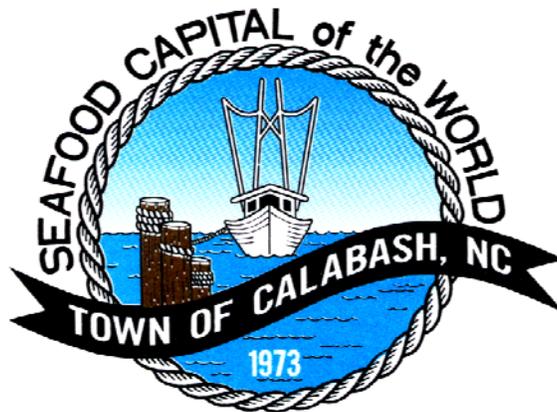


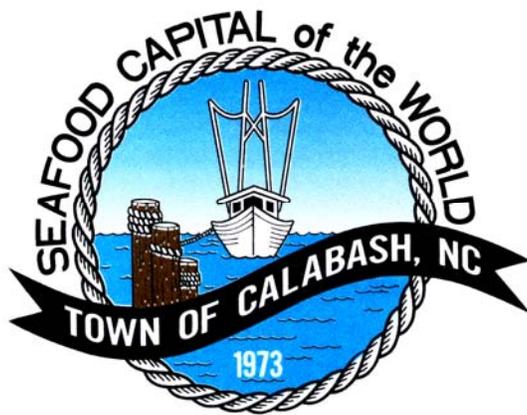
TOWN OF CALABASH, NORTH CAROLINA

Report of Audit

For the Fiscal Year Ended June 30, 2008



S. PRESTON DOUGLAS & ASSOCIATES, LLP
Certified Public Accountants



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S. Preston Douglas & Associates, LLP
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
American Institute of CPAs
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Independent Auditor's Report

To the Honorable Mayor
and Board of Commissioners
Calabash, North Carolina

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit and each major fund of the Town of Calabash, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Calabash's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit and each major fund of the Town of Calabash, North Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Calabash's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town of Calabash, North Carolina. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

S. Preston Douglas & Associates, LLP

October 28, 2008

Management's Discussion and Analysis

As management of the Town of Calabash, we offer readers of the Town of Calabash's financial statements this narrative overview and analysis of the financial activities of the Town of Calabash for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

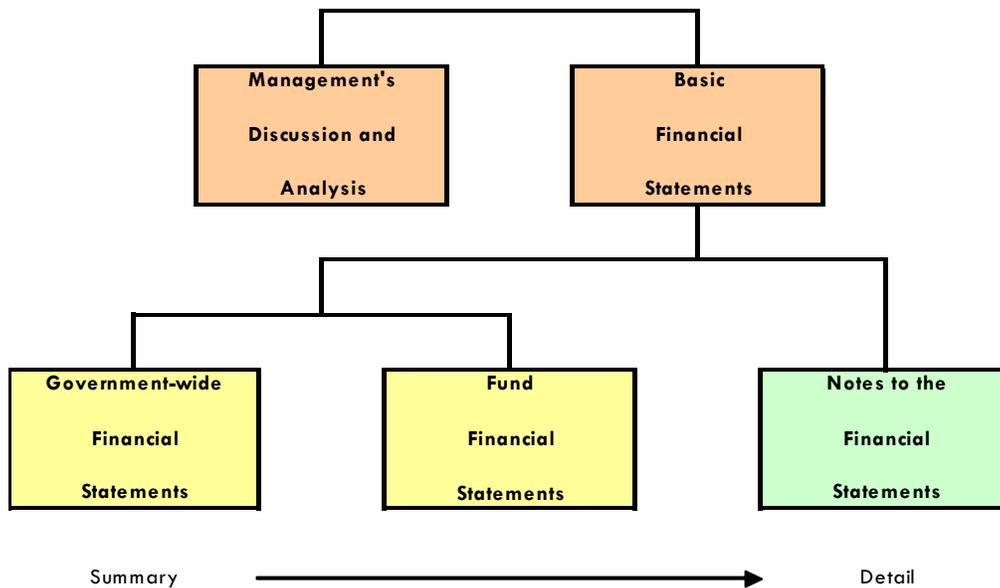
- The assets of the Town of Calabash exceeded its liabilities at the close of the fiscal year by \$2,108,393.
- The government's total net assets increased by \$347,574, primarily due to increases in the governmental activities net assets.
- As of the close of the current fiscal year, the Town of Calabash's governmental funds reported combined ending fund balances of \$1,452,449, an increase of \$347,574 in comparison with the prior year. Approximately 95 percent of this total amount, or \$1,386,669, is available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$822,576, or 126 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Calabash's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Calabash.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (pages 16 through 19) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (pages 20 through 25) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net assets and how they have changed. Net assets are the difference between the Town's total assets and total liabilities. Measuring net assets is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) component units. The governmental activities include most of the Town's basic services such as administration, streets and highways, and inspections. Property taxes and state and federal grant funds finance most of these activities. The final category is the component unit. Although legally separate from the Town, the Calabash ABC Board is important to the Town because the Town exercises control over the Board by appointing its members and because the Board is required to distribute its profits to the Town.

The government-wide financial statements are on pages 16 through 19 of this report.

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Calabash, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Calabash can be divided into one category: governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs.

Management's Discussion and Analysis (Continued)

The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Calabash adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 27 through 39 of this report.

Management's Discussion and Analysis (Continued)

Government-Wide Financial Analysis

The Town of Calabash's Net Assets

Figure 2

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 1,483,690	\$ 1,181,572	\$ -	\$ -	\$ 1,483,690	\$ 1,181,572
Capital assets	651,373	619,679	-	-	651,373	619,679
Total assets	<u>2,135,063</u>	<u>1,801,251</u>	<u>-</u>	<u>-</u>	<u>2,135,063</u>	<u>1,801,251</u>
Long-term liabilities outstanding	4,512	17,112	-	-	4,512	17,112
Other liabilities	22,158	23,320	-	-	22,158	23,320
Total liabilities	<u>26,670</u>	<u>40,432</u>	<u>-</u>	<u>-</u>	<u>26,670</u>	<u>40,432</u>
Net assets:						
Invested in capital assets, net of related debt	637,800	593,664	-	-	637,800	593,664
Restricted	65,780	54,176	-	-	65,780	54,176
Unrestricted	1,404,813	1,112,979	-	-	1,404,813	1,112,979
Total net assets	<u>\$ 2,108,393</u>	<u>\$ 1,760,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,108,393</u>	<u>\$ 1,760,819</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Calabash exceeded liabilities by \$2,108,393 as of June 30, 2008. The Town's net assets increased by \$347,574 for the fiscal year ended June 30, 2008. However, the second largest portion (30%) reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Calabash uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Calabash's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Calabash's net assets (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance (66%) or \$1,404,813 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 91.32%.
- Increased inspection revenues of approximately \$64,000 and increased ABC profit distributions by approximately \$8,000.

Management's Discussion and Analysis (Continued)

The Town of Calabash's Changes in Net Assets

Figure 3

	Governmental		Business-Type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 135,107	\$ 69,644	\$ -	\$ -	\$ 135,107	\$ 69,644
Operating grants and contributions	55,573	49,015	-	-	55,573	49,015
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property taxes	212,444	165,918	-	-	212,444	165,918
Local Option Sales Taxes	348,884	359,655	-	-	348,884	359,655
Other taxes	101,041	94,037	-	-	101,041	94,037
ABC Profit Distribution	99,060	91,000	-	-	99,060	91,000
Other	40,254	54,622	-	-	40,254	54,622
Total revenues	992,363	883,891	-	-	992,363	883,891
Expenses:						
Governing body	8,151	3,252	-	-	8,151	3,252
Administration	254,028	232,244	-	-	254,028	232,244
Elections	1,189	-	-	-	1,189	-
Public buildings	22,699	12,647	-	-	22,699	12,647
Fire and rescue	36,732	27,120	-	-	36,732	27,120
Inspections	105,744	60,807	-	-	105,744	60,807
Streets and highways	124,894	99,109	-	-	124,894	99,109
Powell Bill	46,255	77,273	-	-	46,255	77,273
Sanitation	10,646	18,688	-	-	10,646	18,688
Drainage and watershed	6,666	42,592	-	-	6,666	42,592
Planning and zoning	10,805	32,054	-	-	10,805	32,054
Town beautification	16,980	4,337	-	-	16,980	4,337
Interest on long-term debt	-	-	-	-	-	-
Total expenses	644,789	610,123	-	-	644,789	610,123
Increase(Decrease) in net assets before transfers	347,574	273,768	-	-	347,574	273,768
Transfers	-	2,019	-	(2,019)	-	-
Change in net assets	347,574	275,787	-	(2,019)	347,574	273,768
Net assets, July 1	1,760,819	1,485,032	-	2,019	1,760,819	1,487,051
Net assets, June 30	\$ 2,108,393	\$ 1,760,819	\$ -	\$ -	\$ 2,108,393	\$ 1,760,819

Management's Discussion and Analysis (Continued)

Governmental activities. Governmental activities increased the Town's net assets by \$347,574, thereby accounting for 100% of the total increase in the net assets of the Town of Calabash. Key element of this increase is as follows:

- Tax revenues increased during the year.

Financial Analysis of the Town's Funds

As noted earlier, the Town of Calabash uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town of Calabash's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Calabash's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of Calabash. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$971,256, while total fund balance reached \$1,177,040. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 150 percent of total General Fund expenditures.

At June 30, 2008, the governmental funds of Town of Calabash reported a combined fund balance of \$1452,449, a 24 percent increase over last year. Included in this change in fund balance are increases in fund balance in the General, and Special Revenue Funds.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues were more than the budgeted amounts primarily because of an increase in State shared revenues that the Town originally had not expected to receive. However, expenditures were held below budget and the Town was able to comply with its budgetary requirements.

Capital Asset and Debt Administration

Capital assets. The Town of Calabash's investment in capital assets for its governmental and business-type activities as of June 30, 2008, totals \$651,373 (net of accumulated depreciation). These assets include buildings, land, and equipment.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Acquisitions of vehicles totaling \$16,300
- Construction of a maintenance building totaling \$45,822.

Management's Discussion and Analysis (Continued)

The Town of Calabash's Capital Assets

Figure 4

(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 220,632	\$ 220,632	\$ -	\$ -	\$ 220,632	\$ 220,632
Buildings	338,521	298,985	-	-	338,521	298,985
Vehicles	55,645	56,315	-	-	55,645	56,315
Equipment	36,575	43,747	-	-	36,575	43,747
Total	\$ 651,373	\$ 619,679	\$ -	\$ -	\$ 651,373	\$ 619,679

Additional information on the Town's capital assets can be found in Note I of the Basic Financial Statements.

Long-term Debt. As of June 30, 2008, the Town of Calabash had total long-term debt outstanding of \$13,573. Of this, \$13,573 is debt backed by the full faith and credit of the town of Calabash.

The Town of Calabash's Outstanding Debt Installment Purchases and Capital Leases

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Installment purchases	\$ 13,573	\$ 26,015	\$ -	\$ -	\$ 13,573	\$ 26,015
Capital leases	-	-	-	-	-	-
Total	\$ 13,573	\$ 26,015	\$ -	\$ -	\$ 13,573	\$ 26,015

The Town of Calabash's total debt decreased by \$12,422 (47%) during the fiscal year.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Calabash is \$24,318,034. The Town of Calabash does not have any authorized but un-issued debt at June 30, 2008.

Additional information regarding the Town of Calabash's long-term debt can be found in Note II beginning on page 37 of this report.

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town.

- Population growth.. The Town's population growth of only 40 individuals last year reflects the stagnant economic growth within Town limits. The main cause is the lack of sewer service.
- Rates on office and retail space. The Town's occupancy rates run between 85% to 90% for the year. With the lack of sewer service we are trying to maintain the status quo.

Budget Highlights for the Fiscal Year Ending June 30, 2009

Governmental Activities: Property taxes (benefiting from the economic growth) and revenues from permits and fees are expected to lead the increase in budgeted revenue by 4%. The Town will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to increase 12%. The largest increments are in employee compensation, including funding compensation and benefits, and public buildings.

Requests for Information

This report is designed to provide an overview of the Town finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the following:

**Vincent Long, III
Town Administrator
Post Office Box 4967
882 Persimmon Road
Calabash, NC 28467
Telephone: (910) 579-6747
Fax: (910) 579-5494
Email: towncalabash@atmc.net**

Basic Financial Statements

TOWN OF CALABASH, NORTH CAROLINA

Statement of Net Assets

June 30, 2008

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Total</u>	<u>Calabash</u>
	<u>Activities</u>		<u>ABC Board</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 1,321,030	\$ 1,321,030	\$ 415,569
Receivables (net):			
Ad Valorem Taxes	19,340	19,340	-
Accrued Interest - Taxes	1,681	1,681	-
Inventory	-	-	131,181
Due from Component Unit	56,259	56,259	-
Due from Other Governments	85,380	85,380	-
Total Current Assets	<u>1,483,690</u>	<u>1,483,690</u>	<u>546,750</u>
Noncurrent Assets:			
Capital Assets			
Land, Nondepreciable Improvements, and Construction in Progress	220,632	220,632	121,201
Other Capital Assets, Net of Depreciation	430,741	430,741	139,858
Total Capital Assets	<u>651,373</u>	<u>651,373</u>	<u>261,059</u>
Total Assets	<u>\$ 2,135,063</u>	<u>\$ 2,135,063</u>	<u>\$ 807,809</u>

TOWN OF CALABASH, NORTH CAROLINA

Statement of Net Assets

June 30, 2008

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Total</u>	<u>Calabash</u>
	<u>Activities</u>		<u>ABC Board</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	\$ 8,585	\$ 8,585	\$ 65,528
Distributions Payable	-	-	24,110
Due to Primary Government	-	-	56,259
Current Portion of Long-Term Liabilities	13,573	13,573	-
Total Current Liabilities	22,158	22,158	145,897
Long-Term Liabilities:			
Due in More Than One year	4,512	4,512	-
Total Liabilities	26,670	26,670	145,897
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	637,800	637,800	261,059
Restricted For:			
Transportation	65,780	65,780	-
Working Capital	-	-	46,276
Unrestricted	1,404,813	1,404,813	354,577
Total Net Assets	\$ 2,108,393	\$ 2,108,393	\$ 661,912

TOWN OF CALABASH, NORTH CAROLINA

Statement of Activities

For the Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Governing Body	\$ 8,151	\$ -	\$ -	\$ -
Administration	254,028	-	-	-
Elections	1,189	-	-	-
Public Buildings	22,699	-	-	-
Fire and Rescue	36,732	-	-	-
Inspections	105,744	127,855	-	-
Streets and Highways	124,894	-	-	-
Powell Bill	46,255	-	55,573	-
Sanitation	10,646	-	-	-
Drainage and Watershed	6,666	-	-	-
Planning and Zoning	10,805	7,252	-	-
Town Beautification	16,980	-	-	-
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities	644,789	135,107	55,573	-
Total Primary Government	644,789	135,107	55,573	-
Component Units:				
Calabash ABC Board	1,537,638	1,523,009	-	-
Total Component Units	\$ 1,537,638	\$ 1,523,009	\$ -	\$ -

General Revenues:

- Property Taxes, Levied for General Purpose
- Local Option Sales Tax
- Utility Franchise Tax
- Telecommunications Tax
- Video Franchise Fee
- Beer and Wine Tax
- ABC Profit Distribution
- Unrestricted Investment Earnings
- Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

Net (Expense) Revenue and Changes in Net Assets

Primary Government

Governmental Activities	Total	Calabash ABC Board
\$ (8,151)	\$ (8,151)	\$ -
(254,028)	(254,028)	-
(1,189)	(1,189)	-
(22,699)	(22,699)	-
(36,732)	(36,732)	-
22,111	22,111	-
(124,894)	(124,894)	-
9,318	9,318	-
(10,646)	(10,646)	-
(6,666)	(6,666)	-
(3,553)	(3,553)	-
(16,980)	(16,980)	-
-	-	-
<u>(454,109)</u>	<u>(454,109)</u>	<u>-</u>
(454,109)	(454,109)	-
-	-	(14,629)
<u>-</u>	<u>-</u>	<u>(14,629)</u>
212,444	212,444	-
348,884	348,884	-
71,855	71,855	-
18,344	18,344	-
4,225	4,225	-
6,617	6,617	-
99,060	99,060	-
39,161	39,161	11,952
1,093	1,093	1,163
-	-	-
<u>801,683</u>	<u>801,683</u>	<u>13,115</u>
347,574	347,574	(1,514)
<u>1,760,819</u>	<u>1,760,819</u>	<u>663,426</u>
<u>\$ 2,108,393</u>	<u>\$ 2,108,393</u>	<u>\$ 661,912</u>

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

TOWN OF CALABASH, NORTH CAROLINABalance Sheet
Governmental Funds
June 30, 2008

	<u>Major Funds</u>		
	<u>General</u>	<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Investments	\$ 1,045,621	\$ 275,409	\$ 1,321,030
Receivables (net):			
Ad Valorem Taxes	19,340	-	19,340
Due from Component Unit	56,259	-	56,259
Due from Other Governments	85,380	-	85,380
Total Assets	<u>1,206,600</u>	<u>275,409</u>	<u>1,482,009</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Liabilities	8,585	-	8,585
Deferred Revenues	20,975	-	20,975
Total Liabilities	<u>29,560</u>	<u>-</u>	<u>29,560</u>
Fund Balances:			
Reserved For:			
State Statute	140,004	-	140,004
Streets - Powell Bill	65,780	-	65,780
Unreserved:			
Designated For Subsequent Year's Expenditures:			
General Fund	148,680	-	148,680
Undesignated:			
General Fund	822,576	-	822,576
Capital Project Funds	-	-	-
Special Revenue Funds	-	275,409	275,409
Total Fund Balances	<u>1,177,040</u>	<u>275,409</u>	<u>1,452,449</u>
Total Liabilities and Fund Balances	<u>\$ 1,206,600</u>	<u>\$ 275,409</u>	

TOWN OF CALABASH, NORTH CAROLINA

Balance Sheet (Continued)

Governmental Funds

June 30, 2008

		Total Governmental Funds
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	\$ 733,924	\$ -
Accumulated depreciation	<u>(82,551)</u>	651,373
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred		
Accrued interest - taxes	<u>1,681</u>	1,681
Liabilities for earned but deferred revenues in fund statements.		
Ad valorem taxes	19,340	
Beer and wine taxes	<u>1,635</u>	20,975
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Installment purchases	(13,573)	
Compensated absences	<u>(4,512)</u>	(18,085)
Net assets of governmental activities.		<u><u>\$ 2,108,393</u></u>

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

TOWN OF CALABASH, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2008

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Total Non-Major Funds</u>	
Revenues			
Ad Valorem Taxes	\$ 197,632	\$ -	\$ 197,632
Other Taxes and Licenses	7,252	-	7,252
Unrestricted Intergovernmental	548,909	-	548,909
Restricted Intergovernmental	55,573	-	55,573
Permits and Fees	127,855	-	127,855
Investment Earnings	33,501	5,660	39,161
Miscellaneous	1,093	-	1,093
Total Revenues	<u>971,815</u>	<u>5,660</u>	<u>977,475</u>
Expenditures			
Governing Body Administration	8,151	-	8,151
Elections	273,005	-	273,005
Public Buildings	1,189	-	1,189
Fire and Rescue	21,703	40,532	62,235
Inspections	36,732	-	36,732
Streets and Highways	101,737	-	101,737
Powell Bill	112,514	-	112,514
Sanitation	46,255	-	46,255
Drainage and Watershed	10,646	-	10,646
Planning and Zoning	6,666	-	6,666
Town Beautification	10,805	-	10,805
Debt Service	6,706	-	6,706
	12,442	-	12,442
Total Expenditures	<u>648,551</u>	<u>40,532</u>	<u>689,083</u>
Revenues Over (Under) Expenditures	<u>323,264</u>	<u>(34,872)</u>	<u>288,392</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	1,846	163,250	165,096
Transfers to Other Funds	(163,250)	(1,846)	(165,096)
Total Other Financing Sources (Uses)	<u>(161,404)</u>	<u>161,404</u>	<u>-</u>
Net Change in Fund Balance	<u>161,860</u>	<u>126,532</u>	<u>288,392</u>
Fund Balance - Beginning of Year	<u>1,015,180</u>	<u>148,877</u>	<u>1,164,057</u>
Fund Balance - End of Year	<u>\$ 1,177,040</u>	<u>\$ 275,409</u>	<u>\$ 1,452,449</u>

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

TOWN OF CALABASH, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Governmental Funds

For the Year Ended June 30, 2008

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

Net changes in fund balances - total governmental funds	\$	288,392
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures which were capitalized	\$	67,272	
Depreciation expense		<u>(35,578)</u>	31,694

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

Change in deferred revenue for ad valorem tax revenues	14,038	
Change in deferred revenue for other taxes	76	
Interest earned on ad valorem taxes	<u>774</u>	14,888

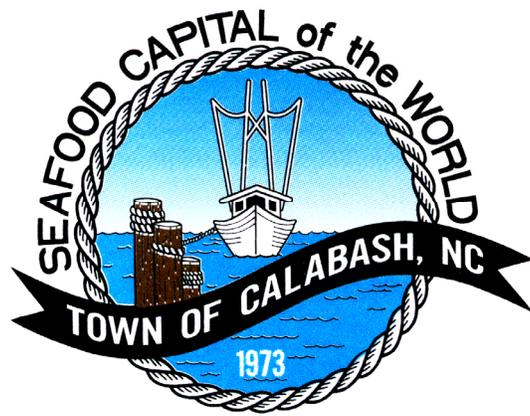
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also governmental funds report the effect 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.

Debt issuance	-	
Debt retirement	<u>12,442</u>	12,442

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:

Compensated absences	<u>158</u>	158
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Total changes in net assets of governmental activities	\$	<u><u>347,574</u></u>
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TOWN OF CALABASH, NORTH CAROLINA

General Fund

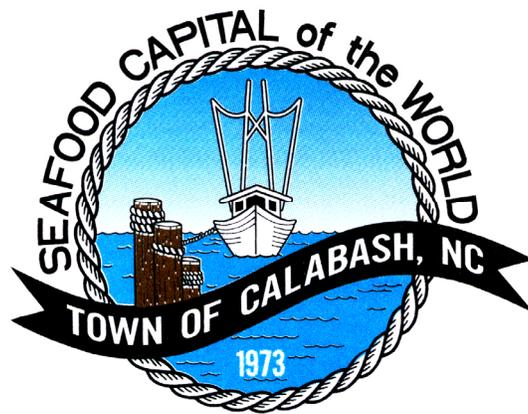
Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2008

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad Valorem Taxes	\$ 211,322	\$ 211,322	\$ 197,632	\$ (13,690)
Other Taxes and Licenses	6,050	6,050	7,252	1,202
Unrestricted Intergovernmental	542,500	542,500	548,909	6,409
Restricted Intergovernmental	51,000	51,000	55,573	4,573
Permits and Fees	89,300	89,300	127,855	38,555
Investment Earnings	31,500	31,500	33,501	2,001
Miscellaneous	500	500	1,093	593
Total Revenues	932,172	932,172	971,815	39,643
Expenditures				
Governing Body	10,900	10,900	8,151	2,749
Administration	308,735	308,735	273,005	35,730
Elections	2,500	2,500	1,189	1,311
Public Buildings	119,000	19,000	21,703	(2,703)
Fire and Rescue	32,150	32,150	36,732	(4,582)
Inspections	87,500	87,500	101,737	(14,237)
Streets and Highways	123,450	123,450	112,514	10,936
Powell Bill	84,000	84,000	46,255	37,745
Sanitation	17,500	17,500	10,646	6,854
Drainage and Watershed	81,000	81,000	6,666	74,334
Planning and Zoning	48,420	48,420	10,805	37,615
Town Beautification	6,850	6,850	6,706	144
Debt Service	13,575	13,575	12,442	1,133
Contingency	25,000	25,000	-	25,000
Total Expenditures	960,580	860,580	648,551	212,029
Revenues Over (Under) Expenditures	(28,408)	71,592	323,264	251,672
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	1,846	1,846
Transfers to Other Funds	(30,000)	(163,250)	(163,250)	-
Total Other Financing Sources (Uses)	(30,000)	(163,250)	(161,404)	1,846
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(58,408)	(91,658)	161,860	253,518
Appropriated Fund Balance	58,408	91,658	-	(91,658)
Net Change in Fund Balance	\$ -	\$ -	161,860	\$ 161,860
Fund Balance - Beginning of Year			1,015,180	
Fund Balance - End of Year			\$ 1,177,040	

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



TOWN OF CALABASH, NORTH CAROLINA

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Calabash and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Calabash is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

Town of Calabash ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Town of Calabash ABC Board, 10223 Beach Road, Calabash, NC 28467.

B. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental are aggregated and reported as nonmajor funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from nonexchange transactions. Other nonoperating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State funds, and various other taxes and licenses. The primary expenditures are for inspections, street maintenance and construction, and general administration.

The Town reports the following non-major governmental funds:

Maintenance Building Capital Project Fund. This fund is used to account for funds held for costs associated with construction of a maintenance building.

Capital Improvement Fund. This fund is used to account for funds held for future capital expenditures.

Future Stormwater Fund. This fund is used to account for funds held for future costs associated with stormwater.

Future Police Department Fund. This fund is used to account for funds held for future costs associated with a police department.

Sewer Expansion Fund. This fund is used to account for funds held for future costs associated with sewer expansion.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-wide. The government-wide statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Brunswick County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the Town of Calabash. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the Town's vehicle taxes for vehicles registered in Brunswick County from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues. In addition, as of January 1, 2007, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. Originally, annually registration expired December 31st each year with taxes due by May 1st of the following year. To transition from the staggered into the annual registration, the initial 2007 registration renewals will vary from 7 to 18 months after December 31, 2006. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

As permitted by generally accepted accounting principles, the Town has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Capital Improvement Fund, Future Stormwater Fund, Future Police Department Fund, and Sewer Expansion Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Maintenance Building Capital Project Fund.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The Budget Officer is authorized to transfer appropriations within a department; however, such changes should not result in increases in recurring obligations such as salaries and may transfer amounts up to \$1000 between departments within the same fund. A budget amendment must be made for all such transfers at the next regular Board meeting. No amounts may be transferred between funds except as approved by the Governing Board in the Budget Ordinance. All amendments must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

All deposits of the Town and the ABC Board are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town and the ABC Board 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 bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2007.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Fund Equity (Continued)

4. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

5. Inventory and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased.

The inventories of the Town's enterprise funds and those of the ABC Board consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government – wide and fund financial statements and expensed as the items are used.

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: equipment, \$5,000; buildings, \$20,000; and infrastructure, \$100,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003 are not recorded. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	25
Buildings	50
Improvements	25
Vehicles	5
Furniture and Fixtures	10
Equipment	5
Computer Equipment	3
Software	3

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Fund Equity (Continued)

6. Capital Assets (Continued)

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Asset Class	Estimated Useful Lives
Land Improvements	20
Buildings	40
Furniture and fixtures	10
Store Equipment	5-7
Office Equipment	3-10

7. Long-Term Obligations

In the government-wide financial statements and in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

8. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to three weeks (120 hours) earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

9. Net Assets/Fund Balances

Net assets in government-wide statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Fund Equity (Continued)

9. Net Assets/Fund Balances (Continued)

State law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved for Inventories - portion of fund balance that is not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable, available resources.

Reserved for Encumbrances - portion of fund balance available to pay for commitments related to purchase orders or contracts which remain unperformed at year-end.

Reserved by State Statute - portion of fund balance, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

Reserved for Streets - Powell Bill - portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Unreserved:

Designated for Subsequent Year's Expenditures - portion of the total fund balance available for appropriation that has been designated for the adopted 2008 - 2009 budget ordinance.

Undesignated - portion of total fund balance available for appropriation that is uncommitted at year-end.

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All the deposits of the Town and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the ABC Board, these deposits are considered to be held by the Town's and the ABC Board's agents in their names. 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 the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, the ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and the ABC Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town and the ABC Board have no policy regarding custodial credit risk for deposits.

At June 30, 2008, the Town's deposits had a carrying amount of \$1,320,824 and a bank balance of \$1,325,919. Of the bank balance, \$100,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the ABC Board was \$413,769 and the bank balance was \$406,246. Of the bank balance, \$100,000 was covered by federal depository insurance.

2. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Assets are net of the following allowances for doubtful accounts:

Fund	06/30/2008
General Fund:	
Ad Valorem Taxes receivable	\$ 2200
Total	\$ 2200

TOWN OF CALABASH, NORTH CAROLINA
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2008

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

3. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 220,632	\$ -	\$ -	\$ 220,632
Total capital assets not being Depreciated	220,632	-	-	220,632
Capital assets being depreciated:				
Buildings	314,290	45,822	-	360,112
Equipment	57,748	5,150	-	62,898
Vehicles	73,981	16,300	-	90,281
Total capital assets being Depreciated	446,019	67,272	-	513,291
Less accumulated depreciation for:				
Buildings	15,306	6,286	-	21,592
Equipment	14,000	12,322	-	26,322
Vehicles	17,666	16,970	-	34,636
Total accumulated depreciation	46,972	35,578	-	82,550
Total capital assets being depreciated, net	399,047			430,741
Governmental activity capital assets, net	<u>\$ 619,679</u>			<u>\$ 651,373</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Town Beautification	\$ 10,274
Administration	2,590
Public Buildings	6,286
Inspections	4,665
Transportation	11,763
Total depreciation expense	<u>\$ 35,578</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Land	\$ 119,763	\$ -	\$ -	\$ 119,763
Land Improvements	1,438	-	-	1,438
Buildings	231,915	-	-	231,915
Furniture and Fixtures	16,479	-	-	16,479
Equipment	32,794	-	-	32,794
Total capital assets being depreciated	<u>402,389</u>	-	-	<u>402,389</u>
Less accumulated depreciation for:				
Land	-	-	-	-
Land Improvements	1,151	71	-	1,222
Buildings	90,833	5,798	-	96,631
Furniture and Fixtures	13,180	842	-	14,022
Equipment	25,300	4,155	-	29,455
Total accumulated depreciation	<u>130,464</u>	<u>\$ 10,866</u>	<u>\$ -</u>	<u>141,330</u>
ABC capital assets, net	<u>\$ 271,925</u>			<u>\$ 261,059</u>

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Calabash contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The Town is required to contribute at an actuarially determined rate. For the Town, the current rate for employees not engaged in law enforcement is 12.17% of annual covered payroll. The contribution requirements of members and of the Town of Calabash is established and may be amended by the North Carolina General Assembly. The Town's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$26,078, \$20,712, and \$18,719, respectively. The contributions made by the Town equaled the required contributions for each year.

2. Deferred / Unearned Revenues

The balance in deferred / unearned revenues at year-end is composed of the following elements:

	Deferred Revenue
Taxes receivable (General Fund)	\$ 19,340
Beer and Wine taxes receivable (General Fund)	1,635
Total	<u>\$ 20,975</u>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability coverage of \$2 million per occurrence, auto, public officials and employment practices, workers' compensation and employee benefits liability coverage of \$1 million per occurrence, property coverage up to the total insurance value of the property, and health insurance for Town employees. There is no lifetime limit on employee health insurance. The Town is in flood zone X and does not carry flood insurance.

There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The finance officer and tax collector are each individually bonded for \$50,000 each.

4. Long-Term Obligations

a. Installment Purchase

In May 2006, the Town entered into a \$40,720 note payable with CNH Capital for the purchase of a New Holland tractor and various attachments. The financing contract requires 36 payments beginning on June 30, 2006 with a 0% interest rate.

TOWN OF CALABASH, NORTH CAROLINA
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2008

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

4. Long-Term Obligations (Continued)

a. Installment Purchase (Continued)

Annual debt service payments of the installment purchase as of June 30, 2008 are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2009	\$ 13,573	\$ -
Total	\$ 13,573	\$ -

b. Changes in Long-Term Liabilities

The following is a summary of changes in the Town's long-term obligations for the fiscal year ended June 30, 2008:

	Balance July 1, 2007	Increases	Decreases	Balance June 30, 2008	Current Portion
Governmental Activities:					
Capitalized Leases	\$ -	\$ -	\$ -	\$ -	-
Installment Purchases	26,015	-	12,442	13,573	13,573
Compensated Absences	4,670	-	158	4,512	-
Governmental Activity Long-Term Liabilities	\$ 30,685	\$ -	\$ 12,600	\$ 18,085	\$ 13,573

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

5. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2008, consist of the following:

From the Maintenance Building Capital Project Fund to the General Fund	\$ 1,846
From the General Fund to the Capital Improvement Fund	15,000
From the General Fund to the Future Stormwater Fund	15,000
From the General Fund to the Future Police Department Fund	33,250
From the General Fund to the Sewer Expansion Fund	100,000
Total	\$ 165,096

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

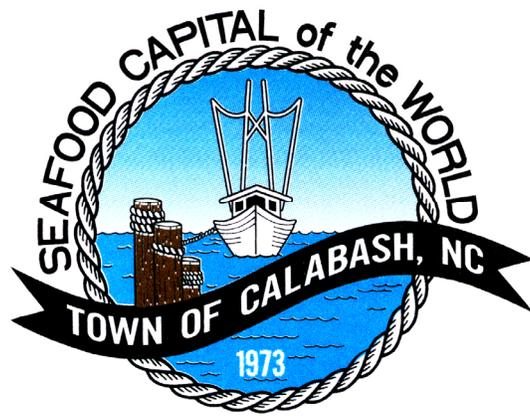
A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2008, the expenditures made in the City's General Fund exceeded the authorized appropriations made by the governing board for Public Buildings by \$2,703, Fire and Rescue by \$4,582, and Inspections by \$14,237. These over-expenditures occurred because budget amendments were not made. Management and the Board will more closely review the budget to ensure compliance in the future.

IV. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.



Major Governmental Funds

General Fund

TOWN OF CALABASH, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes			
Taxes	\$ -	\$ 196,929	\$ -
Penalties and Interest		703	
Total Ad Valorem Taxes	211,322	197,632	(13,690)
Other Taxes and Licenses			
Animal Taxes		45	
Privilege Licenses		7,207	
Total Other Taxes and Licenses	6,050	7,252	1,202
Unrestricted Intergovernmental			
Local Option Sales Tax		348,884	
Utility Franchise Tax		71,855	
Telecommunications Tax		18,344	
Video Franchise Fee		4,225	
Beer and Wine Tax		6,541	
ABC Profit Distribution		99,060	
Total Unrestricted Intergovernmental	542,500	548,909	6,409
Restricted Intergovernmental			
Powell Bill Allocation		55,573	
Total Restricted Intergovernmental	51,000	55,573	4,573
Permits and Fees			
Inspection Fees		26,230	
Building Permits		101,625	
Total Permits and Fees	89,300	127,855	38,555
Investment Earnings			
General		31,263	
Powell Bill		2,238	
Total Investment Earnings	31,500	33,501	2,001
Miscellaneous			
Other		1,093	
Total Miscellaneous	500	1,093	593
Total Revenues	932,172	971,815	39,643

TOWN OF CALABASH, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Governing Body			
Board Fees	\$ -	\$ 4,091	\$ -
Other Operating Expenditures		4,060	
Total Governing Body	10,900	8,151	2,749
Administration			
Salaries, Wages and Employee Benefits		176,279	
Professional Services		29,542	
Other Operating Expenditures		48,103	
Capital Outlay		19,081	
Total Administration	308,735	273,005	35,730
Elections			
Other Operating Expenditures	2,500	1,189	1,311
Public Buildings			
Other Operating Expenditures		16,413	
Capital Outlay		5,290	
Total Public Buildings	19,000	21,703	(2,703)
Fire and Rescue			
Donation to Town VFD		34,732	
Donation to Town Rescue		2,000	
Total Fire and Rescue	32,150	36,732	(4,582)
Inspections			
Salaries, Wages and Employee Benefits		91,022	
Other Operating Expenditures		8,346	
Capital Outlay		2,369	
Total Inspections	87,500	101,737	(14,237)
Streets and Highways			
Salaries, Wages and Employee Benefits		58,584	
Street Lights and Power Lines		36,593	
Other Operating Expenditures		17,337	
Total Streets and Highways	123,450	112,514	10,936
Powell Bill			
Salaries, Wages and Employee Benefits		10,869	
Contracted Services		26,800	
Other Operating Expenditures		8,586	
Total Powell Bill	84,000	46,255	37,745

TOWN OF CALABASH, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Sanitation			
Contracted Services	\$ -	\$ 10,646	\$ -
Total Sanitation	17,500	10,646	6,854
Drainage and Watershed			
Salaries, Wages and Employee Benefits		267	
Professional Services		2,739	
Drainage Ditches		3,660	
Total Drainage and Watershed	81,000	6,666	74,334
Planning and Zoning			
Board Fees		3,882	
Other Operating Expenditures		6,923	
Total Planning and Zoning	48,420	10,805	37,615
Town Beautification			
Contracted Services		3,656	
Other Operating Expenditures		3,050	
Total Beach and Strand	6,850	6,706	144
Debt Service			
Principal Retirement		12,442	
Interest		-	
Total Debt Service	13,575	12,442	1,133
Contingency	25,000	-	25,000
Total Expenditures	860,580	648,551	212,029
Revenues Over (Under)			
Expenditures	71,592	323,264	251,672
Other Financing Sources (Uses)			
Transfers In:			
Maintenance Building Capital			
Project Fund	-	1,846	1,846
Transfers Out:			
Sewer Expansion Fund	(100,000)	(100,000)	-
Capital Improvement Fund	(15,000)	(15,000)	-
Future Stormwater Fund	(15,000)	(15,000)	-
Future Police Department Fund	(33,250)	(33,250)	-
Total Other Financing Sources (Uses)	(163,250)	(161,404)	1,846

TOWN OF CALABASH, NORTH CAROLINA

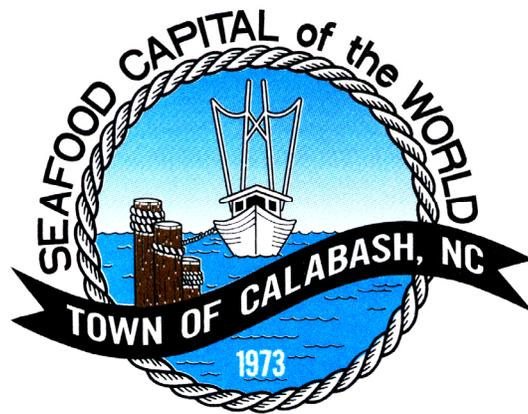
General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Financing Uses	\$ (91,658)	\$ 161,860	\$ 253,518
Fund Balance Appropriated	<u>91,658</u>	<u>-</u>	<u>(91,658)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>161,860</u>	<u>\$ 161,860</u>
Fund Balance - Beginning of Year		<u>1,015,180</u>	
Fund Balance - End of Year		<u>\$ 1,177,040</u>	



Nonmajor Governmental Funds

TOWN OF CALABASH, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2008

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and Investments	\$ 275,409	\$ -	\$ 275,409
Total Assets	<u>275,409</u>	<u>-</u>	<u>275,409</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable and Accrued Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Unreserved	<u>275,409</u>	<u>-</u>	<u>275,409</u>
Total Fund Balances	<u>275,409</u>	<u>-</u>	<u>275,409</u>
Total Liabilities and Fund Balances	<u>\$ 275,409</u>	<u>\$ -</u>	<u>\$ 275,409</u>

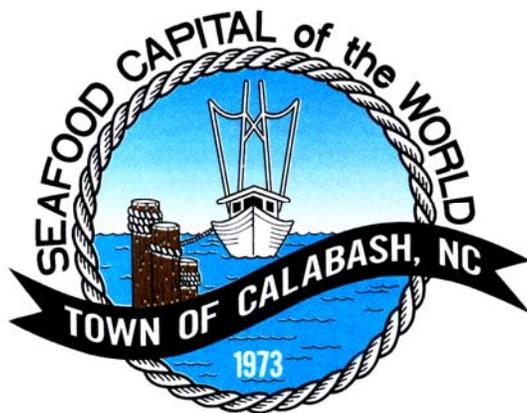
TOWN OF CALABASH, NORTH CAROLINA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended June 30, 2008

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Investment Earnings	\$ 5,660	\$ -	\$ 5,660
Expenditures			
Public Buildings	-	40,532	40,532
Revenues Over (Under) Expenditures	<u>5,660</u>	<u>(40,532)</u>	<u>(34,872)</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	163,250	-	163,250
Transfers to Other Funds	-	(1,846)	(1,846)
Total Other Financing Sources (Uses)	<u>163,250</u>	<u>(1,846)</u>	<u>161,404</u>
Net Changes in Fund Balances	168,910	(42,378)	126,532
Fund Balance, Beginning	<u>106,499</u>	<u>42,378</u>	<u>148,877</u>
Fund Balance, Ending	<u>\$ 275,409</u>	<u>\$ -</u>	<u>\$ 275,409</u>



Nonmajor Governmental Funds

Special Revenue Funds

TOWN OF CALABASH, NORTH CAROLINA

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2008

	Capital Improvement Fund	Future Stormwater Fund	Future Police Department Fund
Assets			
Cash and Cash Equivalents	\$ 76,145	\$ 31,677	\$ 66,945
Total Assets	<u>76,145</u>	<u>31,677</u>	<u>66,945</u>
Fund Balances			
Unreserved	<u>76,145</u>	<u>31,677</u>	<u>66,945</u>
Total Fund Balances	<u>\$ 76,145</u>	<u>\$ 31,677</u>	<u>\$ 66,945</u>

Sewer Expansion Fund	Total
\$ 100,642	\$ 275,409
<u>100,642</u>	<u>275,409</u>

100,642	275,409
<u>\$ 100,642</u>	<u>\$ 275,409</u>

TOWN OF CALABASH, NORTH CAROLINA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2008

	Capital Improvement Fund	Future Stormwater Fund	Future Police Department Fund
Revenues			
Investment Earnings	\$ 2,392	\$ 960	\$ 1,666
Expenditures			
Capital Outlay	-	-	-
Revenues Over (Under) Expenditures	2,392	960	1,666
Other Financing Sources			
Transfers from Other Funds	15,000	15,000	33,250
Net Change in Fund Balance	17,392	15,960	34,916
Fund Balance - Beginning of Year	58,753	15,717	32,029
Fund Balance - End of Year	\$ 76,145	\$ 31,677	\$ 66,945

Sewer Expansion	
Fund	Total
\$ 642	\$ 5,660
-	-
642	5,660
100,000	163,250
100,642	168,910
-	106,499
<u>\$ 100,642</u>	<u>\$ 275,409</u>

TOWN OF CALABASH, NORTH CAROLINA
 Capital Improvement Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 2,392	\$ 2,392
Other Financing Sources			
Transfers in:			
General Fund	15,000	15,000	-
Total Other Financing Sources	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Revenues and Other Financing Sources	15,000	17,392	2,392
Appropriated Fund Balance	<u>(15,000)</u>	-	15,000
Net Change in Fund Balance	<u>\$ -</u>	17,392	<u>\$ 17,392</u>
Fund Balance - Beginning of Year		<u>58,753</u>	
Fund Balance - End of Year		<u>\$ 76,145</u>	

TOWN OF CALABASH, NORTH CAROLINA

Future Stormwater Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 960	\$ 960
Other Financing Sources			
Transfers in:			
General Fund	15,000	15,000	-
Total Other Financing Sources	<u>15,000</u>	<u>15,000</u>	-
Revenues and Other Financing Sources	15,000	15,960	960
Appropriated Fund Balance	<u>(15,000)</u>	-	15,000
Net Change in Fund Balance	<u>\$ -</u>	15,960	<u>\$ 15,960</u>
Fund Balance - Beginning of Year		<u>15,717</u>	
Fund Balance - End of Year		<u>\$ 31,677</u>	

TOWN OF CALABASH, NORTH CAROLINA

Future Police Department Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 1,666	\$ 1,666
Other Financing Sources			
Transfers in:			
General Fund	33,250	33,250	-
Total Other Financing Sources	<u>33,250</u>	<u>33,250</u>	-
Revenues and Other Financing Sources	33,250	34,916	1,666
Appropriated Fund Balance	<u>(33,250)</u>	-	33,250
Net Change in Fund Balance	<u>\$ -</u>	34,916	<u>\$ 34,916</u>
Fund Balance - Beginning of Year		<u>32,029</u>	
Fund Balance - End of Year		<u>\$ 66,945</u>	

TOWN OF CALABASH, NORTH CAROLINA

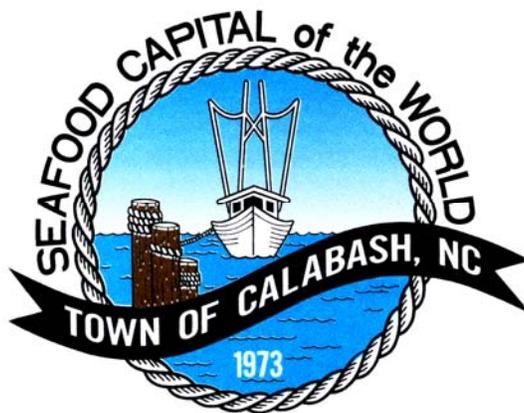
Sewer Expansion Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2008

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 642	\$ 642
Other Financing Sources			
Transfers in:			
General Fund	100,000	100,000	-
Total Other Financing Sources	<u>100,000</u>	<u>100,000</u>	-
Revenues and Other Financing Sources	100,000	100,642	642
Appropriated Fund Balance	<u>(100,000)</u>	-	100,000
Net Change in Fund Balance	<u>\$ -</u>	100,642	<u>\$ 100,642</u>
Fund Balance - Beginning of Year		<u>-</u>	
Fund Balance - End of Year		<u>\$ 100,642</u>	



Nonmajor Governmental Funds

Capital Project Funds

TOWN OF CALABASH, NORTH CAROLINA

Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2008

	Maintenance Building Capital Project Fund	Total
	<hr/>	<hr/>
Assets		
Cash and Cash Equivalents	\$ -	\$ -
	<hr/>	<hr/>
Total Assets	-	-
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Accounts Payable and Accrued Liabilities	-	-
	<hr/>	<hr/>
Total Liabilities	-	-
	<hr/>	<hr/>
Fund Balances		
Unreserved	-	-
	<hr/>	<hr/>
Total Fund Balances	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

TOWN OF CALABASH, NORTH CAROLINA

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Capital Project Funds

For the Fiscal Year Ended June 30, 2008

	Maintenance Building Capital Project Fund	Total
Revenues		
Investment Earnings	\$ -	\$ -
Expenditures		
Public Buildings	40,532	40,532
Revenues Over (Under) Expenditures	(40,532)	(40,532)
Other Financing Sources (Uses)		
Transfers to Other Funds	(1,846)	(1,846)
Net Change in Fund Balance	(42,378)	(42,378)
Fund Balance - Beginning of Year	42,378	42,378
Fund Balance - End of Year	\$ -	\$ -

TOWN OF CALABASH, NORTH CAROLINA

Maintenance Building Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

From Inception and for the Fiscal Year Ended June 30, 2008

	Actual			Totals to Date	Variance Positive (Negative)
	Project Authorization	Prior Year	Current Year		
Revenues					
Investment Earnings	\$ -	\$ -	\$ -	\$ -	-
Expenditures					
Public Buildings					
Professional Services	57,500	49,752	38,915	88,667	(31,167)
Contracted Services	155,000	125,000	-	125,000	30,000
Administrative	7,500	2,870	1,617	4,487	3,013
Total Expenditures	220,000	177,622	40,532	218,154	1,846
Revenues Over (Under)					
Expenditures	(220,000)	(177,622)	(40,532)	(218,154)	1,846
Other Financing Sources (Uses)					
Transfers in:					
General Fund	220,000	220,000	-	220,000	-
Transfers out:					
General Fund	-	-	(1,846)	(1,846)	(1,846)
Total Other Financing Sources (Uses)	220,000	220,000	(1,846)	218,154	(1,846)
Net Change in Fund Balance	\$ -	\$ 42,378	(42,378)	\$ -	\$ -
Fund Balance - Beginning			42,378		
Fund Balance - Ending			\$ -		

Other Schedules

TOWN OF CALABASH, NORTH CAROLINA

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2008

Fiscal Year	Uncollected Balance 7-1-07	Additions and Adjustments	Collections and Credits	Uncollected Balance 6-30-08
2007-08	\$ -	\$ 212,784	\$ 194,307	\$ 18,477
2006-07	2,566	-	1,845	721
2005-06	705	-	144	561
2004-05	1,096	-	426	670
2003-04	586	-	204	382
2002-03	345	-	94	251
2001-02	122	-	4	118
2000-01	84	-	-	84
1999-00	119	-	2	117
1998-99	158	-	-	158
1997-98	121	-	121	-
	\$ 5,902	\$ 212,784	\$ 197,147	21,539

Less: Allowance for Uncollectible Accounts:

General Fund

2,200

Ad Valorem Taxes Receivable - Net

19,339

Reconciliation with Revenues

Ad Valorem Taxes - General Fund

197,632

Reconciling Items:

Interest and Penalties Collected

(703)

Taxes Released

97

Taxes Written Off

121

Total Collections and Credits

\$ 197,147

TOWN OF CALABASH, NORTH CAROLINA

Analysis of Current Tax Levy

Town-Wide Levy

June 30, 2008

	Town-Wide		Total Levy		
	Property Valuation	Rate Per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property Taxed at Current Year's Rate	\$ 304,081,581	0.070	\$ 212,858	\$ 205,070	\$ 7,788
Discoveries:					
Current Year Taxes	-	0.070	-	-	-
Penalties	-		-	-	-
Abatements:					
Property Taxes - Current Year's Rate	(106,157)	0.070	(74)	-	(74)
Total Property Valuations	<u>\$ 303,975,424</u>				
Net Levy			212,784	205,070	7,714
Uncollected Taxes at June 30, 2008			(18,477)	(17,377)	(1,100)
Current Year's Taxes Collected			<u>\$ 194,307</u>	<u>\$ 187,693</u>	<u>\$ 6,614</u>
Current Levy Collection Percentage			<u>91.32%</u>	<u>91.53%</u>	<u>85.74%</u>

