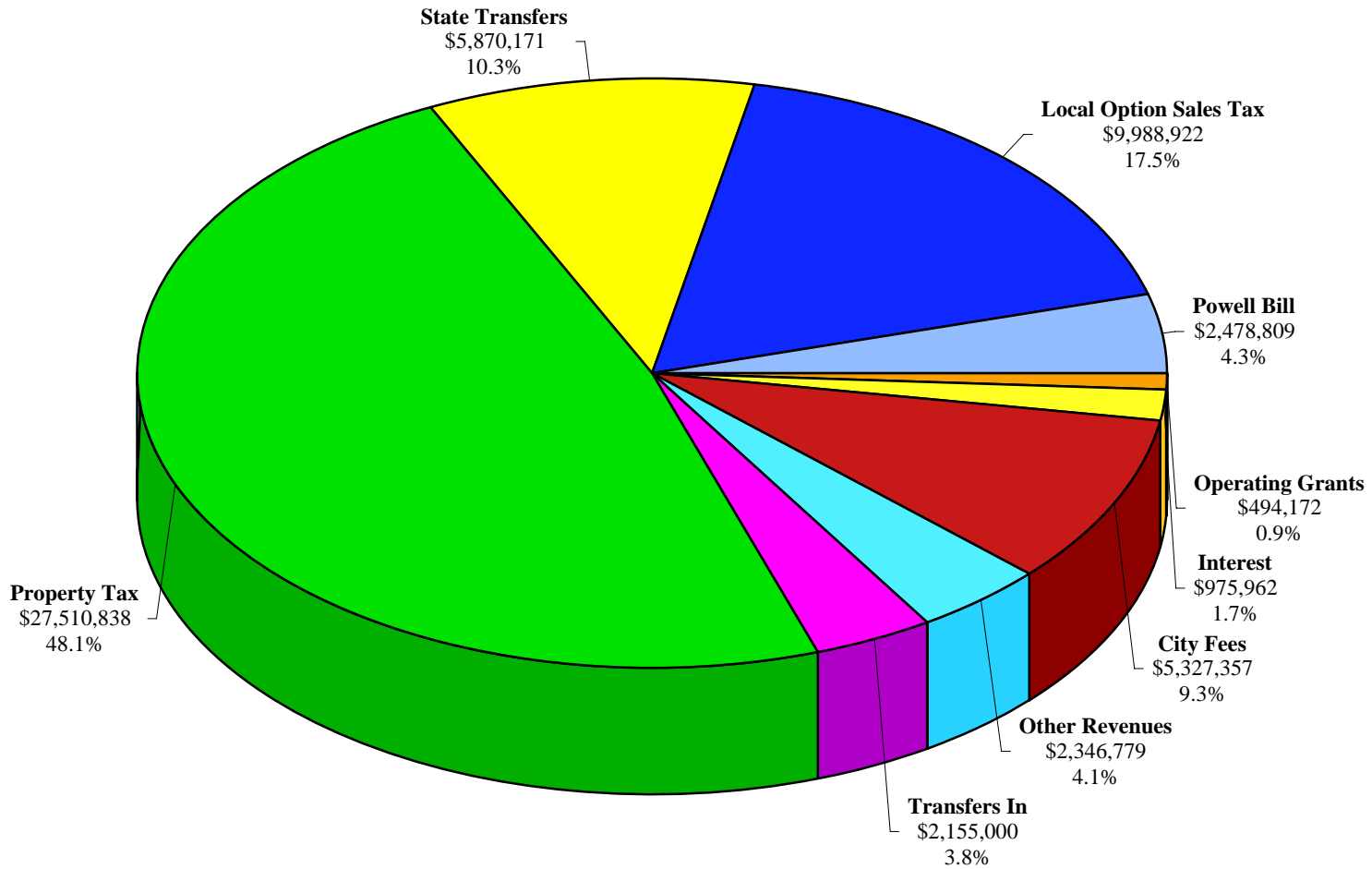
Fiscal Year 2009

\$184,023,199



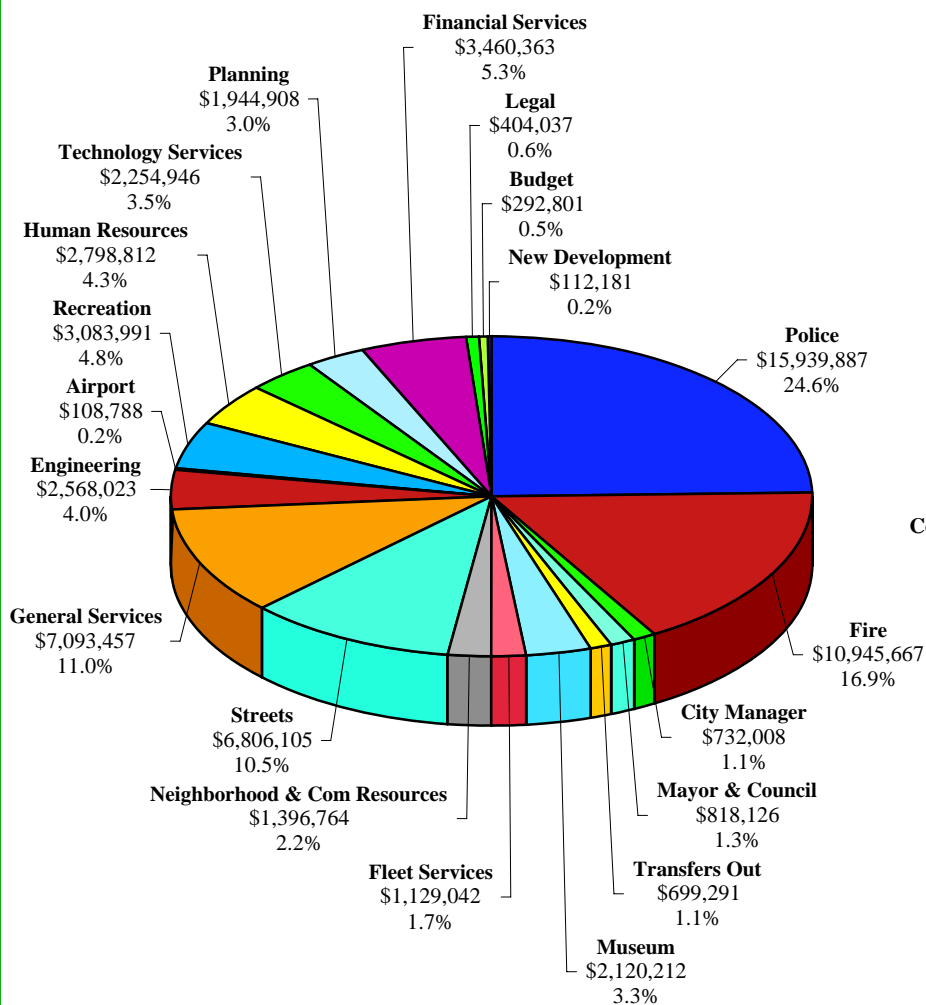
General Fund Fiscal Year 2009

Revenues

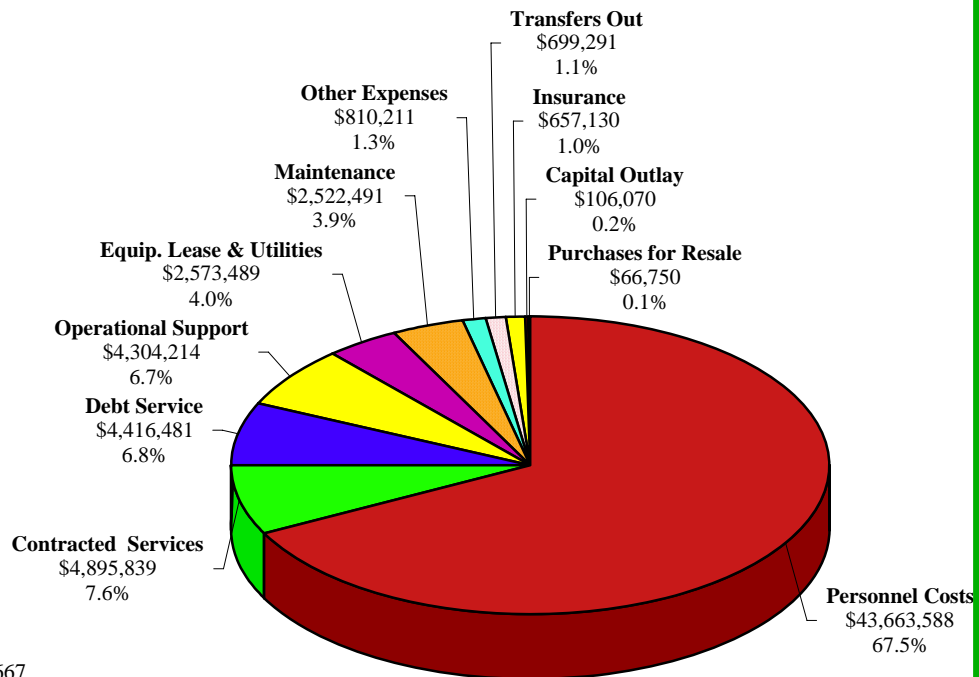


General Fund Fiscal Year 2009

Expenditures by Function

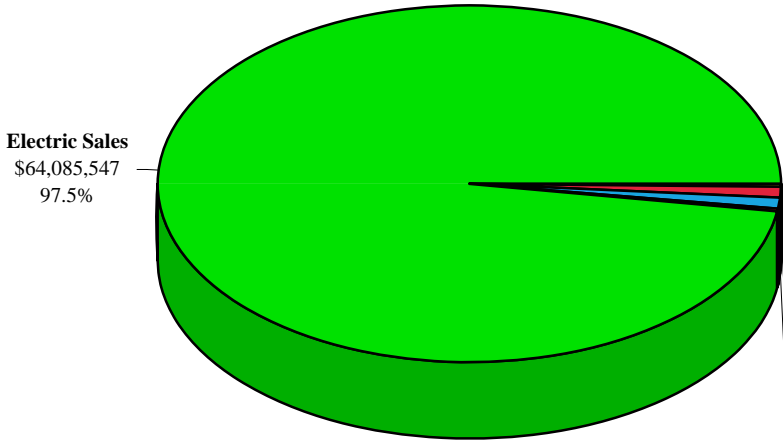


Expenditures by Category

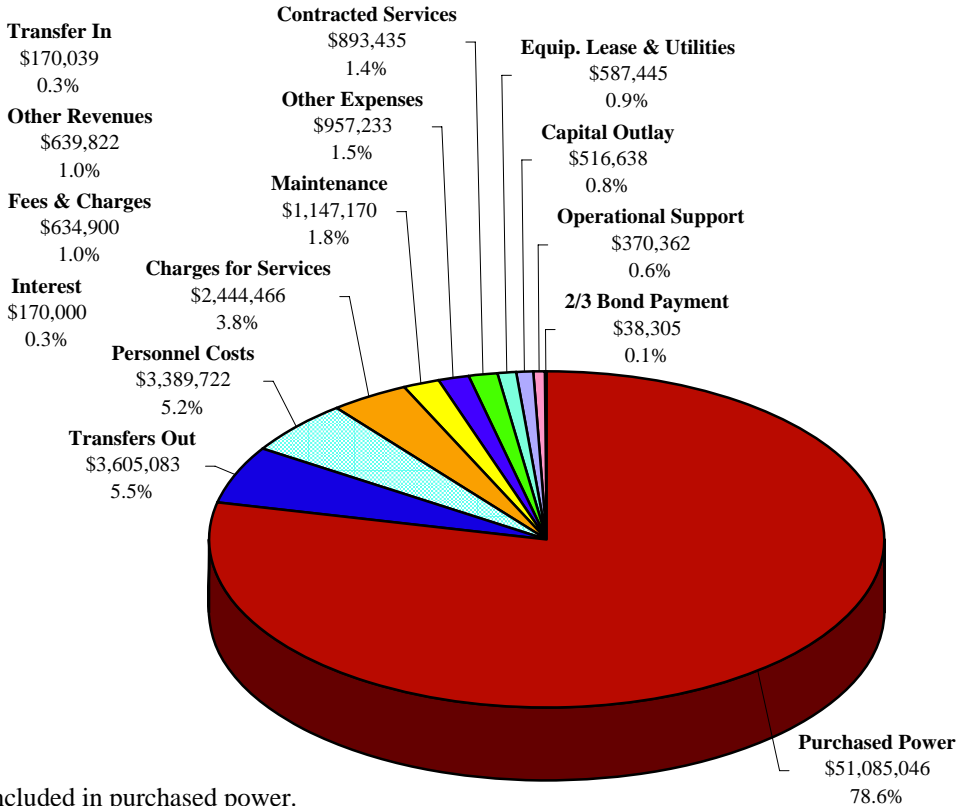


Electric Fund Fiscal Year 2009

Revenues



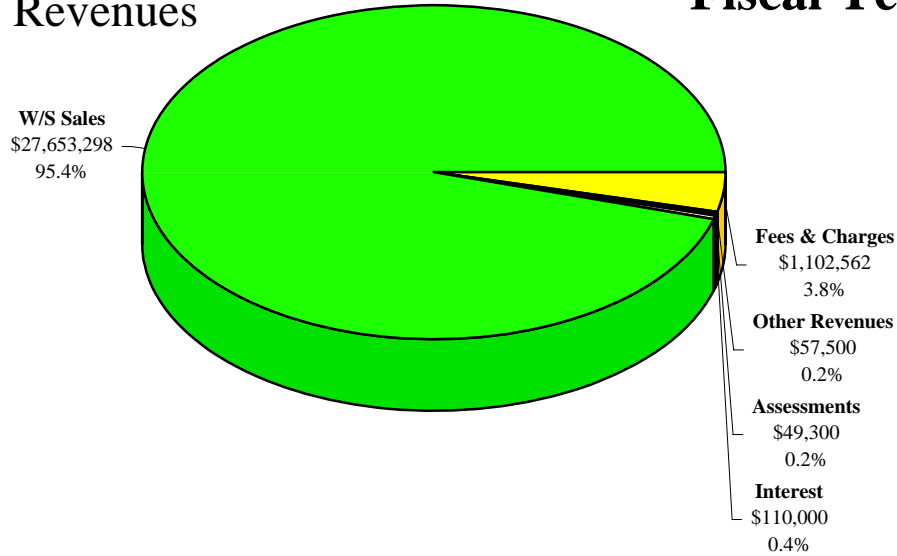
Expenditures



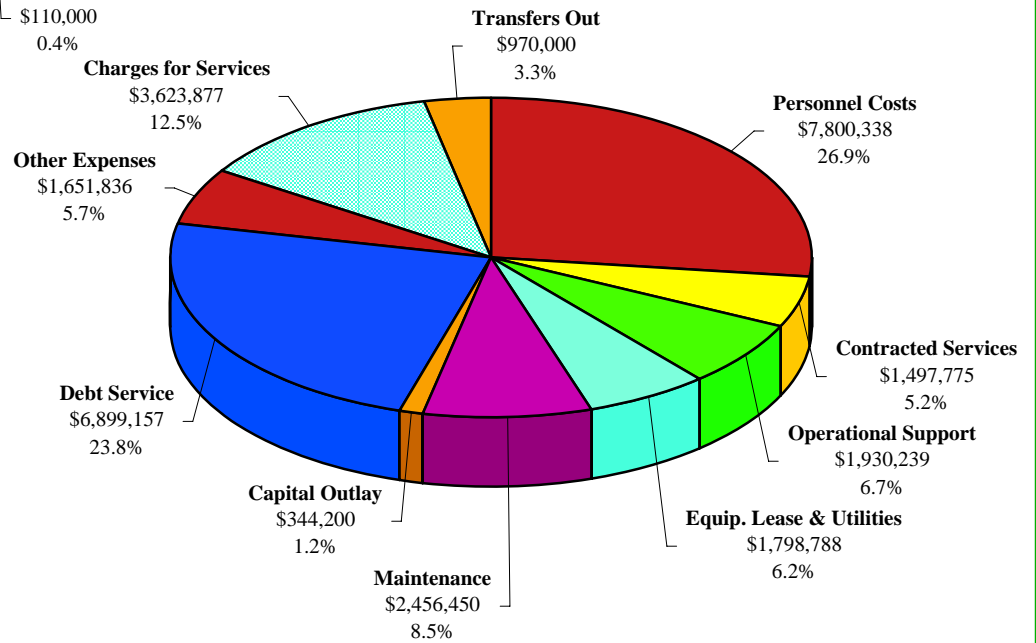
Power Agency debt service of \$32,779,831 is included in purchased power.
Gastonia's share of the outstanding debt is 17.1205% or \$273,315,086.

Water & Sewer Fund Fiscal Year 2009

Revenues



Expenditures



MAJOR REVENUE SOURCE ANALYSIS

The following analysis includes a breakdown of major revenue sources for the various operating funds. Actual revenue figures are used for Fiscal Years 2000 through 2007. The Fiscal Year 2008 numbers are budgeted amounts. The Fiscal Year 2009 estimates are determined by the operating departments' best estimates on receipts for the upcoming fiscal year.

GENERAL FUND

TAX BASE

Property tax valuations have shown an increase from Fiscal Year 2000 to the present. After 1988, the State Legislature removed property and business inventories from the taxable base but with revaluation and economic development, we have maintained growth each year.

| | |
|---------|---------------|
| 1999-00 | 3,511,814,231 |
| 2000-01 | 3,694,045,122 |
| 2001-02 | 3,835,495,088 |
| 2002-03 | 3,882,218,587 |
| 2003-04 | 4,224,687,492 |
| 2004-05 | 4,247,117,700 |
| 2005-06 | 4,327,334,116 |
| 2006-07 | 4,430,646,140 |
| 2007-08 | 4,969,472,571 |
| 2008-09 | 5,089,893,878 |

AD VALOREM TAX

Budgeted net property tax estimates of \$25,847,533 for Fiscal Year 2009 are based on \$5.089 billion estimated valuation, 53¢ per \$100 valuation tax rate and a 97.00% collection rate.

Major Revenue Sources - General Fund – Utilities Franchise Tax, continued

UTILITIES FRANCHISE TAX

In North Carolina, a 6% franchise tax is levied on utility gross sales. After collection, the State keeps 50% and distributes the remaining 50% to the governmental units located in the area producing the utility sales. Growth is fairly stable but, during recession years, growth can stagnant. The estimate for Fiscal Year 2009 is \$3,600,000.

| | |
|---------|-----------|
| 1999-00 | 2,943,097 |
| 2000-01 | 3,139,885 |
| 2001-02 | 1,540,045 |
| 2002-03 | 3,056,579 |
| 2003-04 | 3,171,334 |
| 2004-05 | 3,138,787 |
| 2005-06 | 3,173,463 |
| 2006-07 | 3,318,899 |
| 2007-08 | 3,400,000 |

BEER & WINE TAX

The state levies a number of taxes on alcoholic beverages. A city or county is eligible to share in the beer and wine excise tax revenues if beer or wine may be legally sold within its boundaries. Distribution of the beer and wine tax revenue is based on the population of eligible cities and counties. Growth has been slow and, as in all state allocated revenues, the distribution of these funds is subject to the state's discretion. Our estimate for Gastonia for Fiscal Year 2009 is \$347,000.

| | |
|---------|---------|
| 1999-00 | 266,460 |
| 2000-01 | 277,497 |
| 2001-02 | 0 |
| 2002-03 | 288,948 |
| 2003-04 | 293,098 |
| 2004-05 | 303,281 |

Major Revenue Sources - General Fund - Beer & Wine Tax, continued

| | |
|---------|---------|
| 2005-06 | 303,925 |
| 2006-07 | 317,568 |
| 2007-08 | 341,000 |

ABC NET REVENUES

The ABC revenues are determined by the amount requested from the ABC Board by the City Council. This revenue is usually based on net sales received above the working capital required to operate in that fiscal year. In Fiscal Year 1992-93, the City Council requested all funds set aside for a new ABC store plus the normal request above the working capital amount. In Fiscal Year 1996-97 City Council requested \$650,000 for the Martha Rivers Park Youth Sports Complex. In Fiscal Year 2009, the City is expecting \$620,000.

| | |
|---------|---------|
| 1999-00 | 525,000 |
| 2000-01 | 525,000 |
| 2001-02 | 525,000 |
| 2002-03 | 525,000 |
| 2003-04 | 605,000 |
| 2004-05 | 480,000 |
| 2005-06 | 508,000 |
| 2006-07 | 608,000 |
| 2007-08 | 530,000 |

LOCAL OPTION SALES TAX

The one cent share from the State of the Local Option Sales Tax in Gaston County is distributed on the basis of population as determined by the Gaston County Commissioners. In 1983, 1986 and 2001, Gaston County opted to levy an additional 1/2 cent sales tax as allowed by law. Each are collected by the State and distributed based on the population method statewide. After Fiscal Year 2004, Gaston County opted to use the Ad Valorem Tax formula for distribution; but will insure that the municipalities in the County will receive the same amount as Fiscal Year 2004.

Major Revenue Sources - General Fund – Local Option Sales Tax, continued

This will not allow any growth of sales tax to the municipalities but would go to the County. Our General Fund estimate for Fiscal Year 2009 is \$9,988,922.

| | |
|---------|-----------|
| 1999-00 | 7,754,802 |
| 2000-01 | 7,889,743 |
| 2001-02 | 7,996,447 |
| 2002-03 | 8,640,145 |
| 2003-04 | 9,988,923 |
| 2004-05 | 9,988,923 |
| 2005-06 | 9,988,923 |
| 2006-07 | 9,988,922 |
| 2007-08 | 9,988,922 |

POWELL BILL

One quarter of the Powell Bill revenue distribution is based on mileage of nonstate system streets within the City and three quarters of the distribution is based on the City's population. The revenue is derived from the \$.0175/per gallon portion of state gasoline tax and a 6.5% allocation from the Highway Trust Fund revenues which stems from vehicle registration, title fees and highway use taxes. We forecast a revenue of approximately \$2,266,809 for the fiscal year.

| | |
|---------|-----------|
| 1999-00 | 2,043,126 |
| 2000-01 | 2,169,282 |
| 2001-02 | 2,248,002 |
| 2002-03 | 2,136,615 |
| 2003-04 | 1,942,927 |
| 2004-05 | 2,152,473 |
| 2005-06 | 2,144,639 |
| 2006-07 | 2,175,227 |
| 2007-08 | 2,411,498 |

Major Revenue Sources - General Fund – Transfers

TRANSFER FROM ELECTRIC FUND

With the implementation of the City Manager's Transfer Policy in February of 1994, we established a set policy on the allowable transfer from the Electric Fund to supplement the General Fund. In prior years, all profits remaining after operating costs were transferred to the General Fund at year end. The rationale behind this was that this enabled the City to keep the tax rate as low as possible. However, due to a request by the bond rating agencies, and the Local Government Commission, beginning in Fiscal Year 1994-95, the City began to reduce its reliance on electric transfers. The transfer from the Electric Fund to the General Fund should be reduced each Fiscal Year until a level equating to 3% of gross fixed assets is attained. This mark is reflective of Council's April 1997 change to the Electric Transfer Policy from a target of 8% to a maximum of 3%. The total transfer budgeted for Fiscal Year 2009 is \$2,100,000, this should again meet the 3% goal.

| | |
|---------|-----------|
| 1999-00 | 3,424,210 |
| 2000-01 | 2,925,000 |
| 2001-02 | 2,425,000 |
| 2002-03 | 2,500,000 |
| 2003-04 | 2,400,000 |
| 2004-05 | 2,300,000 |
| 2005-06 | 2,200,000 |
| 2006-07 | 2,100,000 |
| 2007-08 | 2,100,000 |

APPROPRIATED FUND BALANCE

In past years we have relied heavily on appropriations from the General Fund Balance to balance the budget. The ability to do this was based on the fact that at year end, the General Fund swept all monies remaining in the Electric Fund. It also previously swept large amounts of Water and Sewer Fund Balance for its needs. These practices were discontinued in 1994 and the Enterprise Funds retain their Fund Balance. The Fiscal Year 2009 budget uses \$0 Available Fund Balance.

| | |
|---------|-----------|
| 1999-00 | 284 |
| 2000-01 | 400,000 |
| 2001-02 | 1,107,387 |

Major Revenue Sources - General Fund – Appropriated Fund Balance, continued

| | |
|---------|-----------|
| 2002-03 | 333,874 |
| 2003-04 | 0 |
| 2004-05 | 0 |
| 2005-06 | 0 |
| 2006-07 | 0 |
| 2006-08 | 2,376,467 |

WATER AND SEWER FUND

The Water and Sewer Fund is operated as a self-sustaining enterprise fund. After all miscellaneous revenue is recognized, the water and sewer rates are set to balance the revenues to expenses. The growth in this fund would be affected by the economy and, of course, the number of customers coming on the system as a result of economic development. The water and sewer sales estimate for Fiscal Year 2009 is \$27,653,298.

| | |
|---------|------------|
| 1999-00 | 22,245,912 |
| 2000-01 | 23,658,952 |
| 2001-02 | 22,641,290 |
| 2002-03 | 22,918,123 |
| 2003-04 | 23,792,447 |
| 2004-05 | 25,924,760 |
| 2005-06 | 26,799,082 |
| 2006-07 | 26,643,187 |
| 2007-08 | 27,624,000 |

ELECTRIC FUND

CUSTOMER SALES

The Electric Fund is operated as an enterprise fund with a portion of its profits passed to the General Fund each year. Our sales forecast takes into consideration customer growth, business activity and peak requirements due to weather conditions. The rates are set by the

City Council taking into account the total expenditures necessary to operate, pay debt service, make capital improvements and cover the cost of wholesale power purchases. The sales estimate for Fiscal Year 2009 is \$64,085,547.

| | |
|---------|------------|
| 1999-00 | 51,888,244 |
| 2000-01 | 51,230,706 |
| 2001-02 | 50,193,769 |
| 2002-03 | 52,665,101 |
| 2003-04 | 52,090,034 |
| 2004-05 | 52,809,369 |
| 2005-06 | 55,397,456 |
| 2007-07 | 55,457,557 |
| 2007-08 | 60,172,094 |

MUNICIPAL GOLF COURSE FUND**FEES & RENTALS AND GOLF SHOP SALES**

The Golf Course is also operated as an enterprise fund. However, for Fiscal Year 2009, a transfer from the General Fund of \$149,259 will be necessary to balance this fund. This is a continuing concern, although it is less than previous years because of an appropriation from fund balance of \$182,480, a one-time revenue. Fiscal Year 2009 revenues for the Golf Course are estimated at \$1,124,433.

| | |
|---------|---------|
| 1999-00 | 827,095 |
| 2000-01 | 835,267 |
| 2001-02 | 776,764 |
| 2002-03 | 730,664 |
| 2003-04 | 779,509 |
| 2004-05 | 845,262 |

Major Revenue Sources – Golf Course Fund– Fees & Rentals and Golf Shop Sales, continued

| | |
|---------|-----------|
| 2005-06 | 837,345 |
| 2006-07 | 890,423 |
| 2007-08 | 1,037,634 |

TRANSIT SYSTEM FUND

USER FEES, FEDERAL AND STATE GRANTS

The City operates a mass transit system. While this fund does raise revenues through user fees and advertising, most of the revenue is received through Federal and State Grants and from Transfers from the General Fund. The Transit System operates at a loss to the City, but continues to provide a vital service to the citizens of Gastonia. Our estimate for Fiscal Year 2009 for user fees is \$195,500 and for grant funds is \$1,506,978.

| | <u>User Fees</u> | <u>Federal/State Grants</u> |
|---------|------------------|-----------------------------|
| 1999-00 | 205,957 | 793,401 |
| 2000-01 | 225,067 | 1,028,813 |
| 2001-02 | 212,168 | 1,037,163 |
| 2002-03 | 200,103 | 1,000,594 |
| 2003-04 | 193,847 | 2,796,067 |
| 2004-05 | 174,364 | 1,242,265 |
| 2005-06 | 183,848 | 1,143,028 |
| 2006-07 | 180,338 | 1,189,055 |
| 2007-08 | 190,000 | 1,517,029 |

BONDED DEBT OBLIGATIONS

The City of Gastonia's primary focus in debt management is to keep the amount of indebtedness at a level whereby available resources can carry the debt and to keep the debt within the legal debt limitations established by the State of North Carolina Department of State Treasurer while maintaining a minimum cost to the taxpayer.

The Fiscal Year 2009 Budget provides \$11,450,590 for debt service as follows:

| | |
|--------------------------------|-----------------------------|
| Water and Sewer Fund | \$6,899,157 |
| Electric Fund | \$ 38,305 |
| General Fund | \$2,584,184 (Streets) |
| General Fund | \$ 69,503 (Museum) |
| General Fund | \$ 660,013 (Police) |
| General Fund | \$ 744,580 (Fire) |
| General Fund | \$ 358,201 (Garland Center) |
| Downtown Capital Projects Fund | \$ 96,647 |

LEGAL DEBT LIMIT

In accordance with the provisions of the State Constitution and The Local Government Bond Act, as amended, the City had the statutory capacity to incur additional net debt, excluding debt for water, electric and gas purposes, in the approximate amount of \$366,081,475 as of the end of June, 2008. For purposes of continued review, the distinction should be made about the three types of bonded debt the City carries. First, we have General Obligation (GO) Bonds which are backed by the "full faith and credit" of the City. The General Assembly has pledged the power and obligation of the City to levy taxes and raise other revenues for the prompt payment of installments of principal and interest or for the maintenance of sinking funds. This authority is unrestricted as to rate and/or amount. In North Carolina, no bonds may be issued without the approval of the Department of State Treasurer, Local Government Commission. A sworn statement of debt must also be filed attesting that net debt will not exceed 8% of the appraised value of the property subject to taxation by the governing unit. The exceptions to this limitation are the refunding of existing bonds, the continued funding of existing authorized debt, bonds issued for water, gas or electric power purposes, or two or more of such

purposes, certain sanitary sewer, sewage disposal or sewage purification plant bonds, or bonds issued for erosion control purposes or bonds issued for the purposes of erecting jetties or other protective works to prevent encroachment by certain bodies of water.

The following charts will summarize the City's outstanding General Obligation debt as well as the outstanding debt ratios.

Outstanding General Obligation Debt

| General Obligation Bonds | June 30, 2006 | June 30, 2007 | June 30, 2008 |
|--------------------------|---------------|---------------|---------------|
| Street Bonds | 2,950,000 | 2,300,000 | 2,200,000 |
| Other Bonds | - | - | 2,980,000 |
| Refunding | 23,265,000 | 19,435,000 | 15,215,000 |

Debt Ratios

| At June 30 | Total GO Debt | Assessed Valuation | Debt to Assessed Value | Population | Debt Per Capita |
|------------|---------------|--------------------|------------------------|------------|-----------------|
| 1998 | \$56,710,000 | \$3,320,072,058 | 1.71% | 61,902 | \$916.13 |
| 1999 | \$53,160,000 | \$3,511,814,231 | 1.51% | 62,204 | \$854.61 |
| 2000 | \$49,195,000 | \$3,616,680,753 | 1.36% | 62,077 | \$792.48 |
| 2001 | \$45,145,000 | \$3,694,044,000 | 1.22% | 66,277 | \$681.16 |
| 2002 | \$43,690,000 | \$3,737,301,685 | 1.17% | 66,277 | \$659.20 |
| 2003 | \$39,640,000 | \$3,780,192,914 | 1.05% | 68,255 | \$580.76 |
| 2004 | \$35,120,000 | \$4,246,567,151 | 0.83% | 68,246 | \$514.61 |
| 2005 | \$31,000,000 | \$4,269,147,783 | 0.73% | 68,518 | \$452.44 |
| 2006 | \$26,215,000 | \$4,386,539,796 | 0.59% | 68,809 | \$380.98 |
| 2007 | \$21,735,000 | \$4,969,472,571 | 0.44% | 70,278 | \$309.27 |
| 2008 | \$20,395,000 | \$5,089,893,878 | 0.40% | 71,349 | \$285.29 |

The second type of bonded debt carried by the City are Revenue Bond Issues. These are Combined Utility Water and Sewer Revenue Issues in the original issue amounts of \$25,795,000, \$9,400,000, \$9,745,000 and \$14,565,000 (new money \$8,945,000 & 1999 refunding \$5,620,000) with projected June 30, 2008 outstanding balances of \$19,285,000, \$890,000 and \$8,060,000, and \$13,545,000 (new money \$8,060,000 & 1999 refunding \$5,485,000) respectively. The major difference between the Revenue issues and General Obligation issues is that the “full faith and credit” of the City is not pledged for the repayment of the bonds. This debt is payable solely through revenues raised by the City’s water and sewer utility systems. The revenues of the enterprise are required by statute to be applied with the following priority: (1) to pay the operating, maintenance and capital expenses of the utility, (2) to pay when due the interest on and principal of outstanding bonds issued for capital projects that are or were part of the utility, and (3) for any other lawful purpose. As with General Obligation bonds, the issue of revenue bonds requires the approval of the North Carolina Department of State Treasurer, Local Government Commission.

On the City’s existing revenue issue, a minimum parity debt coverage ratio of 1.2 must be maintained. This means the net utility operating revenues must exceed 120 percent of the maximum annual parity debt service cost. Each year, any excess after paying current operating, debt service and capital projects is placed in a Capital Expansion and System Development Fund for future use. These cumulative funds will help offset the cost of future system needs and the cost of future expansion to the base structure needed in the instance of annexation.

Lastly, the City incurred a final type of debt during fiscal years 1996, 2002, 2003 and 2005. These Certificates of Participation (COPS) were issued to build a new police facility for 1996, to build four Fire Stations and purchase equipment for 2002, to renovate the old Gaston County Courthouse to be used as City municipal offices for 2003 and to partially refund the 1996 COPS for 2005. The major distinction which needs to be made is that this type of debt does not pledge the “full faith and credit” of the City either, but rather offers the investors the property as security for the certificates and the repayment is subject to annual appropriation. These issues operate similar to a conventional home mortgage whereby the property collateralizes the loan. Debt service on these issues are funded through property tax revenues and monthly chargebacks to operating departments for use of the equipment.

The following charts are the debt payment schedules for the City’s bonded debt. They are presented with the distinctions made between the various types of debt: General Obligation bonded debt, Revenue Issue debt and outstanding Certificates of Participation.

General Obligation Bonds Outstanding

| | <u>Fiscal Year</u> | <u>Bonds Payable</u> | <u>Interest Payable</u> | <u>Total</u> |
|-------------------------|--------------------|------------------------|-------------------------|------------------------|
| | 2009 | \$3,130,000.00 | \$732,586.00 | \$3,862,586.00 |
| | 2010 | \$3,195,000.00 | \$638,518.00 | \$3,833,518.00 |
| | 2011 | \$3,085,000.00 | \$537,998.00 | \$3,622,998.00 |
| | 2012 | \$1,810,000.00 | \$432,809.00 | \$2,242,809.00 |
| | 2013 | \$1,670,000.00 | \$363,255.00 | \$2,033,255.00 |
| | 2014 | \$1,465,000.00 | \$298,368.00 | \$1,763,368.00 |
| | 2015 | \$1,315,000.00 | \$239,830.00 | \$1,554,830.00 |
| | 2016 | \$1,350,000.00 | \$188,580.00 | \$1,538,580.00 |
| | 2017 | \$1,380,000.00 | \$136,530.00 | \$1,516,530.00 |
| | 2018 | \$370,000.00 | \$83,218.00 | \$453,218.00 |
| | 2019 | \$170,000.00 | \$66,005.00 | \$236,005.00 |
| | 2020 | \$165,000.00 | \$57,080.00 | \$222,080.00 |
| | 2021 | \$165,000.00 | \$50,480.00 | \$215,480.00 |
| | 2022 | \$165,000.00 | \$43,880.00 | \$208,880.00 |
| | 2023 | \$160,000.00 | \$37,280.00 | \$197,280.00 |
| | 2024 | \$160,000.00 | \$31,200.00 | \$191,200.00 |
| | 2025 | \$160,000.00 | \$25,120.00 | \$185,120.00 |
| | 2026 | \$160,000.00 | \$18,960.00 | \$178,960.00 |
| | 2027 | \$160,000.00 | \$12,720.00 | \$172,720.00 |
| | 2028 | <u>\$160,000.00</u> | <u>\$6,400.00</u> | <u>\$166,400.00</u> |
| | | <u>\$20,395,000.00</u> | <u>\$4,000,817.00</u> | <u>\$24,395,817.00</u> |
| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
| This Year's Requirement | 2009 | \$3,862,586.00 | \$3,130,000.00 | \$732,586.00 |
| Maximum Requirement | 2009 | \$3,862,586.00 | \$3,130,000.00 | \$732,586.00 |

Combined Water and Sewer Revenue Bonds Outstanding

| <u>Fiscal Year</u> | <u>Bonds Payable</u> | <u>Interest Payable</u> | <u>Total</u> |
|--------------------|------------------------|-------------------------|------------------------|
| 2009 | \$2,490,000.00 | \$1,948,573.00 | \$4,438,573.00 |
| 2010 | \$2,605,000.00 | \$1,830,603.00 | \$4,435,603.00 |
| 2011 | \$2,730,000.00 | \$1,706,160.00 | \$4,436,160.00 |
| 2012 | \$2,850,000.00 | \$1,584,323.00 | \$4,434,323.00 |
| 2013 | \$2,975,000.00 | \$1,461,173.00 | \$4,436,173.00 |
| 2014 | \$3,100,000.00 | \$1,332,180.00 | \$4,432,180.00 |
| 2015 | \$3,250,000.00 | \$1,192,368.00 | \$4,442,368.00 |
| 2016 | \$3,395,000.00 | \$1,035,248.00 | \$4,430,248.00 |
| 2017 | \$3,565,000.00 | \$870,791.00 | \$4,435,791.00 |
| 2018 | \$3,740,000.00 | \$697,529.00 | \$4,437,529.00 |
| 2019 | \$3,925,000.00 | \$515,754.00 | \$4,440,754.00 |
| 2020 | \$1,065,000.00 | \$324,474.00 | \$1,389,474.00 |
| 2021 | \$1,115,000.00 | \$276,044.00 | \$1,391,044.00 |
| 2022 | \$1,160,000.00 | \$225,844.00 | \$1,385,844.00 |
| 2023 | \$1,215,000.00 | \$173,594.00 | \$1,388,594.00 |
| 2024 | \$1,270,000.00 | \$118,844.00 | \$1,388,844.00 |
| 2025 | \$1,330,000.00 | \$60,813.00 | \$1,390,813.00 |
| | <u>\$41,780,000.00</u> | <u>\$15,354,315.00</u> | <u>\$57,134,315.00</u> |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------------------|-------------|----------------|------------------|-----------------|
| This Year's Requirement | 2009 | \$4,438,473.00 | \$2,490,000.00 | \$1,948,573.00 |
| Maximum Requirement | 2015 | \$4,442,368.00 | \$3,250,000.00 | \$1,192,368.00 |

Certificates of Participation Outstanding

| <u>Fiscal Year</u> | <u>Bonds Payable</u> | <u>Interest Payable</u> | <u>Total</u> |
|--------------------|------------------------|-------------------------|------------------------|
| 2009 | \$1,351,667.00 | \$538,404.00 | \$1,890,071.00 |
| 2010 | \$1,236,667.00 | \$491,738.00 | \$1,728,405.00 |
| 2011 | \$1,256,667.00 | \$445,420.00 | \$1,702,087.00 |
| 2012 | \$1,271,667.00 | \$396,909.00 | \$1,668,576.00 |
| 2013 | \$1,291,667.00 | \$346,293.00 | \$1,637,960.00 |
| 2014 | \$1,311,667.00 | \$293,833.00 | \$1,605,500.00 |
| 2015 | \$1,336,667.00 | \$239,307.00 | \$1,575,974.00 |
| 2016 | \$1,361,667.00 | \$182,755.00 | \$1,544,422.00 |
| 2017 | \$721,667.00 | \$137,940.00 | \$859,607.00 |
| 2018 | \$588,333.00 | \$105,524.00 | \$693,857.00 |
| 2019 | \$455,000.00 | \$80,280.00 | \$535,280.00 |
| 2020 | \$455,000.00 | \$57,530.00 | \$512,530.00 |
| 2021 | \$455,000.00 | \$34,553.00 | \$489,553.00 |
| 2022 | <u>\$450,000.00</u> | <u>\$11,475.00</u> | <u>\$461,475.00</u> |
| | <u>\$13,543,336.00</u> | <u>\$3,361,961.00</u> | <u>\$16,905,297.00</u> |

| | <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------------------|-------------|----------------|------------------|-----------------|
| This Year's Requirement | 2009 | \$1,890,071.00 | \$1,351,667.00 | \$538,404.00 |
| Maximum Requirement | 2009 | \$1,890,071.00 | \$1,351,667.00 | \$538,404.00 |

BUDGET AMENDMENT PROCESS

The budget ordinance as adopted by the City Council may be amended in several ways: (1) line item transfers within a budget appropriation, or transfers between appropriations, (2) transfers between funds and (3) increases or decreases in revenues and/or expenditures. Procedure (1) can be approved by the Budget Administrator if it does not involve salary or travel and is less than \$10,000. The City Manager or his designee will approve transfers more than \$10,000 and using salary or travel sub accounts. A monthly report of Budget Transfers approved by the Budget Administrator shall be submitted to the City Manager. Procedures (2 & 3) can be approved only through City Council action.

Transfers Between Budget Appropriations (Procedure 1) To transfer funds within an appropriation, the requesting department completes a Budget Transfer form showing the account description, account number to be transferred to and from, the amount to be transferred and a reason for the transfer. The department head or their designee can email the form to the Budget Office. The transfer is then reviewed by the Budget Office for compliance with the current policies. A budget transfer number is assigned and then forwarded to the Budget Administrator for approval. After approval, the request is entered into the general ledger system and the requesting department is emailed a notification that the transfer has been processed. If the transfer is more than \$10,000 and/or utilizes salary or travel line items, it will be forwarded to the City Manager or his designee for approval.

Transfers Between Funds and Fund Appropriation Increases and/or Decreases (Procedures 2 & 3) A budget ordinance amendment which results in either an increase or decrease in a fund's total budget or transfers monies between funds require City Council approval. For example, if revenue is received during the fiscal year that was not included in the original adopted budget, the City Council may appropriate this revenue and budget a corresponding expenditure for a stated purpose. Additionally, the City Council may elect to transfer, contribute to or reimburse one fund from another fund for a stated purpose. In any of these instances an increase in the fund's budget is the result. To process these amendments, the same process is followed as outlined above with the additional step of presentation to the City Council after the City Manager's approval. After Council deliberation, if approved, the Budget Amendment is filed with the City Clerk and returned to the Budget Office to complete the process of updating the general ledger.

ACCOUNTING SYSTEM and BUDGETARY CONTROL

All City funds are accounted for on the modified accrual basis in accordance with North Carolina General Statutes. Under the modified accrual basis, revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which a liability is incurred, if measurable, except for unmatured principal and interest on long-term debt which is recognized when due.

The proprietary funds (enterprise) are presented in the financial statements on the full accrual basis. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period when incurred.

The accounts of the City are organized on the basis of funds and account groups. Each fund is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City operates its various funds under three broad categories and six generic fund types. The two account groups are not funds but are used to establish accountability over the City's general fixed assets and general long-term debt.

Fund Accounting

Governmental Funds

This group of funds are accounting segregations of financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the differences between governmental fund assets and liabilities (the fund equity) is referred to as "Fund Balance". The primary measurement focus is "flow of current financial resources". Put in other words, are there more or less resources that can be spent in the near future as a result of transactions of the period. Increases in spendable resources are reported in the operating statement as revenues or other financing sources, and decreases are reported as expenditures or other financing uses.

General Fund The General Fund is the general operating fund of the City. The primary revenue sources are ad valorem taxes, state-shared revenues and transfers from the Enterprise Funds. The primary expenditures are for public safety, streets and highways, sanitation, parks and recreation, museum and general government services.

Accounting System, continued

Special Revenue Funds The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The City has seven Special Revenue Funds - the Community Development Block Grant Fund, the CD/Affordable Housing Revolving Loan Fund, the CD/Rehabilitation Revolving Loan Fund, the CD/Section 108 Guaranteed Loan Fund, the CD/Community Housing Development Organization Fund, the Uptown Municipal Services District Tax Fund and the Infrastructure Rehabilitation Fund.

Capital Project Funds The Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The City has three Capital Projects Funds within the Governmental Fund types.

Proprietary Funds

These funds are sometimes referred to as “income determination,” “nonexpendable,” or “commercial type” funds and are used to account for a government’s on-going organizations and activities which are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government’s business and quasi-business activities, where net income and capital maintenance are measured, are accounted for through proprietary funds. The generally accepted accounting principles here are those applicable to similar businesses in the private sector, and the measurement focus is the economic condition of the fund as a result of the events and transactions of the period. Events and transactions that improve the economic position of a proprietary fund are reported as revenues or gains in the operating statement. Those that diminish the economic position are reported as expenses or losses.

Enterprise Funds Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City of Gastonia has six Enterprise Funds: the Water and Sewer Fund (with accompanying Renewal and Replacement Fund and Capital Expansion and Development Fund), the Electric Fund (with accompanying Renewal and Replacement Fund), the Stormwater Utility Fund, the Transit System Fund and the Golf Fund.

Accounting System, continued

Internal Service Funds Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis. An Internal Service Fund for Vehicle/Equipment Renewal & Replacement was instituted in Fiscal Year 1995. In 2005, a Technology Services Internal Service Fund was created and departments are being charged for hardware and internet access and over time will be charged for applications. In 2007 a Health Self-Insurance Internal Service Fund was created and during 2008 a Dental Self-Insurance Internal Service Fund was created.

Fiduciary Funds

These funds account for assets held by the City in a trustee capacity or as an agent for other governmental units and for other funds. Each trust fund is accounted for as either a governmental or a proprietary fund.

Trust and Agency Funds (Expendable) This type of trust fund is one in which the principal and its earnings may be expended in the course of their designated operations. The City created a trust fund for Cemetery Perpetual Maintenance, and for Police Federal and State Asset Forfeiture in Fiscal Year 1995. During Fiscal Year 1998, the City created a trust fund for a Police Memorial.

Account Groups

These represent another accounting entity used to establish accounting control and accountability for the City's general fixed assets and the outstanding principal of its general long-term debt (General Fixed Assets and General Long-Term Debt Account Groups). These records are accounted for in a self-balancing group of accounts because the City's general fixed assets -- all fixed assets except those accounted for in Proprietary Funds or Trust Funds -- are not financial resources available for expenditures, and because the outstanding principal of the general long term debt-long term liabilities not accounted for in the Proprietary Funds or Trust Fund does not require an appropriation or expenditure during the account year.

General Fixed Assets Account Group This group of accounts is established to account for all fixed assets for the City. General fixed assets acquired are recorded as expenditures in the various funds at the time of purchase. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings; such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are excluded. No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group This group of accounts is established to account for all long-term obligations of the City except those which are accounted for in the proprietary funds.

Accounting System, continued

Deposits and Investments

Deposits

All deposits of the City are made in board designated official depositories and collateralized as required by General Statute 159-31. The City may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All of the City's deposits are either insured or collateralized by using one of two options. Under Option 1, all deposits over the federal depository insurance coverage are collateralized with securities held by the City's agent in the City's name. Under Option 2, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name to the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City'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 Option 2 report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under Option 2, the potential exists for undercollateralization, and the risk may increase in periods of high cash flow. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each Option 2 depository. The City utilizes one official depository which collateralizes public deposits in excess of the allowable federal insurance coverage by the Option 2 method.

Investments

G.S. 159-30 (c) authorizes the City 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 banker's acceptances; and the North Carolina Cash Management Trust, an SEC registered mutual fund. [Investments are stated at market value.] The City pools monies from several funds to facilitate disbursement and investment and maximize investment income.

Accounting System, continued

Therefore, all enterprise fund cash and investments are essentially demand deposits and are considered cash and equivalents.

Budgetary Data

Budgetary Control The City's Financial Management System provides for excellent fiscal management. Through utilization of budgetary accounting methods, effective budgetary control and accountability can be maintained. The annual budget is adopted as required by state statute. An annual budget ordinance, which is adopted at the fund level, authorizes and provides the basis for the City's financial management plan. The adopted appropriations constitute the maximum expenditure authorization during the fiscal year and can only be amended by action of the City Council. Project ordinances are adopted for capital project funds and are appropriated for the life of the project. The basis for budgeting is a cash basis.

Expenditures may not legally exceed appropriations at the function level for all annually budgeted funds and at the project level for the capital project funds. However, accounting control is exercised at the line item level by encumbering purchase amounts prior to the release of purchase orders to vendors. Purchase orders which would result in an overrun of line item balances are not released until additional appropriations are made available. Open encumbrances are reviewed at year-end, and, if deemed appropriate to carry forward, are treated as commitments, rather than expenditures, and such encumbered funds are appropriated for expenditure in the subsequent fiscal year.

Basis of Budgeting and Budget Structure The City of Gastonia does not distinguish between the Basis of Budgeting and the Basis of Accounting. The principles set forth as the Basis of Accounting are strictly observed in the budgeting process. A fund's Basis of Budgeting and Basis of Accounting determines when a transaction or event is recognized within a fund's operating statement. All funds are maintained on a Modified Accrual Basis in accordance with the North Carolina General Statutes.

RELATIONSHIP BETWEEN OPERATING AND CAPITAL BUDGETS

The Total Fiscal Year 2009 budget for the City of Gastonia is \$184,023,199. This incorporates both operating costs as well as funding for capital needs. The operating budget is \$180,014,337. These funds cover departmental operating expenses and human resources costs throughout the City. The Capital budget amounts to \$4,008,862 for both previously appropriated capital monies as well as new money for Fiscal Year 2009.

The City of Gastonia has several elements of capital expenditures incorporated in its annual budget which are distinguishable from its operating budget. Operating capital items which cost more than \$5,000 (office equipment, furniture, etc.) are included in the individual operating budgets where they were originally requested. All vehicles and large pieces of equipment are being "bought" through the Vehicle/Equipment Renewal & Replacement Fund and "leased" to the operating departments. The major capital expenditures (construction projects) are reported in the Capital Improvements section.

Each year as part of the budget preparation process, the City Manager's office, along with the Budget Office and affected departments, propose a five-year capital improvement program for each major capital fund. These projects usually represent expenditures that result in the acquisition, addition, or improvement to physical assets with an extended life greater than 5 years.

The program, which emerges after a series of coordination and planning sessions with the City Manager, is basically a planning tool for management and the City Council. The first year of the plan is the only year considered for budget adoption purposes since needs and priorities change from year to year. The projects listed in the following four years are to give management and the City Council an idea of future needs and to help facilitate future budget planning.

The capital projects listed in the Capital Improvement section are segregated by a cover summary page followed by a more detailed listing of the project. To date, five-year plans have been developed for all major capital project funds.

The Capital Project plan is adopted in the form of a Capital Projects Ordinance. This allows for long-range planning and multi-year appropriations for multi-year capital projects. The long range planning process incorporates operating costs associated with the project once the construction project is complete. An example of this planning is the Garland Business Center project. During the budget process, we projected that once this project was complete, the City projected a minimum of one-half (1/2) staff members to maintain the facility. By planning ahead, the funding for these staff members and other day-to-day operating costs are included in the operating budget.

Please note that with each capital project funded, there could be related operating costs. If applicable, these costs are funded in the departmental operating budgets and usually lead to bottom line increases in expenditures, although on occasion, a new capital project can actually reduce operating expenditures. This year's Capital Projects budget has appropriations budgeted of \$4,008,862. Within this amount, \$3,874,362 is established for actual projects while \$134,500 is in reserve accounts for insurance claims.

It is the City's policy to substitute capital expenditures for operating expenditures whenever possible. Technology has been the principle method used to implement this policy. For example, the City's change from 3-man rear load garbage trucks to 1-man automated trucks, was responsible for a net savings of \$400,000 in operating costs. More recently, conversion to Global Positioning System (GPS) Survey Instrumentation has helped reduce our survey crews from three-person crews to two-person crews, and at the same time, increasing overall efficiencies and production. Computer technology has also been responsible for minimizing increases in personnel as our municipal limits and service areas expand. City functions are evaluated periodically to determine if a capital expenditure can have a positive impact on operational procedures and either minimize or reduce annual operating costs.

Major Projects for Fiscal Year 2009 and 2010

| | <u>Project</u> | <u>Capital Cost</u> | <u>Project Start Date</u> | <u>Estimated Completion Date</u> | <u>Estimated New Operating Personnel</u> | <u>Total New Estimated Operating Costs/(Savings)</u> | <u>Notes</u> |
|--------------------------|---|---------------------|---------------------------|----------------------------------|--|--|--|
| Water & Sewer | 1) Disinfection System Modifications (under construction) | \$2,007,100 | 7/1/06 | Winter 2008 | 0 FTE | \$0 | Improves safety at Water Treatment Plant by replacing the current chlorination system with sodium hypochlorite on-site generation. |
| | 2) Forcemain Upgrades | \$1,409,000 | On-going | On-going | 0 FTE | \$0 | Continues annual capital funding for removal & replacement of old deteriorated force mains. |
| | 3) Water Treatment Plant Structural and Electrical Improvements | \$2,484,500 | 7/1/04 | On-going | 0 FTE | \$0 | Provides critical structural, process, and switchgear/electrical improvements to the Water Treatment Plant to insure reliability in overall operations. |
| | 4) Rehabilitation of Outfall Lines and Manholes | \$100,000 | On-going | June 2009 | 0 FTE | \$0 | Continues annual capital funding for design and construction of major outfall lines/manholes identified as having high inflow and infiltration. |
| | 5) Waterline Extension | \$300,000 | 7/1/08 | June 2009 | 0 FTE | \$0 | Establishes the main feeder main to provide a loop between existing watermains on Fairview Rd and the Gastonia Technology Park. |
| | 6) Rolling Meadow Lane | \$50,000 | FY 08/09 | FY 08/09 | | | Survey, design, permit, and construction of approximately 445 lf of sanitary sewer line extensions by the petition process. Lines will serve approx. 4 homes and lots. |
| Electric | 1) Economic Development | \$3,913,083 | On-going | On-going | 0 FTE | \$0 | System expansion for new developments to ensure new customers. |
| | <u>Project</u> | <u>Capital Cost</u> | <u>Project Start Date</u> | <u>Estimated Completion Date</u> | <u>Estimated New Operating Personnel</u> | <u>Total New Estimated Operating Costs/(Savings)</u> | <u>Notes</u> |

| | | | <u>Date</u> | <u>Date</u> | <u>Operating Personnel</u> | <u>Operating Costs/(Savings)</u> | |
|----------------|--|-------------|--------------|---------------|----------------------------|----------------------------------|--|
| | 2) Base Fiber Optic Ring (under construction) | \$860,000 | 7/1/05 | December 2008 | 0 FTE | \$0 | Establish a dedicated fiber optic ring to utilize as the backbone of communications between various municipal facilities. It will also provide the opportunity for other potential projects such as of dark fiber utilization and Wi-Fi/Wi-Max ventures. |
| General | 1) Tulip Drive Bridge (under construction) | \$1,398,000 | 9/1/00 | Winter 2008 | 0 FTE | \$0 | NCDOT Bridge Replacement Project, with 20% City participation to replace the primary vehicular access to businesses and industries along Tulip Dr. |
| | 2) Downtown Revitalization | TBD | TBD | TBD | 0 FTE | \$0* | *Economic Development Initiative to promote quality redevelopment in the community; project to attract further private sector investment. |
| | 5) Linberger Park Master Plan Implementation | \$1,502,000 | July 2007 | TBD | 0FTE | \$0 | Initiative to promote major up fit to Linberger Park to expand recreational opportunities in Gastonia and increase quality of life improvements. |
| Streets | 1) Street Resurfacing | \$530,000 | On-going | Ongoing | 0 FTE | \$0 | Continues the City's street resurfacing program to provide needed maintenance to existing roads, as well as, continue to address the paving of graveled (public) streets in prior annexed areas. |
| | 2) Franklin Blvd. Street Enhancements (bid phase) | \$384,000 | 7/1/04 | October 2008 | 0 FTE | \$0 | Improvements to sidewalk, curb and gutter, additional planting strip, tree planters, signal mast arms, along with overhead conversion of utilities to underground through an NCDOT Enhancement Grant. |

BUDGET POLICIES

In recent years, changing conditions along with the demand for increased services, have forced a reevaluation of the role of local governments. As public officials, we are charged with the responsibility of ensuring that all local governmental services are provided in the most efficient and effective manner possible in order to maximize available resources. The budgetary process allows for the accumulation of financial and performance information relative to these services and provides the tools necessary to analyze the merits and cost implications of each.

Financial Policies

The City of Gastonia's financial policies set forth basic guidelines for the overall fiscal management of the City. Operating independently of changing circumstances and conditions, these policies provide a framework to assist in the decision-making process of the City Council and City Administration and guidelines for evaluating both current activities and proposed future programs.

1. City Council provides general guidance through the adoption of the annual budget while the City Manager is given the maximum flexibility to implement the budget throughout the fiscal year. To this end, City Council has adopted a series of policies designed to give the Manager authority to, among other things, transfer of funds within appropriations to meet changing operational needs and to move personnel positions during the year throughout the budget so long as total authorized head-count is not exceeded.
2. The budget process places emphasis on those personnel and management issues of critical importance to the City's fiscal health: Employee relations, office automation, implementation of new technologies, long-term work force planning and management incentives. In doing so, it provides for adequate levels of funding for all retirement systems and maintains the principle of avoiding layoffs to balance the budget by planning personnel reductions to come from attrition whenever possible.

3. Generally, expansion of existing service and programs, or the addition of a new service or program is considered in the proposed budget only when a new revenue source can support the ongoing costs or when the requesting department can identify an existing service or program which can be reduced or eliminated.
4. The City shall monitor departmental expenditures on a monthly basis to ensure conformity to adopted budgets and prepare monthly financial reports on all funds comparing actual revenues and expenditures to budgeted amounts. This report shall be presented to City Council at public session.
5. Where possible, the City shall combine performance measurement and productivity indicators with the budget to enable the ongoing analysis of operating effectiveness and efficiency.
6. The City shall avoid budgetary practices or procedures that balance current period expenditures at the expense of future years' revenues or that utilize one-time revenues for on-going expenditures and it shall be general policy not to use prior year Fund Balance for operating and other on-going expenditures.
7. The budget shall provide for the satisfactory maintenance of capital facilities and equipment, and for their orderly replacement.
8. The Operating and Capital Budgets shall fully describe the major goals to be achieved by department and the services and programs to be delivered based upon the levels of funding anticipated or provided. They shall also provide brief descriptions of prior year accomplishments and mission statements for each department and division.
9. The City shall finance essential City services which have a City-wide benefit in the budget from revenue sources which are generated from a broad base, i.e., property taxes, sales taxes and other State shared revenues.
10. Minimize the impact in use of property tax financing by seeking alternative financing for City services, which focus on user fees for responsive services and upgrading and/or enhancement of the property tax base.

11. The City shall refine assessment financing formulas and user fee rate structures on a yearly basis to continually and accurately charge the cost of service provided to the benefiting user or customers served, while being sensitive to the needs of low-income citizens.
12. The City shall actively oppose any legislation which forces local service mandates without concurrent Federal, State or Regional funding or providing additional locally controlled funding sources.
13. Each operating fund shall budget a working capital reserve to ensure the timely meeting of unforeseen events and provide operational flexibility throughout the year.

Revenue Policies

1. The City shall make every attempt to maintain a diverse and stable revenue base to shelter it from short and long-term fluctuations in any one-revenue source.
2. The City shall project its annual revenues through an analytical process using historical data and conservative approaches for estimating future revenues.
3. The City shall establish user charges and set fees for services for its enterprise funds at a level that fully supports the total direct and indirect costs of the activities. The City should review these, and all other fees/charges annually and modify them as necessary. Special care should be taken to include those costs associated with capital outlay and bond retirement and allow user charges to grow at a rate that keeps pace with the cost of providing the service.
4. The City shall follow aggressive policies to ensure the highest collection percentage for delinquent City revenues.

Reserve Policies

1. The City shall strive to maintain a minimum undesignated General Fund Balance at 8.33% or in an amount equal to at least 1 month of General Fund operations, and shall work towards the goal of matching the undesignated General Fund Balance at 12% to 15%.
2. The City shall respect the integrity of fund balances and allow each enterprise fund to retain all excess earnings as fund balance.

Accounting, Auditing and Financial Reporting Policies

1. An independent audit shall be performed annually.
2. The City shall produce a comprehensive annual financial report in accordance with Generally Accepted Accounting Practices (GAAP) as outlined by Governmental Auditing, Accounting and Financial Reporting (GAAFR).
3. The City shall maintain accounting control systems to ensure the safety of all assets held in the public trust and staff shall perform periodic unscheduled audits of all City departments that handle cash and negotiable instruments in the course of daily activities.

Investment Policies

1. The City shall make a cash flow analysis of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled such that investment capabilities are maximized and guidelines set forth under North Carolina General Statutes.

2. The City shall invest funds by using a specific, but flexible, investment strategy to secure high returns of income on cash flows that are in excess of current needs and, when permitted by law, will pool cash from several different funds to maximize its potential earnings. Investments will be structured according to the City's overall financial condition in anticipation of financial opportunities and obligations.
3. The City's accounting system will provide regular information concerning cash position and investment performance and will allow earnings to be reflected monthly on financial reports.

Debt Policies

1. The City shall confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues and where the issuance of long-term debt is required, it will repay the bonds within a period not to exceed the expected useful life of the project.
2. The City shall attempt to keep average maturity of general obligation bonds at or below 20 years.
3. When possible, the City shall use special assessment, revenue, or other self-supporting bonds.
4. When approving bonds for capital projects, Council shall increase the needed revenue for debt service at the time the project is approved.
5. The City shall not incur long-term debt to support current operations.
6. General obligation debt shall not be used for enterprise activities.

7. The City shall maintain a sound relationship with all bond-rating agencies and will keep them informed about current capital projects and other important fiscal events. Appropriate City staff shall endeavor to visit each agency and/or arrange for a local visit by agency officials once per year.

Capital Improvement Budget Policies

1. The City shall maintain the fiscal integrity of the City's operating, debt service and capital improvement budgets in order to provide services, construct and maintain public facilities, street and utilities.
2. The City shall make all capital improvements in accordance with an adopted capital acquisition program.
3. The City shall develop a five-year plan for capital improvements, with proposed funding sources identified for each project. The plan should be updated and extended annually.
4. The City shall coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities as well as planning for future needs.
5. The City shall use intergovernmental assistance to finance only those capital improvements that are consistent with the adopted capital improvement plan, City priorities, and for which operating and maintenance costs have been included in the operating budget.
6. The City shall attempt to maintain all its assets at a level adequate to protect the City's capital investment, to minimize future maintenance and replacement costs, and to maximize operating efficiency.
7. The City shall maintain a responsible and prudent fiscal condition to minimize long-term interest expense when financing capital improvements with an ongoing systematic bonding program, which spreads the costs of the improvements to benefiting citizens, present and future.

Intergovernmental Policies

1. The City shall continuously review its programs and procedures in light of savings or other efficiencies to be gained through cooperation and consolidation opportunities with the County and the surrounding municipalities.
2. The City shall take advantage of public and private grant opportunities that support approved programs and projects.
3. The City shall maintain and enhance, where appropriate, incentives for surrounding municipalities to abandon their water/sewer systems and become long-term utility customers of the City.

LONG RANGE PLANNING

Gastonia has become a model for long-range and strategic planning in all areas of City Government. The City's long-range planning process is citizen driven. The City has a long tradition of acknowledging the importance of citizen input on major capital improvement decisions. During the past two decades, the City Council has appointed a number of citizen committees to study and recommend major capital improvements to the City Council and voters.

These major committees include: Capital Projects Study Committee, Committee on Surface Transportation, Citizens' Committee for Economic Progress, the Water and Sewer Capital Needs Study Committee, and the Citizens Stormwater Advisory Committee. Every priority identified by these committees has been subsequently approved by City Council and/or the voters. These projects include: Mountain Island Lake Water Supply (\$12 million - voter approved), Road Bond Improvement Program (\$35 million - voter approved), Long Creek Wastewater Treatment Plant Upgrade/Expansion (\$22 million - Revenue Bond), Police Headquarters (\$8 million - Council approved and dedicated a 2-cent tax increase to cover debt service), four Fire Stations, including a new Headquarters (\$8.2 million and raised taxes to cover debt service), Martha Rivers Youth Complex (\$4.5 million - Council approved and funded through existing 3-cent Capital Improvement Program), and the recent completion of renovations at the old Gaston County Courthouse. These renovations have resulted in the opening of the Garland Municipal Business Center, a customer friendly, one-stop development center that coordinates all development initiatives throughout Gastonia's jurisdictional area.

There are currently four (4) citizen committees studying future plans for the City. They are as follows: The 2020 Comprehensive Plan Update Committee, Long Range Recreation Planning Committee, the Citizens Stormwater Committee and the Schiele Museum Board of Trustees. The Long Range Recreation Planning Committee has completed its work.

2020 Comprehensive Plan

City Council adopted Gastonia's first Comprehensive Plan, *CityVision 2010*, in July 1995. Since the adoption of the award-winning plan, the City has successfully implemented many of the goals and objectives, such as the sphere of influence agreement with Dallas, the new Avon and Catawba Creeks Greenway, and the Gateway Corridor Overlay. In January 2001, the City began the process to update the plan. The new plan, *Gastonia 2020: Our Place in the Future*, has two phases. The first phase was the formulation of 11 "key guiding principles" that have become the plan's foundation as it is being written. The second stage is writing the actual plan, which includes goals and objectives to achieve the key guiding principles and land use analysis by sector. A steering committee of 25 people from throughout the community has led the process, receiving technical support from the Planning Department. The final topic was reviewed summer 2005 with sector analysis starting immediately thereafter. The completed plan should be submitted to City Council this fiscal year.

Corridor Plans

In 1999, the City Council adopted its third of a series of local “corridor” development plans. These comprehensive staff studies address problem areas around the City in an effort to spur development and stabilize neighborhoods. The most recently adopted plans include - the North US 321 Corridor Study, addressing long standing neglect to this major entrance to the City and the North New Hope Road Corridor Plan, identifying appropriate future land uses along the new five lane facility. Landscaped medians, decorative crosswalks and other improvements to this important US 321 gateway into the City are presently under construction. The Planning Department is in the data gathering stage for a corridor study of Franklin Boulevard.

Parks and Recreation Facility Master Plan

In April 1996, the City’s Parks and Recreation Department, in conjunction with the Citizen’s Advisory Committee on Parks and Recreation, completed a first ever Parks and Recreation Facility Master Plan. This plan was a comprehensive analysis of current Parks and Recreation facilities and programs, current trends and issues in recreation demand, and goals and objectives for future recreational decision-making. It concluded with a facility-by-facility needs analysis for development of a coordinated budgetary approach to meeting these needs. In late 2002 the City Council formed a committee to undertake the task of preparing a Long Range Plan for Parks, Recreation, and Open Spaces, with the assistance of city staff. The committee consisted of the Recreation Advisory Commission (RAC), plus additional members appointed by the City Council. Councilman and RAC Chair, Dave Kirlin chaired the planning group. The City’s Parks and Recreation and Planning Departments worked together to support the Committee. A completed plan was approved by the committee in the Spring of 2005 and was adopted by Council on November 15, 2005. It was given the title *GASTONIA- VISION FOR A HEALTHY COMMUNITY – A Plan for Parks, Recreation and Open Spaces, 2005-2020*. The implementation of the Facility Master Plan will begin with the Lineberger Park Renovation and Revitalization Project. The Council unanimously approved revisions to Phase I of the Lineberger Park Master Plan and a \$500,000 matching grant application to the North Carolina Parks and Recreation Trust Fund in January 2006. The PARTF Grant Awards was announced in June 2006 and the City is a grant recipient. Project planning and utility site work began in early 2007 and the Skate Park has been relocated to a permanent home at Phillips Center. Construction of the \$1.3 million project will begin in the late summer of 2007.

Fire Department Facility Master Plan

In February 2000, the Fire Department became one of only 28 departments nationwide to receive departmental accreditation by the International Commission on Fire Accreditation. A key component of this process was their development of a five-year operational and capital development plan. This was completed as part of the department’s successful national certification program. The centerpiece of the capital portion of the plan was the construction and relocation of four stations, including a new headquarters facility. In 2005, the City of Gastonia Fire Department was reaccredited.

Sidewalks, Bikeways and Greenways Plan

In late 1996, City Council approved a Citizens Study Committee on Sidewalks, Bikeways and Greenways. This Citizen's Committee effort culminated in April 1998, with a completed Strategic Plan presented to City Council for their acceptance. As a result of the planning process, the City has subsequently been awarded a 1998 North Carolina Clean Water Trust Fund Grant of \$347,000 to establish the City's first greenway, a 1999 DOT Grant of \$548,320 for construction of the greenway and a 2000 Community Foundation of Gaston County grant of \$130,000 for development of access points for the greenways. The 2-½ mile Greenway was dedicated in 2002. Using funds from a small NCDENR grant, the City paved an additional 625' of trail in 2004. This summer, using some additional grant money and assistance from city crews, the City will bring the trail through the Union Road culvert. A greenway system is a never-ending project with trails weaving together all parts of the city.

Economic Development

In 1997, The Partnership for Economic Growth, a Council Citizens Committee proposed that the City purchase and develop a new 300+ acre industrial park to ensure sufficient industrial growth for the City into the 21st century and the City is identifying suitable parcels for purchase. The Council secured three-year options on almost 400 acres of land surrounding Gaston College for the site. Early in 1998, the City transferred their options to Gaston County for development of the Park through their Economic Development Office. The City and County jointly funded the entrance road to the Park. The first major tenant, Pass and Seymour LeGrand, opened a \$30 million facility in July 1999. A new electric substation to serve the park was completed in fiscal year 2002. Today the economic development plans for the City are coordinated with the Gaston County Economic Development Commission, the Gaston County Chamber of Commerce and all Gaston County Municipals through the Gaston 2012 Economic Development Plan.

Utility Strategies

In addition to the traditional budgetary planning tools used by the City's Water/Sewer and Electric utilities, both systems have implemented forward looking programs to address long term issues.

Water and Sewer Combined Utility

First, staff has embarked on five-year operating and capital planning budgets to better foresee and plan its utility system. A second key strategic goal was to reduce the system's dependence on large industrial customers. Staff implemented this strategy beginning in 1998 and pursued initiatives and programs which encouraged residential expansion of the system through extraterritorial assessments, tap incentives and annexation. Secondly, in 2002, staff successfully negotiated with the City of Bessemer City, North Carolina, to abandon their sewer system and become Gastonia customers. Unlike commercial customers, these entities cannot pack-up and leave, but will be long-term guaranteed customers. The City had previously entered into contracts with the cities of Ranlo, Lowell, Cramerton, and McAdenville for water service and the City of Kings

Mountain for sewer service Gastonia also serves the Town of Clover, South Carolina with both water and sewer services. Within the past two years, new 25-year municipal utility service agreements have been executed between Gastonia and the towns of Lowell and McAdenville, respectively. The City continues to pursue additional municipal customers to better stabilize its customer base and revenue sources.

In 2004, the City retained the services of a private consultant to evaluate the water supply, treatment and storage facilities currently in use, and make recommendations for meeting system needs through the year 2025. Facilities evaluated included the Gastonia Water Treatment Plant, Rankin Lake and the pumping facilities at the Samuel L. Wilkins Raw Water Facility at Mountain Island Lake, the South Fork Station, and four distribution system storage tanks. Similarly in 2004, the City completed a Wastewater Master Plan providing long-range planning of the wastewater system to manage the growth and changes in the service area, and to evaluate the treatment facilities for process needs and requirements through the 2020 planning year. These collection system, pumping and treatment plant evaluations served as the basis for identifying major capital improvement programs to meet the current and long-range growth and development for wastewater services. As a result of these water and wastewater master plans, the City continues to pursue a five-year, \$15 million water/sewer capital improvement program to address critical system needs. Of this amount, \$9 million is funded through a revenue bond, with the remaining \$6 Million through the annual rate structure.

Electric Utility

The electric system faces some of the same challenges as the water and sewer utility. Additionally, it also faces unique problems particular to the electric business. In 1993, the City Council adopted a series of fiscal measures to strengthen the electric utility: The first was decreasing transfers to the General Fund by \$500,000 per year. The City has continued this goal annually through transfer reductions each fiscal year. The next measure established a Fund Balance in the electric utility system. Prior to the Fiscal Year 1994 budget, all monies remaining in the Electric Fund at year-end were “swept” to the General Fund. As of June 30, 2005, the electric fund balance exceeded \$4. million. The third measure taken established a rate stabilization reserve. Each year, the City budgets a new 2% rate stabilization reserve to meet any mid-year rate increases or unforeseen operational emergencies at year-end, remaining funds are transferred to the system’s Fund Balance Reserve. Finally, the City established and budgets a yearly working capital reserve to meet smaller unanticipated expenses as they arise each year.

Gastonia is fortunate in that it is essentially a residential-based system. Of its 25,500 customers, only 77 are industrial. Of the top ten users, only 3 are industrial class customers totaling only 5% of the total system revenue. The City has adopted various innovative economic and industrial rate schedules developed by Electricities to better serve industrial customers. In 2006, the City adopted two new (rate) riders for economic development and redevelopment projects as further incentives for system load

growth. Concurrently, the City modified its billing structure for on-peak and coincident peak rates, as well as, established minimum demand charges for new (large) customers to better reflect market conditions. Also in 2006, the City discontinued the outdated and obsolete Silent Saver Program. Establish a dedicated fiber optic network to provide various form of communication between municipal facilities. Excess fiber capacity is anticipated that may be leased to other commercial and industrial entities. Any excess fiber asset will also been an aid in economic development by offering other alternatives for both voice and data connectivity.

Over the past several years, transfers from the Electric Fund have been reduced so that the City, as proposed in its Fiscal Year 2007/08 budget, will be at the established (3% of gross fixed assets) rate of transfer recommended by the State Treasurer's office. Thus, far, we have been able to reduce this revenue through a combination of tax increases, natural revenue growth and through a number of efficiencies in the way we do business. In 1997, City Council adopted a revised transfer policy adopting as its goal, a maximum transfer for non-electric purposes at 3% of electrical gross fixed assets.

