Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of October 31, 2008:

	Governmental Funds	Business-type Funds
Equipment	$ 598,772	$ 101,458
Less: accumulated depreciation	(188,941)	(21,983)
	$ 409,831	$ 79,475

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at October 31, 2008:

Fiscal Year Ending October 31,	Governmental Funds	Business-type Funds
2009	$ 143,234	$ 36,089
2010	110,776	18,960
2011	64,638	3,918
2012	50,944	1,959
2013	41,075	-
Total minumum lease payments	410,667	60,926
Less: amount representing interest	(54,556)	(3,938)
Present value of future minimum lease payments	$ 356,111	$ 56,988

Governmental lease obligations are payable from the general fund.

Following is a summary of changes in the City's long-term obligations for 2008:

Long-term Obligations	October 31, 2007	Additions	Reductions	October 31, 2008	Due Within One Year
Governmental Activities					
Capital leases					
2001 Capital lease	$ 70,955	$ -	$ 22,116	$ 48,839	$ 23,618
2003 Capital lease	52,713	-	52,713	-	-
2004 Capital lease	27,241	-	13,405	13,836	13,836
2005 Capital lease	3,735	-	3,735	-	-
2007 Capital lease	28,527	-	12,096	16,431	13,022
2007 Capital lease	35,511	-	13,398	22,113	14,459
2008 Capital lease	-	37,180	3,865	33,315	10,374
2008 Capital lease	-	37,520	3,989	33,531	10,258
2008 Capital lease	-	188,046	-	188,046	35,093
Total capital leases	218,682	262,746	125,317	356,111	120,660
Notes Payable					
2007 Note payable	315,000	-	20,900	294,100	21,655
2007 Note payable	85,986	-	16,538	69,448	17,336
Total notes payable	400,986	-	37,438	363,548	38,991
Compensated absences	44,974	7,006	8,956	43,024	6,454
Total governmental activities	$ 664,642	$ 269,752	$ 171,711	$ 762,683	$ 166,105
Business-type Activities					
Bonds payable					
1998 Series Revenue bonds	$ 6,290,000	$ -	$ 6,290,000	$ -	$ -
Discount on 1998 bonds	(53,233)	-	(53,233)	-	-
2004 Series Revenue bonds	189,676	-	93,148	96,528	96,528
2005 Series Revenue bonds	222,702	-	109,219	113,483	113,483
2006 Series Revenue bonds	275,000	-	50,530	224,470	52,672
2007 Series Revenue bonds	105,000	-	33,795	71,205	34,889
2008 Series Revenue bonds	-	5,705,000	-	5,705,000	205,000
Total bonds payable	7,029,145	5,705,000	6,523,459	6,210,686	502,572
Capital leases					
2003 Capital lease	35,144	-	35,144	-	-
2004 Capital lease	14,668	-	7,218	7,450	7,450
2005 Capital lease	1,839	-	1,839	-	-
2005 Capital lease	6,716	-	6,716	-	-
2005 Capital lease	26,460	-	9,637	16,823	10,390
2007 Capital lease	8,936	-	4,328	4,608	4,608
2007 Capital lease	15,771	-	3,205	12,566	3,369
2008 Capital lease	-	23,988	8,447	15,541	7,554
Total capital leases	109,534	23,988	76,534	- 56,988	- 33,371
Compensated absences	13,755	955	98	14,612	2,192
Total business-type activities	$ 7,152,434	$ 5,729,943	$ 6,600,091	$ 6,282,286	$ 538,135

General fund resources have been used to liquidate the governmental activities long-term obligations. The enterprise fund resources have been used to liquidate the business-type activities.

Presented below is a summary of the debt service requirements to maturity by year for the governmental and business-type funds of the City (excluding discount):

	Debt		Capital lease obligations		
Year Ending October 31,	Principal	Interest	Principal	Interest	Total
Governmental Activities					
2009	$ 38,991	$ 14,817	$ 120,660	$ 22,574	$ 197,042
2010	40,724	13,085	97,233	13,543	164,585
2011	42,534	11,274	59,139	5,499	118,446
2012	39,321	9,407	38,868	12,076	99,672
2013	25,467	8,018	40,211	864	74,560
2014-2018	144,029	23,395	-	-	167,424
2019-2023	32,482	1,004	-	-	33,486
Totals	$ 363,548	$ 81,000	$ 356,111	$ 54,556	$ 855,215
Business-type Activities					
2009	$ 502,572	$ 251,231	$ 33,371	$ 2,718	$ 789,892
2010	306,221	231,141	17,961	999	556,322
2011	277,233	218,999	3,722	196	500,150
2012	294,660	207,662	1,934	25	504,281
2013	240,000	195,615	-	-	435,615
2014-2018	1,355,000	824,175	-	-	2,179,175
2019-2023	1,655,000	526,702	-	-	2,181,702
2024-2028	1,580,000	163,215	-	-	1,743,215
Totals	$ 6,210,686	$ 2,618,740	$ 56,988	$ 3,938	$ 8,890,352

NOTE 9 – OTHER INFORMATION

Inventories

Proprietary fund inventories include supplies required for the maintenance, repair and extension of the utility plants, as well as expendable small tools. These inventories are valued using the average cost method and are used on a first-in, first-out basis. Governmental fund-type inventories, gas and public works supplies, are valued at cost and are used on the first-in, first-out basis. Items are recorded as expenditures when used rather than when purchased.

Other Assets

Bond issuance costs represent costs associated with the issuance of the Combined Public Utility Refunding and Improvement Revenue Bonds in the Enterprise Fund. This amount is being amortized ratably over the life of the bonds. In addition, other receivables include amounts owed the City for animal impoundment services provided to the county and recreation services provided to the county.

Other Liabilities

Customer deposits represent amounts held as security by the enterprise fund for water, sewer and electrical services.

Contingent Liabilities

The City participates in a number of federal and state assisted grant programs that are governed by various rules and regulations of grantor agencies. These programs are subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The City believes it has substantially complied with the contract/grant provisions. Based on prior experience, the City's management believes such disallowances, if any, would not be significant; therefore, no provision has been recorded in the accompanying government-wide and fund financial statements for such contingencies.

In addition, the City must apply for annual renewals of contracts and grants. Funding is subject to both increases and reductions at the discretion of the contractors and grantors.

Pension Plan

Plan Description. Substantially all City employees are members of the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS). The South Carolina Retirement System and the Police Officers Retirement System are cost-sharing, multi-employer defined benefit pension plans administered by the South Carolina Retirement Systems, a division of the South Carolina State Budget and Control Board. Both systems offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plans' provisions are established under Title 9 of the SC Code of Laws. Comprehensive Annual Financial Reports containing financial statements and required supplementary information for the Systems are issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

During the fiscal year ended October 31, 2008, covered salaries under the SCRS of $2,301,736 and covered salaries under the PORS of $883,299 were paid by the City.

Funding Policy. Both employees and employers are required to contribute to the Plan under authority of Title 9 of the SC Code of Laws. Employee contributions to the Plan are as follows: SCRS – 6.5% of compensation earned; PORS Class II – 6.5% of salaries; PORS Class I - $21 per month. Employers are required to contribute at the following actuarially determined rates: SCRS State Agencies and Publics – 9.06% of compensation earned before June 30, 2008, 9.24% of compensation earned after June 30, 2008. PORS requirements are Class II – 10.3% of salaries earned before June 30, 2008 and 10.65% of salaries earned after June 30, 2008 and PORS Class I – 7.8% of salaries. In addition to the above rates participating employers of the South Carolina Retirement System contribute .15% of payroll to provide a group life insurance benefit for their participants. All employers contribute at the actuarially required contribution rates. Contribution information for the year ended October 31, 2008, and the two years prior is as follows:

SCRS	Employee Amount	Employer Amount	Total
October 31, 2006	$ 125,603	$ 156,369	$ 281,972
October 31, 2007	133,028	174,195	307,223
October 31, 2008	149,913	213,393	363,306
PORS			
October 31, 2006	$ 47,604	$ 78,363	$ 125,967
October 31, 2007	51,582	84,913	136,495
October 31, 2008	57,466	95,636	153,102

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program after July 1, 2005, must contribute to SCRS as long as they are covered under the TERI program.

Ten year historical trend information presenting the retirement system's progress in accumulating sufficient assets to pay benefits when due is presented in the Component Unit Financial Report issued annually by the South Carolina Retirement Systems.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Post Employment Benefits

In addition to pension benefits, the City provides post-retirement health care benefits to employees who meet all criteria for retirement under the South Carolina Retirement and Police Retirement Systems and have worked for the City for a minimum of 25 years or more. Expenditures for post-retirement health care benefits are recognized when premiums are paid. During the year ended October 31, 2008, expenditures of $51,490 were recognized for post-retirement health care for 12 retirees. Effective for eligible employees retiring after November 1, 2003, the City will only cover the employer cost of the premium and the retiree will be required to pay the employee cost as required by the South Carolina Insurance Program.

Commitments

The City is a member of the Piedmont Municipal Power Agency (PMPA). The PMPA has a 25% undivided ownership interest in Duke Power Company Catawba Nuclear Station Unit 2. The City has contracted to purchase from PMPA its bulk electrical power requirement, above those provided by its hydro plant and those purchased from South Eastern Power Administration (SEPA). PMPA sets rates and charges that are sufficient to pay all of its monthly Catawba Project Power costs and all supplemental power costs. The City's payment is based upon its output share of PMPA's actual cost of owning, operating, and maintaining the Catawba Project. In addition, the City is responsible for its pro rata share of costs of distribution delivery stations, and any costs incurred by PMPA associated therewith (but not limited to), payments to Duke Power Company pursuant to the Interconnections Agreement for the cost of protection stations owned by Duke Power Company and used to protect the safety and reliability of the Duke Power Company System, the cost of distribution and transmission facilities leased from Duke Power Company, and the cost of early retirement of any Duke Power Company-owned equipment necessitated by changes in the capacity of transmission facilities at delivery points. A copy of the most recent audited financial statements of PMPA may be obtained by contacting PMPA at 121 Village Drive, Greer, SC 29651.

Risk Management

The City is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF) which is a public entity risk pool currently operating as a common risk management and insurance program. The City obtains its general risk insurance through SCMIRF. It pays an annual premium for this coverage. In the year ended October 31, 2008 the City made premium payments totaling $192,254. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies.

The City also has joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust (SCMIT), a public entity risk pool operating as a common risk management and insurance program for worker's compensation. The City pays an annual premium to SCMIT.

In the year ended October 31, 2008, the City made premium payments totaling $156,023. The Trust uses reinsurance agreements to reduce its exposure to large worker's compensation losses.

There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ABBEVILLE

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED OCTOBER 31, 2008

	Budget-Original	Budget-Final	Actual	Variance With Final Budget
REVENUES				
Taxes and penalties	$ 1,222,400	$ 1,222,400	$ 1,471,201	$ 248,801
Licenses, permits and fees	1,307,600	1,307,600	1,421,661	114,061
Intergovernmental	628,181	643,330	346,311	(297,019)
Charges for services	368,500	368,500	386,780	18,280
Building rent and recreation fees	13,000	13,000	13,527	527
Fines and forfeits	190,868	190,868	103,320	(87,548)
Interest	8,800	8,800	15,555	6,755
Miscellaneous	121,500	121,500	39,563	(81,937)
Total revenues	3,860,849	3,875,998	3,797,918	(78,080)
EXPENDITURES				
Current				
General government	760,805	774,454	852,763	(78,309)
Public safety	1,830,255	1,831,755	1,831,659	96
Public works	1,390,794	1,390,794	1,093,496	297,298
Recreation	332,773	332,773	344,778	(12,005)
Non-departmental	116,382	116,382	77,464	38,918
Debt service				
Principal retirement	60,940	60,940	162,755	(101,815)
Interest	13,900	13,900	27,267	(13,367)
Total expenditures	4,505,849	4,520,998	4,390,182	130,816
EXCESS (DEFICIENCIES) OF REVENUES OVER EXPENDITURES	(645,000)	(645,000)	(592,264)	52,736
OTHER FINANCING SOURCES				
Issuance of capital leases	285,000	285,000	262,746	(22,254)
Transfer in	360,000	360,000	418,591	58,591
Total Financing Sources	645,000	645,000	681,337	36,337
NET CHANGE IN FUND BALANCE	-	-	89,073	89,073
FUND BALANCE, beginning of year	722,394	722,394	722,394	-
FUND BALANCE, end of year	$ 722,394	$ 722,394	$ 811,467	$ 89,073

See note to Required Supplementary Information.

CITY OF ABBEVILLE, SOUTH CAROLINA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
OCTOBER 31, 2008

NOTE 1 – BASIS OF BUDGETING

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal year.

SUPPLEMENTARY INFORMATION

CITY OF ABBEVILLE

GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL
YEAR ENDED OCTOBER 31, 2008

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
GENERAL GOVERNMENT				
City council				
Personnel services	$ 117,066	$ 117,066	$ 117,249	$ (183)
Operating expenditures	39,142	39,142	42,381	(3,239)
Total county council	156,208	156,208	159,630	(3,422)
Administrative services				
Personnel services	356,945	356,945	406,386	(49,441)
Operating expenditures	69,844	69,844	75,585	(5,741)
Capital outlay	5,300	5,300	15,668	(10,368)
Total administrative services	432,089	432,089	497,639	(65,550)
Municipal court				
Personnel services	39,008	39,008	66,396	(27,388)
Operating expenditures	9,400	9,400	14,538	(5,138)
Total municipal court	48,408	48,408	80,934	(32,526)
Community development				
Operating expenditures	124,100	137,749	104,266	33,483
Capital outlay	-	-	10,294	(10,294)
Total community development	124,100	137,749	114,560	23,189
Total general government	760,805	774,454	852,763	(78,309)
PUBLIC SAFETY				
Police				
Personnel services	1,031,474	1,031,474	1,075,580	(44,106)
Operating expenditures	269,780	274,780	274,330	450
Capital outlay	111,720	108,220	109,829	(1,609)
Total police	1,412,974	1,414,474	1,459,739	(45,265)
Fire and codes				
Personnel services	276,720	276,720	276,245	475
Operating expenditures	59,284	59,284	95,675	(36,391)
Capital outlay	81,277	81,277	-	81,277
Total fire and codes	417,281	417,281	371,920	45,361
Total public safety	1,830,255	1,831,755	1,831,659	96
PUBLIC WORKS				
Administration				
Personnel services	126,538	126,538	116,161	10,377
Operating expenditures	53,794	53,794	53,034	760
Capital outlay	1,200	1,200	-	1,200
Total administration	181,532	181,532	169,195	12,337
Street				
Personnel services	277,630	277,630	295,237	(17,607)
Operating expenditures	78,800	78,800	103,157	(24,357)
Capital outlay	392,000	392,000	75,128	316,872
Total street	748,430	748,430	473,522	274,908
Sanitation				
Personnel services	167,632	167,632	153,690	13,942
Operating expenditures	105,200	105,200	165,423	(60,223)
Capital outlay	188,000	188,000	131,666	56,334
Total sanitation	460,832	460,832	450,779	10,053
Total public works	1,390,794	1,390,794	1,093,496	297,298

(Continued)

CITY OF ABBEVILLE

GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT -
BUDGET AND ACTUAL
YEAR ENDED OCTOBER 31, 2008

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
PARKS AND RECREATION				
Personnel services	$ 179,643	$ 179,643	$ 196,951	$ (17,308)
Operating expenditures	103,130	103,130	128,957	(25,827)
Capital outlay	50,000	50,000	18,870	31,130
Total parks and recreation	332,773	332,773	344,778	(12,005)
NONDEPARTMENTAL				
Copy machine operations	10,000	10,000	11,526	(1,526)
Unemployment compensation	2,500	2,500	8,436	(5,936)
Hospitalization/dental retirees	16,932	16,932	12,809	4,123
Insurance claims	4,000	4,000	1,012	2,988
Printing and copying	1,600	1,600	692	908
Miscellaneous operating expenditures	1,000	1,000	401	599
Sales/use tax	5,000	5,000	5,235	(235)
Telecommunications	750	750	946	(196)
Subscriptions and dues	5,000	5,000	3,370	1,630
FICA	250	250	196	54
Condolences	800	800	1,226	(426)
Workers' compensations	1,000	1,000	3,776	(2,776)
SC retirement	250	250	-	250
Contingencies	40,000	40,000	25,811	14,189
SC prepaid health insurance premiums	20,000	20,000	-	20,000
Annual leave	5,000	5,000	-	5,000
Nondepartmental advertising	2,300	2,300	2,028	272
Total nondepartmental	116,382	116,382	77,464	38,918
DEBT SERVICE				
Principal retirement	60,940	60,940	162,755	(101,815)
Interest	13,900	13,900	27,267	(13,367)
Total debt service	74,840	74,840	190,022	(115,182)
	$ 4,505,849	$ 4,520,998	$ 4,390,182	$ 130,816

CITY OF ABBEVILLE

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
October 31, 2008

	Total all funds	Housing Rehabilitation CDBG	Justice Department Vest Grant	JAG Grant	State JAG Grant	SecessionAve Housing Rehab CDBG	Victim's Assistance Grant	Hospitality Tax
Assets								
Cash	$ 65,329	$ -	$ -	$ -	$ -	$ 21,049	$ -	$ 44,280
Accounts receivable	4,688	4,688	-	-	-	-	-	-
Due from other governments	4,975	-	-	-	-	-	4,975	-
Due from other funds	59,057	47,729	-	11,328	-	-	-	-
Total Assets	$ 134,049	$ 52,417	$ -	$ 11,328	$ -	$ 21,049	$ 4,975	$ 44,280
Liabilities and Fund Balances								
Liabilities								
Accounts payable	$ 11,468	$ -	$ -	$ -	$ -	$ 11,468	$ -	$ -
Deferred revenue	4,688	4,688	-	-	-	-	-	-
Due to other funds	4,975	-	-	-	-	-	4,975	-
Total Liabilities	21,131	4,688	-	-	-	11,468	4,975	-
Fund Balances								
Reserved:								
Special revenue	112,918	47,729	-	11,328	-	9,581	-	44,280
Total Fund Balances	112,918	47,729	-	11,328	-	9,581	-	44,280
Total Liabilities and Fund Balances	$ 134,049	$ 52,417	$ -	$ 11,328	$ -	$ 21,049	$ 4,975	$ 44,280

CITY OF ABBEVILLE

NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year ended October 31, 2008

	Total all funds	Housing Rehabilitation CDBG	Justice Department Vest Grant	JAG Grant	State JAG Grant	SecessionAve Housing Rehab CDBG	Victim's Assistance Grant	Hospitality Tax
REVENUES								
Federal funds	$ 176,060	$ -	$ 2,315	$ -	$ -	$ 173,745	$ -	$ -
State funds	4,975	-	-	-	-	-	4,975	-
Local funds	53,198	-	-	-	2,719	5,000	1,224	44,255
Interest	2,951	2,887	-	11	-	5	-	48
Total revenues	237,184	2,887	2,315	11	2,719	178,750	6,199	44,303
EXPENDITURES								
Public safety	11,233	-	2,315	-	2,719	-	6,199	-
Development	189,098	5,000	-	-	-	184,075	-	23
Total expenditures	200,331	5,000	2,315	-	2,719	184,075	6,199	23
Excess of revenues over (under) expenditures	36,853	(2,113)	-	11	-	(5,325)	-	44,280
OTHER FINANCING SOURCES								
Transfer in (out)	11,381	-	-	-	11,381	-	-	-
Net change in fund balance	48,234	(2,113)	-	11	11,381	(5,325)	-	44,280
FUND BALANCES, BEGINNING OF YEAR	64,684	49,842	-	11,317	(11,381)	14,906	-	-
FUND BALANCES, END OF YEAR	$ 112,918	$ 47,729	$ -	$ 11,328	$ -	$ 9,581	$ -	$ 44,280

CITY OF ABBEVILLE

ENTERPRISE FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Year ended October 31, 2008

	DEPARTMENT				TOTALS	
	Electric	Water	Sewer	Eliminations	2008	2007
OPERATING REVENUES						
Sales to customers	$ 5,909,781	$ 1,395,007	$ 806,505	$ -	$ 8,111,293	$ 8,051,389
Sales to public authorities	341,025	5,193	-	(346,218)	-	-
Reconnection and tapping fees	98,825	21,866	3,950	-	124,641	104,250
Pole attachment fees	16,544	-	-	-	16,544	12,460
Other user fees	28,309	11,795	7,077	-	47,181	75,290
Total operating revenues	6,394,484	1,433,861	817,532	(346,218)	8,299,659	8,243,389
OPERATING EXPENSES						
Plant operations	189,365	661,986	410,476	(346,218)	915,609	865,687
Purchased power	4,172,400	-	-	-	4,172,400	3,975,322
Distribution	756,033	267,809	141,132	-	1,164,974	833,105
Customer accounts	-	-	-	-	-	76,858
Public relations	19,871	8,279	4,968	-	33,118	21,767
Depreciation	163,050	300,048	201,277	-	664,375	655,699
General administrative	716,912	298,714	179,228	-	1,194,854	955,059
Total operating expenses	6,017,631	1,536,836	937,081	(346,218)	8,145,330	7,383,497
Operating income (loss)	376,853	(102,975)	(119,549)	-	154,329	859,892
NONOPERATING REVENUES (EXPENSES)						
Interest income					50,275	76,724
Other revenues					16,875	10,000
Grant revenues					34,014	52,389
Gain on disposal of capital assets					4,985	494,046
Interest expense					(341,937)	(345,342)
Total nonoperating revenues (expenses)					(235,788)	287,817
Income (loss) before operating transfers					(81,459)	1,147,709
OPERATING TRANSFERS OUT					(429,972)	(459,674)
Change in net assets					(511,431)	688,035
NET ASSETS, BEGINNING OF YEAR					8,604,196	7,916,161
NET ASSETS, END OF YEAR					$ 8,092,765	$ 8,604,196

CITY OF ABBEVILLE

AGENCY FUND
FIREMAN'S INSURANCE AND INSPECTION
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
Year Ended October 31, 2008

	Balance October 31, 2007	Additions	Deletions	Balance October 31, 2008
Cash and cash equivalents	$ 27,266	$ 29,667	$ 22,557	$ 34,376
Total assets	$ 27,266	$ 29,667	$ 22,557	$ 34,376
Due to designated recipients	$ 27,266	$ 29,667	$ 22,557	$ 34,376
Total liabilities	$ 27,266	$ 29,667	$ 22,557	$ 34,376

CITY OF ABBEVILLE

GENERAL FUND
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
Year Ended October 31, 2008

COURT FINES	
Court fines collected	$ 78,187
Court fines retained by City	78,187
Court fines remitted to the State Treasurer	$ -
COURT ASSESSMENT	
Court assessments collected	$ 74,397
Court assessments retained by City	8,314
Court assessments remitted to the State Treasurer	$ 66,083
COURT SURCHARGES	
Court surcharges collected	$ 36,512
Court surcharges retained by City	6,889
Court surcharges remitted to the State Treasurer	$ 29,623
VICTIMS SERVICES	
Court assessments allocated to Victim Services	$ 8,314
Court surcharges allocated to Victim Services	6,889
Funds allocated to Victim Services	15,203
Victim Services expenditures	(15,203)
Adjustments	-
Funds available for carryforward	$ -

STATISTICAL SECTION

This part of the City of Abbeville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 56-60

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, utility system receipts. Additional data is presented on property tax revenue, the most significant general fund revenue source and a traditional revenue source of interest to readers of this report. 61-72

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 73-78

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 79-80

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 81-84

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the revelant year.

City of Abbeville
Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)(1)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental actiivities										
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ 1,689,788	$ 1,739,717	$ 1,861,330	$ 2,231,329	$ 2,517,643	$ 2,445,983
Restricted	-	-	-	-	171,006	54,661	-	-	-	-
Unrestricted	-	-	-	-	140,766	212,386	440,749	641,623	925,504	966,338
Total governmental activities net assets	$ -	$ -	$ -	$ -	$ 2,001,560	$ 2,006,764	$ 2,302,079	$ 2,872,952	$ 3,443,147	$ 3,412,321
Business-type activities										
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ 5,429,362	$ 5,079,093	$ 5,558,700	$ 5,646,065	$ 5,653,110	$ 6,159,450
Restricted	-	-	-	-	836,238	1,178,168	773,603	742,226	796,724	454,822
Unrestricted	-	-	-	-	1,930,508	1,706,346	1,948,102	1,527,870	2,154,362	1,478,493
Total business-type activities net assets	$ -	$ -	$ -	$ -	$ 8,196,108	$ 7,963,607	$ 8,280,405	$ 7,916,161	$ 8,604,196	$ 8,092,765
Primary government										
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ 7,119,150	$ 6,818,810	$ 7,420,030	$ 7,877,394	$ 8,170,753	$ 8,605,433
Restricted	-	-	-	-	1,007,244	1,232,829	773,603	742,226	796,724	454,822
Unrestricted	-	-	-	-	2,071,274	1,918,732	2,388,851	2,169,493	3,079,866	2,444,831
Total primary government net assets	$ -	$ -	$ -	$ -	$ 10,197,668	$ 9,970,371	$ 10,582,484	$10,789,113	$ 12,047,343	$11,505,086

(1) Net assets not available prior to 2003 due to implementation of GASB-34 in 2003. The City did not report net assets by component.

City of Abbeville
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)(1)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Expenses										
Governmental activities:										
General government	$ -	$ -	$ -	$ -	$ 658,458	$ 698,437	$ 646,890	$ 684,265	$ 733,050	$ 912,941
Public Safety	-	-	-	-	1,282,183	1,352,684	1,460,571	1,686,925	1,668,887	1,851,540
Public Works	-	-	-	-	843,802	865,016	853,104	842,985	959,457	1,007,278
Non-departmental	-	-	-	-	89,928	102,884	112,258	-	-	-
Community Development	-	-	-	-	-	-	187,996	287,774	22,120	189,097
Culture and recreation	-	-	-	-	336,009	318,867	294,441	329,208	288,925	364,849
Interest on long-term debt	-	-	-	-	13,803	38,163	16,331	19,958	13,933	27,267
Total governmental activities expenses	$ -	$ -	$ -	$ -	$ 3,224,183	$ 3,376,051	$ 3,571,591	$ 3,851,115	$ 3,686,372	$ 4,352,972
Business-type activities:										
Water	$ -	$ -	$ -	$ -	$1,292,508	$1,637,216	$1,750,157	$1,531,662	$1,551,959	$1,618,858
Sewer	-	-	-	-	746,138	755,346	800,509	830,709	841,453	988,372
Electric	-	-	-	-	4,523,386	4,763,341	4,861,355	5,593,011	5,335,427	5,880,037
Total business-type activities net expenses	$ -	$ -	$ -	$ -	$ 6,562,032	$ 7,155,903	$ 7,412,021	$ 7,955,382	$ 7,728,839	$ 8,487,267
Total Primary government expenses	$ -	$ -	$ -	$ -	$ 9,786,215	$ 10,531,954	$ 10,983,612	$ 11,806,497	$ 11,415,211	$ 12,840,239
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ -	$ -	$ -	$ -	$ 646,288	$ 625,497	$ 731,530	$ 1,216,416	$ 1,373,930	$ 1,421,661
Culture and recreation	-	-	-	-	13,633	32,915	31,948	12,574	23,494	13,527
Other activities	-	-	-	-	386,420	608,947	707,937	409,632	505,872	574,892
Operating grants and contributions	-	-	-	-	41,127	127,600	297,281	371,148	73,933	58,942
Capital grants and contributions	-	-	-	-	56,620	31,948	-	289,572	246,397	200,618
Total governmental activities program revenues	$ -	$ -	$ -	$ -	$ 1,144,088	$ 1,426,907	$ 1,768,696	$ 2,299,342	$ 2,223,626	$ 2,269,640
Business-type activities:										
Charges for services:										
Water	$ -	$ -	$ -	$ -	$ 1,130,627	$ 1,312,242	$ 1,298,451	$ 1,258,789	$ 1,406,879	$ 1,430,399
Sewer	-	-	-	-	683,637	619,460	651,923	652,092	752,154	817,532
Electric	-	-	-	-	5,432,481	5,623,194	5,856,958	5,893,297	6,084,356	6,051,728
Operating grants and contributions	-	-	-	-	-	-	-	90,000	52,389	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	34,014
Total business-type activities program revenues	$ -	$ -	$ -	$ -	$ 7,246,745	$ 7,554,896	$ 7,807,332	$ 7,894,178	$ 8,295,778	$ 8,333,673
Total primary government program revenues	$ -	$ -	$ -	$ -	$ 8,390,833	$ 8,981,803	$ 9,576,028	$ 10,193,520	$ 10,519,404	$ 10,603,313

(1) Net Assets not available prior to 2003 due to implementation of GASB-34 in 2003. The City did not report net assets by component.

(continued)

City of Abbeville
Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)(1)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net (expense)/revenue										
Governmental activities	$ -	$ -	$ -	$ -	$ (2,080,095)	$ (1,949,144)	$ (1,802,895)	$(1,551,773)	$(1,462,746)	$(2,083,332)
Business-type activities	-	-	-	-	314,313	107,284	338,740	(61,204)	566,939	(153,594)
Total primary government net expense	$ -	$ -	$ -	$ -	$ (1,765,782)	$ (1,841,860)	$ (1,464,155)	$(1,612,977)	$ (895,807)	$(2,236,926)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	$ -	$ -	$ -	$ -	$ 1,147,680	$ 1,339,736	$ 1,230,499	$ 1,191,495	$ 1,155,075	$ 1,167,819
Sales taxes	-	-	-	-	-	-	137,890	145,801	144,451	164,098
Other taxes not restricted	-	-	-	-	-	-	153,681	34,917	35,153	85,116
Intergovernmental not restricted	-	-	-	-	401,499	152,091	159,502	162,816	177,123	191,937
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	4,545	-	(44,505)
Investment Income	-	-	-	-	9,314	7,709	20,941	19,679	21,464	18,506
Miscellaneous	-	-	-	-	39,347	31,426	11,405	67,779	40,001	39,563
Transfers	-	-	-	-	428,631	423,386	384,292	495,614	459,674	429,972
Total general revenues and transfers	$ -	$ -	$ -	$ -	$ 2,026,471	$ 1,954,348	$ 2,098,210	$ 2,122,646	$ 2,032,941	$ 2,052,506
Business-type activities:										
Intergovernmental not restricted	-	-	-	-	-	40,000	90,000	-	-	-
Gain (Loss) on disposal of capital assets	-	-	-	-	(8,185)	(2,160)	-	72,740	494,046	4,985
Investment Income	-	-	-	-	18,872	17,359	43,540	56,433	76,724	50,275
Miscellaneous	-	-	-	-	47,671	28,402	228,810	63,401	10,000	16,875
Contributions and Donations	-	-	-	-	50,000	-	-	-	-	-
Transfers	-	-	-	-	(428,631)	(423,386)	(384,292)	(495,614)	(459,674)	(429,972)
Total general revenues and transfers	-	-	-	-	(320,273)	(339,785)	(21,942)	(303,040)	121,096	(357,837)
	-	-	-	-	1,706,198	1,614,563	2,076,268	1,819,606	2,154,037	1,694,669
Change in Net Assets										
Govermental activities	$ -	$ -	$ -	$ -	$ (53,624)	$ 5,204	$ 295,315	$ 570,873	$ 570,195	$ (30,826)
Business-type activities	-	-	-	-	2,020,511	1,721,847	2,415,008	(364,244)	688,035	(511,431)
Total primary government	$ -	$ -	$ -	$ -	$ 1,966,887	$ 1,727,051	$ 2,710,323	$ 206,629	$ 1,258,230	$ (542,257)

(1) Net assets not available prior to 2003 due to implementation of GASB-34 in 2003. The City did not report net assets by component.
(2) Business-type activities do not reflect eliminations for service and operating expenses between departments (water, sewer, and electrical).

City of Abbeville
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	$ 9,946	$ 12,883	$ 10,904	$ 11,966	$ 128,313	$ -	$ -	$ 28,408	$ 40,191	$ 46,398
Unreserved	639,647	386,669	314,627	153,097	66,520	216,054	385,875	445,108	682,203	765,069
Total general fund	$ 649,593	$ 399,552	$ 325,531	$ 165,063	$ 194,833	$ 216,054	$ 385,875	$ 473,516	$ 722,394	$ 811,467
All other governmental funds										
Reserved	$ 8,398	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	-	-	6,939	41,991	42,693	50,638	52,296	53,206	64,684	112,918
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Permanent funds	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	$ 8,398	$ -	$ 6,939	$ 41,991	$ 42,693	$ 50,638	$ 52,296	$ 53,206	$ 64,684	$ 112,918
Total all governmental funds	$ 657,991	$ 399,552	$ 332,470	$ 207,054	$ 237,526	$ 266,692	$ 438,171	$ 526,722	$ 787,078	$ 924,385

City of Abbeville
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes and penalties	$ 1,008,311	$ 1,087,511	$ 1,085,611	$ 1,057,354	$ 1,130,340	$ 1,362,440	$ 1,352,230	$1,279,399	$1,305,617	$ 1,515,456
Licenses and permits	482,722	511,205	617,594	638,357	646,288	787,307	987,353	1,216,416	1,373,930	1,421,661
Intergovernmental	402,021	452,353	513,972	427,983	401,499	320,029	637,070	823,536	496,795	536,289
Charges for services	287,717	329,792	345,646	356,965	335,540	398,277	357,357	357,103	405,695	386,780
Grants	336,829	100,077	98,135	61,813	87,747	-	-	-	-	-
Building rent and recreation fees	14,495	16,581	12,394	12,182	13,068	14,553	12,709	12,574	23,494	13,527
Fines	141,189	84,773	75,920	63,797	52,533	72,235	63,516	52,529	100,177	103,320
Interest earned	32,767	40,724	20,848	12,841	9,313	7,709	20,941	19,679	21,464	18,506
Other	160,462	45,885	113,580	78,009	48,261	31,426	39,790	67,779	53,798	39,563
Total Revenues	2,866,513	2,668,901	2,883,700	2,709,301	2,724,589	2,993,976	3,470,966	3,829,015	3,780,970	4,035,102
Expenditures										
General government	524,251	556,025	628,565	641,900	651,004	654,301	668,185	695,675	846,281	852,763
Public safety	1,161,228	1,231,798	1,435,297	1,225,941	1,239,827	1,356,953	1,462,794	1,655,809	2,035,932	1,842,892
Public works	813,559	849,513	900,832	810,421	709,211	863,066	930,295	1,137,616	1,027,974	1,093,496
Recreation	270,749	365,621	344,222	283,601	257,882	341,049	273,153	355,600	341,314	344,778
Nondepartmental	207,565	201,007	108,325	89,714	89,927	102,897	112,258	-	50,694	77,464
Development	264,814	-	-	-	317,583	5,000	187,996	287,774	22,120	189,098
Debt Service:										
Principal retirement	105,601	117,836	123,669	160,154	91,239	96,390	96,630	103,250	127,401	162,755
Interest and fiscal charges	-	21,785	15,953	21,918	15,368	33,530	17,628	21,897	13,933	27,267
Total Expenditures	3,347,767	3,343,585	3,556,863	3,233,649	3,372,041	3,453,186	3,748,939	4,257,621	4,465,649	4,590,513
Excess of revenues over (under) expenditures	(481,254)	(674,684)	(673,163)	(524,348)	(647,452)	(459,210)	(277,973)	(428,606)	(684,679)	(555,411)
Other Financing Sources (Uses)										
Loan proceeds	295,000	-	-	-	-	-	-	-	405,000	-
Other financing sources	-	-	177,059	-	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	249,294	65,000	65,160	-	80,361	262,746
Proceeds from sale of capital assets	-	-	-	-	-	-	-	21,543	-	-
Transfers in	345,671	424,644	428,900	431,954	428,631	423,386	384,292	495,614	459,674	441,353
Transers out	(207,494)	(6,521)	-	-	-	-	-	-	-	(11,381)
Total Other Financing Sources	433,177	418,123	605,959	431,954	677,925	488,386	449,452	517,157	945,035	692,718
Net Change in fund balances	$ (48,077)	$ (256,561)	$ (67,204)	$ (92,394)	$ 30,473	$ 29,176	$ 171,479	$ 88,551	$ 260,356	$ 137,307
Debt service as a percentage of noncapital expenditures*	3%	4%	4%	6%	3%	4%	3%	3%	4%	5%

* Noncapital expenditures less capital outlay (to the extent capitalized for the government-wide statement of net assets) and expenditures for capitalized assets included with the function expenditure categories. This formula adds "functional" and "principal" and divides them by the "total expenditures" minus the "capital outlay".

City of Abbeville Public Utilities
Electric, Water and Sewer Rates
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Electric Rates										
Minimum Rates										
Residential	9.55	9.88	9.97	9.97	10.17	10.68	10.68	11.11	11.30	11.71
Residential Total Electric	9.55	9.88	9.97	9.97	10.17	10.68	10.68	11.11	11.30	11.71
Commercial	10.75	11.13	11.24	11.24	11.46	12.04	12.04	12.52	12.74	13.20
Kilowatts Per Hour										
(For KWH for the first 1000 per month)										
Residential	0.0811	0.0839	0.0839	0.0847	0.0864	0.0864	0.0907	0.0907	0.0960	0.0995
Residential Total Electric	0.0811	0.0839	0.0839	0.0847	0.0864	0.0864	0.0907	0.0907	0.0960	0.0995
Commercial (1)	0.0967	0.1001	0.1001	0.1011	0.1031	0.1031	0.1083	0.1083	0.1145	0.1186
(For KWH over 1000 per month)										
Residential	0.0760	0.0787	0.0787	0.0795	0.0811	0.0811	0.0852	0.0852	0.0901	0.0933
Residential Total Electric	0.0660	0.0683	0.0683	0.0690	0.0704	0.0704	0.0739	0.0739	0.0783	0.0811
Commercial (1)	0.1113	0.1152	0.1152	0.1163	0.1186	0.1186	0.1245	0.1245	0.1318	0.1365
Water Rates										
Minimum Rates (Based on Meter Size) (2)										
3/4"	6.00	6.00	6.00	6.00	6.50	6.50	7.25	7.25	9.25	10.25
1"	7.09	7.09	7.09	7.09	7.59	7.59	8.34	8.34	10.34	11.34
1 1/2"	8.92	8.92	8.92	8.92	9.42	9.42	10.17	10.17	12.07	13.17
2"	11.13	11.13	11.13	11.13	11.63	11.63	12.38	12.38	14.38	15.38
3"	16.99	16.99	16.99	16.99	17.49	17.49	18.24	18.24	20.24	21.24
4"	23.57	23.57	23.57	23.57	24.07	24.07	24.82	24.82	26.82	27.82
Per Thousand Gallons										
Inside City Rate	0.97	1.20	1.43	1.43	1.66	1.66	1.81	1.81	2.01	2.21
Outside City Rate	1.89	2.30	2.73	2.73	3.11	3.11	3.26	3.26	3.56	3.91
Sewer Rates										
Minimum Rates (Based on Meter Size) (2)										
3/4"	3.00	3.00	3.00	4.50	4.75	4.75	5.25	5.25	7.25	8.25
1"	5.17	5.17	5.17	5.17	5.42	5.42	5.92	5.92	7.92	8.92
1 1/2"	8.78	8.78	8.78	8.78	9.03	9.03	9.53	9.53	11.53	12.53
2"	13.12	13.12	13.12	13.12	13.37	13.37	13.87	13.87	15.87	16.87
3"	24.68	24.68	24.68	24.68	24.93	24.93	25.43	25.43	27.43	28.43
4"	37.68	37.68	37.68	37.68	37.93	37.93	38.43	38.43	40.43	41.43
Per Thousand Gallons										
Inside City Rate	2.15	2.15	2.15	2.15	2.25	2.25	2.35	2.35	2.55	2.75
Outside City Rate	3.86	3.86	3.86	3.86	4.03	4.03	4.13	4.13	4.33	4.68

(1) Commercial rates are incremented for the first 500 KWH used per month and then the next 700 KWH used per month.
(2) Minimum rates for water and sewer are for inside rates only. Outside rates are slightly higher to compensate for costs of distribution.

City of Abbeville Public Utilities
Number of Customers by Utility Type
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Electric										
Residential	3,103	3,137	3,109	3,123	3,089	3,094	3,076	3,064	3,052	3,061
Industrial	-	-	-	-	-	-	-	-	-	-
Commercial	456	470	490	494	496	501	501	498	505	503
Public Authority	24	24	24	24	24	24	24	24	24	24
Water										
Residential	2,398	2,443	2,410	2,436	2,393	2,401	2,389	2,374	2,357	2,354
Industrial	-	-	-	-	-	-	-	-	-	-
Commercial	335	353	367	367	373	373	377	383	391	391
Public Authority	51	51	51	51	51	51	51	51	51	51
Sewer										
Residential	2,155	2,199	2,161	2,173	2,134	2,139	2,126	2,111	2,097	2,113
Industrial	-	-	-	-	-	-	-	-	-	-
Commercial	297	306	314	313	317	331	322	325	325	321
Public Authority	32	32	32	32	32	32	32	32	32	32

(1) The City of Abbeville Public Utilities includes its industrial customers in the commercial category.