
Town of Bridgeton

Bridgeton, North Carolina

Audit Report

June 30, 2019

TOWN OF BRIDGETON

BRIDGETON, NORTH CAROLINA

TOWN OFFICIALS

Mayor

Rodman L. Williams

Town Commissioners

Elizabeth W. Parker, Mayor Pro-tem

John R. Chittick

Keith L. Tyndell

David L. Cuthrell

Town Clerk

Melba A. Bolton

Town of Bridgeton, North Carolina
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June 30, 2019

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LARRY E. CARPENTER, CPA, PA

CERTIFIED PUBLIC ACCOUNTANT

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bridgeton, North Carolina, 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 the audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Member:

American Institute of Certified Public Accountants, NC Association of Certified Public Accountants
AICPA – Governmental Audit Quality Center

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Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funds of Town of Bridgeton, North Carolina as of June 30, 2019, and the respective changes in financial position, and cash flows, where appropriate, thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions on pages 40 and 41, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general 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 of Bridgeton, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statement 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 combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and 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 any assurance on them.

Larry E. Carpenter, CPA, PA

Greenville, NC
October 23, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Bridgeton, we offer readers of the Town of Bridgeton's financial statements this narrative overview and analysis of the financial activities of the Town of Bridgeton 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.

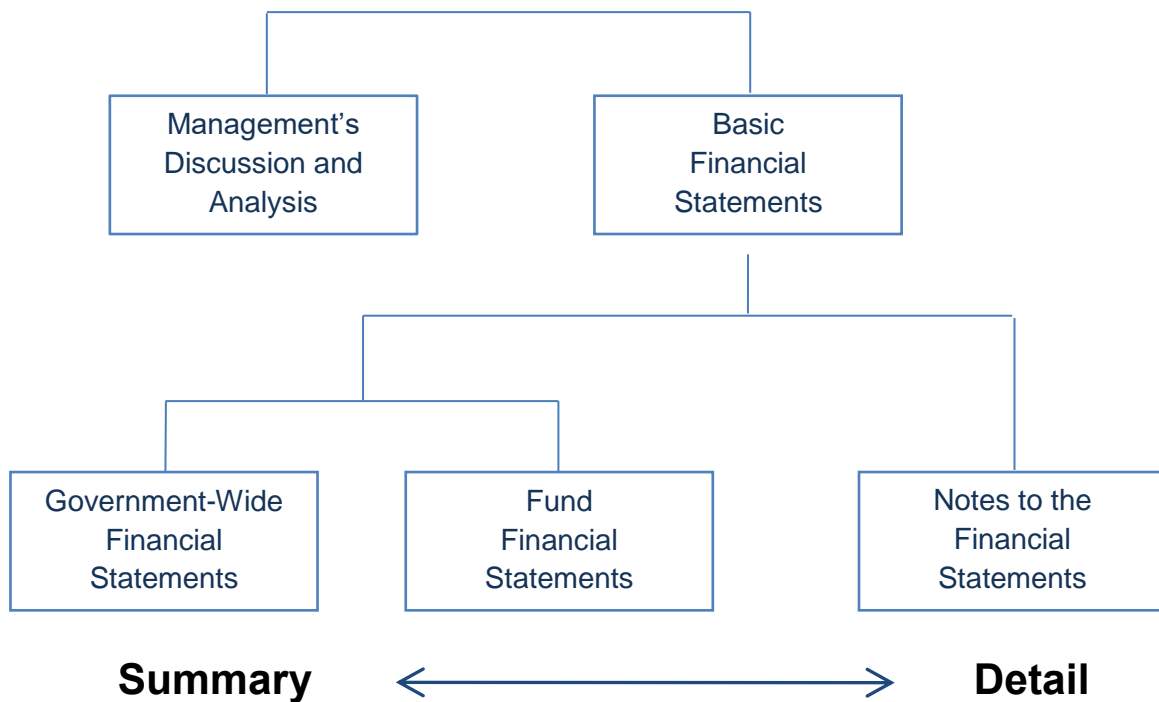
Financial Highlights

- The assets and deferred outflows of resources of the Town of Bridgeton exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,457,384 (*net position*).
- The government's total net position decreased by \$30,798, primarily due to a decrease in both the governmental and the business-type activities net position.
- As of the close of the current fiscal year, the Town of Bridgeton's governmental funds reported combined ending fund balances of \$599,422 with a net change of \$85,472 in fund balance. Approximately 88.39% percent of this total amount, or \$529,857 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$529,857, or 67.33% of total general fund expenditures for the fiscal year. At the end of the current fiscal year, the Town of Bridgeton has Restricted Reserves of \$36,877.
- The Town of Bridgeton's total debt \$257,605 during the current fiscal year

Overview of the Financial Statements

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

Components of the Annual Financial Report
Figure 1:



Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

Government-wide financial statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, cultural and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Bridgeton.

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

Fund financial statements

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

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

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

Proprietary Funds: Town of Bridgeton has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Bridgeton uses enterprise funds to account for its sewer activity. These funds are the same as those

functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Bridgeton's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 40 of this report.

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

Town of Bridgeton's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 636,494	\$ 561,223	\$ 149,492	\$ 221,911	\$ 785,986	\$ 783,134
Pension assets						
Capital assets	171,792	194,807	830,551	887,954	1,002,343	1,082,761
Deferred outflows of resources	41,248	32,511	-	-	41,248	32,511
Total assets and deferred outflows of resources	849,534	788,541	980,043	1,109,865	1,829,577	1,898,406
Current liabilities	43,138	45,892	70,105	68,205	113,243	114,097
Noncurrent liabilities	50,768	33,915	-	-	50,768	33,915
Deferred inflows of resources	398	823	-	-	398	823
Total liabilities and deferred inflow of resources	94,304	80,630	70,105	68,205	164,409	148,835
Net investment in capital assets	171,792	164,793	593,528	607,018	765,320	771,811
Restricted	69,565	68,585	-	-	69,565	68,585
Unrestricted	498,073	450,166	124,426	197,620	622,499	647,786
Total net position	\$ 739,430	\$ 683,544	\$ 717,954	\$ 804,638	\$ 1,457,384	\$ 1,488,182

Management's Discussion and Analysis
Town of Bridgeton

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Bridgeton exceeded liabilities by \$1,457,384 as of June 30, 2019. The Town's net position decreased by \$30,798 for the fiscal year ended June 30, 2019. However, the largest portion, \$765,320 or 52.51%, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Bridgeton uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Bridgeton's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Bridgeton's net position, 69,565 or 0.09% represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$622,499 or 80.01% is unrestricted.

Town of Bridgeton's Changes in Net Position
Figure 3

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 9,898	\$ 16,396	\$ 148,371	\$ 178,698	\$ 158,269	\$ 195,094
Operating grants and contributions	203,112	29,894	-	-	203,112	29,894
Capital grants and contributions	-	15,000	-	-	-	15,000
General revenues:						
Property taxes	274,265	291,257			274,265	291,257
Other taxes	193,593	177,300			193,593	177,300
Unrestricted intergovernmental	-	-			-	-
Investment earnings	-	-	48	62	48	62
Other	100,906	11,196	1,525	175	102,431	11,371
Total revenues	<u>781,774</u>	<u>541,043</u>	<u>149,944</u>	<u>178,935</u>	<u>931,718</u>	<u>719,978</u>
Expenses:						
General government	532,575	258,003			532,575	258,003
Public safety	166,470	146,689			166,470	146,689
Transportation	70,980	60,802			70,980	60,802
Environmental protection	33,477	9,854			33,477	9,854
Culture and recreation	1,829	755			1,829	755
Interest on long-term debt	-	-			-	-
Water and sewer			157,185	210,880	157,185	210,880
Total expenses	<u>805,331</u>	<u>476,103</u>	<u>157,185</u>	<u>210,880</u>	<u>962,516</u>	<u>686,983</u>
Increase in Net Position before transfers	(23,557)	64,940	(7,241)	(31,945)	(30,798)	32,995
Transfers	<u>79,443</u>	<u>-</u>	<u>(79,443)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net Position	55,886	64,940	(86,684)	(31,945)	(30,798)	32,995
Net Position, July 1	683,544	618,604	804,638	836,583	1,488,182	1,455,187
Net Position, June 30	<u>\$ 739,430</u>	<u>\$ 683,544</u>	<u>\$ 717,954</u>	<u>\$ 804,638</u>	<u>\$1,457,384</u>	<u>\$1,488,182</u>

Governmental activities: Governmental activities increased the Town's net position by \$55,886.

Business-type activities: Business-type activities decreased the Town of Bridgeton's net position by \$86,684, accounting for -1.55% of the decrease in growth in government's net assets.

Proprietary Funds. The Town of Bridgeton's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Water and Sewer at the end of the fiscal year amounted to \$717,954. The total decrease in net position was \$86,684.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Bridgeton. At the end of the current fiscal year, the Town of Bridgeton's fund balance available in the General Fund was \$529,857, while total fund balance reached \$599,422. The Town currently has an available fund balance of 67.33% of general fund expenditures, while total fund balance represents 76.17% of the same amount.

At June 30, 2019, the governmental funds of the Town of Bridgeton reported a combined fund balance of \$599,422 with a net increase in fund balance of \$85,472.

General Fund Budgetary Highlights

During the fiscal year, the Town revised the budget. 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.

The Town of Bridgeton revised its original budget because

Proprietary funds. The Town of Bridgeton'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 Fund at the end of the fiscal year amounted to - .

Capital Asset and Debt Administration

Capital assets. The Town of Bridgeton's investment in capital assets for its governmental and business—type activities as of June 30, 2019, totaled \$744,738 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

**Town of Bridgeton Capital Assets
(Net of Depreciation)
Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 20,300	\$ 20,300	\$ 8,653	\$ 8,653		\$ 28,953
Building and systems	183,001	183,001	2,231,943	2,231,946		2,414,947
Machinery and equipment	302,652	302,652				302,652
Computer software	21,055	21,055				21,055
Vehicles and motorized equipment	153,210	153,210				153,210
Subtotal	680,218	680,218	2,240,596	2,240,599		2,920,817
Accumulated depreciation	(508,427)	(485,411)	(1,410,047)	(1,294,967)		(1,780,378)
Capital assets, net	<u>\$171,791</u>	<u>\$194,807</u>	<u>\$ 830,549</u>	<u>\$ 945,632</u>		<u>\$1,140,439</u>

Long-term Debt.

As of June 30, 2019, the Town of Bridgeton had total debt outstanding of \$257,604. Of this amount, \$257,604 is debt backed by full faith and credit of the Town.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital Lease	\$ 20,582	\$ 30,014	\$ -	\$ -	\$ 20,582	\$ 30,014
General Obligation Bonds	-	-	237,022	280,937	237,022	280,937
Total	<u>\$ 20,582</u>	<u>\$ 30,014</u>	<u>\$ 237,022</u>	<u>\$ 280,937</u>	<u>\$ 257,604</u>	<u>\$ 310,951</u>

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries.

Budget Highlights for the Fiscal Year Ending June 30, 2019

Tax revenues along with other general fund revenues are expected to remain constant and no property tax rate increase is being considered at this time. Electric revenues and expenditures are expected to remain constant so no increase or decrease in rate is being considered at this time.

Governmental Activities. Property tax rates budgeted expenditures will remain similar to the current year.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

**Town Clerk
Town of Bridgeton
PO Box 570
202 B Street
Bridgeton, North Carolina 28519-0570**

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Bridgeton, North Carolina
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
<i>Current Assets</i>			
Cash and cash equivalents	\$ 555,063	\$ 117,082	\$ 672,145
Taxes receivable, net	11,866	--	11,866
Accounts receivable, net	26,772	19,657	46,429
Restricted cash and cash equivalents	36,877	18,669	55,546
<i>Internal Balances*</i>	5,916	(5,916)	--
Total Current Assets	636,494	149,492	785,986
<i>Noncurrent Assets</i>			
Land and other nondepreciable assets	20,300	8,653	28,953
Other capital assets, net of depreciation	151,492	821,898	973,390
Total Assets	808,286	980,043	1,788,329
DEFERRED OUTFLOWS OF RESOURCES			
Aggregated deferred outflows	41,248	--	41,248
Total Deferred Outflows of Resources	41,248	--	41,248
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable and accrued liabilities	25,071	6,397	31,468
Compensated absences	8,635	--	8,635
Customer deposits	--	18,669	18,669
Current portion of long-term debt	9,432	45,039	54,471
Total Current Liabilities	43,138	70,105	113,243
<i>Noncurrent Liabilities</i>			
Due in more than one year	11,150	191,984	203,134
Net Pension Liability	50,768	--	50,768
Compensated absences	4,650	--	4,650
Total Liabilities	109,706	262,089	371,795
DEFERRED INFLOWS OF RESOURCES			
Aggregated deferred inflows	398	--	398
Total Deferred Inflows of Resources	398	--	398
NET POSITION			
Net investment in capital assets	151,210	593,528	744,738
<i>Restricted for:</i>			
Stabilization by State Statue	32,688	--	32,688
Streets	36,877	--	36,877
<i>Unrestricted</i>	518,655	124,426	643,081
Total Net Position	\$ 739,430	\$ 717,954	\$ 1,457,384

The accompanying notes are an integral part of this financial statement.

**Town of Bridgeton, North Carolina
Statement of Activities
For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 532,575	\$ 8,548	\$ 187,727	\$ --	\$ (336,300)	\$ --	\$ (336,300)
Public safety	166,470	1,350	--	--	(165,120)	--	(165,120)
Transportation	70,980	--	15,385	--	(55,595)	--	(55,595)
Environmental protection	33,477	--	--	--	(33,477)	--	(33,477)
Cultural and recreational	1,829	--	--	--	(1,829)	--	(1,829)
Total Governmental Activities	805,331	9,898	203,112	--	(592,321)	--	(592,321)
Business-type Activities:							
Sewer Fund	157,185	148,371	--	--	--	(8,814)	(8,814)
Total Primary Government	\$ 962,516	\$ 158,269	\$ 203,112	\$ --	\$ (592,321)	\$ (8,814)	\$ (601,135)
General Purpose Revenues and Transfers:							
Revenues							
					274,265	--	274,265
					193,593	--	193,593
					--	48	48
					100,906	1,525	102,431
Transfers							
					79,443	(79,443)	--
Total General Revenues and Transfers							
					648,207	(77,870)	570,337
Change in Net Position							
					55,886	(86,684)	(30,798)
<i>Net Position at Beginning of Period</i>							
					683,544	804,638	1,488,182
Net Position at End of Period							
					\$ 739,430	\$ 717,954	\$ 1,457,384

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

**Town of Bridgeton, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019**

	Major Fund
	General Fund
ASSETS	
Cash and cash equivalents	\$ 555,063
Taxes receivable, net	11,866
Accounts receivable, net	26,772
Restricted cash and cash equivalents	36,877
Due from other funds	5,916
Total Assets	636,494
DEFERRED OUTFLOWS OF RESOURCES	
Aggregated deferred outflows	--
Total Assets and Deferred Outflows of Resources	\$ 636,494
LIABILITIES	
Accounts payable and accrued liabilities	\$ 25,206
Total Liabilities	25,206
DEFERRED INFLOWS OF RESOURCES	
Aggregated deferred inflows	11,866
Total Liabilities and Deferred Inflows of Resources	37,072
FUND BALANCE	
Restricted	
State Statue	32,688
Streets	36,877
Unassigned	529,857
Total Fund Balance	599,422
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 636,494

The accompanying notes are an integral part of this financial statement.

Town of Bridgeton, North Carolina
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Fund Balance - Governmental Funds	\$ 599,422
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	171,792
Net Pension Liability	(16,853)
Net pension assets/liabilities resulting from contributions greater than or less than the amount of annual required contributions are not financial resources and therefore are not reported in the funds.	(33,915)
Other long-term liabilities (accrued interest payable, bonds payable, earned vacation payable) are not due and payable in the current period and, therefore are not reported in the funds.	(22,582)
Long-term liabilities used in governmental activities are not financial uses and, therefore are not reported in the funds.	(11,150)
Deferred outflows of resources related to pensions are not reported in the funds	41,248
Deferred inflows of resources related to pensions are not reported in the funds	(398)
Earned revenues considered deferred inflows of resources in fund statements.	11,866
Total Net Position-Governmental Funds	\$ <u>739,430</u>

The accompanying notes are an integral part of this financial statement.

Town of Bridgeton, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	Major Fund
	General Fund
Revenues	
Ad valorem taxes	\$ 285,508
Unrestricted intergovernmental	194,915
Restricted intergovernmental	203,112
Charges for Sales & Services	8,576
Miscellaneous Income	100,906
Total Revenues	793,017
Expenditures	
General government	523,684
Public safety	159,182
Transportation	68,816
Environmental protection	33,477
Cultural and recreational	1,829
Total Expenditures	786,988
Excess of Revenues Over (Under) Expenditures	6,029
Other Financing Sources (Uses)	
Transfer to/from	79,443
Net Change in Fund Balance	85,472
<i>Fund Balance at Beginning of Period</i>	513,950
Fund Balance at End of Period	\$ 599,422

The accompanying notes are an integral part of this financial statement.

Town of Bridgeton, North Carolina
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended June 30, 2019

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

Total Net Change in Fund Balances - Governmental Funds	\$	85,472
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, however, 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.		9,432
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.		(23,016)
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. (change in earned vacation pay, change in accrued interest expense)		2,794
..... in the funds.		(11,243)
Pension expense		(7,554)
Changes in Net Position-Governmental Funds	\$	<u>55,886</u>

The accompanying notes are an integral part of this financial statement.

Town of Bridgeton, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues				
Ad valorem taxes	\$ 295,000	\$ 295,000	\$ 285,508	\$ (9,492)
Unrestricted intergovernmental	220,260	220,260	194,915	(25,345)
Restricted intergovernmental	205,166	205,166	203,112	(2,054)
Charges for Sales & Services	11,775	11,775	8,576	(3,199)
Miscellaneous Income	92,167	92,167	100,906	8,739
Total Revenues	824,368	824,368	793,017	(31,351)
Other Financing Sources				
Total Revenues and Other Financing Sources	824,368	824,368	793,017	(31,351)
Expenditures				
General government	650,810	650,810	523,684	127,126
Public safety	211,837	211,837	159,182	52,655
Transportation	128,399	128,399	68,816	59,583
Environmental protection	35,320	35,320	33,477	1,843
Cultural and recreational	2,002	2,002	1,829	173
Total Expenditures	1,028,368	1,028,368	786,988	241,380
Other Financing Uses				
Appropriations	(100,000)	(100,000)	--	(100,000)
Transfer to/from	(104,000)	(104,000)	(79,443)	(24,557)
Total Expenditures and Other Financing Uses	824,368	824,368	707,545	116,823
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	--	--	85,472	85,472
Net Change in Fund Balance	\$ --	\$ --	85,472	\$ 85,472
<i>Fund Balance at Beginning of Period</i>			513,950	
<i>Fund Balance at End of Period</i>			\$ 599,422	

The accompanying notes are an integral part of the financial statements.

Town of Bridgeton, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities -
	Water & Sewer
ASSETS	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 117,082
Accounts receivable, net	19,657
Restricted cash and cash equivalents	18,669
Total Current Assets	155,408
<i>Noncurrent Assets</i>	
Land and other nondepreciable assets	8,653
Other capital assets, net of depreciation	821,898
Total Assets	985,959
DEFERRED OUTFLOWS OF RESOURCES	
Aggregated deferred outflows	--
Total Deferred Outflows of Resources	--
LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable and accrued liabilities	6,397
Customer deposits	18,669
Due to other funds	5,916
Current portion of long-term debt	45,039
Total Current Liabilities	76,021
<i>Noncurrent Liabilities</i>	
Due in more than one year	191,984
Total Liabilities	268,005
DEFERRED INFLOWS OF RESOURCES	
Aggregated deferred inflows	--
Total Deferred Inflows of Resources	--
NET POSITION	
Net investment in capital assets	593,528
<i>Unrestricted</i>	124,426
Total Net Position	\$ 717,954

The accompanying notes are an integral part of the financial statements.

Town of Bridgeton, North Carolina
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities -
	Water & Sewer
Operating Revenues	
Charges for Sales & Services	\$ 148,371
Miscellaneous Income	1,525
Total Operating Revenues	149,896
Operating Expenses	
Water and sewer operations	92,592
Depreciation	57,402
Total Operating Expenses	149,994
Operating Income (Loss)	(98)
Non-Operating Revenues (Expenses)	
Interest and fees	48
Interest and other charges	(7,191)
Net Non-Operating Revenues (Expenses)	(7,143)
Income Before Contributions and Transfers	(7,241)
Transfer to/from	(79,443)
Change In Net Position	(86,684)
<i>Net Position at Beginning of Period</i>	804,638
Net Position at End of Period	\$ 717,954

The accompanying notes are an integral part of the financial statements.

Town of Bridgeton, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds
	Water & Sewer Fund
Cash Flows from Operating Activities:	
Cash received from customers	\$ 140,098
Cash paid for goods and services	(92,261)
Customer deposits, net	777
Net cash provided (used) by operating activities	48,614
Cash Flows from Noncapital Financing Activities:	
Transfers to other funds	(79,443)
Net cash provided (used) by capital financing activities	(79,443)
Cash Flows From Capital and Related Financing Activities	
Principal repaid on long-term debt	(43,915)
Interest paid on long-term debt	(7,191)
Net cash provided (used) by noncapital and related financing activities	(51,106)
Cash Flows from Investing Activities:	
Investment income received	48
Net increase (decrease) in cash and cash equivalents	(81,887)
Cash and Cash Equivalents - Beginning of Year	217,638
Cash and Cash Equivalents - End of Year	\$ 135,751
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (98)
Depreciation	57,402
Change in assets and liabilities:	
(Increase) decrease in accounts receivables	(10,575)
Increase (decrease) in accounts payable and accrued liabilities	1,108
Increase (decrease) in customer deposits	777
Net cash provided (used) by operating activities	\$ 48,614

The accompanying notes are an integral part of the financial statements.

Notes To The Financial Statements

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE I — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Bridgeton conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Bridgeton is a municipal corporation that is governed by an elected mayor and a six-member council. As required by generally accepted accounting principles, these financial statements present the financial information of the Town.

B. Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category — governmental and proprietary — are presented. The emphasis of fund financial 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 non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. 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 fund:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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.

Enterprise Funds. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Sewer Fund is the only enterprise fund of the Town.

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.

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 enterprise fund are 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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers all revenues to be available if they are collected within 90 days after year-end, except for property taxes. Expenditures generally are recorded when a liability is incurred, as

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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 funds are charges to customers for sales and services. 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.

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.

Sales taxes collected and held by the State at year-end on behalf of the Town are recognized as revenue. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are 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.

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.

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 fund. Amendments are required for any revisions that alter total expenditures of any fund or that change

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

functional appropriations. The Town Manager has the authority to amend appropriations within departments. All other amendments must be approved by the governing board.

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

1. Deposits and Investments

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. All deposits are made in Town Council designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town 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 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 investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

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

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

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2016. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventory & Prepaid Items

Inventories are not maintained as they are considered immaterial. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements and expenses as the items are used.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30 years
Buildings	50 years
Improvements	25 years
Vehicles	6 years
Furniture and equipment	10 years
Computer equipment	3 years

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, contributions made to the pension plan in the 2018 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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 two items that meet the criterion for this category—property taxes receivable and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts 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 Town currently has a policy for vested compensated absences; however, each year, every effort is made to ensure compensated absences are taken prior to yearend, thus balances for compensated absences at year end are immaterial. The Town's sick leave policy provides for an unlimited accumulation of earned sick leave; however, it does not vest. Since the Town has no obligation for the accumulated sick leave until taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or 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. The Town does not have any nonspendable fund balances for the governmental fund types.

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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

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

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

Committed Fund Balance — portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Bridgeton'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 otherwise revise the limitation.

Assigned Fund Balance — portion of fund balance that the Town of Bridgeton intends to use for specific purposes.

Subsequent years' expenditures— portion of fund balance that is appropriated in the next years' budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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

12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to / deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Bridgeton employer contributions are recognized when due and the Town of Bridgeton 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.

NOTE II—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

NONE

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

2. Contractual Violations

NONE

3. Deficit in Fund Balance or Net Position of Individual Funds

NONE

4. Excess of Expenditures over Appropriations

NONE

NOTE III—DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All of the Town's deposits are either insured or collateralized by the Pooling Method. Under the Pooling Method, a collateral pool, all insured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in the Town's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each Pooling Method depository. The Town relies on the State Treasurer to monitor these financial institutions. It is the Town's policy to utilize only the pooling method of collateralization. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that the deposits are properly secured.

At June 30, 2019, the Town's deposits had a carrying amount of \$727,491 and a bank balance of \$743,038. The Town had petty cash of \$200. Of the bank balance \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. All of the bank balance was covered by federal depository insurance.

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

2. Receivables — Allowance for Doubtful Accounts

General Fund:	
Taxes receivable	\$ 26,477
Accounts receivable	-
Total	26,477
Enterprise Fund:	
Customer receivables	4,315
Other receivables	-
Total	4,315
Grand Total	\$ 30,792

3. Capital Assets

General Fund Capital Assets

A summary of changes in the Town's capital assets used in governmental activities follows:

	Beginning Balances	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 20,300	\$ -	\$ -	\$ 20,300
Total capital assets not being depreciated	20,300	-	-	20,300
Capital assets being depreciated:				
Building and systems	183,001	-	-	183,001
Machinery and equipment	302,652	-	-	302,652
Computer software	21,055	-	-	21,055
Vehicles and motorized equipment	153,210	-	-	153,210
Total capital assets being depreciated	659,918	-	-	659,918
Less accumulated depreciation for:				
Building and systems	66,669	5,936	-	72,605
Machinery and equipment	292,424	3,486	-	295,910
Computer software	20,981	73	-	21,054
Vehicles and motorized equipment	105,337	13,521	-	118,858
Total accumulated depreciation	485,411	\$ 23,016	\$ -	508,427
Total capital assets being depreciated, net	174,507			151,491
Governmental activity capital assets, net	\$ 194,807			\$ 171,791

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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

Governmental Activities:	
General government	\$ 4,131
Public safety	16,720
Transportation	<u>2,164</u>
Total	<u>\$ 23,016</u>

Water and Sewer Capital Assets

Capital asset activity for the Water and Sewer Fund for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 8,653	\$ -	\$ -	\$ 8,653
Total capital assets not being depreciated	<u>8,653</u>	<u>-</u>	<u>-</u>	<u>8,653</u>
Capital assets being depreciated:				
Plant and distribution systems	2,231,943	-	-	\$ 2,231,943
Total capital assets being depreciated	<u>2,231,946</u>	<u>-</u>	<u>-</u>	<u>2,231,943</u>
Less accumulated depreciation for:				
Plant and distribution systems	1,352,645	57,402	-	\$ 1,410,047
Total accumulated depreciation	<u>1,352,645</u>	<u>\$ 57,402</u>	<u>\$ -</u>	<u>1,410,047</u>
Total capital assets being depreciated, net	<u>879,301</u>			<u>821,896</u>
Business-Type activity capital assets, net	<u>\$ 887,954</u>			<u>\$ 830,549</u>

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Bridgeton is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members — nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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.

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 Bridgeton 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 Bridgeton's contractually required contribution rate for the year ended June 30, 2019, was 7.01% of compensation for law enforcement officers and 6.46% 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 Bridgeton were \$10,236 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 Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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

At June 30, 2019, the Town reported pension liability of \$50,768 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, 2019, the Town's proportion was 0.00214% which was a decrease of 0.00008% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the Town recognized pension expense of \$17,789. 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	7,832	263
Changes of assumptions	13,472	
Net difference between projected and actual earnings on pension plan investments	6,969	
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,739	135
Contributions to pension plan in current fiscal year	10,236	
Total	\$ 41,248	\$ 398

\$10,236 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	9,720
2021	1,764
2022	4,014
2023	-
Thereafter	-
	\$ 15,498

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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

Inflation	3.0 percent
Salary increased	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, Including inflation

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

The actuarial assumptions used in the December 31, 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 returns 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, 2019 are summarized in the following table:

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

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

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

Discount rate. The discount rate used to measure the total pension liability was 7.25%. 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 City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

Sensitivity of the net pension liability (asset) to changes in the discount rate	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Unit's proportionate share	\$ 121,949	\$ 50,768	\$ (8,712)

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

2. Deferred Outflows and Inflows of Resources

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

The Town has several deferred inflows/outflows of resources:

Deferred outflows of resources is comprised of the following:

Differences between expected and actual experience	7,832
Changes of assumptions	13,472
Net difference between projected and actual earnings on pension plan investments	6,969
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,739
Contributions to pension plan in current fiscal year	10,236
Total	<u>\$ 41,248</u>

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ -	\$ -
Taxes Receivable less penalties (General Fund)	11,866	
Changes in assumptions	-	-
Differences between expected and actual experience	-	263
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	135
Total	<u>\$ 11,866</u>	<u>\$ 398</u>

3. Fund Balance

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

Total Fund Balance-General Fund	\$ 599,422
Less:	
Stabilization by State Statute	32,688
Streets-Powell Bill	36,877
Working Capital / Fund Balance Policy	-
Remaining Fund Balance	529,857

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

4. Risk Management

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

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town carries flood insurance through the National Flood Insurance Plan (NFIP). The Town is not in an area of the State that has been mapped and designated an "A" area.

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

5. Long-Term Obligations

The Town's general obligation bonds serviced by the Enterprise Fund are accounted for in the Sewer Fund since they are expected to be repaid from proprietary revenue. Those general obligation bonds were issued to finance the refunding of the Town's Sanitary Sewer Bond dated July 30, 1991. 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.

a. Changes in Long-Term Liabilities

During the year ended June 30, 2019, the following changes occurred in the Long-term debt balances:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Capital Leases	\$ 30,014	\$ -	\$ 9,432	\$ 20,582	\$ 9,432
Pension Liabilities	33,915	16,853	-	50,768	-
Compensated Absences	13,627	13,845	-	13,285	8,635
Total	\$ 77,556	\$ 30,698	\$ 9,432	\$ 84,635	\$ 18,067

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

The following is a summary of changes in the Town's Business-Type (Enterprise Fund) Activities long-term liabilities:

Business-Type Activities:	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
General obligation bonds	\$ 280,937	\$ -	\$ 43,914	\$ 237,022	\$ 45,039
Total	<u>\$ 280,937</u>	<u>\$ -</u>	<u>\$ 43,914</u>	<u>\$ 237,022</u>	<u>\$ 45,039</u>

General Obligation Bonds – Enterprise

Services by Sewer Fund:

The Sewer Bond was issued in March 2013 for \$524,456 to finance the refunding of the Town's Sanitary Sewer Bond Anticipation Notes dated July 30, 1991. The bond requires annual installments through June 2024, including principal and interest at 2.56%, and is collateralized by the faith, credit, and taxing power of the Town.

\$ 237,022

Annual debt service requirements to maturity for general obligation bonds, including interest are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	45,039	6,068	51,106
2021	46,192	4,915	51,106
2022	47,374	3,732	51,106
2023	48,587	2,519	51,106
2024	49,831	1,276	51,106
Total	<u>\$ 237,022</u>	<u>\$ 18,510</u>	<u>\$ 255,532</u>

NOTE IV —Interfund Balances and Activity

The interfund balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds. During the 2019 fiscal year the Town made a one-time transfer from the General Fund of \$79,443 to the Water & Sewer fund to help with cleanup after Hurricane Florence.

Balances due to/from other funds at June 30, 2019, consist of the following:

Due to the General Fund from:

Water & Sewer Fund	\$ 79,443
Total	<u>\$ 79,443</u>

Town of Bridgeton, North Carolina
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE V —SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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 VI —SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 23, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

Town of Bridgeton, North Carolina
Proportionate Share of Net Pension Liability (Assets)
Required Supplementary Information
Last Four Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset) (%)	0.00214%	0.00222%	0.00229%	0.00218%
Proportion of the net pension liability (asset) (\$)	\$ 50,768	\$ 33,915	\$ 48,601	\$ 16,426
Covered-employee payroll	\$ 156,159	\$ 122,157	\$ 135,963	\$ 167,711
Proportion of the net pension liability (asset) as a percentage of its covered-employee payroll	32.51%	27.76%	35.75%	9.79%
Plan fiduciary net position as a percentage of the total pension liability	94.58%	94.18%	91.47%	98.09%

**Town of Bridgeton, North Carolina
Town of Bridgeton's Contributions
Require Supplementary Information
Last Four Fiscal Years**

Local Government Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 10,236	\$ 12,109	\$ 10,864	\$ 12,321
Contributions in relation to the contractually required contributions	<u>10,236</u>	<u>12,109</u>	<u>10,864</u>	<u>12,321</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	127,594	156,159	122,157	135,963
Contributions as a percentage of covered-employee payroll	8.02%	7.75%	8.89%	9.06%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Town of Bridgeton, North Carolina
General Fund
Schedule of Revenue, Expenditures, and Changes
In Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad Valorem Taxes			
Taxes		285,508	
Total	<u>295,000</u>	<u>285,508</u>	<u>(9,492)</u>
Unrestricted Intergovernmental Revenues			
Local option sales tax		148,120	
Utility franchise tax		42,339	
Beer & wine tax		1,992	
Telecom & video		2,141	
Solid waste tax		323	
Total	<u>220,260</u>	<u>194,915</u>	<u>(25,345)</u>
Restricted Intergovernmental Revenues			
Federal disaster assistance grant		187,727	
Powell Bill allocation		15,385	
Total	<u>205,166</u>	<u>203,112</u>	<u>(2,054)</u>
Charges for Sales and Services			
Zoning permits		140	
Court cost		1,350	
Building permits		7,086	
Total	<u>11,775</u>	<u>8,576</u>	<u>(3,199)</u>

Town of Bridgeton, North Carolina
General Fund
Schedule of Revenue, Expenditures, and Changes
In Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019

Other Revenues

Insurance proceeds	91,414		
Miscellaneous	-	9,492	
Total	<u>92,167</u>	<u>100,906</u>	<u>8,739</u>
Total Revenue	<u>\$ 824,368</u>	<u>\$ 793,017</u>	<u>\$ (31,351)</u>

Expenditures

General Government

Governing body and administration		\$ 523,684	
Total	<u>650,810</u>	<u>523,684</u>	<u>127,126</u>

Town of Bridgeton, North Carolina
General Fund
Schedule of Revenue, Expenditures, and Changes
In Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Safety			
Police department		159,182	
Total	211,837	159,182	52,655
Transportation			
Street department		68,816	
Total	128,399	68,816	59,583
Environmental Protection			
Sanitation department		33,477	
Total	35,320	33,477	1,843
Cultural and Recreational			
Parks and recreation department		1,829	
Total	2,002	1,829	173

**Town of Bridgeton, North Carolina
General Fund
Schedule of Revenue, Expenditures, and Changes
In Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Total Expenditures	1,028,368	786,988	241,380
Revenue over (under) expenditures	(204,000)	6,029	210,029
Other Financing Sources (Uses)			
Appropriations	(100,000)	-	(100,000)
Transfers to	(104,000)	(79,443)	(24,557)
Total	(204,000)	85,472	(124,557)
Net change in fund balance	<u>\$ -</u>	85,472	<u>\$ 85,472</u>
Fund balance - July 1		513,950	
Fund balance - June 30		<u>\$ 599,422</u>	

Town of Bridgeton, North Carolina
Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Revenue			
Charges for sales and service:			
Sewer charges		\$ 148,371	
Other income		1,525	
		149,896	
Interest income		48	
Total Revenues	265,177	149,944	(115,233)
Expenditures			
Operating expenditures		92,592	
Total	232,469	92,592	139,877
Debt services			
Principal		43,915	
Interest		7,191	
Total	51,108	51,106	2
Total expenditures	283,577	143,698	139,879
Revenues over (under) expenditures	(18,400)	6,246	24,646
Other financing sources (uses)			
Appropriations	(26,400)		(26,400)
Transfers in (out)	8,000	(79,443)	87,443
Total other financing sources (uses)	(18,400)	(79,443)	61,043
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ (73,197)	\$ 85,689
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Principal retirement		43,915	
Depreciation		(57,402)	
Total reconciling items		(13,487)	
Changes in Net Position, GAAP basis		\$ (86,684)	

OTHER SCHEDULES

Town of Bridgeton, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Fiscal Year Ended June 30, 2019

Fiscal Year	Uncollected Balance July 1, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2019	\$ -	\$ 276,167	\$ 270,194	\$ 5,972
2018	10,066	-	7,091	2,974
2017	3,290	-	359	2,931
2016	9,229	-	2,374	6,855
2015	5,458	-	-	5,458
2014	3,475	-	-	3,475
2013	3,559	29	-	3,588
2012	3,171	-	-	3,171
2011	2,669	-	-	2,669
2010	1,249	-	-	1,249
	<u>42,166</u>	<u>276,196</u>	<u>280,019</u>	<u>38,343</u>

Less: Allowance for Uncollectible Accounts	<u>(26,477)</u>
Ad Valorem Taxes Receivables, Net	<u>\$ 11,866</u>

Reconciliation with Revenues:

Ad Valorem Tax - General Fund	\$ 281,324
Reconciling items:	
Interest collected	(945)
Releases and adjustments	(360)
Total Collections and Credits	<u>\$ 280,019</u>

**Town of Bridgeton, North Carolina
General Fund
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2019**

	Property Valuation	Rate per \$100	Total Levy	Total Levy Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property tax at current year's tax rate	<u>\$ 55,233,350</u>	<u>0.50</u>	<u>\$ 276,167</u>	<u>\$ 263,204</u>	<u>\$ 12,962</u>
Net Valuation	<u>\$ 55,233,350</u>				
Net levy			276,167	263,204	12,962
Less uncollected taxes at June 30, 2019			<u>5,972</u>	<u>5,972</u>	<u>-</u>
Current year's taxes collected			<u>\$ 270,194</u>	<u>\$ 257,232</u>	<u>\$ 12,962</u>
Current levy collection percentage			<u>97.84%</u>	<u>97.73%</u>	<u>100.00%</u>