

ITEM 3.C.1
EXCERPTS OF TOWN'S AUDITOR'S REPORT
JUNE 2014

TOWN OF PITTSBORO, NORTH CAROLINA

Schedule 11

Water and Sewer Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non - GAAP)

For the Fiscal Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Water sales	\$ 1,258,000	\$ 1,251,991	\$ (6,009)
Sewer charges	1,072,000	1,134,271	62,271
Reuse water charges	55,000	50,490	(4,510)
Reconnection fees and penalties	40,000	36,870	(3,130)
Miscellaneous	24,000	27,664	3,664
Total operating revenues	<u>2,449,000</u>	<u>2,501,286</u>	<u>52,286</u>
Nonoperating revenues:			
Interest earnings	4,000	2,199	(1,801)
Total revenues	<u>2,453,000</u>	<u>2,503,485</u>	<u>50,485</u>
Expenditures:			
Administrative			
Salaries and employee benefits	299,745	300,551	(806)
Payroll taxes	6,288	5,838	450
Professional services	33,742	39,762	(6,020)
Travel and training	600	315	285
Telephone and postage	8,500	9,384	(884)
Advertising	300	75	225
Departmental supplies	3,950	3,816	134
Vehicle and equipment maintenance	2,500	-	2,500
Dues and subscriptions	-	2,500	(2,500)
Insurance	3,386	2,268	1,118
Contracted services	25,100	24,094	1,006
Other operating expenditures	1,000	1,030	(30)
Total	<u>385,111</u>	<u>389,633</u>	<u>(4,522)</u>
Water operations:			
Salaries and employee benefits	360,684	345,001	15,683
Payroll taxes	21,020	19,753	1,267
Professional services	5,000	-	5,000
Telephone and postage	12,000	11,336	664
Travel and training	6,300	3,682	2,618
Supplies	56,500	33,739	22,761
Advertising	300	-	300
Dues and subscriptions	1,100	1,314	(214)
Insurance	17,182	15,714	1,468
Chemicals	170,000	144,119	25,881
Contracted services	103,000	73,246	29,754
Vehicle and equipment maintenance	99,500	96,674	2,826
Utilities	60,000	64,072	(4,072)
Other operating expenditures	13,300	8,646	4,654
Total	<u>925,886</u>	<u>817,296</u>	<u>108,590</u>

TOWN OF PITTSBORO, NORTH CAROLINA
 Water and Sewer Fund
 Schedule of Revenues and Expenditures
 Budget and Actual (Non - GAAP)
 For the Fiscal Year Ended June 30, 2014
 (Continued)

Schedule 11

	Budget	Actual	Variance Positive (Negative)
Sewer treatment:			
Salaries and employee benefits	\$ 280,472	\$ 281,277	\$ (805)
Payroll taxes	16,418	16,519	(101)
Professional services	3,000	3,823	(823)
Telephone and postage	3,600	3,524	76
Travel and training	2,000	2,681	(681)
Supplies	21,500	21,056	444
Dues and subscriptions	3,500	3,027	473
Insurance	13,344	15,820	(2,476)
Chemicals	36,000	26,605	9,395
Contracted services	90,200	83,908	6,292
Vehicle and equipment maintenance	25,600	11,940	13,660
Utilities	65,000	63,950	1,050
Other operating expenditures	11,300	7,704	3,596
Total	571,934	541,834	30,100
Public utilities:			
Salaries and employee benefits	280,565	268,770	11,795
Payroll taxes	16,335	14,486	1,849
Professional services	-	2,452	(2,452)
Telephone and postage	7,500	9,377	(1,877)
Travel and training	3,000	4,129	(1,129)
Supplies	79,500	43,776	35,724
Advertising	-	193	(193)
Dues and subscriptions	800	1,558	(758)
Insurance	20,641	18,024	2,617
Contracted services	4,000	2,086	1,914
Vehicle and equipment maintenance	50,500	37,229	13,271
Utilities	1,000	357	643
Other operating expenditures	21,000	22,712	(1,712)
Total	484,841	425,149	59,692
Debt service:			
Interest and other charges	66,370	55,535	10,835
Principal	424,980	436,459	(11,479)
Total	491,350	491,994	(644)

OPERATING EXPENDITURES = 817,296 + 541,834 + 425,149
 = 1,784,279

TOWN OF PITTSBORO, NORTH CAROLINA
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2014
(Continued)

Schedule 11

	Budget	Actual	Variance Positive (Negative)
Capital outlay:			
Water operations - building	\$ 70,000	\$ 25,570	\$ 44,430
Water operations - equipment	18,000	-	18,000
Public utilities - building	38,290	6,786	31,504
Total	126,290	32,356	93,934
Total expenditures	2,985,412	2,698,262	287,150
Revenues over (under) expenditures	(532,412)	(194,777)	337,635
Other financing sources (uses):			
Transfers to other funds:			
Capital projects	(12,000)	(12,000)	-
General Fund	-	-	-
Total	(12,000)	(12,000)	-
Fund balance appropriated	297,066	-	297,066
Revenues and other sources over (under) expenditures and other uses	\$ (247,346)	(206,777)	\$ 40,569
Fund balances, beginning		1,384,055	
Fund balances, ending		\$ 1,177,278	

TOWN OF PITTSBORO, NORTH CAROLINA
 Water and Sewer Fund
 Schedule of Revenues and Expenditures
 Budget and Actual (Non - GAAP)
 For the Fiscal Year Ended June 30, 2014
 (Continued)

Schedule 11

	Budget	Actual	Variance Positive (Negative)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and other sources over expenditures and other uses		\$ (206,777)	
Reconciling items:			
Payment of debt principal		436,459	
Capital outlay		32,356	
Decrease (increase) in accrued vacation pay		(5,170)	
Decrease (increase) in other postemployment benefits		(7,053)	
Depreciation		(534,000)	
Investment earnings in Water and Sewer Capital Reserve Fund			
Other		(20,131)	
Water and sewer access charges		382,983	
Capital contribution - CDBG grant		12,600	
Capital contribution - NC Rural Center grant		1,469	
Total reconciling items		299,513	
Change in net position		\$ 92,736	

TOWN OF PITTSBORO, NORTH CAROLINA

Schedule 12

Water and Sewer Capital Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2014

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ 500	\$ 1,165	\$ 665
Water and sewer access charges	207,000	382,983	175,983
 Total revenues	<u>207,500</u>	<u>384,148</u>	<u>176,648</u>
Other financing sources (uses):			
Reserve for water and sewer improvements	(207,500)	-	207,500
Total other sources	<u>(207,500)</u>	<u>-</u>	<u>207,500</u>
 Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>
 Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	384,148	<u>\$ 384,148</u>
 Fund balance, beginning		<u>1,049,429</u>	
 Fund balance, ending		<u>\$ 1,433,577</u>	