

TOWN OF YOUNGSVILLE
YOUNGSVILLE, NORTH CAROLINA
FINANCIAL STATEMENTS
JUNE 30, 2018

Town Council Members

Fonzie Flowers, Mayor

Joseph Johnson

Catherine Redd

Graham Stallings

Larry Wiggins

Terry Hedlund

Administrative and Financial Staff

Roe O'Donnell, Administrator

Emily Hurd, Town Clerk

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For the Fiscal Year Ended June 30, 2018

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FINANCIAL SECTION

Winston, Williams, Creech, Evans, & Company, LLP

Gary L. Williams, CPA
Carleen P. Evans, CPA
Jennifer T. Reese, CPA
Tara H. Roberson, CPA

Certified Public Accountants



America Counts on CPAs

Curtis G. Van Horne, CPA

Independent Auditor's Report

To the Honorable Mayor and Members of the Town Council
Town of Youngsville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the discretely presented component unit of the Town of Youngsville, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

102 W. Spring Street • P.O. Box 1366 • Oxford, NC 27565 • (919) 693-5196 • fax (919) 693-7614

www.wwcecpa.com



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the discretely presented component unit of the Town of Youngsville, North Carolina as of June 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 6 through 13, the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, on pages 45 and 46, respectively, and the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, on pages 47 and 48, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Youngsville's basic financial statements. The combining and individual fund statements, budgetary schedules, and other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Oxford, North Carolina
January 15, 2019

Management's Discussion and Analysis

As management of the Town of Youngsville, we offer readers of the Town of Youngsville's financial statements this narrative overview and analysis of the financial activities of the Town of Youngsville for the fiscal year ended June 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

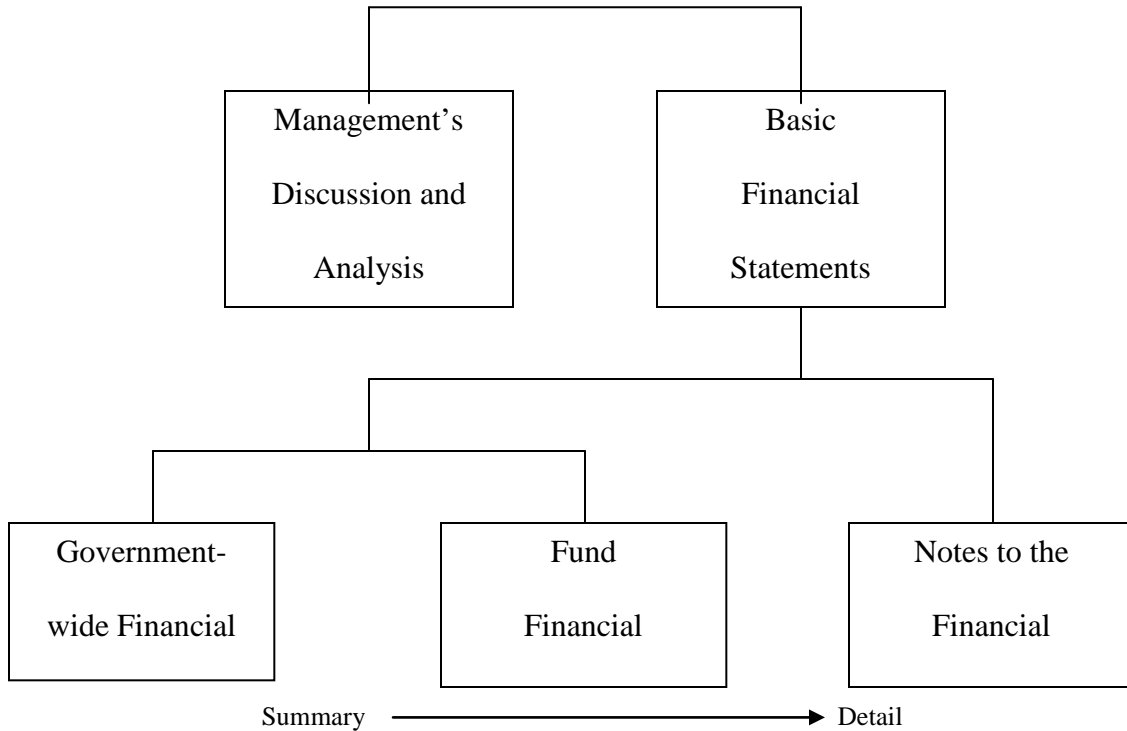
- The assets and deferred outflows of resources of the Town of Youngsville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2,110,600 (*net position*).
- The government's total net position increased by \$259,587, primarily due to diligent cost-saving measures and returns on the Town's economic development investments.
- As of the close of the current fiscal year, the Town of Youngsville's governmental funds reported combined ending fund balances of \$1,340,276, with a net change of \$116,027 in fund balance. Approximately 79.75 percent of this total amount, or \$1,068,858, of this total amount is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,122,267, or 61.87 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements.

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

Government-Wide Financial Statements

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

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gage the Town's financial condition.

The government-wide statements are divided into two categories: governmental activities and component units. Governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The other category is the component unit. Although legally separate from the Town, the Youngsville ABC Board is important to the Town. The Town exercises control over the Board by appointing its members and the Board is required to distribute its profits to the Town.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Youngsville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Youngsville are governmental funds.

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Interdependence with Other Entities: The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

Town of Youngsville’s Net Position - Figure 2

	Governmental Activities		Total	
	2018	2017	2018	2017
Current and other assets	\$ 1,526,854	\$ 1,448,541	\$ 1,526,854	\$ 1,448,541
Capital assets	1,458,391	1,401,795	1,458,391	1,401,795
Deferred outflows of resources	135,514	204,691	135,514	204,691
Total assets and deferred outflows of resources	<u>3,120,759</u>	<u>3,055,027</u>	<u>3,120,759</u>	<u>3,055,027</u>
Long-term liabilities outstanding	778,252	913,973	778,252	913,973
Other liabilities	223,548	324,733	223,548	324,733
Deferred inflows of resources	8,359	9,314	8,359	9,314
Total liabilities and deferred inflows of resources	<u>1,010,159</u>	<u>1,248,020</u>	<u>1,010,159</u>	<u>1,248,020</u>
Net position:				
Net investment in capital asset	890,495	744,299	890,495	744,299
Restricted	271,530	191,557	271,530	191,557
Unrestricted	948,575	871,151	948,575	871,151
Total net position	<u>\$ 2,110,600</u>	<u>\$ 1,807,007</u>	<u>\$ 2,110,600</u>	<u>\$ 1,807,007</u>

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of the Town of Youngsville exceeded liabilities and deferred inflows by \$2,110,600 as of June 30, 2018. The Town’s net position increased by \$259,587 for the fiscal year ended June 30, 2018. However, a portion (42.19%) reflects the Town’s net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Youngsville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Youngsville’s net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Youngsville’s net position, 271,530, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$948,575 is unrestricted.

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

- Continued diligence in the control of cash flow and expenditures. Current assets have increased by \$78,313.
- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 97.81 percent which is comparable to the statewide average.

Town of Youngsville's Changes in Net Position
Figure 3

	Governmental		Total	
	Activities			
	2018	2017	2018	2017
Revenues:				
Program revenues:				
Charges for services	\$ 194,933	\$ 191,545	\$ 194,933	\$ 191,545
Operating grants and contributions	42,739	69,417	42,739	69,417
Capital grants and contributions	-	-	-	-
General revenues:				
Property taxes	1,098,290	1,048,278	1,098,290	1,048,278
Other taxes	407,464	366,493	407,464	366,493
Grants and contributions not restricted to specific programs	227,736	208,067	227,736	208,067
Other	15,951	13,853	15,951	13,853
Total revenues	<u>1,987,113</u>	<u>1,897,653</u>	<u>1,987,113</u>	<u>1,897,653</u>
Expenses:				
General government	384,221	328,848	384,221	328,848
Public safety	884,443	862,716	884,443	862,716
Transportation	184,475	243,230	184,475	243,230
Economic and physical development	68,110	30,071	68,110	30,071
Environmental protection	75,009	74,611	75,009	74,611
Culture and recreation	113,997	122,174	113,997	122,174
Interest on long-term debt	17,271	17,310	17,271	17,310
Total expenses	<u>1,727,526</u>	<u>1,678,960</u>	<u>1,727,526</u>	<u>1,678,960</u>
Increase in net position before transfers	259,587	218,693	259,587	218,693
Transfers	-	-	-	-
Increase in net position	259,587	218,693	259,587	218,693
Net position, July 1 (consolidated)	1,807,007	1,670,710	1,807,007	1,670,710
Restatement	44,006	(82,396)	(82,396)	(82,396)
Net position, July 1 (restated)	<u>1,851,013</u>	<u>1,588,314</u>	<u>1,724,611</u>	<u>1,588,314</u>
Net position, June 30	<u>\$ 2,110,600</u>	<u>\$ 1,807,007</u>	<u>\$ 1,984,198</u>	<u>\$ 1,807,007</u>

Governmental activities. Governmental activities increased the Town's net position by \$259,587, thereby accounting for all of the growth in the net position for the Town of Youngsville. Though a recession affected the Town, the increase in net position was the result of a concerted effort to control costs and manage expenditures to minimize the impact of the recession on its citizens. Town management reduced non-essential programs to a minimum and implemented cost saving strategies across Town departments. Certain nonrecurring expenses were either postponed or renegotiated in an attempt to maintain a healthy net position. Management believes healthy investment in the Town will result in additional revenues. Increased efforts to maximize tax collections also contributed to the favorable net position. Though many

of the Town's residents were hit hard by the recession, tax revenue did not appreciably decline in the current year. Town management acknowledges that 2017-2018 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health. Key elements of this increase are as follows:

- Revenues continue to be strong and outpace expenditures.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Youngsville's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Youngsville's financing requirements.

The general fund is the chief operating fund of the Town of Youngsville. At the end of the current fiscal year, Town of Youngsville's fund balance available in the General Fund was \$1,122,267, while total fund balance reached \$1,393,685. The Governing Body of the Town of Youngsville has determined that the Town should maintain an available fund balance of not less than 60 percent of general fund expenditures plus transfers out less amounts for debts issued in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 61.87 percent of general fund expenditures, while total fund balance represents 76.83 percent of the same amount.

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

There are several reasons the Town revised its budget throughout the year. The Town received some ad valorem taxes funds and permits and fees funds that became available for distribution in 2018. Although expenditures were held in check overall to comply with its budgetary requirements, the Town did amend its budget in the General Fund in General Government to account for unexpected capital outlay expenditures.

Capital Asset and Debt Administration

Capital assets. The Town of Youngsville's investment in capital assets for its governmental activities as of June 30, 2018, totals \$1,458,391 (net of accumulated depreciation). These assets include construction in progress, buildings, improvements, land, equipment, and vehicles.

The largest current year addition was the costs incurred on the Pedestrian Plan Project.

**Town of Youngsville's Capital Assets
(net of depreciation)
Figure 4**

	Governmental		Total	
	Activities			
	2018	2017	2018	2017
Land	\$ 78,007	\$ 78,007	\$ 78,007	\$ 78,007
Construction in progress	97,485	-	97,485	-
Buildings	902,748	926,379	902,748	926,379
Improvements	208,795	198,076	208,795	198,076
Equipment	51,305	52,144	51,305	52,144
Vehicles	120,051	147,189	120,051	147,189
Total	\$ 1,458,391	\$ 1,401,795	\$ 1,458,391	\$ 1,401,795

Additional information on the Town's capital assets can be found in Note III.A.4 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2018, the Town of Youngsville had total debt outstanding of \$830,355. The outstanding debt is secured by various property owned by the Town.

**Outstanding Debt
Figure 5**

	Governmental		Total	
	Activities			
	2018	2017	2018	2017
Net pension liability	\$ 273,481	\$ 317,779	\$ 317,779	\$ 317,779
Capital Leases	11,020	-	11,020	-
Installment Purchases	556,874	657,495	556,874	657,495
Total	\$ 830,355	\$ 975,274	\$ 874,653	\$ 975,274

Town of Youngsville's Outstanding Debt

The Town of Youngsville's total debt decreased by \$144,919 (14.86%) during the past fiscal year. Most of the decrease was related to payments on installment purchases.

Additional information regarding the Town of Youngsville's long-term debt can be found in Note III.B.VI of this report.

Economic Factors and Next Year's Budgets and Rates

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

- Continued growth in the area in and around the Town are expected to be positive factors on future revenues of the Town as there are expected to be several new housing developments completed in the coming years.

Budget Highlights for the Fiscal Year Ending June 30, 2019**Governmental Activities:**

Revenues are expected to be similar to the prior year with very little change.

Budgeted expenditures in the General Fund are \$2,368,500.

The Town has not made an appropriation of fund balance in the budget for the fiscal year ending June 30, 2019.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Clerk, Town of Youngsville, 118 N. Cross St., P.O. Box 190, Youngsville, NC 27596. One can also call (919)556-5073 or send an email to Townyngs@townofyoungsville.org or jpatterson@townofyoungsville.org for more information.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Youngsville, North Carolina
Statement of Net Position
June 30, 2018

	PRIMARY GOVERNMENT		TOWN OF YOUNGVILLE ABC BOARD
	GOVERNMENTAL ACTIVITIES	Total	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,247,730	\$ 1,247,730	\$ 121,676
Taxes receivable (net)	55,179	55,179	-
Accrued interest receivable on taxes	9,568	9,568	-
Accounts receivable (net)	120,580	120,580	-
Due from component unit	65,313	65,313	-
Internal balances	-	-	-
Prepaid items	-	-	663
Inventory	-	-	84,911
Restricted cash and cash equivalents	28,484	28,484	-
Total current assets	<u>1,526,854</u>	<u>1,526,854</u>	<u>207,250</u>
Non-current assets:			
Capital assets (Note 1):			
Land and construction in progress	175,492	175,492	-
Other capital assets, net of depreciation	1,282,899	1,282,899	24,999
Total capital assets	<u>1,458,391</u>	<u>1,458,391</u>	<u>24,999</u>
Total assets	<u>\$ 2,985,245</u>	<u>\$ 2,985,245</u>	<u>\$ 232,249</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferrals	<u>135,514</u>	<u>135,514</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 121,332	121,332	\$ 95,111
Water deposits	-	-	-
Other	-	-	-
Due to primary government	-	-	65,313
Current portion of installment purchases	61,133	61,133	-
Current portion of capital leases	1,990	1,990	-
Accrued vacation payable	39,093	39,093	8,837
Total current liabilities	<u>223,548</u>	<u>223,548</u>	<u>169,261</u>
Long-term liabilities:			
Installment purchases	495,741	495,741	-
Capital leases payable	9,030	9,030	-
Accrued vacation payable	-	-	-
Total pension liability	273,481	273,481	-
Total long-term liabilities	<u>778,252</u>	<u>778,252</u>	<u>-</u>
Total liabilities	<u>1,001,800</u>	<u>1,001,800</u>	<u>169,261</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	499	499	-
Pension deferrals	7,860	7,860	-
Total deferred inflows of resources	<u>8,359</u>	<u>8,359</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	890,495	890,495	24,999
Restricted for:			
Stabilization by State Statute	242,934	242,934	-
Transportation	28,596	28,596	-
Working capital	-	-	37,328
Unrestricted	948,575	948,575	661
Total net position	<u>\$ 2,110,600</u>	<u>\$ 2,110,600</u>	<u>\$ 62,988</u>

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

Town of Youngsville, North Carolina
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total	Town of Youngsville ABC Board
Primary government:							
Governmental Activities:							
General government	\$ 384,221	\$ 195		\$ -	\$ (384,026)	\$ (384,026)	\$ -
Public safety	884,443	37,478	3,526	-	(843,439)	(843,439)	-
Transportation	184,475	-	38,300	-	(146,175)	(146,175)	-
Economic and physical development	68,110	-	-	-	(68,110)	(68,110)	-
Environmental protection	75,009	97,393	913	-	23,297	23,297	-
Cultural and recreation	113,997	59,867	-	-	(54,130)	(54,130)	-
Interest on long-term debt	17,271	-	-	-	(17,271)	(17,271)	-
Total governmental activities (Note 1)	1,727,526	194,933	42,739	-	(1,489,854)	(1,489,854)	-
Component unit:							
Town of Youngsville ABC Board	1,252,984	1,254,607			-	-	1,623
Total component unit	\$ 1,252,984	\$ 1,254,607	\$ -	\$ -	\$ -	\$ -	\$ 1,623
General revenues:							
Taxes:							
Property taxes, levied for general purpose					1,098,290	1,098,290	-
Other taxes					407,464	407,464	-
Grants and contributions not restricted to specific programs					227,736	227,736	-
Unrestricted investment earnings					6,844	6,844	-
Miscellaneous					9,107	9,107	-
Total general revenues not including transfers					1,749,441	1,749,441	-
Transfers					-	-	-
Total general revenues and transfers					1,749,441	1,749,441	-
Change in net position					259,587	259,587	1,623
Net position, beginning					1,807,007	1,807,007	61,365
Restatement					44,006	44,006	-
Net position, beginning, restated					1,851,013	1,851,013	61,365
Net position, ending					\$ 2,110,600	\$ 2,110,600	\$ 62,988

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

FUND FINANCIAL STATEMENTS

Town of Youngsville, North Carolina
Balance Sheet
Governmental Funds
June 30, 2018

	MAJOR		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	PEDESTRIAN PLAN PROJECT FUND	
ASSETS			
Cash and cash equivalents	\$ 1,244,098	\$ 3,632	\$ 1,247,730
Restricted cash	28,484	-	28,484
Receivables, net			
Taxes	55,179	-	55,179
Accounts	120,580	-	120,580
Due from Pedestrian Plan Project Fund	57,041	-	57,041
Due from component unit	65,313	-	65,313
Total assets	<u>\$ 1,570,695</u>	<u>\$ 3,632</u>	<u>\$ 1,574,327</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 121,332	\$ -	121,332
Due to General Fund	-	57,041	57,041
Total liabilities	<u>121,332</u>	<u>57,041</u>	<u>178,373</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	55,179	-	55,179
Prepaid taxes	499	-	499
Total deferred inflows of resources	<u>55,678</u>	<u>-</u>	<u>55,678</u>
FUND BALANCES			
Restricted			
Stabilization by State Statute	242,934	-	242,934
Streets	28,484	-	28,484
Unassigned	1,122,267	(53,409)	1,068,858
Total fund balances	<u>1,393,685</u>	<u>(53,409)</u>	<u>1,340,276</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,570,695</u>	<u>\$ 3,632</u>	<u>\$ 1,574,327</u>

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

Town of Youngsville, North Carolina
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2018

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Total Fund Balance, Governmental Funds	\$	1,340,276
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost		2,190,164
Accumulated depreciation		<u>(731,773)</u>
		1,458,391
Total pension liability		(273,481)
Deferred outflows of resources related to pensions are not reported in the funds		135,514
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds		9,568
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		55,179
Some liabilities, including installment purchases, capital leases and accrued interest, are not due and payable in the current period and therefore are not reported in the governmental funds		(606,987)
Pension related deferrals		<u>(7,860)</u>
Net position of governmental activities	<u>\$</u>	<u>2,110,600</u>

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

Town of Youngsville, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018

	MAJOR		TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	PEDESTRIAN PLAN PROJECT FUND	
REVENUES			
Ad valorem taxes	\$ 1,094,662	\$ -	\$ 1,094,662
Other taxes and licenses	408,572	-	408,572
Unrestricted intergovernmental	231,262	-	231,262
Restricted intergovernmental	38,300	-	38,300
Permits and fees	37,589	-	37,589
Sales and services	157,260	-	157,260
Investment earnings	6,768	76	6,844
Miscellaneous	8,996	-	8,996
Total revenues	1,983,409	76	1,983,485
EXPENDITURES			
Current:			
General government	374,689	-	374,689
Public safety	861,528	-	861,528
Transportation	192,371	-	192,371
Parks and recreation	91,394	-	91,394
Economic and physical development	68,110	-	68,110
Environmental protection	75,009	-	75,009
Capital Outlay	-	97,485	97,485
Debt service:			
Principal	135,366	-	135,366
Interest and other charges	17,271	-	17,271
Total expenditures	1,815,738	97,485	1,913,223
Excess of revenues over expenditures	167,671	(97,409)	70,262
OTHER FINANCING SOURCES			
Transfers to other funds	(44,000)	-	(44,000)
Transfers from other funds	-	44,000	44,000
Capital lease obligations issued	11,020	-	11,020
Installment purchase obligations issued	34,745	-	34,745
Total other financing sources	1,765	44,000	45,765
Net change in fund balance	169,436	(53,409)	116,027
Fund balance, beginning	1,180,243	-	1,180,243
Restatement	44,006	-	44,006
Fund balance, beginning - restated	1,224,249	-	1,224,249
Fund balance, ending	\$ 1,393,685	\$ (53,409)	\$ 1,340,276

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

Town of Youngsville, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

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

Net changes in fund balance - total governmental funds	\$	116,027
<p>The issuance of long-term debt and capital leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and capital leases consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
New long-term debt and capital lease obligations issued	(45,765)	
Principal payments on long-term debt	<u>135,366</u>	89,601
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period</p>		
Capital outlay expenditures which were capitalized	174,801	
Depreciation expense for governmental assets	<u>(118,205)</u>	56,596
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		52,723
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
Change in unavailable revenue for tax revenues	<u>3,628</u>	3,628
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Pension expense		(76,416)
Compensated absences		<u>17,428</u>
Total changes in net position of governmental activities	\$	<u><u>259,587</u></u>

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

Town of Youngsville, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	GENERAL FUND			
	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
Revenues:				
Ad valorem taxes	\$ 1,024,838	\$ 1,059,294	\$ 1,094,662	\$ 35,368
Other taxes and licenses	350,410	351,097	408,572	57,475
Unrestricted intergovernmental	154,456	155,986	231,262	75,276
Restricted intergovernmental	101,000	104,300	38,300	(66,000)
Permits and fees	3,000	24,358	37,589	13,231
Sales and services	151,268	146,922	157,260	10,338
Investment earnings	5,552	2,237	6,768	4,531
Miscellaneous	4,867	17,736	8,996	(8,740)
Total revenues	<u>1,795,391</u>	<u>1,861,930</u>	<u>1,983,409</u>	<u>121,479</u>
Expenditures:				
Current:				
General government	519,019	372,066	374,689	(2,623)
Public safety	917,196	882,200	861,528	20,672
Transportation	276,708	211,779	192,371	19,408
Parks and recreation	117,468	105,367	91,394	13,973
Economic development	-	133,544	68,110	65,434
Environmental protection	-	76,816	75,009	1,807
Debt service	-	154,133	152,637	1,496
Total expenditures	<u>1,830,391</u>	<u>1,935,905</u>	<u>1,815,738</u>	<u>120,167</u>
Revenues over (under) expenditures	<u>(35,000)</u>	<u>(73,975)</u>	<u>167,671</u>	<u>241,646</u>
Other financing (uses) sources:				
Transfers from other funds	-	(44,000)	(44,000)	-
Capital lease obligations issued	-	-	11,020	11,020
Installment purchase obligations issued	35,000	35,586	34,745	(841)
Total other financing (uses) sources	<u>35,000</u>	<u>(8,414)</u>	<u>1,765</u>	<u>10,179</u>
Fund balance appropriated	-	82,389	-	(82,389)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>169,436</u>	<u>\$ 169,436</u>
Fund balance, beginning			1,180,243	
Restatement			<u>44,006</u>	
Fund balance, beginning - restated			1,224,249	
Fund balance, ending			<u>\$ 1,393,685</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Town of Youngsville ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by the State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at the Town of Youngsville ABC Board, Highway 1 - Alternate, Town of Youngsville, North Carolina.

B. Basis of Presentation

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from non-exchange transactions or ancillary activities. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

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

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Pedestrian Plan Project Fund – This fund is used to account for revenues and expenditures related to the design and construction of bicycle and pedestrian streetscape improvements to Main Street. These improvements include sidewalks, curb extensions, cross-walks, and share lane markings.

C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Town has no proprietary funds.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed periods prior to September 1, 2014 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. The Finance Officer is authorized by the budget ordinance to transfer appropriations between functional areas within a fund up to \$1,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$1,000 must be approved by the governing board. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until annual ordinance can be adopted.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

1. Deposits and Investments

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

State Law [G.S. 159-30(c)] authorizes the Town and the ABC Board to invest in obligations of the United States, or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's and the ABC Board's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT – Government Portfolio, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

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

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

<u>Town of Youngsville Restricted Cash</u>	
Governmental activities	
General Fund	
Streets	\$ 28,484
Total governmental activities	<u>\$ 28,484</u>
Total restricted cash	<u>\$ 28,484</u>

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

4. Ad Valorem Taxes Receivables

In accordance with State Law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2017. As allowed by State Law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

The inventories of the Town and the ABC Board are valued at cost (first-in, first-out), which approximates market.

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

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$25,000 for infrastructure and \$5,000 for all other assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimate Useful Lives</u>
Buildings	40
Improvements	10
Vehicles	5
Furniture and equipment	5-10

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

<u>Asset Class</u>	<u>Estimate Useful Lives</u>
Buildings	30
Furniture and equipment	5-10
Improvements	10

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, contributions made to the pension plan in the 2018 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has only two items that meet the criterion for this category - prepaid taxes and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The vacation policies of the Town and the ABC Board provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a last-in, first out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year is not considered to be material.

Both the Town's and the ABC Board's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the Town nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or law or regulations of other governments or imposed by law through state statute.

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Fund Balance

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for stabilization by State statute – portion of fund balance that is restricted by State Statute [G.S. 159-8 (a)].

Restricted for Transportation – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of total unexpended Powell Bill funds.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purpose or other funds.

The Town of Youngsville has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

The Town of Youngsville has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is not less than sixty percent (60%) of General Fund Expenditures plus Transfers Out less Amounts for Debt Issued. Any portion of the general fund balance in excess of the 60% of General Fund Expenditures plus Transfers Out less Amounts for Debt Issued may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

12. Defined Benefit Cost Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Youngsville's employer contributions are recognized when due and the Town of Youngsville has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

II. Stewardship, Compliance, and Accountability

A. Deficit Fund Balance of Net Position of Individual Funds

In Exhibit B-2, the Pedestrian Plan Project Fund had a deficit fund balance of \$53,409. This deficit balance resulted from the Town spending available fund balance it did not have. This deficit fund balance resulted from funding not yet being received for this capital project.

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town and the ABC Board are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the ABC Board, these deposits are considered to be held by the Town's and the ABC Board's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town or the ABC Board under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial risk for deposits.

At June 30, 2018, the Town's deposits had a carrying amount of \$1,009,940 and a bank balance of \$1,067,826. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the ABC Board was \$120,352 and the bank balance was \$108,969. All of the bank balance was covered by federal depository insurance. At June 30, 2018, the Town's petty cash fund totaled \$100, which is included in the \$1,009,940 carrying amount. The ABC Board had cash on hand in the amount of \$1,324.

2. Investments

At June 30, 2018, the Town had \$266,274 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

3. Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2018 are net of the following allowances for doubtful accounts:

	General Fund	
Other		\$ 11,609
Total General Fund		<u>11,609</u>

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

4. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2018, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 78,007	\$ -	\$ -	\$ -	\$ 78,007
Construction in progress	<u>-</u>	<u>97,485</u>	<u>-</u>	<u>-</u>	<u>97,485</u>
Total capital assets not being depreciated	<u>78,007</u>	<u>97,485</u>	<u>-</u>	<u>-</u>	<u>175,492</u>
Capital Assets being depreciated:					
Buildings	1,011,233	-	-	-	1,011,233
Improvements	370,137	30,710	-	-	400,847
Equipment	168,567	11,020	-	-	179,587
Vehicles	<u>448,131</u>	<u>35,586</u>	<u>60,712</u>	<u>-</u>	<u>544,429</u>
Total capital assets being depreciated	<u>1,998,068</u>	<u>77,316</u>	<u>60,712</u>	<u>-</u>	<u>2,136,096</u>
Less accumulated depreciation for:					
Buildings	84,854	23,631	-	-	108,485
Improvements	172,061	19,991	-	-	192,052
Equipment	116,423	11,859	-	-	128,282
Vehicles	<u>300,942</u>	<u>62,724</u>	<u>60,712</u>	<u>-</u>	<u>424,378</u>
Total accumulated depreciation	<u>674,280</u>	<u>\$ 118,205</u>	<u>\$ 60,712</u>	<u>\$ -</u>	<u>853,197</u>
Total capital assets being depreciated, net	<u>1,323,788</u>				<u>1,282,899</u>
Government activity capital assets, net	<u>\$1,372,115</u>				<u>\$ 1,458,391</u>

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

General government	\$ 25,906
Public Safety	41,823
Cultural and recreation	30,044
Transportation	<u>20,432</u>
Total depreciation expense	<u>\$ 118,205</u>

Discretely presented component unit

Activity for the Youngsville ABC Board for the year ended June 30, 2018, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated				
Land	\$ 4,756	\$ -	\$ -	\$ 4,756
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>4,756</u>	<u>-</u>	<u>-</u>	<u>4,756</u>
Capital assets being depreciated				
Buildings	65,915	-	-	65,915
Improvements	5,077	-	-	5,077
Sewer	340	-	-	340
Furniture & Fixtures	6,962	-	-	6,962
Equipment	<u>31,442</u>	<u>6,233</u>	<u>-</u>	<u>37,675</u>

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Total capital assets being depreciated	109,736	6,233	-	115,969
Less accumulated depreciation for:				
Buildings	54,595	1,465	-	56,060
Improvements	5,077	-	-	5,077
Sewer	340	-	-	340
Furniture & Fixtures	6,962	-	-	6,962
Equipment	25,303	1,984	-	27,287
Total accumulated depreciation	92,277	\$ 3,449	\$ -	95,726
Capital Assets, net	\$ 22,215			\$ 24,999

B. Liabilities

I. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description - The Town of Youngsville is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Youngsville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Youngsville's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.50% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Youngsville were \$52,891 for the year ended June 30, 2018.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Town reported a liability of \$161,328 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the Town's proportion was 0.01056%, which was a decrease of 0.00005% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the Town recognized pension expense of \$59,019. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,294	\$ 4,567
Changes of assumptions	23,040	-
Net difference between projected and actual earnings on pension plan investments	39,171	-
Changes in proportion and differences between the Town contributions and proportionate share of contributions	4,560	781
Town contributions subsequent to the measurement date	<u>52,891</u>	<u>-</u>
Total	<u>\$ 128,956</u>	<u>\$ 5,348</u>

\$52,891 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:			
2019	\$	12,710	
2020		46,552	
2021		23,569	
2022		(11,946)	

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	<u>(6.20%)</u>	<u>(7.20%)</u>	<u>(8.20%)</u>
The Town's proportionate share of the net pension liability (asset)	\$ 484,309	\$ 161,328	(\$ 108,260)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officer's Special Separation Allowance

1. *Plan Description*

The Town of Youngsville administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>10</u>
Total	<u>10</u>

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies:

Basis of Accounting. The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

3. *Actuarial Assumptions*

The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.13 percent

The discount rate used to measure the Total Pension Liability is S&P Municipal Bond 20 Year High Grade Rate Index.

DEATHS AFTER RETIREMENT (HEALTHY): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

DEATHS BEFORE RETIREMENT: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

DEATHS AFTER RETIREMENT (BENEFICIARY): RP-2014 Healthy Annuitant base rated projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

DEATHS AFTER RETIREMENT (DISABLED): RP-2014 Disabled Retiree base rated projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

4. *Contributions:*

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The Town made no benefit payments during the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Town reported a total pension liability of \$112,153. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating actuarial assumptions. For the year ended June 30, 2018, the Town recognized pension expense of \$13,618.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,512
Change of assumptions	6,558	-
Town benefit payments and plan administrative expense subsequent to the measurement date	-	-
Total	\$ 6,558	\$ 2,512

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Amounts reported as Deferred Inflows of Resources and Deferred Outflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended June 30:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)
2019	\$ 1,355	\$ 535
2020	1,355	535
2021	1,355	535
2022	1,355	535
2023	1,138	372
Thereafter	-	-

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 3.16 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 122,049	\$ 112,153	\$ 103,124

Schedule or Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
2018

Beginning Balance	\$ 92,599
Service Cost	9,224
Interest on the total pension liability	3,574
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(3,047)
Changes of assumptions or other inputs	9,803
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	\$ 112,153

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 59,019	\$ 13,618	\$ 72,637
Pension Liability	161,328	112,153	273,481
Proportion of the Net Pension Liability	0.01056%	N/A	

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$ 9,294	\$ -	\$ 9,294
Changes of assumptions	23,040	6,558	29,598
Net difference between projected and actual earnings on pension plan investments	39,171	-	39,171
Changes in proportion and differences between County contributions and proportionate share of contributions	4,560	-	4,560
County contributions (LGERS) /benefit payments (LEOSSA) subsequent to the measurement date	52,891	-	52,891
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	4,567	2,512	7,079
Changes of assumptions	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	781	-	781

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description: The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy: Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$36,602, which consisted of 22,565 from the Town and \$14,037 from the law enforcement officers.

II. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership service in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit

Town of Youngsville, North Carolina
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For the Fiscal Year Ended June 30, 2018

payments are made from the Death Benefit Plan and not the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

III. Deferred Outflows and Inflows of Resources

Deferred Outflows of resources is made up of the following:

Source	Amount
Pension Deferrals	\$ 135,514
Total	\$ 135,514

Deferred inflows of resources at year-end are comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 499	\$ 499
Taxes receivable (General Fund), less penalties	-	55,179
Pension deferrals	7,860	-
Total	\$ 8,359	\$ 55,678

IV. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to the statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The Town has made the decision not to purchase flood insurance at this time. The Town does not deem the risk of flooding to outweigh the costs of insurance.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000 for dishonesty coverage and \$10,000 for alteration coverage.

Town of Youngsville ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The ABC Board has property, general liability, auto liability, worker's compensation, and employee health coverage. The ABC Board also has liquor legal liability coverage. Claims have not exceeded coverage in any of the past three fiscal years and there has been non-significant reduction in insurance coverage in the prior year.

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

V. Claims, Judgments and Contingent Liabilities

At June 30, 2018, the Town had no pending lawsuits.

VI. Long-Term Obligations

a. Installment Purchase

In December 2012, the Town entered into a \$22,024 installment purchase to finance a Dodge Charger at a rate of 4.75%. The financing contract requires a monthly payment of \$413.83 beginning January 2014.

Also in December 2012, the Town entered into a \$22,144 installment purchase to finance a Dodge Charger at a rate of 4.75%. The financing contract requires a monthly payment of \$416.09 beginning January 2014.

In July 2014, the Town entered into a \$22,854 installment purchase to finance a Dodge Charger at a rate of 4.00%. The financing contract requires a monthly payment of \$421.52 beginning August 2014.

In March 2015, the Town entered into a \$22,897 installment purchase to finance a Dodge Charger at a rate of 3.40%. The financing contract requires a monthly payment of \$416.14 beginning April 2015.

In September 2014, the Town entered into a \$22,897 installment purchase to finance a Dodge Charger at a rate of 3.40%. The financing contract requires a monthly payment of \$416.01 beginning October 2015.

In August 2015, the Town entered into a \$30,778 installment purchase to finance a Dodge Durango at a rate of 2.99%. The financing contract requires a monthly payment of \$553.62 beginning September 2015.

In June 2016, the Town entered into a \$650,000 installment purchase to finance the purchase of a building for a new Town Hall. The financing contract requires 71 monthly payments of \$3,456.48 with a balloon payment due on July 1, 2022.

In October 2016, the Town entered into a \$30,610 installment purchase to finance the purchase of a Dodge Durango at a rate of 2.45%. The financing contract requires a monthly payment of \$543.04 beginning November 2016.

In October 2016, the Town entered into a \$8,200 installment purchase to finance the purchase of a new lawn mower at a rate of 2.45%. The financing contract requires a monthly payment of \$236.61 beginning November 2016.

In September 2017, the Town entered in to a \$34,745 installment purchase to finance the purchase of a new Ford SUV at a rate of 2.76%. The financing contract requires a monthly payment of \$621.22 beginning October 2017.

Annual debt service payments of the installment purchase as of June 30, 2017, including \$68,630 of interest, are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2019	\$ 61,133	\$ 12,915
2020	52,219	12,067
2021	45,786	10,727
2022	41,478	9,597
2023	356,258	747
Total	\$ 556,874	\$ 46,053

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

b. Capital LeasesThe Town has entered into agreements to lease certain equipment. The 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 first agreement was executed on March 20, 2018 to lease a copier for 63 months and requires 60 monthly payments of \$101.39. The second agreement was executed on March 20, 2018 to lease a copier for 63 months and requires 60 monthly payments of \$106.58.

The following is an analysis of the assets recorded under capital leases at June 30, 2018:

Classes of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 11,020	\$ -	\$ 11,020
Total	<u>\$ 11,020</u>	<u>\$ -</u>	<u>\$ 11,020</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Year Ending June 30</u>	
2019	\$ 2,496
2020	2,496
2021	2,496
2022	2,496
2023	<u>2,496</u>
Total minimum lease payments	12,480
Less: amount representing interest	<u>1,460</u>
Present value of the minimum lease payments	<u>\$ 11,020</u>

c. Changes in Long-term Liabilities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion of Balance</u>
Governmental Activities					
Installment Purchases	\$ 657,495	\$ 34,745	\$ 135,366	\$ 556,874	\$ 61,133
Capital leases	-	11,020	-	11,020	1,990
Compensated Absences	56,521	39,093	56,521	39,093	39,093
Net pension liability (LGERS)	225,180	-	63,852	161,328	-
Total pension liability (LEO)	<u>92,599</u>	<u>19,554</u>	<u>-</u>	<u>112,153</u>	<u>-</u>
Total	<u>\$ 1,031,795</u>	<u>\$ 104,412</u>	<u>\$ 255,737</u>	<u>\$ 880,470</u>	<u>\$ 102,216</u>

C. Net Investment in Capital Assets

Capital Assets	Governmental \$1,458,391
Less: Long-term Debt	(567,896)
Net Investment in Capital Assets	<u>\$ 890,495</u>

Town of Youngsville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

D. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

<i>Total fund balance- General Fund</i>	<i>\$1,393,685</i>
Less:	
Stabilization by State Statute	242,934
Streets-Powell Bill	28,484
Working Capital / Fund Balance Policy	1,088,384
Subsequent year's expenditures	-
Remaining Fund Balance	33,883

The Town of Youngsville has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is not less than sixty percent (60%) of General Fund Expenditures plus Transfers Out less Amounts for Debt Issued.

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

V. Significant Effects of Subsequent Events

The Town has evaluated events and transactions that occurred between June 30, 2018 and January 15, 2019, which is the date that the financial statements were available to be issued for possible recognition or disclosure in the financial statements.

VI. Restatement

During the 17-18 audit, an item were found that required adjustment to the financial statements. This adjustment involved expenditures related to the Town match of the Pedestrian Plan Project Grant.

The beginning would have changed as follows:

	Governmental Activities Net Position	General Fund Fund Balance
Balance, July 1, 2017	\$ 1,807,007	\$ 1,180,243
Restatement for accrued expenditures for Pedestrian Plan Project Grant not yet incurred	44,000	44,000
Balance, July 1, 2017, as restated	<u>\$ 1,851,013</u>	<u>\$ 1,224,249</u>

REQUIRED SUPPLEMENTARY INFORMATION

Town of Youngville, North Carolina
Town of Youngville's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Five Fiscal Years

Local Government Employees' Retirement System					
	2018	2017	2016	2015	2014
Youngville's proportion of the net pension liability (asset) (%)	0.01056%	0.01061%	0.01069%	-0.01090%	0.00910%
Youngville's proportion of the net pension liability (asset) (\$)	161,328	225,180	273,481	(64,283)	109,690
Youngville's covered employee payroll	657,845	634,827	606,449	593,314	516,370
Youngville's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	24.52%	35.47%	45.10%	-10.83%	21.24%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	91.47%	98.09%	102.64%	94.35%

Town of Youngsville, North Carolina
Town of Youngsville's Contributions
Required Supplementary Information
Last Five Fiscal Years

Local Government Employees' Retirement System					
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 52,723	\$ 49,924	\$ 44,356	\$ 44,232	\$ 42,795
Contributions in relation to the contractually required contribution	\$ 52,723	\$ 49,924	\$ 44,356	\$ 44,235	\$ 42,795
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Youngsville's covered-employee payroll	\$ 657,845	\$ 645,518	\$ 634,827	\$ 606,449	\$ 593,314
Contributions as a percentage of covered-employee payroll	8.01%	7.73%	6.99%	7.29%	7.21%

Town of Youngsville, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2018

	2018	2017
Beginning Balance	\$ 92,599	\$ 82,396
Service Cost	9,224	9,516
Interest on the total pension liability	3,574	2,942
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(3,047)	-
Changes of assumptions or other inputs	9,803	(2,255)
Benefit Payments	-	-
Other changes	-	-
Ending balance of the total pension liability	\$ 112,153	\$ 92,599

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

Town of Youngsville, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2018

	2018	2017
Total pension liability	112,153	92,599
Covered payroll	442,600	440,995
Total pension liability as a percentage of covered payroll	25.34%	21.00%

Notes to the schedules:

The Town of Youngsville has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 to pay related benefits.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

Pedestrian Plan Project Fund

This fund is used to account for revenues and expenditures related to the design and construction of bicycle and pedestrian streetscape improvements to Main Street. These improvements include sidewalks, curb extensions, cross-walks, and share lane markings.

Town of Youngsville, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017

	2018		VARIANCE POSITIVE (NEGATIVE)	2017
	BUDGET	ACTUAL		ACTUAL
REVENUES:				
Ad valorem taxes:				
Current year	1,033,574	\$ 1,064,349	\$ 30,775	\$ 1,015,106
Prior years	21,211	19,183	(2,028)	20,840
Penalties and interest	4,509	11,130	6,621	3,606
Total	1,059,294	1,094,662	35,368	1,039,552
Other taxes and licenses:				
Solid waste disposal tax	687	913	226	873
Local option sales tax	350,410	407,464	57,054	361,379
Beer and wine license	-	195	195	105
Total	351,097	408,572	57,475	362,357
Unrestricted intergovernmental revenues:				
Gas & sales tax refund	8,290	10,515	2,225	11,855
Franchise tax	102,696	109,595	6,899	105,337
Beer & wine tax	5,000	5,839	839	5,884
ABC store revenue	40,000	101,787	61,787	84,991
ABC Store Revenue-Law Enforcement	-	3,526	3,526	2,751
Total	155,986	231,262	75,276	210,818
Restricted intergovernmental revenues:				
Powell Bill allocation	38,300	38,300	-	37,601
Police Grant	-	-	-	12,842
Pedestrian Plan Grant	66,000	-	(66,000)	-
YAH Rural Center Grant	-	-	-	15,000
Total	104,300	38,300	(66,000)	65,443
Permits and fees				
Court fees	1,500	2,483	983	1,779
Animal tags	28	111	83	149
Auto tags	-	-	-	4,965
Building and zoning	22,830	34,995	12,165	35,920
Total	24,358	37,589	13,231	42,813

Town of Youngsville, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017

	2018		VARIANCE POSITIVE (NEGATIVE)	2017
	BUDGET	ACTUAL		ACTUAL
REVENUES cont.				
Sales and services:				
Field Rental	2,305	2,993	688	2,175
Rental income	6,000	7,850	1,850	6,000
Concessions	1,500	1,036	(464)	1,997
Recreation programs	48,301	47,988	(313)	59,859
Donations	-	-	-	350
Garbage fees	88,816	97,393	8,577	83,710
Total	146,922	157,260	10,338	154,091
Investment earnings:				
General fund	2,202	6,742	4,540	2,573
Powell Bill	35	26	(9)	33
Total	2,237	6,768	4,531	2,606
Miscellaneous:				
Miscellaneous revenue	7,554	(511)	(8,065)	11,247
Sale of surplus property	10,182	9,507	(675)	0
Total	17,736	8,996	(8,740)	11,247
Total Revenues	1,861,930	1,983,409	121,479	1,888,927
EXPENDITURES:				
General government:				
Governing body:				
Capital outlay	-	5,648	(5,648)	293,661
Professional services	14,562	14,411	151	27,244
Total	14,562	20,059	(5,497)	320,905
Administration:				
Salaries and employee benefits	131,582	140,209	(8,627)	164,491
Operating expenses	176,214	167,171	9,043	81,220
Capital outlay	30,125	28,183	1,942	4,875
Total	337,921	335,563	2,358	250,586
Public buildings:				
Operating expenses	19,583	19,067	516	10,995
Capital outlay	-	-	-	2,974
Total	19,583	19,067	516	13,969
Total general government	372,066	374,689	(2,623)	585,460

Town of Youngsville, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017

	2018		VARIANCE FAVORABLE (UNFAVORABLE)	2017
	BUDGET	ACTUAL		ACTUAL
Public safety:				
Police:				
Salaries and employee benefits	714,471	694,559	19,912	659,949
Operating expenses	128,093	121,963	6,130	120,248
Capital outlay	39,636	45,006	(5,370)	55,307
Total public safety	<u>882,200</u>	<u>861,528</u>	<u>20,672</u>	<u>835,504</u>
Transportation:				
Streets and highways:				
Salaries and employee benefits	92,681	83,069	9,612	91,988
Street repairs and construction	32,240	32,236	4	18,730
Operating expenses	83,058	73,266	9,792	70,709
Capital Outlay	3,800	3,800	-	50,705
Total transportation and utilities	<u>211,779</u>	<u>192,371</u>	<u>19,408</u>	<u>232,132</u>
Parks and recreation:				
Salaries and employee benefits	45,143	44,881	262	39,120
Operating expense	60,224	46,513	13,711	61,044
Capital outlay	-	-	-	8,754
Total parks & recreation	<u>105,367</u>	<u>91,394</u>	<u>13,973</u>	<u>108,918</u>
Environmental protection:				
Sanitation operating expenses	76,816	75,009	1,807	74,611
Total Environmental Protection	<u>76,816</u>	<u>75,009</u>	<u>1,807</u>	<u>74,611</u>
Economic development:				
Operating expense	133,544	68,110	65,434	80,776
Total economic development	<u>133,544</u>	<u>68,110</u>	<u>65,434</u>	<u>80,776</u>
Debt service:				
Principal		135,366		112,077
Interest		17,271		17,310
Total debt service	<u>154,133</u>	<u>152,637</u>	<u>1,496</u>	<u>129,387</u>
Total expenditures	<u>1,935,905</u>	<u>1,815,738</u>	<u>120,167</u>	<u>2,046,788</u>

Town of Youngsville, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2018
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2017

	2018		VARIANCE POSITIVE (NEGATIVE)	2017
	BUDGET	ACTUAL		ACTUAL
Revenues (under) over expenditures	(73,975)	167,671	241,646	(157,861)
Other financing sources (uses)				
Appropriated fund balance	82,389	-	(82,389)	-
Capital lease obligations issued	-	11,020	11,020	-
Proceeds of installment purchase	35,586	34,745	(841)	38,810
Transfers in (out):				
Pedestrian Plan Project Fund	(44,000)	(44,000)	-	-
Totals other financing sources (uses)	73,975	1,765	(72,210)	38,810
Net change in fund balance	\$ -	169,436	\$ 169,436	(119,051)
Fund balances				
Beginning of year, July 1		1,180,243		1,299,294
Restatement		44,006		-
Beginning of year, July 1 - restated		1,224,249		1,299,294
End of year, June 30		\$ 1,393,685		\$ 1,180,243

Town of Youngsville, North Carolina
PEDESTRIAN PLAN PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted intergovernmental					
Federal and state grants	\$ 506,000	\$ -	\$ -	\$ -	\$ (506,000)
Investment earnings	-	-	76	76	76
Total	<u>506,000</u>	<u>-</u>	<u>76</u>	<u>76</u>	<u>(505,924)</u>
<u>EXPENDITURES</u>					
Capital outlay					
Project Oversight / Engineering Fees	63,250	-	97,485	97,485	(34,235)
Construction Expenses	569,250	-	-	-	569,250
Total	<u>632,500</u>	<u>-</u>	<u>97,485</u>	<u>97,485</u>	<u>535,015</u>
Revenues Over (Under)					
Expenditures	<u>(126,500)</u>	<u>-</u>	<u>(97,409)</u>	<u>(97,409)</u>	<u>29,091</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer in (out)					
General Fund	126,500	-	44,000	44,000	(82,500)
Total	<u>126,500</u>	<u>-</u>	<u>44,000</u>	<u>44,000</u>	<u>(82,500)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>(53,409)</u>	<u>\$ (53,409)</u>	<u>\$ (53,409)</u>
Fund Balance - July 1			<u>-</u>		
Fund Balance - June 30			<u>\$ (53,409)</u>		

Other Schedules

This section contains additional information required on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy

Town of Youngsville, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2018

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections and Adjustments	Uncollected Balance June 30, 2018
2017-2018		\$ 1,073,747	\$ (1,050,235)	\$ 23,512
2016-2017	29,806	-	(10,068)	19,738
2015-2016	3,622	-	(305)	3,317
2014-2015	2,062	-	428	2,490
2013-2014	1,719	-	(552)	1,167
2012-2013	8,394	-	(7,128)	1,266
2011-2012	1,467	-	(237)	1,230
2010-2011	1,094	-	(20)	1,074
2009-2010	1,016	-	129	1,145
2008-2009	911	-	(671)	240
2007-2008	759	-	(759)	-
	<u>\$ 50,850</u>	<u>\$ 1,073,747</u>	<u>\$ (1,069,418)</u>	<u>\$ 55,179</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund	1,094,662
Tax penalties and interest	(11,130)
Adjustments	(14,114)
Total collections & credits	<u>\$ 1,069,418</u>

Town of Youngsville, North Carolina
Analysis of Current Tax Levy
For the Year Ended June 30, 2018

	Town - Wide			Total Levy	
	Property Valuation	Rate per \$100	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Youngsville Township					
Original Levy:					
Property taxed at current year rate	\$ 148,983,309	0.66	\$ 983,290	\$ 983,290	\$ -
Registered motor vehicles taxed at current year's rate	16,819,697	0.66	111,010	-	111,010
Discoveries	777,964	0.66	5,134	5,134	-
Releases	<u>(3,891,970)</u>	<u>0.66</u>	<u>(25,687)</u>	<u>(25,687)</u>	<u>-</u>
Total property valuation	<u>\$ 162,689,000</u>		1,073,747	962,737	111,010
Less: Uncollected tax at June 30, 2018			<u>(23,512)</u>	<u>(23,240)</u>	<u>(272)</u>
Current year taxes collected			<u>\$ 1,050,235</u>	<u>\$ 939,497</u>	<u>\$ 110,738</u>
Current levy collection percentage			<u>97.81%</u>	<u>97.59%</u>	<u>99.75%</u>