

TOWN OF ANGIER, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Year Ended June 30, 2019

And Report of Independent Auditor

TOWN OF ANGIER, NORTH CAROLINA

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Letter of Transmittal	i-iv
Town Council, Appointed and Administrative Staff, Planning and Board Members	v
Organizational Chart	vi
History of Angier	vii-xi

FINANCIAL SECTION

Report of Independent Auditor	1-2
Management's Discussion and Analysis	3-13

EXHIBIT

Basic Financial Statements:

Government-Wide Financial Statements:		
1	Statement of Net Position	14
2	Statement of Activities	15
Fund Financial Statements:		
3	Balance Sheet – Governmental Funds	16
4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	17
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
6	Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund	19
7	Statement of Net Position – Proprietary Funds	20
8	Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds	21
9	Statement of Cash Flows – Proprietary Funds	22
Notes to the Financial Statements		23-56

SCHEDULE

Required Supplementary Information:

1	Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Obligation	57
2	Law Enforcement Officers' Special Separation Allowance – Schedule of Total Pension Obligation as a Percentage of Covered Payroll	58
3	Other Postemployment Benefits – Schedule of Changes in Total OPEB Liability and Related Ratios	59

TOWN OF ANGIER, NORTH CAROLINA

TABLE OF CONTENTS

<u>SCHEDULE</u>		<u>PAGE</u>
4	Local Government Employees' Retirement System – Schedule of Proportionate Share of Net Pension Liability (Asset)	60
5	Local Government Employees' Retirement System – Schedule of Contributions	61
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
6	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	62-65
NonMajor Governmental Funds:		
7	Combining Balance Sheet for NonMajor Governmental Funds	66
8	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for NonMajor Governmental Funds	67
Capital Project Funds:		
9	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Lillington/Willow/Roy Street Sidewalk – Capital Project Fund	68
10	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Angier Elementary Drainage Project Fund	69
11	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Hwy 210 Park Street Fund	70
Water and Sewer Fund:		
12	Schedule of Revenues and Expenditures – Budget to Actual (Non-GAAP) – Water and Sewer Fund	71-73
Water Capital Reserve Fund:		
13	Schedule of Revenues and Expenditures – Budget to Actual (Non-GAAP) – From Inception – Water Capital Reserve Fund	74
14	Water Capital Project Fund: Schedule of Revenues and Expenditures – Budget to Actual (Non-GAAP) – From Inception – Water Capital Project Fund	75
Other Schedules:		
15	Schedule of Ad Valorem Taxes Receivable – General Fund	76
16	Analysis of Current Tax Levy – Town-Wide Levy	77

TOWN OF ANGIER, NORTH CAROLINA

TABLE OF CONTENTS

<u>TABLE</u>	<u>STATISTICAL SECTION</u>	<u>PAGE</u>
1	Net Position by Component	78
2	Changes in Net Position	79-80
3	Governmental Activities Tax Revenues by Source	81
4	Fund Balances of Governmental Funds	82
5	Changes in Fund Balance of Governmental Funds	83
6	Assessed Value and Estimated Actual Value of Taxable Property	84
7	Property Tax Rates – Direct and Overlapping Governments	85
8	Principal Property Taxpayers	86
9	Principal Tax Levies and Collections	87
10	Ratios of Outstanding Debt by Type	88
11	Ratios of General Bonded Debt Outstanding	89
12	Direct and Overlapping Governmental Activities Debt	90
13	Legal Debt Margin Information	91
14	Pledge – Revenue Coverage	92
15	Demographic and Economic Statistics	93
16	Principal Employers	94
17	Full-time Equivalent Town Government Employees by Function	95
18	Operating Indicators by Function	96
19	Capital Assets Statistics by Function	97
	<u>COMPLIANCE SECTION</u>	
	Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	98-99
	Schedule of Findings and Responses	100-102
	Corrective Action Plan	103-104
	Summary Schedule of Prior Year Findings	105

TOWN OF ANGIER

INTRODUCTORY SECTION



TOWN OF ANGIER

Angier

April 20, 2020

**Honorable Mayor, Members of the Town Council
And Citizens of the Town of Angier:**

The Comprehensive Annual Financial Report (CAFR) of the Town of Angier for the fiscal year ended June 30, 2019, is submitted by the Town's Finance Department, and it is the comprehensive publication of the Town's financial position at June 30, 2019, and results of operations for the fiscal year then ended for all funds of the Town. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts. This report is published to fulfill that requirement for the fiscal year ended June 30, 2019, and to provide complete and further accountability to citizens and other interested parties by providing a comprehensive report in lieu of the minimum basic financial statement requirements.

Responsibility for both the accuracy of the presented data, and the completeness and the fairness of the presentation, including all disclosures, rests with the town. We believe the enclosed data and presentation is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the Town's funds over the last fiscal year.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is written to complement the MD&A and should be read in conjunction with it.

Profile of the Town

The Town of Angier, incorporated in 1901, is located in northeast Harnett County, approximately 21 miles from downtown Raleigh, the State Capital. Angier, the Town of Crepe Myrtles, is a town of quietness, security and tremendous opportunity for its residents. Despite the substantial growth in this area, Angier is still the kind of town where you know your neighbors. The Town covers approximately 3.48 square miles and has a population of 5,170.

The Town operates under a council-manager form of government. The governing body is comprised of a Mayor and a four-member Town Council, elected on a nonpartisan basis for staggered four-year terms. The Mayor is elected on an at large basis and the Council members are elected by ward. The Town Council has policy-making and legislative authority and is responsible for the budget approval and appointment of the Town Manager, Town Attorney and Town Clerk. The Town Manager is responsible for implementing Council policies and Town Ordinances, managing daily operations and appointing department directors.

Angier is a *full service* town providing police, water distribution, sanitary sewer collection, street maintenance including curbs, gutters, sidewalks and other infrastructure, recreation and cultural activities, engineering, household sanitation services including recycling, planning and community development, code compliance and general administration, finance and human resources. Additionally, Angier and Harnett County have formed collaborative partnerships to provide several services including economic development, inspections, code enforcement, fire marshal services, E-911 emergency services, tax billing and collections, and election board services. This report includes all of the Town's activities in delivering and administering these services.

Accounting System and Budgetary Control

The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate "fund".

A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Town's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the Town's utilities and other enterprises are reported on the accrual basis.

The Town's accounting system is organized and operated on a "fund" basis and each fund is classified in one of two categories and further identified as one of five major types of funds:

Classification	Fund Type
Governmental Funds	General
Proprietary Funds	Special Revenue
	Capital Project
	Enterprise
	Capital Reserve

Governmental Funds: These funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the differences between governmental fund assets and liabilities, the fund equity, is referred to as "Fund Balance". The primary measurement focus is upon determination of financial position and changes in financial position, which is supported by the statement of revenues, expenditures, and changes in fund balances. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

Proprietary Funds: These funds are sometimes referred to as "income determination", "nonexpendable", or "commercial type" funds and are used to account for a government's on-going organizations and activities, which are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds.

The generally accepted accounting principles here are those applicable to similar businesses in the private sector, and the measurement focus is upon determination of net income, financial position, and changes in financial position.

Budgetary Control: The Town's financial management software provides the information for effective fiscal management. Through utilization of budgetary accounting methods, effective budgetary control and accountability can be maintained. The Annual Budget, which is adopted for legal control at the functional level but controlled at the department level, authorizes and provides the basis for the Town's financial management. The total adopted appropriations constitute the maximum expenditure authorization during the fiscal year and can only be amended by action of the Town's Board. Expenditures are controlled at the department level for all General, Special Revenue, Capital Projects and Enterprise funds.

Budgetary control is maintained at this level by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which would result in an overrun of departmental operating balances, are not released until additional appropriations are made available.

Open encumbrances at June 30, 2019, are treated as commitments, rather than expenditures, and such encumbered funds are appropriated for expenditure in fiscal year 2019-2020.

Economic Condition and Outlook

The Town of Angier boasts an excellent quality of life. We are a progressive and friendly community that offers small-town living, plus all of the benefits of being in close proximity to metropolitan areas of Raleigh, Durham, Chapel Hill and Research Triangle Park (RTP) and nearby North Carolina State University, Duke University, and the University of North Carolina at Chapel Hill. Our great location, affordable land and outstanding workforce make Angier one of the best places in the region to begin or expand a business or industry.

Southwest of Angier, we have Campbell University. The main campus is located in Buies Creek with a law school located in Raleigh. Founded in 1887, the University is the second largest private four-year university in North Carolina and is composed of more than 7,000 students. The university is a private, co-educational university with Baptist roots that offers more than 150 majors, tracks, and concentrations in the liberal arts, sciences, and professions. The university offers professional degrees in law, pharmacology and health sciences, business, education and divinity as well as a wide variety of undergraduate degrees. Campbell has opened the College of Osteopathic Medicine, the first of its kind in North Carolina. Additional health science programs have also been introduced, including the Physician Assistant Program, Master of Public Health and plans for a Doctor of Physical Therapy degree program. This will greatly enhance medical training in the region and state.

Over the past few years, the Board has focused much attention on ensuring the long-term financial viability of the Town and maintaining the capital infrastructure investment during this current economic environment. Due to the strength of the Town's economy in prior years, the Town has been able to sustain what it considers to be quality development. The results of these planning processes will aid in moving the Town toward its mission and vision.

The Town's Planning Department continues to see development requests as the wave of growth pushes towards Angier from Southern Wake County, potentially resulting in 931 additional lots/units. This new development will also continue to increase the overall property tax value for the Town in the coming years.

Long Term Financial Planning and Initiatives

The Town of Angier continues to prepare for the future through various initiatives that will enhance the services provided by the Town. Angier is recognized for its quality of life. Careful planning for growth has been based on values for an attractive community, a strong commitment to environmental protection, adequate public facilities in advance of growth and a variety of local recreational opportunities while maintaining a strong financial position. The Town Board has committed to key goals and initiatives.

The Town maintains fund balance sufficient to maintain consistent cash flow, generate interest income, eliminate the need for short term borrowings, and provides flexibility for unanticipated opportunities and needs during emergencies or disasters. In addition, fiscally responsible budgeting has been key in maintaining and improving the Town's outstanding Council rating of 80, which is equivalent to a rating of A3/A by national rating agencies.

Major Initiatives:

During the year, the Town was involved in several projects as directed by the Town Commissioners and Town Manager. These projects are based on staff budget requests and Commissioner's funding priorities. Upon budget approval, staff maintains and implements programs, policies and activities that support the achievement of the goals and initiatives, which reflect the Town's continued commitment to quality of life while maintaining its unique personality.

Financial Information:

Budget Control: In government, much more than in business, the budget is an integral part of a unit's accounting system and daily operations. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year. The Town's budget ordinance, adopted by the Town Council, creates a legal limit on spending authorizations. Budgetary control is facilitated by the use of a requisition encumbrance and purchase order system that ensures the adequacy of funds prior to the placement of orders or the award of contracts.

Internal Control: The Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Other Information:

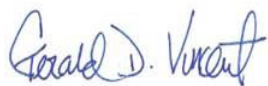
Independent Audit: The General Statutes of North Carolina require an annual independent financial audit of all local government units in the State. Cherry Bekaert LLP has examined the financial records of the Town and their opinion has been included in this report. Their examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, as they considered necessary in the circumstances. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the compliance section.

As a recipient of federal and state assistance, the Town is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

Acknowledgements

Acknowledgments: This report is the work of the efficient and dedicated staff of the Finance Department; notably, much appreciation for the exceptionally diligent assistance from Bonita L. Bray. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report and to the entire Town staff for their cooperation and assistance. Credit is also due to the mayor and the members of the Town Board for their unfailing support of the highest standards of professionalism in the management of Angier's finances.

Respectfully submitted,



Gerald D. Vincent
Town Manager



Hans Kalwitz
Finance Officer

Town of Angier

Members of Town Council

Lewis Weatherspoon
Mayor

Mike Hill
Commissioner

Loru Hawley
Commissioner

Craig Honeycutt
Mayor Pro-Tem

Robert K. Smith
Commissioner

Appointed and Administrative Staff

Gerald D. Vincent
Town Manager

Veronica Hardaway
Town Clerk

Dan Hartzog, Jr.
Town Attorney

John W. Ellis, III
Finance Director

Henry Cook
Public Works Director

Sean Johnson
Planning Director

Arthur Yarbrough
Chief of Police

Derek McLean
Parks & Rec. Director

Amanda Davis
Library Director

Planning Board Members

Chris Wagner

Christina Kazakavage

George Price Jr.

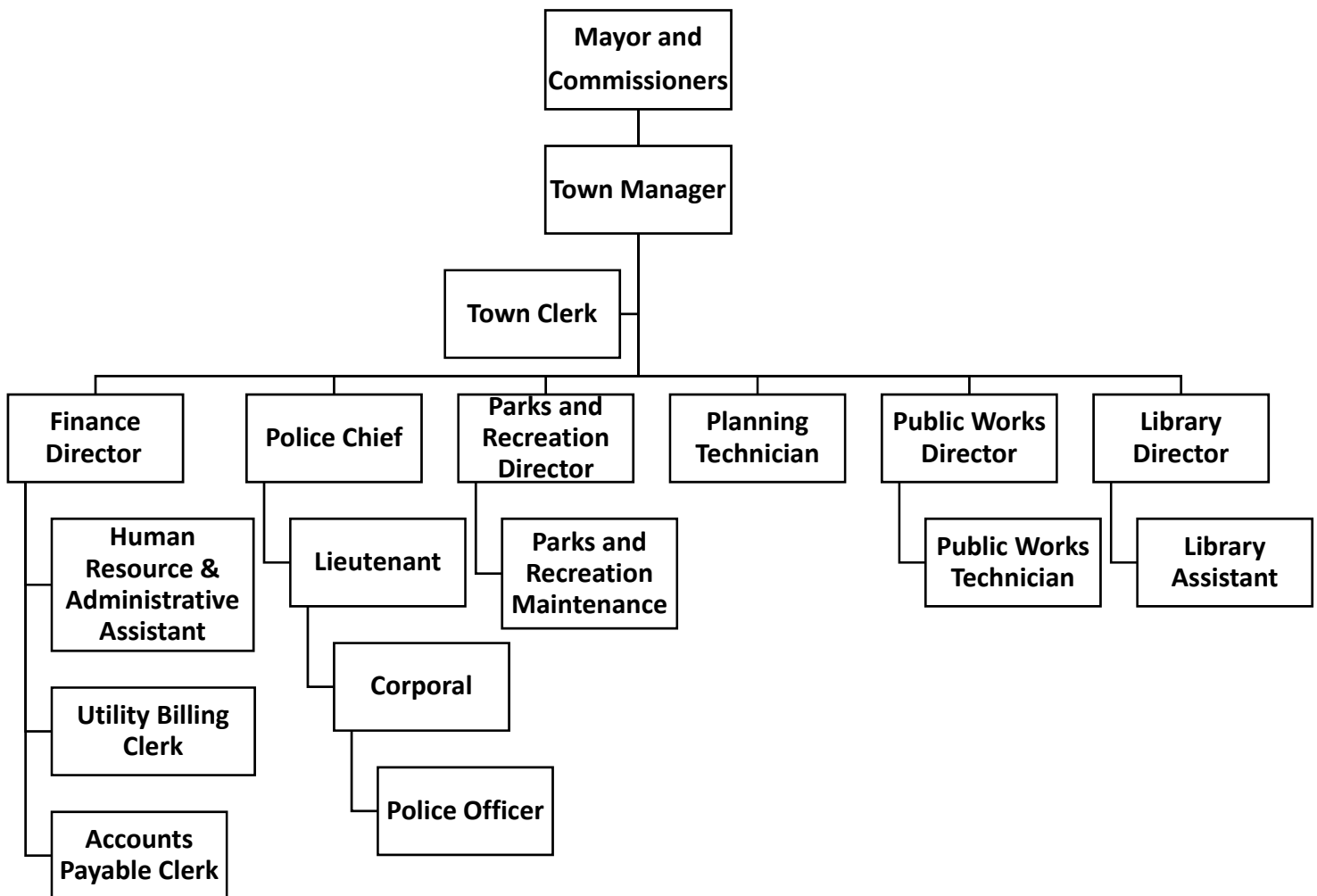
Everett Blake III

Lee Marshall

Ted Lumbrazo

Chris Hughes

The Town of *Angier*



The History of *Angier*

Angier, the Town of Crepe Myrtles, is a town of quietness, security and tremendous opportunity for its residents. Despite the substantial growth in this area, Angier is still the kind of town where you know your neighbors.



Jacob Calvin Williams
1834-1912

J.C. Williams, who grew up in the area that is now Angier, is credited with being the "Father" of the town. "Jake" was one of the eight children of Jacob Williams, and often called Jake-of-all. His ancestry has been traced all the way 'pack to the sixteenth century to the Isle of Wales, Scotland.

Jacob Calvin (Jake) married Nancy Norris of the Holly Springs section of Wake County and settled down to farm. He acquired a considerable amount of land. The first Harnett County Census in 1860 listed his holdings at 1300 acres. When the War between the States broke out in April 1861, the Williams men put down plows and picked up guns to defend their homes. Jake

served with Clingman's Brigade, Hokes Division, Company C, 3 1 st North Carolina Regiment. Records show that Jake was captured in 1864 and served time at Ft. Delaware.



Nancy E. Norris Williams
1835-1903

After his release, Jake returned home to rebuild his life. In 1872, he bought seven hundred and fifty acres of land for \$3,000.00 from A.D. Cutts. The town of Angier is now located on some of that land. He and Nancy settled down on what is now North Broad Street. There they raised seven sons.

It was Jake Williams' farm that the railroad, which put Angier on the map, was built in 1899. The railroad was little more than a tramway leading from Apex, in Wake County, to the Jake Williams' farm in Harnett County. It was first known and chartered as the Cape Fear and Northern Railroad; later, about 1906, the line was extended to Durham and the name changed to the Durham and Southern.



The purpose of the railroad was to haul lumber and logs. The area around Angier had a vast sweep of fine saw timber, from short and long straw pines. The trees had been bled by the turpentine workers, leaving long stems of southern pine ready to be cut and sawed into lumber. When the turpentine business came to an end, workers and their families moved south to find un-bled timber; and a new era began. A new way of making a living and supporting a family began-saw milling. No longer was the ox cart and mule-drawn wagon efficient to move lumber and logs. Now the building of the railroad was hailed as a step forward. Farming was becoming more important; growing cotton and tobacco took the place of sawmill work as that era came to a close.



Jonathan Cicero Angier
1857-1911

The late Col. John C. Angier married the niece of the late Washington Duke whose "golden leaf" had found its way north after the war. The demand for more tobacco is said to have been the impetus for Mr. Duke and his sons to establish the American Tobacco Company.

Col. Angier owned and operated a lumber plant in Cary and decided to build a railroad down along the pine ridge from Apex to Harnett County. Supposedly with the backing of the Dukes, he built a railroad to the farm of Jake Williams where a "Y" was also built for turning the engine around. In time, a station house was erected for the train crew to stay at night and daily round trips were made to Apex.

Jake and his son Benton operated a general store and a turpentine distillery. Goods were transported to and from Raleigh or Dunn by two or four-horse wagons. The coming of the railroad was a boon to farmers, merchants and lumbermen.

After much discussion and numerous suggestions, the station house was named Angier to honor Johnathan C. Angier who played a major part in bringing the railroad to the area.

In July 1899, Jake Williams secured a noted surveyor, Daniel E. Green, to map and plot the land surrounding his home and the newly erected depot. Streets were laid off and named and Angier had its beginnings. By act of the North Carolina Legislature of 1901 the town received its charter.

During the 1930's, The Angier Woman's Club undertook a project to have crepe myrtles planted on roadsides leading into town from all directions. The trees make a spectacular show during June, July and August. The town chose "The Town of the Crepe Myrtles" as its slogan. Every year a Crepe Myrtle Festival is held in September with food, crafts and entertainment for all.

The Durham and Southern railroad which had run through the center of town since 1899, had its last run from Apex to Dunn on July 5, 1979. No longer was the railroad the cheapest way to transport goods to and from the industries of Angier and was no longer realizing a profit. Mayor Jack Marley and other town officials requested that railroad officials donate to the town the depot and the one hundred foot right of way within town limits. That was done and so ended another era.

Today Angier is one of the fastest growing areas in Harnett County; it has been called the bedroom of the Research Triangle Park. Angier is located twenty miles south of Raleigh, nine miles north of Lillington, the Harnett County seat, and ten miles west of Interstate 40, on NC 210.

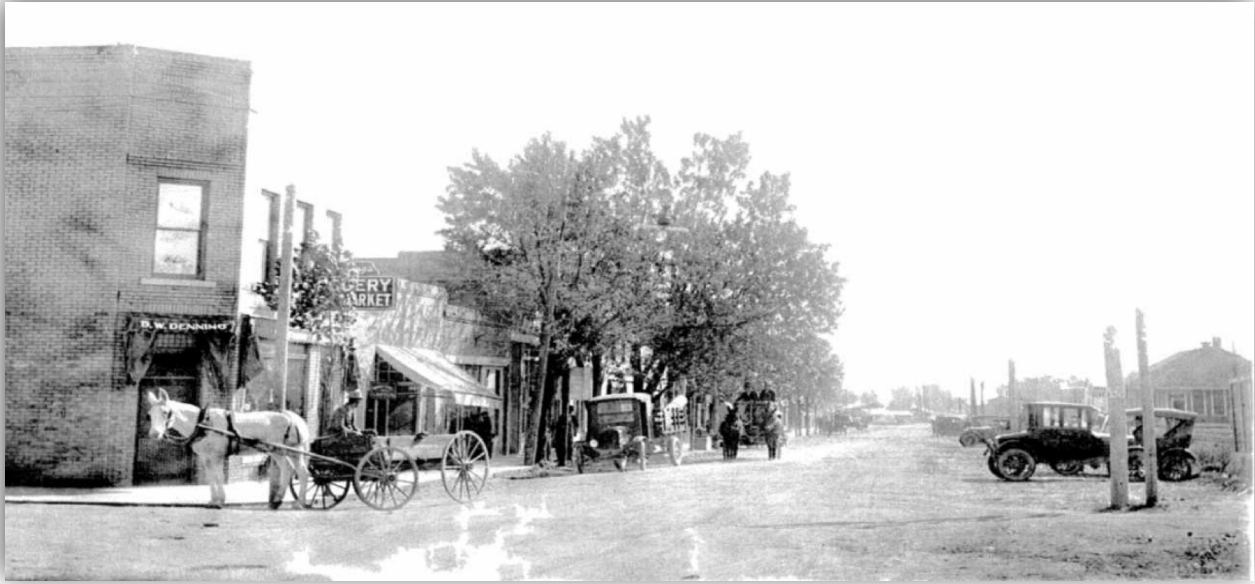
Then



Now



Then



Now



Then



Now



TOWN OF ANGIER

FINANCIAL SECTION

Report of Independent Auditor

To the Honorable Mayor and Board of Commissioners
Town of Angier
Angier, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Angier, North Carolina (the "Town"), as of and for the year ended June 30, 2019, 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 did not audit the financial statements of the Town of Angier Alcoholic Beverage Control Board (the "Board"). Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Board were not audited in accordance with *Government Auditing Standards*.

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 Town's preparation and fair presentation of the financial statements in order design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 financial statement 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.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof 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 the Required Supplementary Information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a required 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 basic financial statements of the Town. The introductory section, combining and individual fund financial statements and schedules, other schedules and the statistical section as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and 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, based on our audit, the procedures performed as described above the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2020 on our consideration of Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Cheryl Bekaert LLP

Raleigh, North Carolina
April 20, 2020

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

As management of the Town of Angier (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. 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.

The Management Discussion and Analysis ("MD&A") is an opportunity for management to proactively address any issues that might be affecting the unit's financial status or questions that might be posed by readers of the financial statements. A thoughtful discussion and analysis of economic, financial, or budgetary factors that might influence the Town should be presented.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by approximately \$18,872,377.
- The government's total net position increased by \$496,782. Increase in governmental activities amounts to \$436,446 and an increase in the enterprise type activities amounts to \$60,336. As a result of this increase, there have been positive signs of the economy improving in our Town as well as management instructing staff to curtail spending to aid in the improvement of the Town's financial condition.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,622,520 an increase of \$467,452 in comparison with the prior year. Approximately 15.62 percent of this total amount, or \$737,367 is non spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,377,277, or 90.77 percent of total general fund expenditures, for the fiscal year.
- At June 30, 2019, the Town's total debt was \$5,346,752. The decrease of the Town's debt, \$342,973, was the result of timely debt service payments.
- The Town has a Municipal Council Rating of 80 which is equivalent to a rating of A3/A by the national rating agencies. This rating is considered an investment grade rating and average or better than average for a Town's population.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14–15) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Town as a Whole

Our analysis of the Town as a whole begins on page 5. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

These two statements report the Town's net financial position and changes in them. Readers are encouraged to think of the Town's net position—the difference between assets, liabilities, and deferred inflows of resources—as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader must also consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into three types of activities:

- **Governmental activities**—Most of the Town's basic services are reported here, including the general administration, police, fire, public services, and parks and recreation departments. Property taxes, sales and use taxes, intergovernmental revenues (utility franchise taxes, Powell Bill, etc.), along with various Federal and State grants finance most of these activities.
- **Business-type activities**—The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's utility systems (water, sewer, and storm water) and other business-type activities are reported here.
- **Component units**—The Town includes one separate legal entity in its report—the Town of Angier ABC Board. Although legally separate, this "component unit" is important because the Town appoints the board. The Town is not financially accountable for them, even though net profits are distributed to the Town.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 9. The fund financial statements provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. The Town's two types of funds—governmental and proprietary—use different methods of accounting.

Governmental funds—Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

Proprietary funds—When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services to the Town's other programs and activities—such as the Town's fleet services operations.

TOWN OF ANGIER, NORTH CAROLINA

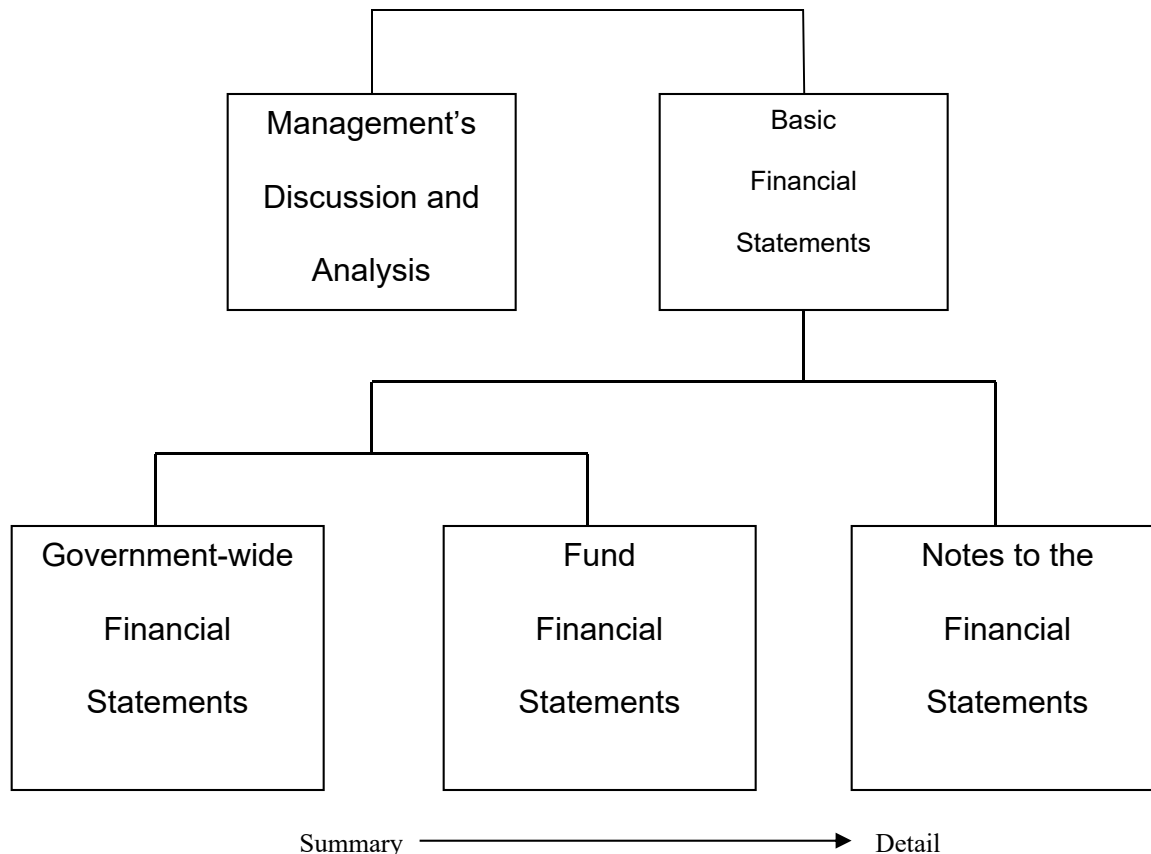
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2019

THE TOWN AS A WHOLE AND GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements for the fiscal year ended June 30, 2019, are presented in accordance with GASB Statement (GASBS) No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.

Required Components of Annual Financial Report
Figure 1



Net Position

The Town’s combined net position increased by \$496,782, or 2.7 percent, to \$18,872,377 in 2019 from \$18,375,595 in 2018. Given that the prior year’s change also saw an increase of \$157,855 (.87 percent), it is a testament to Town Board’s fiscal policies, priority-based budgeting, and prudent fiscal management throughout the economic recovery that the Town emerges now as a stronger and leaner local government. Our analysis below focuses on the net financial position (Table 1), and changes in net position (Table 2) of the Town’s governmental and business-type activities.

The net position for governmental activities of \$8,550,085 increased by \$436,446 compared to the prior fiscal year. We believe this results from a combination of several factors that contributed to the improving fiscal health of the government.

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Town of Angier's Statement of Net Position
Table 1

	Governmental Activities		Business- Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 4,845,714	\$ 4,287,462	\$ 4,639,741	\$ 4,713,485	\$ 9,485,455	\$ 9,000,947
Capital assets	4,973,218	5,008,441	11,087,762	11,157,229	16,060,980	16,165,670
Total assets	9,818,932	9,295,903	15,727,503	15,870,714	25,546,435	25,166,617
Deferred outflows of resources	371,308	221,977	109,347	68,040	480,655	290,017
Long-term liabilities outstanding	1,272,196	1,110,657	4,997,420	5,172,713	6,269,616	6,283,370
Other liabilities	326,590	261,532	507,403	495,353	833,993	756,885
Total liabilities	1,598,786	1,372,189	5,504,823	5,668,066	7,103,609	7,040,255
Deferred inflows of resources	41,369	32,052	9,735	8,732	51,104	40,784
Net position:						
Net investment in capital assets	4,630,833	4,547,565	6,083,395	5,928,380	10,714,228	10,475,945
Restricted	737,367	651,782	-	-	737,367	651,782
Unrestricted	3,181,885	2,914,292	4,238,897	4,333,576	7,420,782	7,247,868
Total net position	\$ 8,550,085	\$ 8,113,639	\$ 10,322,292	\$ 10,261,956	\$ 18,872,377	\$ 18,375,595

The net position of our business-type activities increased slightly in 2019 compared to 2018, to \$10,322,292 from \$10,261,956, respectively. Revenues were higher than the previous year as the result of greater fees for services collected; however, expenses also rose, as a result.

Unrestricted net position in governmental activities—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—increased 9 percent to \$3,181,885 in 2019 from \$2,914,292 in 2018. The Town will use the unrestricted net position to meet future budget needs and any potential deficits. These balances are also used as a tool to leverage the need for future tax increases. The net position of the Town has remained stable even though the demand for current and enhanced services continues to rise, as the population grows.

Revenues and Expenses

The Town's total revenues (excluding transfers and special items) increased \$151,631, or 2.28 percent, in 2019 over the previous fiscal year. In governmental activities, program revenue grew in all categories. General revenues increased by \$54,934 due to a strong property tax collection rate and a slight residential rise. Business-type activities experienced nominal increase of .59 percent, or \$60,336 in all program revenues.

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Town of Angier's Changes in Net Position
Table 2

	Governmental Activities		Business- Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 544,984	\$ 507,302	\$ 2,154,327	\$ 2,083,879	\$ 2,699,311	\$ 2,591,181
Operating grants and contributions	261,797	171,347	358,915	384,156	620,712	555,503
Capital grants and contributions	98,381	61,638	110,429	-	208,810	61,638
General Revenues:						
Property Taxes	1,919,166	1,868,053	-	-	1,919,166	1,868,053
Other Taxes	21,020	17,199	-	-	21,020	17,199
Grants and contributions not restricted to specific programs	1,121,433	1,150,857	-	-	1,121,433	1,150,857
Other	123,129	376,118	62,183	3,584	185,312	379,702
Total Revenues	4,089,910	4,152,514	2,685,854	2,471,619	6,775,764	6,624,133
Expenses:						
General government	999,885	935,986	-	-	999,885	935,986
Public Safety	1,134,157	1,062,183	-	-	1,134,157	1,062,183
Transportation	800,383	1,057,187	-	-	800,383	1,057,187
Economic Development	243,808	112,089	-	-	243,808	112,089
Library	173,698	157,030	-	-	173,698	157,030
Cultural and Recreation	401,081	686,130	-	-	401,081	686,130
Interest on long-term debt	10,881	18,313	-	-	10,881	18,313
Water and Sewer	-	-	2,515,089	2,437,360	2,515,089	2,437,360
Total Expenses	3,763,893	4,028,918	2,515,089	2,437,360	6,278,982	6,466,278
Increase in net position before transfers	326,017	123,596	170,765	34,259	496,782	157,855
Transfers	110,429	-	(110,429)	-	-	-
Increase in net position	436,446	123,596	60,336	34,259	496,782	157,855
Net position, beginning, previously reported	8,113,639	8,020,592	10,261,956	10,243,733	18,375,595	18,264,325
Cumulative effect of change in accounting principle	-	(39,259)	-	(16,036)	-	(55,295)
Restatement	-	8,710	-	-	-	8,710
Net Position, beginning restated	8,113,639	7,990,043	10,261,956	10,227,697	18,375,595	18,217,740
Net position, June 30	\$ 8,550,085	\$ 8,113,639	\$ 10,322,292	\$ 10,261,956	\$ 18,872,377	\$ 18,375,595

The total cost of all programs and services decreased \$187,296, or -2.90 percent under 2018, much of which pertains to the decrease in transportation and cultural & recreation categories. The Town moderated the increased demands for services and the resulting cost to Town operations in continued response to the protracted economic recovery, yet there were attributable budgetary decreases associated with street resurfacing and the completion of parks and recreation projects.

Several aspects of the Town's financial operations influenced the total unrestricted government net position. These are highlighted as follows:

- Current year ad valorem tax revenue in 2019 increased \$62,653 over 2018. The collection rate of billed levies continued to exceed 99 percent.

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

- Intergovernmental revenue collected and distributed by the State of North Carolina remained relatively constant, with exception for sales tax, which increased \$24,663 in 2019.
- Revenue from the Angier ABC Board increased approximately \$11,065 in 2019.
- Building permit revenue in the Town's governmental activities increased \$15,132 over the past fiscal year. Related planning fees and permits also grew by \$8,175.
- Interest earned on governmental activities investments increased \$44,889 in 2019.
- The net position for business-type operations increased in 2019 by \$60,336 over 2018 with expanded growth balanced against increased expenditures. Harnett County sells water to the Town and also treats the Town's wastewater. During FY 2018-2019 the Town purchased 163,730,945 gallons of water from Harnett County compared to 166,838,072 gallons in FY 2017-2018, which resulted in a decrease in water expense of \$1,512 over the prior fiscal year. Harnett County treated 252,700,000 metered gallons of wastewater during FY 2018-2019 compared to 150,989,864 metered gallons during FY 2017-2018, which resulted in an increase of \$213,345 paid for the treatment of wastewater.
- The Town is billed for every gallon of wastewater that Harnett County treats. However, the Town charges its customers only for usage. Usage in FY 2018-2019 was 143,771,488 gallons charged vs. 252,700,000 gallons billed. In FY 2017-2018, usage was 114,678,916 gallons charged vs. 150,989,864 gallons billed.

Governmental Activities

The total cost of all governmental activities this year decreased by \$265,025. However, as shown in the Statement of Activities on page 15, the amount that our taxpayers ultimately finance for these activities through Town taxes was \$2,942,656, a decrease of \$345,975 from the prior year. Much of the cost is paid by those who directly benefit from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. The Town paid for the remaining "public benefit" portion of governmental activities with sales tax, other taxes and other general revenues.

Town of Angier's Governmental Activities
Table 3

	Total Cost of Services	Net Cost of Services
General Government	\$ 999,885	\$ 915,960
Public Safety	1,134,157	1,046,612
Transportation	800,383	271,489
Economic and Physical Development	243,808	116,583
Cultural and Recreation	401,081	329,276
Library	173,698	167,930
Interest on Long-Term Debt	10,881	10,881
Total	<u>\$ 3,763,893</u>	<u>\$ 2,858,731</u>

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

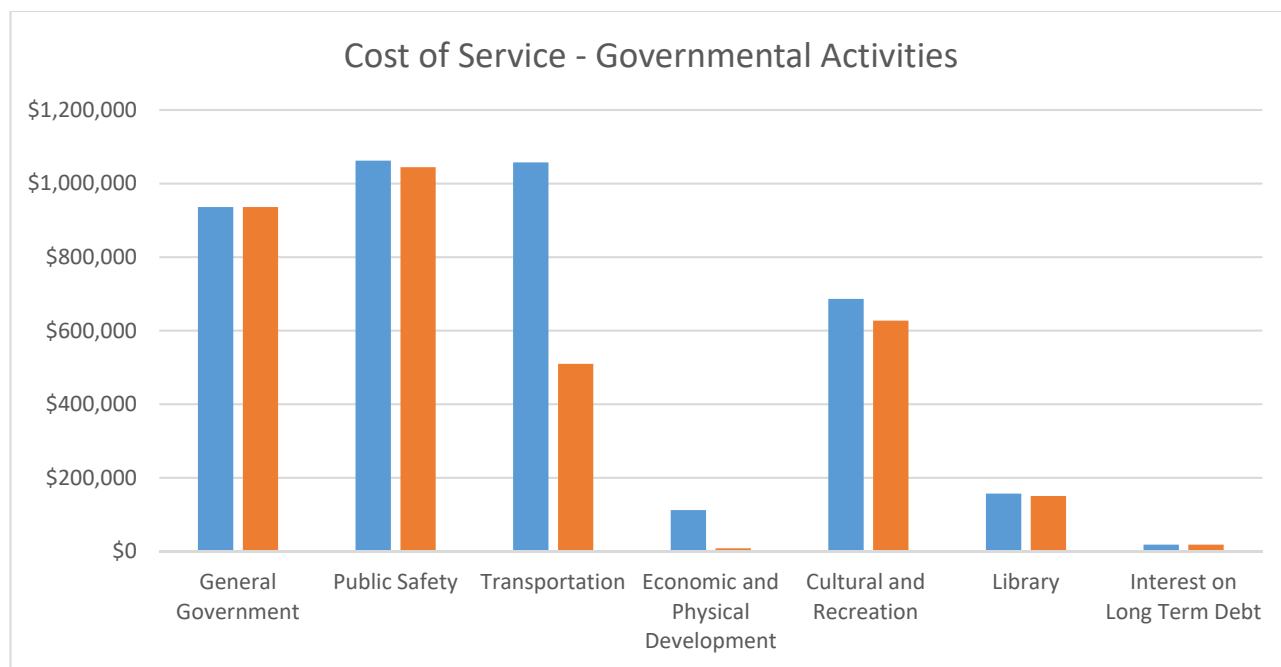


Table 3 presents the cost of each of the Town's programs—general government, public safety, transportation, economic and physical development, cultural and recreation and library—as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

Business-type activities

Charges for services of the Town's business-type activities (see Exhibit 2) increased 3.38 percent over the past fiscal year: \$2,083,879 in 2018 compared to \$2,154,327 in 2019. This increase is matched by a similar increase in consumption. Operating grants and contributions decreased by 6.57 percent.

Financial Analysis of the Town's Funds

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

Governmental Fund – The focus of the Town'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's financing requirements.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance available in the General Fund was \$3,377,277, while total fund balance reached \$4,601,353. The Town currently has an available fund balance of 90.77 percent of General Fund expenditures, while total fund balance represents 123.68 percent of the same amount.

At June 30, 2019, the governmental funds of Town reported a combined fund balance of \$4,622,520, a 11.25 percent increase from last year.

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

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. However, expenditures were held in check and the Town was able to comply with its budgetary requirements.

General Fund Revenues on the Governmental Fund Basis

Revenue Sources	Actual Amount	Percent of Total	Increase (Decrease) from 2018
Ad valorem taxes	\$ 1,925,193	47.5%	\$ 54,481
Other taxes and licenses	21,020	0.5%	3,821
Unrestricted intergovernmental	1,160,200	28.6%	(18,195)
Restricted intergovernmental	314,197	7.8%	160,393
Permits and fees	498,936	12.3%	45,072
Sales and services	33,080	0.8%	(5,935)
Investment earnings	71,010	1.8%	42,553
Miscellaneous	29,399	0.7%	(40,599)
	<u>\$ 4,053,035</u>	<u>100%</u>	<u>\$ 241,591</u>

The most significant component in General Fund revenues remains property taxes. As a result of new construction in the Town, property taxes increased \$54,481 compared to the previous year. Also, permits and fees showed an increase over the previous year of \$45,072. In addition, unrestricted investment earnings had a strong increase of \$42,553. The most significant changes in General Fund expenditures when compared to the previous fiscal year occurred in Public Safety, Powell Bill and Culture and Recreation.

General Fund Expenditures on the Governmental Fund Basis

Expenditure Sources	Actual Amount	Percent of Total	Increase (Decrease) from 2018
General government	\$ 957,225	25.7%	\$ 37,511
Public safety	1,225,051	32.9%	159,021
Transportation	677,122	18.2%	40,308
Powell Bill	55,724	1.5%	(238,664)
Economic and physical development	185,161	5.0%	76,916
Culture and recreation	307,397	8.3%	(278,527)
Library	171,984	4.6%	20,171
Debt service	140,761	3.8%	(23,178)
	<u>\$ 3,720,425</u>	<u>100%</u>	<u>\$ (206,442)</u>

Proprietary Funds – The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer District at the end of the fiscal year amounted to \$4,238,897. This represents a decrease of \$94,679 in unrestricted net position from the prior year.

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Capital Asset and Debt Administration

Capital assets – The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$16,060,980 (net of accumulated depreciation). These assets include land, buildings, roads, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions:

Governmental Activities:

- Open Broadband Downtown WIFI..... \$ 10,500
- Portable radar signs 6,230
- 2019 Ford Explorer 38,436
- 2019 Ford Explorer 41,268
- Axon body cameras/docking stations (16) 18,349
- 2018 Ford AWD Police Interceptor..... 31,182
- 2018 Ford AWD Police Interceptor..... 31,141
- Motorola portable radio..... 7,293
- Construction in progress:
 - Lillington/Willow/Roy Street Project..... 6,159
 - Highway 210 Sidewalk Project..... 18,070

Business-Type Activities:

- 2019 Chevrolet 1500 truck \$ 31,660
- Scada system – Dora Street water tank..... 8,300
- Public works building (60x75)..... 67,062
- John Deere 4-wheeler..... 14,010
- Concrete pad (30x45) 6,480
- Mission wireless alarm system 19,667
- Construction Complete:
 - Wake County Elevated Water Tank..... 241,309

Town of Angier's Capital Assets
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,937,502	\$ 1,937,502	\$ 614,903	\$ 614,903	\$ 2,552,405	\$ 2,552,405
Buildings	2,163,638	2,298,382	-	-	2,163,638	2,298,382
Construction in progress	76,274	52,046	-	941,630	76,274	993,676
Plant and distribution System	-	-	8,588,127	7,670,936	8,588,127	7,670,936
Vehicles/heavy equipment	210,420	141,908	204,032	212,711	414,452	354,619
Infrastructure	534,271	564,938	-	-	534,271	564,938
Furniture/office equipment	51,113	13,665	25,700	11,424	76,813	25,089
Intangible assets	-	-	1,655,000	1,705,625	1,655,000	1,705,625
Total	<u>\$ 4,973,218</u>	<u>\$ 5,008,441</u>	<u>\$ 11,087,762</u>	<u>\$ 11,157,229</u>	<u>\$ 16,060,980</u>	<u>\$ 16,165,670</u>

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

Long-term Debt – As of June 30, 2019, the Town had total debt in the amount of \$5,346,752, including general obligation bonds of \$706,532, installment purchases of \$1,765,220, and \$2,875,000 in revenue bonds, which are secured solely by specified revenue sources.

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Town of Angier's Outstanding Debt
Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ -	\$ -	\$ 706,532	\$ 794,213	\$ 706,532	\$ 794,213
Installment purchases	342,385	460,876	1,422,835	1,512,636	1,765,220	1,973,512
Revenue bonds	-	-	2,875,000	2,922,000	2,875,000	2,922,000
Total	<u>\$ 342,385</u>	<u>\$ 460,876</u>	<u>\$ 5,004,367</u>	<u>\$ 5,228,849</u>	<u>\$ 5,346,752</u>	<u>\$ 5,689,725</u>

The Town's total debt decreased by \$342,973 during the past fiscal year.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to eight (8) percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town is \$27,076,216.

Additional information on the Town's long term debt can be found in the Notes to the Financial Statements on pages 50-54 of the report.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year 2019-2020 budget and tax rates that support the governmental activities and fees that will be charged for the business-type activities.

In adopting the Annual Budget for fiscal year 2019-2020, the Town realized that there will always be challenges. The Town is the leading catalyst responsible for initiating and delivering on three very broadly defined community, neighborhood and economic quality of life goals:

- Create, guide and sustain the Town as being a livable, safe and prosperous community
- Add competitive value and quality to the services and programs provided to our citizens, businesses and visitors through prudent and accountable financial stewardship, expanding public-private partnerships and importantly, trusting and empowering employees to improve productivity and increase innovation and
- Seek out and create opportunities for the Town to grow while keeping the desire of our citizens to have a high level of quality services with minimum staffing and low taxes/utility rates.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: The revenues budgeted for FY 2019-2020 are in keeping with the FY 2018-2019 budget with two notable exceptions, which increase the expected totals; planned appropriations of the fund balance are significantly more in 2019-2020 than they were budgeted in 2018-2019. Correspondingly, budgeted expenditures in the General Fund for FY 2019-2020 increased by \$384,694, or 9.14 percent, over the FY 2018-2019 budget.

Business – Type Activities: The Utility Fund Annual Budget for FY 2019-2020 increased by \$448,193, or 18.29 percent, over the FY 2018-2019 budget.

TOWN OF ANGIER, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

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. You can also visit our website at www.Angier.org. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Hans Kalwitz
Town of Angier
Director of Finance
PO Box 278
Angier NC, 27501
(919) 639-2071
hkalwitz@angier.org

TOWN OF ANGIER

BASIC FINANCIAL STATEMENTS

TOWN OF ANGIER, NORTH CAROLINA
STATEMENT OF NET POSITION

EXHIBIT 1

JUNE 30, 2019

	Primary Government			Town of Angier
	Governmental	Business-Type		
	Activities	Activities	Total	ABC Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,091,041	\$ 3,547,199	\$ 7,638,240	\$ 420,578
Taxes receivables (net)	13,367	-	13,367	-
Accrued interest receivable on taxes	3,940	-	3,940	-
Accounts receivable (net)	212,457	303,624	516,081	-
Due from other governments	255,894	-	255,894	-
Due from component units	-	-	-	-
Inventories	-	-	-	275,002
Restricted cash and cash equivalents	269,015	-	269,015	-
Total current assets	4,845,714	3,850,823	8,696,537	695,580
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	788,918	788,918	-
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	2,013,776	614,903	2,628,679	252,000
Other capital assets, net of depreciation	2,959,442	10,472,859	13,432,301	569,888
Total capital assets	4,973,218	11,087,762	16,060,980	821,888
Total assets	9,818,932	15,727,503	25,546,435	1,517,468
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	371,308	109,347	480,655	22,792
Total deferred outflow of resources	371,308	109,347	480,655	22,792
LIABILITIES				
Current liabilities:				
Accounts payable	205,888	151,494	357,382	218,347
Distributions payable	-	-	-	86,985
Accrued Interest	12,016	13,024	25,040	-
Customer deposits	-	108,204	108,204	-
Current portion of long-term liabilities	108,686	234,681	343,367	79,561
Total current liabilities	326,590	507,403	833,993	384,893
Long-term liabilities:				
Net pension liability - LGERS	447,087	140,542	587,629	18,979
Total pension liability - LEOSSA	230,338	-	230,338	-
Total OPEB liability	212,334	67,054	279,388	-
Due in more than one year	382,437	4,789,824	5,172,261	128,505
Total liabilities	1,598,786	5,504,823	7,103,609	532,377
DEFERRED INFLOWS OF RESOURCES				
OPEB deferrals	19,007	6,002	25,009	-
Pension deferrals	22,362	3,733	26,095	1,046
Total deferred inflows of resources	41,369	9,735	51,104	1,046
NET POSITION				
Net investment in capital assets	4,630,833	6,083,395	10,714,228	613,822
Restricted for:				
Stabilization by State Statute	468,352	-	468,352	-
Streets	232,728	-	232,728	-
Public Works	15,191	-	15,191	-
Public Safety	21,096	-	21,096	77,173
Unrestricted	3,181,885	4,238,897	7,420,782	315,842
Total net position	\$ 8,550,085	\$ 10,322,292	\$ 18,872,377	\$ 1,006,837

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

TOWN OF ANGIER, NORTH CAROLINA
STATEMENT OF ACTIVITIES

EXHIBIT 2

YEAR ENDED JUNE 30, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Town of Angier ABC Board
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental Activities:								
General government	\$ 999,885	\$ -	\$ -	\$ 83,925	\$ (915,960)	\$ -	\$ (915,960)	\$ -
Public safety	1,134,157	550	86,995	-	(1,046,612)	-	(1,046,612)	-
Transportation	800,383	371,161	143,277	14,456	(271,489)	-	(271,489)	-
Economic and physical development	243,808	127,225	-	-	(116,583)	-	(116,583)	-
Library	173,698	5,768	-	-	(167,930)	-	(167,930)	-
Cultural and recreation	401,081	40,280	31,525	-	(329,276)	-	(329,276)	-
Interest on long-term debt	10,881	-	-	-	(10,881)	-	(10,881)	-
Total governmental activities (See Note 1)	3,763,893	544,984	261,797	98,381	(2,858,731)	-	(2,858,731)	-
Business-Type Activities:								
Water and sewer	2,515,089	2,154,327	358,915	110,429	-	108,582	108,582	-
Total business-type activities	2,515,089	2,154,327	358,915	110,429	-	108,582	108,582	-
Total primary government	\$ 6,278,982	\$ 2,699,311	\$ 620,712	\$ 208,810	(2,858,731)	108,582	(2,750,149)	-
Component Unit:								
ABC Board	\$ 2,364,479	\$ 2,599,389	\$ -	\$ -	-	-	-	234,910
Total component unit	\$ 2,364,479	\$ 2,599,389	\$ -	\$ -	-	-	-	234,910
General Revenues:								
Taxes:								
Property taxes, levied for general purpose					1,919,166	-	1,919,166	-
Other taxes					21,020	-	21,020	-
Grants and contributions not restricted to specific programs					1,121,433	-	1,121,433	-
Unrestricted investment earnings					71,010	62,183	133,193	463
Gain on sale of assets					34,316	-	34,316	-
Miscellaneous					17,803	-	17,803	-
Transfers					110,429	(110,429)	-	-
Total general revenues and transfers					3,295,177	(48,246)	3,246,931	463
Change in net assets					436,446	60,336	496,782	235,373
Net position, beginning					8,113,639	10,261,956	18,375,595	771,464
Net position, ending					\$ 8,550,085	\$ 10,322,292	\$ 18,872,377	\$ 1,006,837

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

TOWN OF ANGIER, NORTH CAROLINA
BALANCE SHEET – GOVERNMENTAL FUNDS

EXHIBIT 3

JUNE 30, 2019

	General Fund	Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 4,091,041	\$ -	\$ 4,091,041
Restricted cash	247,848	21,167	269,015
Receivables, net:			
Taxes	13,367	-	13,367
Accounts	212,457	-	212,457
Due from other governments	255,894	-	255,894
Total assets	\$ 4,820,607	\$ 21,167	\$ 4,841,774
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 205,888	\$ -	\$ 205,888
Total liabilities	205,888	-	205,888
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	13,366	-	13,366
Total deferred inflows of resources	13,366	-	13,366
Fund balances:			
Restricted:			
Public Safety	21,096	-	21,096
Stabilization by State Statute	468,352	-	468,352
Streets	226,752	5,976	232,728
Public Works	-	15,191	15,191
Committed:			
Streets	110,429	-	110,429
LEO Special Separation Allowance	56,647	-	56,647
Assigned:			
Subsequent year's expenditures	340,800	-	340,800
Unassigned	3,377,277	-	3,377,277
Total fund balances	4,601,353	21,167	4,622,520
Total liabilities, deferred inflows of resources and fund balances	\$ 4,820,607	\$ 21,167	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Gross capital assets at historical cost	\$ 8,414,689	
Accumulated depreciation	(3,441,471)	4,973,218

Deferred outflows of resources related to pensions are not reported in the funds

371,308

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

3,940

Earned revenues considered deferred inflows of resources in fund statements.

13,366

Long-term liabilities used in governmental activities are not financial uses and,

Gross long-term debt	(503,139)	
Net pension liability - LGERS	(447,087)	
Total OPEB liability	(212,334)	
Total pension liability - LEOSA	(230,338)	(1,392,898)

Deferred inflows of resources related to OPEB are not reported in the funds

(19,007)

Deferred inflows of resources related to pensions are not reported in the funds

(22,362)

Net position of governmental activities	\$ 8,550,085
---	---------------------

TOWN OF ANGIER, NORTH CAROLINA**EXHIBIT 4****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS***YEAR ENDED JUNE 30, 2019*

	General Fund	Nonmajor Funds	Total Governmental Funds
REVENUES			
Ad valorem taxes	\$ 1,925,193	\$ -	\$ 1,925,193
Other taxes and licenses	21,020	-	21,020
Unrestricted intergovernmental	1,160,200	-	1,160,200
Restricted intergovernmental	314,197	14,456	328,653
Permits and fees	498,936	-	498,936
Sales and services	33,080	-	33,080
Investment earnings	71,010	-	71,010
Miscellaneous	29,399	-	29,399
Total revenues	<u>4,053,035</u>	<u>14,456</u>	<u>4,067,491</u>
EXPENDITURES			
Current:			
General government	957,225	-	957,225
Public safety	1,225,051	-	1,225,051
Transportation	677,122	6,159	683,281
Powell Bill	55,724	-	55,724
Economic and physical development	185,161	18,070	203,231
Culture and recreation	307,397	-	307,397
Library	171,984	-	171,984
Debt service:			
Principal	123,871	-	123,871
Interest and other charges	16,890	-	16,890
Total expenditures	<u>3,720,425</u>	<u>24,229</u>	<u>3,744,654</u>
Excess (deficiency) of revenues over (under) expenditures	<u>332,610</u>	<u>(9,773)</u>	<u>322,837</u>
OTHER FINANCING SOURCES (USES)			
Transfers from (to)			
Lillington/Willow/Roy Street Sidewalk Capital Project Fund	(6,159)	6,159	-
Hwy 210/Park Street Sidewalk Extension Project Fund	(130)	-	(130)
Water and Sewer Fund	110,429	-	110,429
Sale of capital assets	34,316	-	34,316
Total other financing sources (uses)	<u>138,456</u>	<u>6,159</u>	<u>144,615</u>
Net change in fund balance	<u>471,066</u>	<u>(3,614)</u>	<u>467,452</u>
Fund balances, beginning	<u>4,130,287</u>	<u>24,781</u>	<u>4,155,068</u>
Fund balances, ending	<u>\$ 4,601,353</u>	<u>\$ 21,167</u>	<u>\$ 4,622,520</u>

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

TOWN OF ANGIER, NORTH CAROLINA**EXHIBIT 5****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES***YEAR ENDED JUNE 30, 2019*

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

Net changes in fund balances - total governmental funds	\$	467,452
---	----	---------

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.

Capital outlay expenditures which were capitalized	\$	212,111	
Depreciation expense for governmental assets		<u>(247,679)</u>	(35,568)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and outs, and donations) is to decrease net assets.

Cost of capital assets disposed of	(43,450)	
Accumulated depreciation on capital assets disposed of	<u>43,450</u>	-

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenue for tax revenues	(6,027)
--	---------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt 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.

Principal payments on long-term debt	118,491	
Increase in accrued interest payable	<u>6,009</u>	<u>124,500</u>

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.

Compensated absences	(40,825)	
Other postemployment benefits	(11,908)	
OPEB expense	(7,448)	
Net pension liability - LGERS	(164,110)	
Pension expense - LGERS	138,741	
Total pension liability - LEOSSA	(37,082)	
Pension expense - LEOSSA	<u>8,721</u>	<u>(113,911)</u>

Total changes in net position of governmental activities	\$	<u><u>436,446</u></u>
--	----	-----------------------

TOWN OF ANGIER, NORTH CAROLINA
EXHIBIT 6
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – GENERAL FUND**

YEAR ENDED JUNE 30, 2019

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Ad valorem taxes	\$ 1,871,156	\$ 1,871,156	\$ 1,925,193	\$ 54,037
Other taxes and licenses	14,000	14,000	21,020	7,020
Unrestricted intergovernmental	1,100,250	1,100,250	1,160,200	59,950
Restricted intergovernmental	145,650	282,404	314,197	31,793
Permits and fees	418,500	418,500	498,936	80,436
Sales and services	45,500	45,500	33,080	(12,420)
Investment earnings	16,150	16,150	71,010	54,860
Miscellaneous	13,900	13,900	29,399	15,499
Total revenues	3,625,106	3,761,860	4,053,035	291,175
EXPENDITURES:				
Current:				
General government	837,546	919,245	957,225	(37,980)
Public safety	1,156,543	1,327,427	1,225,051	102,376
Transportation:				
Streets and highways	667,490	676,525	677,122	(597)
Powell Bill	141,150	141,150	55,724	85,426
Subtotal Transportation	808,640	817,675	732,846	84,829
Economic and physical development	149,584	211,203	185,161	26,042
Cultural and recreation:				
Parks and recreation	309,626	309,626	270,013	39,613
Depot	88,500	49,165	37,368	11,797
Subtotal cultural and recreation	398,126	358,791	307,381	51,410
Library	200,407	200,407	171,984	28,423
Debt service:				
Principal retirement	84,670	113,325	123,871	(10,546)
Interest and other charges	16,129	22,000	16,890	5,110
Total expenditures	3,651,645	3,970,073	3,720,409	249,664
Revenues over (under) expenditures	(26,539)	(208,213)	332,626	540,839
OTHER FINANCING SOURCES (USES):				
Transfers from (to) other funds:				
Lillington/Willow/Roy Street sidewalk	-	-	(6,159)	(6,159)
Hwy 210/Park Street Sidewalk Extension Project Fund	-	-	(130)	(130)
Water Sewer Fund	(51,000)	(51,000)	110,413	161,413
Sale of capital assets	-	35,172	34,316	(856)
Appropriation of fund balance	77,539	224,041	-	(224,041)
Total other financing sources (uses)	26,539	208,213	138,440	(69,773)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	471,066	\$ 471,066
Fund balances, beginning			4,130,287	
Fund balances, ending			\$ 4,601,353	

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

TOWN OF ANGIER, NORTH CAROLINA
STATEMENT OF NET POSITION –
PROPRIETARY FUNDS

EXHIBIT 7

JUNE 30, 2019

	Water and Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,547,199
Accounts receivable (net) - billed	196,223
Accounts receivable (net) - unbilled	107,401
Total current assets	<u>3,850,823</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	<u>788,918</u>
Capital assets:	
Land and other non-depreciable assets	614,903
Other capital assets, net of depreciation	10,472,859
Capital assets (net)	<u>11,087,762</u>
Total assets	<u>15,727,503</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	<u>109,347</u>
Total deferred outflow of resources	<u>109,347</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	151,494
Accrued interest payable	13,024
Customer deposits	108,204
Compensated absences - current	3,600
General obligation bonds payable - current	90,775
Installment purchases - current	92,306
Revenue bond payable - current	48,000
Total current liabilities	<u>507,403</u>
Noncurrent liabilities:	
Other postemployment benefits	67,054
Compensated absences	16,538
Net pension liability - LGERS	140,542
General obligation bonds payable - noncurrent (net)	615,757
Installment purchases - noncurrent	1,330,529
Revenue bond payable - noncurrent	2,827,000
Total noncurrent liabilities	<u>4,997,420</u>
Total liabilities	<u>5,504,823</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB deferrals	6,002
Pension deferrals	3,733
Total deferred inflows of resources	<u>9,735</u>
NET POSITION	
Net investment in capital assets	6,083,395
Unrestricted	4,238,897
Total net position	<u>\$ 10,322,292</u>

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

TOWN OF ANGIER, NORTH CAROLINA**EXHIBIT 8****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS***YEAR ENDED JUNE 30, 2019*

	Water and Sewer Fund
OPERATING REVENUES	
Charges for services	\$ 2,154,327
Water and sewer taps	61,111
Other operating revenues	373,967
Total operating revenues	2,589,405
OPERATING EXPENSES	
Water operations	873,753
Sewer operations	360,346
Water treatment and distribution	639,597
Depreciation	457,952
Total operating expenses	2,331,648
Operating income (loss)	257,757
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	62,183
Rental revenue	34,266
Interest and other charges	(183,441)
Total nonoperating expenses	(86,992)
Income (loss) before contributions and transfers	170,765
Transfers to other funds	(110,429)
Change in net position	60,336
Total net position, beginning	10,261,956
Total net position, ending	\$ 10,322,292

TOWN OF ANGIER, NORTH CAROLINA
STATEMENT OF CASH FLOWS –
PROPRIETARY FUNDS

EXHIBIT 9

YEAR ENDED JUNE 30, 2019

	Water and Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 2,204,039
Cash paid for goods and services	(1,412,394)
Cash paid to or on behalf of employees for services	(442,190)
Customer deposits received	1,823
Rental revenue	34,266
Other operating revenues	373,967
Net cash provided by operating activities	759,511
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(388,485)
Principal paid on bond maturities and equipment contracts	(224,482)
Interest paid on bond maturities and equipment contracts	(183,441)
Net cash used by capital and related financing activities	(796,408)
Cash flows from investing activities:	
Interest and dividends	62,183
Net decrease in cash and cash equivalents	(85,143)
Balances, beginning	4,421,260
Balances, ending	\$ 4,336,117
Reconciliation of operating income to net cash provided by operating activities:	\$ 257,757
Adjustments to reconcile operating income to net cash provided by operating	
Depreciation	457,952
Rental revenue	34,266
Changes in assets and liabilities:	
Accounts receivable	(11,399)
Accounts payable and accrued liabilities	3,628
Customer deposits	1,823
Accrued vacation pay	203
Deferred outflows of resources - pensions	(41,307)
Net pension liability	51,824
Deferred inflows of resources for pensions	(1,349)
Deferred inflows of resources for OPEB	2,352
OPEB liability	3,761
Total adjustments	501,754
Net cash provided by operating activities	\$ 759,511
Noncash investing, capital, and financing activities:	
Contributions of capital assets	\$ -

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

TOWN OF ANGIER

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies

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

A. Reporting Entity

The Town of Angier is a municipal corporation that is governed by an elected mayor and four-member council. As required by GAAP, 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.

Angier ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by 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 (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at the Angier ABC Board, Angier, NC 27501.

B. Basis of Presentation

Government-Wide Statements – The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. 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 statements 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.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies (continued)

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. Non-operating revenues, such as subsidies, result from non-exchange transactions. 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, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

The Town reports the following nonmajor governmental funds:

Lillington/Willow/Roy Street Sidewalk Capital Project Fund – This fund is used to account for preliminary engineering, storm drainage, and construction of curb and gutter with a 5' sidewalk along the aforementioned streets.

Angier Elementary Drainage Project Fund – This fund is used to account for drainage remediation on the elementary school property.

Hwy 210/Park Street Sidewalk Extension Capital Project Fund – This fund is used to account for the construction of the Hwy 210/Park Street Sidewalk Extension.

The Town reports the following major enterprise fund:

Water and Sewer Fund – This fund is used to account for the Town's water and sewer operations.

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 Financial 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. Non-exchange 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 for 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.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies (continued)

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 principal operating revenues of the Town's Enterprise Fund is charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 in periods prior to September 1, 2013 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 the 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 Angier because the tax is levied by Harnett County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program 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 ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies (continued)

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 and the Enterprise Funds. 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 functional level for all annually budgeted funds and at the project level for the multi-year funds. Project ordinances are adopted for the Special Revenue and Capital Projects Funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments 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 the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the Town and of 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 the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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. Non-participating interest earning contracts are accounted for at cost. The NCCMT - Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT- Term Portfolio is a bond fund, has no rating, and is measured at fair value. As of June 30, 2019, the Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term portfolio have a weighted average maturity of less than 90 days, they are presented as an investment with maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be 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.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies (continued)

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through G.S. 136-41.4. Unexpended grant proceeds from Angier Elementary Drainage Project Funds are classified as restricted cash for Streets. Public Safety funds derived from forfeiture funds restricted for public safety and are classified as restricted cash. Revenue bond reserve requirements are recorded as restricted cash in the Water and Sewer Fund. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. BB&T Escrow funds are restricted for the construction of the Elevated Water Tank.

Governmental Activities:

General Fund:

Streets	\$ 226,752
Public Safety	21,096
	<u>247,848</u>

Nonmajor Governmental Funds:

Streets	5,976
Public Works	15,191
	<u>21,167</u>

Total Governmental Funds	<u>269,015</u>
--------------------------	----------------

Business-Type Activities:

Water and Sewer Fund:

Customer deposits	108,204
Revenue Bond Reserve Requirements	127,063
System Development Fees	136,411
Elevated Water Tank Project	417,240
	<u>788,918</u>
Total Business-Type Activities	<u>788,918</u>
Total Restricted Cash	<u>\$ 1,057,933</u>

4. Ad Valorem Taxes Receivable

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 6th. These taxes are based on the assessed values as of January 1, 2018.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies (continued)

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

Inventories of the ABC Board are valued at the lower of cost (first-in, first-out), which approximates market.

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 \$2,500. 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. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement 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>Useful Life</u>
Buildings and improvements	20 years
Infrastructure	33-40 years
Computer equipment	5 years
Computer software	5 years
Furniture and office equipment	10 years
Maintenance and construction equipment	10 years
Medium and heavy motor vehicles	5 years
Automobiles and light trucks	5 years

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

	<u>Useful Life</u>
Building and improvements	5-40 years
Furniture, fixtures, and equipment	3-10 years

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies (continued)

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 several items that meets this criterion, contributions made to the pension plan in the 2019 fiscal year and other pension and other post-employment benefits (“OPEB”) deferrals. 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 several items that meet the criterion for this category - property taxes receivable and deferrals of pension and OPEB expense.

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 policy of the Town provides for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. For the Town’s government-wide and proprietary funds, 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 first-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 has been designated as a current liability in the government-wide financial statements.

The Town’s sick leave policy provides 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 the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies (continued)

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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 – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "Restricted by State Statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. Also unexpended funds received by Harnett County Board of Education restricted for the Angier Elementary Drainage Project. This amount represents the balance of the unexpended balances of these funds.

Restricted for Public Safety – Portion of fund balance that is restricted by revenue source for certain public safety expenditures.

Restricted for Public Works – Portion of fund balance that is restricted by revenue source for certain public works expenditures.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Nature of operations and summary of significant accounting policies (continued)

Committed Fund Balance – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Angier's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for LEO Pension Obligation – Portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

Committed for Streets – Portion of fund balance that will be used to continue street maintenance and construction.

Assigned Fund Balance – portion of fund balance that Town of Angier intends to use for specific purposes imposed by majority vote by quorum of the Town of Angier's governing body (highest level of decision-making authority). Any changes or removal requires majority action by the governing body.

Subsequent Year's Expenditures – Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance – Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Town of Angier 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-town funds, and town 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.

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 Government 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 Angier's employer contributions are recognized when due and the Town of Angier 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.

13. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2019, the expenditures made in the General Fund for general government, transportation, debt service and transfers exceeded budgeted expenditures by \$ 37,980, \$597, \$10,546 and \$6,289, respectively. The expenditures in the capital project funds exceeds budgeted expenditures by \$5,663 for engineering in the Lillington/Willow/Roy Street Sidewalk Fund. The Water and Sewer Fund for water treatment and distributions and transfers exceeded budgeted expenditures by \$203,063 and \$105,429, respectively.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 2—Deposits and investments

A. Deposits

All the deposits of the Town and 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 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 of North Carolina's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and ABC Board, these deposits are considered to be held by the Town's and 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, ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town or 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 enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal 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 credit risk for deposits.

At June 30, 2019, the Town's deposits had a carrying amount of \$6,972,588 and a bank balance of \$7,055,912. The carrying amount of deposits for the ABC Board was \$419,778 and the bank balance was \$392,145. At June 30, 2019, the Town's petty cash fund was \$260.

Of the Town's bank balance, \$750,000 was covered by federal depository insurance and \$6,305,912 was covered by collateral under the Pooling Method. Of the ABC Board's bank balance, \$250,000 was covered by federal depository insurance and \$142,145 was covered by collateral under the Pooling Method.

B. Investments

At June 30, 2019, The Town of Angier had \$1,723,325 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Valuation Method for the North Carolina Capital Management Trust's Government Portfolio is Amortized Cost. The Town has no policy regarding credit risk. The ABC Board has no investments.

Interest Rate Risk – The Town has no formal investment policy regarding interest rate risk.

Credit Risk – The Town has no formal policy regarding credit risk, but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Receivables - allowance for doubtful accounts

The amounts presented in the Balance Sheet and the Statement of Net Position as of and for the year ended June 30, 2019 are net of the following allowance for doubtful accounts:

General Fund:	
Taxes receivable	\$ 7,208
Accounts receivable	10,881
Total General Fund	<u>18,089</u>
Water and Sewer Fund:	
Accounts receivable	<u>120,859</u>
Total Water and Sewer Fund	<u>120,859</u>
Total	<u><u>\$ 138,948</u></u>

Note 4—Capital assets

Primary Government – Capital asset activity for the Primary Government for the year ended June 30, 2019 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 1,937,502	\$ -	\$ -	\$ 1,937,502
Construction in progress	52,046	24,228	-	76,274
Total Capital Assets not being Depreciated	<u>1,989,548</u>	<u>24,228</u>	<u>-</u>	<u>2,013,776</u>
Capital Assets being Depreciated:				
Buildings	3,871,708	-	-	3,871,708
Equipment/furniture	66,888	35,703	-	102,591
Vehicles/heavy equipment	1,415,300	142,025	43,450	1,513,875
Computer equipment	79,801	10,500	-	90,301
Infrastructure	822,438	-	-	822,438
Total Capital Assets being Depreciated	<u>6,256,135</u>	<u>188,228</u>	<u>43,450</u>	<u>6,400,913</u>
Less Accumulated Depreciation For:				
Buildings	1,573,326	134,744	-	1,708,070
Equipment/furniture	53,369	8,434	-	61,803
Vehicles/heavy equipment	1,273,392	73,513	43,450	1,303,455
Computer equipment	79,655	321	-	79,976
Infrastructure	257,500	30,667	-	288,167
Total Accumulated Depreciation	<u>3,237,242</u>	<u>247,679</u>	<u>43,450</u>	<u>3,441,471</u>
Total Capital Assets being Depreciated, net	<u>3,018,893</u>	<u>(59,451)</u>	<u>-</u>	<u>2,959,442</u>
Governmental Activity Capital Assets, net	<u><u>\$ 5,008,441</u></u>	<u><u>\$ (35,223)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,973,218</u></u>

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 4—Capital assets (continued)

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

General Government	\$ 26,541
Public Safety	71,099
Transportation	36,036
Economic and Physical Development	30,667
Culture and Recreation	82,708
Library	628
Total Depreciation Expense	<u>\$ 247,679</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-Type Activities				
Utility Fund:				
Capital Assets not being Depreciated:				
Land	\$ 614,903	\$ -	\$ -	\$ 614,903
Construction in progress	941,630	241,308	1,182,938	-
Total Capital Assets not being Depreciated	<u>1,556,533</u>	<u>241,308</u>	<u>1,182,938</u>	<u>614,903</u>
Capital Assets being Depreciated:				
Plant and distribution system	13,697,168	1,256,479	-	14,953,647
Intangible assets	2,025,000	-	-	2,025,000
Equipment and furniture	14,977	-	-	14,977
Vehicles and motorized equipment	908,988	53,969	5,000	957,957
Computer equipment	61,594	19,667	-	81,261
Total Capital Assets being Depreciated	<u>16,707,727</u>	<u>1,330,115</u>	<u>5,000</u>	<u>18,032,842</u>
Less Accumulated Depreciation For:				
Plant and distribution system	6,026,232	339,288	-	6,365,520
Intangible assets	319,375	50,625	-	370,000
Equipment and furniture	3,554	2,441	-	5,995
Vehicles and motorized equipment	696,277	62,648	5,000	753,925
Computer equipment	61,593	2,950	-	64,543
Total Accumulated Depreciation	<u>7,107,031</u>	<u>457,952</u>	<u>5,000</u>	<u>7,559,983</u>
Total Capital Assets being Depreciated, net	<u>9,600,696</u>	<u>872,163</u>	<u>-</u>	<u>10,472,859</u>
Business-Type Activity Capital Assets, net	<u>\$ 11,157,229</u>	<u>\$ 1,113,471</u>	<u>\$ 1,182,938</u>	<u>\$ 11,087,762</u>

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 4—Capital assets (continued)

Discretely Presented Component Unit – Activity for the ABC Board of the year ended June 30, 2019 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets not being Depreciated:				
Land	\$ 252,000	\$ -	\$ -	\$ 252,000
Total Capital Assets not being Depreciated	252,000	-	-	252,000
Capital Assets being Depreciated:				
Buildings	752,340	-	-	752,340
Furniture/equipment	142,305	5,549	-	147,854
Total Capital Assets being Depreciated	894,645	5,549	-	900,194
Less Accumulated Depreciation For:				
Buildings	180,249	18,808	-	199,057
Furniture/equipment	125,863	5,386	-	131,249
Total Accumulated Depreciation	306,112	24,194	-	330,306
Total Capital Assets being Depreciated, net	588,533	(18,645)	-	569,888
Business-Type Activity Capital Assets, net	\$ 840,533	\$ (18,645)	\$ -	\$ 821,888

Note 5—Pension plan and postemployment obligations

A. Local Governmental Employees' Retirement System

Plan Description – The Town of Angier and the ABC Board are participating employers in the statewide 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 (“LEO”) 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, by calling (919) 981-5454, or at www.osc.nc.gov.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

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.

Contributions – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Angier and ABC Board 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 Angier's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.75% 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 Angier and ABC Board were \$123,194 and \$9,834, respectively, for the year ended June 30, 2019.

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.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

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

At June 30, 2019, the Town reported a liability of \$587,629 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the Town's proportion was 0.02477%, which was an increase of 0.00044% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized pension expense of \$161,394. At June 30, 2019, 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	\$ 90,657	\$ 3,042
Changes of assumptions	155,934	-
Net difference between projected and actual earnings on pension plan investments	80,664	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	716	6,580
Town contributions subsequent to the measurement date	123,194	-
Total	<u>\$ 451,165</u>	<u>\$ 9,622</u>

\$123,194 reported as deferred outflows of resources related to pensions, resulting from Town contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30:

2020	\$ 155,341
2021	100,211
2022	17,061
2023	45,736
2024	-
Thereafter	-
Total	<u>\$ 318,349</u>

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

Actuarial Assumptions – The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.50 to 8.10%, including inflation and productivity factor
Investment rate of return	7.00%, 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, 2017 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, 2018 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	100.0%	

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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 7.00%. 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 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 Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 1,411,536	\$ 587,629	\$ (100,840)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued CAFR for the State of North Carolina.

B. Law Enforcement Officers Special Separation Allowance

1. Plan Description

The Town of Angier 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% 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.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan member entitled to but not yet receiving benefits	-
Active Plan members	14
Total	14

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 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.

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50 to 7.35%, including inflation
Discount rate	3.64%, including inflation

The discount rate is based on the S&P Municipal Bond 20-Year High Grade Rate Index.

Mortality rates are based on the RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

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 amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There are 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. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid no benefits for the reporting period.

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

At June 30, 2019, the Town reported a total pension liability of \$230,338. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the Town recognized pension expense of \$24,699.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,460	\$ 5,971
Changes of assumptions	9,030	10,502
Town benefit payments and plan administrative	-	-
Total	<u>\$ 29,490</u>	<u>\$ 16,473</u>

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30:</u>	Deferred Outflows	Deferred Inflows	Pension Expense
2020	\$ 5,486	\$ 3,248	\$ 2,238
2021	5,486	3,248	2,238
2022	5,486	3,248	2,238
2023	5,486	3,248	2,238
2024	4,846	2,424	2,422
Thereafter	2,700	1,057	1,643
Total	<u>\$ 29,490</u>	<u>\$ 16,473</u>	<u>\$ 13,017</u>

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

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 3.64 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 (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total Pension Liability liability (asset)	<u>\$ 250,359</u>	<u>\$ 230,338</u>	<u>\$ 212,018</u>
Total Pension Liability as of December 31, 2017			\$ 193,256
Changes for the year:			
Service cost at end of year			16,354
Interest			6,107
Change in benefit terms			-
Difference between expected and actual experience			24,012
Changes of assumptions and other inputs			(9,391)
Benefit payments			-
Other changes			-
Net changes			<u>37,082</u>
Total Pension Liability as of December 31, 2018			<u>\$ 230,338</u>

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

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

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

	LGERS	LEO	Total
Pension expense	\$ 161,394	\$ 24,699	\$ 186,093
Pension liability	587,629	230,338	817,967
Proportionate share of the net pension liability	0.02477%	N/A	
<u>Deferred outflows of resources:</u>			
Differences between expected and actual experience	\$ 90,657	\$ 20,460	\$ 111,117
Changes of assumptions	155,934	9,030	164,964
Net difference between projected and actual earnings on plan investments	80,664	-	80,664
Changes in proportion and differences between employer contributions and proportionate share of contributions	716	-	716
Employer contributions subsequent to the measurement date	123,194	-	123,194
Total	\$ 451,165	\$ 29,490	\$ 480,655
<u>Deferred inflows of resources:</u>			
Differences between expected and actual experience	\$ 3,042	\$ 5,971	\$ 9,013
Changes of assumptions	-	10,502	10,502
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,580	-	6,580
Total	\$ 9,622	\$ 16,473	\$ 26,095

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 Town has also elected to have employees not engaged in law enforcement to participate in the Supplemental Retirement Income Plan. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the 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. 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.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

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. The law enforcement officers may also make voluntary contributions to the plan.

Contributions for the year ended June 30, 2019 were \$93,994, which consisted of \$55,100 from the Town and \$38,894 from the law enforcement officers. The Town has elected to make contributions for each non-law enforcement employee. Also, the non-law enforcement employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$111,157 which consisted of \$62,653 from the Town and \$48,504 from the non-law enforcement employees. No amounts were forfeited.

D. Other Postemployment Benefit

Healthcare Benefits

Plan Description – Under the terms of a Town resolution, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the "HCB Plan"). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided – As of June 2, 2009, this plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least ten years of creditable service with the Town and at least 20 years of service with the North Carolina Local Government Employees' Retirement System (NCLGERS). Prior to June 2, 2009, employees qualified for similar level benefits after a minimum of five years of creditable service with the Town.

The Town will contribute toward the cost of group health insurance premiums up to the base plan only based on the years of service at retirement using the following schedule:

Years of NC Service at Retirement	Years of Town Service at Retirement	Percentage of Premium Paid by the Town
20-24	10 or more	50%
25-29	15 or more	75%
30 or more	20 or more	100%

Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates until age 65 or Medicare eligible. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

Membership of the HCB Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	2
Active plan members	32
Total	34

The Town pays the cost of coverage for the healthcare benefits paid to qualified retirees under a Town resolution that can be amended by Town Council. The Town's members pay \$276, \$809, or \$1,085 per month for child, spouse, or family dependent coverage, respectively. The Town has chosen to fund the healthcare benefits on a pay as you go basis.

The Town obtains healthcare coverage through private insurers. The Town's obligation to contribute to HCB Plan is established and may be amended by the Town Council.

Total OPEB Liability

The Town's total OPEB liability of \$279,388 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation:	
General employees	3.5% - 7.75%
Law enforcement employees	3.5% - 7.35%
Discount rate	3.89%
Healthcare cost trend rates	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5% by 2023

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2017	\$ 263,719
Changes for the year:	
Service cost	20,404
Interest	9,373
Change in benefit terms	-
Difference between expected and actual experience	(3,270)
Changes in assumptions or other inputs	(9,962)
Benefit payments	(876)
Net changes	<u>15,669</u>
Total OPEB Liability as of June 30, 2018	<u>\$ 279,388</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated under a discount rate that is 1-percentage-point lower (2.89%) or 1-percentage-point higher (4.89%) than the current healthcare discount rate:

	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB Liability	<u>\$ 310,813</u>	<u>\$ 279,388</u>	<u>\$ 251,490</u>

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB Liability	<u>\$ 241,621</u>	<u>\$ 279,388</u>	<u>\$ 325,158</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Town recognized OPEB expense of \$26,345. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,765
Changes of assumptions or other inputs	-	21,244
Total	<u>\$ -</u>	<u>\$ 25,009</u>

Amounts reported as deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

Measurement Periods Ending June 30:

2019	\$ (3,432)
2020	(3,432)
2021	(3,432)
2022	(3,432)
2023	(3,432)
Thereafter	(7,849)
	<u>\$ (25,009)</u>

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 5—Pension plan and postemployment obligations (continued)

2. 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 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 payments are made from the Death Benefit Plan and not by 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.

Note 6—Deferred outflows and inflows of resources

Deferred outflows of resources at year-end is comprised of the following:

<u>Source</u>	<u>Amount</u>
LGERS pension deferrals	\$ 451,165
LEOSSA pension deferrals	29,490
Total	<u>\$ 480,655</u>

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

	<u>Government Wide</u>	<u>General Fund</u>
Taxes receivable (General Fund)	\$ -	\$ 13,366
OPEB deferrals	25,009	-
LGERS pension deferrals	9,622	-
LEOSSA pension deferrals	16,473	-
	<u>\$ 51,104</u>	<u>\$ 13,366</u>

TOWN OF ANGIER, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 7—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 protects itself from potential loss through the purchase of commercial insurance. Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance value of the property policy, and worker's compensation coverage up to statutory limits, and employee health coverage with no lifetime limit. Claims liabilities are reposted when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include amounts for material claims that have been incurred but are not reported ("IBNR"), based on actuarial computations. At June 30, 2019, the Town did not have any material IBNRs reported in liabilities.

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 does not carry flood insurance through the National Flood Insurance Plan (NPIF). The Town has decided to not obtain the coverage because it does not have any structures in a flood plain.

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 and tax collector are each individually bonded for \$100,000 and \$100,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

The Town of Angier ABC Board 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 ABC Board has commercial property, general liability, auto liability, workmen's compensation, and employee health coverage. The board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 8—Long-term obligations

a. Installment Purchases

The Town is indebted under installment purchase agreements as follows:

Serviced by the General Fund:

The Town entered into a \$1,250,000 Installment Financing Contract with First Citizens Bank & Trust Company on June 25, 2007 for the renovation and expansion of the Jack Marley Town Park and improvements to the intersection of Highways 210 and 55. The underlying promissory note provides for 15 annual payments of \$83,333.33, plus accrued interest at 3.87% commencing July 25, 2008. The note is secured by the real and personal property of the Park under a deed of trust. Balance at June 30, 2019.

\$ 333,333

The Town entered into a \$ 28,565 Promissory Note Agreement with First Bank on May 23, 2017 for the purchase of a Chevrolet Truck. The contract provides for monthly payments of \$837.69, including interest at 3.50%, commencing June 2017. The note is secured by the equipment purchased. Balance at June 30, 2019.

9,052

Total General Fund

\$ 342,385

Serviced by the Utility Fund:

The Town entered into a \$1,600,000 Installment Financing Contract with BB&T on June 19, 2017 for the construction of the Water Tank. The underlying promissory note provides for thirty semi-annual payments of \$65,541.69, plus accrued interest at 2.77%, commencing December 19, 2017. The note is secured by the equipment and the moneys on deposit from time to time in the Project Fund. Balance at June 30, 2019.

\$ 1,422,835

Total Utility Fund

\$ 1,422,835

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 8—Long-term obligations (continued)

Annual debt service payments of the installment purchases as of June 30, 2019, including interest of \$32,410 for governmental activities and \$281,250 for business-type activities of are as follows:

<u>Years Ending June 30:</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 92,386	\$ 13,060	\$ 92,306	\$ 38,778
2021	83,333	9,675	94,880	36,203
2022	83,333	6,450	97,527	33,557
2023	83,333	3,225	100,247	30,837
2024	-	-	544,768	110,649
2025 - 2029	-	-	493,107	31,226
Total Principal Payments	<u>\$ 342,385</u>		<u>\$ 1,422,835</u>	
Total Interest Payments		<u>\$ 32,410</u>		<u>\$ 281,250</u>

b. General Obligation Indebtedness

The Town's general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

General obligation bonds payable at June 30, 2019 are comprised of the following individual issues serviced by the Water and Sewer Fund:

\$1,311,000 Refunding Bonds issued December 13, 2011, interest at 3.57%, with annual principal and interest payments due through June 1, 2026.	<u>\$ 706,532</u>
Total General Obligation Bonds	<u>\$ 706,532</u>

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 8—Long-term obligations (continued)

Annual debt service requirements to maturity for long-term obligations are as follows:

<u>Years Ending June 30:</u>	Business-Type Activities	
	Principal	Interest
2020	\$ 90,775	\$ 25,223
2021	94,350	21,983
2022	96,895	18,614
2023	100,926	15,155
2024	104,919	11,552
2025-2026	218,667	11,761
Total	<u>\$ 706,532</u>	<u>\$ 104,288</u>

c. Revenue Bond

\$1,240,000 Water and Sewer Revenue Bonds, Series 2010, issued for water and sewer system improvements. Principal installments are due annually on June 1 beginning June 1, 2012 with semiannual interest payments due on December 1 and June 1, at an annual rate of 4.125%. Balance at June 30, 2019.

\$ 1,109,000

\$1,921,000 Water and Sewer Revenue Bonds, Series 2012, issued for water and sewer system improvements. Principal installments are due annually on June 1 beginning June 1, 2014 with annual interest payments due on June 1, at an annual rate of 3.75%. Balance at June 30, 2019.

1,766,000

Total Revenue Bonds

\$ 2,875,000

The future payments of the revenue bond for the years ending June 30, 2019 are as follows:

<u>Years Ending June 30:</u>	Business-Type Activities	
	Principal	Interest
2020	\$ 48,000	\$ 111,971
2021	51,000	110,100
2022	53,000	108,113
2023	55,000	106,046
2024	57,000	103,901
2025-2029	321,000	484,313
2030-2034	388,000	416,614
2035-2039	469,000	334,789
2040-2044	565,000	235,901
2045-2049	688,000	116,628
2050-2051	180,000	10,163
Total	<u>\$ 2,875,000</u>	<u>\$ 2,138,539</u>

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 8—Long-term obligations (continued)

The Town is in compliance with the covenants as to rates, fees, rentals, and charges in Section 5 of the Bond Order, authorizing the issuance of the Water and Sewer Revenue Bonds, Series 2010 since its adoption in 2010, and Water and Sewer Revenue Bonds, Series 2012 since its adoption in 2012. Section 5.01 of the Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2019 is as follows:

Operating revenues	\$ 2,589,405
Operating expenses*	<u>1,873,696</u>
Operating income	715,709
Nonoperating revenues (expenses)**	<u>18,843</u>
Income available for debt service	<u>734,552</u>
Debt service, principal and interest paid (Revenue Bond only)	<u>160,805</u>
Debt service coverage ratio	456.80%

*Per rate covenants, this does not include the depreciation expense of \$457,952.

** Per rate covenants, this does not include revenue bond interest paid of \$113,805.

The Town has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$1,240,000 million in Sewer System Revenue Bonds issued in May 2010 and the \$1,921,000 in Sewer System Revenue Bonds issued in March 2012. Proceeds from the bonds provided financing to construct improvements to the Town's sanitary sewer system and acquire entitlements to capacity in a regional sanitary sewer system. The bonds are payable solely from water and sewer customer net revenues and are payable through 2051. Annual principal and interest payments on the bonds are expected to require less than 25 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,013,539. Principal and interest paid for the current year and total customer net revenues were \$160,805 and \$253,752, respectively.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 8—Long-term obligations (continued)

d. Changes in Long-Term Liabilities

During the year ended June 30, 2019, the following changes occurred in long-term liabilities:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion
Governmental Activities:					
Installment purchases	\$ 460,876	\$ -	\$ 118,491	\$ 342,385	\$ 92,386
Compensated absences	107,913	40,825	-	148,738	16,300
Other postemployment benefits*, restated	200,426	11,908	-	212,334	-
Net pension liability (LGERS)	282,977	164,110	-	447,087	-
Total pension obligation (LEOSSA)	193,256	37,082	-	230,338	-
Governmental Activities Long-Term Liabilities	<u>\$ 1,245,448</u>	<u>\$ 253,925</u>	<u>\$ 118,491</u>	<u>\$ 1,380,882</u>	<u>\$ 108,686</u>
Business-Type Activities:					
General obligation bonds	\$ 794,213	\$ -	\$ 87,681	\$ 706,532	\$ 90,775
Revolving loan	1,512,636	-	89,801	1,422,835	92,306
Revenue bonds	2,922,000	-	47,000	2,875,000	48,000
Net pension liability (LGERS)	88,718	51,824	-	140,542	-
Other postemployment benefits*, restated	63,293	3,761	-	67,054	-
Compensated absences	19,935	203	-	20,138	3,600
Business-Type Activities Long-Term Liabilities	<u>\$ 5,400,795</u>	<u>\$ 55,788</u>	<u>\$ 224,482</u>	<u>\$ 5,232,101</u>	<u>\$ 234,681</u>

*Other postemployment benefits are restated for the implementation of GASB 75. See Footnote 14.

Compensated absences for governmental activities have typically been liquidated in the General Fund.

General Fund assets have and are used to satisfy net pension obligations.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 9—Operating lease obligations

The Town has entered into operating leases for various office equipment for terms from three to five years. Rental expense under these agreements for the current year was \$14,999 for governmental activities and \$2,698 for business-type activities.

Future minimum rental payments for the five years ending June 30 are as follows:

<u>Years Ending June 30:</u>	Governmental Activities	Business-Type Activities
2020	\$ 7,143	\$ 661
2021	4,133	338
2022	3,884	338
2023	1,290	197
2024	529	-
Totals	<u>\$ 16,978</u>	<u>\$ 1,535</u>

Note 10—Interfund balances and activity

There was a transfer from the Water Sewer Fund to the General Fund for \$110,429. This transfer was to transfer the funds obtained from a contractor during the year to finish the construction of a sidewalk that will ultimately be capitalized in the governmental activities in a future year.

There was a transfer from the General Fund to the Lillington/Willow/Roy Street Sidewalk Capital Project Fund to reimburse the fund for an expenditure made during the year.

Note 11—Net investment in capital assets

	Governmental Activities	Business-Type Activities
Capital assets	\$ 4,973,218	\$ 11,087,762
Less long-term debt	342,385	5,004,367
Net Investment in Capital Assets	<u>\$ 4,630,833</u>	<u>\$ 6,083,395</u>

Note 12—Fund balance

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

Total Fund Balance - General Fund	\$ 4,601,353
Less:	
Stabilization by State statute	468,352
Streets - Powell Bill	226,752
Streets - Other	110,429
LEO Special Separation Allowance	56,647
Appropriated Fund Balance in 2019 budget	340,800
Public Safety	21,096
Remaining Fund Balance	<u>\$ 3,377,277</u>

The Town of Angier has not adopted a minimum fund balance policy for the General Fund.

TOWN OF ANGIER, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

Note 13—Summary disclosure of significant contingencies

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audit 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 monies 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 monies.

Note 14—Subsequent events

The Town has evaluated events and transactions through April 20, 2020, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

TOWN OF ANGIER

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by GAAP.

- Law Enforcement Officers' Special Separation Allowance – Schedule of Changes in Total Pension Obligation
- Law Enforcement Officers' Special Separation Allowance – Schedule of Total Pension Obligation as a Percentage of Covered Payroll
- Other Postemployment Benefits – Schedule of Changes in the Total OPEB Liability and Related Ratios
- Local Government Employees' Retirement System – Schedule of Proportionate Share of Net Pension Liability (Asset)
- Local Government Employees' Retirement System – Schedule of Contributions

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 1****REQUIRED SUPPLEMENTARY INFORMATION****LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE –****SCHEDULE OF CHANGES IN TOTAL PENSION OBLIGATION***LAST THREE YEARS*

	2019	2018	2017
Beginning balance of the total pension liability	\$ 193,256	\$ 168,706	\$ 155,163
Service cost	16,354	13,667	12,247
Interest on the total pension liability	6,107	6,512	5,539
Differences between expected and actual experience in the measurement of the total pension liability	24,012	(8,527)	-
Changes of assumptions or other inputs	(9,391)	12,898	(4,243)
Ending balance of the total pension liability	<u>\$ 230,338</u>	<u>\$ 193,256</u>	<u>\$ 168,706</u>

This is the third year of reporting in this format. This schedule will eventually report 10 years of information.

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 2****REQUIRED SUPPLEMENTARY INFORMATION****LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE –****SCHEDULE OF TOTAL PENSION OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL***LAST THREE YEARS*

	2019	2018	2017
Total pension liability	\$ 230,338	\$ 193,256	\$ 168,706
Covered payroll	631,253	585,947	549,801
Total pension liability as a percentage of covered payroll	36.49%	32.98%	30.68%

Notes to the schedules:

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

This is the third year of reporting in this format. This schedule will eventually report 10 years of information.

TOWN OF ANGIER, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 3

OTHER POSTEMPLOYMENT BENEFITS –
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

YEAR ENDED JUNE 30, 2019

Total OPEB Liability:	
Service costs	\$ 20,404
Interest	9,373
Difference between expected and actual experience	(3,270)
Changes of assumptions or other inputs	(9,962)
Benefit payments	<u>(876)</u>
Net change in Total OPEB Liability	15,669
Total OPEB Liability - beginning	<u>263,719</u>
Total OPEB Liability - ending	<u>\$ 279,388</u>
Covered-employee payroll	\$ 1,225,782
Total OPEB Liability as a percentage of covered-employee payroll	22.79%

Notes to Schedule

Changes of Assumptions – Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal year</u>	<u>Rate</u>
2019	3.89%

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 4****REQUIRED SUPPLEMENTARY INFORMATION****LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM –****SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)***LAST SIX FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Town of Angier's proportionate share of the net pension liability (asset) (%)	0.02477%	0.02433%	0.02377%	0.02305%	0.02190%	0.02210%
Town of Angier's proportion of the net pension liability (asset) (\$)	\$ 587,629	\$ 371,695	\$ 504,479	\$ 103,446	\$ (129,154)	\$ 266,390
Town of Angier's covered payroll	\$ 1,514,778	\$1,395,017	\$1,344,769	\$1,232,700	\$1,127,617	\$1,086,921
Town of Angier's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.79%	26.64%	37.51%	8.39%	(11.45%)	24.51%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.

Information is not available for years prior to those presented.

** This will be the same percentage for all participant employers in the LGERS plan.

TOWN OF ANGIER, NORTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM –
SCHEDULE OF CONTRIBUTIONS

SCHEDULE 5

LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 123,194	\$ 112,717	\$ 105,903	\$ 92,837	\$ 88,260	\$ 80,509
Contributions in relation to the contractually required contribution	123,194	112,717	105,903	92,837	88,260	80,509
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town of Angier's covered payroll	\$ 1,623,943	\$ 1,514,778	\$ 1,395,017	\$ 1,344,769	\$ 1,232,700	\$ 1,127,617
Contributions as a percentage of covered payroll	7.59%	7.44%	7.59%	6.90%	7.16%	7.14%

This schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available.

TOWN OF ANGIER

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES**

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 6****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – GENERAL FUND***YEAR ENDED JUNE 30, 2019*

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ 1,866,656	\$ 1,921,577	\$ 54,921
Penalties and interest	4,500	3,616	(884)
Total	1,871,156	1,925,193	54,037
Other Taxes and Licenses:			
Vehicle licenses	14,000	21,020	7,020
Total	14,000	21,020	7,020
Unrestricted Intergovernmental:			
Local option sales taxes	740,000	870,940	130,940
Motor fuel tax refund	9,000	7,242	(1,758)
Payments in lieu of taxes - outside sources	8,000	8,013	13
Telecommunications sales tax	19,000	13,855	(5,145)
Utility franchise tax	200,000	173,321	(26,679)
Video franchise fees	40,000	29,904	(10,096)
Piped natural gas tax	250	414	164
Beer and wine tax	22,000	22,300	300
Harnett county recreation funds	12,000	31,525	19,525
ABC profit distribution	50,000	2,686	(47,314)
Total	1,100,250	1,160,200	59,950
Restricted Intergovernmental:			
Powell Bill allocation	141,150	140,398	(752)
NC Dept. of Commerce Grant	25,000	25,000	-
FEMA Grant	-	83,925	83,925
County SRO Grant	111,754	61,995	(49,759)
Solid waste disposal tax	2,500	2,879	379
Drug forfeiture revenues	-	-	-
ABC revenue for law enforcement	2,000	-	(2,000)
Total	282,404	314,197	31,793
Permits and Fees:			
Police/magistrate fees	1,500	550	(950)
Garbage fees	250,000	263,936	13,936
Recycling fees	86,000	107,225	21,225
Building permits	75,000	100,673	25,673
Planning fees and permits	6,000	26,552	20,552
Total	418,500	498,936	80,436

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 6****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – GENERAL FUND (CONTINUED)***YEAR ENDED JUNE 30, 2019*

	Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Recreation department fees	\$ 45,500	\$ 33,080	\$ (12,420)
Investment earnings	16,150	71,010	54,860
Miscellaneous:			
Library revenues	6,400	5,768	(632)
Depot revenues	6,000	7,200	1,200
Miscellaneous	1,500	16,431	14,931
Total	13,900	29,399	15,499
Total revenues	3,761,860	4,053,035	291,175
Expenditures:			
General Government:			
Administration:			
Salaries and employee benefits	-	449,940	-
Other operating expenditures	-	495,485	-
Capital outlay	-	11,800	-
Total general government	919,245	957,225	(37,980)
Public Safety:			
Police:			
Salaries and employee benefits	-	911,644	-
Vehicle maintenance	-	18,662	-
Other operating expenditures	-	120,848	-
Capital outlay	-	173,897	-
Total public safety	1,327,427	1,225,051	102,376
Transportation:			
Streets and highways:			
Salaries and employee benefits	-	59,318	-
Vehicle maintenance	-	20,361	-
Building and equipment maintenance	-	14,905	-
Street lights	-	129,655	-
Solid waste removal	-	265,769	-
Other operating expenditures	-	187,114	-
Capital outlay	-	-	-
Total streets and highways	676,525	677,122	(597)

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 6****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – GENERAL FUND (CONTINUED)***YEAR ENDED JUNE 30, 2019*

	Budget	Actual	Variance Positive (Negative)
Powell Bill:			
Other operating expenditures:	\$ -	\$ 55,724	\$ -
Total Powell Bill	141,150	55,724	85,426
Total transportation	817,675	732,846	84,829
Economic and Physical Development:			
Planning, zoning, and inspections:			
Salaries and employee benefits	-	110,025	-
Other operating expenditures	-	75,136	-
Total economic and physical development	211,203	185,161	26,042
Cultural and Recreation:			
Parks and recreation:			
Salaries and employee benefits	-	152,993	-
Repairs and maintenance	-	6,914	-
Other operating expenditures	-	109,618	-
Capital outlay	-	488	-
Total parks and recreation	309,626	270,013	39,613
Depot:			
Building maintenance	-	16,415	-
Other operating expenditures	-	19,989	-
Capital outlay	-	964	-
Total depot	49,165	37,368	11,797
Total cultural and recreation	358,791	307,381	51,410
Library:			
Salaries and employee benefits	-	110,538	-
Other operating expenditures	-	52,611	-
Repairs and maintenance	-	8,835	-
Total library	200,407	171,984	28,423
Debt Service:			
Principal retirement	-	123,871	-
Interest and other charges	-	16,890	-
Total debt service	135,325	140,761	(5,436)
Total expenditures	3,970,073	3,720,409	249,664
Revenues over (under) expenditures	(208,213)	332,626	540,839

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 6****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – GENERAL FUND (CONTINUED)***YEAR ENDED JUNE 30, 2019*

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfer from (to) other funds:			
Lillington/Willow/Roy Street sidewalk	\$ -	\$ (6,159)	\$ (6,159)
Hwy 210/Hwy 55 sidewalk project	-	(130)	(130)
Water Sewer Fund	(51,000)	110,413	161,413
Sale of capital assets	35,172	34,316	(856)
Appropriation of fund balance	224,041	-	(224,041)
Total	<u>\$ 208,213</u>	<u>138,440</u>	<u>\$ (69,773)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>471,066</u>	<u>\$ 471,066</u>
Fund balances, beginning		<u>4,130,287</u>	
Fund balances, ending		<u>\$ 4,601,353</u>	

TOWN OF ANGIER, NORTH CAROLINA
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS

SCHEDULE 7

YEAR ENDED JUNE 30, 2019

	Lillington/Willow/ Roy Street Sidewalk Capital Project Fund	Angier Elementary Drainage Project Fund	Hwy 210/ Park Street Sidewalk Extension Project Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ -	\$ 15,191	\$ 5,976	\$ 21,167
Total assets	<u>\$ -</u>	<u>\$ 15,191</u>	<u>\$ 5,976</u>	<u>\$ 21,167</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted:				
Streets	-	15,191	-	15,191
Committed:				
Streets	-	-	5,976	5,976
Total fund balances	<u>-</u>	<u>15,191</u>	<u>5,976</u>	<u>21,167</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 15,191</u>	<u>\$ 5,976</u>	<u>\$ 21,167</u>

TOWN OF ANGIER, NORTH CAROLINA
SCHEDULE 8
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2019

	Lillington/Willow/ Roy Street Sidewalk Capital Project Fund	Angier Elementary Drainage Project Fund	Hwy 210/ Park Street Sidewalk Extension Project Fund	Total Nonmajor Governmental Funds
Revenues:				
Restricted intergovernmental	\$ -	\$ -	\$ 14,456	14,456
Investment earnings	-	-	-	-
Total revenues	-	-	14,456	14,456
Expenditures:				
Engineering	-	-	18,070	18,070
Transportation	6,159	-	-	6,159
Total expenditures	6,159	-	18,070	24,229
Revenues over (under) expenditures	(6,159)	-	(3,614)	(9,773)
Other Financing Sources:				
Transfers (to) from other funds:				
General Fund	6,159	-	-	6,159
Total other financing sources	6,159	-	-	6,159
Revenues and other financing sources over expenditures	-	-	(3,614)	(3,614)
Fund balance, beginning	-	15,191	9,590	24,781
Fund balance, ending	\$ -	\$ 15,191	\$ 5,976	\$ 21,167

TOWN OF ANGIER, NORTH CAROLINA
SCHEDULE 9
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – LILLINGTON /WILLOW/ROY STREET SIDEWALK –
CAPITAL PROJECT FUND**

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant revenue	\$ 531,639	\$ 516,696	\$ -	\$ 516,696	\$ (14,943)
Total revenues	531,639	516,696	-	516,696	(14,943)
Expenditures:					
Engineering	68,000	67,504	6,159	73,663	(5,663)
Construction	663,177	639,711	-	639,711	23,466
Right of way / easements	9,000	8,782	-	8,782	218
Testing	20,000	18,821	-	18,821	1,179
Landscaping	2,500	1,008	-	1,008	1,492
Total expenditures	762,677	735,826	6,159	741,985	20,692
Revenues under expenditures	(231,038)	(219,130)	(6,159)	(225,289)	5,749
Other Financing Sources:					
Transfers from other funds:					
General Fund	231,038	219,130	6,159	225,289	(5,749)
Total other financing sources	231,038	219,130	6,159	225,289	(5,749)
Revenues and other sources over expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 10****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – ANGIER ELEMENTARY DRAINAGE PROJECT FUND***YEAR ENDED JUNE 30, 2019*

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Harnett County Board of Education	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Investment earnings	-	284	-	284	284
Total revenues	50,000	50,284	-	50,284	284
Expenditures:					
Construction	50,000	35,093	-	35,093	14,907
Total expenditures	50,000	35,093	-	35,093	14,907
Revenues under expenditures	-	15,191	-	15,191	15,191
Revenues and other sources over expenditures	\$ -	\$ 15,191	-	\$ 15,191	\$ 15,191
Fund balance, beginning			15,191		
Fund balance, ending			\$ 15,191		

TOWN OF ANGIER, NORTH CAROLINA
SCHEDULE 11
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET TO ACTUAL – HWY 210 PARK STREET – CAPITAL PROJECT FUND**

YEAR ENDED JUNE 30, 2019

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant revenue	\$ 418,280	\$ 61,638	\$ 14,456	\$ 76,094	\$ 342,186
Total revenues	418,280	61,638	14,456	76,094	342,186
Expenditures:					
Engineering	77,723	52,048	18,070	70,118	7,605
Construction	445,127	-	-	-	445,127
Total expenditures	522,850	52,048	18,070	70,118	452,732
Revenues over (under) expenditures	(104,570)	9,590	(3,614)	5,976	110,546
Other Financing Sources:					
Transfers from General Fund	104,570	-	-	-	(104,570)
Total other financing sources	104,570	-	-	-	(104,570)
Revenues and other sources over expenditures	\$ -	\$ 9,590	(3,614)	\$ 5,976	\$ 5,976
Fund balance, beginning			9,590		
Fund balance, ending			\$ 5,976		

TOWN OF ANGIER, NORTH CAROLINA
SCHEDULE OF REVENUES AND EXPENDITURES –
BUDGET TO ACTUAL (NON-GAAP) – WATER AND SEWER FUND

SCHEDULE 12

YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Water sales	\$ 1,100,000	\$ 1,117,031	\$ 17,031
Total	1,100,000	1,117,031	17,031
Sewer charges	970,000	1,037,296	67,296
Total	970,000	1,037,296	67,296
Water and sewer taps	76,550	61,111	(15,439)
Other operating revenues:			
Late fees and reconnections	70,000	91,389	21,389
Activation fees	15,000	17,815	2,815
Water acreage fees	25,600	12,635	(12,965)
Sewer acreage fees	36,600	98,507	61,907
Water capacity fees	-	23,275	23,275
Sewer capacity fees	24,950	1,994	(22,956)
Miscellaneous water/sewer	2,250	113,610	111,360
Water meter revenue	17,000	14,742	(2,258)
Total other operating revenues	191,400	373,967	182,567
Total operating revenues	2,337,950	2,589,405	251,455
Nonoperating revenues:			
Rental revenue	31,056	34,266	3,210
Interest earnings	3,000	58,031	55,031
Total nonoperating revenue	34,056	92,297	58,241
Total revenues	2,372,006	2,681,702	309,696
Expenditures:			
Water operations:			
Salaries and employee benefits	-	259,723	-
Water purchases	-	388,692	-
Maintenance	-	67,282	-
Other operating expenditures	-	142,673	-
Capital outlay	-	107,021	-
Total water operations	1,022,581	965,391	57,190

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 12****SCHEDULE OF REVENUES AND EXPENDITURES –****BUDGET TO ACTUAL (NON-GAAP) – WATER AND SEWER FUND (CONTINUED)***YEAR ENDED JUNE 30, 2019*

	Budget	Actual	Variance Positive (Negative)
Sewer operations:			
Salaries and employee benefits	\$ -	\$ 197,951	\$ -
Other operating expenditures	-	60,146	-
Maintenance	-	73,696	-
Sewer rehab/preventative maintenance	-	28,452	-
Capital outlay	-	40,156	-
Total sewer operations	449,725	400,401	49,324
Water treatment and distribution:			
Water treatment plant:			
Chemicals	-	29,100	-
Other operating expenditures	-	128	-
Maintenance	-	5,588	-
Utilities	-	21,323	-
Contracted services	-	535,724	-
Total water treatment	388,800	591,863	(203,063)
Lagoon:			
Utilities	-	12,301	-
Maintenance	-	5,967	-
Chemicals	-	21,450	-
Other operating expenditures	-	8,016	-
Total lagoon	58,710	47,734	10,976
Total water treatment and distribution	447,510	639,597	(192,087)
Debt service:			
Principal retirement	-	224,482	-
Interest and other charges	-	183,441	-
Total debt service	410,360	407,923	2,437
Total expenditures	2,330,176	2,413,312	(83,136)

TOWN OF ANGIER, NORTH CAROLINA
SCHEDULE 12
SCHEDULE OF REVENUES AND EXPENDITURES –
BUDGET TO ACTUAL (NON-GAAP) – WATER AND SEWER FUND (CONTINUED)

YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Transfer (to) from other fund:			
General Fund	\$ (5,000)	(110,429)	\$ (105,429)
Water Capital Reserve	(100,000)	-	100,000
Wastewater Capital Project Fund	-	-	-
Bond payment reserve fund	(15,731)	(15,731)	-
Appropriation of fund balance	78,901	-	78,901
Total other financing sources (uses)	(41,830)	(126,160)	73,472
Revenues and other sources under expenditures and other uses	\$ -	142,230	\$ 142,230

**Reconciliation from budgetary basis
(modified accrual) to full accrual:**

Revenues and other sources under expenditures and other uses	\$ 142,230
Reconciling items:	
Principal retirement	224,482
Capital outlay	147,177
Increase in OPEB liability	(3,761)
Increase in deferred inflows of resources - OPEB	(2,352)
Decrease in interest accrued	-
Depreciation	(457,952)
Interest income Capital Reserve & Capital Project Funds	4,152
Increase in deferred outflows of resources - pensions	41,307
Increase in net pension liability	(51,824)
Increase in accrued absences	(203)
Decrease in deferred inflows of resources - pensions	1,349
Transfer to Bond Reserve Fund	15,731
Total reconciling items	(81,894)
Net income	\$ 60,336

TOWN OF ANGIER, NORTH CAROLINA**SCHEDULE 13****SCHEDULE OF REVENUES AND EXPENDITURES –****BUDGET TO ACTUAL (NON-GAAP) – WATER CAPITAL RESERVE FUND***FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019*

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ 1,838	\$ 4,085	\$ 5,923	\$ 5,923
Total revenues	-	1,838	4,085	5,923	5,923
Revenues over (under) expenditures	-	1,838	4,085	5,923	5,923
Other financing sources (uses):					
Transfers from other funds:					
Wastewater Capital Project Fund	-	300,000	-	300,000	300,000
Water and Sewer fund	-	250,000	-	250,000	250,000
Total other sources	-	550,000	-	550,000	550,000
Revenues and other sources over (under) expenditures	\$ -	\$ 551,838	\$ 4,085	\$ 555,923	\$ 555,923

TOWN OF ANGIER, NORTH CAROLINA
SCHEDULE 14
SCHEDULE OF REVENUES AND EXPENDITURES –
BUDGET TO ACTUAL (NON-GAAP) – WATER CAPITAL PROJECT FUND

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization	Prior Years	Closed Projects	Current Year	Total to Date
Revenues:					
Interest earnings	\$ -	\$ 115	\$ 182	\$ 67	\$ 182
Total revenues	-	115	182	67	182
Expenditures:					
Wake County Elevated Tank Project:					
Engineering fees	75,500	75,500	75,500	-	75,500
Construction	1,043,051	839,054	1,066,311	227,257	1,066,311
Administration and observation	28,000	19,826	28,226	8,400	28,226
Additional services	210	-	-	-	-
Environmental and geotechnical	5,250	5,250	5,250	-	5,250
Miscellaneous	2,000	2,011	7,662	5,651	7,662
Contingency	52,153	-	-	-	-
Total expenditures	1,206,164	941,641	1,182,949	241,308	1,182,949
Revenues over (under) expenditures	(1,206,164)	(941,526)	(1,182,767)	(241,241)	(1,182,767)
Other financing sources:					
Transfers from (to) other funds:					
From Water and Sewer Fund	2,000	-	-	-	-
To Water and Sewer Fund	-	-	-	-	-
Installment purchase obligations issued	1,204,164	1,600,000	1,600,000	-	1,600,000
Total other sources	1,206,164	1,600,000	1,600,000	-	1,600,000
Revenues and other sources over (under) expenditures	\$ -	\$ 658,474	\$ 417,233	\$ (241,241)	\$ 417,233

TOWN OF ANGIER

OTHER SCHEDULES

This section contains additional information required on property taxes.

- Schedule of Ad Valorem Taxes Receivable – General Fund
- Analysis of Current Tax Levy – Town-Wide Levy

TOWN OF ANGIER, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE – GENERAL FUND

SCHEDULE 15

YEAR ENDED JUNE 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 1,920,355	\$ 1,917,217	\$ 3,138
2017-2018	2,770	-	829	1,941
2016-2017	1,868	-	73	1,795
2015-2016	1,922	-	153	1,769
2014-2015	927	-	73	854
2013-2014	2,087	-	285	1,802
2012-2013	2,542	-	387	2,155
2011-2012	2,544	-	319	2,225
2010-2011	2,110	-	315	1,795
2009-2010	2,133	-	(968)	3,101
2008-2009	3,696	-	3,696	-
	<u>\$ 22,599</u>	<u>\$ 1,920,355</u>	<u>\$ 1,922,379</u>	<u>20,575</u>
Less allowance for uncollectible accounts:				
General Fund				<u>7,208</u>
Ad valorem taxes receivable - net				<u>\$ 13,367</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				<u>\$ 1,921,577</u>
Reconciling items:				
Taxes written off				(3,210)
Miscellaneous				<u>4,012</u>
Subtotal				<u>802</u>
Total collections and credits				<u>\$ 1,922,379</u>

TOWN OF ANGIER, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY – TOWN-WIDE LEVY

SCHEDULE 16

YEAR ENDED JUNE 30, 2019

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current	\$ 362,099,245	\$ 0.53	\$ 1,919,126	\$ 1,701,023	\$ 218,103
Discoveries	630,755	\$ 0.53	3,343	3,343	-
Abatements	398,868		(2,114)	(2,114)	-
Total property valuation	<u>\$ 363,128,868</u>				
Net levy			1,920,355	1,702,252	218,103
Uncollected taxes at June 30, 2019			<u>3,138</u>	<u>3,138</u>	<u>-</u>
Current year's taxes collected			<u>\$ 1,917,217</u>	<u>\$ 1,699,114</u>	<u>\$ 218,103</u>
Current levy collection percentage			<u>99.84%</u>	<u>99.82%</u>	<u>100.00%</u>

TOWN OF ANGIER

STATISTICAL SECTION

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

Financial Trends – These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These tables contain information to help the reader assess the government's most significant local revenue source, property tax.

Debt Capacity – These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic – These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information – These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the service the government provides and the activities it performs.

TOWN OF ANGIER, NORTH CAROLINA
NET POSITION BY COMPONENT

TABLE 1

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Net investment in capital assets	\$ 3,287,945	\$ 3,556,589	\$ 3,570,120	\$ 3,511,863	\$ 3,658,984	\$ 3,876,977	\$ 4,514,953	\$ 4,571,391	\$ 4,547,565	\$ 4,630,833
Restricted	555,713	850,592	717,185	627,391	637,917	642,750	584,742	721,605	739,784	737,367
Unrestricted	2,656,233	2,422,234	2,482,411	2,684,113	2,837,241	2,764,072	2,709,303	2,727,596	3,306,972	3,181,885
Total net position	\$ 6,499,891	\$ 6,829,415	\$ 6,769,716	\$ 6,823,367	\$ 7,134,142	\$ 7,283,799	\$ 7,808,998	\$ 8,020,592	\$ 8,594,321	\$ 8,550,085
Business-Type Activities:										
Net investment in capital assets	\$ 5,073,701	\$ 5,256,078	\$ 6,737,470	\$ 6,810,476	\$ 6,605,087	\$ 6,524,943	\$ 6,309,595	\$ 4,840,017	\$ 5,928,380	\$ 6,083,395
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,520,039	2,782,041	3,024,489	3,533,525	3,750,179	3,985,698	4,064,166	5,403,716	4,404,865	4,238,897
Total net position	\$ 7,593,740	\$ 8,038,119	\$ 9,761,959	\$ 10,344,001	\$ 10,355,266	\$ 10,510,641	\$ 10,373,761	\$ 10,243,733	\$ 10,333,245	\$ 10,322,292
Primary Government:										
Net investment in capital assets	\$ 8,361,646	\$ 8,812,667	\$ 10,307,590	\$ 10,322,339	\$ 10,264,071	\$ 10,401,920	\$ 10,824,548	\$ 9,411,408	\$ 10,475,945	\$ 10,714,228
Restricted	555,713	850,592	717,185	627,391	637,917	642,750	584,742	721,605	739,784	737,367
Unrestricted	5,176,272	5,204,275	5,506,900	6,217,638	6,587,420	6,749,770	6,773,469	8,131,312	7,711,837	7,420,782
Total net position	\$ 14,093,631	\$ 14,867,534	\$ 16,531,675	\$ 17,167,368	\$ 17,489,408	\$ 17,794,440	\$ 18,182,759	\$ 18,264,325	\$ 18,927,566	\$ 18,872,377

Note 1: Amounts are based on the Accrual Basis of Accounting.

TOWN OF ANGIER, NORTH CAROLINA

CHANGES IN NET POSITION

TABLE 2

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental Activities:										
General government	\$ 648,486	\$ 645,759	\$ 608,020	\$ 627,668	\$ 650,203	\$ 723,631	\$ 798,140	\$ 962,349	\$ 943,178	\$ 999,885
Public safety	840,167	828,414	881,738	818,602	899,190	929,244	991,466	1,076,873	1,212,597	1,134,157
Transportation	463,732	569,822	894,675	842,763	582,127	663,442	988,430	749,548	856,134	800,383
Economic and physical development	196,228	130,107	132,146	120,213	174,149	133,334	110,989	109,617	197,590	243,808
Library	142,147	152,585	212,532	152,528	139,931	139,954	151,253	143,550	175,982	173,698
Cultural and recreational	321,741	373,080	375,479	416,432	403,930	421,279	404,931	425,080	447,159	401,081
Interest on long-term debt	46,434	42,559	40,240	36,319	34,341	30,630	26,714	22,285	13,886	10,881
Total governmental activities expenses	\$ 2,658,935	\$ 2,742,326	\$ 3,144,830	\$ 3,014,525	\$ 2,883,871	\$ 3,041,514	\$ 3,471,923	\$ 3,489,302	\$ 3,846,526	\$ 3,763,893
Business-Type Activities:										
Water and sewer	\$ 1,353,109	\$ 1,483,225	\$ 1,570,259	\$ 1,775,358	\$ 2,012,755	\$ 2,052,708	\$ 2,208,941	\$ 2,301,460	\$ 2,415,870	\$ 2,515,089
Total business-type activities	1,353,109	1,483,225	1,570,259	1,775,358	2,012,755	2,052,708	2,208,941	2,301,460	2,415,870	2,515,089
Total primary government expenses	\$ 4,012,044	\$ 4,225,551	\$ 4,715,089	\$ 4,789,883	\$ 4,896,626	\$ 5,094,222	\$ 5,680,864	\$ 5,790,762	\$ 6,262,396	\$ 6,278,982
Program Revenues:										
Governmental Activities:										
Charges for services:										
General government	\$ 32,285	\$ 33,577	\$ 32,024	\$ 33,238	\$ 4,800	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	34,162	40,931	1,820	1,518	1,976	2,505	2,006	1,426	550	550
Transportation	199,386	260,167	255,696	282,967	308,415	322,890	328,351	335,351	371,150	371,161
Economic and physical development	14,928	7,700	54,465	114,167	101,849	108,789	83,677	64,668	127,225	127,225
Library	9,447	10,114	8,143	7,982	8,411	8,296	7,597	7,056	5,768	5,768
Cultural and recreational	41,180	46,425	46,285	42,617	47,819	47,990	49,072	52,475	40,280	40,280
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	227,742	134,969	134,431	150,101	144,010	185,131	187,818	228,786	174,802	261,797
Capital grants and contributions	-	182,250	108,722	57,152	130,216	35,922	533,576	121,132	76,094	98,381
Total governmental activities program revenues	\$ 559,130	\$ 716,133	\$ 641,586	\$ 689,742	\$ 747,496	\$ 711,523	\$ 1,192,097	\$ 810,894	\$ 795,869	\$ 905,162
Business-Type Activities:										
Charges for services:										
Water and sewer	\$ 1,376,471	\$ 1,441,565	\$ 1,533,449	\$ 1,658,133	\$ 1,694,226	\$ 1,737,079	\$ 1,745,482	\$ 1,916,286	\$ 2,154,339	\$ 2,154,327
Operating grants and contributions	171,910	201,326	219,549	484,420	333,716	414,973	322,990	251,707	359,599	358,915
Capital grants and contributions	353,986	406,013	1,623,612	181,184	-	97,394	-	-	-	110,429
Total business-type activities program revenues	1,902,367	2,048,904	3,376,610	2,323,737	2,027,942	2,249,446	2,068,472	2,167,993	2,513,938	2,623,671
Total primary government program revenues	\$ 2,461,497	\$ 2,765,037	\$ 4,018,196	\$ 3,013,479	\$ 2,775,438	\$ 2,960,969	\$ 3,260,569	\$ 2,978,887	\$ 3,309,807	\$ 3,528,833
Net (expense) revenue:										
Governmental activities	\$ (2,099,805)	\$ (2,026,193)	\$ (2,503,244)	\$ (2,324,783)	\$ (2,136,375)	\$ (2,329,991)	\$ (2,279,826)	\$ (2,678,408)	\$ (3,050,657)	\$ (2,858,731)
Business-type activities	549,258	565,679	1,806,351	548,379	15,187	196,738	(140,469)	(133,467)	98,068	108,582
Total primary government net revenue (expense)	\$ (1,550,547)	\$ (1,460,514)	\$ (696,893)	\$ (1,776,404)	\$ (2,121,188)	\$ (2,133,253)	\$ (2,420,295)	\$ (2,811,875)	\$ (2,952,589)	\$ (2,750,149)

Note 1: Amounts are based on the accrual basis of accounting.

TOWN OF ANGIER, NORTH CAROLINA
CHANGES IN NET POSITION (CONTINUED)

TABLE 2

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 1,465,577	\$ 1,467,565	\$ 1,519,820	\$ 1,522,625	\$ 1,618,658	\$ 1,614,630	\$ 1,731,489	\$ 1,784,595	\$ 1,918,362	\$ 1,919,166
Other taxes	31,310	31,202	65,037	57,552	29,741	20,853	18,886	20,183	20,505	21,020
Grants and contributions not restricted to specific programs	694,394	714,504	733,685	772,684	766,390	914,883	978,513	1,102,110	1,121,433	1,121,433
Unrestricted investment earnings	11,632	7,077	6,226	4,658	3,260	2,472	2,510	5,918	69,370	71,010
Gain (loss) on sale of assets	3,500	(3,920)	18,580	2,010	-	2,955	15,801	(8,229)	34,312	34,316
Miscellaneous	17,860	11,289	12,197	10,905	21,101	26,139	13,783	22,180	23,697	17,803
Transfers	108,000	128,000	88,000	8,000	8,000	-	-	-	-	110,429
Total governmental activities	<u>2,332,273</u>	<u>2,355,717</u>	<u>2,443,545</u>	<u>2,378,434</u>	<u>2,447,150</u>	<u>2,581,932</u>	<u>2,760,982</u>	<u>2,926,757</u>	<u>3,187,679</u>	<u>3,295,177</u>
Business-Type Activities:										
Other taxes	-	-	-	37,566	-	-	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	8,931	6,700	5,443	4,097	4,078	3,249	3,589	3,439	7,480	62,183
Gain (loss) on sale of assets	(208)	-	46	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital contributed	-	-	-	-	-	-	-	-	-	-
Transfers	(108,000)	(128,000)	(88,000)	(8,000)	(8,000)	-	-	-	-	(110,429)
Total business-type activities	<u>(99,277)</u>	<u>(121,300)</u>	<u>(82,511)</u>	<u>33,663</u>	<u>(3,922)</u>	<u>3,249</u>	<u>3,589</u>	<u>3,439</u>	<u>7,480</u>	<u>(48,246)</u>
Total primary government	<u>\$ 2,232,996</u>	<u>\$ 2,234,417</u>	<u>\$ 2,361,034</u>	<u>\$ 2,412,097</u>	<u>\$ 2,443,228</u>	<u>\$ 2,585,181</u>	<u>\$ 2,764,571</u>	<u>\$ 2,930,196</u>	<u>\$ 3,195,159</u>	<u>\$ 3,246,931</u>
Net Position:										
Governmental activities	\$ 6,499,891	\$ 6,829,415	\$ 6,769,716	\$ 6,823,367	\$ 7,134,142	\$ 7,283,799	\$ 7,808,998	\$ 8,020,592	\$ 8,127,065	\$ 8,550,085
Business-type activities	7,593,740	8,038,119	9,761,959	10,344,001	10,355,266	10,510,641	10,373,761	10,243,733	10,333,245	10,322,292
Total primary government net position	<u>\$ 14,093,631</u>	<u>\$ 14,867,534</u>	<u>\$ 16,531,675</u>	<u>\$ 17,167,368</u>	<u>\$ 17,489,408</u>	<u>\$ 17,794,440</u>	<u>\$ 18,182,759</u>	<u>\$ 18,264,325</u>	<u>\$ 18,460,310</u>	<u>\$ 18,872,377</u>

TOWN OF ANGIER, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

TABLE 3

LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Tax Rate
2010	\$ 1,467,815	0.530
2011	1,475,081	0.530
2012	1,518,362	0.530
2013	1,520,942	0.530
2014	1,613,759	0.530
2015	1,612,968	0.530
2016	1,728,678	0.530
2017	1,785,191	0.530
2018	1,859,149	0.530
2019	1,920,355	0.530

Note 1: Town of Angier only levies a property tax.

TOWN OF ANGIER, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS

TABLE 4

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$ 603,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,494,506	-	-	-	-	-	-	-	-	-
Total General Fund	<u>\$ 3,097,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds:										
Reserved	\$ 208,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	22,299	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 230,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Post-GASB 54</i>										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Fund Balance:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,035	\$ -	\$ -
Restricted	-	642,148	508,385	412,139	449,864	626,476	584,742	715,128	718,616	716,200
Committed	-	-	-	-	-	-	47,063	50,081	53,095	167,076
Assigned	-	-	50,614	45,986	45,029	32,777	151,821	246,082	156,687	340,800
Unassigned	-	2,500,296	2,550,637	2,826,402	3,035,227	3,101,606	2,867,778	2,879,320	3,686,185	3,377,277
Total General Fund	<u>\$ -</u>	<u>\$ 3,142,444</u>	<u>\$ 3,109,636</u>	<u>\$ 3,284,527</u>	<u>\$ 3,530,120</u>	<u>\$ 3,760,859</u>	<u>\$ 3,651,404</u>	<u>\$ 3,963,646</u>	<u>\$ 4,614,583</u>	<u>\$ 4,601,353</u>
All Other Governmental Funds:										
Fund Balance:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	208,444	208,800	215,252	188,053	16,274	6,471	6,477	21,168	21,167
Committed	-	20,614	1	-	-	9,926	850	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 229,058</u>	<u>\$ 208,801</u>	<u>\$ 215,252</u>	<u>\$ 188,053</u>	<u>\$ 26,200</u>	<u>\$ 7,321</u>	<u>\$ 6,477</u>	<u>\$ 21,168</u>	<u>\$ 21,167</u>

Note 1: Amounts are based on the Modified Accrual Basis of Accounting

TOWN OF ANGIER, NORTH CAROLINA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS

TABLE 5

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Ad valorem taxes	\$ 1,470,497	\$ 1,440,244	\$ 1,509,640	\$ 1,562,447	\$ 1,621,154	\$ 1,630,275	\$ 1,731,443	\$ 1,792,108	\$ 1,921,021	\$ 1,925,193
Other taxes and licenses	24,181	23,749	57,344	57,552	29,741	20,853	18,886	20,183	20,505	21,020
Unrestricted intergovernmental	712,760	734,234	754,432	785,788	782,614	931,137	995,413	1,124,536	1,160,200	1,160,200
Restricted intergovernmental	222,152	293,426	204,605	185,306	267,056	213,922	714,274	337,116	219,371	328,653
Permits and fees	248,476	308,798	311,981	398,652	412,240	434,184	414,034	401,445	498,925	498,936
Sales and services	33,280	40,300	38,460	36,267	41,719	40,390	42,472	43,125	33,080	33,080
Investment earnings	12,222	7,870	6,654	4,941	3,430	2,603	2,630	6,017	69,370	71,010
Miscellaneous	61,255	63,828	51,755	50,371	31,188	32,781	18,080	28,863	29,400	29,399
Total revenues	2,784,823	2,912,449	2,934,871	3,081,324	3,189,142	3,306,145	3,937,232	3,753,393	3,951,872	4,067,491
Expenditures:										
General government	629,303	629,085	584,698	606,798	668,187	759,756	774,882	988,637	926,906	957,225
Public safety	817,792	782,938	887,674	778,467	859,338	971,089	1,054,957	981,411	1,216,444	1,225,051
Transportation	391,900	471,859	624,039	628,029	877,295	787,229	1,386,020	739,394	674,425	683,281
Powell Bill	25,829	49,976	345,708	218,472	39,259	31,508	284,188	23,149	55,724	55,724
Economic and physical development	190,567	127,137	125,995	114,883	114,159	134,585	112,734	104,888	245,794	203,231
Culture and recreation	358,963	790,164	240,144	267,147	256,912	281,991	298,593	363,674	346,953	307,397
Library (1)	-	-	210,109	151,924	137,780	140,292	150,882	141,353	170,765	171,984
Debt service:										
Principal	127,436	100,353	114,517	121,621	156,330	168,951	182,150	164,237	123,871	123,871
Interest and other charges	50,111	45,551	43,236	39,315	37,337	33,626	29,710	25,232	16,890	16,890
Total expenditures	2,591,901	2,997,063	3,176,120	2,926,656	3,146,597	3,309,027	4,274,116	3,531,975	3,777,772	3,744,654
Excess of revenues over (under) expenditures	192,922	(84,614)	(241,249)	154,668	42,545	(2,882)	(336,884)	221,418	174,100	322,837
Other financing sources (uses)										
Transfers in	108,000	128,000	88,000	8,000	8,000	-	-	-	-	110,429
Transfers out	-	-	-	-	-	-	-	-	-	(130)
Insurance recovery	-	-	15,000	16,664	-	-	-	-	-	-
Sale of capital assets	3,500	-	20,373	2,010	-	3,820	17,036	-	34,312	34,316
Installment purchase obligations	-	-	64,811	-	167,849	28,963	141,000	28,565	-	-
Total other financing sources (uses)	111,500	128,000	188,184	26,674	175,849	32,783	158,036	28,565	34,312	144,615
Net change in fund balance	\$ 304,422	\$ 43,386	\$ (53,065)	\$ 181,342	\$ 218,394	\$ 29,901	\$ (178,848)	\$ 249,983	\$ 208,412	\$ 467,452
Capital outlay expenditures which were capitalized	\$ 73,245	\$ 426,293	\$ 242,487	\$ 83,865	\$ 449,897	\$ 363,426	\$ 875,827	\$ 213,211	\$ 392,587	\$ 212,111
Debt service as a percentage of noncapital expenditures	7.0%	5.7%	5.4%	5.7%	7.2%	6.9%	6.2%	5.7%	4.2%	4.0%

Notes:

(1) In previous years, Library was included in Culture and Recreation.

Amounts are based on the Modified Accrual Basis of Accounting.

TOWN OF ANGIER, NORTH CAROLINA**TABLE 6****ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY***LAST TEN FISCAL YEARS*

Fiscal Year	Real Property	Personal Property	Public Service Company	Total Assessed Value	Ratio of Assessed Value to Estimated Actual Value (1)	Property Tax Rate (2)
2010	\$ 242,838,514	\$ 32,658,056	\$ 4,736,963	\$ 280,233,533	100%	0.530
2011	244,306,166	33,444,194	4,736,266	282,486,626	100%	0.530
2012	247,562,767	34,058,683	4,775,887	286,397,337	100%	0.530
2013	248,769,174	35,175,378	7,029,030	290,973,582	100%	0.530
2014	261,310,854	14,609,195	4,344,209	280,264,258	100%	0.530
2015	274,189,366	14,086,139	4,704,126	292,979,631	100%	0.530
2016 (3)	282,763,270	13,257,517	4,568,906	300,589,693	100%	0.530
2017 (4)	291,555,074	16,894,453	4,748,856	313,198,383	100%	0.530
2018	301,234,740	18,240,948	4,659,594	324,135,282	100%	0.530
2019	319,441,100	19,440,009	5,494,543	344,375,652	100%	0.530

Notes:

(1) Assessed value is established by the Harnett County and Wake County tax departments at 100% estimated market value.

(2) Rate per \$100 of assessed valuation.

(3) A revaluation of all property is required every eight (8) years by North Carolina statute. The last revaluation occurred for Wake County in 2016.

(4) A revaluation of all property is required every eight (8) years by North Carolina statute. The last revaluation occurred for Harnett County in 2017.

TOWN OF ANGIER, NORTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING⁽¹⁾ PROPERTY TAX RATES

TABLE 7

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Town of Angier</u>	<u>Harnett County</u>	<u>Wake County</u>	<u>Total Direct and Overlapping Rates</u>	
				<u>Harnett County Residents</u>	<u>Wake County Residents</u>
2010	0.530	0.725	0.534	1.255	1.064
2011	0.530	0.725	0.534	1.255	1.064
2012	0.530	0.725	0.534	1.255	1.064
2013	0.530	0.725	0.534	1.255	1.064
2014	0.530	0.750	0.578	1.28	1.108
2015	0.530	0.750	0.615	1.28	1.145
2016 (2)	0.530	0.750	0.601	1.28	1.131
2017 (3)	0.530	0.750	0.601	1.28	1.131
2018	0.530	0.700	0.615	1.23	1.145
2019	0.530	0.750	0.7207	1.28	1.251

Notes:

(1) Overlapping rates are those of local and county governments that apply to property owners within the Town of Angier.

(2) A revaluation of all property is required every eight (8) years by North Carolina statute. The last revaluation occurred for Wake County in 2016.

(3) A revaluation of all property is required every eight (8) years by North Carolina statute. The last revaluation occurred for Harnett County in 2017.

TOWN OF ANGIER, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS

TABLE 8

LAST TEN FISCAL YEARS

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Progress, Inc.	\$ 3,680,961	1	1.15%			
JBS S Company, LLC	3,523,030	2	1.10%			
Charter Communications II, LP	2,780,427	3	0.87%			
Angier Associates, LLC	2,640,190	4	0.83%			
Lane North Park Apartments, LLC	2,382,660	5	0.75%			
BullDog Hose Company	2,164,095	6	0.68%			
KKLM Associates	2,012,280	7	0.63%			
Lake Park Luxury Townhouse Apts, LLC	1,635,280	8	0.51%			
MJS Properties, LLC	1,426,980	9	0.45%			
Cottages at Twin Oaks, LLC	1,370,610	10	0.43%			
AFAC, Inc.				\$ 6,350,285	1	3.17%
JBS Company, LLC				3,252,150	2	1.63%
Angier Associates, LLC				3,134,630	3	1.57%
Duke Energy Progress, Inc.				2,430,891	4	1.22%
Lane North Park Apartments, LLC				2,325,230	5	1.16%
Carolina Telephone				2,279,718	6	1.14%
KKLM Associates				2,083,170	7	1.04%
Angus Fire Armour				1,338,480	8	0.67%
Primrose Villa, Inc.				1,243,000	9	0.62%
Hidden Acres Apartments				1,131,020	10	0.57%
Totals	<u>\$ 23,616,513</u>		<u>7.4%</u>	<u>\$ 25,568,574</u>		<u>12.8%</u>
Total Assessed Value	<u>\$ 319,705,283</u>			<u>\$ 200,061,658</u>		

Source: Harnett County Tax Departments Statistics and Reports - Top Taxpayers

TOWN OF ANGIER, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS

TABLE 9

LAST TEN FISCAL YEARS

Fiscal Year		Collected Within the Fiscal Year of the Levy			Collections and Credits in Subsequent Years	Total Collections to Date	
		Total Tax Levy	Amount	Percent of Levy		Amount	Percent of Levy
2009-2010	(1)	\$ 1,467,815	\$ 1,439,401	98.06%	\$ 26,281	\$ 1,465,682	99.85%
2010-2011		1,475,081	1,417,503	96.10%	55,695	1,473,198	99.87%
2011-2012		1,518,362	1,462,478	96.32%	53,504	1,515,982	99.84%
2012-2013		1,520,942	1,492,458	98.13%	26,093	1,518,551	99.84%
2013-2014		1,613,759	1,590,124	98.54%	21,628	1,611,752	99.88%
2014-2015		1,612,968	1,607,463	99.66%	4,658	1,612,121	99.95%
2015-2016		1,728,678	1,722,041	99.62%	4,795	1,726,836	99.89%
2016-2017	(2)	1,785,191	1,782,461	99.85%	1,262	1,783,723	99.92%
2017-2018		1,813,843	1,809,657	99.77%	-	1,809,657	99.77%
2018-2019		1,957,553	1,953,329	99.78%	-	1,809,657	92.44%

Notes:

(1) A revaluation of all property is required every eight (8) years by North Carolina statute. The last revaluation occurred for Harnett County in 2017.

(2) A revaluation of all property is required every eight (8) years by North Carolina statute. The last revaluation occurred for Wake County in 2016.

TOWN OF ANGIER, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE

TABLE 10

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	Per Capita
	GO Bonds	Installment Purchases	GO Bonds	Revolving Loan	Installment Purchases	Revenue Bonds		
2010	\$ -	\$ 1,180,486	\$ 1,438,000	\$ 105,000	\$ 33,853	\$ -	\$ 2,757,339	\$ 634
2011	-	1,080,137	1,301,000	90,000	-	1,240,000 (1)	3,711,137	846
2012	-	1,030,431	1,259,423	75,000	-	3,147,000 (2)	5,511,854	1,226
2013	-	908,811	1,188,619	60,000	-	3,132,000	5,289,430	1,163
2014	-	920,216	1,115,144	45,000	-	3,093,000	5,173,360	1,097
2015	-	780,341	1,039,006	30,000	-	3,052,000	4,901,347	1,010
2016	-	739,191	960,214	15,000	-	3,010,000	4,724,405	958
2017	-	603,520	878,780	-	1,600,000	2,967,000	6,049,300	1,226
2018	-	460,876	794,213	-	1,512,636	2,922,000	5,689,725	1,112
2019	-	342,385	706,532	-	1,422,835	2,875,000	5,346,752	1,034

Notes:

(1) Revenue bonds issued for Phase I of Water and Sewer improvements.

(2) Revenue bones issued for Phase I and Phase II of Water and Sewer improvements.

TOWN OF ANGIER, NORTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

TABLE 11

LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Percentage of Assessed Property Value	Per Capita
2010	\$ 1,333,000	0.48%	306
2011	1,301,000	0.46%	297
2012	1,259,423	0.45%	280
2013	1,188,619	0.42%	261
2014	1,115,144	0.39%	236
2015	1,039,006	0.37%	214
2016	960,214	0.33%	195
2017	878,780	0.30%	178
2018	794,213	0.27%	155
2019	706,532	0.23%	137

Note: Details regarding the Town's debt can be found in the notes to the financial statements.

TOWN OF ANGIER, NORTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

TABLE 12

AS OF JUNE 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable to Town (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes - Harnett County	\$ 108,667,198	4.02%	\$ 4,511,737
Subtotal, overlapping debt			4,511,737
Town of Angier direct debt			<u>603,520</u> (3)
Total direct and overlapping debt			<u>\$ 5,115,257</u>

Notes:

(1) Amount represents General Obligation Debt of Harnett County, North Carolina, reported in the FY2018 CAFR. The FY2019 CAFR is not available as of January 31, 2020. The Town is a municipal government within Harnett County.

(2) The percentage of overlapping debt applicable to the Town is estimated using FY 2017 assessed property values. The applicable percentage represents the Town's total assessed value divided by Harnett County's total assessed value.

(3) Includes all governmental general obligation and installment financing debt as of June 30, 2017.

TOWN OF ANGIER, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION

TABLE 13

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 21,917,565	\$ 21,921,031	\$ 22,716,446	\$ 23,277,887	\$ 22,939,241	\$ 22,421,141	\$ 23,702,492	\$ 23,960,725	\$ 25,055,871	\$ 29,547,968
Total net debt applicable to limit	2,652,339	2,471,137	2,364,855	2,157,430	2,080,474	1,895,347	1,714,405	3,082,300	2,767,725	2,471,752
Legal debt margin	<u>\$ 19,265,226</u>	<u>\$ 19,449,894</u>	<u>\$ 20,351,591</u>	<u>\$ 21,120,457</u>	<u>\$ 20,858,767</u>	<u>\$ 20,525,794</u>	<u>\$ 21,988,087</u>	<u>\$ 20,878,425</u>	<u>\$ 22,288,146</u>	<u>\$ 27,076,216</u>
Total net debt applicable to limit as a percentage of debt limit	12.10%	11.27%	10.41%	9.27%	9.07%	8.45%	7.23%	12.86%	11.05%	8.37%

Legal Debt Margin Calculated for Fiscal Year 2019 (1)

Assessed Value	\$ 369,349,600
Debt Limit (8% of total assessed value)	29,547,968
Debt applicable to limit:	
General obligation bonds	706,532
Non bonded debt	1,765,220
Less statute exclusion for water bonds	<u>-</u>
Total net debt applicable to limit	<u>2,471,752</u>
Legal Debt Margin	<u>\$ 27,076,216</u>

Notes:

(1) Under North Carolina general statutes, the legal debt limit should not exceed 8% of total assessed property value. By law, the statutes provide exclusions for bonded debt which has been issued for water and sewer systems, provided the criteria for excluding the debt has been satisfied by the unit of government.

TOWN OF ANGIER, NORTH CAROLINA
PLEDGE-REVENUE COVERAGE

TABLE 14

LAST TEN FISCAL YEARS

	Sewer Revenue Bonds							
	Water and Sewer	Other Non-		Less Operating	Net Available	Debt Service		
Fiscal Year	Charges	Operating Revenues	Total Charges	Expenses	Revenue	Principal	Interest	Coverage
2010	\$ 1,531,521	\$ 1,265,791	\$ 2,797,312	\$ 1,195,146	\$ 1,602,166	\$ 1,350,348	\$ 63,212	1.13
2011	1,610,628	38,963	1,649,591	1,405,091	244,500	80,854	125,417	1.19
2012	1,731,833	3,258,654	4,990,487	1,460,051	3,530,436	3,302,577	132,898	1.03
2013	2,124,130	60,086	2,184,216	1,619,887	564,329	100,804	169,885	2.08
2014	2,003,704	28,316	2,032,020	1,846,612	185,408	127,476	166,483	0.63
2015	2,110,082	45,219	2,155,301	1,891,064	264,237	132,138	161,827	0.90
2016	2,022,461	49,600	2,072,061	2,052,310	19,751	135,792	156,997	0.07
2017	2,123,533	47,687	2,171,220	2,148,501	22,719	139,434	152,030	0.08
2018	2,479,672	41,700	2,521,372	2,177,793	343,579	224,482	183,441	0.84
2019	2,589,405	34,266	2,623,671	2,331,648	292,023	231,081	175,972	0.49

TOWN OF ANGIER, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS

TABLE 15

LAST TEN FISCAL YEARS

Fiscal Year	Angier Population (1)	Median Household Income (1)	Housing Units (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2010	4,350	N/A	N/A	35.0	425	10.8%
2011	4,385	N/A	N/A	34.0	425	11.8%
2012	4,495	N/A	N/A	34.0	424	11.2%
2013	4,547	N/A	N/A	34.0	438	10.5%
2014	4,718	N/A	N/A	34.0	450	7.2%
2015	4,851	N/A	N/A	34.0	452	6.2%
2016	4,934	N/A	N/A	34.0	454	5.4%
2017	5,091	\$ 45,428	20,293	33.4	425	4.0%
2018	5,118	\$ 44,821	22,430	N/A	426	3.6%
2019	5,170	\$ 53,489	2,216	N/A	430	3.3%

Fiscal Year	Harnett County Population (1)	Median Household Income (1)	Housing Units (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2017	132,754	\$ 50,323	50,542	33.9	N/A	5.1%
2018	133,114	\$ 45,709	54,879	N/A	N/A	5.1%
2019	133,434	\$ 54,040	55,591	N/A	N/A	3.8%

Fiscal Year	Wake County Population (1)	Median Household Income (1)	Housing Units (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2017	1,072,203	\$ 73,577	411,632	35.8	N/A	4.0%
2018	1,092,636	\$ 74,355	445,518	N/A	N/A	3.6%
2019	1,111,193	\$ 79,829	455,657	N/A	N/A	2.8%

Notes:

- (1) 2017 statistics provided by the United States Census Bureau: <https://www.census.gov>
 2018 statistics provided by North Carolina census data: <https://northcarolina.hometownlocator.com/nc>
 2019 statistics provided by North Carolina census data: <https://northcarolina.hometownlocator.com/nc/harnett/angier.cfm>
- (2) 2017 and 2018 statistics provided by Angier Elementary School administration
 2019 statistics provided through: <https://www.publicschoolreview.com/angier-elementary-school-profile/27501>
- (3) 2017 and 2018 statistics for Angier provided by North Carolina unemployment data:
<https://www.homefacts.com/unemployment/North-Carolina>
 2017, 2018 and 2019 statistics for Harnett and Wake counties provided by North Carolina government data:
<https://d4.nccommerce.com/LausSelection.aspx>

TOWN OF ANGIER, NORTH CAROLINA
PRINCIPAL EMPLOYERS

TABLE 16

LAST TEN FISCAL YEARS

Employer	2018 (2)		2009 (1)
	Employees	Rank	Employees
Harnett County Schools	1000+	1	1000+
Campbell University	1000+	2	500-999
Food Lion	1000+	3	500-999
County of Harnett	500-999	4	500-999
Betsy Johnson Memorial Hospital	500-999	5	500-999
Wal-Mart Associates, Inc.	500-999	6	250-499
Charlie C's Operation Center, Inc.	250-499	7	100-249
NC Department of Public Safety	250-499	8	-
Champion Home Builders, Inc.	100-249	9	100-249
Edwards Brothers Malloy	100-249	10	250-499
Machine & Welding Supply Co.	100-249	11	-

Notes:

(1) This information reports Harnett County's principal employers. The Town of Angier's data is not available.

(2) These are the principal employers, as reported in the FY2018 CAFR for Harnett County. The FY2019 CAFR is not available, as of January 31, 2020.

TOWN OF ANGIER, NORTH CAROLINA

TABLE 17

FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General Government:										
Governing Body	5	5	5	5	5	5	5	5	5	5
Administration	4	4	4	4	4	4	4	4	3.5	3.5
Finance	-	-	-	-	-	-	-	-	1.5	2
Library	2	2	2	2	2	2	2	2	2	3
Economic and Physical Development:										
Planning and Zoning	1	1	1	1	1	1	1	1	1	2
Public Safety:										
Law Enforcement Officers	12	11	12	12	12	13	14	14	12	12
Public Works:										
Streets	2	0.66	0.66	0.66	0.67	1.34	1.34	1.34	1.34	1.34
Water	1	4.16	4.16	4.16	4.17	4.34	4.84	4.84	3	3
Sewer	5	3.16	3.16	3.16	3.17	3.34	3.84	3.84	4.34	4.34
Parks & Recreation	2	2	2	3	3	3	3	3	3	3
Total	34	33	34	35	35	37	39	39	37	39

TOWN OF ANGIER, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION

TABLE 18

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function:										
Public Safety:										
Physical arrests	265	259	236	145	208	351	354	459	244	244
Traffic violations	1434	999	686	784	378	782	850	762	283	283
Highways and Streets:										
Street resurfacing (miles)	N/A	1.67	1.83	1	0	0	0	0	1.39	0
Potholes repaired	10	12	12	10	12	12	14	20	16	16
Code Enforcement/Inspections:										
Building permits	133	155	226	306	342	277	369	332	312	312
Sanitation:										
Yard waste collected (tons/year)	N/A	241.02	271.07	276.93	264.36	263.41	484.01	274.22	N/A	N/A
Household/appliances (tons/year)	N/A	75.24	83.44	87.37	91.04	106.79	118.38	100.05	N/A	N/A
Recycle pick-up fee	3	3	3	3.1	3.3	3.3	3.3	3.3	4.0	4.0
Trash pick-up fee	8.5	8.5	8.5	8.75	9.3	9.3	9.3	9.3	9.60	9.60
Culture and Recreation:										
Athletic field permits issued	2	3	2	3	8	22	28	31	48	48
Youth participation:										
Fall soccer	300	315	308	298	265	252	360	374	322	322
Football and cheerleading	162	146	152	144	150	112	107	92	106	106
Basketball	227	238	265	278	255	238	252	274	276	276
Baseball	594	614	592	583	580	517	543	484	473	473
Water:										
Water customers	2616	2642	2581	2511	2567	2637	2706	2772	2834	2931
Average water bill	63.6	66.15	66.47	58.12	57.79	63.64	66.37	68.72	63.1	65.58
Water main breaks	8	10	12	14	24	20	22	23	20	21

TOWN OF ANGIER, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION

TABLE 19

LAST TEN FISCAL YEARS

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function:										
Public Safety:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	15	15	15	21	18	19	19	19	19	19
Sanitation:										
Collection trucks	2	2	2	2	3	3	3	3	3	3
Highways and Streets:										
Streets (miles)	24.37	24.37	24.37	24.37	24.37	24.37	24.37	24.66	24.66	24.66
Traffic signals	2	2	2	2	2	2	2	2	2	2
Culture and Recreation:										
Parks acreage	26.5	26.5	27.1	27.1	27.1	27.1	27.1	27.1	27.1	27.1
Parks acreage	1	1	1	1	1	1	1	1	1	1
Baseball fields	6	6	5	5	5	5	5	5	5	5
Tennis courts	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (feet):										
4" water line	7043	7043	7043	7043	7043	7043	7043	7043	7043	7043
6" water line	123302	123302	123302	123302	123302	123302	123302	123302	125853	125853
8" water line	51800	51800	51800	51800	51800	51800	51800	51800	65276	65276
10' water line	8711	8711	8711	8711	8711	8711	8711	8711	8711	8711
12" water line	37019	37019	37019	37019	37019	37019	37019	37019	37019	37019
20' water line	5967	5967	5967	5967	5967	5967	5967	5967	5967	5967
Total	233842	233842	233842	233842	233842	233842	233842	233842	249869	249869
Sewer:										
8" sewer lines (feet)	121651	121651	121651	121651	121651	121651	121651	121651	126591	126591
16" sewer line (feet)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1718	1718

TOWN OF ANGIER

COMPLIANCE SECTION

**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Mayor
Board of Commissioners
Town of Angier, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Angier, North Carolina (the "Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 20, 2020. Our report includes a reference to another auditor, who audited the financial statements of the Town of Angier Alcoholic Beverage Control Board (the "Board"), as described in our report on the Town's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by the other auditor. The financial statements of the Board were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Town's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying schedule of findings and responses to be a material weakness: 2019-003.

A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies: 2019-001 and 2019-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2019-004.

Town's Response to Findings

The Town's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cheryl Bekaert LLP

Raleigh, North Carolina
April 20, 2020

TOWN OF ANGIER, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2019

SECTION I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- | | | |
|--|-------------------|-----------------------------|
| - Material weakness identified | <u> X </u> Yes | <u> </u> No |
| - Significant deficiency identified that is not considered to be a material weakness | <u> X </u> Yes | <u> </u> None reported |
| - Noncompliance material to financial statements noted | <u> </u> Yes | <u> X </u> No |

Federal Awards

There were no major federal awards.

State Awards

There were no major State awards.

SECTION II. Financial Statement Findings

Significant Deficiency

Finding 2019-001 Segregation of Duties

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: An individual employee has the ability to access and receive cash from customers and to adjust customer bills within the Town's system.

Effect: Potential misstatement of cash, revenue, or customer deposits.

Cause: There are a limited number of personnel for certain functions.

Recommendation: The duties should be separated as much as possible and alternative controls should be used to compensate for lack of separation. In order to achieve greater segregation, the finance director should consider restructuring employee responsibilities and or adding personnel when financially feasible.

Management Response: The Town agrees with this finding and continues to improve controls as much as possible with the limited number of personnel available.

TOWN OF ANGIER, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2019

Significant Deficiency

Finding 2019-002 Approval of Journal Entries

Criteria: Management should have procedures in place over the journal entry process to ensure that they are reviewed and approved and that proper segregation of duties is followed.

Condition: Management does not have a process in place to document the review and approval of journal entries or to ensure that proper segregation of duties over the posting of journal entries was followed.

Effect: Potential misstatement to any financial statement line item.

Recommendation: Management should implement procedures over the journal entry process to ensure that they are appropriately reviewed and approved and that proper segregation of duties is followed.

Management Response: The Town agrees with this finding and will begin taking immediate as well as ongoing steps to resolve this matter.

Material Weakness

Finding 2019-003 Financial Reporting

Criteria: Management should have sufficient controls over financial reporting such that the financial statements are materially correct without proposed audit adjustments.

Condition: During the audit several material audit adjustments were proposed to management. An adjustment was made to record sales tax collected in September 2019 which related to June 2019. Additionally, several adjustments were made for items not properly accrued as of June 30, 2019. Auditor also prepared draft financial statements.

Effect: Management agreed with and posted the proposed audit adjustments and draft financial statements.

Recommendation: Management should continue efforts to improve the accuracy of year-end financial reporting by reviewing the procedures that have been implemented and make appropriate changes as needed.

Management Response: The Town agrees with this finding and will take the necessary actions as described in the Corrective Action Plan to deal with this issue.

TOWN OF ANGIER, NORTH CAROLINA

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2019

Nonmaterial Noncompliance

Finding 2019-004 Budgetary Violation

Criteria: Therefore, notwithstanding any other provision of law, no local government or public authority may expend any monies, regardless of assessments), except in accordance with a budget ordinance or their source (including monies derived from bond proceeds, federal state, or private grants or loans, special project ordinance adopted (NC General Statute 159-8).

Condition: The expenditures made in the General Fund for general government, transportation, debt service and transfers exceeded budgeted expenditures by \$ 37,980, \$597, \$10,546 and \$6,289, respectively. The expenditures in the capital project funds exceeds budgeted expenditures by \$5,663 for engineering in the Lillington/Willow/Roy Street Sidewalk Fund. The Water and Sewer Fund for water treatment and distributions and transfers exceeded budgeted expenditures by \$203,063 and \$105,429, respectively.

Effect: Budgeted expenditure amounts for these two departments violated NC General Statute 159-8.

Recommendation: Changes be made to the budget resolution when necessary to cover expenditures.

Management Response: The Town agrees with this finding and understands that it must comply with statutory and other legally imposed requirements regarding the expenditure of funds within the limits of legally required budgets and other legal requirements.

SECTION III. Federal Award Findings

None reported.

SECTION IV. State Award Findings

None reported.



Town of Angier

www.angier.org

Lewis Weatherspoon
Mayor

Gerry Vincent
Town Manager

Veronica Hardaway
Town Clerk

Town of Angier

Audit of Financial Statements for the Fiscal Year Ending 6/30/19

CORRECTIVE ACTION PLAN

Finding 2019-001 Segregation of Duties

Name of Contact Person: Hans Kalwitz - Finance Director

Corrective Action: Management will look at the possibility of restructuring duties in order to achieve greater segregation of duties. With the limited number of personnel available, this may not be possible immediately. When the vacant position for a third employee is filled in the near future, staff duties will be reviewed and changed/realigned as much as possible to achieve greater segregation of responsibilities.

Additionally, the Finance Director currently reviews and approves all adjustments. Management will also work with our software vendor to determine if there are ways that controls can be increased via the software program. Finally, as funds allow, the Town will look at adding additional personnel in order to strengthen controls by assigning duties over a larger number of available employees.

Proposed Completion Date: Ongoing.

Finding 2019-002 Approval of Journal Entries

Name of Contact Person: Hans Kalwitz - Finance Director

Corrective Action: Management will change the process to require all journal entries to be reviewed and approved before posting of the entry. Management will also work to ensure proper segregation of duties over the posting of journal entries. As part of this process, the Finance Director will review and approve all journal entries generated in the Finance Department and any journal entries prepared/proposed by the Finance Director will be approved by the Town Manager.

Proposed Completion Date: Immediate and ongoing.

Post Office Box 278 • Angier, North Carolina 27501-0278 • (919) 639-2071

Finding 2019-003 Financial Reporting

Name of Contact Person: Hans Kalwitz - Finance Director

Corrective Action: Staff understands that amounts collected for sales tax for a fiscal year are collected through the month of September. Staff will ensure that the books are held open and any amounts collected for sales tax through September that are for the fiscal year ending June 30 prior will be accrued and recorded in the appropriate fiscal year.

Additionally, management understands the importance of proper cut off with financial information. The Finance Director and Finance Department staff will scrutinize transactions to verify which period they should be posted to. This will require additional effort to review transactions that occur at, near or after year end to verify the period to which they belong and ensure that they are posted to that proper period. The same will be true for the beginning of the fiscal year as some transactions will apply to the new fiscal period and others will be for items that were accrued and recorded for the period ending June 30th but were not actually received or disbursed until after June 30.

Proposed Completion Date: Ongoing.

Finding 2018-004 Budgetary Violations

Name of Contact Person: Hans Kalwitz - Finance Director

Corrective Action: Management understands that the expenditure of moneys must be in accordance with the budget ordinance or their source. The error found during the audit was that amounts expended were in excess of the amounts budgeted. Management will review financial reporting to ensure that expenditures are in line with approved budgets and that funds are not expended in excess of budget. If that situation occurs, it will be corrected immediately.

Management will also review financial reporting before the last meeting in June to determine that there are no departments where expenditures exceed the budget authorization or there is the possibility of that occurring by June 30th. Those situations will be corrected immediately with appropriate budget amendments so there is no budget violation. Should a situation arise after the last Board meeting in June but before June 30th, the Finance Director would ask for a special meeting in order to adopt necessary budget amendments so that no departmental expenditures exceed appropriated budgets at June 30th.

Proposed Completion Date: Ongoing.

TOWN OF ANGIER, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2019

Finding 2018-001

Status: Not corrected

Finding 2018-002

Status: Not corrected

Finding 2018-003

Status: Not corrected

Finding 2018-004

Status: Not corrected