

Town of Hillsborough, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2018

Exhibit 8
(2 pages)

	Major Water & Sewer Fund	Nonmajor Stormwater Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 10,170,068	\$ 681,785	\$ 10,851,853
Cash paid for goods and services	(3,518,784)	(207,045)	(3,725,829)
Cash paid to or on behalf of employees for services	(2,456,455)	(205,121)	(2,661,576)
Net cash provided by operating activities	<u>4,194,829</u>	<u>269,619</u>	<u>4,464,448</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(1,946,686)	-	(1,946,686)
Proceeds from sale of capital assets	19,762	-	19,762
Proceeds from issuance of long-term debt	10,505,102	-	10,505,102
Premium received on issuance of bonds	1,025,846	-	1,025,846
Principal paid on bonds, notes and installment purchases	(3,349,500)	-	(3,349,500)
Payment of bond issuance costs	(361,573)	-	(361,573)
Interest paid on bonds and installment purchases	(445,510)	-	(445,510)
Net cash used by capital and related financing activities	<u>5,447,441</u>	<u>-</u>	<u>5,447,441</u>
Cash flows from investing activities			
Interest on investments	<u>44,935</u>	<u>-</u>	<u>44,935</u>
Net cash provided by investing activities	<u>44,935</u>	<u>-</u>	<u>44,935</u>
Net increase in cash and cash equivalents	9,687,205	269,619	9,956,824
Cash and cash equivalents, beginning	<u>11,617,315</u>	<u>270,083</u>	<u>11,887,398</u>
Cash and cash equivalents, ending	<u>\$ 21,304,520</u>	<u>\$ 539,702</u>	<u>\$ 21,844,222</u>
Cash and cash equivalents			
Unrestricted	\$ 9,315,727	\$ 539,702	\$ 9,855,429
Restricted	<u>11,988,793</u>	<u>-</u>	<u>11,988,793</u>
Total cash and cash equivalents	<u>\$ 21,304,520</u>	<u>\$ 539,702</u>	<u>\$ 21,844,222</u>

Town of Hillsborough, North Carolina

Schedule 11

Schedule of Revenues

Budget and Actual (Non-GAAP)

Water and Sewer Fund

Enterprise Fund

**Year Ended June 30, 2018 with Comparative Actual Amounts
for Year Ended June 30, 2017**

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating revenues:				
Water charges	\$ 3,950,000	\$ 4,092,154	\$ 142,154	\$ 3,897,326
Sewer charges	4,010,000	4,428,334	418,334	4,575,619
Other receipts	1,583,356	1,744,469	161,113	920,340
	9,543,356	10,264,957	721,601	9,393,285
Nonoperating revenues:				
Interest on investments	3,030	15,745	12,715	10,670
Total revenues	<u>\$ 9,546,386</u>	<u>\$ 10,280,702</u>	<u>\$ 734,316</u>	<u>\$ 9,403,955</u>

Town of Hillsborough, North Carolina
Schedule of Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Enterprise Fund
Year Ended June 30, 2018 with Comparative Actual Amounts
for Year Ended June 30, 2017

Schedule 12
(3 pages)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures				
Engineering:				
Personnel services		\$ 300,579		\$ 418,031
Other services and charges		1,678,247		1,493,526
Capital outlay		-		29,309
Total engineering	<u>\$ 2,374,678</u>	<u>1,978,826</u>	<u>\$ 395,852</u>	<u>1,940,866</u>
Billing and collection:				
Personnel services		268,690		333,932
Other services and charges		418,495		376,311
Repairs and maintenance		245		725
Debt service payments		1,270,205		66,223
Total billing and collection	<u>1,810,210</u>	<u>1,957,635</u>	<u>(147,425)</u>	<u>777,191</u>
Water plant:				
Personnel services		582,644		571,480
Other services and charges		280,721		356,397
Repairs and maintenance		35,610		47,338
Capital outlay		31,762		-
Debt service payments		109,051		111,301
Total water plant	<u>1,440,198</u>	<u>1,039,788</u>	<u>400,410</u>	<u>1,086,516</u>
Water distribution:				
Personnel services		420,977		410,666
Other services and charges		254,334		238,765
Repairs and maintenance		5,314		21,057
Capital outlay		175,124		141,840
Debt service payments		123,903		124,244
Total water distribution	<u>1,212,463</u>	<u>979,652</u>	<u>232,811</u>	<u>936,572</u>
Wastewater collection:				
Personnel services		415,539		407,081
Other services and charges		279,854		322,098
Repairs and maintenance		34,158		17,820
Capital outlay		174,713		175,016
Debt service payments		75,150		76,295
Total wastewater collection	<u>1,300,229</u>	<u>979,414</u>	<u>320,815</u>	<u>998,310</u>

Town of Hillsborough, North Carolina
Schedule of Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Enterprise Fund
Year Ended June 30, 2018 with Comparative Actual Amounts
for Year Ended June 30, 2017

Schedule 12
(3 pages)

	2018			2017
	Budget	Actual	Variance Positive (Negative)	Actual
Wastewater plant:				
Personnel services		\$ 466,381		\$ 446,319
Other services and charges		314,788		304,502
Repairs and maintenance		167,736		152,672
Capital outlay		28,232		86,297
Debt service payments		1,262,151		1,284,012
Total wastewater plant	\$ 2,411,897	2,239,288	\$ 172,609	2,273,802
Reservoir:				
Other services and charges		23,985		17,853
Repairs and maintenance		13,400		6,600
Debt service payments		970,558		640,666
Total reservoir	1,130,045	1,007,943	122,102	665,119
Total expenditures	11,679,720	10,182,546	1,497,174	8,678,376
Revenues over (under) expenditures	(2,133,334)	98,156	2,231,490	725,579
Other financing sources (uses)				
Transfer to Water and Sewer Capital Reserve Fund	(1,349,656)	(1,349,656)	-	(909,406)
Transfer to Water and Sewer Capital Projects Fund	(552,488)	(552,488)	-	(1,263,444)
Transfer from Water and Sewer Capital Projects Fund	-	2,815,211	2,815,211	-
Transfer from Water and Sewer Capital Reserve Fund	1,560,473	1,560,473	-	1,510,149
Installment purchase obligations issued	-	289,752	289,752	-
Sale of capital assets	-	19,762	19,762	-
Total other financing sources (uses)	(341,671)	2,783,054	3,124,725	(662,701)
Excess of revenues and other financing sources (uses) over (under) expenditures and other uses	(2,475,005)	2,881,210	5,356,215	62,878
Appropriated fund balance	2,475,005	-	(2,475,005)	-
Excess of revenues and other uses over expenditures and other uses	\$ -	\$ 2,881,210	\$ 2,881,210	\$ 62,878

Town of Hillsborough, North Carolina
Schedule of Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Enterprise Fund
Year Ended June 30, 2018 with Comparative Actual Amounts
for Year Ended June 30, 2017

Schedule 12
(3 pages)

Reconciliation of budgetary basis (modified accrual) to full accrual basis

Excess of revenues and other sources over expenditures and other uses	\$ 2,881,210
Reconciling items:	
Interest income from Water and Sewer Capital Projects Fund	3,502
Interest income from Water and Sewer Capital Reserve Fund	25,688
Other revenue from Water and Sewer Capital Projects Fund	17,748
Payment of principal on notes, bonds and installment purchases	3,365,508
Decrease in deferred outflows of resources - pensions	(252,949)
Decrease in net pension liability	237,382
Decrease in deferred inflows of resources - pensions	11,045
Increase in deferred outflows of resources - OPEB	9,597
Decrease in total OPEB liability	6,356
Increase in deferred inflows of resources - OPEB	(25,387)
Capital outlay	409,831
Noncapitalizable capital project expenditures	(361,573)
Depreciation	(1,800,117)
Loss on disposal of capital assets	(254,121)
Proceeds from the sale of capital assets	(19,762)
Interest expense accrual adjustment	(35,191)
Vacation pay accrual adjustment	(22,772)
Bad debts	(33,435)
Accrued claims and judgements	(300,000)
Capital contributions from developer	363,598
Amortization of deferred loss on refunding	(8,836)
Amortization of premium on bonds payable	7,172
Installment purchase obligations issued	(289,752)
Transfer from Water and Sewer Capital Projects Fund	(2,815,211)
Transfer to Water and Sewer Capital Projects Fund	552,488
Transfer from Water and Sewer Capital Reserve Fund	(1,560,473)
Transfer to Water and Sewer Capital Reserve Fund	1,349,656
Change in net position	<u>\$ 1,461,202</u>

Town of Hillsborough, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP)
Stormwater Fund
Enterprise Fund
Year Ended June 30, 2018

Schedule 15

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Operating revenues:			
Stormwater charges	600,750	633,191	\$ 32,441
Other operating revenues	<u>35,761</u>	<u>5,250</u>	<u>(30,511)</u>
Total revenues	<u>636,511</u>	<u>638,441</u>	<u>1,930</u>
Expenditures			
Operating expenditures:			
Personnel services		206,086	
Other services and charges		149,874	
Repairs and maintenance		<u>92,462</u>	
Total expenditures	<u>636,511</u>	<u>448,422</u>	<u>188,089</u>
Revenues over expenditures	<u>\$ -</u>	190,019	<u>\$ 190,019</u>
Reconciliation of modified accrual basis to full accrual basis:			
Increase in accrued vacation pay		(2,860)	
Increase in net pension liability		(7,262)	
Decrease in total OPEB liability		374	
Increase in deferred outflows of resources - pensions		2,565	
Decrease in deferred outflows of resources - OPEB		(1,017)	
Increase in deferred inflows of resources - pensions		(3)	
Increase in deferred inflows of resources - OPEB		<u>(1,493)</u>	
Change in net position		<u>\$ 180,323</u>	

Town of Hillsborough, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019

Exhibit 8
(2 pages)

	<u>Major Water and Sewer Fund</u>	<u>Nonmajor Stormwater Fund</u>	<u>Total</u>
Cash flows from operating activities			
Cash received from customers	\$ 11,764,062	\$ 652,738	\$ 12,416,800
Cash paid for goods and services	(4,523,241)	(339,603)	(4,862,844)
Cash paid to or on behalf of employees for services	(2,548,974)	(175,783)	(2,724,757)
Net cash provided by operating activities	<u>4,691,847</u>	<u>137,352</u>	<u>4,829,199</u>
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(6,172,577)	(31,606)	(6,204,183)
Proceeds from sale of capital assets	37,279	-	37,279
Proceeds from issuance of long-term debt	-	-	-
Premium received on issuance of bonds	-	-	-
Principal paid on bonds, notes and installment purchases	(1,171,275)	-	(1,171,275)
Payment of bond issuance costs	-	-	-
Interest paid on bonds and installment purchases	(766,598)	-	(766,598)
Net cash used by capital and related financing activities	<u>(8,073,171)</u>	<u>(31,606)</u>	<u>(8,104,777)</u>
Cash flows from investing activities			
Interest on investments	<u>243,186</u>	<u>-</u>	<u>243,186</u>
Net cash provided by investing activities	<u>243,186</u>	<u>-</u>	<u>243,186</u>
Net increase (decrease) in cash and cash equivalents	(3,138,138)	105,746	(3,032,392)
Cash and cash equivalents, beginning	<u>21,304,520</u>	<u>539,702</u>	<u>21,844,222</u>
Cash and cash equivalents, ending	<u>\$ 18,166,382</u>	<u>\$ 645,448</u>	<u>\$ 18,811,830</u>
Cash and cash equivalents			
Unrestricted	\$ 11,878,148	\$ 645,448	\$ 12,523,596
Restricted	<u>6,288,234</u>	<u>-</u>	<u>6,288,234</u>
Total cash and cash equivalents	<u>\$ 18,166,382</u>	<u>\$ 645,448</u>	<u>\$ 18,811,830</u>

Town of Hillsborough, North Carolina

Schedule 11

Schedule of Revenues

Budget and Actual (Non-GAAP)

Water and Sewer Fund

Enterprise Fund

**Year Ended June 30, 2019 with Comparative Actual Amounts
for Year Ended June 30, 2018**

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating revenues:				
Water charges	\$ 4,350,000	\$ 4,610,474	\$ 260,474	\$ 4,092,154
Sewer charges	4,360,000	4,773,747	413,747	4,428,334
Other receipts	2,326,818	2,506,530	179,712	1,744,469
	11,036,818	11,890,751	853,933	10,264,957
Nonoperating revenues:				
Interest on investments	10,000	29,325	19,325	15,745
Total revenues	<u>\$ 11,046,818</u>	<u>\$ 11,920,076</u>	<u>\$ 873,258</u>	<u>\$ 10,280,702</u>

Town of Hillsborough, North Carolina
Schedule of Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Enterprise Fund

Schedule 12
(3 pages)

Year Ended June 30, 2019 with Comparative Actual Amounts
for Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures				
Engineering:				
Personnel services		\$ 298,807		\$ 300,579
Other services and charges		2,142,364		1,678,247
Capital outlay		6,725		-
Total engineering	<u>\$ 2,827,713</u>	<u>2,447,896</u>	<u>\$ 379,817</u>	<u>1,978,826</u>
Billing and collection:				
Personnel services		258,624		268,690
Other services and charges		516,029		418,495
Repairs and maintenance		-		245
Capital outlay		28,892		
Debt service payments		39,125		1,270,205
Total billing and collection	<u>956,714</u>	<u>842,670</u>	<u>114,044</u>	<u>1,957,635</u>
Water plant:				
Personnel services		606,122		582,644
Other services and charges		298,150		280,721
Repairs and maintenance		67,650		35,610
Capital outlay		-		31,762
Debt service payments		106,715		109,051
Total water plant	<u>1,316,414</u>	<u>1,078,637</u>	<u>237,777</u>	<u>1,039,788</u>
Water distribution:				
Personnel services		471,883		420,977
Other services and charges		243,742		254,334
Repairs and maintenance		49,064		5,314
Capital outlay		83,465		175,124
Debt service payments		94,036		123,903
Total water distribution	<u>1,114,857</u>	<u>942,190</u>	<u>172,667</u>	<u>979,652</u>
Wastewater collection:				
Personnel services		462,248		415,539
Other services and charges		295,777		279,854
Repairs and maintenance		39,661		34,158
Capital outlay		94,490		174,713
Debt service payments		73,558		75,150
Total wastewater collection	<u>1,441,802</u>	<u>965,734</u>	<u>476,068</u>	<u>979,414</u>

Town of Hillsborough, North Carolina
Schedule of Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Enterprise Fund

Schedule 12
(3 pages)

Year Ended June 30, 2019 with Comparative Actual Amounts
for Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Wastewater plant:				
Personnel services		476,767		466,381
Other services and charges		313,611		314,788
Repairs and maintenance		207,344		167,736
Capital outlay		18,766		28,232
Debt service payments		1,240,289		1,262,151
Total wastewater plant	2,425,035	2,256,777	\$ 168,258	2,239,288
Reservoir:				
Other services and charges		21,622		23,985
Repairs and maintenance		10,000		13,400
Debt service payments		384,150		970,558
Total reservoir	636,989	415,772	221,217	1,007,943
Total expenditures	10,719,524	8,949,676	1,769,848	10,182,546
Revenues over (under) expenditures	327,294	2,970,400	2,643,106	98,156
Other financing sources (uses)				
Transfer to Water and Sewer Capital Reserve Fund	(2,176,594)	(2,176,594)	-	(1,349,656)
Transfer to Water and Sewer Capital Projects Fund	(810,000)	(810,000)	-	(552,488)
Transfer from Water and Sewer Capital Projects Fund	-	-	-	2,815,211
Transfer from Water and Sewer Capital Reserve Fund	466,470	466,470	-	1,560,473
Installment purchase obligations issued	-	-	-	289,752
Insurance proceeds	-	37,279	37,279	-
Sale of capital assets	-	-	-	19,762
Total other financing sources (uses)	(2,520,124)	(2,482,845)	37,279	2,783,054
Excess of revenues and other financing sources (uses) over (under) expenditures and other uses	(2,192,830)	487,555	2,680,385	2,881,210
Appropriated fund balance	2,192,830	-	(2,192,830)	-
Excess of revenues and other uses over expenditures and other uses	\$ -	\$ 487,555	\$ 487,555	\$ 2,881,210

Town of Hillsborough, North Carolina**Schedule of Expenditures****Budget and Actual (Non-GAAP)****Water and Sewer Fund****Enterprise Fund****Year Ended June 30, 2019 with Comparative Actual Amounts
for Year Ended June 30, 2018****Schedule 12****(3 pages)****Reconciliation of budgetary basis (modified accrual) to full accrual
basis**

Excess of revenues and other sources over expenditures and other uses	\$ 487,555
Reconciling items:	
Interest income from Water and Sewer Capital Projects Fund	167,154
Interest income from Water and Sewer Capital Reserve Fund	46,707
Payment of principal on notes, bonds and installment purchases	1,171,275
Decrease in deferred outflows of resources - pensions	185,158
Decrease in net pension liability	(237,775)
Decrease in deferred inflows of resources - pensions	6,366
Increase in deferred outflows of resources - OPEB	(10,187)
Decrease in total OPEB liability	(4,742)
Increase in deferred inflows of resources - OPEB	(9,344)
Capital outlay	232,338
Depreciation	(1,645,208)
Gain on disposal of capital assets	32,361
Insurance Proceeds	(37,279)
Interest expense accrual adjustment	(66,230)
Vacation pay accrual adjustment	(39,472)
Amortization of premium on bonds payable	48,344
Transfer from General Fund	175,449
Other receipts - capital project fund	12,160
Transfer to Water and Sewer Capital Projects Fund	810,000
Transfer from Water and Sewer Capital Reserve Fund	(466,470)
Transfer to Water and Sewer Capital Reserve Fund	2,176,594
Change in net position	<u>\$ 3,034,754</u>

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP)
Stormwater Fund
Enterprise Fund
Year Ended June 30, 2019

Schedule 15

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Operating revenues:			
Stormwater charges	\$ 646,000	\$ 650,296	\$ 4,296
Other operating revenues	14,607	8,775	(5,832)
Total revenues	<u>660,607</u>	<u>659,071</u>	<u>(1,536)</u>
Expenditures			
Operating expenditures:			
Personnel services		246,143	
Other services and charges		184,673	
Repairs and maintenance		79,333	
Capital outlay		31,606	
Total expenditures	<u>660,607</u>	<u>541,755</u>	<u>118,852</u>
Revenues over expenditures	<u>\$ -</u>	117,316	<u>\$ 117,316</u>
Reconciliation of modified accrual basis to full accrual basis:			
Capital outlay		31,606	
Depreciation expense		(54,970)	
Decrease in accrued vacation pay		1,367	
Increase in net pension liability		(15,616)	
Increase in total OPEB liability		(474)	
Increase in deferred outflows of resources - pensions		12,160	
Increase in deferred outflows of resources - OPEB		1,667	
Decrease in deferred inflows of resources - pensions		719	
Increase in deferred inflows of resources - OPEB		(935)	
Transfer from General Fund		<u>1,898,293</u>	
Change in net position		<u>\$ 1,991,133</u>	

Town of Hillsborough, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2020

Exhibit 8
(2 pages)

	Major Water and Sewer Fund	Nonmajor Stormwater Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 10,603,551	\$ 674,102	\$ 11,277,653
Cash paid for goods and services	(3,272,139)	(304,067)	(3,576,206)
Cash paid to or on behalf of employees for services	(2,762,718)	(176,437)	(2,939,155)
Net cash provided by operating activities	4,568,694	193,598	4,762,292
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(2,434,452)	(35,182)	(2,469,634)
Proceeds from issuance of long-term debt	3,271,000	-	3,271,000
Principal paid on bonds, notes and installment purchases	(1,189,949)	-	(1,189,949)
Interest paid on bonds and installment purchases	(809,460)	-	(809,460)
Other income	10,822	-	10,822
Net cash used by capital and related financing activities	(1,152,039)	(35,182)	(1,187,221)
Cash flows from investing activities			
Interest on investments	119,062	-	119,062
Net cash provided by investing activities	119,062	-	119,062
Net increase (decrease) in cash and cash equivalents	3,535,717	158,416	3,694,133
Cash and cash equivalents, beginning	18,166,382	645,448	18,811,830
Cash and cash equivalents, ending	\$ 21,702,099	\$ 803,864	\$ 22,505,963
Cash and cash equivalents			
Unrestricted	\$ 11,369,532	\$ 803,864	\$ 12,173,396
Restricted	10,332,567	-	10,332,567
Total cash and cash equivalents	\$ 21,702,099	\$ 803,864	\$ 22,505,963

Town of Hillsborough, North Carolina

Schedule 12

Schedule of Revenues

Budget and Actual (Non-GAAP)

Water and Sewer Fund

Enterprise Fund

**Year Ended June 30, 2020 with Comparative Actual Amounts
for Year Ended June 30, 2019**

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating revenues:				
Water charges	\$ 4,780,000	\$ 4,980,554	\$ 200,554	\$ 4,610,474
Sewer charges	4,760,000	4,974,432	214,432	4,773,747
System development fees	456,628	456,628	-	-
Other receipts	203,455	310,880	107,425	2,506,530
	10,200,083	10,722,494	522,411	11,890,751
Nonoperating revenues:				
Interest on investments	10,000	35,144	25,144	29,325
	10,000	35,144	25,144	29,325
Total revenues	<u>\$ 10,210,083</u>	<u>\$ 10,757,638</u>	<u>\$ 547,555</u>	<u>\$ 11,920,076</u>

Town of Hillsborough, North Carolina
Schedule of Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Enterprise Fund
Year Ended June 30, 2020 with Comparative Actual Amounts
for Year Ended June 30, 2019

Schedule 13
(3 pages)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures				
Engineering:				
Personnel services		\$ 363,968		\$ 298,807
Other services and charges		1,547,134		2,142,364
Capital outlay		-		6,725
Total engineering	<u>\$ 2,323,562</u>	<u>1,911,102</u>	<u>\$ 412,460</u>	<u>2,447,896</u>
Billing and collection:				
Personnel services		305,356		258,624
Other services and charges		282,098		516,029
Repairs and maintenance		-		-
Capital outlay		-		28,892
Debt service payments		39,125		39,125
Total billing and collection	<u>703,507</u>	<u>626,579</u>	<u>76,928</u>	<u>842,670</u>
Water plant:				
Personnel services		636,084		606,122
Other services and charges		366,440		298,150
Repairs and maintenance		58,209		67,650
Capital outlay		41,413		-
Debt service payments		104,378		106,715
Total water plant	<u>1,395,048</u>	<u>1,206,524</u>	<u>188,524</u>	<u>1,078,637</u>
Water distribution:				
Personnel services		495,595		471,883
Other services and charges		223,125		243,742
Repairs and maintenance		32,617		49,064
Capital outlay		11,647		83,465
Debt service payments		115,604		94,036
Total water distribution	<u>1,202,890</u>	<u>878,588</u>	<u>324,302</u>	<u>942,190</u>
Wastewater collection:				
Personnel services		485,206		462,248
Other services and charges		280,395		295,777
Repairs and maintenance		147,293		39,661
Capital outlay		198,983		94,490
Debt service payments		71,966		73,558
Total wastewater collection	<u>1,437,143</u>	<u>1,183,843</u>	<u>253,300</u>	<u>965,734</u>

Town of Hillsborough, North Carolina
Schedule of Expenditures
Budget and Actual (Non-GAAP)
Water and Sewer Fund
Enterprise Fund
Year Ended June 30, 2020 with Comparative Actual Amounts
for Year Ended June 30, 2019

Schedule 13
(3 pages)

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Wastewater plant:				
Personnel services		494,701		476,767
Other services and charges		245,657		313,611
Repairs and maintenance		159,923		207,344
Capital outlay		86,200		18,766
Debt service payments		1,218,427		1,240,289
Total wastewater plant	2,417,521	2,204,908	212,613	2,256,777
Reservoir:				
Other services and charges		21,412		21,622
Repairs and maintenance		6,440		10,000
Debt service payments		449,908		384,150
Total reservoir	606,239	477,760	128,479	415,772
Total expenditures	10,085,910	8,489,304	1,596,606	8,949,676
Revenues over (under) expenditures	124,173	2,268,334	2,144,161	2,970,400
Other financing sources (uses)				
Transfer to Water and Sewer Capital Reserve Fund	-	-	-	(2,176,594)
Transfer to Water and Sewer Capital Projects Fund	(119,695)	(119,695)	-	(810,000)
Transfer to Water System Development Reserve Fund	(263,129)	(263,129)	-	-
Transfer to Sewer System Development Reserve Fund	(193,499)	(193,499)	-	-
Transfer from Water and Sewer Capital Projects Fund	349,643	349,643	-	-
Transfer from Water and Sewer Capital Reserve Fund	97,492	97,492	-	466,470
Transfer from North Campus Project	10,822	10,822	-	-
Insurance proceeds	-	-	-	37,279
Contingency	(226,458)	-	226,458	-
Total other financing sources (uses)	(344,824)	(118,366)	226,458	(2,482,845)
Excess of revenues and other financing sources (uses) over (under) expenditures and other uses	(220,651)	2,149,968	2,370,619	487,555
Appropriated fund balance	220,651	-	(220,651)	-

Town of Hillsborough, North Carolina

Schedule of Expenditures

Budget and Actual (Non-GAAP)

Water and Sewer Fund

Enterprise Fund

**Year Ended June 30, 2020 with Comparative Actual Amounts
for Year Ended June 30, 2019**

Schedule 13

(3 pages)

	2020		Variance	2019
	Budget	Actual	Positive (Negative)	Actual
Excess of revenues and other uses over expenditures and other uses	\$ -	\$ 2,149,968	\$ 2,149,968	\$ 487,555

Reconciliation of budgetary basis (modified accrual) to full accrual basis

Excess of revenues and other sources over expenditures and other uses	\$ 2,149,968
Reconciling items:	
Interest income from Water and Sewer Capital Projects Fund	40,317
Interest income from Water and Sewer Capital Reserve Fund	37,481
Interest income from WFER Carrstore Rd Capital Project Fund	6,120
Payment of principal on notes, bonds and installment purchases	1,189,949
Increase in deferred outflows of resources - pensions	(73,707)
Decrease in net pension liability	(78,628)
Decrease in deferred inflows of resources - pensions	(4,538)
Increase in deferred outflows of resources - OPEB	7,996
Decrease in total OPEB liability	136,992
Increase in deferred inflows of resources - OPEB	(118,234)
Capital outlay	338,241
Depreciation	(1,695,988)
Loss on disposal of capital assets	(83,384)
Insurance Proceeds	-
Interest expense accrual adjustment	(15,314)
Vacation pay accrual adjustment	(4,838)
Amortization of premium on bonds payable	56,690
Contributed capital	539,500
Transfer to General Fund	(208,674)
Transfer to Water and Sewer Capital Projects	576,323
Transfer from Water and Sewer Capital Projects	(447,135)
Change in net position	\$ 2,349,137

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP)
Stormwater Fund
Enterprise Fund
Year Ended June 30, 2020

Schedule 19

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Operating revenues:			
Stormwater charges	\$ 652,000	\$ 666,355	\$ 14,355
Other operating revenues	17,757	4,522	(13,235)
	<u>669,757</u>	<u>670,877</u>	<u>1,120</u>
Expenditures			
Operating expenditures:			
Personnel services		265,927	
Other services and charges		167,175	
Repairs and maintenance		24,593	
Capital outlay		33,813	
	<u>669,757</u>	<u>491,508</u>	<u>178,249</u>
Revenues over expenditures	<u>\$ -</u>	179,369	<u>\$ 179,369</u>
Reconciliation of modified accrual basis to full accrual basis:			
Capital outlay		33,813	
Depreciation expense		(56,645)	
Gain on disposal of fixed assets		0	
Increase in accrued vacation pay		(75)	
Increase in net pension liability		(7,826)	
Increase in total OPEB liability		13,634	
Increase in deferred outflows of resources - pensions		(7,336)	
Increase in deferred outflows of resources - OPEB		789	
Decrease in deferred inflows of resources - pensions		(452)	
Increase in deferred inflows of resources - OPEB		(11,766)	
Transfer from General Fund		-	
Change in net position		<u>\$ 143,505</u>	

Town of Hillsborough, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2021

	Water and Sewer Fund	Nonmajor Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 10,793,638	\$ 703,938	\$ 11,497,576
Cash paid for goods and services	(3,726,164)	(237,187)	(3,963,351)
Cash paid to employees	(2,828,031)	(267,539)	(3,095,570)
Net cash provided by operating activities	4,239,443	199,212	4,438,655
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(2,063,213)	-	(2,063,213)
Principal payments on long-term debt	(1,424,933)	-	(1,424,933)
Interest payments on long-term debt	(856,218)	-	(856,218)
Cash received from insurance claims	49,360	-	49,360
Net cash used by capital and related financing activities	(4,295,004)	-	(4,295,004)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	2,230	-	2,230
Net increase (decrease) in cash and cash equivalents	(53,331)	199,212	145,881
Cash and cash equivalents, beginning of year	21,702,099	803,864	22,505,963
Cash and cash equivalents, end of year	<u>\$ 21,648,768</u>	<u>\$ 1,003,076</u>	<u>\$ 22,651,844</u>
CASH AND CASH EQUIVALENTS			
Unrestricted	\$ 11,124,873	\$ 1,003,076	\$ 12,127,949
Restricted	10,523,895	-	10,523,895
Total cash and cash equivalents	<u>\$ 21,648,768</u>	<u>\$ 1,003,076</u>	<u>\$ 22,651,844</u>

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2021 (with Comparative Actual Amounts for 2020)

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Operating revenues:				
Water charges	\$ 4,634,394	\$ 4,942,081	\$ 307,687	\$ 4,980,554
Sewer charges	4,639,608	4,901,924	262,316	4,974,432
System development fees	1,000,000	590,332	(409,668)	456,628
Other receipts	195,439	396,474	201,035	310,880
Total operating revenues	10,469,441	10,830,811	361,370	10,722,494
Non-operating revenues:				
Investment earnings	361	375	14	35,144
Total revenues	10,469,802	10,831,186	361,384	10,757,638
EXPENDITURES				
Engineering:				
Personnel services	445,091	410,691	34,400	363,968
Other services and charges	2,280,947	1,883,541	397,406	1,547,134
Total engineering	2,726,038	2,294,232	431,806	1,911,102
Billing and collection:				
Personnel services	330,719	312,566	18,153	305,356
Other services and charges	434,686	348,294	86,392	282,098
Debt service payments	39,125	39,125	-	39,125
Total billing and collection	804,530	699,985	104,545	626,579
Water plant:				
Personnel services	631,220	592,720	38,500	636,084
Other services and charges	346,079	280,674	65,405	366,440
Repairs and maintenance	267,307	144,167	123,140	58,209
Capital outlay	-	-	-	41,413
Debt service payments	91,315	91,314	1	104,378
Total water plant	1,335,921	1,108,875	227,046	1,206,524
Water distribution:				
Personnel services	541,523	504,850	36,673	495,595
Other services and charges	258,046	207,782	50,264	223,125
Repairs and maintenance	65,197	46,024	19,173	32,617
Capital outlay	55,941	13,561	42,380	11,647
Debt service payments	105,973	98,624	7,349	115,604
Total water distribution	1,026,680	870,841	155,839	878,588

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2021 (with Comparative Actual Amounts for 2020)

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
EXPENDITURES (Continued)				
Wastewater collection:				
Personnel services	\$ 503,973	\$ 490,130	\$ 13,843	\$ 485,206
Other services and charges	371,037	255,024	116,013	280,395
Repairs and maintenance	232,219	75,875	156,344	147,293
Capital outlay	243,680	-	243,680	198,983
Debt service payments	15,083	15,082	1	71,966
Total wastewater collection	1,365,992	836,111	529,881	1,183,843
Wastewater plant:				
Personnel services	518,066	502,927	15,139	494,701
Other services and charges	400,227	314,200	86,027	245,657
Repairs and maintenance	238,741	178,517	60,224	159,923
Capital outlay	-	-	-	86,200
Debt service payments	1,196,566	1,196,565	1	1,218,427
Total wastewater plant	2,353,600	2,192,209	161,391	2,204,908
Reservoir:				
Other services and charges	29,935	22,027	7,908	21,412
Repairs and maintenance	16,850	9,904	6,946	6,440
Debt service payments	840,550	840,441	109	449,908
Total reservoir	887,335	872,372	14,963	477,760
Total expenditures	10,500,096	8,874,625	1,625,471	8,489,304
Revenues over (under) expenditures	(30,294)	1,956,561	1,986,855	2,268,334
OTHER FINANCING SOURCES (USES)				
Transfer to Utilities Capital Improvements Fund	(1,074,404)	(150,000)	924,404	(119,695)
Transfer to Water System Development Reserve Fund	(500,000)	(333,054)	166,946	(263,129)
Transfer to Sewer System Development Reserve Fund	(500,000)	(257,278)	242,722	(193,499)
Transfer from Water and Sewer Capital Projects Fund	-	-	-	349,643
Transfer from Water Capital Reserve Fund	899,404	175,000	(724,404)	97,492
Transfer from Sewer Capital Reserve Fund	200,000	-	(200,000)	-
Transfer from North Campus Project	-	-	-	10,822
Transfer from Utilities Capital Improvements Fund	-	2,388	2,388	-

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2021 (with Comparative Actual Amounts for 2020)

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
OTHER FINANCING SOURCES				
(USES) (Continued)				
Transfer from Water and Sewer				
Capital Reserve Fund	\$ -	\$ 3,761	\$ 3,761	\$ -
Insurance proceeds	49,360	49,360	-	-
Contingency	(688)	-	688	-
Other financing sources (uses), net	(926,328)	(509,823)	416,505	(118,366)
Revenues and other financing sources				
(uses) over (under) expenditures	(956,622)	1,446,738	2,403,360	2,149,968
APPROPRIATED FUND BALANCE	956,622	-	(956,622)	-
Revenues and other financing sources				
(uses) over (under) expenditures	\$ -	\$ 1,446,738	\$ 1,446,738	\$ 2,149,968

Reconciliation from budgetary basis (modified accrual)
to the full accrual basis of accounting:

Revenues and other financing sources			
(uses) over (under) expenditures	\$ 1,446,738		\$ 2,149,968
Reconciling items:			
Revenue activity:			
Investment earnings - enterprise capital projects	524		46,437
Investment earnings - enterprise capital reserves	1,331		37,481
Personnel activity:			
Pension expense - LGERS	(176,030)		(156,873)
OPEB expense	(16,610)		26,754
Payroll accrual - compensated absences	(68,010)		(4,838)
Capital outlay activity:			
Capital outlay	13,561		338,241
Depreciation	(1,685,728)		(1,695,988)
Loss on disposal of capital assets	-		(83,384)
Contributed capital	289,872		539,500
Noncapitalized expenditures - enterprise capital projec	(325)		-
Long-term debt activity:			
Payment of principal on notes, bonds and installment l	1,424,933		1,189,949
Interest expense accrual adjustment	7,226		(15,314)
Amortization of premium on bonds payable	49,455		56,690
Internal transfer activity:			
Transfer to General Fund	-		(208,674)
Transfer to Water and Sewer Capital Projects	740,332		576,323
Transfer from Water and Sewer Capital Projects	(181,149)		(447,135)
Change in net position	\$ 1,846,120		\$ 2,349,137

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Uses
Budget and Actual (Non-GAAP) - Stormwater Fund
Year Ended June 30, 2021 (with Comparative Actual Amounts for 2020)

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Operating revenues:				
Stormwater charges	\$ 701,847	\$ 702,276	\$ 429	\$ 666,355
Other operating revenues	250	250	-	4,522
Total revenues	702,097	702,526	429	670,877
EXPENDITURES				
Operating expenditures:				
Personnel services	272,142	267,202	4,940	265,927
Other services and charges	275,393	177,178	98,215	167,175
Repairs and maintenance	85,991	60,499	25,492	24,593
Capital outlay	-	-	-	33,813
Total expenditures	633,526	504,879	128,647	491,508
Revenues over expenditures	68,571	197,647	129,076	179,369
OTHER FINANCING USES				
Transfers to other funds	(100,000)	(100,000)	-	-
APPROPRIATED FUND BALANCE				
	31,429	-	(31,429)	-
	<u>\$ -</u>	<u>97,647</u>	<u>\$ 97,647</u>	<u>179,369</u>
Reconciliation from budgetary basis (modified accrual)				
to the full accrual basis of accounting:				
Capital outlay		-		33,813
Depreciation expense		(56,490)		(56,645)
Payroll accrual - compensated absences		(3,538)		(75)
Pension expense - LGERS		(19,018)		(15,614)
OPEB expense		1,464		2,657
Stormwater capital projects fund:				
Transfer from Stormwater operating fund		100,000		-
Change in net position		<u>\$ 120,065</u>		<u>\$ 143,505</u>

Town of Hillsborough, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

	Water and Sewer Fund	Nonmajor Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 10,988,456	\$ 720,469	\$ 11,708,925
Cash paid for goods and services	(4,101,116)	(329,430)	(4,430,546)
Cash paid to employees	(2,734,292)	(263,567)	(2,997,859)
Net cash provided by operating activities	4,153,048	127,472	4,280,520
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(2,134,182)	-	(2,134,182)
Principal payments on long-term debt	(1,418,557)	-	(1,418,557)
Interest payments on long-term debt	(815,575)	-	(815,575)
Cash received from capital contributions	1,141,096	-	1,141,096
Net cash used by capital and related financing activities	(3,227,218)	-	(3,227,218)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	15,841	-	15,841
Net increase in cash and cash equivalents	941,671	127,472	1,069,143
Cash and cash equivalents, beginning of year	21,648,768	1,003,076	22,651,844
Cash and cash equivalents, end of year	<u>\$ 22,590,439</u>	<u>\$ 1,130,548</u>	<u>\$ 23,720,987</u>
CASH AND CASH EQUIVALENTS			
Unrestricted	\$ 11,956,197	\$ 1,130,548	\$ 13,086,745
Restricted	10,634,242	-	10,634,242
Total cash and cash equivalents	<u>\$ 22,590,439</u>	<u>\$ 1,130,548</u>	<u>\$ 23,720,987</u>

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2022 (with Comparative Actual Amounts for 2021)

	2022			2021
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Operating revenues:				
Water charges	\$ 5,000,000	\$ 5,247,699	\$ 247,699	\$ 4,942,081
Sewer charges	5,089,000	5,297,371	208,371	4,901,924
System development fees	261,832	263,891	2,059	590,332
Other receipts	191,175	236,744	45,569	396,474
Total operating revenues	10,542,007	11,045,705	503,698	10,830,811
Non-operating revenues:				
Investment earnings	255	1,341	1,086	375
Total revenues	10,542,262	11,047,046	504,784	10,831,186
EXPENDITURES				
Engineering:				
Personnel services	433,093	348,249	84,844	410,691
Other services and charges	2,826,893	2,201,572	625,321	1,888,758
Total engineering	3,259,986	2,549,821	710,165	2,299,449
Billing and collection:				
Personnel services	351,378	326,543	24,835	312,566
Other services and charges	352,947	302,853	50,094	348,294
Capital outlay	31,000	-	31,000	-
Debt service payments	39,125	39,125	-	39,125
Total billing and collection	774,450	668,521	105,929	699,985
Water treatment plant:				
Personnel services	590,402	509,732	80,670	592,720
Other services and charges	493,212	421,838	71,374	275,065
Repairs and maintenance	246,914	252,169	(5,255)	144,167
Debt service payments	86,360	86,360	-	91,314
Total water treatment plant	1,416,888	1,270,099	146,789	1,103,266
Water distribution:				
Personnel services	562,555	544,750	17,805	504,850
Other services and charges	290,335	242,575	47,760	207,782
Repairs and maintenance	108,050	52,276	55,774	46,024
Capital outlay	116,171	94,007	22,164	13,561
Debt service payments	101,470	94,122	7,348	98,624
Total water distribution	1,178,581	1,027,730	150,851	870,841

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2022 (with Comparative Actual Amounts for 2021)

	2022			2021
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
EXPENDITURES (Continued)				
Wastewater collection:				
Personnel services	\$ 560,477	\$ 472,258	\$ 88,219	\$ 490,130
Other services and charges	438,534	187,665	250,869	255,024
Repairs and maintenance	219,243	109,386	109,857	75,875
Capital outlay	496,439	347,701	148,738	-
Debt service payments	-	-	-	15,082
Total wastewater collection	1,714,693	1,117,010	597,683	836,111
Wastewater treatment plant:				
Personnel services	559,162	553,011	6,151	502,927
Other services and charges	373,090	322,808	50,282	314,200
Repairs and maintenance	236,574	184,886	51,688	178,517
Debt service payments	1,174,704	1,174,704	-	1,196,565
Total wastewater treatment plant	2,343,530	2,235,409	108,121	2,192,209
Reservoir:				
Other services and charges	42,501	25,212	17,289	22,419
Repairs and maintenance	28,708	13,688	15,020	9,904
Debt service payments	839,828	839,821	7	840,441
Total reservoir	911,037	878,721	32,316	872,764
Total expenditures	11,599,165	9,747,311	1,851,854	8,874,625
Revenues over (under) expenditures	(1,056,903)	1,299,735	2,356,638	1,956,561
OTHER FINANCING SOURCES (USES)				
Transfer to Utilities Capital Improvements Fund	(429,200)	(429,200)	-	(150,000)
Transfer to Water System Development Reserve Fund	(149,408)	(149,408)	-	(333,054)
Transfer to Sewer System Development Reserve Fund	(112,424)	(112,424)	-	(257,278)
Transfer from Water Capital Reserve Fund	-	-	-	175,000
Transfer from Utilities Capital Improvements Fund	-	-	-	2,388
Transfer from Water and Sewer Capital Reserve Fund	-	-	-	3,761
Insurance proceeds	-	-	-	49,360
Other financing uses, net	(691,032)	(691,032)	-	(509,823)

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2022 (with Comparative Actual Amounts for 2021)

	2022			2021
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues over expenditures and other financing uses, net	\$ (1,747,935)	\$ 608,703	\$ 2,356,638	\$ 1,446,738
APPROPRIATED FUND BALANCE	1,747,935	-	(1,747,935)	-
Revenues and appropriated fund balance over expenditures and other financing uses, net	<u>\$ -</u>	<u>\$ 608,703</u>	<u>\$ 608,703</u>	<u>\$ 1,446,738</u>
Reconciliation from budgetary basis (modified accrual) to the full accrual basis of accounting:				
Revenues and appropriated fund balance over expenditures and other financing uses, net		\$ 608,703		\$ 1,446,738
Reconciling items:				
Revenue activity:				
Investment earnings - enterprise capital projects		2,212		524
Investment earnings - enterprise capital reserves		12,288		1,331
Capital contributions - ARPA Fund		83,460		-
Personnel activity:				
Pension expense - LGERS		131,397		(176,030)
OPEB expense		5,550		(16,610)
Payroll accrual - compensated absences		(1,749)		(68,010)
Capital outlay activity:				
Capital outlay		441,708		13,561
Depreciation		(1,819,090)		(1,685,728)
Loss on disposal of capital assets		(15,700)		-
Contributed capital		932,736		289,872
Noncapitalized expenditures - enterprise capital projects		(5,000)		(325)
Long-term debt activity:				
Payment of principal on notes, bonds and installment		1,418,557		1,424,933
Interest expense accrual adjustment		6,700		7,226
Amortization of premium on bonds payable		56,485		49,455
Internal transfer activity:				
Transfer to Water and Sewer Capital Projects		691,032		740,332
Transfer from Water and Sewer Capital Projects		-		(181,149)
Change in net position		<u>\$ 2,549,289</u>		<u>\$ 1,846,120</u>

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Uses
Budget and Actual (Non-GAAP) - Stormwater Fund
Year Ended June 30, 2022 (with Comparative Actual Amounts for 2021)

	2022			2021
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Operating revenues:				
Stormwater charges	\$ 696,963	\$ 718,994	\$ 22,031	\$ 702,276
Other operating revenues	500	1,100	600	250
Total revenues	697,463	720,094	22,631	702,526
EXPENDITURES				
Operating expenditures:				
Personnel services	287,757	265,355	22,402	267,202
Other services and charges	309,793	241,651	68,142	177,178
Repairs and maintenance	183,646	87,317	96,329	60,499
Total expenditures	781,196	594,323	186,873	504,879
Revenues over (under) expenditures	(83,733)	125,771	209,504	197,647
OTHER FINANCING USES				
Transfers to other funds	-	-	-	(100,000)
APPROPRIATED FUND BALANCE	83,733	-	(83,733)	-
	<u>\$ -</u>	<u>125,771</u>	<u>\$ 125,771</u>	<u>97,647</u>
Reconciliation from budgetary basis (modified accrual) to the full accrual basis of accounting:				
Depreciation expense		(56,490)		(56,490)
Payroll accrual - compensated absences		(3,227)		(3,538)
Pension expense - LGERS		11,780		(19,018)
OPEB expense		291		1,464
Stormwater capital projects fund:				
Transfer from Stormwater operating fund		-		100,000
Change in net position		<u>\$ 78,125</u>		<u>\$ 120,065</u>

Town of Hillsborough, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2023

	Water and Sewer Fund	Nonmajor Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 11,339,905	\$ 748,774	\$ 12,088,679
Cash paid for goods and services	(4,883,404)	(286,279)	(5,169,683)
Cash paid to employees	(3,298,950)	(337,023)	(3,635,973)
Net cash provided by operating activities	3,157,551	125,472	3,283,023
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(348,189)	(159,985)	(508,174)
Principal payments on long-term debt	(1,427,474)	-	(1,427,474)
Interest payments on long-term debt	(783,094)	-	(783,094)
Cash received from capital contributions	1,141,096	-	1,141,096
Net cash used for capital and related financing activities	(1,417,661)	(159,985)	(1,577,646)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	807,100	28,619	835,719
Net change in cash and cash equivalents	2,546,990	(5,894)	2,541,096
Cash and cash equivalents, beginning of year	22,590,439	1,130,548	23,720,987
Cash and cash equivalents, end of year	<u>\$ 25,137,429</u>	<u>\$ 1,124,654</u>	<u>\$ 26,262,083</u>
CASH AND CASH EQUIVALENTS			
Unrestricted	\$ 12,772,851	\$ 1,124,654	\$ 13,897,505
Restricted	12,364,578	-	12,364,578
Total cash and cash equivalents	<u>\$ 25,137,429</u>	<u>\$ 1,124,654</u>	<u>\$ 26,262,083</u>

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2023 (with Comparative Actual Amounts for 2022)

	2023			2022
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Operating revenues:				
Water charges	\$ 5,323,000	\$ 5,481,086	\$ 158,086	\$ 5,247,699
Sewer charges	5,311,000	5,439,458	128,458	5,297,371
System development fees	168,406	179,377	10,971	263,891
Other receipts	204,500	390,138	185,638	236,744
Total operating revenues	11,006,906	11,490,059	483,153	11,045,705
Non-operating revenues:				
Investment earnings	-	387,355	387,355	1,341
Total revenues	11,006,906	11,877,414	870,508	11,047,046
EXPENDITURES				
Engineering:				
Personnel services	582,440	553,931	28,509	348,249
Other services and charges	3,324,552	2,437,581	886,971	2,201,572
Total engineering	3,906,992	2,991,512	915,480	2,549,821
Billing and collection:				
Personnel services	417,915	340,773	77,142	326,543
Other services and charges	416,143	384,913	31,230	302,853
Capital outlay	56,000	55,294	706	-
Debt service payments	39,125	39,125	-	39,125
Total billing and collection	929,183	820,105	109,078	668,521
Water treatment plant:				
Personnel services	648,399	617,133	31,266	509,732
Other services and charges	413,590	358,238	55,352	421,838
Repairs and maintenance	102,829	91,626	11,203	252,169
Capital outlay	52,200	-	52,200	-
Debt service payments	84,333	84,332	1	86,360
Total water treatment plant	1,301,351	1,151,329	150,022	1,270,099
Water distribution:				
Personnel services	700,145	666,174	33,971	544,750
Other services and charges	296,680	273,928	22,752	242,575
Repairs and maintenance	79,925	73,838	6,087	52,276
Capital outlay	96,555	35,248	61,307	94,007
Debt service payments	101,470	94,123	7,347	94,122
Total water distribution	1,274,775	1,143,311	131,464	1,027,730

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2023 (with Comparative Actual Amounts for 2022)

	2023			2022
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
EXPENDITURES (Continued)				
Wastewater collection:				
Personnel services	\$ 608,807	\$ 546,578	\$ 62,229	\$ 472,258
Other services and charges	389,725	299,280	90,445	187,665
Repairs and maintenance	292,593	82,860	209,733	109,386
Capital outlay	391,905	55,723	336,182	347,701
Total wastewater collection	1,683,030	984,441	698,589	1,117,010
Wastewater treatment plant:				
Personnel services	658,192	629,493	28,699	553,011
Other services and charges	374,094	341,934	32,160	322,808
Repairs and maintenance	189,793	124,366	65,427	184,886
Debt service payments	1,152,842	1,152,842	-	1,174,704
Total wastewater treatment plant	2,374,921	2,248,635	126,286	2,235,409
Reservoir:				
Other services and charges	55,402	32,965	22,437	25,212
Repairs and maintenance	47,374	31,539	15,835	13,688
Debt service payments	840,375	840,146	229	839,821
Total reservoir	943,151	904,650	38,501	878,721
Total expenditures	12,413,403	10,243,983	2,169,420	9,747,311
Revenues over (under) expenditures	(1,406,497)	1,633,431	3,039,928	1,299,735
OTHER FINANCING (USES)				
Transfer to Utilities Capital Improvements Fund	(170,592)	(170,592)	-	(429,200)
Transfer to Water System Development Reserve Fund	(92,736)	(100,464)	(7,728)	(149,408)
Transfer to Sewer System Development Reserve Fund	(75,670)	(78,913)	(3,243)	(112,424)
Total other financing uses	(338,998)	(349,969)	(10,971)	(691,032)
Revenues over (under) expenditures and other financing uses	(1,745,495)	1,283,462	3,028,957	608,703
APPROPRIATED FUND BALANCE	1,745,495	-	(1,745,495)	-
Revenues and appropriated fund balance over expenditures and other financing uses	\$ -	\$ 1,283,462	\$ 1,283,462	\$ 608,703

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2023 (with Comparative Actual Amounts for 2022)

	2023			2022
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Reconciliation from budgetary basis (modified accrual) to the full accrual basis of accounting:				
Revenues and appropriated fund balance over expenditures and other financing uses		\$ 1,283,462		\$ 608,703
Reconciling items:				
Revenue activity:				
Investment earnings - enterprise capital projects		131,911		2,212
Investment earnings - enterprise capital reserves		287,834		12,288
Capital contributions - ARPA Fund		127,467		83,460
Personnel activity:				
Pension expense - LGERS		(119,885)		131,397
OPEB expense		(41,725)		5,550
Payroll accrual - compensated absences		(111,711)		(1,749)
Capital outlay activity:				
Capital outlay		146,265		441,708
Depreciation		(2,087,715)		(1,819,090)
Loss on disposal of capital assets		(17,566)		(15,700)
Contributed capital		-		932,736
Noncapitalized expenditures - enterprise capital projects		(84,147)		(5,000)
Long-term debt activity:				
Payment of principal on notes, bonds and installment purchases		1,427,474		1,418,557
Interest expense accrual adjustment		5,900		6,700
Amortization of premium on bonds payable		56,312		56,485
Internal transfer activity:				
Transfer to water and sewer capital project and reserve funds		349,969		691,032
Change in net position		<u>\$ 1,353,845</u>		<u>\$ 2,549,289</u>

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Uses
Budget and Actual (Non-GAAP) - Stormwater Fund
Year Ended June 30, 2023 (with Comparative Actual Amounts for 2022)

	2023			2022
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
REVENUES				
Operating revenues:				
Stormwater charges	\$ 671,000	\$ 729,455	\$ 58,455	\$ 718,994
Other operating revenues	500	-	(500)	1,100
Non-operating revenues:				
Investment earnings	-	28,619	28,619	-
Total revenues	671,500	758,074	86,574	720,094
EXPENDITURES				
Operating expenditures:				
Personnel services	346,886	340,241	6,645	265,355
Other services and charges	285,427	232,091	53,336	241,651
Repairs and maintenance	95,800	60,400	35,400	87,317
Capital outlay	59,985	59,985	-	-
Total expenditures	788,098	692,717	95,381	594,323
Revenues over (under) expenditures	(116,598)	65,357	181,955	125,771
APPROPRIATED FUND BALANCE	116,598	-	(116,598)	-
	<u>\$ -</u>	<u>65,357</u>	<u>\$ 65,357</u>	<u>125,771</u>
Reconciliation from budgetary basis (modified accrual)				
to the full accrual basis of accounting:				
Capital outlay		59,985		-
Depreciation expense		(58,068)		(56,490)
Payroll accrual - compensated absences		(2,049)		(3,227)
Pension expense - LGERS		(14,728)		11,780
OPEB expense		(14,697)		291
Change in net position		<u>\$ 35,800</u>		<u>\$ 78,125</u>

Town of Hillsborough, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024

	Water and Sewer Fund	Nonmajor Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 11,511,288	\$ 758,910	\$ 12,270,198
Cash paid for goods and services	(7,107,824)	(346,082)	(7,453,906)
Cash paid to employees	(3,624,111)	(399,465)	(4,023,576)
Net cash provided (used) by operating activities	<u>779,353</u>	<u>13,363</u>	<u>792,716</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(3,056,059)	(76,390)	(3,132,449)
Principal payments on long-term debt	(1,435,421)	-	(1,435,421)
Interest paid on long-term debt	(672,243)	-	(672,243)
Cash received from capital contributions	4,077,207	-	4,077,207
Net cash provided (used) by capital and related financing activities	<u>(1,086,516)</u>	<u>(76,390)</u>	<u>(1,162,906)</u>
Cash flows from investing activities:			
Interest on investments	1,115,092	47,850	1,162,942
Net cash provided (used) by investing activities	<u>1,115,092</u>	<u>47,850</u>	<u>1,162,942</u>
Net increase (decrease) in cash and cash equivalents	807,929	(15,177)	792,752
Cash and cash equivalents - beginning of year	<u>25,137,429</u>	<u>1,124,654</u>	<u>26,262,083</u>
Cash and cash equivalents - end of year	<u><u>\$ 25,945,358</u></u>	<u><u>\$ 1,109,477</u></u>	<u><u>\$ 27,054,835</u></u>
Cash and cash equivalents			
Unrestricted	\$ 25,371,231	\$ 1,109,477	\$ 26,480,708
Restricted	574,127	-	574,127
Total cash and cash equivalents	<u><u>\$ 25,945,358</u></u>	<u><u>\$ 1,109,477</u></u>	<u><u>\$ 27,054,835</u></u>

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

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2024 (with Comparative Actual Amounts for 2024)

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Water charges	\$ 5,600,000	\$ 5,797,278	\$ 197,278	\$ 5,481,086
Sewer charges	5,600,000	5,785,707	185,707	5,439,458
System development fees	1,439,908	1,444,422	4,514	179,377
Other receipts	265,500	555,146	289,646	390,138
Total	12,905,408	13,582,553	677,145	11,490,059
Nonoperating revenues:				
Investment earnings	45,500	637,441	591,941	387,355
Total	45,500	637,441	591,941	387,355
Total revenues	12,950,908	14,219,994	1,269,086	11,877,414
Expenditures:				
Engineering:				
Personnel services	592,106	555,454	36,652	553,931
Other services and charges	3,678,296	2,915,773	762,523	2,437,581
Capital outlay	31,158	31,158	-	-
Total	4,301,560	3,502,385	799,175	2,991,512
Billing and collection:				
Personnel services	409,219	366,379	42,840	340,773
Other services and charges	446,206	432,034	14,172	384,913
Debt service payments	39,125	39,125	-	39,125
Total	894,550	837,538	57,012	820,105
Water treatment plant:				
Personnel services	786,403	713,629	72,774	617,133
Other services and charges	631,228	548,891	82,337	358,238
Repairs and maintenance	337,710	93,625	244,085	91,626
Capital outlay	107,640	107,635	5	-
Debt service payments	82,305	82,305	-	84,332
Total	1,945,286	1,546,085	399,201	1,151,329
Water distribution:				
Personnel services	775,314	736,606	38,708	666,174
Other services and charges	419,111	298,147	120,964	273,928
Repairs and maintenance	100,521	77,066	23,455	73,838
Capital outlay	151,511	33,871	117,640	35,248
Debt service payments	101,470	94,122	7,348	94,123
Total	1,547,927	1,239,812	308,115	1,143,311

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund (continued)
Year Ended June 30, 2024 (with Comparative Actual Amounts for 2024)

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Wastewater collection:				
Personnel services	\$ 687,130	\$ 523,617	\$ 163,513	\$ 546,578
Other services and charges	340,909	279,679	61,230	299,280
Repairs and maintenance	393,379	296,004	97,375	82,860
Capital outlay	643,723	308,133	335,590	55,723
Total	<u>2,065,141</u>	<u>1,407,433</u>	<u>657,708</u>	<u>984,441</u>
Wastewater treatment plant:				
Personnel services	788,605	747,872	40,733	629,493
Other services and charges	540,391	422,056	118,335	341,934
Repairs and maintenance	195,804	168,235	27,569	124,366
Debt service payments	1,130,980	1,130,980	-	1,152,842
Total	<u>2,655,780</u>	<u>2,469,143</u>	<u>186,637</u>	<u>2,248,635</u>
Reservoir:				
Other services and charges	57,586	46,118	11,468	32,965
Repairs and maintenance	38,001	32,048	5,953	31,539
Debt service payments	841,527	320,086	521,441	840,146
Total	<u>937,114</u>	<u>398,252</u>	<u>538,862</u>	<u>904,650</u>
Total expenditures	<u>14,347,358</u>	<u>11,400,648</u>	<u>2,946,710</u>	<u>10,243,983</u>
Revenues over (under) expenditures	(1,396,450)	2,819,346	4,215,796	1,633,431
Other financing sources (uses):				
Transfer to Utilities Capital Improvements Fund	(4,056,317)	(4,056,317)	-	(170,592)
Transfer to Water System Development Reserve Fund	(714,326)	(82,348)	631,978	(100,464)
Transfer to Sewer System Development Reserve Fund	(725,582)	(59,405)	666,177	(78,913)
Transfer from Utilities Capital Improvements Fund	58,893	58,893	-	-
Transfer from West Fork Fund	222,609	-	(222,609)	-
Transfer from W mill Creek Road Fund	284,167	-	(284,167)	-
Transfer from ARPA Fund	-	2,022,647	2,022,647	-
Contributed capital assets	-	(2,005,942)	(2,005,942)	-
Capital contributions	-	2,005,942	2,005,942	-
Total other financing uses	<u>(4,930,556)</u>	<u>(2,116,530)</u>	<u>2,814,026</u>	<u>(349,969)</u>
Revenues and other sources over expenditures and other uses	<u>(6,327,006)</u>	<u>702,816</u>	<u>7,029,822</u>	<u>1,283,462</u>
Fund balance appropriated	6,327,006	-	6,327,006	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 702,816</u>	<u>\$ 702,816</u>	<u>1,283,462</u>

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund (continued)
Year Ended June 30, 2024 (with Comparative Actual Amounts for 2024)

	<u>2024</u>		<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			<u>Actual</u>
Revenues and other sources over expenditures and other uses		\$ 702,816	\$ 1,283,462
Reconciling items:			
Revenue activity:			
Investment earnings - enterprise capital projects		50,642	131,911
Investment earnings - enterprise capital reserves		427,009	287,834
Release of deferred revenue - ARPA Fund		2,071,265	127,467
Personnel activity:			
Pension expense - LGERS		(150,725)	(119,885)
OPEB expense		9,759	(41,725)
Payroll accrual - compensated absences		22,089	(111,711)
Capital outlay activity:			
Capital outlay		480,797	146,265
Depreciation		(2,186,637)	(2,087,715)
Gain on disposal of capital assets		211,499	(17,566)
Contributed capital		2,005,942	-
Noncapitalized expenditures - enterprise capital projects		(519,296)	(84,147)
Long-term debt activity:			
Payment of principal on notes, bonds and installment purchases		1,435,421	1,427,474
Interest expense accrual adjustment		6,500	5,900
Amortization of premium on bonds payable		56,123	56,312
Internal transfer activity:			
Transfer to water and sewer capital project and reserve funds		2,116,530	349,969
Total reconciling items		<u>6,036,918</u>	<u>70,383</u>
Change in net position		<u>\$ 6,739,734</u>	<u>\$ 1,353,845</u>

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Uses
Budget and Actual (Non-GAAP) – Nonmajor Stormwater Fund
From Inception and For the Year Ended June 30, 2024

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Stormwater charges	\$ 716,100	\$ 756,872	\$ 40,772	\$ 729,455
Non-operating revenues:				
Investment earnings	-	47,850	47,850	28,619
Total	<u>716,100</u>	<u>804,722</u>	<u>88,622</u>	<u>758,074</u>
Total revenues	<u>716,100</u>	<u>804,722</u>	<u>88,622</u>	<u>758,074</u>
Expenditures:				
Operating expenditures:				
Personnel services	418,444	399,465	18,979	340,241
Other services and charges	356,964	246,578	110,386	232,091
Repairs and maintenance	188,750	102,172	86,578	60,400
Capital outlay	76,500	76,390	110	59,985
Total	<u>1,040,658</u>	<u>824,605</u>	<u>216,053</u>	<u>692,717</u>
Total expenditures	<u>1,040,658</u>	<u>824,605</u>	<u>216,053</u>	<u>692,717</u>
Revenues over (under) expenditures	(324,558)	(19,883)	304,675	65,357
Fund balance appropriated	324,558	-	(324,558)	-
Net change in fund balance	<u>\$ -</u>	<u>(19,883)</u>	<u>\$ (19,883)</u>	<u>65,357</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Capital outlay		76,390		59,985
Depreciation expense		(76,734)		(58,068)
Payroll accrual - compensated absences		(1,806)		(2,049)
Pension expense - LGERS		(20,380)		(14,728)
OPEB expense		<u>(356)</u>		<u>(14,697)</u>
Change in net position		<u>\$ (42,769)</u>		<u>\$ 35,800</u>

Exhibit 8
(2 Pages)

Town of Hillsborough, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2025

	Water and Sewer Fund	Nonmajor Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 13,941,064	\$ 868,163	\$ 14,809,227
Cash paid for goods and services	(6,952,118)	(364,124)	(7,316,242)
Cash paid to employees	(4,246,755)	(461,221)	(4,707,976)
Net cash provided (used) by operating activities	2,742,191	42,818	2,785,009
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,249,999)	-	(2,249,999)
Principal payments on long-term debt	(1,444,402)	-	(1,444,402)
Interest paid on long-term debt	(655,763)	-	(655,763)
Cash received from capital contributions	970,516	-	970,516
Net cash provided (used) by capital and related financing activities	(3,379,648)	-	(3,379,648)
Cash flows from investing activities:			
Interest on investments	1,037,678	51,371	1,089,049
Net cash provided (used) by investing activities	1,037,678	51,371	1,089,049
Net increase (decrease) in cash and cash equivalents	400,221	94,189	494,410
Cash and cash equivalents - beginning of year	25,945,358	1,109,477	27,054,835
Cash and cash equivalents - end of year	\$ 26,345,579	\$ 1,203,666	\$ 27,549,245
Cash and cash equivalents			
Unrestricted	\$ 12,864,794	\$ 1,203,666	\$ 14,068,460
Restricted	13,480,785	-	13,480,785
Total cash and cash equivalents	\$ 26,345,579	\$ 1,203,666	\$ 27,549,245

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

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund
Year Ended June 30, 2025 (with Comparative Actual Amounts for 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Water charges	\$ 6,003,000	\$ 6,436,944	\$ 433,944	\$ 5,797,278
Sewer charges	5,948,000	6,537,562	589,562	5,785,707
System development fees	1,386,227	111,584	(1,274,643)	1,444,422
Other receipts	243,500	854,974	611,474	555,146
Total	13,580,727	13,941,064	360,337	13,582,553
Nonoperating revenues:				
Investment earnings	529,510	631,710	102,200	637,441
Total	529,510	631,710	102,200	637,441
Total revenues	14,110,237	14,572,774	462,537	14,219,994
Expenditures:				
Engineering:				
Personnel services	534,555	447,172	87,383	555,454
Other services and charges	4,124,974	3,185,067	939,907	2,915,773
Capital outlay	-	-	-	31,158
Total	4,659,529	3,632,239	1,027,290	3,502,385
Billing and collection:				
Personnel services	470,556	434,397	36,159	366,379
Other services and charges	414,803	337,778	77,025	432,034
Capital outlay	20,672	18,289	2,383	-
Debt service payments	39,126	39,126	-	39,125
Total	945,157	829,590	115,567	837,538
Water treatment plant:				
Personnel services	838,033	799,190	38,843	713,629
Other services and charges	430,559	382,146	48,413	548,891
Repairs and maintenance	434,426	404,802	29,624	93,625
Capital outlay	193,203	40,000	153,203	107,635
Debt service payments	80,279	80,277	2	82,305
Total	1,976,500	1,706,415	270,085	1,546,085
Water distribution:				
Personnel services	913,247	875,728	37,519	736,606
Other services and charges	480,000	383,384	96,616	298,147
Repairs and maintenance	101,671	80,658	21,013	77,066
Capital outlay	306,373	48,420	257,953	33,871
Debt service payments	94,122	94,122	-	94,122
Total	1,895,413	1,482,312	413,101	1,239,812

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund (continued)
Year Ended June 30, 2025 (with Comparative Actual Amounts for 2024)

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Expenditures (continued)				
Wastewater collection:				
Personnel services	\$ 751,333	\$ 680,479	\$ 70,854	\$ 523,617
Other services and charges	315,879	231,087	84,792	279,679
Repairs and maintenance	322,281	218,297	103,984	296,004
Capital outlay	616,570	197,800	418,770	308,133
Total	2,006,063	1,327,663	678,400	1,407,433
Wastewater treatment plant:				
Personnel services	822,735	786,011	36,724	747,872
Other services and charges	581,366	498,384	82,982	422,056
Repairs and maintenance	147,643	138,369	9,274	168,235
Capital outlay	95,900	49,430	46,470	-
Debt service payments	1,109,119	1,109,119	-	1,130,980
Total	2,756,763	2,581,313	175,450	2,469,143
Reservoir:				
Other services and charges	51,586	40,120	11,466	46,118
Repairs and maintenance	18,375	12,291	6,084	32,048
Debt service payments	839,960	362,672	477,288	320,086
Total	909,921	415,083	494,838	398,252
Total expenditures	15,149,346	11,974,615	3,174,731	11,400,648
Revenues over (under) expenditures	(1,039,109)	2,598,159	3,637,268	2,819,346
Other financing sources (uses):				
Transfer to Utilities Capital				
Improvements Fund	(636,231)	(636,231)	-	(4,056,317)
Transfer to Water System				
Development Reserve Fund	(1,315,149)	(1,315,149)	-	(82,348)
Transfer to Sewer System				
Development Reserve Fund	(1,373,747)	(1,373,747)	-	(59,405)
Transfer from Utilities Capital				
Improvements Fund	213,523	213,523	-	58,893
Transfer from ARPA Fund	-	-	-	2,022,647
Contributed capital assets	-	-	-	(2,005,942)
Capital contributions	-	-	-	2,005,942
Total other financing uses	(3,111,604)	(3,111,604)	-	(2,116,530)
Revenues and other sources over expenditures and other uses	(4,150,713)	(513,445)	3,637,268	702,816
Fund balance appropriated	4,150,713	-	4,150,713	-
Net change in fund balance	\$ -	\$ (513,445)	\$ (513,445)	702,816

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Sources
Budget and Actual (Non-GAAP) - Water and Sewer Fund (continued)
Year Ended June 30, 2025 (with Comparative Actual Amounts for 2024)

	<u>2025</u>		<u>2024</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			<u>Actual</u>
Revenues and other sources over expenditures and other uses		\$ (513,445)	\$ 702,816
Reconciling items:			
Revenue activity:			
Investment earnings - enterprise capital projects		15,090	50,642
Investment earnings - enterprise capital reserves		390,878	427,009
Grant revenue - Utilities CIF Fund		266,682	-
Release of deferred revenue - ARPA Fund		-	2,071,265
Personnel activity:			
Pension expense - LGERS		(183,942)	(150,725)
OPEB expense		42,185	9,759
Payroll accrual - compensated absences		(7,938)	22,089
Capital outlay activity:			
Capital outlay		353,939	480,797
Depreciation		(2,210,544)	(2,186,637)
Gain (loss) on disposal of capital assets		(220)	211,499
Contributed capital		703,834	2,005,942
Noncapitalized expenditures - enterprise capital projects		(474,469)	(519,296)
Long-term debt activity:			
Payment of principal on notes, bonds and installment purchases		1,444,402	1,435,421
Interest expense accrual adjustment		6,500	6,500
Amortization of premium on bonds payable		55,935	56,123
Internal transfer activity:			
Transfer to water and sewer capital project and reserve funds		3,111,604	2,116,530
Total reconciling items		<u>3,513,936</u>	<u>6,036,918</u>
Change in net position		<u>\$ 3,000,491</u>	<u>\$ 6,739,734</u>

Schedule 16

Town of Hillsborough, North Carolina
Schedule of Revenues, Expenditures, and Other Financing Uses
Budget and Actual (Non-GAAP) – Nonmajor Stormwater Fund
From Inception and For the Year Ended June 30, 2025

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Operating revenues:				
Stormwater charges	\$ 835,100	\$ 879,385	\$ 44,285	\$ 756,872
Non-operating revenues:				
Investment earnings	27,558	51,371	23,813	47,850
Total	<u>862,658</u>	<u>930,756</u>	<u>68,098</u>	<u>804,722</u>
Total revenues	<u>862,658</u>	<u>930,756</u>	<u>68,098</u>	<u>804,722</u>
Expenditures:				
Operating expenditures:				
Personnel services	492,519	461,221	31,298	399,465
Other services and charges	417,379	303,954	113,425	246,578
Repairs and maintenance	190,350	57,018	133,332	102,172
Capital outlay	12,200	-	12,200	76,390
Total	<u>1,112,448</u>	<u>822,193</u>	<u>290,255</u>	<u>824,605</u>
Total expenditures	<u>1,112,448</u>	<u>822,193</u>	<u>290,255</u>	<u>824,605</u>
Revenues over (under) expenditures	(249,790)	108,563	358,353	(19,883)
Other financing sources (uses):				
Transfer to Stormwater				
Capital Improvements Fund	(100,000)	(75,000)	25,000	-
Total other financing uses	<u>(100,000)</u>	<u>(75,000)</u>	<u>25,000</u>	<u>-</u>
Fund balance appropriated	349,790	-	(349,790)	-
Net change in fund balance	<u>\$ -</u>	<u>33,563</u>	<u>\$ 33,563</u>	<u>(19,883)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:				
Capital outlay		-		76,390
Depreciation expense		(80,636)		(76,734)
Payroll accrual - compensated absences		(9,630)		(1,806)
Pension expense - LGERS		(24,946)		(20,380)
OPEB expense		(2,925)		(356)
Stormwater capital projects funds:				
Transfer from Stormwater operating fund		75,000		-
Change in net position		<u>\$ (9,574)</u>		<u>\$ (42,769)</u>