

TOWN OF DUBLIN, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2019

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June 30, 2019

TOWN COUNCIL

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David Hursey, III, Mayor Pro Tem

Jeffery Smith, Commissioner

David Kirby, Commissioner

TOWN CLERK

Ashley Matthews

ATTORNEY

Whitley J.H. Ward

TOWN OF DUBLIN, NORTH CAROLINA
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Financial Section



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Independent Auditor's Report

To the Honorable Mayor
And Members of Town Council
Dublin, 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 Dublin, 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 our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Dublin, North Carolina. The combining and individual fund statements, budgetary schedules and other schedules are presented for purposed 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 to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Thompson, Price, Scott, Adams & Co., PA

Elizabethtown, North Carolina

September 20, 2019

Management's Discussion and Analysis
Town of Dublin

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

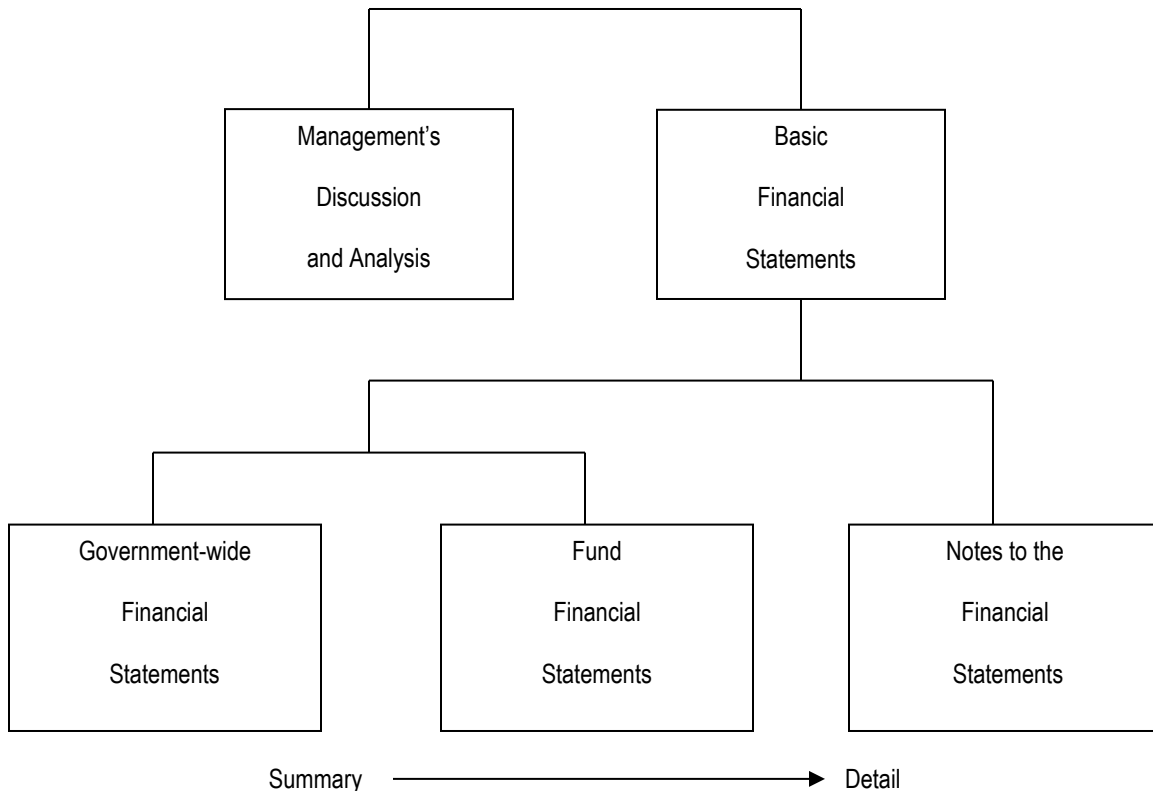
- The assets and deferred outflows of resources of the Town of Dublin exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$2,754,281 (*net position*).
- The government's total net position increased by \$247,340, primarily due to increases in the governmental-type activities.
- As of the close of the current fiscal year, the Town's governmental fund reported ending fund balances of \$1,011,827, an increase of \$151,782. Approximately 19% of this amount or \$188,876 is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$768,736 or 193% of the total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Dublin'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 Dublin.

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 8) 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 North Carolina 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.

Management's Discussion and Analysis

Town of Dublin

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, sanitation and general administration. Property taxes 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 Dublin.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Dublin, 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 of Dublin can be divided into two categories: governmental funds and proprietary 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 Dublin adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – The Town of Dublin has only 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 Dublin uses enterprise funds to account for its water and 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 are on pages 20-32 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.

Government-Wide Financial Analysis

The Town of Dublin's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 1,039,801	\$ 878,550	\$ 385,852	\$ 370,887	\$ 1,425,653	\$ 1,249,437
Capital assets	424,241	324,951	1,048,078	1,061,119	1,472,319	1,386,070
Total assets	<u>\$ 1,464,042</u>	<u>\$ 1,203,501</u>	<u>\$ 1,433,930</u>	<u>\$ 1,432,006</u>	<u>\$ 2,897,972</u>	<u>\$ 2,635,507</u>
Liabilities						
Current and other liabilities:	\$ 8,249	\$ 6,090	\$ 41,266	\$ 22,414	\$ 49,515	\$ 28,504
Long-term liabilities:						
Due within one year	-	-	5,886	5,886	5,886	5,886
Due in more than one year	-	-	88,290	94,176	88,290	94,176
Total liabilities	<u>8,249</u>	<u>6,090</u>	<u>135,442</u>	<u>122,476</u>	<u>143,691</u>	<u>128,566</u>
Net position						
Net investment in capital assets	424,241	324,951	953,902	961,057	1,378,143	1,286,008
Restricted for						
Stabilization by State	93,214	91,963	-	-	93,214	91,963
Public Safety	27,487	25,087	-	-	27,487	25,087
Transportation	67,728	55,834	-	-	67,728	55,834
Unrestricted	843,123	699,576	344,586	348,473	1,187,709	1,048,049
Total net position	<u>\$ 1,455,793</u>	<u>\$ 1,197,411</u>	<u>\$ 1,298,488</u>	<u>\$ 1,309,530</u>	<u>\$ 2,754,281</u>	<u>\$ 2,506,941</u>

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 Dublin exceeded liabilities and deferred inflows by \$2,754,281 as of June 30, 2019. The Town's net position increased by \$247,340 for the fiscal year ended June 30, 2019. However, the largest portion \$1,378,143 (50%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Dublin 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, \$188,429 (7%), represents resources that are subject to external restrictions on how they may be used. The remaining portion, \$1,187,709 (43%), is unrestricted.

Several particular aspects of Dublin's financial operations positively influenced the total unrestricted governmental net position, including the following:

- Increasing diligence in the collection of property taxes by maintaining a tax collection percentage of 91.98%, which is below to the statewide average of 98.19%.
- Continued success of the Fire Department receiving grants to offset the cost of equipment purchases.
- Donation from Bladen County Fire Districts for the down payment and future payments of a fire truck.

Town of Dublin's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues						
Charges for Services	\$ 73,480	\$ 70,578	\$ 221,093	\$ 232,586	\$ 294,573	\$ 303,164
Grants and Entitlements	275,811	298,264	60,979	-	336,790	298,264
General Revenue						
Property Taxes	90,684	81,671	-	-	90,684	81,671
Grants and contributions not restricted to specific programs	60,211	59,702	-	-	60,211	59,702
Investment Earnings	701	697	281	280	982	977
Other	57,458	60,074	-	-	57,458	60,074
Total Revenues	<u>558,345</u>	<u>570,986</u>	<u>282,353</u>	<u>232,866</u>	<u>840,698</u>	<u>803,852</u>
Expenses						
General Government	108,654	151,057	-	-	108,654	151,057
Public Safety	140,360	127,514	-	-	140,360	127,514
Transportation	9,971	11,179	-	-	9,971	11,179
Environmental Protection	36,386	31,399	-	-	36,386	31,399
Cultural and Recreation	4,592	6,263	-	-	4,592	6,263
Interest on Long-Term Debt	-	1,213	-	-	-	1,213
Water District	-	-	293,395	237,266	293,395	237,266
Total Expenses	<u>299,963</u>	<u>328,625</u>	<u>293,395</u>	<u>237,266</u>	<u>593,358</u>	<u>565,891</u>
Change in Net Position	258,382	242,361	(11,042)	(4,400)	247,340	237,961
Net Position, beginning	<u>1,197,411</u>	<u>955,050</u>	<u>1,309,530</u>	<u>1,313,930</u>	<u>2,506,941</u>	<u>2,268,980</u>
Net Position, ending	<u>\$ 1,455,793</u>	<u>\$ 1,197,411</u>	<u>\$ 1,298,488</u>	<u>\$ 1,309,530</u>	<u>\$ 2,754,281</u>	<u>\$ 2,506,941</u>

Governmental activities. Governmental activities increased the Town's net position by \$258,382. Key elements of this increase is as follows:

- Reduced expenditures.

Business-type activities: Business-type activities decreased the Town of Dublin's net position by \$11,042, which was less than the prior year's loss.

- Expenditures for repairs caused by Hurricane Florence, there were some insurance reimbursements.

Financial Analysis of the Town of Dublin'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 of Dublin'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 Dublin's financing requirements.

The general fund is the chief operating fund of the Town of Dublin. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$768,736 while total fund balance reached \$1,011,827. The Town currently has an available fund balance of 193% of the total General Fund expenditures, while total fund balance represents 253% of the same amount.

At June 30, 2019, the governmental fund of the Town reported a fund balance of \$1,011,827, an 18% increase over last year.

Management's Discussion and Analysis
Town of Dublin

General Fund Budgetary Highlights. During the fiscal year, the Town of Dublin 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.

Revenues were more than the budgeted amounts primarily because grant and state shared revenue came in higher than expected. As were the expenditures and the Town was able to comply with its budgetary requirements.

Proprietary Funds. The Town of Dublin'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 \$344,586. The decrease in net position for this fund was \$11,042. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Dublin's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town of Dublin's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$1,472,319 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Purchase of equipment for the Fire Department utilizing grant funds and district funds.

Town of Dublin's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land and Deposits	\$ 165,805	\$ 40,805	\$ 47,503	\$ 17,441	\$ 213,308	\$ 58,246
Building	147,025	157,906	26,097	27,660	191,902	68,465
Plant and Distribution	-	-	960,788	995,889	1,107,813	1,153,795
Equipment	111,411	111,844	13,690	20,129	125,101	131,973
Vehicles and Motor Equipment	-	14,396	-	-	-	14,396
	<u>\$ 424,241</u>	<u>\$ 324,951</u>	<u>\$ 1,048,078</u>	<u>\$ 1,061,119</u>	<u>\$ 1,472,319</u>	<u>\$ 1,386,070</u>

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

Long-term Debt. As of June 30, 2019, the Town of Dublin had no bonded debt outstanding.

The Town of Dublin's Outstanding Debt:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion
Business-Type Activities:					
Water and Sewer Fund					
Direct Borrowing Installment Purchases	\$ 100,062	\$ -	\$ (5,886)	\$ 94,176	\$ 5,886
Total Water and Sewer Fund	<u>\$ 100,062</u>	<u>\$ -</u>	<u>\$ (5,886)</u>	<u>\$ 94,176</u>	<u>\$ 5,886</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. The Town of Dublin's legal debt margin is \$1,400,196.

Additional information regarding the Town of Dublin's long-term debt can be found in the notes beginning on page 30 of this report.

Economic Factors and Next Year's Budgets and Rates

For the upcoming year, management does not expect any surge of new development within the Town.

Due to Dublin's size, it is difficult to show any real increase in jobs within the Town's boundaries. Management reviews the County of Bladen's economic conditions to monitor for its effects on the economy of the Town.

Budget Highlights for the Fiscal Year Ending June 30, 2020.

Governmental Activities: Property taxes (benefiting from the economic growth) and sales tax revenue are expected to remain the same. Sanitation charges were increased for the 2019 year. The Town will continue its commitment to reducing the cost of delivering services.

Budgeted expenditures in the General Fund are expected to rise only as affected by inflation, perhaps 3-5%. The largest expenditures are in employee compensation and sanitation services, including funding compensation and benefits adjustments.

Business – type Activities: The water and sewer rates in the Town were increased. Personnel costs and costs of material, supplies, and other operating expenses are expected to remain steady.

Requests for Information

This report is designed to provide an overview of the Town of Dublin'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 attention of Ashley Matthews, Town of Dublin, P.O. Box 36, Dublin, NC 28332.

Basic Financial Statements

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

Exhibit 1

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash & Cash Equivalents	\$ 831,647	\$ 379,834	\$ 1,211,481
Restricted Cash	95,215	16,040	111,255
Taxes receivable (Net)	19,725	-	19,725
Accounts Receivable (Net)	13,681	22,837	36,518
Inventories	-	3,382	3,382
Restricted Accounts Receivable	-	21,535	21,535
Due from other governments	21,757	-	21,757
Internal balances	57,776	(57,776)	-
Total current assets	<u>1,039,801</u>	<u>385,852</u>	<u>1,425,653</u>
Noncurrent assets:			
Capital assets (Note 3):			
Land and nondepreciable improvements	165,805	47,503	213,308
Other capital assets, net of depreciation	258,436	1,000,575	1,259,011
Total capital assets	<u>424,241</u>	<u>1,048,078</u>	<u>1,472,319</u>
Total assets	<u>\$ 1,464,042</u>	<u>\$ 1,433,930</u>	<u>\$ 2,897,972</u>
Liabilities			
Current liabilities:			
Accounts Payable and Accrued Liabilities	\$ 8,249	\$ 25,226	\$ 33,475
Customer Deposits	-	16,040	16,040
Due Within One Year	-	5,886	5,886
Long-term Liabilities:			
Due in More Than One Year	-	88,290	88,290
Total liabilities	<u>8,249</u>	<u>135,442</u>	<u>143,691</u>
Net Position			
Net Investment in Capital Assets	424,241	953,902	1,378,143
Restricted for:			
Stabilization by State Statute	93,214	-	93,214
Public Safety	27,487	-	27,487
Transportation	67,728	-	67,728
Unrestricted	843,123	344,586	1,187,709
Total Net Assets	<u>\$ 1,455,793</u>	<u>\$ 1,298,488</u>	<u>\$ 2,754,281</u>

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 108,654	\$ 880	\$ -	\$ -
Public Safety	140,360	28,100	2,390	273,421
Transportation	9,971	11,875	-	-
Environmental Protection	36,386	32,625	-	-
Cultural and Recreation	4,592	-	-	-
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities	<u>299,963</u>	<u>73,480</u>	<u>2,390</u>	<u>273,421</u>
Business-Type Activities:				
Water and Sewer Fund	<u>293,395</u>	<u>221,093</u>	<u>-</u>	<u>60,979</u>
Total Business-Type Activities	<u>293,395</u>	<u>221,093</u>	<u>-</u>	<u>60,979</u>
Total Primary Government	<u>\$ 593,358</u>	<u>\$ 294,573</u>	<u>\$ 2,390</u>	<u>\$ 334,400</u>

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

Exhibit 2

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business Type Activities	Total
Primary Government:			
Governmental Activities:			
General Government	\$ (107,774)	\$ -	\$ (107,774)
Public Safety	163,551	-	163,551
Transportation	1,904	-	1,904
Environmental Protection	(3,761)	-	(3,761)
Cultural and Recreation	(4,592)	-	(4,592)
Interest on Long-Term Debt	-	-	-
Total Governmental Activities	<u>49,328</u>	<u>-</u>	<u>49,328</u>
Business-Type Activities:			
Water and Sewer Fund	-	(11,323)	(11,323)
Total Business-Type Activities	<u>-</u>	<u>(11,323)</u>	<u>(11,323)</u>
Total Primary Government	<u>49,328</u>	<u>(11,323)</u>	<u>38,005</u>
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	90,684	-	90,684
Grants and contributions not restricted to specific programs	60,211	-	60,211
Investment earnings, unrestricted	701	281	982
Miscellaneous, unrestricted	57,458	-	57,458
Total general revenues not including transfers	<u>209,054</u>	<u>281</u>	<u>209,335</u>
Transfers	-	-	-
Total general revenues and transfers	<u>209,054</u>	<u>281</u>	<u>209,335</u>
Change in net position	258,382	(11,042)	247,340
Net position - Beginning	1,197,411	1,309,530	2,506,941
Net position - Ending	<u>\$ 1,455,793</u>	<u>\$ 1,298,488</u>	<u>\$ 2,754,281</u>

Town of Dublin, North Carolina
Balance Sheet
Governmental Fund
June 30, 2019

Exhibit 3

Assets	
Cash and cash equivalents	\$ 831,647
Restricted cash	95,215
Receivables (net):	
Taxes	13,639
Accounts	13,681
Prepaid Assets	-
Due from other funds	57,776
Due from other governments	21,757
Total assets and other debits	<u>\$ 1,033,715</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 8,249
Total liabilities	<u>8,249</u>
Deferred Inflows of Resources	
Property tax receivable	13,639
Total deferred inflows of resources	<u>13,639</u>
Fund balances	
Restricted	
Stabilization by State Statute	93,214
Streets	67,728
Public Safety	27,487
Assigned	
Subsequent Years Expenditures	54,662
Unassigned	768,736
Total fund balances	<u>1,011,827</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,033,715</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 424,241
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.	6,086
Liabilities for earned revenue considered deferred inflows of resources in fund statements.	13,639
Net position of governmental activities	<u>\$ 1,455,793</u>

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

Exhibit 4

	<u>General Fund</u>
Revenues:	
Ad valorem taxes	\$ 83,374
Unrestricted intergovernmental	60,211
Restricted intergovernmental	287,686
Sales and services	61,605
Investment earnings	701
Miscellaneous	57,458
Total revenues	<u>551,035</u>
Expenditures:	
Current:	
General government	94,364
Public safety	258,532
Transportation	9,971
Sanitation	36,386
Total expenditures	<u>399,253</u>
Excess (deficiency) of revenues over expenditures	<u>151,782</u>
Net change in fund balance	151,782
Fund balance, beginning	860,045
Fund balance, ending	<u>\$ 1,011,827</u>

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

Exhibit 4

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

Net changes in fund balances - total governmental funds	\$ 151,782
---	------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	150,029
Depreciation expense for government assets	(50,739)

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

Change in unavailable revenue for tax revenues	7,310
Total changes in net position of governmental activities	\$ <u>258,382</u>

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -Budget and Actual

For the Year Ended June 30, 2019

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 73,850	\$ 73,850	\$ 83,374	\$ 9,524
Unrestricted intergovernmental	48,500	48,500	60,211	11,711
Restricted intergovernmental	11,000	29,099	287,686	258,587
Sales and services	73,068	286,938	61,605	(225,333)
Investment earnings	540	540	701	161
Miscellaneous	9,400	11,386	57,458	46,072
Total revenues	<u>216,358</u>	<u>450,313</u>	<u>551,035</u>	<u>100,722</u>
Expenditures:				
Current:				
General government	131,290	131,290	94,364	36,926
Public safety	40,068	284,511	258,532	25,979
Transportation	13,000	13,000	9,971	3,029
Sanitation	40,000	40,000	36,386	3,614
Debt Service	-	-	-	-
Total expenditures	<u>224,358</u>	<u>468,801</u>	<u>399,253</u>	<u>69,548</u>
Revenues over (under) expenditures	<u>(8,000)</u>	<u>(18,488)</u>	<u>151,782</u>	<u>170,270</u>
Other financing sources (uses):				
Debt Proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance Appropriated	8,000	18,488	-	(18,488)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	151,782	<u>\$ 151,782</u>
Fund balance, beginning			860,045	
Fund balance, ending			<u>\$ 1,011,827</u>	

Town of Dublin, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2019

Exhibit 6

	Major Enterprise Fund <u>Water and Sewer Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 379,834
Restricted Cash	16,040
Accounts receivable (net) - billed	19,413
Accounts receivable (net) - unbilled	3,424
Restricted Accounts Receivable	21,535
Inventories	<u>3,382</u>
Total current assets	<u>443,628</u>
Noncurrent assets:	
Capital assets	
Land and Construction in Progress	47,503
Other capital assets - net of depreciation	<u>1,000,575</u>
Total Noncurrent assets:	<u>1,048,078</u>
Total Assets	<u>\$ 1,491,706</u>
Liabilities	
Current liabilities:	
Accounts payable and Accrued Liabilities	\$ 25,226
Due to Other Funds	57,776
Customer deposits	16,040
Notes Payable - Current	<u>5,886</u>
Total current liabilities:	<u>104,928</u>
Noncurrent liabilities:	
Notes Payable - noncurrent	<u>88,290</u>
Total noncurrent liabilities:	<u>88,290</u>
Total liabilities	<u>193,218</u>
Net position	
Net investment in capital assets	953,902
Unrestricted	<u>344,586</u>
Total net position	<u>\$ 1,298,488</u>

Town of Dublin, North Carolina
**Statements of Revenues, Expenses, and
Changes in Fund Net Position**
Proprietary Fund
For the Year Ended June 30, 2019

Exhibit 7

	Major Enterprise Fund <u>Water and Sewer Fund</u>
Operating revenues:	
Water and Sewer Charges	\$ 219,480
Other Operating Revenues	1,613
Total operating revenues:	<u>221,093</u>
Operating expenses:	
Salaries	60,722
Employee Benefits	8,745
Contracted and Professional Services	50,220
Departmental Supplies	4,728
Sewer System Lease	29,629
Repairs	37,527
Operating Expenses	39,334
Depreciation	51,163
Miscellaneous	11,327
Total operating expenses	<u>293,395</u>
Operating income(loss)	<u>(72,302)</u>
Nonoperating revenues (expenses):	
Investment earnings	281
Total nonoperating revenues(expenses)	<u>281</u>
Income before contributions	<u>(72,021)</u>
Capital Contributions	<u>60,979</u>
Change in net position	(11,042)
Total Net Position, beginning	1,309,530
Total Net Position, ending	<u>\$ 1,298,488</u>

Town of Dublin, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Year Ended June 30, 2019

Exhibit 8

	Major Enterprise Fund <u>Water and Sewer Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 229,479
Cash paid for goods and services	(162,558)
Cash paid to employees for services	(60,722)
Customer deposits received	(100)
Net cash provided by operating activities	<u>6,099</u>
Cash flows from noncapital financing activities:	
Garbage collections on behalf of the General Fund	<u>(3,927)</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(38,122)
Capital Contributions - Grants	39,444
Reduction in debt	(5,886)
Net cash used by capital and related financing activities	<u>(4,564)</u>
Cash flows from investing activities:	
Interest on investments	<u>281</u>
Net increase in cash and cash equivalents	(2,111)
Cash and cash equivalents:	
Balances, beginning	397,985
Balances, ending	\$ <u><u>395,874</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ <u>(72,302)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	51,163
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	8,386
Increase (decrease) in accounts payable and accrued liabilities	18,952
Increase (decrease) in customer deposits	(100)
Total adjustments	<u>78,401</u>
Net cash provided by operating activities	\$ <u><u>6,099</u></u>

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of the Town of Dublin, North Carolina 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 Dublin is a municipal corporation that is governed by an elected mayor and a three-member council. As required by generally accepted accounting principles, these financial statements present 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-*government and proprietary*-are presented. The emphasis of fund financial statements is on the major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from non-exchange transactions. 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 of the general government except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

The Town reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

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

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, beer & wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Dublin because the tax is levied by Bladen County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there 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 DUBLIN, 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 and 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 departmental level for all annually budgeted funds and at the object level for multi-year funds. The Budget Officer is authorized to transfer appropriations within a fund up to \$5,000; however, any revisions that alter the total expenditures of any fund or exceed \$5,000 must be approved by the governing board. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town has no investments.

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 considered cash and cash equivalents.

Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Firemans' relief funds are also classified as restricted cash because it can only expended for the purposes of financially assisting firefighter and rescue personnel in the event of In-Line of Duty injury or death per G.S. 58-84-1/55.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

Town of Dublin Restricted Cash	
Governmental Activities	
General Fund	
Streets	\$ 67,728
Firemen's Relief	27,487
Total Governmental Activities	<u>\$ 95,215</u>
Business Type Activities	
Water and Sewer Fund	
Customer Deposits	\$ 16,040
Total Business Type Activities	<u>\$ 16,040</u>
Total Restricted Cash	<u><u>\$ 111,255</u></u>

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance 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.

Inventory

The inventory of the Town is valued at cost (first-in, first-out), which approximates market. The inventory of the Town's Enterprise Fund consists of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$500; Buildings, improvements, substations, lines, and other plant and distribution systems, \$500; infrastructure, \$500; furniture and equipment, \$500; and vehicles, \$500. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Motor Vehicles	5
Equipment	7
Plant Assets	50

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

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 does not have an item that meets 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 meet the criterion for this category - property taxes receivable.

Long-term Obligations

In the government-wide financial statements and in the 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.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

Compensated Absences

The vacation policy of the Town allows for one week per year for the first year of employment and two weeks per year for over one year of employment. There are only two full time employees that receive this benefit and no liability existed at year end.

The sick leave policy of the Town provides for an unlimited accumulation of earned sick leave. Sick leave does not vest. Since the Town has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

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.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the 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.

Restricted for Public Safety – Fireman's Relief Fund portion of fund balance that is restricted by revenue for financially assisting firefighter and rescue personnel in the event of In-Line of Duty injury or death.

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

Assigned fund balance – portion of fund balance that Town of Dublin intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation and any modifications to the original budget.

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

The Town of Dublin adheres to the North Carolina Local Government Commission's recommendation of a minimum fund balance for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance does not go below eight percent of budgeted expenditures. Any portion of the general fund balance in excess of 8% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

Significant Taxpayers and Water/Sewer Customers - The Town of Dublin current year tax collections were \$79,288 for June 30, 2019. Of this amount, Southern Peanut/Peanut Processors paid \$13,491. This is 17% of the Town's total current year tax revenue and is considered a significant portion to the Town's tax revenue. The Town of Dublin water and sewer sales were \$213,659 for June 30, 2019. Of this amount, Bladen Community College paid \$14,463 and West Bladen High School paid \$11,796. These are 7% and 6%, respectively, of the Town's total water and sewer revenue and are considered a significant portion to the Town's water and sewer revenue.

NOTE 2:

Stewardship, Compliance and Accountability

Material Violations of Finance-Related Legal and Contractual Provisions

None

Noncompliance with North Carolina General Statutes

None

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

Excess of Expenditures over Appropriations

None.

NOTE 3: Detail Notes on All Funds

A. Assets

Deposits

All deposits of the Town's are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Town's agent(s) in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by their agents in the entity'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 with 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 the 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 formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Board has no formal policy regarding custodial credit risk.

At June 30, 2019, the Town's deposits had a carrying amount of \$1,322,290 and a bank balance of \$1,342,282. Of the bank balance, \$250,000 was covered by federal depository insurance; the remaining \$1,092,282 was covered by collateral and held under the Pooling Method. The Town has \$446 in cash on hand.

Investments

The Town did not have any investments at June 30, 2019.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

Receivables – Allowances for Doubtful Accounts

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

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 2,544	\$ 24,175	\$ 32,894	\$ 59,613
Total Receivables	2,544	24,175	32,894	59,613
Allowance for Doubtful Accounts	-	(4,450)	-	(4,450)
Total Governmental Activities	<u>\$ 2,544</u>	<u>\$ 19,725</u>	<u>\$ 32,894</u>	<u>\$ 55,163</u>
Business-type Activities				
Water and Sewer Fund	\$ 22,837	-	\$ 21,535	\$ 44,372
Total Receivables	22,837	-	21,535	44,372
Allowance for Doubtful Accounts	-	-	-	-
Total Business-type Activities	<u>\$ 22,837</u>	<u>\$ -</u>	<u>\$ 21,535</u>	<u>\$ 44,372</u>

The due from other governments that is owed to the Town consist of the following:

Bladen County	\$ 7,214
North Carolina Sales Tax Refund	6,585
Grants from Federal and State Governments	26,087
Local Option Sales & Franchise Taxes	14,543
	<u>\$ 54,429</u>

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 40,805	\$ -	\$ -	\$ 40,805
Construction in Progress	-	125,000	-	125,000
Total Capital Assets not Being Depreciated:	<u>40,805</u>	<u>125,000</u>	<u>-</u>	<u>165,805</u>
Capital Assets Being Depreciated:				
Buildings	328,163	-	-	328,163
Equipment	846,855	25,029	-	871,884
Vehicles and Motor Equipment	565,391	-	-	565,391
Total Capital Assets Being Depreciated:	<u>1,740,409</u>	<u>25,029</u>	<u>-</u>	<u>1,765,438</u>
Less Accumulated Depreciation				
Buildings	170,257	10,881	-	181,138
Equipment	735,011	25,462	-	760,473
Vehicles and Motor Equipment	550,995	14,396	-	565,391
Total Accumulated Depreciation	<u>1,456,263</u>	<u>\$ 50,739</u>	<u>\$ -</u>	<u>1,507,002</u>
Total Capital Assets Being Depreciated, net	<u>284,146</u>			<u>258,436</u>
Governmental Activity Capital Assets, net	<u>\$ 324,951</u>			<u>\$ 424,241</u>

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

General Government	\$ 14,290
Recreation	4,592
Public Safety	31,857
Total Depreciation Expense	<u>\$ 50,739</u>

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Water and Sewer Fund				
Capital Assets not Being Depreciated:				
Land	\$ 17,441	\$ -	\$ -	\$ 17,441
Construction in Progress	-	30,062	-	30,062
Total Capital Assets not Being Depreciated:	17,441	30,062	-	47,503
Capital Assets Being Depreciated:				
Buildings	77,024	-	-	77,024
Plant and Distribution	2,008,461	-	-	2,008,461
Equipment	132,172	8,060	-	140,232
Vehicles and Motor Equipment	12,560	-	-	12,560
Total Capital Assets Being Depreciated:	2,230,217	8,060	-	2,238,277
Less Accumulated Depreciation				
Buildings	49,364	1,563	-	50,927
Plant and Distribution	1,012,572	35,101	-	1,047,673
Equipment	112,043	14,499	-	126,542
Vehicles and Motor Equipment	12,560	-	-	12,560
Total Accumulated Depreciation	1,186,539	\$ 51,163	\$ -	1,237,702
Total Capital Assets Being Depreciated, net	1,043,678			1,000,575
Water and Sewer Fund Capital Assets, Net	\$ 1,061,119			\$ 1,048,078

B. Liabilities

Pension Plan Obligations

The employees of the Town are not covered by a retirement plan.

Deferred Inflows of Resources

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

	General Fund Balance Sheet
Taxes Receivables, less penalties (General Fund)	\$ 13,639

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, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

The Town does not carry additional flood insurance due to not being located in a flood plain.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year.

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

Claims, Judgments and Contingent Liabilities

There are no pending monetary suits against the Town as of June 30, 2019.

Long-Term Obligations

Installment Purchase

Water Fund

Notes Payable – NCDENR is direct borrowing for the purchase of new water meters due in 20 annual installments of \$5,886 at 0% interest, with final payment May 2035. Outstanding balance at year end is \$94,176.

At June 30, 2019, Town of Dublin had a legal debt margin of \$1,400,196.

Annual debt service requirements of the installment purchases as of June 30, 2018 are as follows:

Year Ending 30-Jun	Business Type Activities	
	Principal	Interest
2020	\$ 5,886	\$ -
2021	5,886	-
2022	5,886	-
2023	5,886	-
2024	5,866	-
2025-2029	29,430	-
2030-2034	29,430	-
2035-2039	5,906	-
Total	\$ 94,176	\$ -

Changes in Long-term Liabilities

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion
Business-Type Activities:					
Water and Sewer Fund					
Direct Borrowing Installment Purchases	\$ 100,062	\$ -	\$ (5,886)	\$ 94,176	\$ 5,886
Total Water and Sewer Fund	\$ 100,062	\$ -	\$ (5,886)	\$ 94,176	\$ 5,886

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

C. The composition of interfund balances as of June 30, 2019 are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 57,776
	Total	\$ 57,776

The Town uses 2 separate bank accounts (GF & WSF) and during the year amounts may be paid or collected in one bank account for the other fund. Also, the interfund balances resulted from the time lag between the 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.

D. Fund Balance

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

<i>Total fund balance-General Fund</i>	<i>\$ 1,011,827</i>
Less:	
Stabilization by State Statute	93,214
Streets - Powell Bill	67,728
Public Safety – Fireman's Relief	27,487
Appropriated Fund Balance in 2020 Budget	54,662
Remaining Fund Balance	768,736

NOTE 5: 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. 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 6: Subsequent Events

Management has evaluated subsequent events through September 20, 2019, the date which the financial statements were available for issue.

Supplementary Statements

The section contains additional statements required by the Local Government Commission
in North Carolina.

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

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current Year		\$ 79,288	
Prior Year		3,138	
Penalties and interest		948	
Total	\$ 73,850	\$ 83,374	\$ 9,524
Unrestricted intergovernmental:			
Local option sales taxes		32,971	
Video Franchise Fee		3,289	
Utility sales tax		18,306	
Solid Waste Disposal		243	
Gasoline Tax Refund		855	
Beer and Wine Tax		1,495	
Telecom Sales Tax		3,052	
Total	48,500	60,211	11,711
Restricted intergovernmental:			
Powell Bill Allocation		11,875	
Fire Relief Fund		2,390	
County Fire District		250,770	
Grant		22,651	
Total	29,099	287,686	258,587
Sales and services:			
Sanitation Fees		32,625	
Rent on Community Building		680	
Business Registration Fee		200	
Fire Protection Fees		28,100	
Total Sales and Services	286,938	61,605	(225,333)
Investment earnings:			
Regular		676	
Fire Dept		6	
Powell Bill		19	
Total Other Revenues	540	701	161

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

	Budget	Actual	Variance Positive (Negative)
Other Revenues:			
Donations		8,722	
Insurance Proceeds/Sale of Fixed Assets		48,265	
Miscellaneous		471	
Total Other Revenues	11,386	57,458	46,072
Total Revenues	450,313	551,035	100,722
Expenditures:			
General government:			
Administration:			
Board Per Diem		3,600	
Salaries		50,713	
Professional Services		9,297	
Employee Benefits		5,832	
Operating Expenses		22,667	
Park Expense		2,255	
Capital Outlay		-	
Total General Government	131,290	94,364	36,926
Public safety:			
Fire:			
Officer Fees		-	
Operating Expenses		95,163	
Insurance		12,147	
Miscellaneous		1,193	
Capital outlay		150,029	
Total Public Safety	284,511	258,532	25,979
Transportation:			
Streets:			
Utilities		7,896	
Maintenance and Repairs		2,041	
Miscellaneous		34	
Capital Outlay		-	
Total Streets	13,000	9,971	3,029
Total Transportation	13,000	9,971	3,029

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

	Budget	Actual	Variance Positive (Negative)
Environmental Protection:			
Sanitation:			
Contracted Services		32,594	
Miscellaneous		3,792	
Total Sanitation	40,000	36,386	3,614
Total Expenditures	468,801	399,253	69,548
Revenues over (under) expenditures	(18,488)	151,782	170,270
Fund Balance Appropriated	18,488	-	(18,488)
Net Change in Fund Balance	\$ -	151,782	\$ 151,782
Fund Balances, Beginning		860,045	
Fund Balances, Ending		\$ 1,011,827	

Town of Dublin, North Carolina
Water and 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:			
Charges for services:			
Water and Sewer Charges		\$ 213,659	
Taps and Connection Fees		2,295	
Penalties		3,526	
Miscellaneous		1,613	
Total	\$ 184,857	221,093	\$ 36,236
Nonoperating Revenues			
Interest Earned on Investment		281	
Total	200	281	81
Total revenues	185,057	221,374	36,317
Expenditures:			
Operating Expenses			
Salaries		60,722	
Employee Benefits		8,745	
Contracted and Professional Services		50,220	
Departmental Supplies		4,728	
Cost of Sewer		29,629	
Repairs		37,527	
Operating Expenses		39,334	
Miscellaneous		11,327	
Total	326,690	242,232	84,458
Debt Service			
Principle	-	5,886	
Interest	-	-	
Total Debt Service	7,500	5,886	1,614

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Capital outlay:			
Equipment		8,060	
Water/Sewer System		-	
Total capital outlay	<u>20,000</u>	<u>8,060</u>	<u>11,940</u>
Total expenditures	<u>354,190</u>	<u>256,178</u>	<u>98,012</u>
Capital Contributions	<u>22,831</u>	<u>30,917</u>	<u>8,086</u>
Other financing sources (uses):			
Fund Balance Appropriated	<u>146,302</u>	-	<u>(146,302)</u>
Total other financing sources (uses)	<u>146,302</u>	-	<u>(146,302)</u>
Revenues and other sources over expenditures and other uses	\$ <u><u>-</u></u>	\$ <u><u>(3,887)</u></u>	\$ <u><u>(3,887)</u></u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over expenditures		\$ <u>(3,887)</u>	
Reconciling items:			
Principle retirement		5,886	
Grant from capital projects		30,062	
Capital outlay		8,060	
Depreciation		<u>(51,163)</u>	
Total reconciling items		<u>(7,155)</u>	
Change in Net Position		\$ <u><u>(11,042)</u></u>	

Town of Dublin, North Carolina
CDBG - Water Line Replacement
Schedule of Revenues and Expenditures -
Budget and Actual (Non - GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

		Actual			Variance
	Project Author- ization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Restricted Intergovernmental Revenue					
CDBG - 17-I-2959	\$ 640,500	\$ -	\$ 30,062	\$ 30,062	\$ (610,438)
Total Revenues	640,500	-	30,062	30,062	(610,438)
Expenitures:					
Miscellaneous	-	-	-	-	-
Construction	640,500	-	30,062	30,062	610,438
Total Expenditures	640,500	-	30,062	30,062	610,438
Revenue over (under) Expenditures	-	-	-	-	-
Revenue and Other Sources					
Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

OTHER SCHEDULES

This section includes additional information on property taxes

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

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

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018 - 2019	\$ -	\$ 86,205	\$ 79,288	\$ 6,917
2017 - 2018	5,222	-	3,113	2,109
2016 - 2017	2,707	-	753	1,954
2015 - 2016	3,143	-	371	2,772
2014 - 2015	1,875	-	-	1,875
2013 - 2014	682	-	13	669
2012 - 2013	858	-	14	844
2011 - 2012	623	-	12	611
2010 - 2011	179	-	29	150
2009 - 2010	221	-	33	188
2008 - 2009	331	-	331	-
	<u>\$ 15,841</u>	<u>\$ 86,205</u>	<u>\$ 83,957</u>	<u>\$ 18,089</u>
Allowance for Doubtful Accounts				4,450
Ad valorem taxes receivable - net				<u>\$ 13,639</u>

Reconcilement with revenues:

Ad valorem taxes - General Fund	\$ 83,374
Reconciling items:	
Interest collected	(948)
Discounts	557
Releases	974
Subtotal	<u>583</u>
Total collections and credits	<u>\$ 83,957</u>

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

				Total Levy	
	Town - Wide			Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original levy:					
Property taxed at current					
year's rate	\$ 17,651,224	0.49	\$ 86,491	\$ 73,331	\$ 13,160
Penalties			443	443	-
Total	<u>17,651,224</u>		<u>86,934</u>	<u>73,774</u>	<u>13,160</u>
Discoveries:					
Current year taxes	-	0.49	-	-	-
Total	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Abatements	<u>(148,776)</u>	0.49	<u>(729)</u>	<u>(729)</u>	<u>-</u>
Total property valuation	<u>\$ 17,502,449</u>				
Net levy			86,205	73,045	13,160
Uncollected taxes at June 30, 2019			<u>6,917</u>	<u>6,917</u>	<u>-</u>
Current year's taxes collected			<u>\$ 79,288</u>	<u>\$ 66,128</u>	<u>\$ 13,160</u>
Current levy collection percentage			<u>91.98%</u>	<u>90.53%</u>	<u>100.00%</u>