

STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2015



	Water Fund	Sewer Fund	Total Enterprise Fund
ASSETS			
Current assets			
Cash and cash equivalents	\$ 283,459	\$ 18,757	\$ 302,216
Accounts receivable	19,653	17,851	37,504
Inventories	1,926	-	1,926
Total current assets	<u>305,038</u>	<u>36,608</u>	<u>341,646</u>
Capital assets			
Land and construction in progress	2,186	5,767,640	5,769,826
Other capital assets, net of depreciation	122,994	135,614	258,608
Total capital assets, net	<u>125,180</u>	<u>5,903,254</u>	<u>6,028,434</u>
Total assets	<u>\$ 430,218</u>	<u>\$ 5,939,862</u>	<u>\$ 6,370,080</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 9,450	\$ 8,179	\$ 17,629
Customer deposits	32,491	-	32,491
Other postemployment benefits	7,107	9,814	16,921
Compensated absences payable	3,353	4,659	8,012
Debt	-	1,769,000	1,769,000
Total liabilities	<u>52,401</u>	<u>1,791,652</u>	<u>1,844,053</u>
NET POSITION			
Net investment in capital assets	125,180	4,134,254	4,259,434
Unrestricted	<u>252,637</u>	<u>13,956</u>	<u>266,593</u>
Total net position	<u>377,817</u>	<u>4,148,210</u>	<u>4,526,027</u>
Total liabilities and net position	<u>\$ 430,218</u>	<u>\$ 5,939,862</u>	<u>\$ 6,370,080</u>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2015

	Water Fund	Sewer Fund	Total Enterprise Fund
OPERATING REVENUES			
Charges for services	\$ 173,330	\$ 197,748	\$ 371,078
Water and sewer taps	2,054	475	2,529
Other operating revenues	<u>3,442</u>	<u>3,412</u>	<u>6,854</u>
Total operating revenues	<u>178,826</u>	<u>201,635</u>	<u>380,461</u>
OPERATING EXPENSES			
Water and sewer operations	214,932	267,578	482,510
Depreciation	<u>12,005</u>	<u>11,318</u>	<u>23,323</u>
Total operating expenses	<u>226,937</u>	<u>278,896</u>	<u>505,833</u>
Operating Loss	(48,111)	(77,261)	(125,372)
NONOPERATING REVENUES			
Investment earnings	-	6	6
Interest expense	-	(50,132)	(50,132)
Miscellaneous	<u>635</u>	<u>82</u>	<u>717</u>
Total nonoperating revenues	<u>635</u>	<u>(50,044)</u>	<u>(49,409)</u>
Income loss before capital contributions	(47,476)	(127,305)	(174,781)
Capital contributions	<u>-</u>	<u>675,788</u>	<u>675,788</u>
Change in net position	<u>(47,476)</u>	<u>548,483</u>	<u>501,007</u>
Total net position, beginning	<u>425,293</u>	<u>3,599,727</u>	<u>4,025,020</u>
Total net position, ending	<u>\$ 377,817</u>	<u>\$ 4,148,210</u>	<u>\$ 4,526,027</u>

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2015



	Water Fund	Sewer Fund	Total Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 173,342	\$ 196,491	\$ 369,833
Cash paid for goods and services	(90,665)	(153,445)	(244,110)
Cash paid to or on behalf of employees for services	(111,765)	(100,564)	(212,329)
Other operating revenues	3,442	3,412	6,854
Net cash (used) by operating activities	(25,646)	(54,106)	(79,752)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(618,645)	(618,645)
Interest expense	-	(50,132)	(50,132)
Capital contributions	-	675,788	675,788
Principal Retirement	-	(27,000)	(27,000)
Net cash (used) by capital and related financing activities	-	(19,989)	(19,989)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	-	6	6
Net decrease in cash and cash equivalents	(25,646)	(74,089)	(99,735)
Balances, beginning	309,105	92,846	401,951
Balances, ending	<u>\$ 283,459</u>	<u>\$ 18,757</u>	<u>\$ 302,216</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating Loss	\$ (48,111)	\$ (77,261)	\$ (125,372)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	12,005	11,318	23,323
Other Income	635	82	717
Changes in assets and liabilities:			
(Increase) in accounts receivable	2,042	1,732	3,774
Decrease in inventory	578	-	578
Increase in accounts payable and accrued liabilities	3,597	8,180	11,777
Increase in customer deposits	1,257	-	1,257
Increase in postemployment benefits	2,002	1,539	3,541
Increase in Compensated absences	349	304	653
Total adjustments	<u>22,465</u>	<u>23,155</u>	<u>45,620</u>
Net cash (used) by operating activities	<u>\$ (25,646)</u>	<u>\$ (54,106)</u>	<u>\$ (79,752)</u>

WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues			
Charges for services			
Water and sewer charges	\$ 169,000	\$ 173,330	\$ 4,330
Water and sewer taps and reconnection	2,100	2,054	(46)
Total	<u>171,100</u>	<u>175,384</u>	<u>4,284</u>
Other operating revenues	<u>3,900</u>	<u>3,442</u>	<u>(458)</u>
Total operating revenues	<u>175,000</u>	<u>178,826</u>	<u>3,826</u>
Nonoperating revenues (expenses)			
Miscellaneous	<u>700</u>	<u>635</u>	<u>(65)</u>
Total revenues	<u>175,700</u>	<u>179,461</u>	<u>3,761</u>
Operating expenses			
Salaries and employee benefits	-	114,116	-
Contracted services	-	3,275	-
Water and sewer purchased from County	-	75,195	-
Operating expenses	<u>-</u>	<u>20,597</u>	<u>-</u>
Total expenditures	<u>246,000</u>	<u>213,183</u>	<u>32,817</u>
Revenues over (under) expenditures	(70,300)	(33,722)	(104,022)
Fund balance appropriated	<u>70,300</u>	<u>-</u>	<u>70,300</u>
Revenues, other financing sources and Fund balance appropriated over expenditures	<u>\$ -</u>	<u>\$ (33,722)</u>	<u>\$ (33,722)</u>

WATER FUND**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)****For the Fiscal Year Ended June 30, 2015**

Reconciliation from budgetary basis (modified accrual)
to full accrual:

Revenues, other financing sources and Fund balance appropriated over expenditures (prior page)	\$ (33,722)
Reconciling items	
Principal Retirement	-
Increase in postemployment benefits	(1,487)
Compensated absences	(262)
Depreciation	(12,005)
Total	<u>(13,754)</u>
Change in net position	<u>\$ (47,476)</u>

SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Operating revenues			
Charges for services			
Water and sewer charges	\$200,000	\$ 197,748	\$ (2,252)
Water and sewer taps and reconnection	500	950	450
Total	<u>200,500</u>	<u>198,698</u>	<u>(1,802)</u>
Other operating revenues	<u>2,800</u>	<u>3,412</u>	<u>612</u>
Total operating revenues	<u>203,300</u>	<u>202,110</u>	<u>(1,190)</u>
Nonoperating revenues (expenses)			
Miscellaneous	<u>250</u>	<u>82</u>	<u>(168)</u>
Total revenues	<u>203,550</u>	<u>202,192</u>	<u>(1,358)</u>
Operating expenses			
Salaries and employee benefits	-	102,407	-
Contracted services	-	6,425	-
Water and sewer purchased from County	-	96,171	-
Operating expenses	-	60,605	-
Debt service			
Principal	-	27,000	-
Interest	<u>-</u>	<u>50,132</u>	<u>-</u>
Total expenditures	<u>321,000</u>	<u>342,740</u>	<u>(21,740)</u>
Other financial sources			
Transfer water and sewer			
Capital project	<u>-</u>	<u>4,661</u>	<u>-</u>
Total other financial sources	<u>-</u>	<u>4,661</u>	<u>4,661</u>
Revenues over (under) expenditures	(117,450)	(135,887)	(18,437)
Fund balance appropriated	<u>117,450</u>	<u>-</u>	<u>(117,450)</u>
Revenues, other financing sources and Fund balance appropriated over expenditures	<u>\$ -</u>	<u>\$ (135,887)</u>	<u>\$ (135,887)</u>

SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2015

Reconciliation from budgetary basis (modified accrual)
to full accrual:

Revenues, other financing sources and Fund balance appropriated over expenditures (prior page)	\$ (135,887)
Reconciling items	
Principal Retirement	27,000
Increase in postemployment benefits	(2,054)
Compensated absences	(391)
Depreciation	(11,318)
Transactions from Capital Project Fund	
Investment earnings	6
Capital contributions	671,127
Total	<u>684,370</u>
Change in net position	<u>\$ 548,483</u>

WATER AND SEWER CAPITAL PROJECT FUND**SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (Non-GAAP)****From Inception and for the Fiscal Year Ended June 30, 2015**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues					
USDA Grant	\$ 1,348,000	\$ 1,045,388	302,612	\$ 1,348,000	\$ -
Golden Leaf Grant	1,000,000	733,084	66,916	800,000	(200,000)
NC Rural Center Grant	847,613	541,353	306,260	847,613	-
██████████ County	500,000	500,000	-	500,000	-
Interest Revenue	-	1,015	6	1,021	1,021
Sales Tax Refund	-	5,000	-	5,000	5,000
Total Revenues	<u>3,695,613</u>	<u>2,825,840</u>	<u>675,794</u>	<u>3,501,634</u>	<u>(193,979)</u>
Expenditures					
Capital outlay					
Construction	4,543,905	3,691,501	571,634	4,263,135	280,770
Engineering	625,000	644,119	35,977	680,096	(55,096)
Administration	35,000	45,082	11,034	56,116	(21,116)
Connection expense	609,208	581,429	-	581,429	27,779
Acquisition cost	73,000	61,929	-	61,929	11,071
Legal	30,000	43,848	-	43,848	(13,848)
Interest	97,500	51,131	-	51,131	46,369
Permits	5,000	1,501	-	1,501	3,499
Total expenditures	<u>6,018,613</u>	<u>5,120,540</u>	<u>618,645</u>	<u>5,739,185</u>	<u>279,428</u>
Revenues over (under) expenditures	<u>(2,323,000)</u>	<u>(2,294,700)</u>	<u>57,149</u>	<u>(2,237,551)</u>	<u>85,449</u>
Other financing sources					
Operating transfers in					
Water and Sewer Fund	217,126	154,913	(4,661)	150,252	(66,874)
Capital Reserve Fund	282,874	-	-	-	(282,874)
USDA Loan	1,823,000	1,823,000	-	1,823,000	-
Total other financing sources	<u>2,323,000</u>	<u>1,977,913</u>	<u>(4,661)</u>	<u>1,973,252</u>	<u>(349,748)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (316,787)</u>	<u>\$ 52,488</u>	<u>\$ (264,299)</u>	<u>\$ (264,299)</u>

	2013	2014	2015	Unit Letter
GENERAL FUND ANALYSIS				
Fund Balance Available (FBA)	1,062,753	1,223,381	1,280,683	
Fund Balance Available less Powell Bill	960,871	1,104,754	1,131,693	
Fund Balance Available less Restricted Cash	960,871	1,104,754	1,131,693	
FBA as % of Expenditures	164.65%	195.97%	185.60%	
FBA as % of Expenditures w/o Powell Bill	148.87%	176.96%	164.01%	
FBA as % of Expenditures w/o Restricted Cash	148.87%	176.96%	164.01%	
Average FBA% for population group	66.35%	76.19%	76.12%	
50% Average of FBA% of population group	26.54%	38.10%	38.06%	
Powell Bill	101,882	118,627	148,990	
Restricted Cash & Investments	101,882	118,627	148,990	
Advance to Other Fund (asset)	0	0	0	
GF Revenue	689,116	776,514	742,690	
GF Expenditures	645,444	624,280	690,016	
GF- Other Items	0	0	0	
GF- Proceeds from Long-term debt	0	0	0	
Does unit appear to follow GS 159, are revenue and appropriation estimates reasonable?				
Internal Balances-Government-Wide	0	0	0	
Transfers In-GF	0	0	0	
Transfers Out-GF	0	0	0	
Are there large transfers in or out (internal balances) that are supporting operations in another fund or in the General Fund? If so, is this a consistent practice in prior years?				
Change in Fund Balance	43,672	152,234	52,674	
Total Fund Balance	1,144,044	1,296,278	1,348,952	Change in FB of 4.06%
Fund Balance Appropriated for Next Year's Budget	167,949	201,278	267,078	
Describe Fund Balance Concerns: • Significant decline/ Pattern? • Over appropriated FB?				
WATER & SEWER FUND ANALYSIS				
Quick Ratio	13.69	6.92	4.35	
Working Capital	441,168	381,647	263,526	
Accounts Receivable (billed and unbilled)	34,818	41,278	37,504	
Days Sales in Receivable (billed and unbilled)	31.70	37.85	36.89	
Advance to Other Fund (asset)	0	0	0	
Advance from Other Fund (liability)	0	0	0	
Transfers in	0	0	0	
Transfers (Out)	0	0	0	
Operating Income (Loss)	58,948	(51,954)	(125,372)	
Net Change in Net Position	1,889,691	443,523	501,007	
Depreciation & Amortization Expense	39,914	40,534	23,323	
Cash Flow from Operating Activities	138,351	(2,178)	(79,752)	Unit Ltr: Negative Cash Flow
Principal only paid on LTD (from SCF)	0	27,000	27,000	
Interest expense (not from SCF)	0	143	50,132	
CF - Principal - Interest	138,351	(29,321)	(156,884)	Unit Ltr: Cash flow < Debt Service
Fund Balance Appropriated for Next Year's Budget	0	0	0	
Modified Accrual Income or (Loss): Less transfers & Cap. Contr.	(55,102)	(39,275)	(169,609)	
ENTERPRISE FUND ANALYSIS-OTHER ISSUES (Include all EF funds)				
List any Concerns (be sure to name fund): • Over Expenditures? • Over appropriated FB? • Cash Flow? Subsidized by GF or any other fund?				
OTHER FUNDS/DISCRETELY PRESENTED CU's (list)				
Financial Condition? Budget concerns?				
STEWARDSHIP/COMPLIANCE				
Discuss Material non-compliance with statutes or policies: • Material Weakness? • Significant Deficiencies? • Management Letter Comments?				
INTERNAL CONTROL DESIGNATION				
1-No issues 2-Minor or immaterial issues (SOD, lack of expertise) 3-Unit Letter for IC 4-Unit Visit for IC	0	3	3	
Has unit responded to last year's unit letter? (yes, no or n/a)	yes			
If there are highlighted pink cells but a unit letter was not written, please explain why				
TAX COLLECTIONS				
Tax Collection (Unit-Wide)	95.50	96.91	97.15	
Tax Collection Rate(Excluding Motor Vehicles)	97.30	97.06	96.80	
Tax Collection Rate(Motor Vehicle)	80.71	95.91	99.59	
Taxes Other Than MV Collected By:			Municipality	

OTHER ITEMS

County located in: Richmond
Population: 1,046
Population Group: 1,000 to 2,499