

FINANCIAL STATEMENTS
TOWN OF CASTALIA
CASTALIA, NORTH CAROLINA
FOR THE YEAR ENDED
JUNE 30, 2019

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FINANCIAL SECTION



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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Castalia, 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 of Castalia'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.

Auditors' Responsibility

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

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 and each major fund of the Town of Castalia, North Carolina as of June 30, 2019, and the respective changes in financial position, 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 Analysis, pages 7 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Castalia, North Carolina. The budgetary schedule and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Petway Mills & Pearson, PA

PETWAY MILLS & PEARSON, PA
Certified Public Accountants
Zebulon, North Carolina

June 2, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Castalia

As management of the Town of Castalia, North Carolina (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.

Financial Highlights

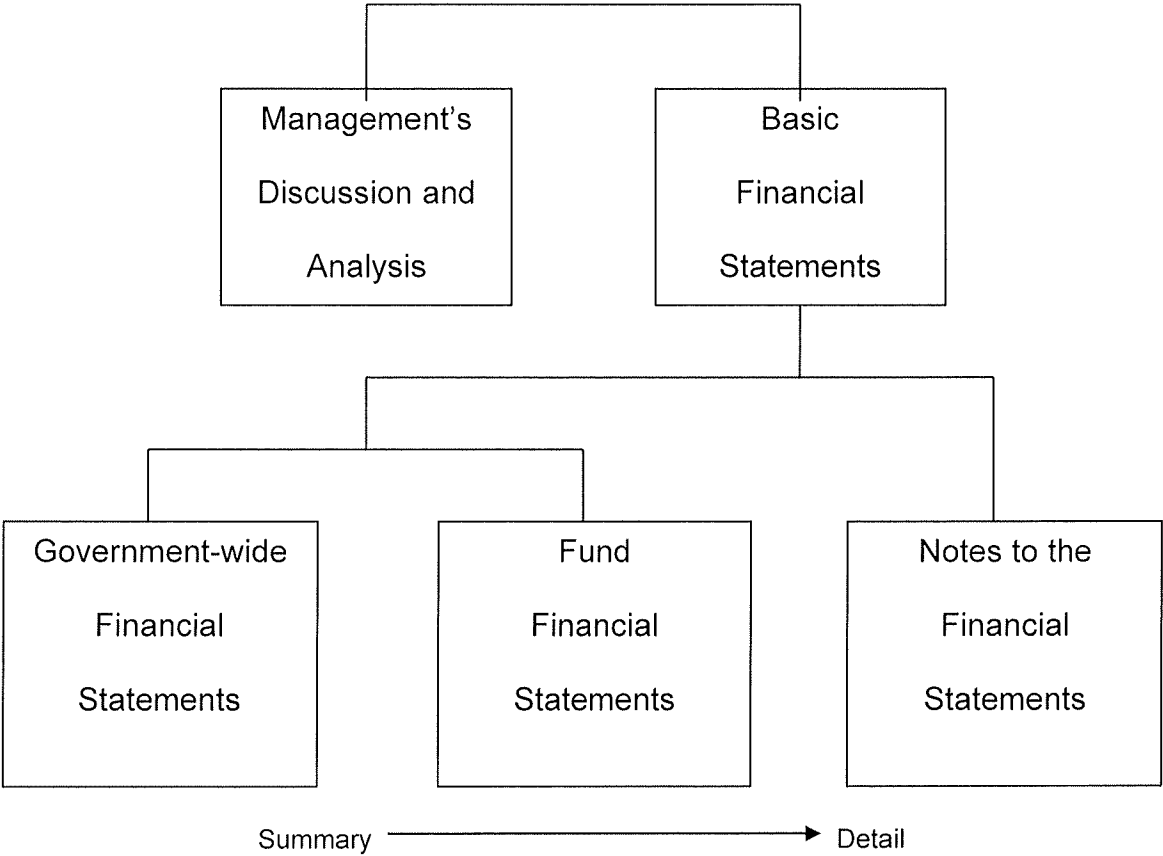
- The assets of the Town exceeded its liabilities at the close of the fiscal year by \$894,783 (*net position*).
- The Town's total net position increased by \$42,734 primarily due to diligent cost-saving measures.
- As of the close of the current fiscal year, the Town's general fund reported an ending fund balance of \$258,465, an increase of \$13,305 in comparison with the prior year. Approximately 89% of this total amount, or \$229,135, is available for spending at the Town's discretion (unassigned fund balance).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town’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.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 6) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Town's individual funds.

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 total liabilities. 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 general government administrative, cultural and recreation, transportation, environmental protection, and interest on long term debt. 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. The government-wide financial statements are Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, 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 can be classified under 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* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was

adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document.

The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges

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 immediately follow Exhibit 6 of this report.

Government-Wide Financial Analysis

Town of Castalia's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	Total
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 267,948	\$ 257,442	\$ -	\$ -	\$ 267,948	\$ 257,442
Capital assets	629,659	647,553	-	-	629,659	647,553
Total assets	897,607	904,995	-	-	897,607	904,995
Current liabilities	2,824	6,187	-	-	2,824	6,187
Long-term liabilities	-	46,759	-	-	-	46,759
Total liabilities	2,824	52,946	-	-	2,824	52,946
Net position:						
Net investment in capital						
assets	629,659	600,794	-	-	629,659	600,794
Restricted	29,330	73,679	-	-	29,330	73,679
Unrestricted	235,794	177,576	-	-	235,794	177,576
Total net position	\$ 894,783	\$ 852,049	\$ -	\$ -	\$ 894,783	\$ 852,049

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town exceeded liabilities by \$894,783 as of June 30, 2019. The Town's net position increased by \$42,734 for the fiscal year ended June 30, 2019. However, the largest portion (70%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town'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's net position, \$29,330, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$235,794 is unrestricted.

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

- Funds being restricted for street improvements.
- Continued diligence in the spending of the Town's resources in an effort to achieve the most efficient means of operation.

Town of Castalia's Changes in Net Position
Figure 3

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ 40,602	\$ 50,557	\$ -	\$ -	40,602	50,557
Operating grants and contributions	8,262	25,116	-	-	8,262	25,116
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	26,579	24,869	-	-	26,579	24,869
Grants and contributions not restricted to specific programs	84,744	85,656	-	-	84,744	85,656
Other	25,594	2,955	-	-	25,594	2,955
Total revenues	<u>185,781</u>	<u>189,153</u>	<u>-</u>	<u>-</u>	<u>185,781</u>	<u>189,153</u>
Expenses:						
General government	93,268	115,836	-	-	93,268	115,836
Transportation	3,878	-	-	-	3,878	-
Environmental protection	28,243	24,420	-	-	28,243	24,420
Culture and recreation	16,933	31,198	-	-	16,933	31,198
Interest on long-term debt	725	2,028	-	-	725	2,028
Total expenses	<u>143,047</u>	<u>173,482</u>	<u>-</u>	<u>-</u>	<u>143,047</u>	<u>173,482</u>
Increase/(Decrease) in net assets before transfers	42,734	15,671	-	-	42,734	15,671
Transfers	-	-	-	-	-	-
Net assets, July 1	<u>852,049</u>	<u>836,378</u>	<u>-</u>	<u>-</u>	<u>852,049</u>	<u>836,378</u>
Net assets, June 30	<u>\$ 894,783</u>	<u>\$ 852,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 894,783</u>	<u>\$ 852,049</u>

Governmental activities. Governmental activities increased the Town's net position by \$42,734 while the prior year had an increase of \$15,671. The key elements of this increase are as follows:

- Increase in other revenues of \$22,629.
- Decrease in general government expenditures of \$22,568
- Decrease in cultural and recreational expenditures of \$14,265

Business-type activities. Business-type activities had no effect on the Town's net position.

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 Funds. 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. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, Town's fund balance available in the General Fund was \$229,135, while total fund balance reached \$258,465. The Town currently has an available fund balance of 130% of general fund expenditures, while total fund balance represents 146% of the same amount.

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

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 \$629,659 (net of accumulated depreciation and related debt). These assets include buildings, land, improvements, and machinery and equipment.

Town of Castalia's Capital Assets

(Net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	Total
	2019	2018	2019	2018	2019	2018
Land	\$ 396,060	\$ 173,038	\$ -	\$ -	\$ 396,060	\$ 173,038
CIP	-	410,484	-	-	-	410,484
Buildings and system	52,062	23,589	-	-	52,062	23,589
Improvements other than buildings	164,011	18,610	-	-	164,011	18,610
Equipment	17,526	21,832	-	-	17,526	21,832
Total	<u>\$ 629,659</u>	<u>\$ 647,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,659</u>	<u>\$ 647,553</u>

Additional information on the Town's capital assets can be found in Note III.A.3 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2019, the Town had paid off a loan outstanding from the United States Department of Agriculture with an opening balance of \$46,759. The decrease in the current year was due to debt service payments in excess of normal payments.

Economic Factors and Next Year's Budgets and Rates

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

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: Property taxes and revenues from permits and fees are not expected to increase budgeted revenue. Programs will continue to finance at 2019 levels in 2020.

Budgeted expenditures in the General Fund are not expected to increase in 2020.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Mayor, Town of Castalia Post Office Box 237, Castalia, North Carolina 27816.

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 231,395	\$ -	\$ 231,395
Restricted Cash	29,026	-	29,026
Taxes receivable	7,223	-	7,223
Accounts receivable - trade	-	-	-
Due from other governments	304	-	304
Total current assets	267,948	-	267,948
Capital assets:			
Land and other non-depreciable assets	396,060	-	396,060
Other capital assets, net of depreciation	233,599	-	233,599
Total capital assets	629,659	-	629,659
Total assets	897,607	-	897,607
LIABILITIES			
Current liabilities:			
Accounts payable - trade	2,770	-	2,770
Payroll Liabilities	54	-	54
Long-term liabilities:			
Due within one year	-	-	-
Due in more than one year	-	-	-
Total liabilities	2,824	-	2,824
NET POSITION			
Net investment in capital assets	629,659	-	629,659
Restricted for:			
Stabilization by State Statute	304	-	304
Parks	19,455	-	19,455
Powell Bill	9,571	-	9,571
Unrestricted	235,794	-	235,794
Total net position	\$ 894,783	\$ -	\$ 894,783

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
Governing body	\$ 4,500	\$ -	\$ -	\$ -	\$ (4,500)	\$ -	\$ (4,500)
Administrative	88,768	-	-	-	(88,768)	-	(88,768)
Cultural and recreation	16,933	8,708	-	-	(8,225)	-	(8,225)
Transportation	3,878	-	8,262	-	4,384	-	4,384
Environmental protection	28,243	31,894	-	-	3,651	-	3,651
Interest on long-term debt	725	-	-	-	(725)	-	(725)
Total Governmental Activities	143,047	40,602	8,262	-	(94,183)	-	(94,183)
Business-type Activities:							
Water fund	-	-	-	-	-	-	-
Total Business-type	-	-	-	-	-	-	-
Total Primary Government	\$ 143,047	\$ 40,602	\$ 8,262	\$ -	(94,183)	-	(94,183)
General Revenues:							
Ad valorem taxes					26,579	-	26,579
Other taxes and licenses					5,512	-	5,512
Unrestricted intergovernmental					75,709	-	75,709
Unrestricted investment earnings					1,138	-	1,138
Donation					2,385	-	2,385
Miscellaneous					25,594	-	25,594
Transfers					-	-	-
Total General Revenues, Special Items, and Transfers					136,917	-	136,917
Change in net position					42,734	-	42,734
Net position, beginning					852,049	-	852,049
Net position, ending					\$ 894,783	\$ -	\$ 894,783

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

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

	<u>Major Fund</u> <u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 231,395
Restricted Cash	29,026
Taxes receivable	7,223
Accounts receivable	-
Due from other governments	304
Total assets	<u>267,948</u>
LIABILITIES	
Liabilities:	
Accounts payable - trade	2,770
Payroll liabilities	54
Total liabilities	<u>2,824</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes receivable	<u>7,223</u>
FUND BALANCES	
Fund balances:	
Restricted:	
Stabilization by State Statute	304
Parks	19,455
Powell Bill	9,571
Unassigned	228,571
Total Fund Balances	<u>257,901</u>
Total Liabilities and fund balances	<u><u>\$ 267,948</u></u>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 629,659
Liabilities for earned but deferred revenues in fund statement	7,223
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds	-
Net position of governmental activities	<u><u>\$ 894,783</u></u>

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

Exhibit 4

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

	Major Fund	Total
	General Fund	Governmental Fund
REVENUES		
Ad valorem taxes	\$ 26,015	\$ 26,015
Other taxes and licenses	5,512	5,512
Unrestricted intergovernmental	75,709	75,709
Restricted intergovernmental	8,262	8,262
Sales and services	31,894	31,894
Investment earnings	1,138	1,138
Cultural and recreational	8,708	8,708
Donation	2,385	2,385
Miscellaneous	25,594	25,594
Total revenues	<u>185,217</u>	<u>185,217</u>
EXPENDITURES		
General government	4,500	4,500
Administrative	78,624	78,624
Transportation	3,878	3,878
Environmental protection	28,243	28,243
Cultural and recreation	14,183	14,183
Capital outlay	-	-
Debt service - principal	46,759	46,759
Debt service - interest	725	725
Total expenditures	<u>176,912</u>	<u>176,912</u>
Excess (deficiency) of revenues over expenditures	<u>8,305</u>	<u>8,305</u>
OTHER FINANCING SOURCES (USES)		
Proceeds on sale of land	5,000	5,000
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>
Net change in fund balance	13,305	13,305
Fund balances, beginning	244,596	244,596
Fund balances, ending	<u>\$ 257,901</u>	<u>\$ 257,901</u>

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

Town of Castalia, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2019

Amounts reported for governmental activities in the Statement of Activities are

Net change in fund balances - governmental funds	\$ 13,305
Governmental funds report capital outlay 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 exceeds depreciation in the current period.	(12,894)
Loss on disposal of capital assets	(5,000)
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.	46,759
Revenues in the Statement of Activities that do not provide current financial resource are not reported as revenues in the funds.	
Change in deferred revenues	<u>564</u>
Total change in net position of governmental activities	<u><u>\$ 42,734</u></u>

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

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

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 25,432	\$ 25,432	\$ 26,015	\$ 583
Other taxes and licenses	3,700	3,700	5,512	1,812
Unrestricted intergovernmental	62,800	62,800	75,709	12,909
Restricted intergovernmental	8,400	8,400	8,262	(138)
Sales and services	29,490	29,490	31,894	2,404
Investment earnings	-	-	1,138	1,138
Cultural and recreation	13,690	13,690	8,708	(4,982)
Donation	3,500	3,500	2,385	(1,115)
Miscellaneous	-	-	25,594	25,594
Total revenues	147,012	147,012	185,217	38,205
Expenditures:				
General government	4,500	4,500	4,500	-
Administrative	111,562	110,803	78,624	32,179
Transportation	3,150	2,766	3,878	(1,112)
Environmental protection	26,640	26,640	28,243	(1,603)
Cultural and recreation	23,500	24,643	14,183	10,460
Capital outlay	1,000	1,000	-	1,000
Debt service - principal	5,442	5,442	46,759	(41,317)
Debt service - interest	519	519	725	(206)
Total expenditures	176,313	176,313	176,912	(599)
Revenues over (under) expenditures	(29,301)	(29,301)	8,305	37,606
Other financing sources (uses):				
Proceeds on sale of land	-	-	5,000	5,000
Appropriated fund balances	29,301	29,301	-	(29,301)
Total other financing sources (uses)	29,301	29,301	5,000	(24,301)
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ -	13,305	\$ 13,305
Fund balances, beginning			244,596	
Fund balances, ending			<u>\$ 257,901</u>	

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

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

I. Summary of Significant Accounting Policies

The Town of Castalia (the Town) is located in the Coastal Plain section of North Carolina and has a population of approximately 255. The Town does not maintain a police department or a fire department.

The accounting policies of the Town 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 is a municipal corporation, governed by an elected mayor and a five-member council.

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. There are no non-major funds for the Town.

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 and investment earnings, result from non-exchange transactions or ancillary activities.

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 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 general government, transportation, environmental protection, and cultural and recreation.

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

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

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 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 funds 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 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.

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 tax receivables 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. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there 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.

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

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 Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. 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 and Fund Equity

1. Deposits and Investments

All deposits of the Town are made in board-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).

2. Cash and Cash Equivalents

All cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

Restricted cash consists of \$9,571 restricted for Powell Bill expenditures and \$19,455 restricted for Park expenditures.

3. 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 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2011. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

4. 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 are materially past due.

5. Inventory

Inventories are not maintained for any fund supplies. In the opinion of management, they are not material to the financial statements taken as a whole.

6. 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 cost is

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

\$2,500. 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. General Fund infrastructure assets consisting of road networks acquired prior to July 1, 2003 have not been recorded as permitted by GASB Statement 34. 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>
Buildings	50
Infrastructure	50
Improvements	25
Equipment and Furniture	10
Vehicles	6
Computer Equipment	5

7. 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 no items meeting this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has only one item that meets this criterion for this category – property taxes receivable.

8. Compensated Absences

Annual leave may accumulate without any applicable maximum until the anniversary date of the employee. After the anniversary date, only one week of vacation pay may be carried to the next anniversary date. 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 accumulation of earned sick leave up to twelve days. Sick leave does not vest. Since the Town does not have any obligation for the accumulated sick leave until it actually taken; no accrual for sick leave has been made.

9. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is 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, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

State Law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year. The governmental fund types classify fund balances as follows:

Restricted:

Restricted by State statute – portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

Restricted for streets – Powell Bill – portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Assigned:

Assigned for subsequent year's expenditures – portion of the total fund balance available for appropriation that has been designated for the adopted 2018 – 2019 budget ordinance.

Unassigned – portion of the total fund balance available for appropriation that is uncommitted at year-end.

II. Stewardship, Compliance, and Accountability

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

Noncompliance with North Carolina General Statutes

For the fiscal year ended June 30, 2019, the Town failed to submit financial statements by the required due date.

B. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2019, the transportation expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for transportation by \$1,112. In the General Fund, environmental protection expenses exceeded budget by \$1,603. In the General Fund, debt service expenses exceeded budget by \$41,523. These over-expenditures occurred because of increased operating costs and payoff of the USDA Loan in the current year. Management and the Board will more closely review the budget reports to ensure compliance in future years.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town 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 agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a

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

fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town 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 depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risk for deposits.

At June 30, 2019, the Town's deposits had a carrying amount of \$260,421 and a bank balance of \$261,361. Of the bank balances, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Capital Assets

Capital asset activity for the Town for the year ended June 30, 2019, were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 173,038	\$ 228,022	\$ 5,000	\$ 396,060
Construction in progress	410,484	-	410,484	-
Total capital assets not being depreciated	583,522	228,022	415,484	396,060
Capital assets being depreciated:				
Buildings	68,356	30,204	-	98,560
Equipment	81,306	-	-	81,306
Park Assets	14,499	-	-	14,499
Improvements	19,160	152,258	-	171,418
Total capital assets being depreciated	183,321	182,462	-	365,783
Less accumulated depreciation for:				
Buildings	44,766	1,732	-	46,498
Equipment	72,261	2,856	-	75,117
Park assets	1,712	1,450	-	3,162
Improvements	550	6,857	-	7,407
Total accumulated depreciation	119,289	\$ 12,895	\$ -	132,184
Total capital assets being depreciated, net	64,032			233,599
Governmental activities capital assets, net	<u>\$ 647,554</u>			<u>\$ 629,659</u>

Depreciation was allocated as \$10,144 to administration and \$2,751 to cultural and recreation.

B. Liabilities

1. Pension Plan Obligations

a. Retirement Plan

Plan Description – The Town of Castalia offers a 457(b) supplemental retirement plan. Plan members could contribute up to \$19,500 of their annual salary and the Town would match up to 2% of their annual salary. The Town contributed \$10,392 to the plan during the year, with an additional \$196 contributed by employees.

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

salary. The Town contributed \$10,392 to the plan during the year, with an additional \$196 contributed by employees.

2. Deferred Outflows/Inflows of Resources

The balance of deferred inflows of resources at year-end is composed the following element:

Property Taxes (General Fund)	\$ <u>7,223</u>
-------------------------------	-----------------

3. 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 carries commercial insurance to cover these risks of loss. Through commercial insurance, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to the statutory limits, and employee health coverage up to a \$2 million lifetime limit.

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 as it is not identified as being located 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 Town's finance officer (the mayor) is individually bonded for \$100,000, and the Town Clerk is bonded for \$20,000.

4. Claims, Judgments and Contingent Liabilities

There were no claims or judgments against the Town at June 30, 2019.

5. Long-Term Obligations

a. General Obligation Indebtedness

Serviced by the General Fund

USDA Loan – The Town entered into an agreement with United States Department of Agriculture to finance the street repair and resurfacing project on May 04, 2010. Annual installments, \$5,961, are payable on or before September 9 each year through September, 2028, with an interest rate of 4.0%. The Town paid off the remaining balance of the loan on April 13, 2019.

b. Changes in Long-Term Obligations

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion
Governmental activities:					
USDA Loan 97/03	\$ 46,759	\$ -	\$ 46,759	\$ -	\$ -
Governmental activity long-term liabilities	\$ 46,759	\$ -	\$ 46,759	\$ -	\$ -

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

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	\$ 257,901
Less:	
Stabilization by State Statute	(304)
Streets - Powell Bill	(9,571)
Parks	(19,456)
Working Capital/Fund Balance Policy	(17,631)
Remaining Fund Balance	<u>\$ 210,939</u>

The Town has a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures.

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

V. Subsequent Events – Date of Management’s Review

The Town has evaluated subsequent events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors’ report. The Town has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

VI. Commitments

The Town has contracted with Marlita S. Thompson for the provision of consulting services from March 13, 2019 to October 31, 2019. Obligations are based on agreed-upon rates applied to the number of hours worked. The Town paid \$11,164 for services rendered during the year ended June 30, 2019.

The Town has contracted with A Plus Disposal for the provision of solid waste collection services from July 1, 2017 to July 3, 2020. The Town is obligated to pay \$6,660 quarterly under the terms of the contract. The Town paid \$26,640 for services rendered during the year ended June 30, 2019.

The Town has contracted with S&W Productions for the provision of fireworks display services on July 4, 2019. The Town is obligated to pay \$5,000 upon completion of the contracted services.

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

VII. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VIII. Powell Bill Expenditures

Per Powell Bill Expenditure Report:	<u>\$ 13,688</u>
Per Statements (pg. 39):	\$ -
Principal:	12,963
Interest:	<u>725</u>
	<u>\$ 13,688</u>

IX. Sale of Capital Assets

During the year ended June 30, 2019, the Town sold capital assets and received proceeds of \$5,000 which has been recorded as proceeds on sale of capital assets in the fund financial statements. The sale did not result in a gain or loss on the government-wide financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

Exhibit A-1

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Ad Valorem Taxes:			
Current year	\$ 25,000	\$ 25,256	\$ 256
Prior years	282	496	214
Penalties and interest	150	263	113
Total Ad Valorem Taxes	<u>25,432</u>	<u>26,015</u>	<u>583</u>
Other Taxes and Licenses:			
Motor Vehicle Tax	3,700	5,422	1,722
Licenses and permits	-	90	90
Total Other Taxes and Licenses	<u>3,700</u>	<u>5,512</u>	<u>1,812</u>
Unrestricted Intergovernmental:			
Beer and wine tax	1,100	1,106	6
Local option sales tax	51,000	63,107	12,107
Franchise tax	10,500	11,317	817
Solid waste tax	200	179	(21)
Total Unrestricted Intergovernmental	<u>62,800</u>	<u>75,709</u>	<u>12,909</u>
Restricted Intergovernmental:			
Powell Bill allocation	8,400	8,262	(138)
Grant	-	-	-
Total Restricted Intergovernmental	<u>8,400</u>	<u>8,262</u>	<u>(138)</u>
Sales, Services and Fees:			
Garbage collection fee	29,490	31,894	2,404
Total Sales, Services and Fees	<u>29,490</u>	<u>31,894</u>	<u>2,404</u>
Investment Earnings	-	1,138	1,138
Total Investment Earnings	<u>-</u>	<u>1,138</u>	<u>1,138</u>
Miscellaneous	-	25,594	25,594
Donation	3,500	2,385	(1,115)
Cultural and recreation	13,690	8,708	(4,982)
Total Miscellaneous	<u>17,190</u>	<u>36,687</u>	<u>19,497</u>
Total Revenues	<u>147,012</u>	<u>185,217</u>	<u>38,205</u>
Expenditures:			
General Government:			
Governing Body:			
Other operating expenses	4,500	4,500	-
Total Governing Body	<u>4,500</u>	<u>4,500</u>	<u>-</u>

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

	Exhibit A-1		
	Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and employee benefits	58,807	34,918	23,889
Operating expenses	51,996	43,706	8,290
Capital outlay	1,000	-	1,000
Total Administration	111,803	78,624	33,179
Total General Government	116,303	83,124	33,179
Cultural and recreation			
Operating expenses	24,643	14,183	10,460
Capital outlay	-	-	-
Total Cultural and recreation	24,643	14,183	10,460
Transportation:			
Streets and Highways:			
Operating expenses	2,766	3,878	(1,112)
Capital outlay	-	-	-
Powell Bill expenditures	-	-	-
Total Transportation	2,766	3,878	(1,112)
Environmental Protection:			
Sanitation and Landfill:			
Operating expenses	26,640	28,243	(1,603)
Total Environmental Protection	26,640	28,243	(1,603)
Debt Service:			
Non-Powell Bill - Principal	-	33,796	(33,796)
Powell Bill - Principal	5,442	12,963	(7,521)
Powell Bill - Interest	519	725	(206)
Total Debt Service	5,961	47,484	(41,523)
Total Expenditures	176,313	176,912	(599)
Revenues Over (Under) Expenditures	(29,301)	8,305	37,606
Other Financing Sources (Uses):			
Proceeds on sale of land	-	5,000	5,000
Appropriated fund balance	29,301	-	(29,301)
Total Other Financing Sources (Uses)	29,301	5,000	(24,301)
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$ -	13,305	\$ 13,305
Fund balances, beginning		244,596	
Fund balances, ending		\$ 257,901	

OTHER INFORMATION

Town of Castalia, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

Exhibit B-1

Year of Levy	Uncollected Balance July 1, 2018	Additions	Collections And Credits	Uncollected Balance June 30, 2019
2019	\$ -	\$ 26,928	\$ 25,274	\$ 1,654
2018	1,647	-	394	1,253
2017	581	-	18	563
2016	458	-	25	433
2015	498	-	-	498
2014	601	-	4	597
2013	522	-	19	503
2012	480	-	21	459
2011	533	-	15	518
2010	745	-	-	745
Total	\$ 6,065	\$ 26,928	\$ 25,770	\$ 7,223

Reconcilement with Revenues:

Taxes - Ad Valorem (including penalties and interest)	\$ 26,015
Reconciling items	
Taxes written off	21
Interest collected	(263)
Discounts, fees and adjustments	(3)
Ad valorem subsidiary	-
Total collections and credits	<u>\$ 25,770</u>

Town of Castalia, North Carolina
Analysis of Current Tax Levy
- Town Wide Levy
For the Fiscal Year Ended June 30, 2019

Exhibit B-2

	Total Property Valuation	Rate	Total	Property excluding Registered Vehicles	Registered Motor Vehicles
Original levy:					
Real and					
personal property	\$ 8,415,116	0.32%	\$ 26,928	\$ 26,928	\$ -
Motor vehicles	<u>1,738,034</u>	0.32%	<u>5,562</u>	<u>-</u>	<u>5,562</u>
Total Property Valuation	<u><u>\$ 10,153,150</u></u>				
Net Levy			32,490	26,928	5,562
Less uncollected taxes at June 30, 2019			(1,654)	(1,654)	-
Current year's taxes collected			<u><u>\$ 30,836</u></u>	<u><u>\$ 25,274</u></u>	<u><u>\$ 5,562</u></u>
Current levy collection percentage			<u><u>94.91%</u></u>	<u><u>93.86%</u></u>	<u><u>100.00%</u></u>