



TOWN OF YADKINVILLE

“A TOWN IN PROGRESS”

Office of the Town Manager

May 5, 2006

The Honorable Hubert Gregory, Mayor
Members of the Board of Commissioners
Yadkinville, North Carolina

Dear Mayor Gregory and Members of the Board of Commissioners:

Pursuant to Section 159-11 of the North Carolina General Statutes, I am pleased to present the Recommended Budget for FY 2006-2007 for your review and consideration.

This Recommended Budget provides a financial plan for the ensuing fiscal year and has been developed in accordance with sound fiscal policies. The key components of these directives from the Board of Commissioners and the budgetary principles on which this document is based are:

- Basic town services are continued with funding at adequate levels.
- Sound budgetary principles have been followed in developing this budget.
- Revenue projections are estimated at realistic, conservative levels.
- Expenditure projections are estimated at realistic levels.

The FY 2006-2007 Recommended Budget totals \$3,595,094 for all town operations, capital improvements, and debt service requirements. This is less than a one percent increase over the FY 2005-2006 Adopted Budget of \$3,582,396.

FUNDS OF THE RECOMMENDED BUDGET

General Fund

The General Fund contains all governmental services that do not generate sufficient revenue to support their activities, including the Police Department, Administration, Planning and Zoning, Sanitation, Streets and Highways, Garage, etc.

The General Fund is balanced with a tax rate of \$0.33 per \$100 valuation. This will be the twelfth consecutive year with no property tax rate increase. This rate will provide approximately \$646,371 in property tax revenues based on an expected collection rate of 97%. The property tax base is estimated to be \$201,927,949, which is a 1% decrease over FY 2005-2006, and is realistically based on information from the Yadkinville

213 Van Buren Street
Post Office Drawer 816
Yadkinville, North Carolina 27055-0816

Telephone (336) 679-8732
Fax (336) 679-6151

Tax Administrator. A penny on the tax rate is projected to generate about \$19,587 in revenue.

The FY 2006-2007 Recommended Budget for the General Fund totals \$1,758,966, which is about a 6% increase over the FY 2005-2006 Adopted Budget of \$1,655,352.

Water and Sewer Fund

The Water and Sewer Fund contains all water production, water distribution, wastewater collection and wastewater treatment activities of the Town.

Currently, the Town's water and sewer rates for outside customers are slightly over double that of inside customers. In order to pay for the increased cost to serve customers outside the corporate limits with utilities, it is a generally accepted practice to charge outside customers double what those inside the Town limits pay. However, exceeding double, even if it is just by a very small amount, is discouraged.

Therefore, this year's budget includes a recommendation for a rate plan adjustment that would make the inside rates closer to exactly half of the current year's outside rates. This adjustment would result in an \$0.84 per month increase on the average monthly residential water and sewer bill. Despite this adjustment, the Town of Yadkinville continues to remain very competitive in water and sewer rates.

In January 2007, the Town will retire all debt after making its last payment on the sewer plant expansion project. In the mid 1990s, UNIFI projected a need for additional sewer use and entered into an agreement with the Town to build additional capacity in the plant. The Town agreed to reimburse UNIFI for the cost of the project over a 10-year period. However, UNIFI also agreed to guarantee the Town at least \$50,000 per month in water and sewer sales revenue from their new polyester plant. The Town uses this guaranteed revenue to make \$40,000 per month debt service payments to UNIFI and to help pay for maintenance to the plant.

Since this is the last year of the agreement, the Town's debt service payments are projected to decrease by \$250,000 and guaranteed revenues from the Polyester Plant are expected to decrease by about \$75,000. However, this is a net gain of \$175,000 in revenues over expenditures. The Town plans to use this increase in net income to help pay for much-needed water and sewer capital projects.

The FY 2006-2007 Recommended Budget for the Water and Sewer Fund totals \$1,828,193. This is about a 5% decrease from the FY 2005-2006 Adopted Budget of \$1,919,139.

Hinshaw Gardens Fund

The Hinshaw Gardens Fund manages interest earned from a \$100,000 donation from Lucy Crater in 1980. The interest earned from the donation is used for maintenance of Hinshaw Gardens on West Main Street. These funds are transferred to the General Fund and appropriated to the Hinshaw Gardens budget.

Since interest rates are very low, \$3,905 of fund balance is needed to ensure there is enough funding to pay for all maintenance costs. This fund balance is a portion of unspent interest earnings from previous years, when interest rates were much higher. The FY 2006-2007 Recommended Budget for the Hinshaw Gardens Fund totals \$7,905, which includes \$4,000 from investment earnings and \$3,905 from Fund Balance Appropriated.

SOURCES OF REVENUE

Ad Valorem Tax (Property Tax)

Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the property tax is levied on property itself, not the owner. The second is that the tax is measured by the value of the property as a marketable item, not by the owner's ability to pay. Thus, it is often called an "ad valorem" tax, from the Latin phrase meaning "according to value".

In North Carolina, property tax rates are customarily expressed in dollars per \$100 of valuation. The maximum property tax rate allowed in North Carolina is \$1.50 per \$100 of valuation. In Yadkinville, the property tax rate is \$0.33 per \$100 of valuation. This means that for every \$100 in value of property, \$0.33 is due. On a \$100,000 home the total annual Town of Yadkinville property taxes due would be \$330. Total Ad Valorem tax revenues are projected to be \$646,371 in FY 2006-2007. In North Carolina, this is the only significant source of revenue that the State allows local governments to control. This is strictly a General Fund revenue.

Sales Taxes

Two and one half cents of the seven cents paid in sales tax on retail sales in North Carolina represents the local share of this tax. This tax consists of a one percent tax that was first levied in 1971, a one-half cent tax levied in 1983, a one-half cent tax levied in 1986 and a one-half cent tax levied in 2002 to make up for losses from state inventory tax reimbursements. The State of North Carolina collects the sales taxes and distributes them to the local units. Sales tax revenues are projected to be \$308,017 in FY 2006-2007. This is a conservative estimate based on North Carolina League of Municipalities estimates. This is strictly a General Fund revenue.

Sales and Services

The City has a number of services that it "sells" to the public. There are no town services solely supported by "Sales and Service" revenue. All are augmented by other revenue sources, to some degree, to meet service demands.

Some services which produce "Sales and Service" revenue include:

- Water and sewer revenues
- Parking enforcement
- Rents and concessions

This source of revenue will provide approximately \$1,795,293 in revenue for the next fiscal year to a variety of funds. However, of this amount, \$1,794,693 is produced solely by the sale of water and sewer services.

State-Collected Local Taxes

These include: Electricity Franchise Tax, Piped Natural Gas Excise Tax, and Telecommunications Sales Tax.

The General Assembly, in 1998, replaced the utility franchise tax on piped natural gas with an excise tax on piped natural gas. In 2001 the General Assembly replaced the utility franchise tax on local telephone service with a new sales tax on telecommunications.

These funds are collected by the State and are distributed to the City based on the actual receipts from the providers of these services and commodities within the City limits. This revenue source is expected to be \$442,334 for FY 2006-2007. These are strictly General Fund revenues.

Powell Bill Street Allocation

The use of these funds is restricted to maintaining, repairing, constructing, reconstructing or widening any public street or thoroughfare within the City limits that is not State-maintained. Bridges, drainage, curb and gutter, sidewalks and other necessary appurtenances are also approved uses of these funds. The determination of the amount of the allocation comes from a formula containing a municipality's local street miles and population. To receive funds, each municipality must file an annual certified map and an annual expenditure report. In the end, only \$0.175 of the gasoline tax collected by the State is distributed to cities and towns. This revenue is estimated to be \$94,206 for FY 2006-2007. This is strictly a General Fund revenue.

Summary

In summary, the sources of revenue described in this section account for about 90% of all revenues budgeted for FY 2006-2007.

EXPENDITURES BY FUNCTION

General Government

This function accounts for \$356,406 or 9.9% of the total budget. Major purchases include:

- Funds to pay for the election costs associated with a possible referendum on the sale of alcohol within the Town limits.

Public Safety

This function accounts for \$739,678 or 20.6% of the total budget. Major purchases include:

- Funds to upgrade the Police Shooting Range
- Funds to purchase a used police vehicle
- Funds to purchase a taser
- Funds to hire an interdiction officer

Transportation

This function accounts for \$348,609 or 9.7% of the total budget. Major purchases include:

- Continued resurfacing of Town streets per a priority list

Environmental Protection

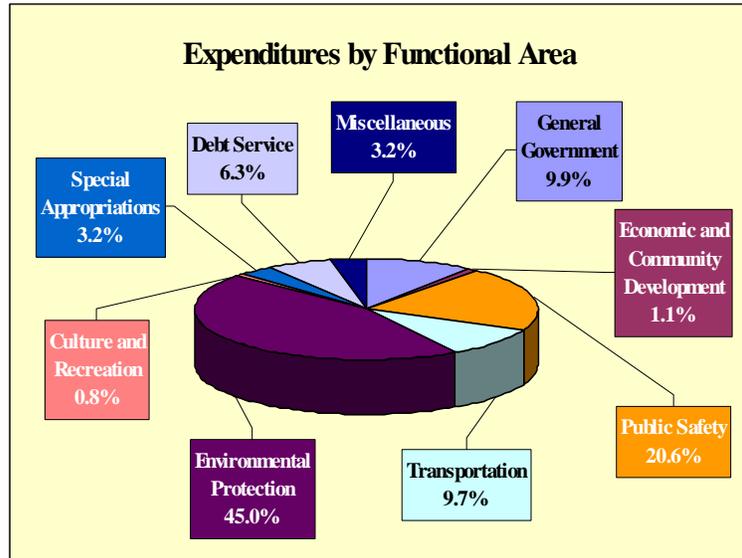
This function accounts for \$1,615,860 or 45% of the total budget. Major purchases include:

- A replacement computer
- Improvements to the water plant
- Funding for lining sewer lines
- Purchase of a GPS locator unit

Economic and Community Development

This function accounts for \$40,585 or 1.1% of the total budget. Major purchases include:

- Hiring a consultant to assist with development of a downtown and gateway master plan.



Culture and Recreation

This function accounts for \$28,905 or 0.8% of the total budget. Major purchases are:

- Continued funding for the Yadkinville Sports Club
- Continued funding for the maintenance of Hinshaw Gardens
- Funds to pay for master plans for two potential park locations

Miscellaneous

This function accounts for \$116,215 or 3.2% of the total budget. Major purchases include:

- Funding for insurance

Debt Service

This function accounts for \$224,531 or 6.3% of the total budget. Major purchases include:

- Debt Service for the Sewer Plant

Special Appropriations

This function accounts for \$16,400 or 3.2% of the total budget. Major purchases include:

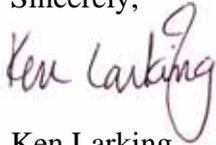
- Funding for outside agencies

RECOMMENDED BUDGET

This proposed budget is balanced in accordance with State statutes and attempts to address the goals and priorities that have been set by the Town Board for the Town's future. The budget is fiscally sound, and although it does not fund all the requests made by departments, it does address the top priority needs of the Town and is set at a level to maintain service levels to citizens.

The budget for FY 2006-2007 is recommended for approval by the Town Board of Commissioners.

Sincerely,

A handwritten signature in dark ink that reads "Ken Larking". The signature is written in a cursive style with a large, looping "K" and "L".

Ken Larking
Town Manager

Budget Ordinance



BE IT ORDAINED by the Governing Board of the Town of Yadkinville, North Carolina:

SECTION 1: It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2006, and ending June 30, 2007:

Ad Valorem Taxes	\$ 674,921
Sales Tax	\$ 308,017
Intergovernmental Revenues	\$ 121,093
Utility Franchise Fees	\$ 465,434
Investment Earnings	\$ 45,000
Fund Balance Appropriated	\$ 110,000
Miscellaneous Revenues	\$ 34,531
	<u>\$1,758,996</u>

SECTION 2: The following amounts are hereby appropriated in the General Fund for the operation of the Town government and its activities for the Fiscal Year beginning July 1, 2006, and ending June 30, 2007:

Governing Body	\$ 27,200
Elections	\$ 3,500
Administration	\$ 285,606
Planning and Zoning	\$ 40,585
Municipal Buildings	\$ 25,650
Police Department	\$ 730,578
Edity Grant	\$ 8,000
Public Safety	\$ 1,100
Garage	\$ 14,450
Streets and Highways	\$ 254,403
Powell Bill	\$ 94,206
Sanitation	\$ 165,213
Recreation	\$ 21,000
Hinshaw Gardens	\$ 7,905
Non-Departmental	\$ 67,200
Special Appropriations	\$ 12,400
	<u>\$1,758,996</u>

SECTION 3: It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2006, and ending June 30, 2007:

Sales and Services	\$1,794,693
Investment Earnings	\$ 10,000
Miscellaneous	\$ 23,500
	<u>\$1,828,193</u>

SECTION 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2006, and ending June 30, 2007:

Administration	\$ 152,406
Water Plant	\$ 383,879
Sewer Plant	\$ 320,984
Lab and Pretreatment	\$ 105,365
Water and Sewer Operations	\$ 488,013
Non-Departmental	\$ 49,015
Special Appropriations	\$ 328,531
	<u>\$1,828,193</u>



Budget Ordinance

SECTION 5: It is estimated that the following revenue will be available in the Hinshaw Gardens Fund for the Fiscal Year beginning July 1, 2006, and ending June 30, 2007:

Investment Earnings	\$ 4,000
Fund Balance Appropriated	\$ <u>3,905</u>
	\$ 7,905

SECTION 6: The following amounts are appropriated in the Hinshaw Gardens Fund for the Fiscal Year beginning July 1, 2006, and ending June 30, 2007:

Transfer to the General Fund	\$ <u>7,905</u>
	\$ 7,905

SECTION 7: There is hereby levied a tax at the rate of thirty-three cents (\$.33) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2006, for the purpose of raising the revenue listed as “Ad Valorem Taxes” in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$201,927,949 and an estimated rate of collection of 97%. This estimated rate of collection is based on the Fiscal Year 2005-2006 projected collection rate of 97%.

SECTION 8: The Town Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

- A. He may transfer amounts between objects of expenditure within a department without limitations and without a report being required.
- B. He may transfer amounts up to \$1,000 between departments of same fund with an official report of such transfers being given at the next regular meeting of the Board of Commissioners.
- C. He may not transfer any amounts between funds or from any contingency appropriation within any fund.

SECTION 9: Copies of this Budget Ordinance shall be furnished to the Finance Officer and to the Budget Officer of this Town to keep on file by them for their direction in the disbursement of funds.

Adopted this 28th day of June, 2006

Hubert Gregory
Mayor

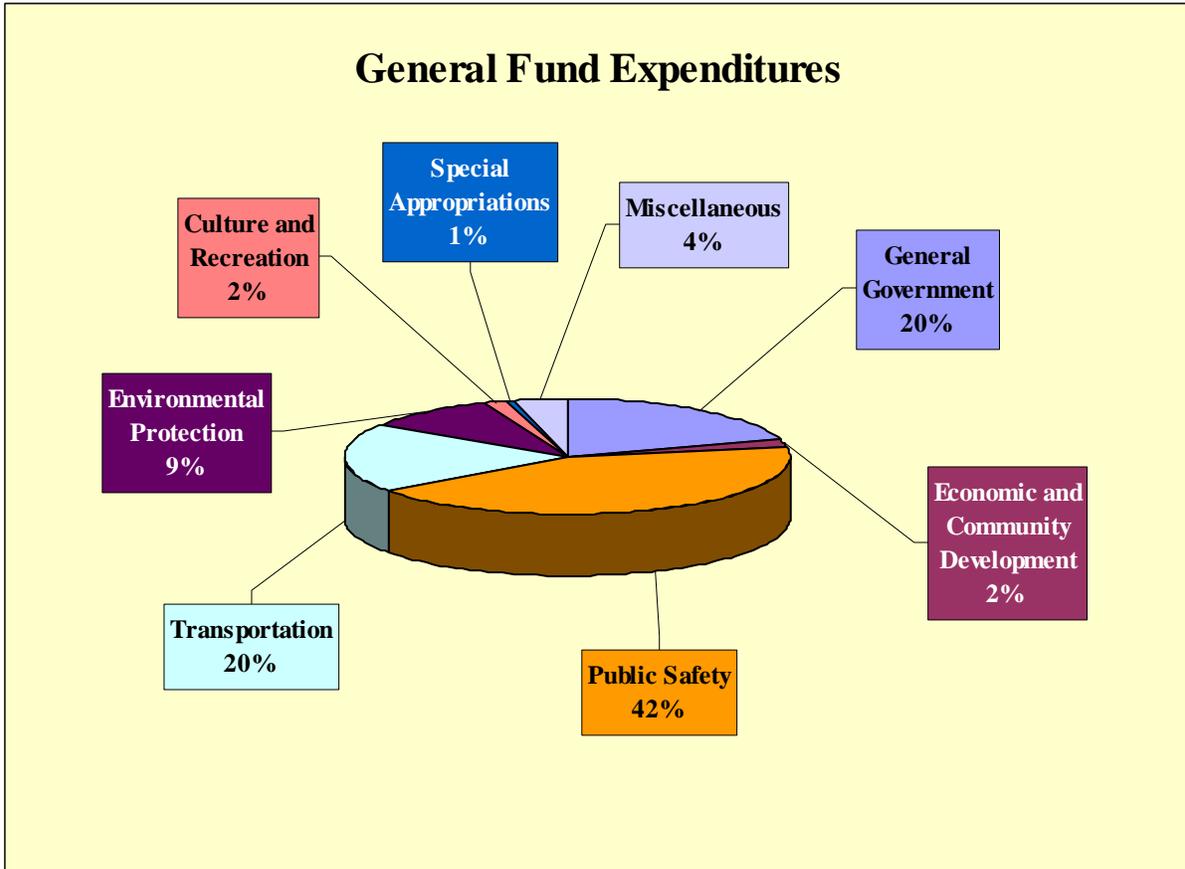
Attest:

Nancy Hollar
Town Clerk

General Fund



The General Fund accounts for all financial resources not restricted to specific purposes or otherwise required to be accounted for in another fund. The following departments are included in the General Fund: Governing Body, Administration, Planning and Zoning, Municipal Buildings, Police Department, Garage, Streets and Highways, Powell Bill, Sanitation, Recreation, Hinshaw Gardens, and Special Appropriations. There is no debt service in the General Fund.



The graph above shows General Fund expenditures by functional area. General Government includes Governing Body, Administration, Elections, Municipal Buildings and Garage. Economic and Community Development includes Planning and Zoning. Public Safety includes the Police Department and Public Safety. Transportation includes Streets and Highways and Powell Bill. Environmental Protection includes Sanitation. Culture and Recreation includes Recreation and Hinshaw Gardens. Special Appropriations includes transfers to the water and sewer fund and donations to community organizations. Miscellaneous includes insurance and other miscellaneous expenditures.



General Fund

Revenues Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
CURRENT YEAR LEVY	10-301-00	\$ 603,933	\$ 614,553	\$ 609,871	-1%
1ST PRIOR YEAR	10-301-01	\$ 16,448	\$ 8,000	\$ 12,000	50%
2ND PRIOR YEAR	10-301-02	\$ 3,153	\$ 3,000	\$ 3,000	0%
3RD PRIOR YEAR +	10-301-03	\$ 2,981	\$ 4,000	\$ 3,000	-25%
VEHICLE TAX -CURRENT	10-302-00	\$ 36,622	\$ 34,000	\$ 36,500	7%
VEHICLE TAX - 1ST PRIOR YEAR	10-302-01	\$ 8,193	\$ 15,000	\$ 9,000	-40%
VEHICLE TAX - 2ND PRIOR YEAR	10-302-02	\$ 667	\$ 350	\$ 350	0%
VEHICLE TAX - 3RD PRIOR YEAR +	10-302-03	\$ 329	\$ 150	\$ 150	0%
REIMBURSEMENT HOLD HARMLESS	10-309-00	\$ 26,887	\$ 27,931	\$ 26,887	-4%
TAX DISCOUNTS	10-311-00	\$ (1,724)	\$ (1,700)	\$ (1,700)	0%
TAX REFUNDS - AD VALOREM	10-312-00	\$ (10,646)	\$ -	\$ (1,000)	-100%
COUNTY COLLECTION FEES	10-313-00	\$ (736)	\$ (750)	\$ (750)	0%
TAX PENALTIES	10-317-00	\$ 6,057	\$ 4,000	\$ 4,500	13%
PRIVILEGE LICENSES	10-325-00	\$ 475	\$ 100	\$ 100	0%
FRANCHISE TAX-CABLEVISION	10-328-00	\$ 22,429	\$ 21,100	\$ 21,100	0%
INTEREST ON INVESTMENTS	10-329-00	\$ 34,186	\$ 27,500	\$ 45,000	64%
RENTS & CONCESSIONS	10-331-00	\$ 250	\$ 100	\$ 100	0%
MISCELLANEOUS REVENUE	10-335-00	\$ 10,693	\$ 2,000	\$ 2,000	0%
SALE OF CONFISCATED ITEMS	10-335-01	\$ -	\$ -	\$ -	0%
DONATIONS/PRIVATE-POLICE	10-336-00	\$ 400	\$ 300	\$ 300	0%
CONTROLLED SUB. TAX - P/D	10-336-01	\$ 2,260	\$ 100	\$ 1,100	1000%
FEDERAL DRUG MONEY	10-336-02	\$ -	\$ -	\$ 1,000	100%
NAT. GAS/FED. EXCISE TAX	10-337-01	\$ 3,017	\$ 3,000	\$ 3,000	0%
FRANCHISE/ELEC. POWER	10-337-02	\$ 377,934	\$ 448,883	\$ 407,659	-9%
SALES TAX/TELECOM.	10-337-03	\$ 31,675	\$ 28,000	\$ 31,675	13%
INTANGIBLES TAX	10-339-00	\$ -	\$ -	\$ -	0%
BEVERAGE TAX	10-341-00	\$ 2,926	\$ 2,500	\$ 2,926	0%
POWELL BILL	10-343-00	\$ 94,206	\$ 89,000	\$ 94,206	6%
LOCAL OPTION SALES TAX	10-345-00	\$ 307,786	\$ 297,830	\$ 308,017	3%
MTG GRANT/P-D	10-348-00	\$ 12,150	\$ -	\$ 6,000	100%
OJP GRANT	10-348-01	\$ 3,050	\$ -	\$ -	0%
COURT FEES	10-351-00	\$ 1,548	\$ 1,500	\$ 1,500	0%
PARKING CITATIONS	10-352-00	\$ 1,600	\$ 500	\$ 500	0%
BUILDING & ZONING PERMITS	10-355-00	\$ 2,125	\$ 1,500	\$ 2,000	33%
GARBAGE COLLECTION FEES	10-359-00	\$ 1,550	\$ -	\$ 1,100	100%
TAX REFUNDS	10-367-00	\$ 7,793	\$ 12,000	\$ 8,000	-33%
GASOLINE EXCISE TAX	10-367-01	\$ 1,952	\$ 3,000	\$ 2,000	-33%
SALE OF EQUIPMENT	10-381-00	\$ 82	\$ -	\$ -	0%
SALE OF EQUIPMENT	10-382-00	\$ 1,281	\$ -	\$ -	0%
SALE OF FIXED ASSETS	10-383-00	\$ -	\$ -	\$ -	0%
TRANSFER FROM H. GARDENS	10-397-51	\$ 5,962	\$ 7,905	\$ 7,905	0%
FUND BAL. APPROP. P.BILL	10-399-00	\$ -	\$ -	\$ -	0%
FUND BALANCE APPROPRIATED	10-399-01	\$ -	\$ -	\$ 110,000	100%
Total Revenues		\$ 1,619,492	\$ 1,655,352	\$ 1,758,996	6%

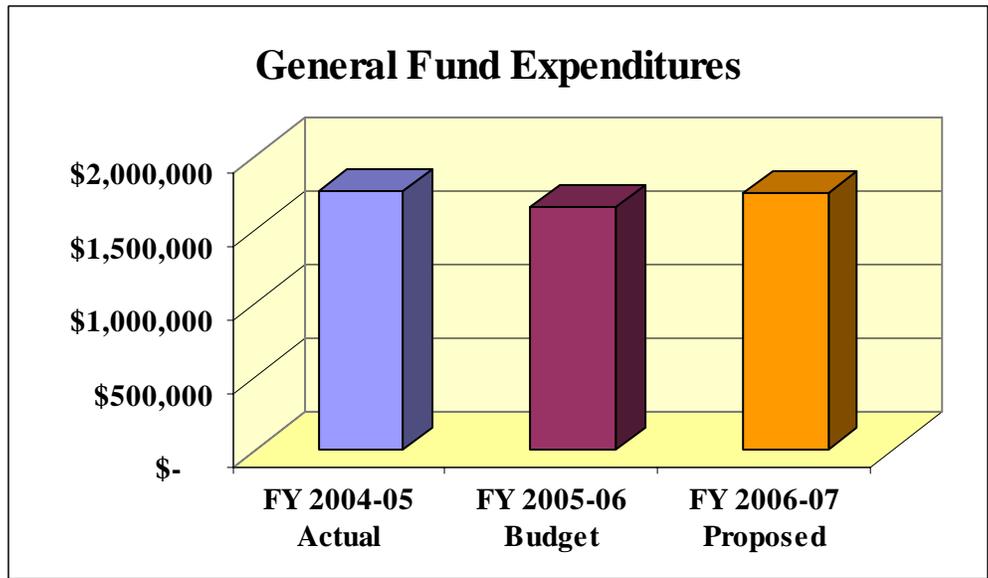
Budget Highlights: The Town expects a 1% decrease in property tax revenues for FY 2006-2007. The decrease is attributed to depreciation of equipment at industrial plants. Projected sales tax revenues and revenues from the electric franchise tax, sales tax on telecommunications, and the excise taxes are based on NC League of Municipalities (NCLM) estimates.

General Fund



Expenditures Department	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
GOVERNING BODY	10-410-00	\$ 23,507	\$ 29,500	\$ 27,200	-8%
ADMINISTRATION	10-420-00	\$ 254,917	\$ 263,944	\$ 285,606	8%
ELECTIONS	10-430-00	\$ -	\$ 3,500	\$ 3,500	0%
PLANNING AND ZONING	10-490-00	\$ 3,062	\$ 12,700	\$ 40,585	220%
MUNICIPAL BUILDINGS	10-500-00	\$ 22,199	\$ 25,100	\$ 25,650	2%
POLICE DEPARTMENT	10-510-00	\$ 646,984	\$ 653,181	\$ 730,578	12%
PUBLIC SAFETY	10-512-00	\$ 2,781	\$ 1,100	\$ 1,100	0%
GARAGE	10-555-00	\$ 9,951	\$ 15,150	\$ 14,450	-5%
GARAGE	10-555-00	\$ 9,951	\$ 15,150	\$ 14,450	-5%
STREETS AND HIGHWAYS	10-560-00	\$ 233,158	\$ 288,611	\$ 254,403	-12%
POWELL BILL	10-570-00	\$ 120,460	\$ 89,000	\$ 94,206	6%
SANITATION	10-580-00	\$ 169,965	\$ 165,143	\$ 165,213	0%
RECREATION	10-620-00	\$ 11,194	\$ 21,000	\$ 21,000	0%
HINSHAW GARDENS	10-621-00	\$ 5,962	\$ 7,905	\$ 7,905	0%
NON-DEPARTMENTAL	10-660-00	\$ 67,323	\$ 69,868	\$ 67,200	-4%
SPECIAL APPROPRIATIONS	10-690-00	\$ 184,379	\$ 9,650	\$ 12,400	28%
CONTINGENCY	10-999-00	\$ -	\$ -	\$ -	0%
0	Total	\$ 1,772,043	\$ 1,655,352	\$ 1,758,996	6%

Budget Highlights: This year's budget includes funding for the municipal election, a downtown parking master plan and master plans for two potential park locations.



The chart above shows General Fund actual expenditures for FY 2004-2005, budgeted expenditures for the current fiscal year and proposed budget expenditures for the upcoming fiscal year.



General Government

Governing Body Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
BOARD MEETINGS	10-410-01	\$ 13,200	\$ 13,500	\$ 13,200	-2%
TELEPHONE & POSTAGE	10-410-11	\$ 3,601	\$ 4,000	\$ 4,000	0%
TRAVEL	10-410-14	\$ 738	\$ 3,500	\$ 1,500	-57%
MTCE. & REPAIR - VEHICLE	10-410-17	\$ 147	\$ 250	\$ 250	0%
AUTO SUPPLIES	10-410-31	\$ 57	\$ 250	\$ 250	0%
MISCELLANEOUS	10-410-57	\$ 5,765	\$ 8,000	\$ 8,000	0%
Total		\$ 23,507	\$ 29,500	\$ 27,200	-8%

Budget Highlights: Funding for this department will continue at slightly below the previous year, but is consistent with actual expenditures from prior years.

Administration Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARIES	10-420-02	\$ 146,588	\$ 153,841	\$ 170,575	11%
PROFESSIONAL SERVICES	10-420-04	\$ 32,343	\$ 27,750	\$ 27,750	0%
FICA	10-420-05	\$ 11,139	\$ 11,769	\$ 13,049	11%
GIS	10-420-06	\$ 23,121	\$ 24,400	\$ 24,400	0%
RETIREMENT (MATCH)	10-420-07	\$ 7,227	\$ 7,584	\$ 8,153	8%
BB&T (EMPLOYER CONT.)	10-420-08	\$ 2,737	\$ 7,700	\$ 8,529	11%
EMPLOYEE TRAINING	10-420-10	\$ 368	\$ 2,000	\$ 2,000	0%
TELEPHONE & POSTAGE	10-420-11	\$ 9,666	\$ 8,000	\$ 9,000	13%
PRINTING	10-420-12	\$ 1,627	\$ 2,500	\$ 2,000	-20%
TRAVEL	10-420-14	\$ 1,183	\$ 2,000	\$ 2,000	0%
MTCE. & REPAIR - EQUIP.	10-420-16	\$ 258	\$ 2,200	\$ 1,500	-32%
MTCE. & REPAIR - VEHICLE	10-420-17	\$ 282	\$ 250	\$ 250	0%
SAFETY - OSHA REQUIRED	10-420-20	\$ -	\$ 250	\$ -	-100%
ADVERTISING	10-420-26	\$ 1,338	\$ 750	\$ 750	0%
AUTO SUPPLIES	10-420-31	\$ 1,241	\$ 750	\$ 150	-80%
SUPPLIES & MATERIALS	10-420-33	\$ 3,734	\$ 2,500	\$ 4,000	60%
CONTRACTED SERVICES	10-420-45	\$ 3,432	\$ 2,500	\$ 3,500	40%
DUES & SUBSCRIPTIONS	10-420-53	\$ 4,697	\$ 4,200	\$ 5,000	19%
OTHER	10-420-57	\$ 461	\$ 500	\$ 500	0%
CAPITAL OUTLAY - EQUIP.	10-420-74	\$ 2,220	\$ -	\$ -	0%
CAP.OUT.-NON-CAPITAL	10-420-75	\$ 1,259	\$ 2,500	\$ 2,500	0%
Total		\$ 254,917	\$ 263,944	\$ 285,606	8%

Budget Highlights: This year's Administration budget includes funds for a replacement computer and typewriter.

Elections Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
CONTRACTED SERVICES	10-430-45	\$ -	\$ 3,500	\$ 3,500	0%
Total	0	\$ -	\$ 3,500	\$ 3,500	0%

Budget Highlights: This year's budget includes funds for a possible ABC referendum.

General Government

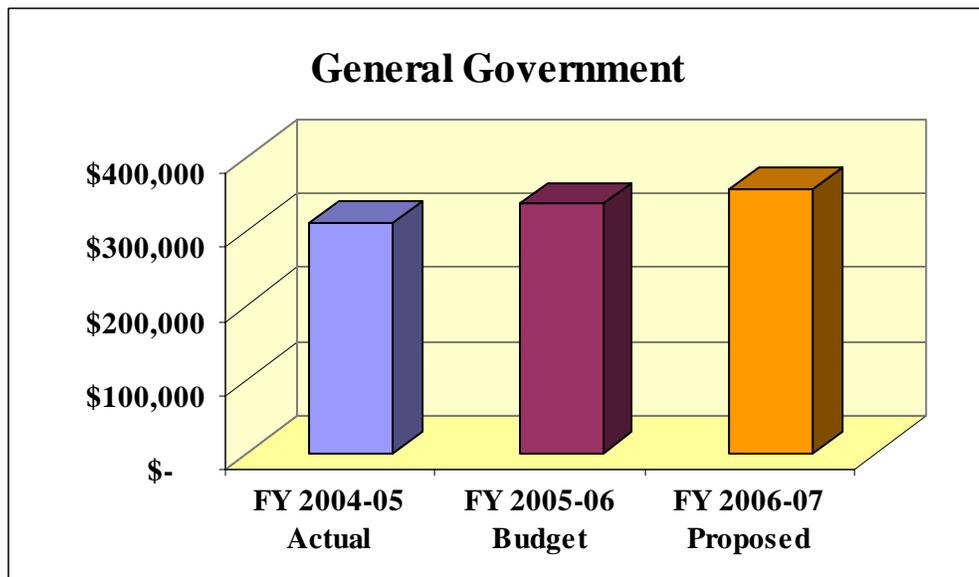


Municipal Buildings Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
UTILITIES	10-500-13	\$ 11,550	\$ 12,000	\$ 13,550	13%
MTCE. & REPAIR - BLDGS.	10-500-15	\$ 1,785	\$ 1,500	\$ 2,000	33%
MTCE. & REPAIR - EQUIP.	10-500-16	\$ 65	\$ 500	\$ 500	0%
SUPPLIES & MATERIALS	10-500-33	\$ 1,598	\$ 1,750	\$ 1,700	-3%
CONTRACTED SERVICES	10-500-45	\$ 6,544	\$ 7,000	\$ 7,000	0%
MISCELLANEOUS	10-500-57	\$ 657	\$ 1,100	\$ 900	-18%
CAPITAL OUTLAY - OTHER	10-500-73	\$ -	\$ -	\$ -	0%
CAPITAL OUTLAY - EQUIP.	10-500-74	\$ -	\$ -	\$ -	0%
CAP.OUT.-NON-CAPITAL	10-500-75	\$ -	\$ 1,250	\$ -	-100%
Total	0	\$ 22,199	\$ 25,100	\$ 25,650	2%

Budget Highlights: This year's Municipal Buildings budget includes additional funds for utilities.

Garage Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
TELEPHONE	10-555-11	\$ 3,057	\$ 3,600	\$ 3,600	0%
UTILITIES	10-555-13	\$ 3,215	\$ 5,000	\$ 6,000	20%
MTCE. & REPAIR-BLDG.	10-555-15	\$ 606	\$ 1,000	\$ 1,500	50%
MTCE. & REPAIR - EQUIP.	10-555-16	\$ 171	\$ 600	\$ 600	0%
SUPPLIES & MATERIALS	10-555-33	\$ 993	\$ 1,200	\$ 900	-25%
CONTRACTED SERVICES	10-555-45	\$ 1,909	\$ 1,600	\$ 1,600	0%
MISCELLANEOUS	10-555-57	\$ -	\$ 150	\$ 250	67%
CAPITAL OUTLAY - OTHER	10-555-73	\$ -	\$ -	\$ -	0%
CAPITAL OUTLAY - EQUIP.	10-555-74	\$ -	\$ -	\$ -	0%
CAP.OUT.-NON-CAPITAL	10-555-75	\$ -	\$ 2,000	\$ -	-100%
Total		\$ 9,951	\$ 15,150	\$ 14,450	-5%

Budget Highlights: This year's Garage budget remains about the same as the previous year.

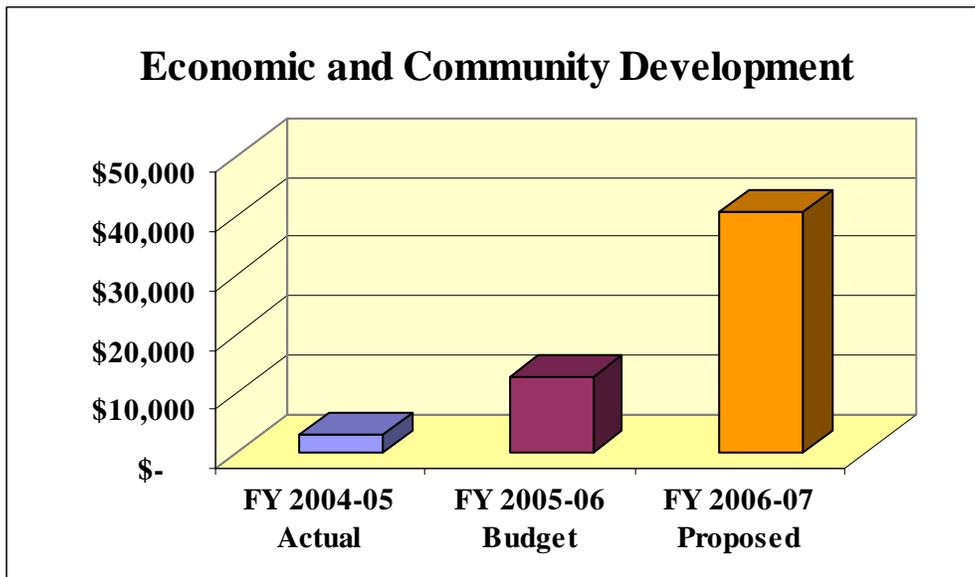




Economic and Community Development

Planning and Zoning Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
MEETING FEES	10-490-01	\$ 1,245	\$ 1,000	\$ 1,250	25%
PROFESSIONAL SERVICES	10-490-04	\$ 928	\$ 10,000	\$ 37,535	275%
PRINTING	10-490-12	\$ -	\$ 250	\$ 250	0%
TRAVEL	10-490-14	\$ 108	\$ -	\$ -	0%
ADVERTISING	10-490-26	\$ 300	\$ 200	\$ 300	50%
SUPPLIES & MATERIALS	10-490-33	\$ 333	\$ 500	\$ 500	0%
MISCELLANEOUS	10-490-57	\$ 149	\$ 750	\$ 750	0%
Total		\$ 3,062	\$ 12,700	\$ 40,585	220%

Budget Highlights: This year's Planning and Zoning budget includes funding for a downtown and gateway master plan.



Public Safety

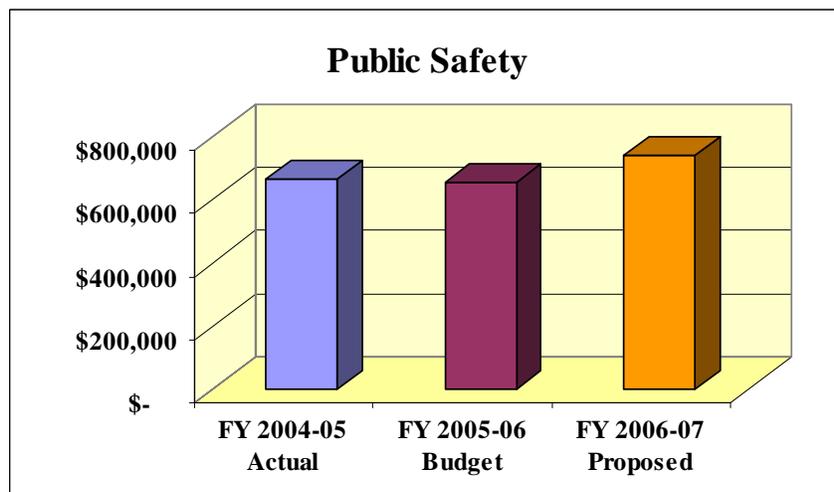


Police Department Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARIES	10-510-02	\$ 404,977	\$ 421,728	\$ 476,216	13%
FICA	10-510-05	\$ 30,765	\$ 32,262	\$ 36,280	12%
GIS	10-510-06	\$ 65,398	\$ 73,200	\$ 79,300	8%
RETIREMENT (MATCH)	10-510-07	\$ 18,888	\$ 20,791	\$ 22,670	9%
BB&T (EMPLOYER CONT.)	10-510-08	\$ 19,217	\$ 21,100	\$ 23,712	12%
TRAINING	10-510-10	\$ 40	\$ 500	\$ 250	-50%
TELEPHONE & POSTAGE	10-510-11	\$ 8,977	\$ 10,500	\$ 9,500	-10%
PRINTING	10-510-12	\$ 248	\$ 300	\$ 300	0%
UTILITIES	10-510-13	\$ 6,065	\$ 7,000	\$ 7,000	0%
TRAVEL	10-510-14	\$ -	\$ 300	\$ 50	-83%
MTCE. & REPAIR - BLDG.	10-510-15	\$ 1,540	\$ 2,000	\$ 2,000	0%
MTCE. & REPAIR - EQUIP.	10-510-16	\$ 3,137	\$ 4,000	\$ 4,000	0%
MTCE. & REPAIR - VEHICLES	10-510-17	\$ 7,060	\$ 7,500	\$ 7,500	0%
SAFETY - OSHA REQUIRED	10-510-20	\$ 483	\$ 600	\$ 600	0%
AUTO SUPPLIES	10-510-31	\$ 18,018	\$ 18,000	\$ 25,000	39%
SUPPLIES & MATERIALS	10-510-33	\$ 4,802	\$ 4,500	\$ 5,000	11%
UNIFORMS	10-510-36	\$ 4,718	\$ 4,000	\$ 4,000	0%
CONTRACTED SERVICES	10-510-45	\$ 8,425	\$ 8,000	\$ 8,500	6%
DRUG BUY MONEY	10-510-49	\$ 1,000	\$ 1,000	\$ 1,000	0%
MISCELLANEOUS	10-510-57	\$ 2,774	\$ 3,400	\$ 3,200	-6%
CAPITAL OUTLAY - OTHER	10-510-73	\$ -	\$ 2,000	\$ 4,500	125%
CAP OUTLAY EQUIP	10-510-74	\$ 38,108	\$ 10,000	\$ 10,000	0%
CAP.OUT.-NON-CAPITAL	10-510-75	\$ 1,688	\$ 500	\$ -	-100%
Total		\$ 646,984	\$ 653,181	\$ 730,578	12%

Edity Grant Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
CAPITAL OUTLAY EQUIP	10-511-74	\$ 16,200	\$ -	\$ 8,000	100%
Total	0	\$ 16,200	\$ -	\$ 8,000	100%

Public Safety Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
UTILITIES	10-512-13	\$ 138	\$ 150	\$ 150	0%
MTCE & REPAIR EQUIPMENT	10-512-16	\$ 2,644	\$ 750	\$ 750	0%
SUPPLIES/MATERIALS	10-512-33	\$ -	\$ 200	\$ 200	0%
Total		\$ 2,781	\$ 1,100	\$ 1,100	0%

Budget Highlights: This year's Police Department budget includes funding for a detective's vehicle, a taser and software for the mobile data terminals.



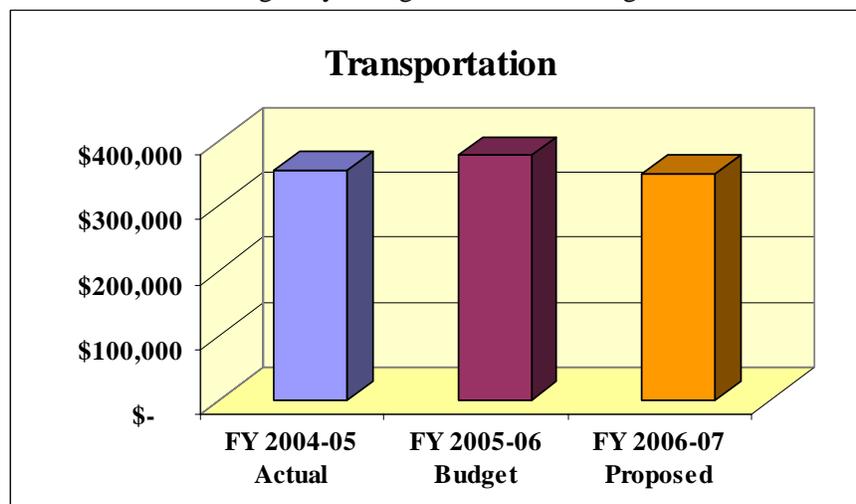


Transportation

Streets and Highways Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARIES	10-560-02	\$ 138,094	\$ 142,974	\$ 145,068	1%
PROFESSIONAL SERVICES	10-560-04	\$ 1,400	\$ -	\$ -	0%
FICA	10-560-05	\$ 9,982	\$ 10,938	\$ 11,098	1%
GIS	10-560-06	\$ 22,862	\$ 24,400	\$ 24,400	0%
RETIREMENT (MATCH)	10-560-07	\$ 6,808	\$ 7,049	\$ 6,934	-2%
BB&T (EMPLOYER CONT.)	10-560-08	\$ 2,260	\$ 7,150	\$ 7,253	1%
TRAINING	10-560-10	\$ 305	\$ 700	\$ 1,000	43%
TELE/POSTAGE	10-560-11	\$ 998	\$ 1,000	\$ 800	-20%
UTILITIES	10-560-13	\$ 30,607	\$ 28,000	\$ 30,000	7%
TRAVEL	10-560-14	\$ 40	\$ 300	\$ 300	0%
MTCE. - BLDG. & GROUNDS	10-560-15	\$ 1,927	\$ 11,000	\$ 7,000	-36%
MTCE. & REPAIR - EQUIP.	10-560-16	\$ 1,703	\$ 1,200	\$ 1,200	0%
MTCE. & REPAIR - TRUCKS	10-560-17	\$ 1,366	\$ 1,600	\$ 1,600	0%
SAFETY - OSHA REQUIRED	10-560-20	\$ 1,045	\$ 1,300	\$ 1,500	15%
AUTO SUPPLIES	10-560-31	\$ 4,373	\$ 4,500	\$ 5,500	22%
SUPPLIES & MATERIALS	10-560-33	\$ 1,578	\$ 2,000	\$ 2,000	0%
UNIFORMS	10-560-36	\$ 1,416	\$ 1,500	\$ 1,500	0%
CONTRACTED SERVICES	10-560-45	\$ 4,252	\$ 10,500	\$ 5,000	-52%
MISCELLANEOUS	10-560-57	\$ 2,143	\$ 2,000	\$ 2,000	0%
CAPITAL OUTLAY - R/W	10-560-72	\$ -	\$ -	\$ -	0%
CAPITAL OUTLAY - EQUIP.	10-560-74	\$ -	\$ 29,000	\$ -	-100%
CAP.OUT.-NON-CAPITAL	10-560-75	\$ -	\$ 1,500	\$ 250	-83%
Total		\$ 233,158	\$ 288,611	\$ 254,403	-12%

Powell Bill Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
PROFESSIONAL SERVICES	10-570-04	\$ -	\$ 1,000	\$ 1,000	0%
MAINTENANCE - STREETS	10-570-15	\$ 42,310	\$ 67,250	\$ 69,456	3%
MTCE. & REPAIR - EQUIP.	10-570-16	\$ 3,243	\$ 3,500	\$ 6,000	71%
MTCE. & REPAIR - TRUCKS	10-570-17	\$ 1,373	\$ 3,500	\$ 3,000	-14%
AUTO SUPPLIES	10-570-31	\$ 3,667	\$ 6,000	\$ 5,000	-17%
SUPPLIES & MATERIALS	10-570-33	\$ 3,783	\$ 3,500	\$ 2,500	-29%
MISCELLANEOUS	10-570-57	\$ -	\$ 250	\$ 250	0%
CAP. OUTLAY - OTH. IMPVT.	10-570-73	\$ -	\$ 4,000	\$ 4,000	0%
CAPITAL OUTLAY - EQUIP.	10-570-74	\$ 66,085	\$ -	\$ 3,000	100%
Total		\$ 120,460	\$ 89,000	\$ 94,206	6%

Budget Highlights: The Streets and Highways budget includes funding for street resurfacing projects.

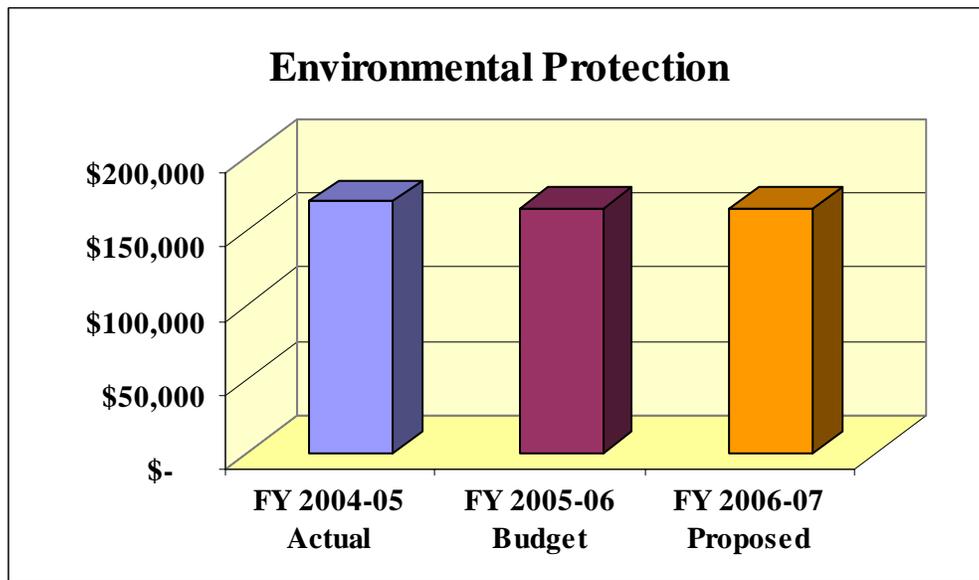


Environmental Protection



Sanitation Department Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
MTCE. & REPAIR - EQUIP.	10-580-16	\$ -	\$ 100	\$ 100	0%
MTCE. & REPAIR - TRUCK	10-580-17	\$ 13	\$ 500	\$ 500	0%
AUTO SUPPLIES	10-580-31	\$ 182	\$ 500	\$ 500	0%
SUPPLIES & MATERIALS	10-580-33	\$ -	\$ 150	\$ 150	0%
CONT. SERV. - RECYCLING	10-580-44	\$ 30,395	\$ 30,000	\$ 29,808	-1%
CONT. SERV. - DUMPSTERS	10-580-45	\$ 96,259	\$ 98,693	\$ 127,955	30%
TIPPING FEES	10-580-49	\$ 43,040	\$ 35,000	\$ 6,000	-83%
MISCELLANEOUS	10-580-57	\$ 75	\$ 200	\$ 200	0%
CAP. OUTLAY - EQUIP.	10-580-74	\$ -	\$ -	\$ -	0%
Total		\$ 169,965	\$ 165,143	\$ 165,213	0%

Budget Highlights: This year's Sanitation budget continues service at the same level.



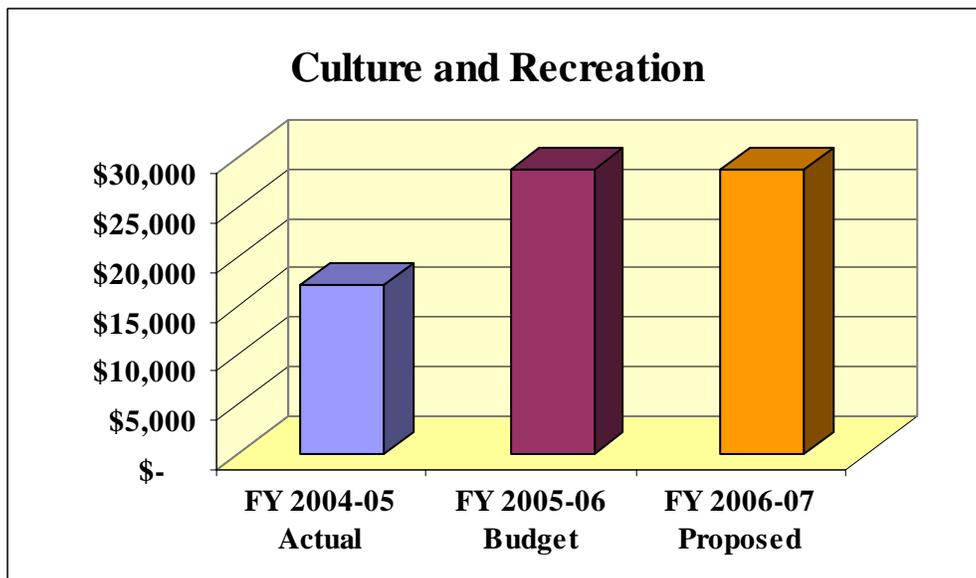


Culture and Recreation

Recreation Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
PROFESSIONAL SERVICES	10-620-04	\$ 6,094	\$ 18,000	\$ 18,000	0%
MAINTENANCE - GROUNDS	10-620-15	\$ -	\$ -	\$ -	0%
MTCE. & REPAIR - EQUIP.	10-620-16	\$ -	\$ -	\$ -	0%
CAPITAL OUTLAY - LAND	10-620-73	\$ 100	\$ -	\$ -	0%
CAPITAL OUTLAY - EQUIP.	10-620-74	\$ -	\$ -	\$ -	0%
SPECIAL APPROPRIATIONS	10-620-92	\$ 5,000	\$ 3,000	\$ 3,000	0%
Total		\$ 11,194	\$ 21,000	\$ 21,000	0%

Hinshaw Gardens Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARIES	10-621-02	\$ 2,563	\$ 3,000	\$ 3,000	0%
FICA	10-621-05	\$ 196	\$ 230	\$ 230	0%
UTILITIES	10-621-13	\$ 238	\$ 150	\$ 300	100%
MTCE. - BLDG. & GROUNDS	10-621-15	\$ 805	\$ 2,200	\$ 2,050	-7%
MTCE. EQUIPMENT	10-621-16	\$ 62	\$ 100	\$ 100	0%
MTCE & REPAIR - BUILDINGS	10-621-17	\$ -	\$ 200	\$ 200	0%
MOWER SUPPLIES	10-621-31	\$ 118	\$ 150	\$ 150	0%
SUPPLIES & MATERIALS	10-621-33	\$ 172	\$ 350	\$ 350	0%
INSURANCE	10-621-54	\$ 416	\$ 1,025	\$ 1,025	0%
MISC.	10-621-57	\$ 74	\$ 75	\$ 75	0%
CAP. OUTLAY OTHER	10-621-73	\$ 1,319	\$ 425	\$ 425	0%
CAPTIAL OUTLAY EQUIPMENT	10-621-74	\$ -	\$ -	\$ -	0%
Total		\$ 5,962	\$ 7,905	\$ 7,905	0%

Budget Highlights: This year's funding for the Recreation and Hinshaw Gardens budgets includes funds for master plans of two potential park locations.

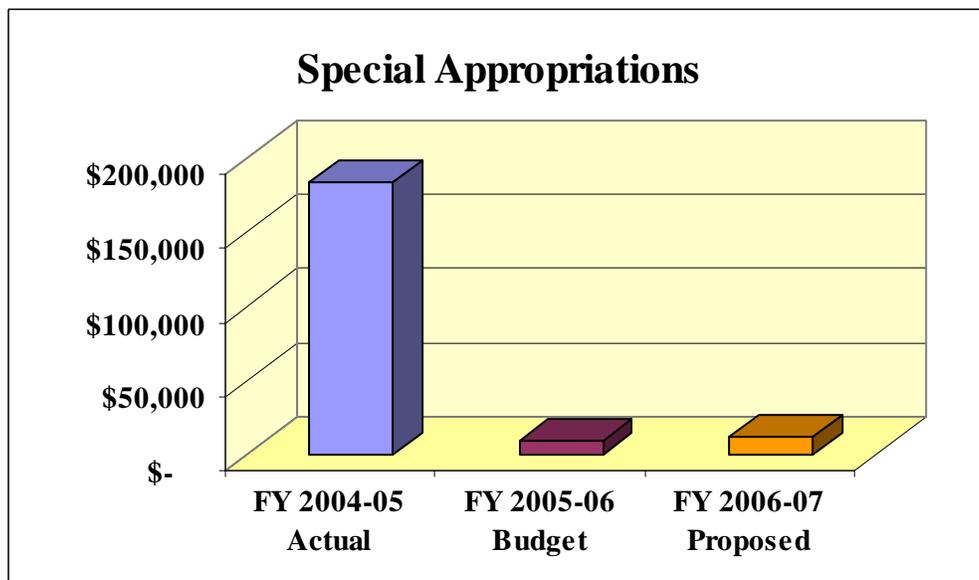


Special Appropriations



Special Appropriations Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
CONT. DOWNTOWN BUS. ASS'N	10-690-88	\$ 2,500	\$ 2,500	\$ 3,000	20%
YMCA	10-690-90	\$ -	\$ -	\$ 1,000	100%
CONT. TO W/S (LOC. OPT.)	10-690-91	\$ 150,000	\$ -	\$ -	0%
LIBRARY	10-690-93	\$ 5,500	\$ 6,000	\$ 6,500	8%
JAYCEES	10-690-95	\$ 5,000	\$ -	\$ -	0%
YADKIN CO. ARTS COUNCIL	10-690-97	\$ 500	\$ 750	\$ 1,500	100%
CONT. TO ECONOMIC DEV.	10-690-98	\$ 20,479	\$ -	\$ -	0%
YADKIN CO. ADVP	10-690-99	\$ 400	\$ 400	\$ 400	0%
Total		\$ 184,379	\$ 9,650	\$ 12,400	28%

Budget Highlights: This year's Special Appropriations budget includes continued funding for the Library and the Yadkin County Arts Council, the Downtown Businesses Association and the ADVP program.

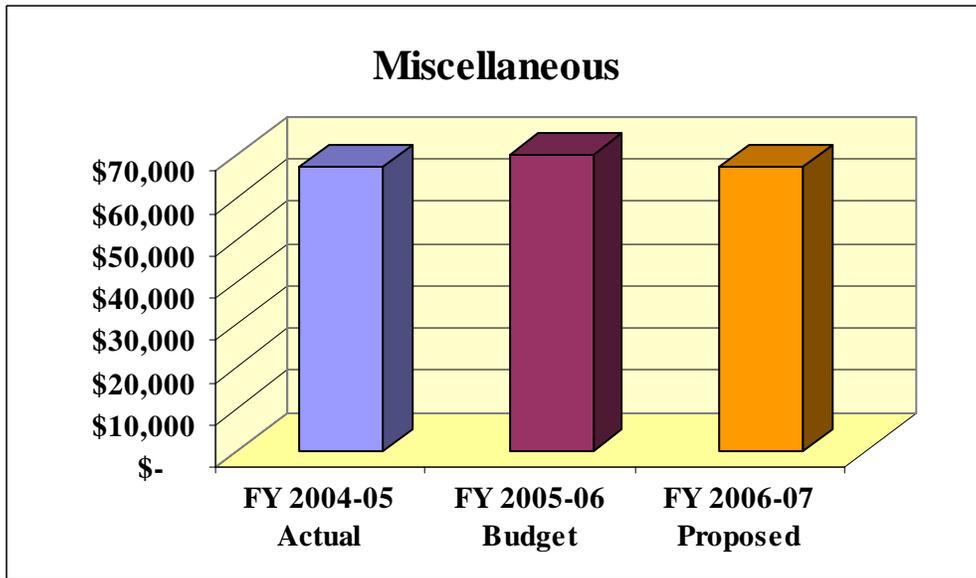




Miscellaneous

Non-Departmental Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
N. C. SALES TAX	10-660-37	\$ 5,546	\$ 3,668	\$ 5,000	36%
COUNTY SALES TAX	10-660-39	\$ 2,128	\$ 1,700	\$ 1,700	0%
FOOD TAX	10-660-40	\$ -	\$ -	\$ -	0%
INSURANCE & BONDS	10-660-54	\$ 59,648	\$ 64,000	\$ 60,000	-6%
MISC. & FIRE INSPECTION	10-660-57	\$ -	\$ 500	\$ 500	0%
Total		\$ 67,323	\$ 69,868	\$ 67,200	-4%

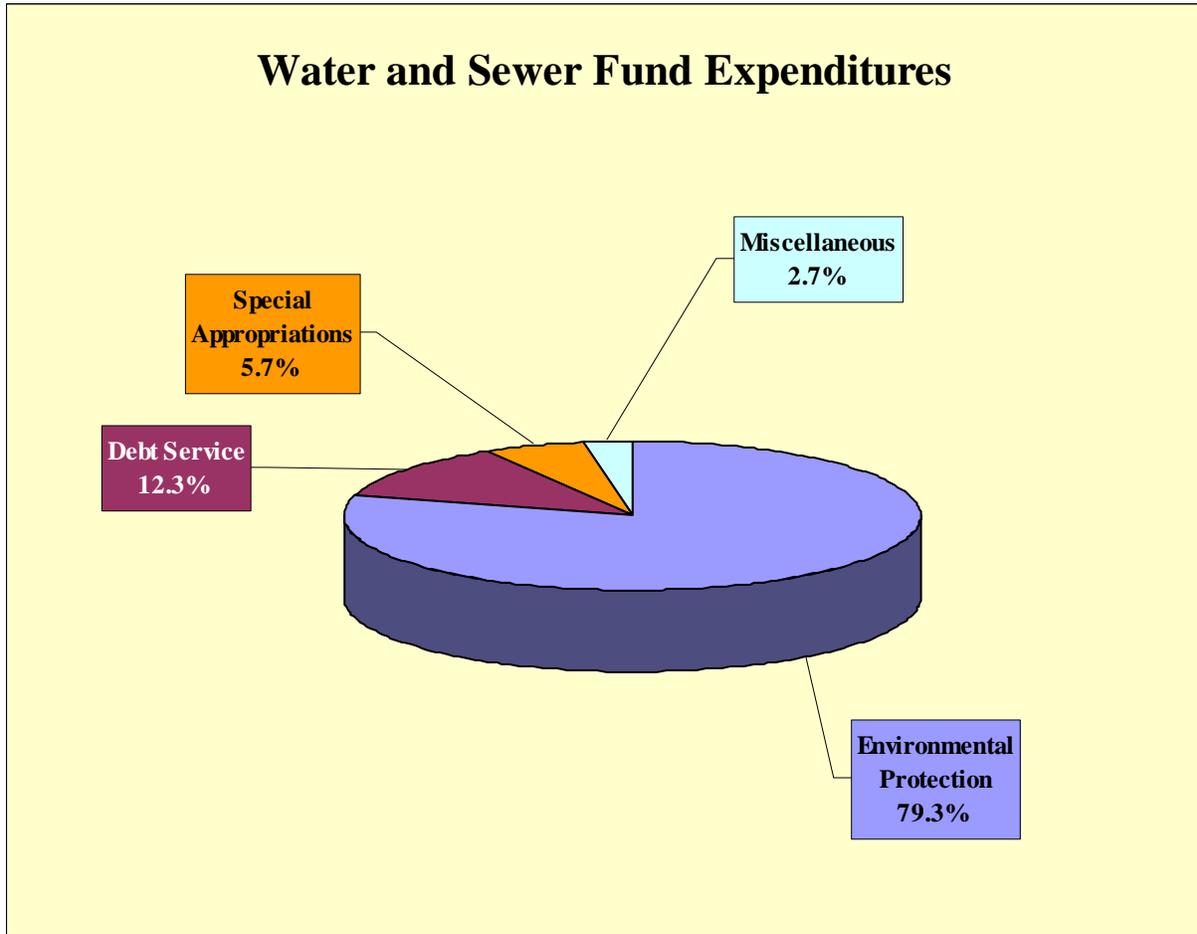
Budget Highlights: This year's Non-Departmental budget continues funding at nearly the same level as the previous fiscal year.



Water and Sewer Fund



The Water and Sewer Fund accounts for all financial resources in this enterprise fund. The following departments are included in the Water and Sewer: Administration, Water Plant, Sewer Plant, Lab and Pretreatment, Water and Sewer Operations, Non-Departmental and Debt Service.



The graph above shows Water and Sewer Fund expenditures by functional area. Environmental Protection includes Administration, Water Plant, Sewer Plant, Lab and Pretreatment and Water and Sewer Operations. Debt Service is categorized as a Special Appropriation. Miscellaneous includes insurance and other miscellaneous expenditures.



Water and Sewer Fund

Revenues Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
INTEREST ON INVESTMENTS	30-329-00	\$ 33,214	\$ 25,000	\$ 10,000	-60%
MISCELLANEOUS	30-335-00	\$ 22,415	\$ 6,000	\$ 6,000	0%
TAX REFUNDS	30-367-00	\$ 12,980	\$ 22,000	\$ 15,000	-32%
FED. EXCISE GAS TAX	30-367-01	\$ 1,143	\$ 1,000	\$ 2,000	100%
TESTING	30-369-00	\$ 4,531	\$ 100	\$ 500	400%
UTILITIES: WATER	30-371-01	\$ 968,173	\$ 947,500	\$ 911,000	-4%
UTILITIES: SEWER	30-371-02	\$ 869,061	\$ 861,952	\$ 823,452	-4%
SEWER SURCHARGE	30-372-00	\$ -	\$ -	\$ -	0%
TAPS & CONNECTION FEES	30-373-00	\$ 16,550	\$ 15,000	\$ 15,000	0%
COUNTY SEWER CHARGES	30-374-00	\$ 23,076	\$ 24,857	\$ 25,000	1%
COUNTY WATER CHARGES	30-374-01	\$ -	\$ 2,730	\$ 6,241	129%
RECONNECTION FEES	30-375-00	\$ 3,875	\$ 3,000	\$ 3,000	0%
LATE CHARGES	30-375-01	\$ 9,025	\$ 5,000	\$ 7,000	40%
BACKFLOW DEVICE/LABOR	30-376-00	\$ -	\$ -	\$ -	0%
SALE OF MATERIALS	30-381-00	\$ 7,779	\$ 5,000	\$ 4,000	-20%
TRANS. FROM GF (LOC. OPT)	30-397-10	\$ 150,000	\$ -	\$ -	0%
Total Revenues		\$ 2,121,822	\$ 1,919,139	\$ 1,828,193	-5%

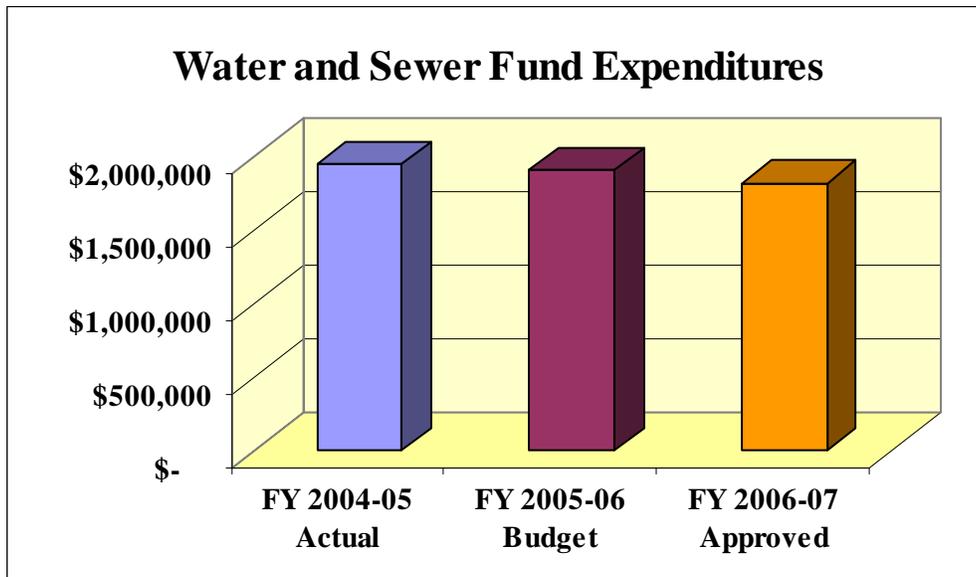
Budget Highlights: The Recommended Budget calls for an adjustment in the rate schedule makes the out of town rates closer to double that of the inside rates. This adjustment still maintains Yadkinville's status as one of the least expensive utility providers in the area.

Water and Sewer Fund



Expenditures Department	Account Number	FY 2003-04 Actual	FY 2004-05 Budget	FY 2005-06 Proposed	Percent Change
ADMINISTRATION	30-720-00	\$ 121,418	\$ 135,356	\$ 152,406	13%
WATER PLANT	30-811-04	\$ 361,395	\$ 377,924	\$ 383,879	2%
SEWER PLANT	30-820-00	\$ 297,261	\$ 288,734	\$ 320,984	11%
LAB AND PRETREATMENT	30-825-00	\$ 71,387	\$ 118,825	\$ 105,365	-11%
WATER AND SEWER OPERATIONS	30-828-00	\$ 382,970	\$ 465,291	\$ 488,013	5%
NON-DEPARTMENTAL	30-660-00	\$ 47,044	\$ 49,008	\$ 49,015	0%
SPECIAL APPROPRIATIONS (DEBT)	30-690-00	\$ 672,225	\$ 484,001	\$ 328,531	-32%
Total		\$ 1,953,699	\$ 1,919,139	\$ 1,828,193	-5%

Budget Highlights: This year’s budget includes funding for various repairs to the Water Plant, and lining sewer lines.



The chart above shows Water and Sewer Fund actual expenditures for FY 2004-2005, budgeted expenditures for the current fiscal year and proposed budget expenditures for the upcoming fiscal year.



Environmental Protection

Administration Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARY	30-720-02	\$ 76,471	\$ 81,015	\$ 94,955	17%
PROFESSIONAL SERVICES	30-720-04	\$ 2,000	\$ 3,000	\$ 3,000	0%
FICA	30-720-05	\$ 5,850	\$ 6,198	\$ 7,264	17%
GIS	30-720-06	\$ 17,095	\$ 18,300	\$ 18,300	0%
RETIREMENT (MATCH)	30-720-07	\$ 3,770	\$ 3,993	\$ 4,539	14%
BB&T	30-720-08	\$ 1,927	\$ 4,100	\$ 4,748	16%
TRAINING	30-720-10	\$ -	\$ 500	\$ 500	0%
TELEPHONE & POSTAGE	30-720-11	\$ 6,114	\$ 7,000	\$ 7,000	0%
PRINTING	30-720-12	\$ 178	\$ 800	\$ 1,500	88%
TRAVEL	30-720-14	\$ -	\$ 100	\$ -	-100%
MTCE. & REPAIR - EQUIP.	30-720-16	\$ 381	\$ 1,000	\$ 1,500	50%
MTC & REPAIR VEHICLE	30-720-17	\$ 649	\$ 600	\$ 500	-17%
SAFETY - OSHA REQUIRED	30-720-20	\$ 185	\$ 350	\$ 500	43%
ADVERTISING	30-720-26	\$ 56	\$ 250	\$ 200	-20%
AUTO SUPPLIES	30-720-31	\$ 853	\$ 1,200	\$ 1,650	38%
SUPPLIES & MATERIALS	30-720-33	\$ 2,418	\$ 2,500	\$ 2,500	0%
UNIFORMS	30-720-36	\$ 460	\$ 450	\$ 450	0%
CONTRACTED SERVICES	30-720-45	\$ 793	\$ 1,000	\$ 1,000	0%
MISCELLANEOUS	30-720-57	\$ 43	\$ 500	\$ 500	0%
CAPITAL OUTLAY - EQUIP.	30-720-74	\$ 1,021	\$ 1,500	\$ 1,200	-20%
CAP. OUT. - NON CAPITAL	30-720-75	\$ 1,154	\$ 1,000	\$ 600	-40%
Total		\$ 121,418	\$ 135,356	\$ 152,406	13%

Budget Highlights: This year's Administration budget includes funds for a computer and printer.

Water Plant Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARIES	30-811-02	\$ 149,232	\$ 142,720	\$ 150,625	6%
PROFESSIONAL SERVICES	30-811-04	\$ -	\$ 3,000	\$ 1,500	-50%
FICA	30-811-05	\$ 11,416	\$ 10,918	\$ 11,523	6%
GIS	30-811-06	\$ 19,964	\$ 24,400	\$ 24,400	0%
RETIREMENT (MATCH)	30-811-07	\$ 7,357	\$ 7,036	\$ 7,200	2%
BB&T	30-811-08	\$ -	\$ 7,150	\$ 7,531	5%
EMPLOYEE TRAINING	30-811-10	\$ 1,124	\$ 1,500	\$ 1,500	0%
TELEPHONE & POSTAGE	30-811-11	\$ 3,812	\$ 3,600	\$ 3,800	6%
UTILITIES	30-811-13	\$ 49,817	\$ 60,000	\$ 60,000	0%
TRAVEL	30-811-14	\$ 437	\$ 700	\$ 700	0%
MTCE. & REPAIR - BLDG.	30-811-15	\$ 7,305	\$ 10,000	\$ 10,000	0%
MTCE. & REPAIR - EQUIP.	30-811-16	\$ 17,165	\$ 25,000	\$ 25,000	0%
MTCE. & REPAIR - VEHICLE	30-811-17	\$ 532	\$ 700	\$ 700	0%
SAFETY - OSHA REQUIRED	30-811-20	\$ 731	\$ 1,000	\$ 1,000	0%
AUTO SUPPLIES	30-811-31	\$ 1,071	\$ 1,000	\$ 3,000	200%
SUPPLIES & MATERIALS	30-811-33	\$ 22,800	\$ 5,500	\$ 5,500	0%
CHEMICALS	30-811-34	\$ 37,445	\$ 35,000	\$ 35,000	0%
UNIFORMS	30-811-36	\$ 1,492	\$ 1,500	\$ 1,500	0%
CONTRACTED SERVICES	30-811-45	\$ 11,017	\$ 10,000	\$ 13,000	30%
INSURANCE	30-811-54	\$ 5,410	\$ 5,500	\$ 6,400	16%
MISCELLANEOUS	30-811-57	\$ 2,022	\$ 2,000	\$ 3,000	50%
CAPITAL OUTLAY - EQUIP.	30-811-74	\$ 10,489	\$ 19,700	\$ 10,000	-49%
CAP. OUT. - NON CAPITAL	30-811-75	\$ 757	\$ -	\$ 1,000	100%
Total		\$ 361,395	\$ 377,924	\$ 383,879	2%

Budget Highlights: This year's Water Plant budget includes funding for various repairs and renovations to the Water Plant.

Environmental Protection



Sewer Plant Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARIES	30-820-02	\$ 78,812	\$ 72,956	\$ 92,935	27%
PROFESSIONAL SERVICES	30-820-04	\$ 350	\$ 1,500	\$ 1,500	0%
FICA	30-820-05	\$ 6,029	\$ 5,581	\$ 7,110	27%
GIS	30-820-06	\$ 12,842	\$ 12,200	\$ 15,250	25%
RETIREMENT (MATCH)	30-820-07	\$ 3,885	\$ 3,597	\$ 4,442	23%
BB&T	30-820-08	\$ 1,189	\$ 3,700	\$ 4,647	26%
EMPLOYEE TRAINING	30-820-10	\$ 250	\$ 800	\$ 800	0%
TELEPHONE & POSTAGE	30-820-11	\$ 3,485	\$ 3,500	\$ 3,500	0%
UTILITIES	30-820-13	\$ 64,314	\$ 66,000	\$ 68,000	3%
TRAVEL	30-820-14	\$ 202	\$ 500	\$ 500	0%
MTCE. & REPAIR - BLDG.	30-820-15	\$ 369	\$ 3,000	\$ 3,000	0%
MTCE. & REPAIR - EQUIP.	30-820-16	\$ 19,115	\$ 18,500	\$ 18,500	0%
MTCE. & REPAIR - VEHICLES	30-820-17	\$ 14	\$ 1,200	\$ 1,200	0%
SAFETY - OSHA REQUIRED	30-820-20	\$ 360	\$ 800	\$ 800	0%
AUTO SUPPLIES	30-820-31	\$ 1,455	\$ 1,700	\$ 1,900	12%
SUPPLIES & MATERIALS	30-820-33	\$ 2,062	\$ 5,000	\$ 5,000	0%
CHEMICALS	30-820-34	\$ 22,162	\$ 22,500	\$ 22,500	0%
UNIFORMS	30-820-36	\$ 814	\$ 700	\$ 900	29%
CONTRACTED SERVICES	30-820-45	\$ 44,263	\$ 59,000	\$ 55,000	-7%
PERMITS	30-820-53	\$ 3,955	\$ 4,500	\$ 4,500	0%
MISCELLANEOUS	30-820-57	\$ 6,814	\$ 1,000	\$ 1,000	0%
CAPITAL OUTLAY-OTHER	30-820-73	\$ 1,160	\$ -	\$ -	0%
CAPITAL OUTLAY - EQUIP.	30-820-74	\$ 23,114	\$ -	\$ 8,000	100%
CAP. OUT. - NON CAPITAL	30-820-75	\$ 247	\$ 500	\$ -	-100%
Total		\$ 297,261	\$ 288,734	\$ 320,984	11%

Budget Highlights: This year's Sewer Plant budget includes funds for a replacement commercial mower.

Lab and Pretreatment Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARY	30-825-02	\$ 43,379	\$ 69,244	\$ 55,790	-19%
FICA	30-825-05	\$ 3,216	\$ 5,297	\$ 4,268	-19%
GIS	30-825-06	\$ 7,196	\$ 12,200	\$ 9,150	-25%
RETIREMENT (MATCH)	30-825-07	\$ 2,139	\$ 3,414	\$ 2,667	-22%
BB&T	30-825-08	\$ 1,062	\$ 3,470	\$ 2,790	-20%
EMPLOYEE TRAINING	30-825-10	\$ 380	\$ 600	\$ 600	0%
POSTAGE	30-825-11	\$ -	\$ 200	\$ 200	0%
TRAVEL	30-825-14	\$ 555	\$ 700	\$ 700	0%
MTCE. & REPAIR - EQUIP.	30-825-16	\$ 1,121	\$ 2,000	\$ 2,000	0%
MTCE. & REPAIR - VEHICLE	30-825-17	\$ 70	\$ 500	\$ 1,500	200%
SAFETY - OSHA REQUIRED	30-825-20	\$ 131	\$ 600	\$ 600	0%
AUTO SUPPLIES	30-825-31	\$ 641	\$ 900	\$ 900	0%
SUPPLIES & MATERIALS	30-825-33	\$ 3,949	\$ 8,000	\$ 8,000	0%
CHEMICALS	30-825-34	\$ 3,847	\$ 4,000	\$ 4,000	0%
UNIFORMS	30-825-36	\$ 623	\$ 600	\$ 600	0%
CONTRACTED SERVICES	30-825-45	\$ 1,254	\$ 2,000	\$ 2,500	25%
DUES & SUBSCRIPTIONS	30-825-53	\$ -	\$ 100	\$ 100	0%
PERMITS	30-825-54	\$ 1,825	\$ 2,000	\$ 2,000	0%
MISCELLANEOUS	30-825-57	\$ -	\$ 1,000	\$ 1,000	0%
CAPITAL OUTLAY - EQUIP.	30-825-74	\$ -	\$ 2,000	\$ 5,000	150%
CAP. OUT. - NON CAPITAL	30-825-75	\$ -	\$ -	\$ 1,000	100%
Total		\$ 71,387	\$ 118,825	\$ 105,365	-11%

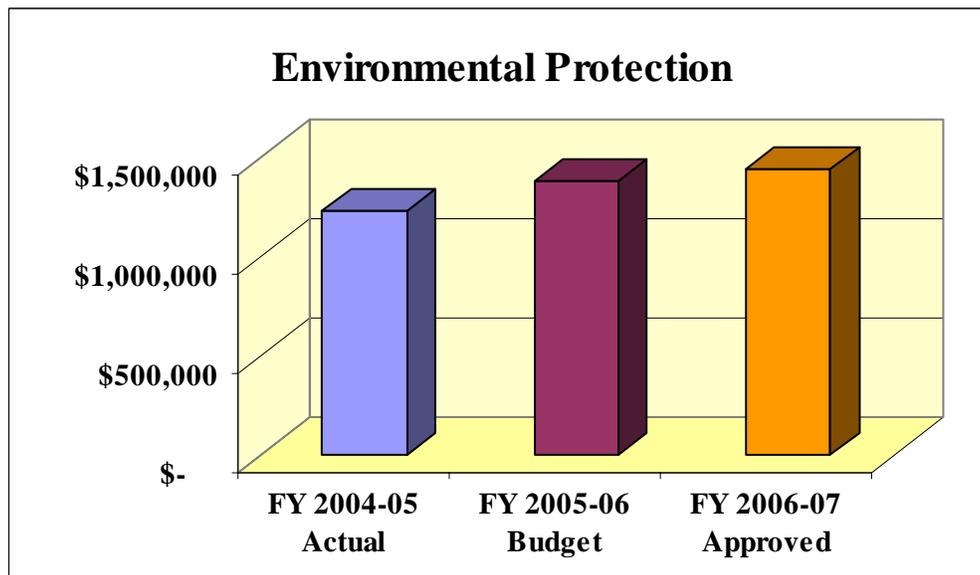
Budget Highlights: This year's budget continues funding at nearly the same level as last year.



Environmental Protection

Water and Sewer Operations Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
SALARY	30-828-02	\$ 137,475	\$ 142,286	\$ 149,548	5%
PROFESSIONAL SERVICES	30-828-04	\$ 32,184	\$ 50,000	\$ 30,000	-40%
FICA	30-828-05	\$ 10,491	\$ 10,885	\$ 11,440	5%
GIS	30-828-06	\$ 28,387	\$ 30,500	\$ 30,500	0%
RETIREMENT (MATCH)	30-828-07	\$ 6,778	\$ 7,015	\$ 7,148	2%
BB&T	30-828-08	\$ 3,335	\$ 7,150	\$ 7,477	5%
EMPLOYEE TRAINING	30-828-10	\$ 535	\$ 1,000	\$ 1,000	0%
TELE./POSTAGE	30-828-11	\$ 4,910	\$ 4,500	\$ 4,500	0%
UTILITIES	30-828-13	\$ 17,611	\$ 20,000	\$ 20,000	0%
TRAVEL	30-828-14	\$ 305	\$ 200	\$ 200	0%
MTCE. & REPAIR - BLDGS.	30-828-15	\$ 401	\$ 1,000	\$ 1,000	0%
MTCE. & REPAIR - EQUIP.	30-828-16	\$ 17,426	\$ 25,000	\$ 25,000	0%
MTCE. & REPAIR - VEHICLE	30-828-17	\$ 727	\$ 2,000	\$ 2,500	25%
SAFETY - OSHA REQUIRED	30-828-20	\$ 870	\$ 1,000	\$ 1,200	20%
AUTO SUPPLIES	30-828-31	\$ 8,540	\$ 7,000	\$ 8,500	21%
SUPPLIES & MATERIALS	30-828-33	\$ 29,556	\$ 58,000	\$ 55,000	-5%
UNIFORMS	30-828-36	\$ 1,705	\$ 1,500	\$ 1,500	0%
CONTRACTED SERVICES	30-828-45	\$ 23,260	\$ 83,755	\$ 107,000	28%
MISCELLANEOUS	30-828-57	\$ 270	\$ 1,000	\$ 1,000	0%
CAP. OUTLAY - OTH. IMPVTS	30-828-73	\$ 1,997	\$ -	\$ -	0%
CAPITAL OUTLAY - EQUIP.	30-828-74	\$ 55,240	\$ 10,500	\$ 22,200	111%
BACK-FLOW DEVICES	30-828-75	\$ 968	\$ 1,000	\$ 1,300	30%
Total		\$ 382,970	\$ 465,291	\$ 488,013	5%

Budget Highlights: This year's Water and Sewer Operations budget includes funds for water and sewer line maintenance and a GIS locator.

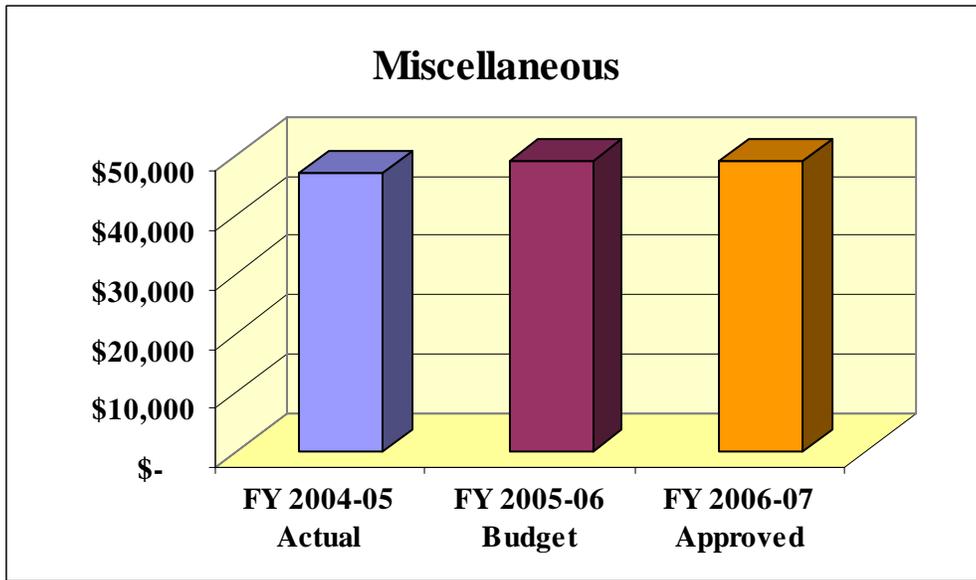


Miscellaneous



Non-Departmental Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
N. C. SALES TAX	30-660-37	\$ 7,765	\$ 7,000	\$ 7,000	0%
COUNTY SALES TAX	30-660-39	\$ 3,963	\$ 3,500	\$ 3,500	0%
FOOD TAX	30-660-40	\$ -	\$ 8	\$ 15	88%
INSURANCE & BONDS	30-660-53	\$ 35,316	\$ 38,000	\$ 38,000	0%
OTHER	30-660-54	\$ -	\$ 500	\$ 500	0%
Total		\$ 47,044	\$ 49,008	\$ 49,015	0%

Budget Highlights: This year's Non-Departmental budget continues funding at nearly the same level as the previous year.

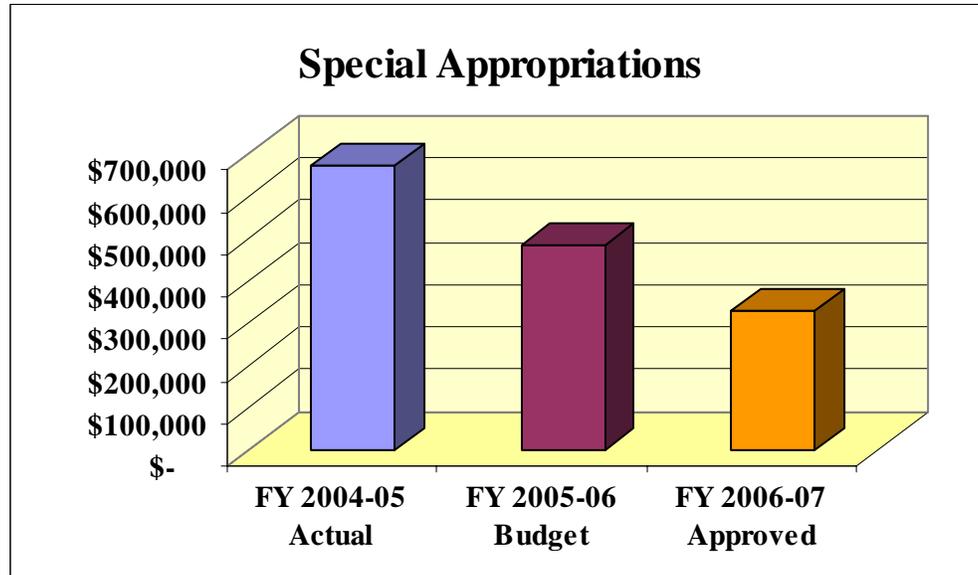




Special Appropriations

Special Appropriations Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
CONT. CAP. PROJ. W/P	30-690-61	\$ 32,454	\$ 4,000	\$ 4,000	0%
CONT. CAP. PROJ. GARAGE	30-690-63	\$ -	\$ -	\$ 100,000	100%
BOND PRINCIPAL	30-690-81	\$ 564,273	\$ 444,843	\$ 220,236	-50%
BOND INTEREST	30-690-82	\$ 75,498	\$ 35,158	\$ 4,295	-88%
CONT. GENERAL FUND	30-690-91	\$ -	\$ -	\$ -	0%
Total		\$ 672,225	\$ 484,001	\$ 328,531	-32%

Budget Highlights: This year's Special Appropriations budget includes payments to debt service.



Hinshaw Gardens



The Hinshaw Gardens Fund accounts for all financial resources in this fund. Revenues from interest earned from the original \$100,000 donation from Lucy Crater are transferred to the General Fund to pay for maintenance of that fund.



Pictured above is Hinshaw Gardens, which is located on West Main Street in Yadkinville.

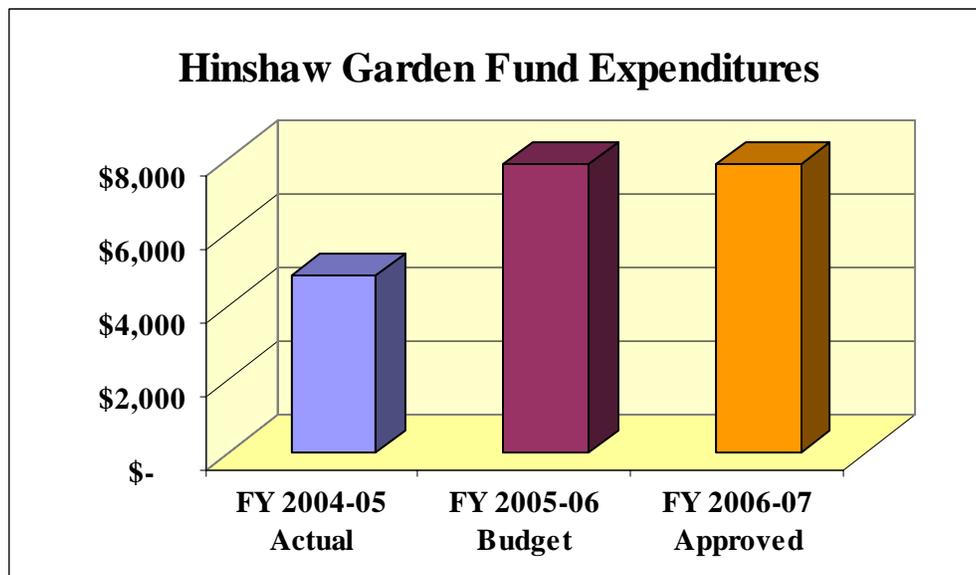


Hinshaw Gardens

Revenues Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
INTEREST ON INVESTMENT	51-329-00	\$ 3,065	\$ 4,000	\$ 4,000	0%
FUND BAL. APPROP.	51-399-00	\$ -	\$ 3,905	\$ 3,905	0%
Total Revenues		\$ 3,065	\$ 7,905	\$ 7,905	

Expenditures Account Description	Account Number	FY 2004-05 Actual	FY 2005-06 Budget	FY 2006-07 Proposed	Percent Change
CONTRIBUTION TO G/F	51-690-91	\$ 5,962	\$ 7,905	\$ 7,905	0%
Total		\$ 5,962	\$ 7,905	\$ 7,905	

Budget Highlights: The Hinshaw Gardens' budget anticipates the need to appropriate some fund balance to pay for ongoing expenses, since interest rates remain low. This fund balance is unspent interest earned from previous years, and does not include any of the principal balance from the original donation.



The chart above shows Hinshaw Gardens Fund actual expenditures for FY 2004-2005, budgeted expenditures for the current fiscal year and proposed budget expenditures for the upcoming fiscal year.