

CITY OF DUNN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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JUNE 30, 2011

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## **FINANCIAL SECTION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **BASIC FINANCIAL STATEMENTS**

**City of Dunn  
Statement of Net Assets  
June 30, 2011**

	Primary Government			City of Dunn ABC Board
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,478,217	\$ 450,876	\$ 2,929,093	\$ 164,208
Restricted cash and investments	468,709	-	468,709	-
Investments	271,131	-	271,131	-
Taxes receivables (net)	158,865	-	158,865	-
Accounts receivable (net)	455,425	510,070	965,495	372
Due from other governments	385,064	251,953	637,017	-
Due from component units	-	-	-	-
Internal balances	(225,000)	225,000	-	-
Inventories	34,726	50,362	85,088	193,489
Prepaid items	47,937	15,000	62,937	-
<b>Total current assets</b>	<b>4,075,074</b>	<b>1,503,262</b>	<b>5,578,336</b>	<b>358,069</b>
Noncurrent asset:				
Deferred bond costs	-	67,254	67,254	-
Capital assets:				
Land, non-depreciable improvements, and construction in progress	1,703,275	8,277,014	9,980,289	-
Other capital assets, net of depreciation	2,894,961	15,703,184	18,598,145	393,153
<b>Total capital assets</b>	<b>4,598,236</b>	<b>23,980,198</b>	<b>28,578,434</b>	<b>393,153</b>
<b>Total noncurrent assets</b>	<b>4,598,236</b>	<b>24,047,452</b>	<b>28,645,688</b>	<b>393,153</b>
<b>Total assets</b>	<b>\$ 8,673,310</b>	<b>\$ 25,550,714</b>	<b>\$ 34,224,024</b>	<b>\$ 751,222</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 368,999	\$ 443,096	\$ 812,095	\$ 50,202
Unearned revenue	43,415	-	43,415	-
Accrued interest	75,675	-	-	-
Customer deposits	-	122,387	122,387	-
Due within one year	527,257	355,622	882,879	-
<b>Total current liabilities</b>	<b>1,015,346</b>	<b>921,105</b>	<b>1,860,776</b>	<b>50,202</b>
Long-term liabilities:				
Due in more than one year	2,680,967	6,560,153	9,241,120	-
<b>Total long-term liabilities</b>	<b>2,680,967</b>	<b>6,560,153</b>	<b>9,241,120</b>	<b>-</b>
<b>Total liabilities</b>	<b>3,696,313</b>	<b>7,481,258</b>	<b>11,101,896</b>	<b>50,202</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,332,056	17,296,915	19,628,971	393,153
Restricted for:				
Public safety	322,370	-	322,370	-
Transportation	468,709	-	468,709	-
Capital Projects	305	-	305	-
Working Capital	-	-	-	55,614
Unrestricted	1,853,557	772,541	2,626,098	252,253
<b>Total net assets</b>	<b>\$ 4,976,997</b>	<b>\$ 18,069,456</b>	<b>\$ 23,046,453</b>	<b>\$ 701,020</b>

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

**City of Dunn  
Statement of Activities  
For the Year Ended June 30, 2011**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	City of Dunn ABC Board
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 1,753,876	\$ 396,846	\$ 6,362	\$ -	\$ (1,350,668)	\$ -	\$ (1,350,668)	\$ -
Public safety	4,043,216	-	637,914	-	(3,405,302)	-	(3,405,302)	-
Transportation	1,468,162	38,354	399,554	-	(1,030,254)	-	(1,030,254)	-
Environmental protection	532,238	646,979	-	-	114,741	-	114,741	-
Culture and recreation	843,247	76,419	29,888	-	(736,940)	-	(736,940)	-
Library	244,025	-	-	-	(244,025)	-	(244,025)	-
Community services	6,650	-	-	-	(6,650)	-	(6,650)	-
Interest on long-term debt	171,645	-	-	-	(171,645)	-	(171,645)	-
<b>Total governmental activities</b>	<b>9,063,059</b>	<b>1,158,598</b>	<b>1,073,718</b>	<b>-</b>	<b>(6,830,743)</b>	<b>-</b>	<b>(6,830,743)</b>	<b>-</b>
<b>Business-type activities:</b>								
Water and sewer	3,944,868	4,478,773	-	1,628,676	-	2,162,581	2,162,581	-
<b>Total business-type activities</b>	<b>3,944,868</b>	<b>4,478,773</b>	<b>-</b>	<b>1,628,676</b>	<b>-</b>	<b>2,162,581</b>	<b>2,162,581</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 13,007,927</b>	<b>\$ 5,637,371</b>	<b>\$ 1,073,718</b>	<b>\$ 1,628,676</b>	<b>(6,830,743)</b>	<b>2,162,581</b>	<b>(4,668,162)</b>	<b>-</b>
<b>Component unit:</b>								
ABC Board	\$ 1,900,083	\$ 1,874,581	\$ -	\$ -	-	-	-	(25,502)
<b>Total component unit</b>	<b>\$ 1,900,083</b>	<b>\$ 1,874,581</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(25,502)</b>
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purpose					3,593,590	-	3,593,590	-
Privilege licenses					67,994	-	67,994	-
Local option sales taxes					1,252,219	-	1,252,219	-
Utility franchise tax					546,343	-	546,343	-
Video programming distribution					89,256	-	89,256	-
Beer and wine tax					45,735	-	45,735	-
Solid waste disposal tax					7,038	-	7,038	-
Grants and contributions not restricted to specific programs					135,404	-	135,404	6,000
Unrestricted investment earnings					14,262	2,838	17,100	66
Miscellaneous					440,468	62,176	502,644	-
Transfers					340,000	(340,000)	-	-
Total general revenues and transfers					6,532,309	(274,986)	6,257,323	6,066
<b>Change in net assets</b>					(298,434)	1,887,595	1,589,161	(19,436)
<b>Net assets, beginning</b>					5,275,431	16,181,861	21,457,292	720,456
<b>Net assets, ending</b>					<b>\$ 4,976,997</b>	<b>\$ 18,069,456</b>	<b>\$ 23,046,453</b>	<b>\$ 701,020</b>

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

**City of Dunn  
Balance Sheets  
Governmental Funds  
June 30, 2011**

	Major Fund		
	General	Total Non-major Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,125,288	\$ 352,929	\$ 2,478,217
Restricted cash and investments	468,709	-	468,709
Investments	271,131	-	271,131
Receivables, net:			
Taxes	158,865	-	158,865
Accounts	455,425	-	455,425
Due from other governments	368,352	16,712	385,064
Prepaid Expenses	47,937	-	47,937
Inventories	34,726	-	34,726
Total assets	<u>\$ 3,930,433</u>	<u>\$ 369,641</u>	<u>\$ 4,300,074</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 328,862	\$ 40,137	\$ 368,999
Due to other funds	-	225,000	225,000
Deferred revenue	158,865	-	158,865
Unearned revenue	43,415	-	43,415
Total liabilities	<u>531,142</u>	<u>265,137</u>	<u>796,279</u>
Fund balances:			
Non Spendable			
Prepaid Expenses	47,937	-	47,937
Inventories	34,726	-	34,726
Restricted			
Stabilization by State Statute	823,777	-	823,777
Streets	468,709	305	469,014
Public Safety	7,859	314,511	322,370
Committed			
Assigned			
Streets	-	-	-
Unassigned			
Total fund balances	<u>2,016,283</u>	<u>(210,312)</u>	<u>1,805,971</u>
Total fund balances	<u>3,399,291</u>	<u>104,504</u>	<u>3,503,795</u>
Total liabilities and fund balances	<u>\$ 3,930,433</u>	<u>\$ 369,641</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,598,236
Liabilities for earned but deferred revenues in fund statements.	158,865
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(3,283,899)
Net assets of governmental activities	<u>\$ 4,976,997</u>

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

**City of Dunn**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Total Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Ad valorem taxes	\$ 3,628,709	\$ -	\$ 3,628,709
Other taxes and licenses	67,994	-	67,994
Unrestricted intergovernmental	2,075,995	-	2,075,995
Restricted intergovernmental	831,232	199,860	1,031,092
Permits and fees	201,263	-	201,263
Sales and services	919,292	-	919,292
Investment earnings	14,223	39	14,262
Miscellaneous	504,333	-	504,333
Total revenues	<u>8,243,041</u>	<u>199,899</u>	<u>8,442,940</u>
<b>EXPENDITURES</b>			
Current:			
General government	1,671,999	-	1,671,999
Public safety	3,532,115	199,303	3,731,418
Transportation	1,331,003	41,821	1,372,824
Environmental protection	522,197	-	522,197
Culture and recreation	727,090	-	727,090
Library	220,937	-	220,937
Community services	6,650	-	6,650
Debt service:			
Principal	407,133	-	407,133
Interest and other charges	95,970	-	95,970
Capital outlay	234,991	318,825	553,816
Total expenditures	<u>8,750,085</u>	<u>559,949</u>	<u>9,310,034</u>
Excess (deficiency) of revenues over expenditures	<u>(507,044)</u>	<u>(360,050)</u>	<u>(867,094)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	340,000	-	340,000
Sales of capital assets	16,801	-	16,801
Installment purchase obligations issued	190,000	-	190,000
Total other financing sources (uses)	<u>546,801</u>	<u>-</u>	<u>546,801</u>
Net change in fund balance	<u>39,757</u>	<u>(360,050)</u>	<u>(320,293)</u>
Fund balances, beginning	3,370,457	464,554	3,835,011
Change in reserve for inventories	(10,923)	-	(10,923)
Fund balances, ending	<u>\$ 3,399,291</u>	<u>\$ 104,504</u>	<u>\$ 3,503,795</u>

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

**City of Dunn  
Reconciliation of the  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2011**

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

Net changes in fund balances - total governmental funds	\$	(320,293)
Change in fund balance due to change in reserve for inventory		(10,923)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period

Capital outlay expenditures which were capitalized	553,816	
Depreciation expense for governmental assets	<u>(420,585)</u>	
		133,231

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenue for tax revenues		(35,120)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

217,134

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest		(75,675)
Compensated absences		6,977
Net pension obligation		(10,871)
Other postemployment benefits		(202,894)

Total changes in net assets of governmental activities	<u>\$</u>	<u>(298,434)</u>
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The notes to the financial statements are an integral part of this statement.

**City of Dunn**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2011**

<b>General Fund</b>				
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
Ad valorem taxes	\$ 3,673,600	\$ 3,673,600	\$ 3,628,709	\$ (44,891)
Other taxes and licenses	56,100	56,100	67,994	11,894
Unrestricted intergovernmental	2,156,400	2,156,400	2,075,995	(80,405)
Restricted intergovernmental	627,800	867,600	831,232	(36,368)
Permits and fees	204,100	204,100	201,263	(2,837)
Sales and services	888,800	888,800	919,292	30,492
Investment earnings	25,000	25,000	14,223	(10,777)
Other	568,200	583,200	504,333	(78,867)
Total revenues	<u>8,200,000</u>	<u>8,454,800</u>	<u>8,243,041</u>	<u>(211,759)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,722,000	1,777,100	1,671,999	105,101
Public safety	3,428,600	3,626,300	3,532,115	94,185
Transportation	1,411,600	1,411,600	1,331,003	80,597
Environmental protection	520,100	525,100	522,197	2,903
Culture and recreation	728,100	751,100	727,090	24,010
Library	226,200	226,200	220,937	5,263
Community services	12,500	15,000	6,650	8,350
<b>Debt service:</b>				
Principal retirement	408,600	408,600	407,133	1,467
Interest and other charges	96,300	96,300	95,970	330
Capital Outlay	196,000	240,500	234,991	5,509
Total expenditures	<u>8,750,000</u>	<u>9,077,800</u>	<u>8,750,085</u>	<u>327,715</u>
Revenues over (under) expenditures	<u>(550,000)</u>	<u>(623,000)</u>	<u>(507,044)</u>	<u>115,956</u>
<b>Other financing sources (uses):</b>				
Appropriated fund balance	-	73,000	-	(73,000)
Sale of fixed assets	20,000	20,000	16,801	(3,199)
Installment purchase proceeds	190,000	190,000	190,000	-
Transfers from other funds	340,000	340,000	340,000	-
Total other financing sources (uses)	<u>550,000</u>	<u>623,000</u>	<u>546,801</u>	<u>(76,199)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>39,757</u>	<u>\$ 39,757</u>
Fund balances, beginning			3,370,457	
Change in reserve for inventories			(10,923)	
Fund balances, ending			<u>\$ 3,399,291</u>	

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

**City of Dunn  
Statement of Net Assets  
Proprietary Fund  
June 30, 2011**

**Exhibit 7**

	<b>Water and Sewer Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 450,876
Accounts receivable (net) - billed	478,592
Accounts receivable - other	31,478
Due from other governments	251,953
Due from other funds	225,000
Prepaid expense	15,000
Inventories	50,362
Total current assets	1,503,262
Noncurrent assets:	
Restricted assets:	
Deferred bond costs	67,254
Capital assets:	
Land and other non-depreciable assets	8,277,014
Other capital assets, net of depreciation	15,703,184
Capital assets (net)	23,980,198
Total noncurrent assets	24,047,452
Total assets	25,550,714
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	443,096
Customer deposits	122,387
Compensated absences - current	34,714
General obligation bonds payable - current	115,000
Note payable - current	205,908
Total current liabilities	921,105
Noncurrent liabilities:	
Other noncurrent liabilities:	
Compensated absences	46,019
Other postemployment benefits	151,759
General obligation bonds payable - noncurrent (net)	1,785,000
Note payable - noncurrent	4,577,375
Total noncurrent liabilities	6,560,153
Total liabilities	7,481,258
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	17,296,915
Restricted for Capital Projects	-
Unrestricted	772,541
Total net assets	\$ 18,069,456

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

**City of Dunn**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the Year Ended June 30, 2011**

	<u>Water and Sewer Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 4,321,313
Water and sewer taps	11,731
Other operating revenues	145,729
<b>Total operating revenues</b>	<u>4,478,773</u>
<b>OPERATING EXPENSES</b>	
Water and sewer administration	521,778
Water and sewer operations	720,418
Water supply, pump and filtering	965,918
Sewage treatment plant operations	946,412
Depreciation and amortization	677,132
<b>Total operating expenses</b>	<u>3,831,658</u>
<b>Operating income (loss)</b>	<u>647,115</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	2,838
Tower site rental	62,176
Interest and other charges	(113,210)
Gain on disposal of assets	-
<b>Total nonoperating revenue (expenses)</b>	<u>(48,196)</u>
<b>Income (loss) before contributions and transfers</b>	598,919
Capital contribution	1,628,676
Transfers to other funds	(340,000)
<b>Total income (loss) after contributions and transfers</b>	<u>1,887,595</u>
<b>Change in net assets</b>	1,887,595
<b>Total net assets, beginning</b>	16,181,861
<b>Total net assets, ending</b>	<u>\$ 18,069,456</u>

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

**City of Dunn  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2011**

	<b>Water and Sewer Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 4,412,403
Cash paid for goods and services	(2,072,775)
Cash paid to or on behalf of employees for services	(1,574,278)
Net customer deposits	(5,028)
Other operating revenues	(5,998)
Net cash provided (used) by operating activities	754,324
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Due from other funds	(225,000)
Due from other governments	(135,420)
Transfers to other funds	(340,000)
Total cash flows from noncapital financing activities	(700,420)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(7,016,654)
Clean Water Management Trust Grant	2,117,073
Sale of capital assets	-
Proceeds from State Revolving Loan Fund	4,104,803
Principal paid on bond maturities and equipment contracts	(320,907)
Interest paid on bond maturities and equipment contracts	(113,210)
Net cash provided (used) by capital and related financing activities	(1,228,895)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Redemption of investments	304,644
Interest and dividends	2,838
Tower site rental	62,176
Net cash provided (used) by investing activities	369,657
Net increase (decrease) in cash and cash equivalents	(805,333)
Balances, beginning	1,256,209
Balances, ending	\$ 450,876

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

**City of Dunn  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2011**

**Exhibit 9**

	<b>Water and Sewer Fund</b>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 647,115
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	677,132
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(66,370)
(Increase) decrease in accounts receivable - other	(5,998)
(Increase) decrease in prepaids	(15,000)
(Increase) decrease in inventory	(4,166)
Increase (decrease) in accounts payable and accrued liabilities	(530,137)
Increase (decrease) in customer deposits	(5,028)
Increase (decrease) in accrued vacation pay	(2,786)
Increase (decrease) in accrued other postemployment benefits	59,562
Total adjustments	107,209
Net cash provided by operating activities	\$ 754,324

**Noncash investing, capital, and financing activities:**

None.

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

**INDIVIDUAL FUND FINANCIAL STATEMENTS  
AND SCHEDULES**

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This section contains additional information on the Governmental  
and Proprietary Funds (budget to actual comparison).

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## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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This section contains additional information required by generally accepted accounting principles. Presentation conforms to requirements of Local Government Commission in North Carolina.

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Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance

Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance

Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance

Schedule of Funding Progress for the Health Care Plan Allowance

Schedule of Employer Contributions for the Health Care Plan Allowance

Notes to the Required Schedule for the Health Care Plan Allowance

**City of Dunn**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (VAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2005	\$ -	\$ 357,236	\$ 357,236	0%	\$ 1,410,924	25.32%
12/31/2006	-	410,881	410,881	0%	1,339,083	30.68%
12/31/2007	-	379,022	379,022	0%	1,331,530	28.47%
12/31/2008	-	477,767	477,767	0%	1,416,319	33.73%
12/31/2009	-	653,706	653,706	0%	1,415,579	46.18%
12/31/2010	-	598,793	598,793	0%	1,397,667	42.84%

**City of Dunn**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2006	\$ 47,893	75.89%
2007	42,879	68.21%
2008	46,382	82.11%
2009	43,560	102.13%
2010	52,277	112.74%
2011	69,016	83.86%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the following actuarial valuation:

Valuation date:	12/31/2010
Actuarial cost method:	Projected unit credit
Amortization method:	Level percent of pay closed
Remaining amortization period:	20 years
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases	4.25%-7.85%
*Includes inflation at	3.00%
Cost of living adjustments	None

**City of Dunn  
Health Care Plan  
Required Supplementary Information  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (VAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2009	\$ -	\$ 4,764,850	\$4,764,850	0%	\$ 4,603,646	103.50%
12/31/2010	-	5,875,173	5,878,173	0%	4,564,952	128.70%

**City of Dunn  
Health Care Plan  
Required Supplementary Information  
Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	\$ 406,380	0.00%
2011	\$ 668,836	35.50%

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part of the following actuarial valuation:

Valuation date:	12/31/2010
Actuarial cost method:	Projected unit credit
Amortization method:	Level percent of pay, open
Remaining amortization period:	30 years
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate	
Pre-Medicare trend rate	10.50% - 5.00%
Post-Medicare trend rate	8.5% - 5.00%
Year of Ultimate trend rate	2018
*Includes inflation at	3.00%

**City of Dunn  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Annual Budget and Actual  
For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes	\$	\$ 3,601,294	\$
Penalties and interest		27,415	
Total	<u>3,673,600</u>	<u>3,628,709</u>	<u>(44,891)</u>
Other taxes and licenses:			
Privilege licenses		67,994	
Total	<u>56,100</u>	<u>67,994</u>	<u>11,894</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes		15,404	
Local option sales taxes		1,252,219	
Utility franchise tax		546,343	
Video programming distribution		89,256	
Beer and wine tax		45,735	
ABC profit distribution		120,000	
Solid waste disposal tax		7,038	
Total	<u>2,156,400</u>	<u>2,075,995</u>	<u>(80,405)</u>
Restricted intergovernmental:			
Powell Bill allocation		301,805	
ABC law enforcement		8,000	
Controlled substance tax		12,723	
N. C. Department of Transportation		16,354	
Harnett County BOE School Resource Officer		46,600	
Juvenile Crime Prevention Council Grant		13,191	
National Police Athletic League Grant		22,917	
Justice Assistance Grant		14,128	
Gang Violence Prevention Grant		109,177	
FEMA Reimbursements		97,749	
DOT-Safe Routs to School Grant		3,719	
21st Learning Center Grant		160,189	
Senior Center		22,038	
Rural Center Grant		2,642	
Total	<u>867,600</u>	<u>831,232</u>	<u>(36,368)</u>
Permits and fees:			
Permits and fees		201,263	
Total	<u>204,100</u>	<u>201,263</u>	<u>(2,837)</u>

**City of Dunn  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Annual Budget and Actual  
For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Sales and services:			
Cemetery lots		64,303	
Cemetery opening/closing fee		101,280	
Recreation department, concessions, entry fees		57,930	
Rentals		48,800	
Garbage and recycling collection		646,979	
Total	<u>888,800</u>	<u>919,292</u>	<u>30,492</u>
Investment earnings	<u>25,000</u>	<u>14,223</u>	<u>(10,777)</u>
Other revenues			
County recreation distribution		6,525	
Dunn Area Tourism-I95 Area Light Reimbursement		22,000	
Miscellaneous		42,919	
Special assessments		14,632	
Donations and gifts		92,389	
Betsy Johnson-Payment		325,868	
Total	<u>583,200</u>	<u>504,333</u>	<u>(78,867)</u>
<b>Total revenues</b>	<u>8,454,800</u>	<u>8,243,041</u>	<u>(211,759)</u>
<b>Expenditures:</b>			
<b>General Government</b>			
Governing Body			
Salaries and employee benefits		25,733	
Professional services		80,193	
Other operating expenditures		55,964	
Total	<u>167,300</u>	<u>161,890</u>	<u>5,410</u>
Administration			
Salaries and employee benefits		234,578	
Other operating expenditures		128,883	
Total	<u>368,800</u>	<u>363,461</u>	<u>5,339</u>
Finance			
Salaries and employee benefits		248,189	
Other operating expenditures		33,378	
Total	<u>287,600</u>	<u>281,567</u>	<u>6,033</u>

**City of Dunn  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Annual Budget and Actual  
For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Non-Departmental			
Other operating expenditures		435,281	
Total	<u>505,500</u>	<u>435,281</u>	<u>70,219</u>
Building inspector			
Salaries and employee benefits		183,240	
Other operating expenditures		110,586	
Total	<u>294,300</u>	<u>293,826</u>	<u>474</u>
Planning and zoning			
Salaries and employee benefits		115,472	
Other operating expenditures		20,502	
Total	<u>153,600</u>	<u>135,974</u>	<u>17,626</u>
<b>Total general government</b>	<u>1,777,100</u>	<u>1,671,999</u>	<u>105,101</u>
<b>Public safety:</b>			
Police:			
Salaries and employee benefits		2,660,404	
Other operating expenditures		306,589	
Capital outlay		167,525	
Total	<u>3,173,800</u>	<u>3,134,518</u>	<u>39,282</u>
Police athletic league			
Salaries and employee benefits		120,642	
Other operating expenditures		113,562	
Total	<u>234,600</u>	<u>234,204</u>	<u>396</u>
PAL - National PAL Mentoring Grant			
Salaries and employee benefits		4,005	
Other operating expenditures		1,042	
Total	<u>7,700</u>	<u>5,047</u>	<u>2,653</u>
PAL - Juvenile Crime Prevention - Council Grant			
Salaries and employee benefits		11,044	
Other operating expenditures		3,476	
Total	<u>18,300</u>	<u>14,520</u>	<u>3,780</u>
PAL - Gang Grant			
Salaries and employee benefits		130,457	
Other operating expenditures		18,374	
Total	<u>181,400</u>	<u>148,831</u>	<u>32,569</u>
PAL - 21st Century Grant			
Salaries and employee benefits		111,144	
Other operating expenditures		51,375	
Total	<u>180,000</u>	<u>162,519</u>	<u>17,481</u>
<b>Total public safety</b>	<u>3,795,800</u>	<u>3,699,639</u>	<u>96,161</u>

**City of Dunn  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Annual Budget and Actual  
For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Transportation:</b>			
Streets			
Salaries and employee benefits		565,021	
Other operating expenditures		632,201	
Capital outlay		67,466	
Total	<u>1,333,000</u>	<u>1,264,688</u>	<u>68,312</u>
 Powell Bill - street repairs and construction			
Salaries and employee benefits		64,100	
Other operating expenditures		69,681	
Total	<u>149,600</u>	<u>133,781</u>	<u>15,819</u>
 <b>Total transportation</b>	 <u>1,482,600</u>	 <u>1,398,469</u>	 <u>84,131</u>
<b>Environmental protection</b>			
Sanitation			
Salaries and employee benefits		77,171	
Contracted Services		429,779	
Other operating expenditures		15,247	
<b>Total environmental protection</b>	<u>525,100</u>	<u>522,197</u>	<u>2,903</u>
<b>Culture and recreation:</b>			
Parks and recreation			
Salaries and employee benefits		423,468	
Other operating expenditures		221,416	
Total	<u>663,600</u>	<u>644,884</u>	<u>18,716</u>
 Senior center operations			
Salaries and employee benefits		65,688	
Other operating expenditures		16,518	
Total	<u>87,500</u>	<u>82,206</u>	<u>5,294</u>
 <b>Total culture and recreation</b>	 <u>751,100</u>	 <u>727,090</u>	 <u>24,010</u>

**City of Dunn  
General Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Annual Budget and Actual  
For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Library</b>			
Salaries and employee benefits		155,207	
Other operating expenditures		65,730	
<b>Total library</b>	<u>226,200</u>	<u>220,937</u>	<u>5,263</u>
<b>Community services</b>			
Community assistance		6,650	
<b>Total community services</b>	<u>15,000</u>	<u>6,650</u>	<u>8,350</u>
<b>Debt service</b>			
Principal retirement		407,134	
Interest and other charges		95,970	
<b>Total debt service</b>	<u>504,900</u>	<u>503,104</u>	<u>1,796</u>
<b>Total expenditures</b>	<u>9,077,800</u>	<u>8,750,085</u>	<u>327,715</u>
<b>Revenues over (under) expenditures</b>	<u>(623,000)</u>	<u>(507,044)</u>	<u>115,956</u>
Other financing sources (uses):			
Appropriated fund balance	73,000	-	(73,000)
Transfers from other funds	340,000	340,000	-
Sale of fixed assets	20,000	16,801	(3,199)
Installment purchase proceeds	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Total	<u>623,000</u>	<u>546,801</u>	<u>(76,199)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	39,757	<u>\$ 39,757</u>
Fund balances, beginning		3,370,457	
Change in reserve for inventories		(10,923)	
Fund balances, ending		<u>\$ 3,399,291</u>	

**City of Dunn  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011**

	Street Improvement - Capital Project Fund	Emergency Telephone System - Special Revenue Fund	Downtown Revitalization Capital Project Fund	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 248	\$ 303,501	\$ 49,180	\$ 352,929
Due from other governments	57	16,655	-	16,712
	<u>305</u>	<u>320,156</u>	<u>49,180</u>	<u>369,641</u>
Total assets	<u>\$ 305</u>	<u>\$ 320,156</u>	<u>\$ 49,180</u>	<u>\$ 369,641</u>
<b>Liabilities and Fund Balances</b>				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 5,645	\$ 34,492	\$ 40,137
Due to other funds	-	-	225,000	225,000
	<u>-</u>	<u>5,645</u>	<u>259,492</u>	<u>265,137</u>
Total liabilities	<u>-</u>	<u>5,645</u>	<u>259,492</u>	<u>265,137</u>
Fund balances				
Restricted	305	314,511	-	314,816
Unassigned	-	-	(210,312)	(210,312)
	<u>305</u>	<u>314,511</u>	<u>(210,312)</u>	<u>104,504</u>
Total fund balances	<u>305</u>	<u>314,511</u>	<u>(210,312)</u>	<u>104,504</u>
Total liabilities and fund balances	<u>\$ 305</u>	<u>\$ 320,156</u>	<u>\$ 49,180</u>	<u>\$ 369,641</u>

**City of Dunn**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**June 30, 2011**

	Street Improvement - Capital Project Fund	Emergency Telephone System - Special Revenue Fund	Downtown Revitalization Capital Project Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Restricted intergovernmental	\$ -	\$ 199,860	\$ -	\$ 199,860
Harnett County reimbursement	-	-	-	-
Investment earnings	-	39	-	39
<b>Total revenues</b>	<b>-</b>	<b>199,899</b>	<b>-</b>	<b>199,899</b>
<b>Expenditures</b>				
Transportation	41,821	-	-	41,821
Public safety	-	199,303	-	199,303
Capital Outlay	-	108,513	210,312	318,825
<b>Total expenditures</b>	<b>41,821</b>	<b>307,816</b>	<b>210,312</b>	<b>559,949</b>
Revenues over (under) expenses	(41,821)	(107,917)	(210,312)	(360,050)
Other financing sources (uses):				
Installment purchase obligations issued	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures	(41,821)	(107,917)	(210,312)	(360,050)
Fund balance, beginning	42,126	422,428	-	464,554
Fund balance, ending	<u>\$ 305</u>	<u>\$ 314,511</u>	<u>\$ (210,312)</u>	<u>\$ 104,504</u>

**City of Dunn**  
**Street Improvement - Capital Project Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2011**

	Project Authorization	Prior Years	Current Year	Total Project To Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
In Lieu of sales tax refund	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Construction	850,000	847,874	41,821	889,695	(39,695)
Administration	110,000	110,000	-	110,000	-
Contingency	40,000	-	-	-	40,000
Total expenditures	1,000,000	957,874	41,821	999,695	305
Revenues over (under) expenditures	(1,000,000)	(957,874)	(41,821)	(999,695)	305
<b>Other financing sources (uses):</b>					
Installment purchase obligations issued	1,000,000	1,000,000	-	1,000,000	-
Total other financing sources (uses)	1,000,000	1,000,000	-	1,000,000	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ 42,126	\$ (41,821)	305	\$ 305
Fund balance, beginning			42,126		
Fund balance, ending			\$ 305		

**City of Dunn**  
**Downtown Revitalization - Capital Project Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2011**

	Project Authorization	Prior Years	Current Year	Total Project To Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
In Lieu of sales tax refund	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Construction-Streets/Sidewalks	1,017,000	-	-	-	1,017,000
Construction-Utility Work	1,480,000	-	-	-	1,480,000
Administration	401,000	-	210,312	210,312	190,688
Contingency	102,000	-	-	-	102,000
Total expenditures	3,000,000	-	210,312	210,312	2,789,688
Revenues over (under) expenditures	(3,000,000)	-	(210,312)	(210,312)	2,789,688
<b>Other financing sources (uses):</b>					
Installment purchase obligations issued	3,000,000	-	-	-	(3,000,000)
Total other financing sources (uses)	3,000,000	-	-	-	3,000,000
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ (210,312)	(210,312)	\$ (210,312)
Fund balance, beginning			-		
Fund balance, ending			\$ (210,312)		

**City of Dunn**  
**Emergency Telephone System - Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted intergovernmental	\$ 200,000	\$ 199,860	\$ (140)
Investment earnings	500	39	(461)
Total revenues	<u>200,500</u>	<u>199,899</u>	<u>(601)</u>
Expenditures			
Public safety	216,000	199,303	16,697
Capital Outlay	128,000	108,513	
Total expenditures	<u>344,000</u>	<u>307,816</u>	<u>16,697</u>
Revenues over (under) expenditures	<u>(143,500)</u>	<u>(107,917)</u>	<u>35,583</u>
Other financing sources (uses)			
Fund balance appropriated	143,500	-	(143,500)
Harnett County reimbursement	-	-	-
Total other financing sources and uses	<u>143,500</u>	<u>-</u>	<u>(143,500)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>(107,917)</u>	<u>\$ (107,917)</u>
Fund balance, beginning		<u>422,428</u>	
Fund balance, ending		<u>\$ 314,511</u>	

**City of Dunn  
Water and Sewer Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non - GAAP)  
For the Fiscal Year Ended June 30, 2011**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Water sales	\$	\$ 2,849,010	\$
Sewer charges		1,451,126	
Fireline protection charge		21,177	
Total	<u>4,175,000</u>	<u>4,321,313</u>	<u>146,313</u>
Water and sewer taps	<u>12,300</u>	<u>11,731</u>	<u>(569)</u>
<b>Other operating revenues</b>			
Reconnect fees		35,959	
Impact fees		28,055	
Returned check fees		3,825	
Penalties		65,458	
Miscellaneous		12,433	
Total other operating revenues	<u>148,800</u>	<u>145,730</u>	<u>(3,070)</u>
<b>Nonoperating revenues:</b>			
Tower site rental		62,176	
Interest earnings		2,838	
Total nonoperating revenues	<u>69,900</u>	<u>65,014</u>	<u>(4,886)</u>
Total revenues	<u>4,406,000</u>	<u>4,543,788</u>	<u>137,788</u>
<b>Expenditures:</b>			
<b>Water and sewer administration</b>			
Salaries and employee benefits		207,026	
Postage		25,051	
Supplies		13,454	
Other operating expenditures		254,450	
Adjustments and bad debts		12,701	
Total	<u>520,600</u>	<u>512,682</u>	<u>7,918</u>
<b>Water and sewer operations</b>			
Salaries and employee benefits		407,635	
Engineering		45,151	
Telephone		7,151	
Utilities		8,531	
Travel		3,621	
Maintenance and repairs		62,769	
Automotive supplies		24,854	
Supplies		12,661	
Materials		100,029	
Infiltration		19,136	
Other operating expenditures		17,463	
Total	<u>701,800</u>	<u>709,001</u>	<u>(7,201)</u>

**City of Dunn**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Water supply, pump and filtering			
Salaries and employee benefits		401,834	
Telephone		2,933	
Utilities		181,604	
Travel		2,500	
Maintenance		36,371	
Postage		271	
Supplies		5,826	
Chemicals		235,423	
Independent lab test		7,586	
Contract services		53,666	
Other operating expenditures		22,280	
Total	<u>1,081,000</u>	<u>950,294</u>	<u>130,706</u>
Sewage treatment plant operations			
Salaries and employee benefits		542,786	
Telephone		3,584	
Utilities		187,877	
Travel		1,095	
Maintenance		50,427	
Supplies		10,326	
Chemicals		31,415	
Independent lab test		16,123	
Contract services		62,655	
Other operating expenditures		19,486	
Total	<u>982,800</u>	<u>925,774</u>	<u>57,026</u>
Capital outlay	<u>720,500</u>	<u>614,252</u>	<u>106,248</u>
Debt service:			
Principal retirement		320,909	
Interest and other charges		113,210	
Total debt service	<u>434,300</u>	<u>434,119</u>	<u>181</u>
Total expenditures	<u>4,441,000</u>	<u>4,146,122</u>	<u>294,878</u>
Other financing sources (uses):			
Transfer to other fund:			
General Fund	(340,000)	(340,000)	-
Appropriated fund balance	375,000	-	(375,000)
Sale of fixed assets	-	-	-
Planning grant	-	-	-
Total other financing sources (uses)	<u>35,000</u>	<u>(340,000)</u>	<u>(375,000)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 57,666</u>	<u>\$ 57,666</u>

**City of Dunn**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues and other sources over expenditures and other uses		\$ 57,666	
Reconciling items:			
Clean Water Management Trust Fund grant		1,628,676	
Principal retirement		320,909	
Capital outlay		614,252	
Depreciation and amortization		(677,132)	
Change in accrued vacation pay		2,786	
Change in accrued other postemployment benefits		(59,562)	
Rounding		-	
Total reconciling items		<u>1,829,929</u>	
Net income		<u>\$ 1,887,595</u>	

**City of Dunn**  
**Wastewater Treatment Capital Project**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance (Non - GAAP)**  
**For the Fiscal Year ended June 30, 2011 and From Inception**

	Actual			Total Project To Date	Variance Favorable (Unfavorable)
	Project Authorization	Prior Years	Current Year		
<b>Revenues:</b>					
Restricted Intergovernmental Revenues					
In Lieu of Sales Tax Refund	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Construction	7,359,000	1,075,384	5,880,813	6,956,197	402,803
Administration	1,321,100	556,288	613,564	1,169,852	151,248
Contingency	367,950	-	-	-	367,950
Total expenditures	9,048,050	1,631,672	6,494,377	8,126,049	922,001
Excess (Deficit) of revenues over (under) expenditures	(9,048,050)	(1,631,672)	(6,494,377)	(8,126,049)	(922,001)
<b>Other financing sources (uses):</b>					
Clean Water Management Trust Fund	2,950,000	757,435	1,628,676	2,386,111	(563,889)
State Revolving Fund Loan	4,997,950	-	4,104,803	4,104,803	(893,147)
Rural Economic Development Grant	1,000,000	-	-	-	(1,000,000)
Transfers	100,100	-	-	-	(100,100)
Total other financing sources (uses)	9,048,050	757,435	5,733,479	6,490,914	(2,557,136)
Excess (Deficit) of revenues & other financing sources over (under) expenditures & other financing uses	\$ -	\$ (874,237)	\$ (760,898)	\$ (1,635,135)	\$ (1,635,135)

Reconciliation of Modified Accrual Basis to Full Accrual Basis:

Excess (Deficit) of Revenues & Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ (1,635,135)</u>
Expenditures Recorded as Construction in Progress	<u>\$ 8,126,049</u>
Net Income (Loss)	<u>\$ 6,490,914</u>

## **OTHER SCHEDULES**

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This section contains additional information required  
on property taxes.

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Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy

**City of Dunn  
General Fund  
Schedule of Ad Valorem Taxes Receivable  
June 30, 2011**

Fiscal Year	Uncollected Balance June 30, 2010	Additions	Collections and Credits	Abatements and Adjustments	Uncollected Balance June 30, 2011
2010-2011	\$ -	\$ 3,454,347	\$ (3,464,942)	\$ 104,626	\$ 94,031
2009-2010	121,941		(64,765)	(1,198)	55,978
2008-2009	30,506		(7,145)	(803)	22,558
2007-2008	18,626		(3,895)	(346)	14,385
2006-2007	15,182		(2,362)	(144)	12,676
2005-2006	13,083		(1,888)	(28)	11,167
2004-2005	12,962		(1,007)	(35)	11,920
2003-2004	9,870		(808)	-	9,062
2002-2003	11,694		(709)	(1)	10,984
2001-2002	7,982		(608)	(34)	7,340
	<u>\$ 241,846</u>	<u>\$ 3,454,347</u>	<u>\$ (3,548,129)</u>	<u>\$ 102,037</u>	<u>\$ 250,101</u>

Less: allowance for uncollectible accounts  
General Fund

(91,236)

Ad valorem taxes receivable-net

\$ 158,865

Reconciliation with revenues:

Ad valorem taxes-General Fund

\$ 3,628,709

Reconciling items:

Refund of Prior Year Taxes Collected

16,428

Municipal Service District Taxes

(34,620)

Vehicle Sticker Fee

(34,973)

Interest and Penalties

(27,414)

Subtotal

(80,580)

Total collections and credits

\$ 3,548,129

**City of Dunn  
 Analysis of Current Tax Levy  
 City - Wide Levy  
 For the Fiscal Year Ended June 30, 2011**

	City - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current					
Real and personal property	\$ 665,894,171	0.48	\$ 3,196,292	\$ 3,196,292	\$ -
Registered motor vehicles taxed					
at prior year's rate	53,755,958	0.48	258,055	-	258,055
Discoveries	26,917,308		129,203	129,203	-
Releases	(5,120,366)		(24,577)	(17,672)	(6,905)
Total Property Valuation	<u>\$ 741,447,071</u>				
Net levy			3,558,973	3,307,823	251,150
Uncollected taxes at June 30, 2011			(94,031)	(61,681)	(32,350)
Current year's taxes collected			<u>\$ 3,464,942</u>	<u>\$ 3,246,142</u>	<u>\$ 218,800</u>
Current levy collection percentage			<u>97.36%</u>	<u>98.14%</u>	<u>87.12%</u>

**CITY OF DUNN, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>Grantor/Pass-through/ Grantor-Program Title</b>	<b>Federal CFDA Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Federal Expenditures</b>	<b>State Expenditures</b>
<b>FEDERAL AWARDS</b>				
<b>US Department of Justice</b>				
Direct Program:				
Edward Byrne Memorial Justice Assistance	16.738	2009-DJ-BX-0386	\$ 14,128	\$ -
Passed through National Police Athletic League, Inc. National PAL Recovery Act Mentoring subgrant	16.808	2009-SC-B9-0162	22,917	-
Passed through Harnett County Juvenile Crime Prevention Council: PAL-Juvenile Crime Prevention Program	16.54	643028	<u>13,191</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<u>50,236</u>	<u>-</u>
<b>US Department of Education</b>				
Passed through NC Department of Public Instruction 21st Century Community Learning Centers	84.287	B85	160,189	-
<b>US Department of Health and Human Services</b>				
Division of Aging and Adult Services:				
Passed through Mid Carolina Council of Government Senior Center Operations and Outreach	93.044	16-701, 20-701	14,038	-
<b>Federal Highway Administration</b>				
Passed through NC Department of Transportation Safe Routes to School	20.205	SR-5000R	3,720	-
<b>US Department of Homeland Security</b>				
Federal Emergency Management Agency:				
Passed through NC Department of Crime Control and Public Safety	97.036	085-18320-00	<u>73,312</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>301,495</u>	<u>-</u>
<b>STATE AWARDS</b>				
<b>Rural Economic Development Center, Inc.</b> H&H Products		2009-016-60501-107	-	2,642
<b>Department of Crime Control and Public Safety</b> Gang Violence Prevention Grant		043-1-08-001-SG-229	-	109,177
<b>NC Dept. of Transportation</b> Powell Bill		DOT-4	-	273,081
<b>NC Dept. of Environment and Natural Resources</b> Clean Water Management Trust Fund		CWMTF 2007-509	<u>-</u>	<u>1,628,676</u>
<b>TOTAL STATE AWARDS</b>			<u>-</u>	<u>2,013,576</u>
<b>TOTAL FEDERAL AND STATE ASSISTANCE</b>			<u>\$ 301,495</u>	<u>\$ 2,013,576</u>

**Notes to the Schedule of Expenditures of Federal and State Financial Awards**

Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the City and is presented on the modified accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

## STATISTICAL SECTION

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This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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**Financial Trends** - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity** - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

**Debt Capacity** - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.