

EXHIBIT

11

Pursuant to M.D.N.C. Local Rule 7.1(e), non-essential pages
Contained here in the original document have been extracted.

City of Durham North Carolina

Exhibit
Sheet

LIABILITIES

| | |
|-------------------|---------------------|
| Notes outstanding | 66,500 00 |
| General Bond Fund | 2,019 46 |
| Sewer Bond Fund | 852 00 |
| Water Bond Fund | 7,521 97 |
| Sewer Dept. Bond | 31,667 17 |
| Water Bond Fund | 232,615 43 |
| Sewer Dept. Bond | 36,055 44 |
| Water Bond Fund | 104,029 69 |
| Sewer Dept. Bond | 110,894 47 |
| Total | 3,925,000 00 |

SURPLUS ACCOUNTS

| | |
|----------------------------|--------------|
| Property Surplus In Excess | 3,487,759 99 |
| Unpaid Indebtedness | 1,386,437 82 |
| Reserve Sewer Water | |
| Reserve Water | |
| Reserve Street | |
| Water Accounts | |
| Water Street | |
| Water Accounts | |
| Water Street | |

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007**

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Other Special Revenue Grants Fund - The Other Grants Fund is established to account for miscellaneous activities for which federal, state and other aid is received.

Recreation and General Capital Projects Fund - This Recreation and General Capital Projects Fund is established to track the capital improvements associated with the cultural and recreational endeavors of the City of Durham. The general capital projects component represents projects not otherwise classified below and acts as the fund balance account for past projects that have closed and had funds remaining.

Street Projects Fund - The Street Projects Fund is established to track street, thoroughfare and mass transit improvements. Street projects are intended to construct new infrastructure or make significant improvements to the City's roadways and mass transit system.

General Projects Fund - The General Capital Projects Fund is established to track the construction, maintenance or expansion of miscellaneous small City facilities and grounds, operating systems and community buildings.

Municipal Buildings Projects Fund - The Municipal Projects Fund is established to track the construction, maintenance or expansion of City municipal buildings and facilities including the 911 Center, Fire and Police facilities.

Eno Greenway Project Fund - The Eno Greenway Fund is established to track the construction of a 3.8 mile natural-surface trail which will allow urban residents easy off-road access to the natural lands along the Eno River. The Eno Greenway will be part of the Mountains-to-Sea Trail and the Circle the Triangle Trail.

Impact Fee Fund - The Impact Fee Fund is established to account for impact fees until they are transferred to other capital projects funds and expended for specific projects.

The city reports the following Internal Service Funds:

Risk Retention Fund - This fund is established to provide a source of funds for payment of the City's uninsured legal liabilities, including risks such as workers' compensation, automobiles, general operations and professional activities. Claim settlements, actuarial expenses, legal fees, administrative expenses and other professional services required for claim disposition are paid from this fund.

Fleet Vehicle Fund – This fund is established to provide a vehicle replacement program to ensure safe, operable vehicles and equipment for city programs.

The city reports the following Fiduciary Fund:

Law Enforcement Officers' Separation Allowance Fund - This fund is used to account for the accumulation of resources for pension benefit payments to qualified law enforcement employees.

D. Budgetary Data

The General Statutes of North Carolina require that the City adopt an annual balanced budget. The General Statutes also provide for balanced project ordinances for the life of projects, including both capital and grant activities, which are expected to extend beyond the end of the fiscal year. Amounts for projects are closed out the end of the project. The City Manager has the authority to transfer budgeted amounts between departments within any category; however, any revisions that alter the total appropriations of any function or fund must be approved by the City Council. Budgetary control on

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CITY OF DURHAM, NORTH CAROLINA
 Combining Statement of Net Assets
 Internal Service Funds
 June 30, 2007

Exhibit C-21

| | Internal Service Funds | | |
|--|---------------------------|--------------------------|-------------------|
| | Risk Retention Fund | Fleet Vehicle Fund | Total |
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents/investments | \$ 6,910,280 | \$ (2,521,179) | \$ 4,389,101 |
| Accounts receivable | 108,615 | - | 108,615 |
| Assessments receivable | - | - | - |
| Accrued investment income | 69,688 | - | 69,688 |
| Notes receivable | - | - | - |
| Due from governmental agencies | - | - | - |
| Inventories | - | - | - |
| Restricted cash and cash equivalents/ investments | 730,097 | 7,647,992 | 8,378,088 |
| Total current assets | <u>7,818,680</u> | <u>5,126,812</u> | <u>12,945,492</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land | - | - | - |
| Construction in progress | - | - | - |
| Buildings, equipment and depreciable assets net of accumulated depreciation | - | 8,297,907 | 8,297,907 |
| Advance to other funds | - | - | - |
| Restricted cash and cash equivalents/ investments | - | - | - |
| Total noncurrent assets | <u>-</u> | <u>8,297,907</u> | <u>8,297,907</u> |
| Total assets | <u>7,818,680</u> | <u>13,424,720</u> | <u>21,243,399</u> |

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

CITY OF DURHAM, NORTH CAROLINA

Exhibit C-21

Combining Statement of Net Assets
Internal Service Funds
June 30, 2007

| | Internal Service Funds | | |
|---|---------------------------|--------------------------|-------------------|
| | Risk Retention Fund | Fleet Vehicle Fund | Total |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | \$ 27,455 | \$ 552,293 | \$ 579,748 |
| Accrued payroll | - | - | - |
| Accrued interest | 25,133 | - | 25,133 |
| Deposits and payments held in escrow | - | - | - |
| Current portion of due to Durham County | - | - | - |
| Current portion of bonds payable | - | - | - |
| Current portion of due to the State of North Carolina | - | - | - |
| Current portion of certificates of participation | 1,000,000 | 1,591,000 | 2,591,000 |
| Current portion of accrued compensated absences | - | - | - |
| Current portion of pending claims | 2,954,782 | - | 2,954,782 |
| Total current liabilities | <u>4,007,370</u> | <u>2,143,293</u> | <u>6,150,663</u> |
| Noncurrent liabilities | | | |
| Due to Durham County | - | - | - |
| Bonds | - | - | - |
| Due to State of North Carolina | - | - | - |
| Certificates of participation | - | 8,805,191 | 8,805,191 |
| Accrued compensated absences | - | - | - |
| Advance from other funds | - | - | - |
| Post closing costs | - | - | - |
| Pending claims | 3,155,218 | - | 3,155,218 |
| Total noncurrent liabilities | <u>3,155,218</u> | <u>8,805,191</u> | <u>11,960,409</u> |
| Total liabilities | <u>7,162,588</u> | <u>10,948,484</u> | <u>18,111,072</u> |
| NET ASSETS (DEFICIT) | | | |
| Invested in capital assets (deficit) | (1,000,000) | (2,098,284) | (3,098,284) |
| Unrestricted (deficit) | 1,656,092 | 4,574,519 | 6,230,611 |
| Total net assets | <u>\$ 656,092</u> | <u>\$ 2,476,235</u> | <u>3,132,327</u> |

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