

TOTAL BUDGET - ALL FUNDS

	FY 08/09 Revised	FY 09/010 Adopted	% Change
Fund #10 - General Fund	59,947,272.00	56,652,027.00	-5.50%
Fund #11 - General Fund Stimulus Grant Fund	2,950,000.00	0.00	-100.00%
Fund #12 - Water & Sewer Stimulus Grant Fund	161,257.00	0.00	-100.00%
Fund #15 - Solid Waste Disposal Tax Fund	22,583.00	54,636.00	141.93%
Fund #17 - Marketing/Communications Fund	177,904.00	73,206.00	-58.85%
Fund #19 - Technology Support Fund	93,040.00	47,631.00	-48.81%
Fund #21 - Community Development Fund	1,123,259.00	814,010.00	-27.53%
Fund #22 - CD - 108 Loan-Downtown Fund	1,120,617.00	23,150.00	-97.93%
Fund #23 - CD - Rehab Fund	191,545.00	0.00	-100.00%
Fund #24 - CD - Home Investment Trust Fund	1,191,104.00	933,016.00	-21.67%
Fund #25 - 108 Loan - Neighborhood Revitalization Fund	192,683.00	2,348.00	-98.78%
Fund #26 - 108 Loan - Economic Development Fund	717,321.00	12,000.00	-98.33%
Fund #27 - CD - Economic Development Fund	948.00	0.00	-100.00%
Fund #28 - Occupancy Tax Fund	550,000.00	352,000.00	-36.00%
Fund #29 - Uptown Municipal Services District Fund	135,337.00	120,683.00	-10.83%
Fund #30 - Water & Sewer Enterprise Fund	29,044,158.00	28,998,323.00	-0.16%
Fund #31 - Electric Enterprise Fund	66,742,229.00	67,355,060.00	0.92%
Fund #32 - Transit System Enterprise Fund	2,429,428.00	2,133,268.00	-12.19%
Fund #33 - Municipal Golf Enterprise Fund	1,456,172.00	0.00	-100.00%
Fund #36 - Stormwater Utility Fund	2,522,576.00	2,074,644.00	-17.76%
Fund #37 - Power Agency Settlement Fund	520,039.00	593,184.00	14.07%
Fund #42 - Water & Sewer Capital Expansion & Development	1,256,235.00	3,013,970.00	139.92%
Fund #44 - Airport Capital Projects	1,208,136.00	167,000.00	-86.18%
Fund #51 - Water & Sewer Renewal & Replacement	1,413,133.00	1,485,304.00	5.11%
Fund #52 - Electric Renewal & Replacement	1,057,160.00	1,109,814.00	4.98%
Fund #62 - Water & Sewer Capital Projects Fund	6,139,318.00	1,780,000.00	-71.01%
Fund #63 - Street Capital Projects Fund	2,203,856.00	0.00	-100.00%
Fund #64 - Developer Sidewalks Fund	19,891.00	0.00	-100.00%
Fund #68 - Health Self-Insurance Fund	8,535,268.00	7,970,800.00	-6.61%
Fund #69 - Insurance Capital Reserve Fund	134,500.00	80,200.00	-40.37%
Fund #70 - Dental Self-Insurance	330,800.00	370,100.00	100.00%
Fund #73 - Federal Asset Forfeiture	80,324.00	20,000.00	-75.10%
Fund #74 - State Asset Forfeiture	125,502.00	52,000.00	-58.57%
Fund #75 - Police Memorial Trust Fund	10,200.00	2,000.00	-80.39%
Fund #76 - Law Enforcement Block Grant Fund	316,717.00	0.00	-100.00%
Fund #77 - Golf Course Capital Projects Fund	123,470.00	0.00	-100.00%
Fund #78 - Electric Capital Projects Fund	2,807,826.00	1,813,272.00	-35.42%
Fund #79 - Stormwater Capital Projects Fund	1,704,351.00	308,097.00	-81.92%
Fund #80 - Vehicle/Equipment Renewal & Replacement	9,420,783.00	5,286,010.00	-43.89%
Fund #81 - Technology Internal Services Fund	1,002,339.00	750,437.00	-25.13%
Fund #83 - General Fund Capital Projects Fund	5,175,678.00	0.00	-100.00%
Fund #84 - Downtown Capital Projects Fund	3,483,746.00	1,375,000.00	100.00%
Fund #87 - Infrastructure Rehabilitation Fund	328,158.00	303,113.00	-7.63%
TOTAL ALL FUNDS	<u>\$218,166,863.00</u>	<u>\$186,126,303.00</u>	<u>-14.69%</u>

Revenues, Expenditures and Other Financing Sources/Uses

	FY 06-07	FY 07-08	FY 07-08	FY 07-08	FY 08-09
	Actuals	Actuals	Budget	Year-to-Date (as of 6/30/08)	Adopted Budget
Appropriated Fund Balance	0	4,108	19,136,261	0	3,072,325
Assessments	49,076	117,651	49,300	57,004	26,000
Electric Sales	55,457,557	61,210,773	64,085,547	62,104,587	66,621,981
City Fees and Charges	8,292,655	8,124,916	8,495,016	7,157,855	7,124,712
Investment Earnings	2,621,309	2,200,123	1,713,817	905,198	733,765
Non Recurring Grants	84,322	174,912	3,761,425	155,877	0
Operating Grants	3,503,715	3,684,716	5,052,853	2,242,724	3,376,616
Other Revenues	20,501,920	25,915,659	26,721,697	22,586,837	19,850,989
Ad Valorem taxes	25,120,057	27,256,352	27,858,576	27,955,715	28,392,957
Funding for Roads	2,451,394	3,492,709	4,012,110	2,634,107	2,226,786
Home Investment Initiative	0	0	178,090	0	7,477
Sales Tax	9,988,923	9,988,922	9,988,922	9,988,923	9,688,922
State Transfers	4,961,971	5,734,001	5,870,171	5,947,550	6,366,472
Stormwater Revenues	1,986,308	2,022,888	2,077,105	2,036,617	2,053,144
Transfers In	8,008,921	10,608,681	11,512,675	11,278,358	9,099,296
Water & Sewer Sales	26,643,187	26,895,014	27,653,298	26,250,729	27,484,861
Total Revenues by Type	169,671,315	187,431,425	218,166,863	181,302,081	186,126,303
Overtime	1,224,279	1,265,011	1,313,183	1,210,513	1,144,940
Salaries	38,656,974	41,401,151	44,087,883	43,162,120	43,357,751
Fringe Benefits	11,427,739	12,111,388	13,053,654	12,548,675	12,905,604
Capital Outlay	8,794,203	6,867,640	20,461,811	6,942,649	3,957,519
Contracted Services	8,301,539	9,009,243	15,072,875	8,854,879	10,060,999
Debt Service	16,084,151	16,276,521	15,556,134	14,133,913	15,165,002
Equipment	3,319,653	2,951,470	9,246,587	5,111,712	4,296,114
Insurance	581,240	616,308	648,115	627,363	675,908
Maintenance	3,475,350	5,934,225	7,896,362	6,747,107	6,151,934
Operational Support	10,514,180	13,227,857	15,243,493	14,259,545	13,222,576
Other Expenses	4,192,691	4,177,975	5,370,731	4,640,710	5,878,752
Purchases for Resale	47,638,500	50,216,789	51,599,863	50,690,158	53,737,322
Reimbursement for Services	0	227,804	-3,644	0	1
Transfers Out	8,008,921	10,608,681	11,512,675	11,278,358	9,099,296
Travel & Training	454,694	434,377	597,521	431,043	495,312
Equipment Lease & Utilities	4,912,641	5,702,754	6,509,620	6,110,365	5,977,273
Expenditures by Type	167,586,755	181,029,194	218,166,863	186,749,110	186,126,303

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>GENERAL FUND</u>					
Fund Balance Appropriated	0	0	2,512,663	0	0
City Fees and Charges	5,199,517	4,963,412	5,318,357	5,012,638	5,024,377
Investment Earnings	1,122,190	934,460	975,962	374,247	280,000
Operating Grants	370,523	371,026	541,120	248,292	465,566
Other Revenues	2,773,613	2,326,581	2,446,425	2,176,506	2,225,157
Ad Valorem Taxes	25,018,436	27,136,718	27,734,775	27,842,132	28,274,747
Funding for Roads	2,425,286	2,594,905	2,405,017	2,261,812	2,226,786
Sales Tax	9,988,923	9,988,922	9,988,922	9,988,923	9,688,922
State Transfers	4,961,971	5,734,001	5,870,171	5,947,550	6,366,472
Transfers In	<u>2,100,000</u>	<u>2,183,329</u>	<u>2,155,000</u>	<u>2,155,000</u>	<u>2,100,000</u>
TOTAL REVENUES	<u>53,960,459</u>	<u>56,233,354</u>	<u>59,948,412</u>	<u>56,007,100</u>	<u>56,652,027</u>
Airport	73,369	109,585	112,237	106,392	95,543
Budget	149,860	187,469	205,783	197,154	200,610
Neighborhood & Community Resources	962,469	1,239,025	1,362,232	1,263,779	1,195,743
Mayor/Council/City Manager/Legal	1,421,518	1,504,011	1,588,016	1,418,774	1,649,953
Technology Services	828,530	988,261	1,283,342	1,183,017	1,272,044
Financial Services	2,587,782	3,745,408	3,798,661	3,583,723	2,040,301
Fire	10,142,697	10,414,806	10,852,339	10,716,271	11,035,557
Fleet Services	716,566	699,172	713,305	718,109	723,089
Golf Course	0	0	56,938	60,346	45,946
General Services	5,651,896	6,550,741	6,854,589	6,520,168	6,596,131
Human Resources	1,784,490	1,944,055	2,073,972	1,998,810	2,057,978
Museum	1,789,608	1,857,602	2,069,587	1,919,489	1,998,682
New Development Services	0	96,454	113,447	111,201	111,311
Planning	1,665,584	1,718,701	1,939,055	1,783,686	1,865,759
Police	14,315,498	15,303,791	16,192,664	15,921,611	16,009,505
Engineering	1,083,290	1,073,876	1,143,987	1,103,312	1,040,878
Recreation	2,836,450	2,809,185	3,131,300	2,887,937	3,099,414
Field Operations/Streets	<u>6,475,630</u>	<u>6,280,550</u>	<u>6,455,818</u>	<u>6,127,425</u>	<u>5,613,583</u>
TOTAL EXPENDITURES	<u>52,485,237</u>	<u>56,522,692</u>	<u>59,947,272</u>	<u>57,621,204</u>	<u>56,652,027</u>

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>GENERAL FUND STIMULUS GRANT FUND</u>					
Non-Recurring Grants	<u>0</u>	<u>0</u>	<u>2,950,000</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>2,950,000</u>	<u>0</u>	<u>0</u>
Neighborhood Stabilization Program 1	0	0	2,100,000	0	0
Marietta St/Highland Trail	<u>0</u>	<u>0</u>	<u>850,000</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>2,950,000</u>	<u>0</u>	<u>0</u>
<u>WATER SEWER STIMULUS GRANT FUND</u>					
Non-Recurring Grants	<u>0</u>	<u>0</u>	<u>161,257</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>161,257</u>	<u>0</u>	<u>0</u>
Catawba Creek Pump Station	<u>0</u>	<u>0</u>	<u>161,257</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>161,257</u>	<u>0</u>	<u>0</u>
<u>SOLID WASTE DISPOSAL TAX FUND</u>					
Investment Earnings	0	0	0	59	0
Non-Recurring Grants	<u>0</u>	<u>0</u>	<u>22,583</u>	<u>21,926</u>	<u>54,636</u>
TOTAL REVENUES	<u>0</u>	<u>0</u>	<u>22,583</u>	<u>21,985</u>	<u>54,636</u>
Solid Waste Disposal Tax	<u>0</u>	<u>0</u>	<u>22,583</u>	<u>0</u>	<u>54,636</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>22,583</u>	<u>0</u>	<u>54,636</u>
<u>MARKETING/COMMUNICATIONS FUND</u>					
Fund Balance Appropriated	0	0	52,608	0	0
City Fees and Charges	0	561	2,000	1,512	1,500
Investment Earnings	-446	-742	0	-96	0
Reimbursement - Tourism Authority	<u>90,000</u>	<u>153,103</u>	<u>123,296</u>	<u>124,996</u>	<u>71,706</u>
TOTAL REVENUES	<u>89,554</u>	<u>152,922</u>	<u>177,904</u>	<u>126,412</u>	<u>73,206</u>
Communications/Marketing	<u>56,726</u>	<u>130,225</u>	<u>177,904</u>	<u>178,296</u>	<u>73,206</u>
TOTAL EXPENDITURES	<u>56,726</u>	<u>130,225</u>	<u>177,904</u>	<u>178,296</u>	<u>73,206</u>

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>TECHNOLOGY SUPPORT FUND</u>					
Fund Balance Appropriated	0	0	68,298	0	28,631
City Fees	39,910	38,246	14,337	29,532	18,800
Investment Earnings	2,216	2,512	488	1,169	200
Other Revenues	<u>0</u>	<u>0</u>	<u>9,917</u>	<u>-2</u>	<u>0</u>
TOTAL REVENUES	<u>42,126</u>	<u>40,758</u>	<u>93,040</u>	<u>30,699</u>	<u>47,631</u>
Tech Support/Inspections	<u>23,468</u>	<u>15,310</u>	<u>93,040</u>	<u>34,883</u>	<u>47,631</u>
TOTAL EXPENDITURES	<u>23,468</u>	<u>15,310</u>	<u>93,040</u>	<u>34,883</u>	<u>47,631</u>
<u>COMMUNITY DEVELOPMENT FUND</u>					
Fund Balance Appropriated	0	0	-156,357	0	0
Investment Earnings	-1,009	6,865	3,517	-489	400
Operating Grants	888,632	919,828	1,274,115	387,625	811,810
Other Revenues	<u>51,500</u>	<u>231,855</u>	<u>1,984</u>	<u>6,964</u>	<u>1,800</u>
TOTAL REVENUES	<u>939,123</u>	<u>1,158,548</u>	<u>1,123,259</u>	<u>394,100</u>	<u>814,010</u>
Individual Development - IDA	0	2,585	51,746	4,759	0
Home Program	0	0	21	0	0
Administration	302,013	310,665	336,747	247,809	365,407
Housing Rehab	648,666	940,221	728,147	359,100	448,583
Fair Housing & Counsel	<u>0</u>	<u>0</u>	<u>6,598</u>	<u>19</u>	<u>20</u>
TOTAL EXPENDITURES	<u>950,679</u>	<u>1,253,471</u>	<u>1,123,259</u>	<u>611,687</u>	<u>814,010</u>
<u>COMMUNITY DEVELOPMENT 108 GUARANTEED LOAN FUND</u>					
Fund Balance Appropriated	0	0	45,891	0	0
Other Revenues	<u>288,110</u>	<u>23,164</u>	<u>1,074,726</u>	<u>21,225</u>	<u>23,150</u>
TOTAL REVENUES	<u>288,110</u>	<u>23,164</u>	<u>1,120,617</u>	<u>21,225</u>	<u>23,150</u>
108 Guaranteed Loan	<u>2,789</u>	<u>12,726</u>	<u>1,120,617</u>	<u>262,725</u>	<u>23,150</u>
TOTAL EXPENDITURES	<u>2,789</u>	<u>12,726</u>	<u>1,120,617</u>	<u>262,725</u>	<u>23,150</u>

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>COMMUNITY DEVELOPMENT REHAB FUND</u>					
Fund Balance Appropriated	0	0	13,149	0	0
Investment Earnings	5,208	2,170	5,330	1,399	0
Operating Grants	0	0	52,200	52,200	0
Other Revenues	<u>0</u>	<u>0</u>	<u>120,866</u>	<u>40,866</u>	<u>0</u>
TOTAL REVENUES	<u>5,208</u>	<u>2,170</u>	<u>191,545</u>	<u>94,465</u>	<u>0</u>
Housing Rehab	<u>54,558</u>	<u>51,004</u>	<u>191,545</u>	<u>51,798</u>	<u>0</u>
TOTAL EXPENDITURES	<u>54,558</u>	<u>51,004</u>	<u>191,545</u>	<u>51,798</u>	<u>0</u>
<u>COMMUNITY DEVELOPMENT HOME INVESTMENT TRUST FUND</u>					
Fund Balance Appropriated	0	0	-914,932	0	-28,676
Fees & Charges	198	0	0	0	0
Investment Earnings	-13,358	-8,739	8,740	-8,235	0
Operating Grants	1,235,097	1,218,217	1,563,923	319,468	912,715
Other Revenues	48,698	163,536	355,283	40,906	41,500
Recurring Grant	<u>0</u>	<u>0</u>	<u>178,090</u>	<u>0</u>	<u>7,477</u>
TOTAL REVENUES	<u>1,270,635</u>	<u>1,373,014</u>	<u>1,191,104</u>	<u>352,139</u>	<u>933,016</u>
Home Program	<u>1,584,704</u>	<u>1,512,781</u>	<u>1,191,104</u>	<u>823,053</u>	<u>933,016</u>
TOTAL EXPENDITURES	<u>1,584,704</u>	<u>1,512,781</u>	<u>1,191,104</u>	<u>823,053</u>	<u>933,016</u>
<u>COMMUNITY DEVELOPMENT 108 LOAN NEIGHBORHOOD REVITALIZATION FUND</u>					
Fund Balance Appropriated	0	0	23,866	0	0
Investment Earnings	23,534	-460	29,460	-14,451	0
Other Revenues	<u>80,718</u>	<u>2,348</u>	<u>139,357</u>	<u>2,348</u>	<u>2,348</u>
TOTAL REVENUES	<u>104,252</u>	<u>1,888</u>	<u>192,683</u>	<u>-12,103</u>	<u>2,348</u>
108 Guaranteed Loan	<u>103,493</u>	<u>139,629</u>	<u>192,683</u>	<u>119,686</u>	<u>2,348</u>
TOTAL EXPENDITURES	<u>103,493</u>	<u>139,629</u>	<u>192,683</u>	<u>119,686</u>	<u>2,348</u>

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>COMMUNITY DEVELOPMENT 108 LOAN ECONOMIC DEVELOPMENT FUND</u>					
Investment Earnings	0	0	687,968	0	0
Appropriated Fund Balance	<u>31,218</u>	<u>24,648</u>	<u>29,353</u>	<u>7,557</u>	<u>12,000</u>
TOTAL REVENUES	<u>31,218</u>	<u>24,648</u>	<u>717,321</u>	<u>7,557</u>	<u>12,000</u>
108 Guaranteed Loan	<u>233,111</u>	<u>92,582</u>	<u>717,321</u>	<u>189,542</u>	<u>12,000</u>
TOTAL EXPENDITURES	<u>233,111</u>	<u>92,582</u>	<u>717,321</u>	<u>189,542</u>	<u>12,000</u>
<u>COMMUNITY DEVELOPMENT ECONOMIC DEVELOPMENT FUND</u>					
Fund Balance Appropriated	0	0	877	0	0
Investment Earnings	966	-71	71	-44	0
Non-Recurring Grants	<u>423</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u>1,389</u>	<u>-71</u>	<u>948</u>	<u>-44</u>	<u>0</u>
108 Guaranteed Loan	<u>2,046</u>	<u>0</u>	<u>948</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>2,046</u>	<u>0</u>	<u>948</u>	<u>0</u>	<u>0</u>
<u>OCCUPANCY TAX FUND</u>					
Occupancy Tax	<u>440,121</u>	<u>466,731</u>	<u>550,000</u>	<u>369,704</u>	<u>352,000</u>
TOTAL REVENUES	<u>440,121</u>	<u>466,731</u>	<u>550,000</u>	<u>369,704</u>	<u>352,000</u>
Administration	<u>440,121</u>	<u>466,731</u>	<u>550,000</u>	<u>338,847</u>	<u>352,000</u>
TOTAL EXPENDITURES	<u>440,121</u>	<u>466,731</u>	<u>550,000</u>	<u>338,847</u>	<u>352,000</u>
<u>UPTOWN MUNICIPAL SERVICES DISTRICT FUND</u>					
Fees and Charges	0	0	0	0	2,473
Ad Valorem Taxes	101,621	119,634	123,801	113,583	118,210
Transfers In	<u>0</u>	<u>0</u>	<u>11,536</u>	<u>11,536</u>	<u>0</u>
TOTAL REVENUES	<u>101,621</u>	<u>119,634</u>	<u>135,337</u>	<u>125,119</u>	<u>120,683</u>

City of Gastonia
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Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>UPTOWN MUNICIPAL SERVICES DISTRICT FUND - cont'd</u>					
Uptown Development	96,888	123,010	135,337	121,889	120,683
TOTAL EXPENDITURES	<u>96,888</u>	<u>123,010</u>	<u>135,337</u>	<u>121,889</u>	<u>120,683</u>
<u>WATER AND SEWER FUND</u>					
Fund Balance Appropriated	0	0	71,498	0	0
Assessments	49,076	117,651	49,300	57,004	26,000
Fees and Charges	1,375,201	1,282,099	1,102,562	1,002,766	1,013,462
Investment Earnings	198,436	172,010	110,000	66,593	75,000
Other Revenues	38,347	26,812	57,500	24,449	23,000
Transfers In	0	25,700	0	0	376,000
Water & Sewer Sales	<u>26,643,187</u>	<u>26,895,014</u>	<u>27,653,298</u>	<u>26,250,729</u>	<u>27,484,861</u>
TOTAL REVENUES	<u>28,304,247</u>	<u>28,519,286</u>	<u>29,044,158</u>	<u>27,401,541</u>	<u>28,998,323</u>
Warehouse	-20,191	5,535	505	-117	0
Non-Departmental	1,324,245	1,352,824	1,357,136	1,357,136	1,669,170
Administration	4,094,516	4,024,276	4,356,947	4,334,707	4,306,676
Debt Service	7,917,156	7,542,956	6,899,277	5,985,957	7,027,749
Sewer Extensions	88,280	56,905	168,209	168,209	23,000
AM/FM/GIS	14,986	10,990	24,715	9,689	19,590
Water Supply & Treatment	2,631,667	2,633,187	3,340,748	3,178,504	3,364,420
Customer Service	586,311	600,194	680,609	668,392	918,371
Facility Maintenance	914,018	1,345,601	1,364,369	1,321,102	1,351,027
Pasour Resource Recovery Farm	1,150,483	1,234,469	1,028,373	1,032,482	941,287
Fields Ops/Water Line Maintenance	1,376,018	1,507,093	1,508,428	1,502,172	1,492,640
Utility Locator	0	0	173,739	122,705	150,405
Wastewater Treatment	4,984,332	5,052,309	5,539,398	5,492,327	5,075,803
Field Ops/Sewer Line Maintenance	1,469,223	1,662,711	1,631,705	1,598,906	1,618,185
Transfers Out	<u>1,773,205</u>	<u>1,474,685</u>	<u>970,000</u>	<u>970,000</u>	<u>1,040,000</u>
TOTAL EXPENDITURES	<u>28,304,249</u>	<u>28,503,735</u>	<u>29,044,158</u>	<u>27,742,171</u>	<u>28,998,323</u>

City of Gastonia
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Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>ELECTRIC FUND</u>					
Fund Balance Appropriated	0	4,108	1,041,921	0	-1,145,972
Electric Sales	55,457,557	61,210,773	64,085,547	62,104,587	66,621,981
Fees and Charges	601,578	644,415	634,900	590,084	729,000
Investment Earnings	145,026	151,672	170,000	79,789	110,000
Other Revenues	844,066	876,153	639,822	677,122	796,867
Transfers In	<u>23,752</u>	<u>1,275,395</u>	<u>170,039</u>	<u>170,039</u>	<u>243,184</u>
TOTAL REVENUES	<u>57,071,979</u>	<u>64,162,516</u>	<u>66,742,229</u>	<u>63,621,621</u>	<u>67,355,060</u>
Warehouse	45,967	-2,671	14,258	185,199	0
Non-Departmental	603,599	700,809	938,319	846,822	856,646
Administration	2,943,055	2,974,483	3,577,362	3,368,767	3,795,795
Purchased Power	47,510,249	50,070,494	51,435,046	50,608,519	53,388,065
ElectricCities Rebate Program	3,650	9,900	35,000	35,550	50,000
Electric Service	1,095,223	1,124,825	1,226,333	1,184,087	1,152,346
Electric Substations	375,204	353,293	494,339	464,459	490,031
Street Lights	462,854	473,769	653,845	640,043	740,003
Load Management Switches	2,725	1,275	3,000	2,725	1,000
Electric Underground Line Construction	0	0	740,533	611,141	714,834
Electric Line Maintenance	1,175,319	1,206,991	1,388,265	1,334,049	1,405,012
Electric Line Construction	1,671,140	1,642,480	1,223,730	1,169,503	978,420
Electric Svc-Generators	85,662	77,285	142,468	100,983	89,767
2/3 GO Bonds	0	0	15,700	15,698	16,869
Transfers Out	<u>2,404,259</u>	<u>2,782,341</u>	<u>4,854,031</u>	<u>4,830,785</u>	<u>3,676,272</u>
TOTAL EXPENDITURES	<u>58,378,906</u>	<u>61,415,274</u>	<u>66,742,229</u>	<u>65,398,330</u>	<u>67,355,060</u>
<u>TRANSIT FUND</u>					
Fund Balance Appropriated	0	0	212,918	0	0
Fees and Charges	180,338	194,307	195,500	185,822	195,000
Investment Earnings	5,409	3,716	0	241	0
Operating Grants	907,026	1,050,702	1,235,000	1,093,071	1,186,525

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<u>TRANSIT FUND - cont'd</u>					
Other Revenues	282,029	276,978	271,978	276,871	268,000
Transfers In	461,821	667,703	514,032	514,032	483,743
TOTAL REVENUES	<u>1,836,623</u>	<u>2,193,406</u>	<u>2,429,428</u>	<u>2,070,037</u>	<u>2,133,268</u>
Administration	702,676	762,693	807,718	726,723	728,251
Operations	809,356	938,157	1,158,422	1,129,871	947,264
Maintenance	214,928	273,477	275,271	269,308	287,786
ADA Paratransit	144,724	260,373	188,017	171,448	169,967
TOTAL EXPENDITURES	<u>1,871,684</u>	<u>2,234,700</u>	<u>2,429,428</u>	<u>2,297,350</u>	<u>2,133,268</u>
<u>GOLF COURSE</u>					
Fund Balance Appropriated	0	0	182,480	0	0
Fees and Charges	780,147	881,637	1,070,000	187,813	0
Investment Earnings	6,470	5,222	5,000	755	0
Other Revenues	103,806	70,941	49,433	22,022	0
Transfers In	<u>377,128</u>	<u>421,340</u>	<u>149,259</u>	<u>111,942</u>	<u>0</u>
TOTAL REVENUES	<u>1,267,551</u>	<u>1,379,140</u>	<u>1,456,172</u>	<u>322,532</u>	<u>0</u>
Golf Course	1,109,510	1,205,456	1,288,051	439,254	0
Golf Course Grill	0	68,910	68,121	13,158	0
Transfers Out	<u>40,000</u>	<u>120,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
TOTAL EXPENDITURES	<u>1,149,510</u>	<u>1,394,366</u>	<u>1,456,172</u>	<u>552,412</u>	<u>0</u>
<u>STORMWATER FUND</u>					
Fund Balance Appropriated	0	0	404,871	0	0
Fees and Charges	29,712	13,293	25,600	17,376	15,500
Investment Earnings	22,585	13,663	15,000	3,779	6,000
Stormwater Sales	<u>1,986,308</u>	<u>2,022,888</u>	<u>2,077,105</u>	<u>2,036,617</u>	<u>2,053,144</u>
TOTAL REVENUES	<u>2,038,605</u>	<u>2,049,844</u>	<u>2,522,576</u>	<u>2,057,772</u>	<u>2,074,644</u>
Operations	587,746	558,215	602,902	584,407	608,981
Administration	976,852	1,043,977	1,163,709	1,114,171	1,074,679
AM/FM/GIS	25,993	27,765	98,266	89,777	99,887

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<u>STORMWATER FUND - cont'd</u>					
Transfers Out	799,020	415,964	657,699	651,572	291,097
TOTAL EXPENDITURES	<u>2,389,611</u>	<u>2,045,921</u>	<u>2,522,576</u>	<u>2,439,927</u>	<u>2,074,644</u>
<u>POWER AGENCY SETTLEMENT FUND</u>					
Fund Balance Appropriated	0	0	-2,032,963	0	-778,316
Investment Earnings	23,967	33,272	20,000	23,308	17,000
Other Revenues	1,354,500	1,354,500	1,354,500	1,354,500	1,354,500
Transfers In	<u>0</u>	<u>0</u>	<u>1,178,502</u>	<u>1,178,502</u>	<u>0</u>
TOTAL REVENUES	<u>1,378,467</u>	<u>1,387,772</u>	<u>520,039</u>	<u>2,556,310</u>	<u>593,184</u>
Transfers Out	<u>234,493</u>	<u>1,625,395</u>	<u>520,039</u>	<u>520,039</u>	<u>593,184</u>
TOTAL EXPENDITURES	<u>234,493</u>	<u>1,625,395</u>	<u>520,039</u>	<u>520,039</u>	<u>593,184</u>
<u>WATER & SEWER CAPITAL EXPANSION & DEVELOPMENT FUND</u>					
Fund Balance Appropriated	0	0	156,235	0	1,913,970
Investment Earnings	144,949	147,364	130,000	60,463	60,000
Transfers In	<u>1,703,466</u>	<u>1,474,685</u>	<u>970,000</u>	<u>970,000</u>	<u>1,040,000</u>
TOTAL REVENUES	<u>1,848,415</u>	<u>1,622,049</u>	<u>1,256,235</u>	<u>1,030,463</u>	<u>3,013,970</u>
Transfers Out	<u>1,100,000</u>	<u>1,125,700</u>	<u>1,256,235</u>	<u>1,204,680</u>	<u>3,013,970</u>
TOTAL EXPENDITURES	<u>1,100,000</u>	<u>1,125,700</u>	<u>1,256,235</u>	<u>1,204,680</u>	<u>3,013,970</u>
<u>AIRPORT CAPITAL PROJECTS FUND</u>					
Fund Balance Appropriated	0	0	167,930	0	0
Investment Earnings	-6,129	-5,350	5,351	2,219	2,000
Other Revenues	225,501	174,992	1,018,188	27,378	150,000
Transfers In	<u>22,209</u>	<u>115,910</u>	<u>16,667</u>	<u>16,667</u>	<u>15,000</u>
TOTAL REVENUES	<u>241,581</u>	<u>285,552</u>	<u>1,208,136</u>	<u>46,264</u>	<u>167,000</u>

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<u>AIRPORT CAPITAL PROJECTS FUND - Cont'd</u>					
Airport Projects	353,133	15,173	1,208,136	62,288	167,000
TOTAL EXPENDITURES	<u>353,133</u>	<u>15,173</u>	<u>1,208,136</u>	<u>62,288</u>	<u>167,000</u>
<u>WATER & SEWER RENEWAL & REPLACEMENT FUND</u>					
Fund Balance Appropriated	0	0	1,373,133	0	1,467,304
Investment Earnings	52,477	46,211	40,000	20,162	18,000
Transfers In	69,739	0	0	0	0
TOTAL REVENUES	<u>122,216</u>	<u>46,211</u>	<u>1,413,133</u>	<u>20,162</u>	<u>1,485,304</u>
Renewal & Replacement	0	0	1,413,133	0	1,485,304
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>1,413,133</u>	<u>0</u>	<u>1,485,304</u>
<u>ELECTRIC RENEWAL & REPLACEMENT FUND</u>					
Fund Balance Appropriated	0	0	972,160	0	1,035,814
Investment Earnings	34,444	30,564	25,000	13,693	14,000
Transfers In	60,000	0	60,000	60,000	60,000
TOTAL REVENUES	<u>94,444</u>	<u>30,564</u>	<u>1,057,160</u>	<u>73,693</u>	<u>1,109,814</u>
Renewal & Replacement	0	0	1,057,160	0	1,109,814
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>1,057,160</u>	<u>0</u>	<u>1,109,814</u>
<u>WATER & SEWER CAPITAL PROJECTS FUND</u>					
Fund Balance Appropriated	0	0	5,004,292	0	0
Investment Earnings	457,780	272,193	30,026	102,648	56,000
Operating Grants	55,444	118,056	0	0	0
Other Revenues	248,000	741,912	5,000	36,912	0
Transfers In	1,100,000	1,100,000	1,100,000	1,100,000	1,724,000
TOTAL REVENUES	<u>1,861,224</u>	<u>2,232,161</u>	<u>6,139,318</u>	<u>1,239,560</u>	<u>1,780,000</u>

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<u>WATER & SEWER CAPITAL PROJECTS FUND - cont'd</u>					
Crowders Creek WWTP Imp	440,375	0	56,289	24,380	0
NCDOT Sewer Utility Conflict	0	3,169	37,402	0	125,300
Catawba WWTP Abandonment	0	0	0	0	0
Joint Ventures - Sewer Lines	13,858	44,060	297,592	11,493	0
Sewer Imp - Revenue Bonds	2,091,456	0	205,502	0	0
Collection System Improvements	622,039	122,831	722,686	0	0
Sewer Assessments	461,801	229,733	89,884	272	150,000
Pumpstation/Forcemain Improvements	270,250	349,443	870,916	697,693	352,000
Long Creek WWTP Expansion	194,582	138,652	730,897	234,376	0
Water Imp - NCDOT Conflicts	0	2,723	99,246	0	292,200
Water Distribution Imp	10,353	66,932	452,120	4,439	230,500
Water Supply/Treatment Imp	182,008	221,925	489,598	328,623	580,000
Water Assessments	0	0	203	0	50,000
Joint Ventures - Water Lines	248,077	741,860	3	0	0
Water Imp - Revenue Bonds	<u>455,178</u>	<u>575,033</u>	<u>2,086,980</u>	<u>655,042</u>	<u>0</u>
TOTAL EXPENDITURES	<u>4,989,977</u>	<u>2,496,361</u>	<u>6,139,318</u>	<u>1,956,318</u>	<u>1,780,000</u>
<u>STREET IMPROVEMENTS CAPITAL PROJECTS FUND</u>					
Fund Balance Appropriated	0	0	1,194,404	0	0
Investment Earnings	56,760	40,865	35,000	19,441	0
Other Revenues	169,628	495,000	30	0	0
Funding for Roads	18,769	353,411	824,422	35,141	0
Transfers In	<u>0</u>	<u>70,000</u>	<u>150,000</u>	<u>150,000</u>	<u>0</u>
TOTAL REVENUES	<u>245,157</u>	<u>959,276</u>	<u>2,203,856</u>	<u>204,582</u>	<u>0</u>
Joint Ventures	78	4196	17,727	0	0
W Franklin Streetscape	26,239	337,652	26,866	16,178	0
Forbes Road Project	85	0	0	0	0
walgreens at Cox Rd	0	0	157,828	0	0
Administration	4,742	0	0	0	0
Gardner Park/Cox Rd	0	131,904	953	953	0
Cox Rd Sidewalks	0	0	0	0	0
Speed Humps	36,390	0	48,208	44,800	0

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<u>STREET IMPROVEMENTS CAPITAL PROJECTS FUND - cont'd</u>					
North 321 Improvements	221,909	4,177	1	0	0
W Davidson Bridge Replacement	0	135,297	988,642	47,353	0
Miscellaneous Sidewalks	500	52,431	319,200	194,837	0
Traffic Signal System Improvements	153,000	151,919	152,834	151,919	0
2/3 GO Bonds - 2008	<u>0</u>	<u>1,834</u>	<u>491,597</u>	<u>1,727</u>	<u>0</u>
TOTAL EXPENDITURES	<u>442,943</u>	<u>819,410</u>	<u>2,203,856</u>	<u>457,767</u>	<u>0</u>
<u>DEVELOPER SIDEWALKS FUND</u>					
Fund Balance Appropriated	0	0	19,891	0	0
Investment Earnings	12,519	10,956	0	4,829	0
Other Revenues	<u>5,500</u>	<u>6,149</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u>18,019</u>	<u>17,105</u>	<u>19,891</u>	<u>4,829</u>	<u>0</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>STREET BOND DEBT RETIREMENT FUND</u>					
Investment Earnings	<u>1,052</u>	<u>941</u>	<u>0</u>	<u>403</u>	<u>0</u>
TOTAL REVENUES	<u>1,052</u>	<u>941</u>	<u>0</u>	<u>403</u>	<u>0</u>
Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>HEALTH SELF-INSURANCE FUND</u>					
Fund Balance Appropriated	0	0	539,268	0	0
Investment Earnings	23,877	31,745	35,000	6,061	2,800
Other Revenues	6,925,780	7,069,014	7,364,000	7,391,977	7,368,000
Transfers In	<u>0</u>	<u>0</u>	<u>597,000</u>	<u>400,000</u>	<u>600,000</u>
TOTAL REVENUES	<u>6,949,657</u>	<u>7,100,759</u>	<u>8,535,268</u>	<u>7,798,038</u>	<u>7,970,800</u>

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<u>HEALTH SELF-INSURANCE FUND - cont'd</u>					
Administration	5,961,271	7,549,350	8,535,268	8,257,040	7,970,800
Transfers Out	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>5,961,271</u>	<u>7,554,350</u>	<u>8,535,268</u>	<u>8,257,040</u>	<u>7,970,800</u>
<u>INSURANCE CAPITAL RESERVE FUND</u>					
Fund Balance Appropriated	0	0	130,500	0	79,500
Investment Earnings	<u>5,071</u>	<u>4,226</u>	<u>4,000</u>	<u>567</u>	<u>700</u>
TOTAL REVENUES	<u>5,071</u>	<u>4,226</u>	<u>134,500</u>	<u>567</u>	<u>80,200</u>
Human Resources	0	0	79,500	0	80,200
Transfers Out	<u>0</u>	<u>75,000</u>	<u>55,000</u>	<u>55,000</u>	<u>0</u>
TOTAL EXPENDITURES	<u>0</u>	<u>75,000</u>	<u>134,500</u>	<u>55,000</u>	<u>80,200</u>
<u>DENTAL SELF-INSURANCE FUND</u>					
Investment Earnings	0	793	800	208	100
Other Revenues	<u>0</u>	<u>340,716</u>	<u>330,000</u>	<u>366,555</u>	<u>370,000</u>
TOTAL REVENUES	<u>0</u>	<u>341,509</u>	<u>330,800</u>	<u>366,763</u>	<u>370,100</u>
Administration	<u>0</u>	<u>311,877</u>	<u>330,800</u>	<u>346,238</u>	<u>370,100</u>
TOTAL EXPENDITURES	<u>0</u>	<u>311,877</u>	<u>330,800</u>	<u>346,238</u>	<u>370,100</u>
<u>FEDERAL ASSET FORFEITURE FUND</u>					
Investment Earnings	937	769	412	855	0
Other Revenues	<u>0</u>	<u>10,642</u>	<u>79,912</u>	<u>97,070</u>	<u>20,000</u>
TOTAL REVENUES	<u>937</u>	<u>11,411</u>	<u>80,324</u>	<u>97,925</u>	<u>20,000</u>
Asset Forfeitures	0	0	80,324	73,415	20,000
Transfers Out	<u>16,786</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>16,786</u>	<u>0</u>	<u>80,324</u>	<u>73,415</u>	<u>20,000</u>

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>STATE ASSET FORFEITURE FUND</u>					
Fund Balance Appropriated	0	0	17,002	0	0
Investment Earnings	5,280	3,841	2,500	2,204	2,000
Other Revenues	<u>99,339</u>	<u>75,616</u>	<u>106,000</u>	<u>144,354</u>	<u>50,000</u>
TOTAL REVENUES	<u>104,619</u>	<u>79,457</u>	<u>125,502</u>	<u>146,558</u>	<u>52,000</u>
Asset Forfeitures	50,606	90,348	125,502	56,330	52,000
Transfers Out	<u>0</u>	<u>10,280</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>50,606</u>	<u>100,628</u>	<u>125,502</u>	<u>56,330</u>	<u>52,000</u>
<u>POLICE MEMORIAL TRUST FUND</u>					
Fees and Charges	4,544	3,528	8,200	6,745	2,000
Investment Earnings	546	549	0	238	0
Other Revenues	<u>1,244</u>	<u>100</u>	<u>2,000</u>	<u>3,270</u>	<u>0</u>
TOTAL REVENUES	<u>6,334</u>	<u>4,177</u>	<u>10,200</u>	<u>10,253</u>	<u>2,000</u>
Police Memorial Trust Fund	<u>6,406</u>	<u>1,391</u>	<u>10,200</u>	<u>8,888</u>	<u>2,000</u>
TOTAL EXPENDITURES	<u>6,406</u>	<u>1,391</u>	<u>10,200</u>	<u>8,888</u>	<u>2,000</u>
<u>LOCAL LAW ENFORCEMENT BLOCK GRANT FUND</u>					
Fund Balance Appropriated	0	0	64,846	0	0
Investment Earnings	2,405	2,748	0	1,146	0
Non-Recurring Grants	83,899	67,239	31,585	29,390	0
Operating Grants	0	6,887	25,738	17,068	0
Other Revenues	38,595	20,678	194,548	196,187	0
Transfers In	<u>16,786</u>	<u>6,951</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u>141,685</u>	<u>104,503</u>	<u>316,717</u>	<u>243,791</u>	<u>0</u>
2004 US DOJ Block Grant	4,372	0	0	875	0
Police/Field Services	45,270	22,220	223,674	189,246	0
2006 US DOJ Block Grant	42,868	41,025	0	0	0

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>LOCAL LAW ENFORCEMENT BLOCK GRANT FUND - cont'd</u>					
2007 JAG Grant	0	8,903	60,446	36,751	0
2008 JAG Grant	0	0	29,390	29,390	0
Police Dept Grants	<u>28,063</u>	<u>12,795</u>	<u>3,207</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>120,573</u>	<u>84,943</u>	<u>316,717</u>	<u>256,262</u>	<u>0</u>
<u>GOLF COURSE CAPITAL PROJECTS FUND</u>					
Fund Balance Appropriated	0	0	23,470	0	0
Investment Earnings	1,086	1,398	0	68	0
Transfers In	<u>40,000</u>	<u>120,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
TOTAL REVENUES	<u>41,086</u>	<u>121,398</u>	<u>123,470</u>	<u>100,068</u>	<u>0</u>
Golf Safety Improvements	<u>15,686</u>	<u>127,974</u>	<u>123,470</u>	<u>123,470</u>	<u>0</u>
TOTAL EXPENDITURES	<u>15,686</u>	<u>127,974</u>	<u>123,470</u>	<u>123,470</u>	<u>0</u>
<u>ELECTRIC CAPITAL PROJECTS FUND</u>					
Fund Balance Appropriated	0	0	142,901	0	0
Investment Earnings	45,338	10,346	27,655	9,727	1,000
Other Revenues	86,896	447,598	882,187	0	6,000
Transfers In	<u>455,000</u>	<u>1,032,341</u>	<u>1,755,083</u>	<u>1,755,083</u>	<u>1,806,272</u>
TOTAL REVENUES	<u>587,234</u>	<u>1,490,285</u>	<u>2,807,826</u>	<u>1,764,810</u>	<u>1,813,272</u>
Financial Management System	4,675	0	92	0	0
Electric Truck Shed	0	0	35,000	28,507	0
SCADA Replacement	30,221	0	285	0	0
Paving-Main St Improvements	59,519	0	0	0	0
City Electrical Tie Lines	482,864	780,438	522,497	222,747	305,000
Underground System Replacement	0	0	373,229	75,052	325,830
Electric Developments	157,786	175,538	488,122	207,007	100,000
Residential Dev-System Expansion	504,580	508,462	569,158	204,607	732,000
NCDOT City Fiber	152,636	334,889	360,442	167,523	350,442
Wi-Max Connectivity	0	0	40,000	0	0
2/3 GO Bonds - 2008	<u>0</u>	<u>10,999</u>	<u>419,001</u>	<u>182,677</u>	<u>0</u>
TOTAL EXPENDITURES	<u>1,392,281</u>	<u>1,810,326</u>	<u>2,807,826</u>	<u>1,088,120</u>	<u>1,813,272</u>

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>STORMWATER CAPITAL PROJECTS FUND</u>					
Fund Balance Appropriated	0	0	976,219	0	0
Investment Earnings	30,188	28,314	30,000	17,333	17,000
Non-Recurring Grants	0	0	59,000	0	0
Other Revenues	100	0	0	0	0
Transfers In	<u>799,020</u>	<u>415,964</u>	<u>639,132</u>	<u>639,132</u>	<u>291,097</u>
TOTAL REVENUES	<u>829,308</u>	<u>444,278</u>	<u>1,704,351</u>	<u>656,465</u>	<u>308,097</u>
Stormwater System Improvements	487,910	1,630	944,184	2,978	219,823
Stormwater Non Capital	50,462	343,645	743,500	56,792	73,274
Transfers Out	<u>0</u>	<u>0</u>	<u>16,667</u>	<u>16,667</u>	<u>15,000</u>
TOTAL EXPENDITURES	<u>538,372</u>	<u>345,275</u>	<u>1,704,351</u>	<u>76,437</u>	<u>308,097</u>
<u>VEHICLE/EQUIPMENT RENEWAL & REPLACEMENT FUND</u>					
Fund Balance Appropriated	0	0	1,839,640	0	225,070
Investment Earnings	161,087	166,660	-5,225	39,499	40,000
Other Revenues	5,544,182	7,195,481	7,578,845	7,458,558	5,020,940
Transfers In	<u>0</u>	<u>0</u>	<u>7,523</u>	<u>7,523</u>	<u>0</u>
TOTAL REVENUES	<u>5,705,269</u>	<u>7,362,141</u>	<u>9,420,783</u>	<u>7,505,580</u>	<u>5,286,010</u>
Equipment Manager	2,723,733	1,943,248	3,766,609	3,372,365	1,225,192
Equipment-Debt Service	2,687,403	3,313,904	3,362,362	3,363,324	3,562,818
Computer Systems	606,254	642,896	1,249,980	618,107	100,000
Telephone & Radio Systems	0	83,026	61,974	46,777	264,000
MDT System/Radar Service	0	0	0	0	98,000
Police Investigations	0	38,814	1,345	0	0
Police Field Services	0	0	0	0	36,000
Engineering	45,780	0	12,770	0	0
Museum	0	58,867	15,133	0	0
Water Treatment	0	0	800,000	800,000	0
Wastewater	<u>0</u>	<u>9,390</u>	<u>150,610</u>	<u>133,465</u>	<u>0</u>
TOTAL EXPENDITURES	<u>6,063,170</u>	<u>6,090,145</u>	<u>9,420,783</u>	<u>8,334,038</u>	<u>5,286,010</u>

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>TECHNOLOGY INTERNAL SERVICES FUND</u>					
Fund Balance Appropriated	0	0	168,288	0	0
Fees & Charges	81,510	103,418	123,560	123,567	122,600
Interest	1,690	3,543	1,500	2,354	500
Other Revenues	<u>517,168</u>	<u>535,349</u>	<u>707,851</u>	<u>388,698</u>	<u>627,337</u>
TOTAL REVENUES	<u>600,368</u>	<u>642,310</u>	<u>1,001,199</u>	<u>514,619</u>	<u>750,437</u>
Administration	521,031	542,023	602,865	581,057	588,445
Public Safety	254,901	247,939	261,066	179,885	195,898
Computer Support	-1,019,698	404,941	485,450	425,962	415,393
Mobile Data	84,070	85,576	98,060	95,606	87,964
City Equipment	450,884	-1,090,160	-1,067,334	-1,165,893	-1,016,290
Support Administration	212,852	236,850	246,266	237,231	239,132
External Network Access	71,009	185,268	250,235	198,601	235,172
Working Capital Reserve	0	0	118,031	0	4,723
Transfers Out	<u>0</u>	<u>0</u>	<u>7,700</u>	<u>5,160</u>	<u>0</u>
TOTAL EXPENDITURES	<u>575,049</u>	<u>612,437</u>	<u>1,002,339</u>	<u>557,609</u>	<u>750,437</u>
<u>GENERAL FUND CAPITAL PROJECTS FUND</u>					
Fund Balance Appropriated	0	0	2,333,846	0	0
Investment Earnings	17,540	49,771	-49,770	32,713	0
Non-Recurring Grants	0	107,673	720,840	126,487	0
Operating Grants	46,993	0	200,000	125,000	0
Other Revenues	244,479	675,017	125,189	240,902	0
Funding for Roads	7,339	544,393	782,671	337,154	0
Transfers In	<u>780,000</u>	<u>1,379,363</u>	<u>1,062,902</u>	<u>1,062,902</u>	<u>0</u>
TOTAL REVENUES	<u>1,096,351</u>	<u>2,756,217</u>	<u>5,175,678</u>	<u>1,925,158</u>	<u>0</u>
Financial Management System	0	0	740,000	0	0
Radio Systems	0	0	48,804	0	0
800 MHz System	0	0	250,000	249,989	0
Powell Bill	200,000	0	315,000	223,740	0
Keep Gastonia Beautiful	0	4,286	17,715	11,710	0

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

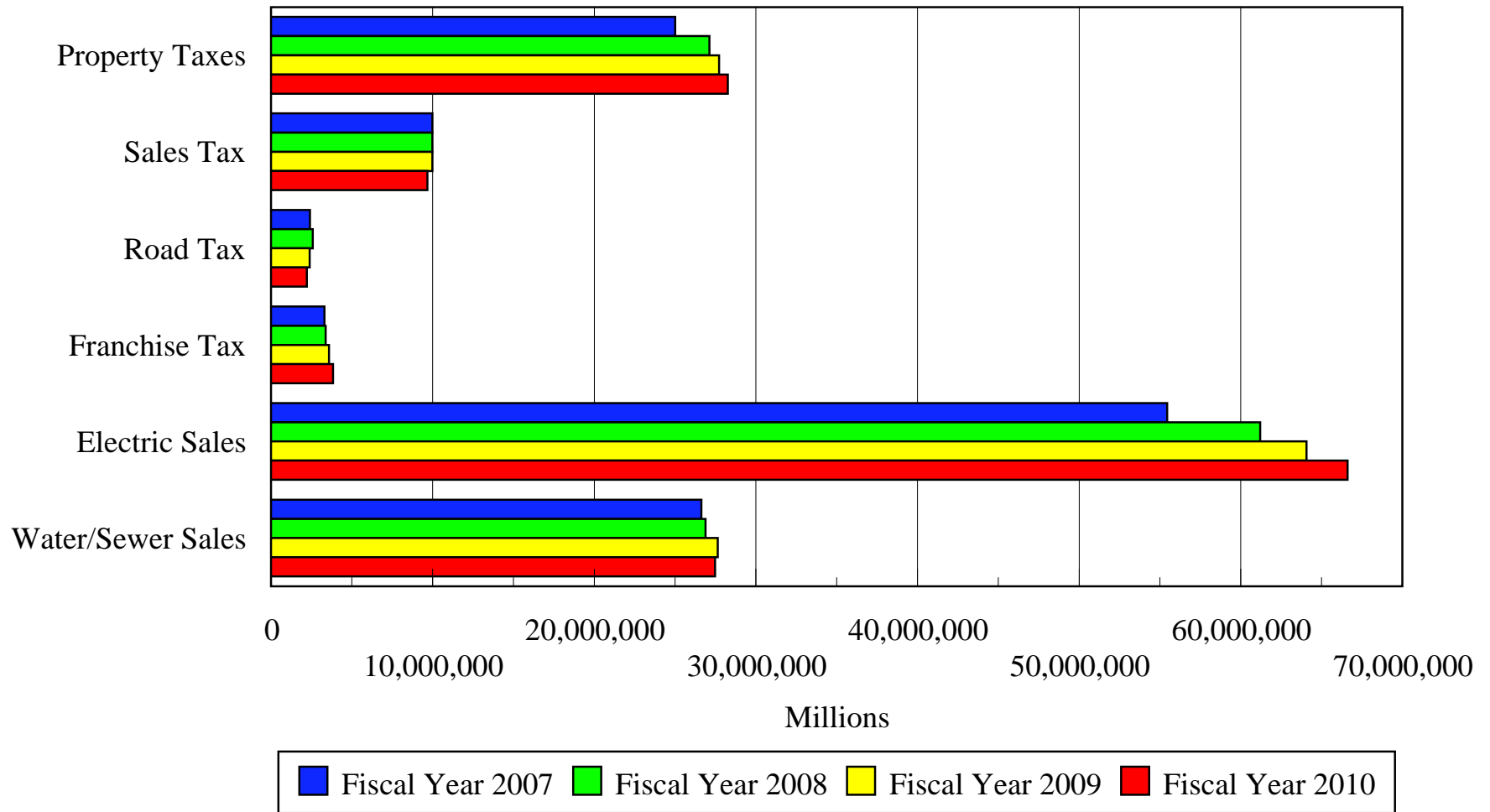
Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>GENERAL FUND CAPITAL PROJECTS FUND - cont'd</u>					
Adult Recreation Center	0	65,809	5,191	4,791	0
Lineberger Park	200	25,833	1,324,968	1,229,770	0
Cemetery	0	26,223	0	0	0
Tulip Drive Bridge	10,671	746,201	648,402	516,443	0
Greenways	16,849	78,474	717,819	486,873	0
Tourism Projects	26,135	158,602	0	0	0
Recreation Tourism Projects	137,283	10,692	2,027	1,779	0
Misc Park Projects	24,123	75,287	274,091	120,960	0
Annexation Street Paving	0	0	200,000	23,893	0
Annexation	49	0	0	0	0
Paving-Main St Imp	3,267	0	0	0	0
Garland Center Renovations	4,549	0	0	0	0
Railroad Improvements	0	40,325	1	0	0
2/3 GO Bonds - 2008	0	10,999	530,000	54,301	0
Main Ave Properties	17,745	134,898	90,083	85,223	0
City Hall Renovations	157,373	57,352	11,577	3,589	0
Transfers Out	<u>0</u>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EXPENDITURES	<u>598,244</u>	<u>1,504,981</u>	<u>5,175,678</u>	<u>3,013,061</u>	<u>0</u>
<u>DOWNTOWN CAPITAL PROJECTS FUND</u>					
Fund Balance Appropriated	0	0	1,513,622	0	0
Investment Earnings	0	-230	20,647	25,053	15,000
Other Revenues	0	1,917,543	1,073,477	1,037,718	1,000,000
Transfers In	<u>0</u>	<u>0</u>	<u>876,000</u>	<u>876,000</u>	<u>360,000</u>
TOTAL REVENUES	<u>0</u>	<u>1,917,313</u>	<u>3,483,746</u>	<u>1,938,771</u>	<u>1,375,000</u>
Marietta/Franklin Street Project	0	0	300,000	0	0
South Street Plaza	0	0	500,000	0	0
2/3 GO Bonds - 2008	0	11,167	1,610,269	215,285	78,375
Downtown Plan	<u>0</u>	<u>392,523</u>	<u>1,073,477</u>	<u>1,050,218</u>	<u>1,296,625</u>
TOTAL EXPENDITURES	<u>0</u>	<u>403,690</u>	<u>3,483,746</u>	<u>1,265,503</u>	<u>1,375,000</u>

City of Gastonia
Summary of Revenues and Expenditures
Fiscal Year 2010

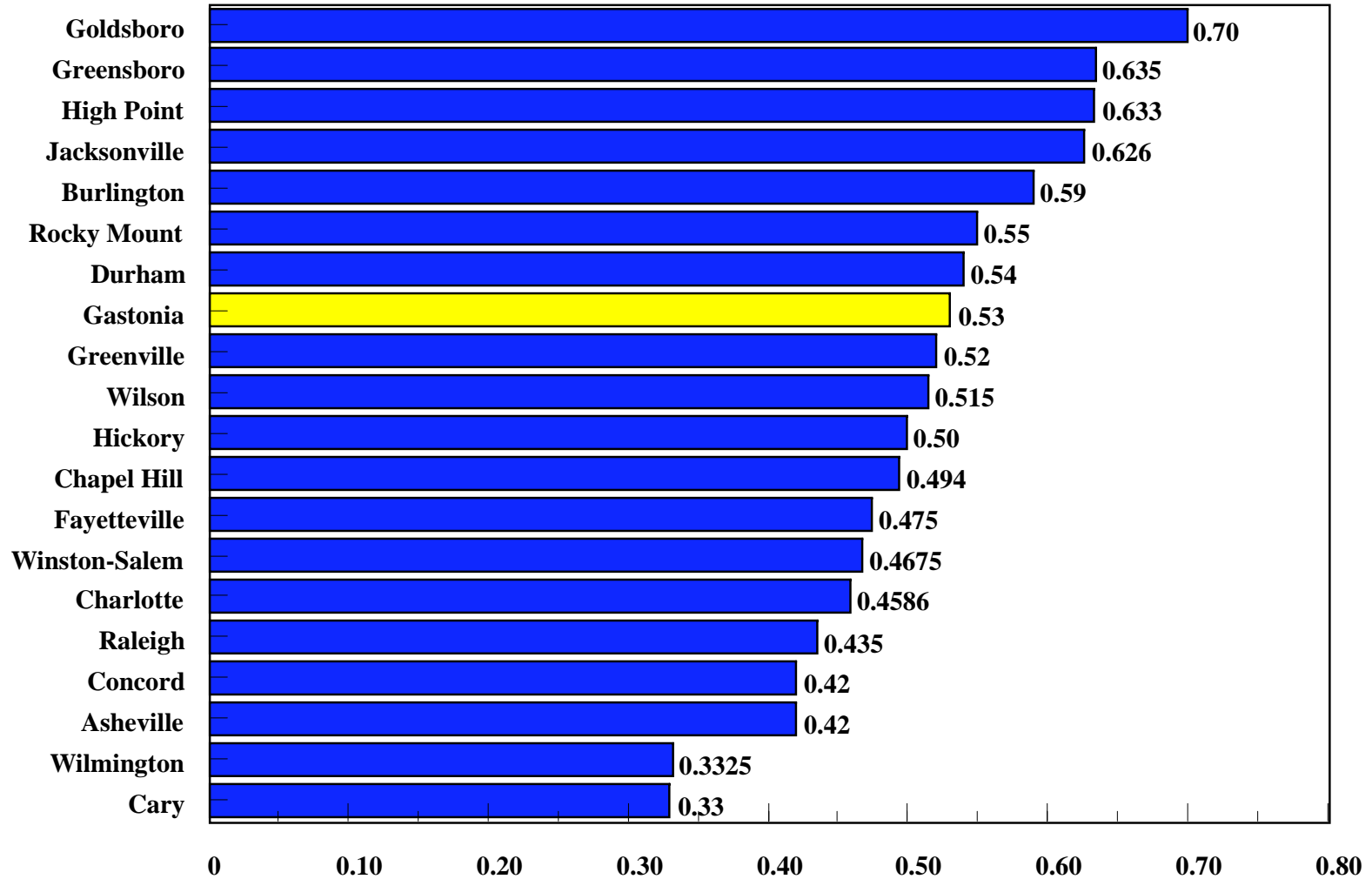
Title	FY 06/07 Actuals	FY 07/08 Actuals	FY 08/09 Revised Budget	FY 08/09 Year-to-Date (as of 6/30/09)	FY 09/10 Adopted Budget
<u>INFRASTRUCTURE REHABILITATION FUND</u>					
Fund Balance Appropriated	0	0	283,858	0	275,000
Investment Earnings	0	11,708	8,000	7,733	4,065
Other Revenues	0	237,150	36,300	36,855	24,048
Transfers In	<u>0</u>	<u>320,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	<u><u>0</u></u>	<u><u>568,858</u></u>	<u><u>328,158</u></u>	<u><u>44,588</u></u>	<u><u>303,113</u></u>
Administration	0	10,000	29,000	2,797	6,220
Capital Project Reserve	0	0	21,558	0	21,893
GO Bond Properties	0	0	27,600	0	0
Transfers Out	<u>0</u>	<u>0</u>	<u>250,000</u>	<u>250,000</u>	<u>275,000</u>
TOTAL EXPENDITURES	<u><u>0</u></u>	<u><u>10,000</u></u>	<u><u>328,158</u></u>	<u><u>252,797</u></u>	<u><u>303,113</u></u>

COMPARISON OF MAJOR REVENUES

FY07 Actual - FY08 Actual - FY09 Budget - FY10 Adopted



Comparison of Ad Valorem Tax Rates
Twenty Largest Cities in North Carolina
Fiscal Year 2010 Adopted Levies



CITY OF GASTONIA COMPARISON OF BUDGETED TAX LEVIES

Regular Levy	2008 Value (Budget)	Estimated 2009 Value (as of 12/31/08)	Projected Property Tax Levies	Applied Collection Percentage	Total Projected Collections for FY 10	Projected Tax Collections for FY 09 (adjusted 12/31/08)	Budgeted Tax Collections for FY 09
Real Property	4,092,944,875	4,152,506,127	22,008,282	97.09%	21,367,841	21,061,353	21,041,830
Personal Property	457,040,040	443,023,353	2,348,024	97.09%	2,279,696	2,351,823	2,349,643
Utility Certifications	110,608,936	116,428,730	617,072	100.00%	617,072	586,227	586,227
Motor Vehicles	429,300,027	433,571,060	2,297,927	83.50%	1,918,769	1,899,867	1,869,833
Grand Total Property Taxes	5,089,893,878	5,145,529,270	27,271,305		\$26,183,379	\$25,899,271	\$25,847,533

Revenue Projections Above are Based on the Following:

- 1) 2009 values for real property, personal property, motor vehicles and utility certifications are equal to those reported on Value Summary report for 5/5/09. 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.
- 2) Estimated 2010 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.

Changes from original projections by category are as follows:

	FY 09	FY 10	Difference
Real Property	4,092,944,875	4,152,506,127	59,561,252
Personal Property	457,040,040	443,023,353	-14,016,687
Utility Certifications	110,608,936	116,428,730	5,819,794
Motor Vehicles	429,300,027	433,571,060	4,271,033
			55,635,392

- 3) Tax Rate of .53 per \$100 of Valuation and Auto Tag Fee of \$15.00 per Licensed Motor Vehicle
- 4) Tax Collection Percentages as shown on Annual Audit - Analysis of Current Tax Levy, 6/30/2008

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

Fiscal Year Ended	Real Property	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
2000	2,507,558	528,308	116,877	14,817	97.42%	396,805	1,820	82.97%	3,549,548	0.4700	16,638	95.84%
2001	2,610,259	574,244	109,196	16,314	96.46%	390,667	1,869	84.24%	3,684,366	0.4925	18,183	95.20%
2002	2,676,903	556,023	105,555	16,446	95.23%	398,821	1,959	91.48%	3,737,302	0.4925	18,406	94.83%
2003 ¹	2,723,971	558,030	107,648	18,368	96.52%	385,933	2,090	82.06%	3,775,582	0.5425	20,459	95.04%
2004	3,213,975	481,328	117,053	20,388	96.43%	434,471	2,119	83.57%	4,246,827	0.5300	22,507	95.22%
2005	3,296,429	392,600	99,560	20,998	96.72%	380,558	2,055	84.03%	4,169,147	0.5400	23,053	95.59%
2006	3,389,163	477,540	98,925	21,414	97.20%	420,911	2,273	83.67%	4,386,539	0.5400	23,687	95.90%
2007 ¹	3,463,484	496,793	103,924	21,950	97.50%	410,628	2,217	80.79%	4,474,829	0.5400	24,167	96.40%
2008	3,945,878	500,405	110,132	24,149	97.02%	432,830	2,294	82.16%	4,989,245	0.5300	26,443	96.30%
2009	4,092,945	457,040	110,609	24,701	93.74%	429,300	2,275	76.48%	5,089,894	0.5300	26,976	92.57%

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, 2009
Unaudited

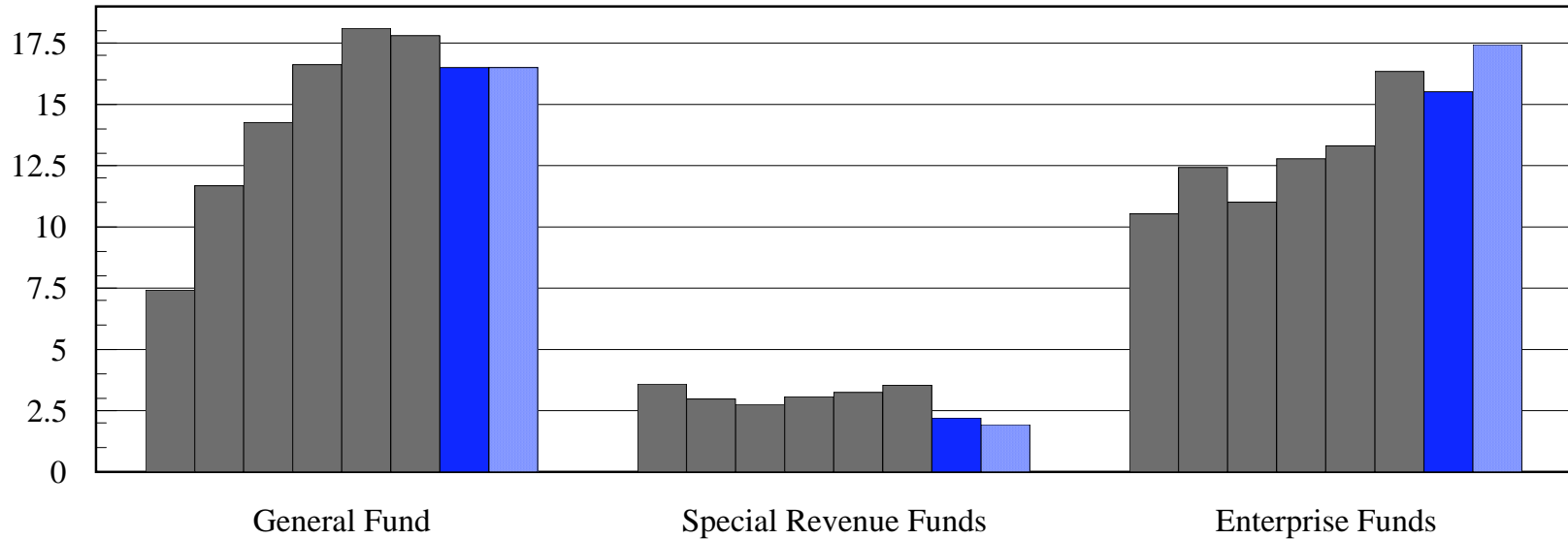
Assessed valuation	
Assessed value - Fiscal Year 2009	\$5,145,529,270
Debt Limit	
Eight percent (8%) of valuation	\$411,642,342
Gross Debt	
Authorized & Outstanding bonded debt	\$56,554,999
Outstanding debt not evidenced by bonds	\$22,303,473
	<u>\$78,858,472</u>
Statutory Deductions	
Bonds and other debt not evidenced by bonds applicable to Enterprise Funds	\$43,811,538
Amount designated for payment of gross debt other than Enterprise Fund debt	\$29,668
	<u>\$43,841,206</u>
Net Debt	<u>\$35,017,266</u>
Legal Debt Limit	<u><u>\$376,625,076</u></u>

Year Over Year Fund Balance Comparison

By Accounting Fund Type

Fiscal Years 2003-2010 (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	\$17,810,112	\$3,541,962	\$16,351,349
■ 06/30/09 est	\$16,500,000	\$2,200,000	\$15,513,000
■ 06/30/10 est	\$16,500,000	\$1,925,000	\$17,437,288

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

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

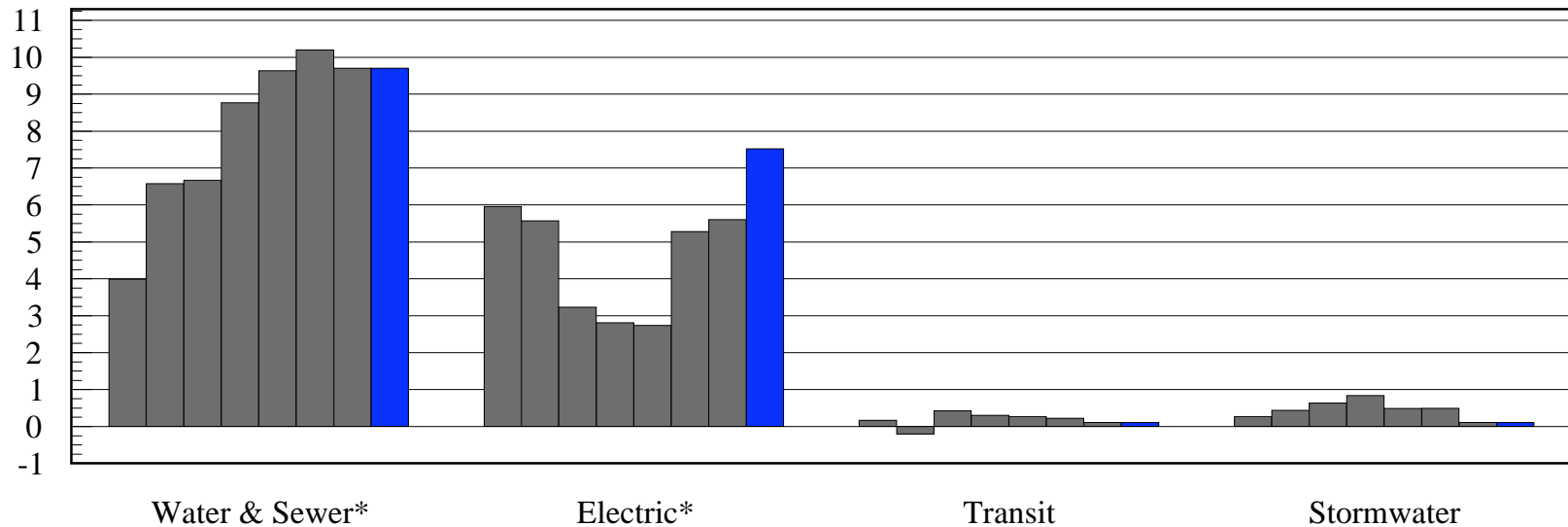
Special Revenue Funds: 21, 22, 23, 24, 25, 26, 27, 28, 29, 87

Year Over Year Fund Balance Comparison

Enterprise Funds

Fiscal Years 2003-2010 (estimate)

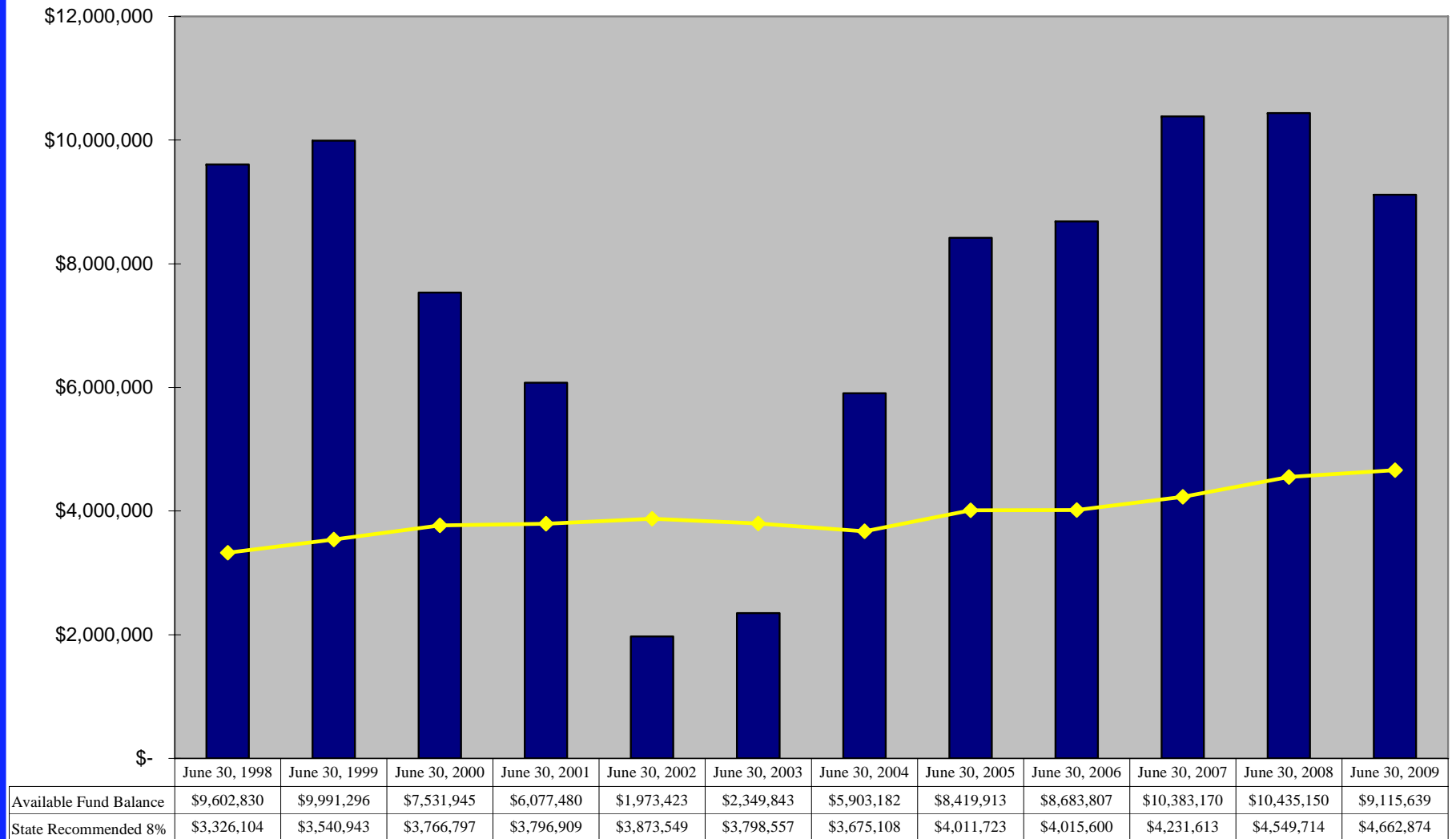
Millions



	Water & Sewer*	Electric*	Transit	Stormwater
■ 06/30/03	\$3,990,969	\$5,958,980	\$171,060	\$265,041
■ 06/30/04	\$6,577,194	\$5,566,774	(\$206,100)	\$435,850
■ 06/30/05	\$6,667,983	\$3,230,020	\$428,264	\$633,825
■ 06/30/06	\$8,768,134	\$2,808,514	\$300,533	\$834,934
■ 06/30/07	\$9,638,764	\$2,740,009	\$265,474	\$483,925
■ 06/30/08	\$10,196,874	\$5,280,198	\$224,175	\$487,850
■ 06/30/09est	\$9,700,000	\$5,600,000	\$108,000	\$105,000
■ 06/30/10est	\$9,700,000	\$7,524,288	\$108,000	\$105,000

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

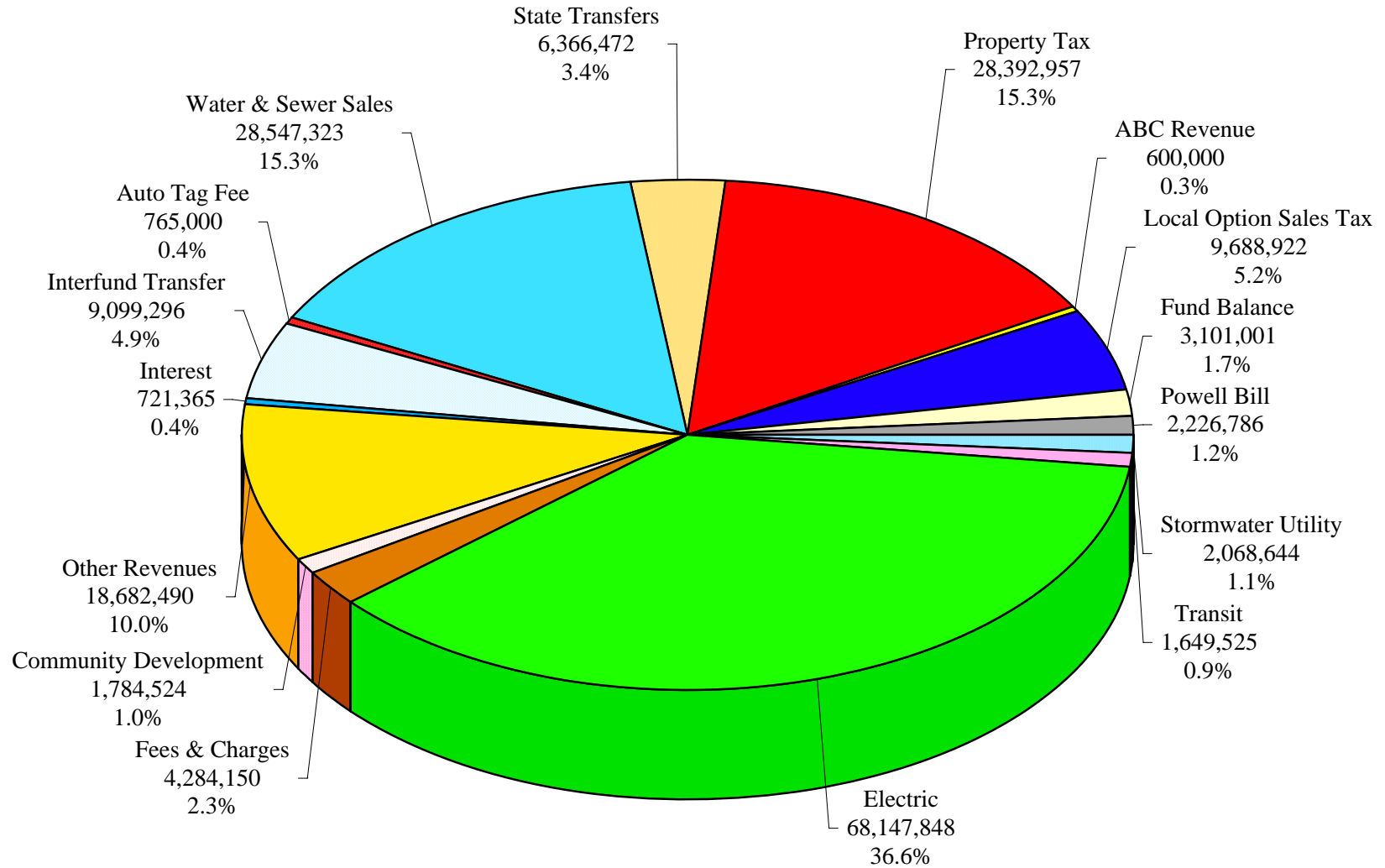
HISTORICAL TREND OF GENERAL FUND AVAILABLE FUND BALANCE



Annual Budget Revenues

Fiscal Year 2010

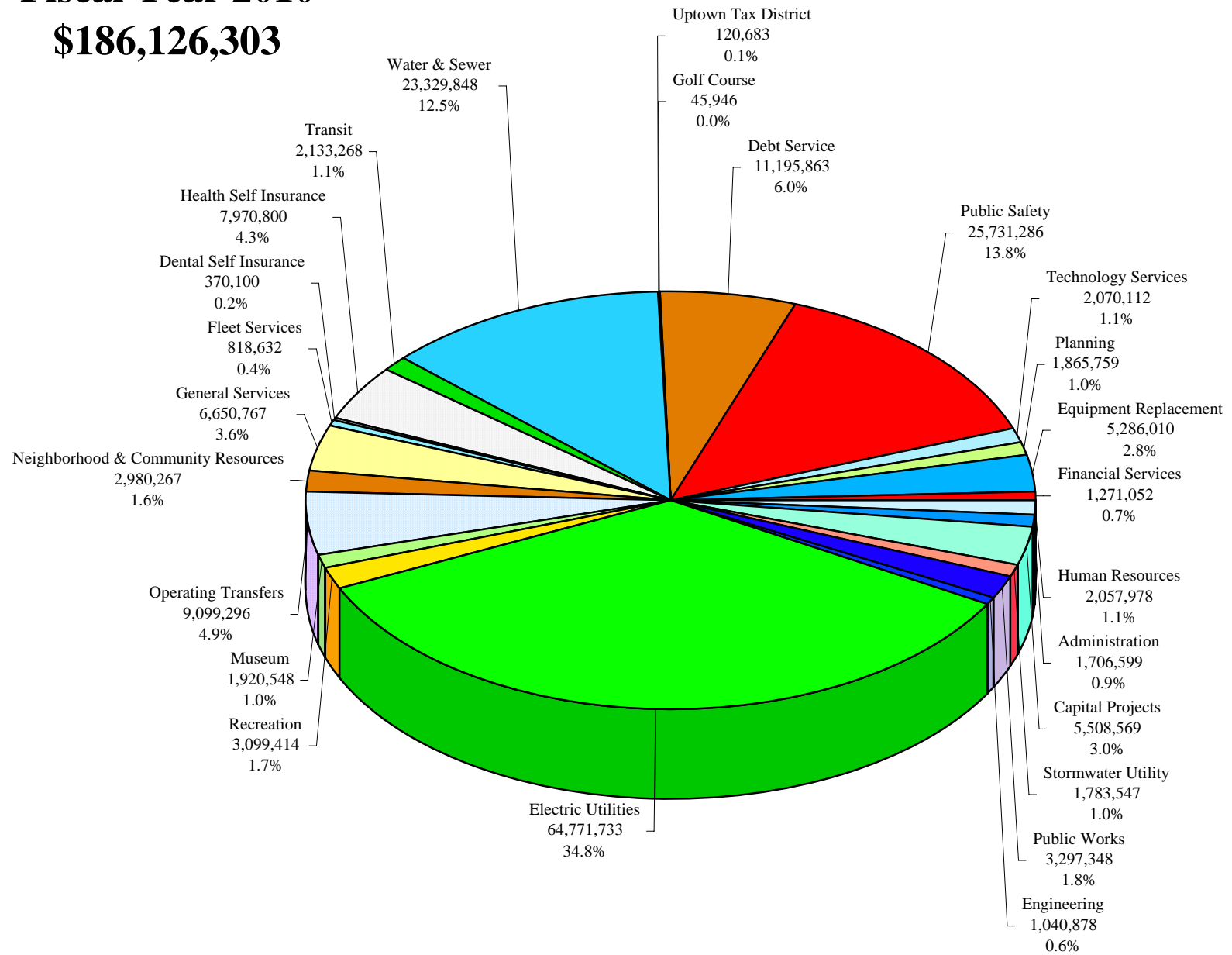
\$186,126,303



Annual Budget Expenditures

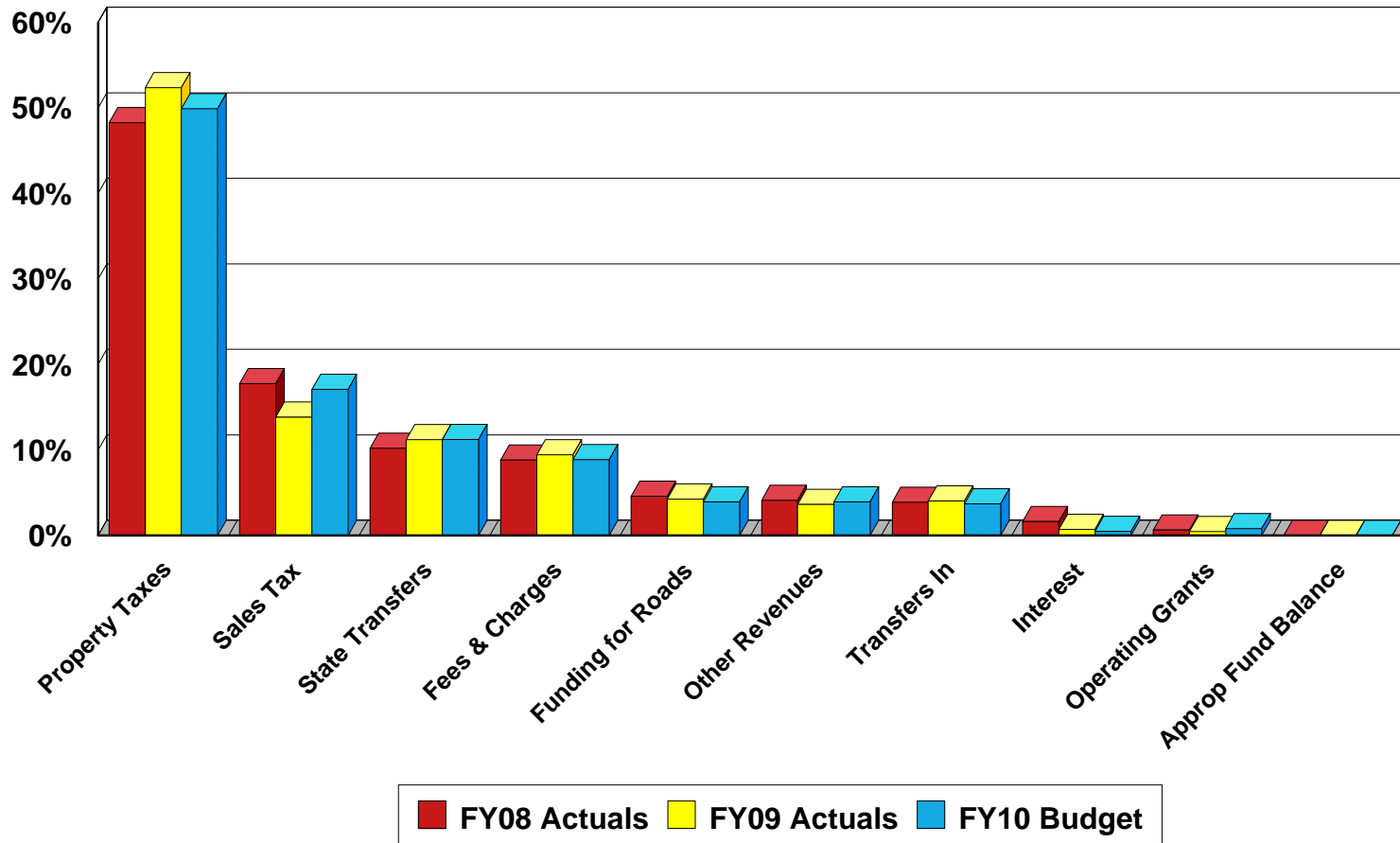
Fiscal Year 2010

\$186,126,303

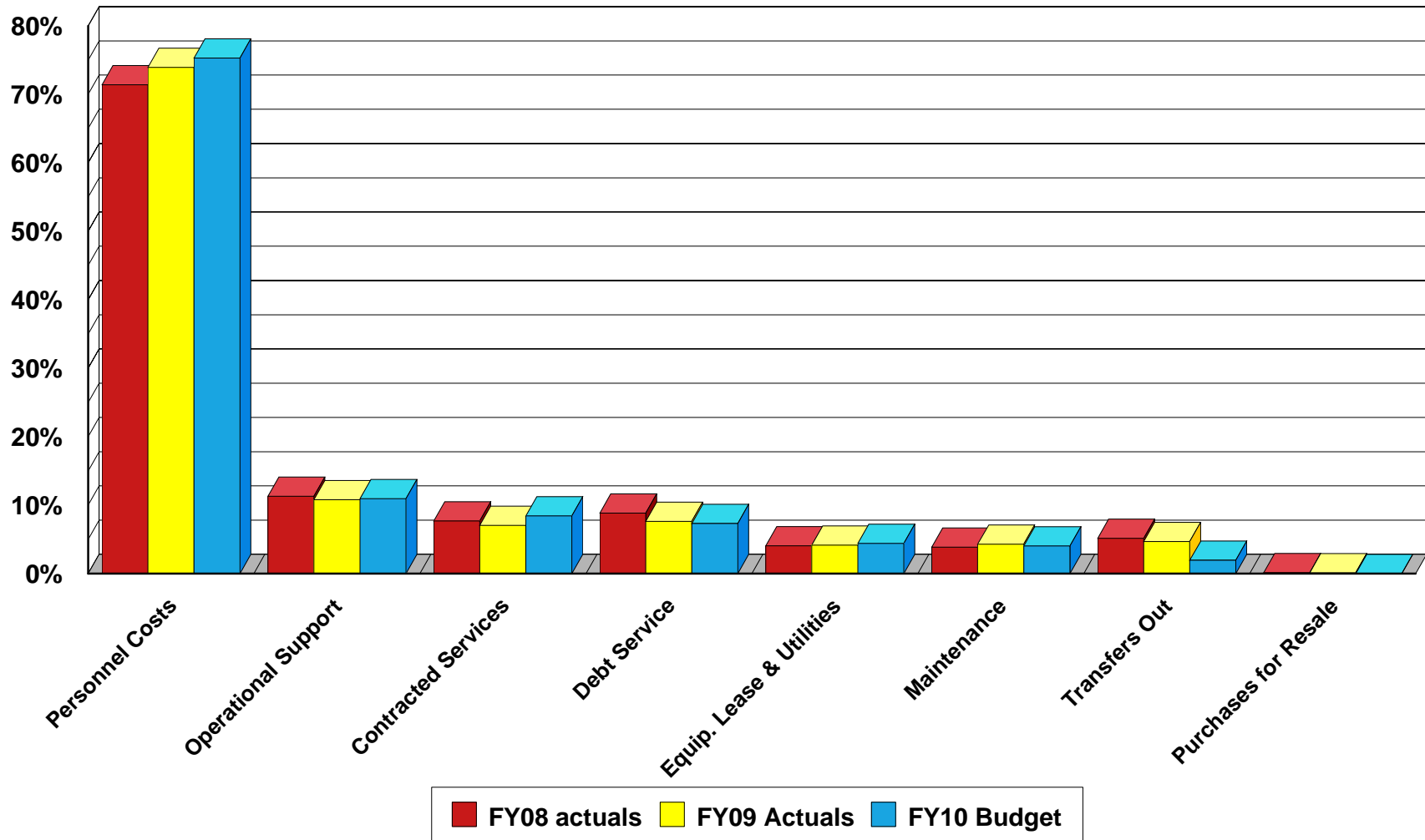


General Fund Fiscal Year 2010

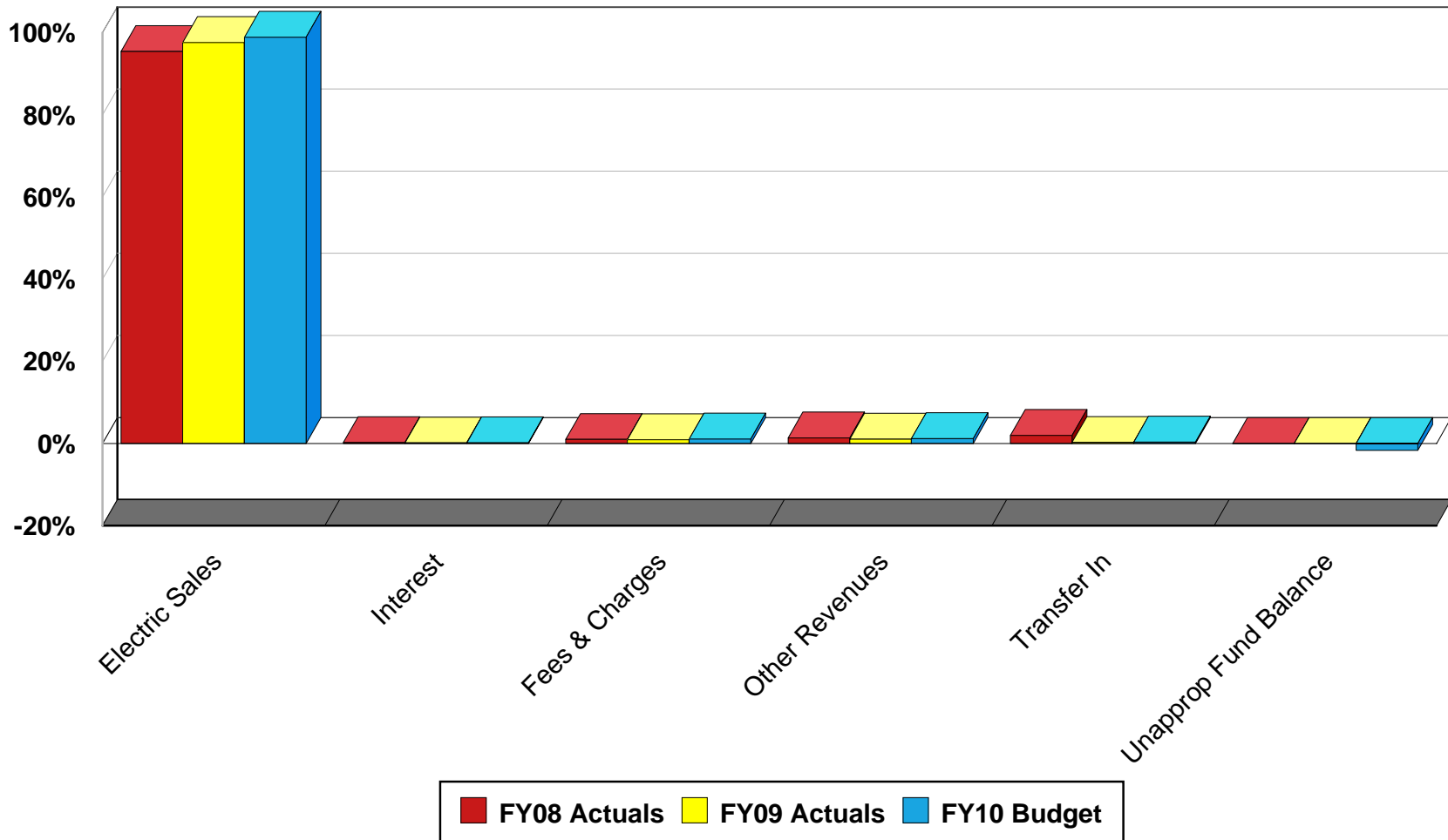
Revenues



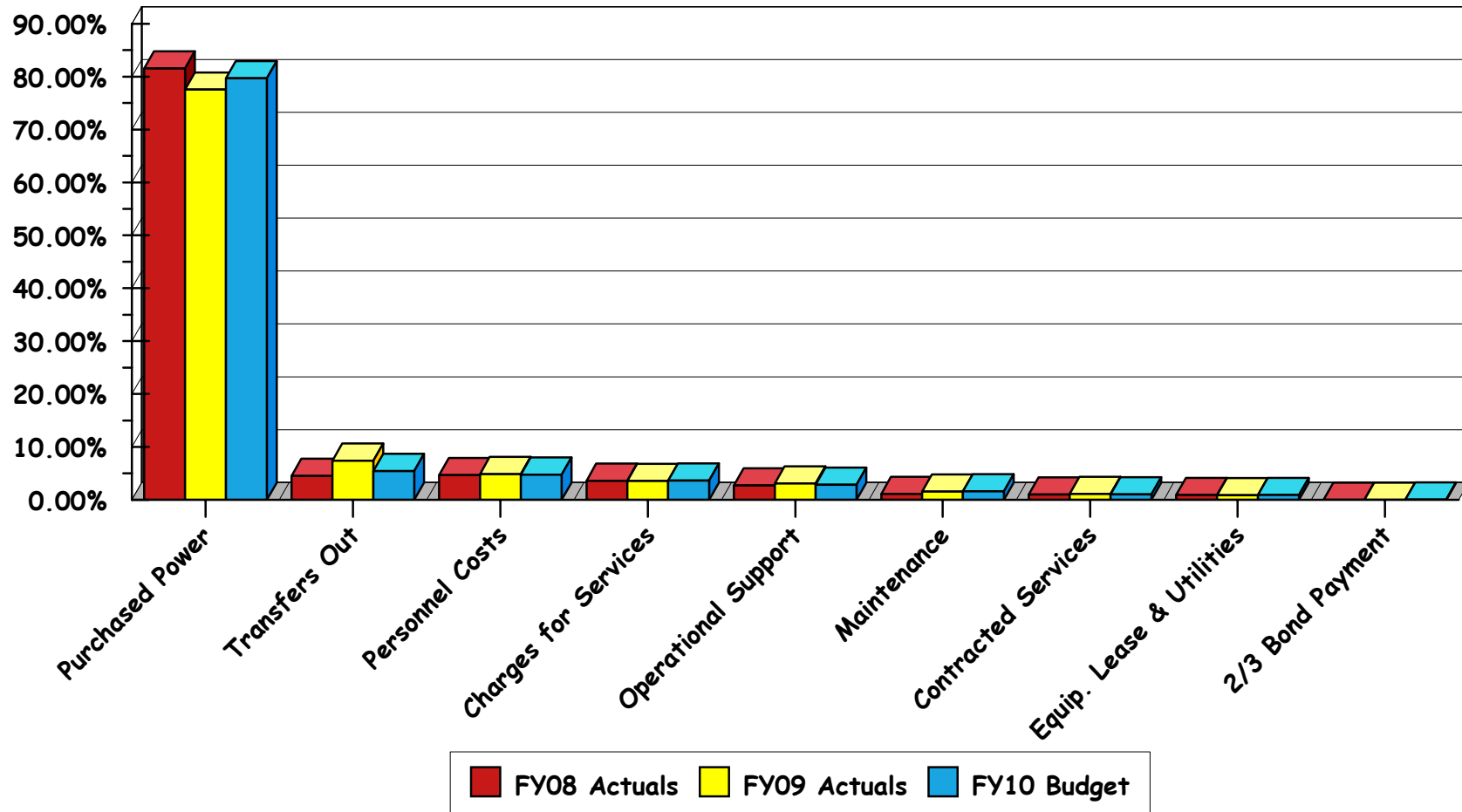
General Fund Fiscal Year 2010 Expenditures



Electric Fund Fiscal Year 2010 Revenues

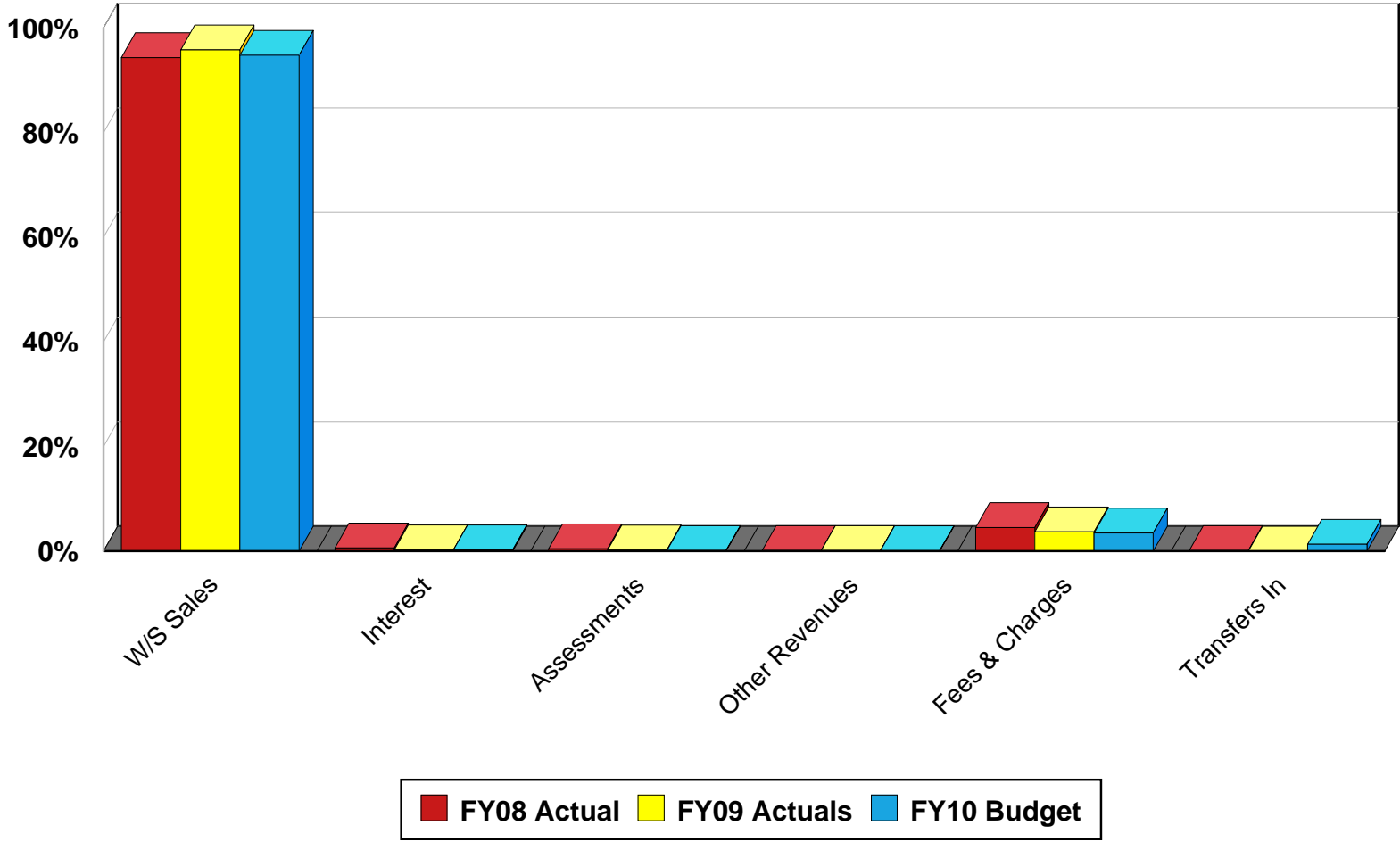


Electric Fund Fiscal Year 2010 Expenditures



Water & Sewer Fund Fiscal Year 2010

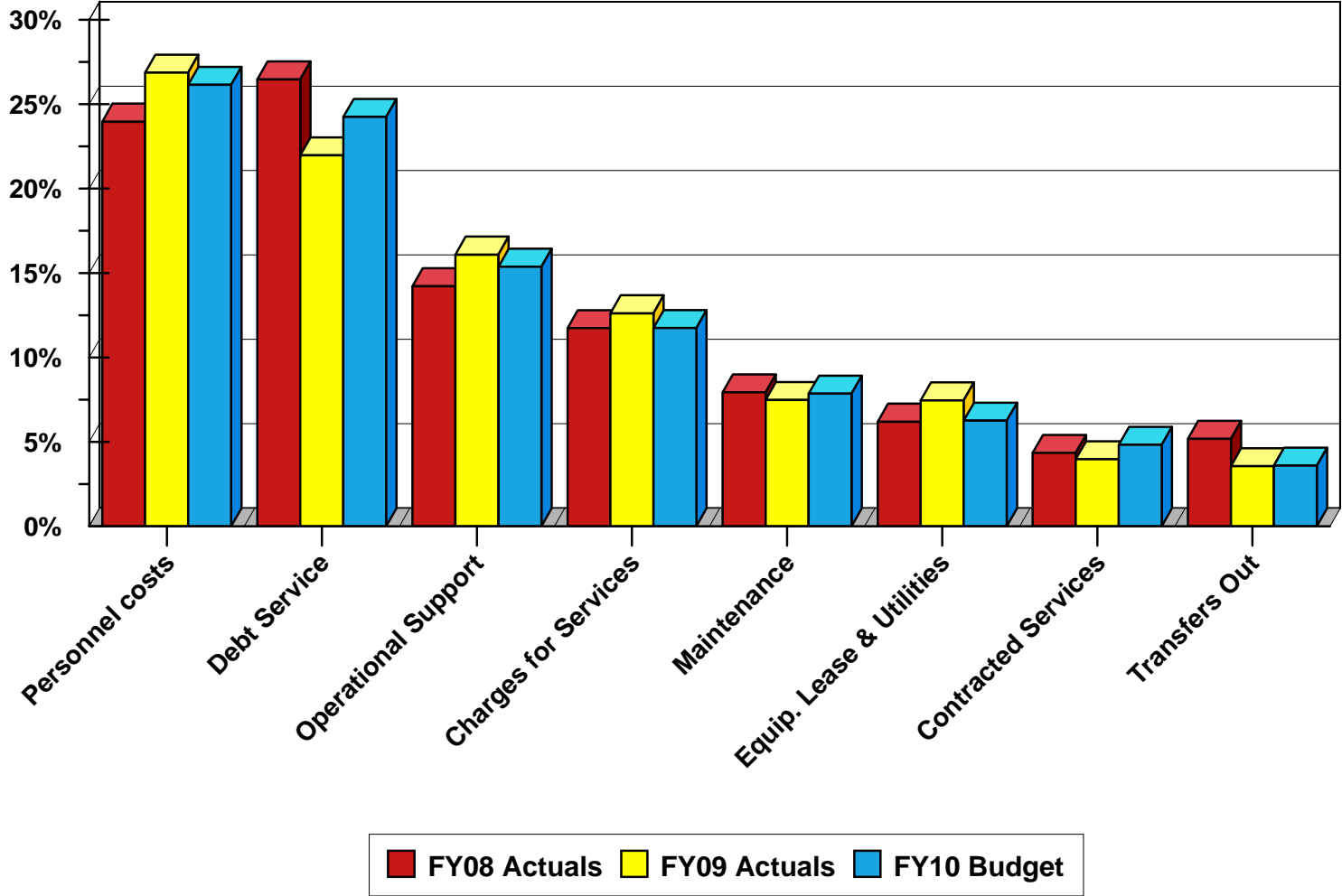
Revenues



Water & Sewer Fund

Fiscal Year 2010

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 2001 through 2008. The Fiscal Year 2009 numbers are budgeted amounts. The Fiscal Year 2010 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 2001 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.

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
2009-10	5,145,529,270

AD VALOREM TAX

Budgeted net property tax estimates of \$26,183,379 for Fiscal Year 2010 are based on \$5.145 billion estimated valuation, 53¢ per \$100 valuation tax rate and a 97.09% 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 2010 is \$3,850,000.

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	3,394,229
2008-09	3,600,000

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 2010 is \$350,000.

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	328,786
2008-09	347,000

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 2010, the City is expecting \$600,000.

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	532,000
2008-09	620,000

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. The County and Municipalities are currently renegotiating this contract. Our General Fund estimate for Fiscal Year 2010 is \$9,688,922.

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
2008-09	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 \$1,951,786 for the fiscal year.

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	2,135,382
2007-08	2,411,499
2008-09	2,193,017

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 2010 is \$2,100,000, this should again meet the 3% goal.

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
2008-09	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 2010 budget uses \$0 Available Fund Balance.

2000-01	400,000
2001-02	1,107,387
2002-03	333,874

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

2003-04	0
2004-05	0
2005-06	0
2006-07	0
2007-08	0
2008-09	2,512,663

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 2010 is \$27,484,861.

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	26,895,014
2008-09	27,653,298

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 2010 is \$66,621,981.

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
2006-07	55,457,557
2007-08	61,210,773
2008-09	64,085,547

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 2010 for user fees is \$195,000 and for grant funds is \$1,454,525.

	<u>User Fees</u>	<u>Federal/State Grants</u>
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	194,307	1,327,680
2008-09	195,500	1,506,978

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 2010 Budget provides \$11,274,238 for debt service as follows:

Water and Sewer Fund	\$7,027,749
Electric Fund	\$ 16,869
General Fund	\$2,316,235 (Streets)
General Fund	\$ 78,134 (Museum)
General Fund	\$ 659,788 (Police)
General Fund	\$ 727,988 (Fire)
General Fund	\$ 348,308 (Garland Center)
General Fund	\$ 20,792 (2/3rds GO Bond)
Downtown Capital Projects Fund	\$ 78,375

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 \$376,625,076 as of the end of June, 2009. 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, 2007	June 30, 2008	June 30, 2009
Street Bonds	2,300,000	2,200,000	2,100,000
Other Bonds	-	2,980,000	2,980,000
Refunding	19,435,000	15,215,000	12,185,000

Debt Ratios

At June 30	Total GO Debt	Assessed Valuation	Debt to Assessed Value	Population	Debt Per Capita
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
2009	\$17,265,000	\$5,145,529,270	0.34%	72,848	\$237.00

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, 2009 outstanding balances of \$17,915,000, \$455,000 and \$7,740,000, and \$13,180,000 (new money \$7,725,000,000 & 1999 refunding \$5,455,000) 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>
	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>\$17,265,000.00</u>	<u>\$3,268,231.00</u>	<u>\$20,533,231.00</u>
	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2010	\$3,833,518.00	\$3,195,000.00	\$638,518.00
Maximum Requirement	2010	\$3,833,518.00	\$3,195,000.00	\$638,518.00

Combined Water and Sewer Revenue Bonds Outstanding

<u>Fiscal Year</u>	<u>Bonds Payable</u>	<u>Interest Payable</u>	<u>Total</u>
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>\$39,290,000.00</u>	<u>\$13,405,742.00</u>	<u>\$52,695,742.00</u>

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2010	\$4,435,603.00	\$2,605,000.00	\$1,830,603.00
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>
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>\$12,191,669.00</u>	<u>\$2,823,557.00</u>	<u>\$15,015,226.00</u>

	<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
This Year's Requirement	2010	\$1,728,405.00	\$1,236,667.00	\$491,738.00
Maximum Requirement	2010	\$1,728,405.00	\$1,236,667.00	\$491,738.00

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 ten 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 Occupancy Tax Fund, the Uptown Municipal Services District Tax Fund, the Technology Support Fund, the Solid Waste Disposal 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 and the Transit System 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 function 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 \$186,126,303. This incorporates both operating costs as well as funding for capital needs. The operating budget is \$180,617,734. These funds cover departmental operating expenses and human resources costs throughout the City. The Capital budget amounts to \$5,508,569 for both previously appropriated capital monies as well as new money for Fiscal Year 2010.

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 \$5,508,569. Within this amount, \$5,428,369 is established for actual projects while \$80,200 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 2010 and 2011

	<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 major 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 one 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 and Transportation 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 completed a major corridor study for Franklin Boulevard in 2007. The City completed a Multi-Modal Transportation Center and Development Plan in 2009, plus a preliminary cost study for a commuter rail system between Gastonia and Charlotte on the NCDOT P & N rail corridor. The City also completed a preliminary Rapid Transit to Charlotte study, in 2005. In conjunction with the Gaston Urban Area Metropolitan Planning Organization, the City maintains a long range Transportation Plan, updated every three years.

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 began 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 was completed in June 2009.

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. In 2009, the City updated its Greenway Plan, as part of the region wide Carolina Thread Trail Planning process.

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

The City currently provides water service to the Town of Ranlo, the City of Lowell, the Town of McAdenville, the Town of Cramerton and the Town of Clover. The City also provides sewer service to the City of Bessemer City, The Town of Ranlo, The Town of Clover, and portions of the Town of Lowell and portions of the City of Kings Mountain. The water and sewer services are provided through municipal agreements. With the loss of many textile customers since the early 1990's, the City has excess capacity at the Water Treatment Plant and at both Wastewater Treatment Plants. In an effort to increase the economy of scale for the water and sewer utility operations for the City of Gastonia, discussions concerning regionalization of

utility systems have begun with some of the municipalities in the County. The City has been approached by the Town of Dallas, the Town of McAdenville, and the Town of Ranlo concerning utility consolidation. A utility consolidation study with the Town of Dallas is currently underway. An in-house utility consolidation study is also currently being conducted by staff for the Town of McAdenville. A request has been received from the Town of Ranlo to begin discussions concerning utility consolidation. The City of Gastonia, the Town of Cramerton, the Town of McAdenville, the City of Lowell, and Pharr Yarns to undertake a regional sewer project.

The City continues to complete improvements to the water and wastewater treatment plants that were identified in the 2004 water and sewer master plans.

In FY 08/09 a water and sewer rate study was completed by a consultant. The rate study includes a change from a declining block water rate structure to a structure that will promote water conservation and decrease the fluctuation of revenues due to the reliance on volume charges to generate a majority of water and sewer revenues. The new rate structure was approved by City Council to be effective January 1, 2010. The rate study also includes a schedule of rate increases for the next 5 years to provide funding for system operations and capital improvements.

Electric Utility

The Electric System faces some of the same challenges as the water and sewer utility, and in addition, it faces problems specific to the electric industry. In 2007, City Council adopted a policy to address emerging issues that will be facing all electric utilities.

Over a period of 15 years, the City has met its goal of reducing transfers to the General Fund to less than 3% of gross fixed assets as recommended by the State Treasurers Office. Increases in wholesale electric costs, as well as, projected increases through the next 10 years, have led City Council to adopt a policy passing on these wholesale increases through to retail customers. This policy addresses the concern of possible rate shock by delaying increases, and ensuring operation and maintenance funding are not compromised.

In 2007, City Council adopted a policy to place 1.2% of retail revenue in fund balance. In addition, City Council adopted a 2.2% of retail revenue to be allocated to capital projects.

Gastonia is fortunate that it is essentially a residential-based system – of its 26,000 customers, 90 are industrial. Of the top ten users, only two are industrial customers totaling less than 5% of total system revenue.

The City continues to adopt innovative economic rates that better serve our customers. Recent additions include: Generation riders, On-Peak rates, a restructuring of both commercial and industrial rates to better correlate to wholesale costs and maintaining minimum demand charges.

The City continues to market and promote its fiber optic network. This network is also used to promote its economic development efforts by offering alternatives for both voice and data services.

City Council implemented several programs developed by ElectriCities to encourage energy conservation. Programs include; residential heat pump and solar-thermal rebates, as well as, a commercial and industrial site-specific rebate program. In addition to energy conservation programs, Council elected to participate and promote NC GreenPower to offer customers the choice to purchase green alternative energy.

The City has also worked in conjunction with ElectriCities and Gaston County Economic Development Commission to promote development of our Gastonia Technology Park, which has received “Prime Power Park” status by providing backup generation.