



REVIEWED

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Darrell L. Keller, CPA, PA

TOWN OF KINGSTOWN
BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

(704) 739-0771

Town of Kingstown, North Carolina
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June 30, 2019

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Kingstown
Kingstown, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Town of Kingstown, 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 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, the business-type activities, and each major fund of Town of Kingstown, North Carolina, as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, 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.

Change in Accounting Principle

As described in note VI to the financial statements the Town adopted new accounting guidance, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

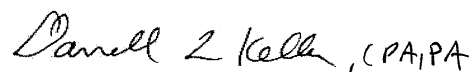
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–11 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 my inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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



Darrell L. Keller, CPA, PA
Kings Mountain, North Carolina
August 8, 2021

Town of Kingstown, North Carolina
Management's Discussion and Analysis
June 30, 2019

As management of the Town of Kingstown, we offer readers of the Town of Kingstown's financial statements this narrative overview and analysis of the financial activities of the Town of Kingstown for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have presented in the Town's financial statements, which follow this narrative. All amounts, unless otherwise indicated, are expressed in dollars.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Kingstown exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2,882,844 (*net position*).
- The government's total net position decreased by \$74,398, primarily due to decreases in the business-type activities net position due to depreciation.
- As of the close of the current fiscal year, the Town of Kingstown's governmental funds reported combined ending fund balances of \$327,940, an increase of \$35,655 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,705, or 4.36% of total general fund expenditures for the fiscal year.
- The Town's proprietary fund owed the general fund \$117,299 at June 30, 2019.
- On December 1, 2020 the Local Government Commission assumed full control of all financial affairs of the Town of Kingstown.

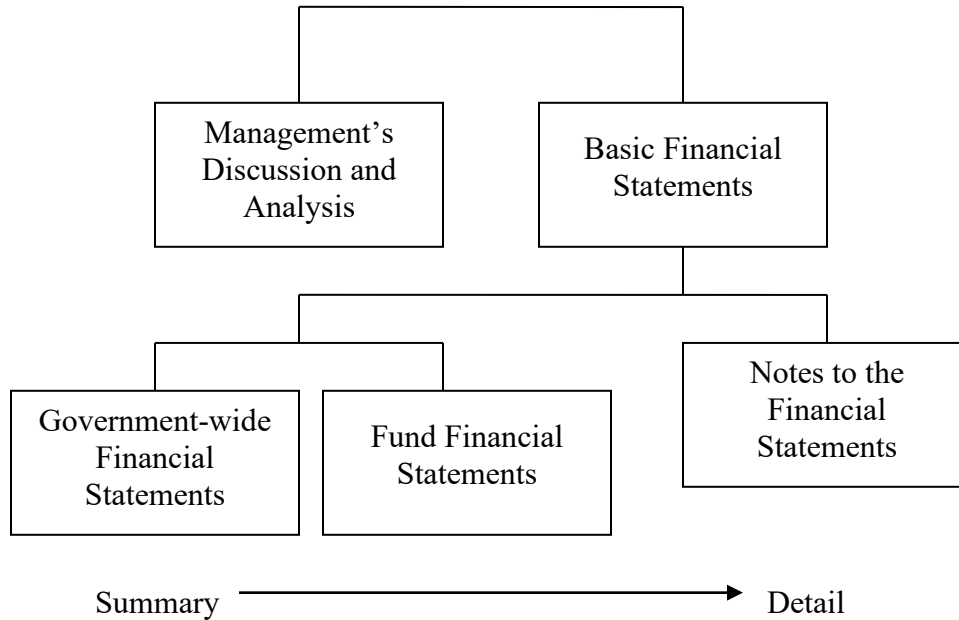
Overview of the Financial Statements

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

Town of Kingstown, North Carolina
Management's Discussion and Analysis
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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 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

Town of Kingstown, North Carolina
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Government-wide Financial Statements

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

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

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

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 of Kingstown, 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. The Town of Kingstown has two funds: governmental fund and proprietary fund.

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

The Town of Kingstown 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

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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 Fund – The Town of Kingstown has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Kingstown uses an enterprise fund to account for its sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

Government-Wide Financial Analysis

The Town of Kingstown Net Position

Figure 2

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 347,960	\$ 307,589	\$ (67,737)	\$ (82,128)	\$ 280,223	\$ 225,461
Capital assets	300,119	314,079	2,522,535	2,611,953	2,822,654	2,926,032
Total assets	<u>648,079</u>	<u>621,668</u>	<u>2,454,798</u>	<u>2,529,825</u>	<u>3,102,877</u>	<u>3,151,493</u>
Long-term liabilities outstanding	1,825	4,212	27,689	42,078	29,514	46,290
Other liabilities	7,163	3,912	183,356	144,049	190,519	147,961
Total liabilities	<u>8,988</u>	<u>8,124</u>	<u>211,045</u>	<u>186,127</u>	<u>220,033</u>	<u>194,251</u>
Net position:						
Net investment in capital assets	300,119	314,079	2,494,846	2,569,875	2,794,965	2,883,954
Restricted	321,735	315,311	-	-	321,735	315,311
Unrestricted	17,237	(15,846)	(251,093)	(226,177)	(233,856)	(242,023)
Total net position	<u>\$ 639,091</u>	<u>\$ 613,544</u>	<u>\$ 2,243,753</u>	<u>\$ 2,343,698</u>	<u>\$ 2,882,844</u>	<u>\$ 2,957,242</u>

Town of Kingstown, North Carolina
Management's Discussion and Analysis
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As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Kingstown exceeded liabilities and deferred inflows of resources by \$2,882,844 as of June 30, 2019. The Town's net position decreased by \$74,398 for the fiscal year ended June 30, 2019. However, the largest portion (96.95%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Kingstown uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Kingstown's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Kingstown's net position (11.16%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$233,856) is unrestricted.

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

- The Sewer system is operational and being depreciated.
- Property Tax was increased from 0.35 to 0.48.

	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 144,196	\$ 145,369	\$ 144,196	\$ 145,369
Operating grants and contributions	24,223	23,635	5,000	-	29,223	23,635
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	89,418	65,164	-	-	89,418	65,164
Other taxes	50,478	49,995	-	-	50,478	49,995
Other	3,870	645	2	10	3,872	655
Total revenues	<u>167,989</u>	<u>139,439</u>	<u>149,198</u>	<u>145,379</u>	<u>317,187</u>	<u>284,818</u>
Expenses:						
General government	61,818	65,173	-	-	61,818	65,173
Public safety	499	2,963	-	-	499	2,963
Streets	20,189	13,115	-	-	20,189	13,115
Environmental protection	42,217	42,250	-	-	42,217	42,250
Culture and recreation	17,649	16,668	-	-	17,649	16,668
Interest on long-term debt	70	36	-	-	70	36
Sewer	-	-	249,143	230,333	249,143	230,333
Total expenses	<u>142,442</u>	<u>140,205</u>	<u>249,143</u>	<u>230,333</u>	<u>391,585</u>	<u>370,538</u>
Increase in net position before transfers	25,547	(766)	(99,945)	(84,954)	(74,398)	(85,720)
Transfer in (out)	-	-	-	-	-	-
Increase in net position after transfers	25,547	(766)	(99,945)	(84,954)	(74,398)	(85,720)
Net position July 1	613,544	614,310	2,343,698	2,428,652	2,957,242	3,042,962
Net position June 30	<u>\$ 639,091</u>	<u>\$ 613,544</u>	<u>\$ 2,243,753</u>	<u>\$ 2,343,698</u>	<u>\$ 2,882,844</u>	<u>\$ 2,957,242</u>

Town of Kingstown, North Carolina
Management's Discussion and Analysis
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Governmental activities: Governmental activities increased the Town's net position by \$25,547.

Business-type activities: Business-type activities decreased the Town of Kingstown' net position by \$99,945. Business-type activities had an operating loss of (\$103,548).

Financial Analysis of the Town's Funds

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

Governmental Funds: The focus of the Town of Kingstown'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 Kingstown's financing requirements.

The general fund is the chief operating fund of the Town of Kingstown. At the end of the current fiscal year, Town of Kingstown's unassigned fund balance in the General Fund was \$5,705, while total fund balance reached \$327,940.

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.

Factors concerning the finances of this fund have already been addressed in the discussion of the Town of Kingstown's governmental activities.

Proprietary Fund: The Town of Kingstown' proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the fiscal year-end in the Sewer Fund was (\$251,093). Factors concerning the finances of this fund have already been addressed in the discussion of the Town of Kingstown's business-type activities.

Management's Plan to Restructure the Sewer Fund Operations: The Town has an agreement with the City of Shelby regarding payment of charges for sewage treatment. The Town has agreed to pay a minimum of \$5,000 per month plus any collections by the Town in excess of the \$5,000. As of June 30, 2019 the Town owes the City of Shelby \$183,356, an increase of \$39,307 from the previous year. Per the City Manager, there are no immediate plans to ask for payment in full as the City wants to work with the Town to help them fully recover sustainability in the Sewer Fund. Approximately 50 customers have been turned over to debt set off and collections are slowly beginning to come in. All delinquent accounts 90-120 days past due and no payment arrangements have been made,

Town of Kingstown, North Carolina
Management's Discussion and Analysis
June 30, 2019

will be turned over to the Town's attorney and they will be authorized to institute civil actions as set forth in the General Statutes including an order of the Court of the amount due the Town, judgment thereon plus interest, costs, including attorney fees, and order for foreclosure and sale. The Town has also sent all delinquent customers to the State for debt setoff of tax refunds against the amounts due. The Town has also changed their policy to make the owners of rental properties responsible for the monthly sewer bills rather than the tenants.

The Town has also contracted with a local water district to bill and collect monthly sewer fees for the Town. The Town will still be responsible for collecting past due amounts and for customers not on the Cleveland County Water system. The agreement does include a provision that if the customers do not pay current sewer charges, the water district will cut off their water until the sewer charges are paid. This plan significantly increased the amount of collections the Town since the plans inception.

Capital Asset and Debt Administration

Capital assets: The Town of Kingstown's investment in capital assets for its governmental and business-type activities as of June 30. 2019 totals \$2,822,654 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, park facilities, and vehicles.

There were no major capital asset transactions during the year.

The Town of Kingstown Capital Assets (net of depreciation)

Figure 4

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 27,548	\$ 27,548	\$ 97,947	\$ 97,947	\$ 125,495	\$ 125,495
Buildings and system	181,289	190,339	-	-	181,289	190,339
Machinery and equipment	5,965	6,771	-	-	5,965	6,771
Construction In Progress	-	-	-	-	-	-
Infrastructure	85,317	87,502	2,424,588	2,514,006	2,509,905	2,601,508
Vehicles and motorized equipment	-	1,919	-	-	-	1,919
Total capital assets (net of depreciation)	\$ 300,119	\$ 314,079	\$ 2,522,535	\$ 2,611,953	\$ 2,822,654	\$ 2,926,032

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

Town of Kingstown, North Carolina
Management's Discussion and Analysis
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Long-term Debt: As of June 30, 2019, the Town of Kingstown had total outstanding debt of \$46,290 which is G.S 160A-20 financing that pledges the assets purchased as collateral instead of the taxing authority of the Town.

The Town of Kingstown Outstanding Debt

Figure 5

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Direct Borrowing Notes Payable	\$ 1,825	\$ 4,212	\$ 27,689	\$ 42,078	\$ 29,514	\$ 46,290
Capitalized leases	-	-	-	-	-	-
Total Outstanding Debt	\$ 1,825	\$ 4,212	\$ 27,689	\$ 42,078	\$ 29,514	\$ 46,290

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Kingstown is \$1,445,986.

Additional information regarding the Town of Kingstown' long-term debt can be found in note III. B. 4 of the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

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

- The completed sewer system construction has increased the interest in our area for both commercial and residential growth.
- Our proximity to larger cities and towns and the large amount of land available for commercial or residential construction will provide for growth and prosperity in the future.

Town of Kingstown, North Carolina
Management's Discussion and Analysis
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Budget Highlights for Fiscal Year Ending June 30, 2020

Governmental Activities: The governmental fund's primary revenue resource is property taxes. The property tax rate will be \$.48 per \$100.

Business-type Activities: The Sewer line capital project was completed in a prior year.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Town of Kingstown, 2014 Kingston Rd, Kingstown, NC 28150.

Basic Financial Statements

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

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 49,945	\$ 18,535	\$ 68,480
Restricted cash and cash equivalents	153,299	-	153,299
Taxes receivables (net)	12,857	-	12,857
Internal Balances	117,299	(117,299)	-
Accounts receivable (net)	14,060	20,819	34,879
Due from other governments (net)	-	9,514	9,514
Prepaid items	500	694	1,194
Total current assets	347,960	(67,737)	280,223
Capital assets (Note 1):			
Land, non-depreciable improvements, and construction in progress	27,548	97,947	125,495
Other capital assets, net of depreciation	272,571	2,424,588	2,697,159
Total capital assets	300,119	2,522,535	2,822,654
Total assets	\$ 648,079	\$ 2,454,798	\$ 3,102,877
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 7,163	\$ -	\$ 7,163
Due to other governments	-	183,356	183,356
Long-term liabilities:			
Due within one year	-	16,357	16,357
Due in more than one year	1,825	11,332	13,157
Total liabilities	8,988	211,045	220,033
NET POSITION			
Net investment in capital assets	300,119	2,494,846	2,794,965
Restricted for:			
Streets	150,085	-	150,085
Recreation	40,291	-	40,291
Stabilization by State Statute	131,359	-	131,359
Unrestricted	17,237	(251,093)	(233,856)
Total net position	\$ 639,091	\$ 2,243,753	\$ 2,882,844

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

Exhibit 2

Town of Kingstown, 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:								
General government	\$ 61,818	\$ -	\$ -	\$ -	\$ (61,818)	\$ -	\$ (61,818)	
Public safety	499	-	-	-	(499)	-	(499)	
Streets	20,189	-	14,686	-	(5,503)	-	(5,503)	
Environmental protection	42,217	-	-	-	(42,217)	-	(42,217)	
Cultural and recreation	17,649	-	9,537	-	(8,112)	-	(8,112)	
Interest on long-term debt	70	-	-	-	(70)	-	(70)	
Total governmental activities (See Note 1)	142,442	-	24,223	-	(118,219)	-	(118,219)	
Business-type activities:								
Sewer	249,143	144,196	5,000	-	-	\$ (99,947)	(99,947)	
Total business-type activities	249,143	144,196	5,000	-	-	(99,947)	(99,947)	
Total primary government	\$ 391,585	\$ 144,196	\$ 29,223	\$ -	(118,219)	(99,947)	(218,166)	
General revenues:								
Taxes:								
Property taxes, levied for general purpose					89,418	-	89,418	
Other taxes					50,478	-	50,478	
Investment earnings					1,453	2	1,455	
Transfer (to) from					-	-	-	
Miscellaneous					2,417	-	2,417	
Total general revenues and transfers					143,766	2	143,768	
Change in net position					25,547	(99,945)	(74,398)	
Net position, beginning					613,544	2,343,698	2,957,242	
Net position, ending					\$ 639,091	\$ 2,243,753	\$ 2,882,844	

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

**Town of Kingstown
Balance Sheet
Governmental Fund
June 30, 2019**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 49,945
Restricted cash and cash equivalents	153,299
Receivables, net:	
Taxes	12,857
Due from other funds	117,299
Due from other governments	14,060
Prepaid items	500
Total assets	<u>\$ 347,960</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued liabilities	\$ 5,823
Accounts payable from restricted cash	1,340
Total liabilities	<u>7,163</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes receivable	<u>12,857</u>
Fund balances:	
Non Spendable	
Prepaid items	500
Restricted:	
Stabilization by State statute	131,359
Recreation	40,291
Streets-Powell bill	150,085
Unassigned	5,705
Total fund balances	<u>327,940</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 347,960</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.	300,119
Other long-term assets (accrued interest receivable from taxes) are not	-
Liabilities for earned but unavailable revenues in fund statements.	12,857
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 (Note 4).	(1,825)
Net position of governmental activities	<u>\$ 639,091</u>

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

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

	<u>General Fund</u>
REVENUES	
Ad valorem taxes	\$ 87,952
Other taxes and licenses	28,916
Unrestricted intergovernmental	21,562
Restricted intergovernmental	14,686
Permits and fees	11,954
Investment earnings	1,453
Total revenues	<u>166,523</u>
EXPENDITURES	
Current:	
General government	58,028
Public safety	499
Transportation	16,083
Environmental protection	42,217
Culture and recreation	11,585
Debt Service	2,456
Total expenditures	<u>130,868</u>
Excess (deficiency) of revenues over expenditures	<u>35,655</u>
OTHER FINANCING SOURCES (USES)	
Transfers to (from) other funds	-
Loan Proceeds	-
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	35,655
Fund balances, beginning	292,285
Fund balances, ending	<u><u>\$ 327,940</u></u>

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

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

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

Net changes in fund balances - total governmental funds	\$ 35,655
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 outlay exceeded depreciation in the current period	(13,960)
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	1,465
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. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,386
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Miscellaneous	1
Total changes in net position of governmental activities	<u>\$ 25,547</u>

Exhibit 6

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

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	63,531	63,531	87,952	24,421
Other taxes and licenses	45,157	33,480	28,916	(4,564)
Unrestricted intergovernmental	25,384	25,384	21,562	(3,822)
Restricted intergovernmental	43,971	43,971	14,686	(29,285)
Permits and fees	12,540	11,540	11,954	414
Investment earnings	-	-	1,453	1,453
Total revenues	190,583	177,906	166,523	(11,383)
Expenditures:				
Current:				
General government	63,612	64,610	58,028	6,582
Public safety	12,100	11,785	499	11,286
Streets	47,971	47,971	16,083	31,888
Environmental protection	45,000	41,000	42,217	(1,217)
Cultural and recreation	12,540	12,540	11,585	955
Debt Service	-	-	2,456	(2,456)
Total expenditures	181,223	177,906	130,868	47,038
Revenues over (under) expenditures	9,360	-	35,655	35,655
Other financing sources (uses):				
Fund Balance Appropriated	(9,360)	-	-	-
Loan Proceeds	-	-	-	-
Transfer to Sewer Fund	-	-	-	-
Total other financing sources (uses)	(9,360)	-	-	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	35,655	<u>\$ 35,655</u>
Fund balances, beginning			292,285	
Fund balances, ending			<u>\$ 327,940</u>	

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

**Town of Kingstown
Statement of Net Position
Proprietary Fund
June 30, 2019**

	<u>Sewer Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 18,535
Accounts receivable (net) - billed	20,819
Due from other governments (net) - billed	9,514
Prepaid expenses	694
Total current assets	<u>49,562</u>
Capital assets:	
Land and other non-depreciable assets	97,947
Construction In Progress	-
Other capital assets, net of depreciation	2,424,588
Capital assets (net)	<u>2,522,535</u>
Total noncurrent assets	<u>2,522,535</u>
Total assets	<u><u>\$ 2,572,097</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	-
Due to other governments	183,356
Due to other funds	117,299
Customer deposits	-
Note Payable-Current Portion	16,357
Total current liabilities	<u>317,012</u>
Noncurrent liabilities:	
Note Payable-Long term Portion	11,332
Total liabilities	<u>328,344</u>
NET POSITION	
Net investment in capital assets	2,494,846
Unrestricted	(251,093)
Total net position	<u><u>\$ 2,243,753</u></u>

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

Town of Kingstown, North Carolina
Combined Statement of Revenues, Expenditures
and Changes in Net Assets
Sewer Fund
For the Fiscal Year Ended June 30, 2019

	<u>SEWER FUND</u>
	<u>June 30, 2019</u>
OPERATING REVENUES	
Sewer Charges	\$ 144,196
Total Operating Income	<u>144,196</u>
OPERATING EXPENSES	
Repairs & Maintenance	5,923
Materials & Supplies	1,656
Contracted and Professional Service	148,508
Collection Fees	2,239
Depreciation	89,418
Total Operating Expenses	<u>247,744</u>
Operating Income (Loss)	<u>(103,548)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest Expense	(1,399)
Miscellaneous Revenues	5,000
Investment Earnings	2
Total Non-Operating Revenues (Expenses)	<u>3,603</u>
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(99,945)
OPERATING TRANSFERS IN (OUT)	-
LOCAL FUNDS	-
CHANGE IN NET POSITION	<u>(99,945)</u>
TOTAL NET POSITION, BEGINNING	<u>2,343,698</u>
TOTAL NET POSITION, ENDING	<u><u>\$ 2,243,753</u></u>

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

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

Exhibit 9

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Customers	\$ 144,752
Cash Paid for Goods and Services	(119,019)
Cash Paid to Employees	-
Net Cash Provided by Operating Activities	<u>25,733</u>

CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES:

Transfer from General Fund	-
Increase (decrease) in Due To Other Funds	926
Net Cash Provided By Noncapital Financing	<u>926</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Loan Proceeds	-
Loan Payments	(14,389)
Interest Expense	(1,399)
Purchase/Construction of Capital Assets	-
Non-capital Grant	5,000
Net Cash Used for Capital and Related Financing Activities	<u>(10,788)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on Investments	<u>2</u>
Net Increase (Decrease) in Cash and Cash Equivalents	15,873
Cash and Cash Equivalents at Beginning of Year	2,662
Cash and Cash Equivalents at End of Year	<u>\$ 18,535</u>

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES:**

Operating Income (Loss)	<u>\$ (103,548)</u>
-------------------------	---------------------

**ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES:**

Depreciation	<u>89,418</u>
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable and Accrued Interest	(13,253)
(Increase) Decrease in Prepaid expenses	-
Increase (Decrease) in Accounts Payable	39,307
Revenue Reduced for Uncollectible Accounts	13,809
Total Adjustments	<u>39,863</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES

\$ 25,733

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

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

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Kingstown 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 Kingstown is a municipal corporation that is 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.

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

The Town reports the following major governmental fund:

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

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

The Town reports the following major enterprise fund:

Sewer Fund. This fund is used to account for the Town's sewer fund.

C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the Sewer system. Operating expenses for the enterprise fund includes 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 which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as

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

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, Cleveland County is responsible for billing and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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 of Resources, 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

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

Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool is measured at fair value. Because the NCCMT Government Portfolio has a weighted average of maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

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

3. Restricted Cash

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Recreation funds are also classified as restricted cash because they can only be expended for parks and recreation per restrictions placed on these funds by Cleveland County.

<u>City of Kingstown</u>		
Governmental Activities		
General Fund		
	Streets	\$ 151,085
	Recreation	2,214
Total governmental activities		<u>\$ 153,299</u>
Total Restricted Cash		<u><u>\$ 153,299</u></u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 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, 2018. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

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

6. Prepaid Items

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

7. Capital Assets

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

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

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings and Improvements	39
Sewer Lines and Equipment	39
Vehicles	5
Equipment	10

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has no items that meet the criteria. In addition to liabilities, the statement of financial position will sometimes report a 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 one item that meets the criteria for this category-property taxes receivable.

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

10. 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 balances can be spent.

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted for Recreation-portion of fund balance that is restricted by revenue source for parks and recreation. This amount represents the balance of the total unexpended recreation funds.

Committed Fund Balance-portion of fund balance that can only be used for specific purposes by majority vote by quorum of Town of Kingstown'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.

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

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 Kingstown 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; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriations within funds up to \$2,500.

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

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2019, the expenditures in the Town's Sewer Fund exceeded authorized appropriations made by the governing board by \$71,196. This overexpenditure was primarily due to under budgeting City of Shelby sewer fees. Management and Board will more closely review the budget reports to ensure compliance in future years.

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

The Sewer Fund has an unrestricted deficit net position of \$251,093.

The Town signed an agreement with Cleveland County Water to bill and collect Sewer charges. The Town has also sent past due receivables to the State of North Carolina for the debt set-off program and engaged a debt collection service to pursue past due receivables. The Town has also negotiated a payment plan with the City of Shelby to help them budget past due amounts for sewer charges and remain current with monthly charges.

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

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 the units' name. 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 the Town's agents in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact 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 \$219,825 and a bank balance of \$220,561. Of the bank balance, \$220,561 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Investments

At June 30, 2019, the Town of Kingstown had \$1,954 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. It is valued using Amortized Cost. The Town has no policy regarding credit risk.

3. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position is net of the following allowances for doubtful accounts:

Fund	6/30/2019
General Fund:	
Taxes receivable	\$ 7,435
Accounts receivable	-
Total	7,435
Enterprise Funds	505,907
Total	\$ 513,342

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

4. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 27,548	\$ -	\$ -	\$ 27,548
Construction in progress	-	-	-	-
Total capital assets not being depreciated	27,548	-	-	27,548
Capital assets being depreciated:				
Buildings and Improvements	352,828	-	-	352,828
Equipment	89,184	-	-	89,184
Vehicles and motorized equipment	60,588	-	-	60,588
Infrastructure	123,190	-	-	123,190
Total capital assets being depreciated	625,790	-	-	625,790
Less accumulated depreciation for:				
Buildings	162,489	9,046	-	171,535
Equipment	82,413	808	-	83,221
Vehicles and motorized equipment	58,669	-	-	58,669
Infrastructure	35,688	4,106	-	39,794
Total accumulated depreciation	339,259	\$ 13,960	\$ -	353,219
Total capital assets being depreciated, net	286,531			272,571
Governmental activity capital assets, net	\$ 314,079			\$ 300,119

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

General Government	\$ 3,790
Public safety	-
Transportation	4,106
Environmental protection	-
Cultural and recreational	6,064
Total depreciation expense	<u>\$ 13,960</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities				
Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 97,947	\$ -	\$ -	\$ 97,947
Construction in progress	-	-	-	-
Total capital assets not being depreciated	\$ 97,947	\$ -	\$ -	\$ 97,947
Capital assets being depreciated:				
Sewer Lines & Equipment	3,487,307	-	-	3,487,307
Equipment	-	-	-	-
Vehicles	-	-	-	-
Total capital assets being depreciated	3,487,307	-	-	3,487,307
Less accumulated depreciation for:				
Sewer Lines & Equipment	973,301	89,418	-	1,062,719
Equipment	-	-	-	-
Vehicles	-	-	-	-
Total accumulated depreciated	973,301	\$ 89,418	\$ -	1,062,719
Total capital assets being depreciated, net	2,514,006			2,424,588
Sewer fund capital assets, net	\$ 2,611,953			\$ 2,522,535
Business-type activities capital assets, net	\$ 2,611,953			\$ 2,522,535

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

B. Liabilities

1. Deferred Outflows and Inflows of Resources

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

	Unavailable Revenue
Prepaid taxes (General Fund)	\$ -
Taxes receivable (General Fund)	12,857
Total	<u>\$ 12,857</u>

2. 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 risk self-funded financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, and workers compensation coverage up to statutory limits and employee health coverage up to a \$2 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$500,000 and \$300,000 up to statutory limits for workers compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values. The Town does not have flood insurance.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The Town has a \$50,000 bond on the finance director.

3. Claims, Judgments and Contingent Liabilities

None.

4. Long-Term Obligations

a. Installment Purchases

The Town has one direct borrowing to finance sewer real estate. The financing contract requires principal payments of \$1,435 per month including interest at 4.29%. The underlying real estate is pledged as collateral for the debt. In the event of default outstanding amounts may become immediately due.

During the prior year the Town obtained a direct borrowing for \$4,800 to purchase a new HVAC for the Town Hall. Payments began April 1, 2018 and go through March 9, 2020. The payments are \$204.73 per month including interest at 2.25%. The underlying HVAC unit is pledged as collateral for the debt. In the event of default outstanding amounts may become immediately due.

The future minimum payments as of June 30, 2019, including interest, are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,825	\$ 17	\$ 16,357	\$ 867
2021	-	-	11,332	183
2022	-	-	-	-
2023	-	-	-	-
2024				
Future Minimum Payments	<u>\$ 1,825</u>		<u>\$ 27,689</u>	
Total interest payments		<u>\$ 17</u>		<u>\$ 1,050</u>

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

At June 30, 2019, the Town of Kingstown had a legal debt margin of \$1,445,986.

b. Changes in Long-Term Liabilities

	Balance July 1, 2018	Increases	Decreases	June 30, 2019	Current Portion of Balance
Governmental activities:					
Direct Borrowing	\$ 4,212	\$ -	\$ 2,387	\$ 1,825	\$ 1,825
Business-type Activities:					
Direct Borrowing	\$ 42,078	\$ -	\$ 14,389	\$ 27,689	\$ 16,357

C. Interfund Balances and Activity

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

Due to the General Fund from the Sewer Fund: \$117,299

The interfund balance resulted from a lack of cash in the sewer fund for operations. See note IV for information regarding management's plan to restructure Sewer Fund operations.

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 300,119	\$ 2,522,535
less: long-term debt	-	27,689
add: unexpended debt proceeds	-	-
Net investment in capital asset	\$ 300,119	\$ 2,494,846

E. Fund Balance

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

Total fund balance-General Fund	\$327,940
Less;	
Stabilization by State Statute	131,359
Streets-Powell Bill	150,085
Recreation	40,291
Prepaid Items	500
Remaining Fund Balance	\$5,705

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

IV. Commitments and Contingencies

Management's Plan to Restructure the Sewer Fund Operations

The Town reached an agreement with the City of Shelby regarding payment of charges for sewage treatment. The Town will pay a minimum of \$5,000 per month plus any collections by the Town in excess of the \$5,000. Any remaining balance will accrue and carry-over to the next month. This agreement was in force for eighteen months and at this time the accumulated balance is due and payable. Per the City Manager of the City of Shelby, they are not going to ask for payment in the foreseeable future. The balance as of June 30, 2019 was \$183,356 which is an increase of \$39,307. The Town requested this agreement to allow them sufficient time to implement management's plan to make the Sewer Fund self-sustaining. The Town has contracted with an independent collection agency to collect all past due amounts with the understanding that no more than 30% of the amount collected will be used to pay the collection agency's fee. Approximately 50 customers have been turned over to the agency to pursue collection. All delinquent accounts that do not pay within 90-120 days or have not made payment arrangements with the Town will be turned over to the Town's attorney and they will be authorized to institute civil actions for relief as set forth in the General Statutes including an order of the Court of the amount due the Town, judgment thereon plus interest, costs, including attorney fees, and order of foreclosure and sale. The Town has also sent all customers with past due balances to the State for debt setoff of tax refunds against the amounts due. The Town also has changed their policy to make the owners of rental properties responsible for the monthly sewer bills rather than the tenants.

The Town has contracted with the local water district to do their billing and collecting of monthly sewer fees. The Town is responsible for collecting past due amounts and billing and collecting for sewer customers not on the Cleveland County Water system. The agreement includes a provision that if the customers do not pay current sewer charges, the water district will cut-off their water until the sewer charges are paid. The Town believes that if the water district will cut off for nonpayment of sewer charges, customers will pay their monthly bills and this will restore the financial health of the sewer fund.

V. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

VI. Change in Accounting Principles/Restatement

The Town implemented Governmental Accounting Standards Board (GASB) statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, in the fiscal year ending June 30, 2019. This standard provides guidance on note disclosures related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Implementation of this standard did not have a material effect on the Town's financial statements.

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

VII. Subsequent Event

1. Subsequent to fiscal year end, the nation was struck with the COVID-19 coronavirus and which has caused economic uncertainties throughout the United States. While the disruption was originally expected to be temporary, it has continued for more than one year and there is considerable uncertainty around the duration. COVID-19 has caused business disruption through mandated and voluntary closings of multiple businesses. The Governor issued an Executive Order preventing the turning off of any utilities due to nonpayment for a period of time during this pandemic. The potential impact of this on the financial statements or on future operations cannot be reasonably estimated at this time. Due to the uncertainty no adjustment has been made to the accompanying financial statement.
2. The Local Government Commission, on September 1, 2020, adopted a Resolution Giving Notice and Warning (the "Resolution") to the officers and the Town Council of their failure to comply with the provisions of the Local Government Budget and Fiscal Control Act, North Carolina General Statutes (N.C.G.S.), Chapter 159, Article 3 (the "Act"). The Town provided a response to the Resolution on October 8, 2020 that failed to adequately address the deficiencies noted in the Resolution and therefore did not fully comply with the requirements of the Resolution. The Town willfully or negligently continues to be out of compliance with certain provisions of the Act, including:

N.C.G.S. 159-34(a) which requires the Town to "...have its accounts audited as soon as possible after the close of each fiscal year" and submit the report to the LGC secretary; the Town has failed to submit an annual audit report for the 2019 fiscal year and has therefore failed to comply with this provision;

N.C.G.S. 159-26 which requires the Town to maintain an accounting system as required;

On December 1, 2020, the Commission assumed full control of all financial affairs of the Town and directed its Secretary to take the following actions:

1. To impound the books and records of the Town, assume control of the finances of the Town and oversee and direct all its financial affairs as set out in N.C.G.S. Chapter 159 and the rules of the Commission, specifically including, without limitation:

Acting pursuant to N.C.G.S. §159-26(a) to develop and execute a plan for the fiscal management of the Town, to maintain accounting records; to perform reconciliations and to establish a system of internal controls to ensure that account balances are correct.
2. To deliver to the Town, its officers, and Board of Commissioners this resolution from the Commission pursuant to the provisions of N.C.G.S. Chapter 159; and
3. To report to the Commission on the matters listed above and on the Town's readiness to comply with the requirements of N.C.G.S. Chapter 159 in order to provide a recommendation and time schedule for restoring the Town to fiscal health and returning to the Town control of its financial affairs.

Supplementary Statements

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

TOWN OF KINGSTOWN, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

SCHEDULE 1

	June 30, 2019		VARIANCE	6/30/2018
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
REVENUES				
Advalorem Taxes:				
Current Year	\$ 63,531	\$ 79,956	\$ 16,425	\$ 57,147
Prior Years	-	6,127	6,127	6,520
Interest	-	1,869	1,869	1,707
Total	<u>63,531</u>	<u>87,952</u>	<u>24,421</u>	<u>65,374</u>
Other Taxes & Licenses:				
Local Option Sales Tax	<u>33,480</u>	<u>28,916</u>	<u>(4,564)</u>	<u>28,298</u>
Total	<u>33,480</u>	<u>28,916</u>	<u>(4,564)</u>	<u>28,298</u>
Unrestricted Intergovernmental Revenue:				
Franchise Tax	<u>25,384</u>	<u>21,562</u>	<u>(3,822)</u>	<u>21,697</u>
Restricted Intergovernmental Revenue:				
Grants	-	-	-	-
"State Street Aid" Allocation	<u>43,971</u>	<u>14,686</u>	<u>(29,285)</u>	<u>14,098</u>
	<u>43,971</u>	<u>14,686</u>	<u>(29,285)</u>	<u>14,098</u>
Permits, fees, other receipts:				
Rent	-	350	350	-
Permits	-	50	50	-
Recreation	9,600	9,537	(63)	9,537
Other	<u>1,940</u>	<u>2,017</u>	<u>77</u>	<u>231</u>
Total	<u>11,540</u>	<u>11,954</u>	<u>414</u>	<u>9,768</u>
Investment Earnings:				
Interest-General Fund	-	4	4	41
Interest-Powell Bill	<u>-</u>	<u>1,449</u>	<u>1,449</u>	<u>373</u>
Total	<u>-</u>	<u>1,453</u>	<u>1,453</u>	<u>414</u>
TOTAL REVENUES	<u>\$ 177,906</u>	<u>\$ 166,523</u>	<u>\$ (11,383)</u>	<u>\$ 139,649</u>

TOWN OF KINGSTOWN, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

SCHEDULE 1

	June 30, 2019		VARIANCE	6/30/2018
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
EXPENDITURES:				
Administration:				
Salaries	19,000	14,367	4,633	15,218
Operating Expenses	12,910	13,951	(1,041)	14,440
Professional Fees	16,600	14,700	1,900	13,181
Utilities	6,000	5,850	150	3,951
Telephone	2,100	1,942	158	1,932
Election	1,000	-	1,000	748
General Insurance	7,000	7,218	(218)	7,113
Capital Outlay	-	-	-	4,800
Total	<u>64,610</u>	<u>58,028</u>	<u>6,582</u>	<u>61,383</u>
Public Safety:				
Salaries	-	-	-	-
Capital Outlay	-	-	-	-
Operating Expenses	11,785	499	11,286	2,963
Total	<u>11,785</u>	<u>499</u>	<u>11,286</u>	<u>2,963</u>
Streets:				
Operating Expenses	4,000	8,793	(4,793)	4,014
Street Repair-Powell Bill	43,971	7,290	36,681	29,689
Total	<u>47,971</u>	<u>16,083</u>	<u>31,888</u>	<u>33,703</u>

TOWN OF KINGSTOWN, NORTH CAROLINA

SCHEDULE 1

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	June 30, 2019		VARIANCE	6/30/2018
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Environmental Protection:				
Garbage	\$ 41,000	\$ 42,217	\$ (1,217)	\$ 42,250
Total	<u>41,000</u>	<u>42,217</u>	<u>(1,217)</u>	<u>42,250</u>
Cultural & Recreation:				
Maintenance	3,000	3,450	(450)	3,887
Operating Expenses	9,540	8,135	1,405	6,717
Capital Outlay	-	-	-	-
	<u>12,540</u>	<u>11,585</u>	<u>955</u>	<u>10,604</u>
Other Expenditures:				
Debt Interest	-	70	(70)	36
Debt Principle	-	2,386	(2,386)	2,918
	<u>-</u>	<u>2,456</u>	<u>(2,456)</u>	<u>2,954</u>
TOTAL EXPENDITURES	<u>177,906</u>	<u>130,868</u>	<u>47,038</u>	<u>153,857</u>
REVENUES OVER (UNDER) EXPENDITURES	-	35,655	35,655	(14,208)
OTHER FINANCING SOURCES (USES)				
Fund Balance Appropriated	-	-	-	-
Transfer to Water & Sewer Fund	-	-	-	-
Loan Proceeds	-	-	-	4,800
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	35,655	<u>\$ 35,655</u>	(9,408)
FUND BALANCE				
Beginning of Year, July 1		292,285		301,693
End of Year, June 30		<u>\$ 327,940</u>		<u>\$ 292,285</u>

TOWN OF KINGSTOWN, NORTH CAROLINA
SEWER FUND

Schedule 2

STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON GAAP)
FOR THE YEAR ENDED JUNE 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	June 30, 2019		Variable	06/30/18
	Budget	Actual	Favorable (Unfavorable)	Actual
OPERATING REVENUES				
Sewer Charges	\$ 102,918	\$ 158,005	\$ 55,087	\$ 154,038
Total Operating Revenue	<u>102,918</u>	<u>158,005</u>	<u>55,087</u>	<u>154,038</u>
NON OPERATING REVENUES				
Fund Balance Appropriated	-	-	-	-
Interest Income	-	2	2	10
Miscellaneous	-	5,000	5,000	-
TOTAL REVENUES	<u>\$ 102,918</u>	<u>\$ 163,007</u>	<u>\$ 60,089</u>	<u>\$ 154,048</u>
OPERATING EXPENDITURES				
Repairs & Maintenance	\$ -	\$ 5,923	\$ (5,923)	1,694
Materials & Supplies	2,575	1,656	919	2,033
Collection Fees	-	2,239	(2,239)	2,281
Contracted Services	83,119	148,508	(65,389)	132,747
Interest Expense	-	1,399	(1,399)	2,160
Debt Principle	17,224	14,389	2,835	15,064
Total Operating Expenditures	<u>102,918</u>	<u>174,114</u>	<u>(71,196)</u>	<u>155,979</u>
OTHER SOURCES (USES):				
Transfers (To) From General Fund	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (11,107)</u>	<u>\$ (11,107)</u>	<u>\$ (1,931)</u>

Note: Prepared on the budgetary basis which is modified accrual.

TOWN OF KINGSTOWN, NORTH CAROLINA
SEWER FUND

Schedule 2

STATEMENT OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON GAAP)
FOR THE YEAR ENDED JUNE 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS

Total Revenues from page 1 of 2	\$ 163,007
Total Expenditures from page 1 of 2	<u>174,114</u>
Excess Revenues over (under) Expenditures	(11,107)
Depreciation	(89,418)
Revenue Reduced for uncollectible accounts	(13,809)
Principle Payment on Debt	14,389
Transfers From General Fund	<u>-</u>
Income (Loss) at Exhibit 8	<u><u>\$ (99,945)</u></u>

Other Schedules

This section contains additional information required on property taxes.

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

TOWN OF KINGSTOWN, NORTH CAROLINA
SCHEDULE OF TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2019

SCHEDULE 3

	Balance 7/1/2018	2018 Levy	Collections	Discoveries Adjustments	Balance 6/30/2019
2008 Levy	\$ 394			\$ (394)	\$ -
2009 Levy	441		164	-	277
2010 Levy	686		25	-	661
2011 Levy	377		25	-	352
2012 Levy	680		45	-	635
2013 Levy	1,079		247	-	832
2014 Levy	1,660		538	-	1,122
2015 Levy	2,695		698	-	1,997
2016 Levy	3,234		992	-	2,242
2017 Levy	7,095		3,391	(1)	3,703
2018 Levy	<u>-</u>	<u>88,530</u>	<u>80,059</u>	<u>-</u>	<u>8,471</u>
Totals	<u>\$ 18,341</u>	<u>\$ 88,530</u>	<u>\$ 86,184</u>	<u>\$ (395)</u>	<u>\$ 20,292</u>
Less: Allowance for uncollectible accounts					7,435
Ad Valorem taxes receivable - net					<u>\$ 12,857</u>

Adjustments are to write off old taxes and adjust remaining balances to actual per reconciliations.

Reconcilement with revenues:	
Ad valorem taxes - general fund	\$ 87,952
Reconciling items:	
Interest collected	(1,869)
Discounts Allowed	102
Adjustments	(1)
Total Collections	<u>\$ 86,184</u>

TOWN OF KINGSTOWN, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
TOWN WIDE LEVY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

SCHEDULE 4

	Town Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 18,443,750	\$ 0.48	\$ 88,530	\$ 71,430	\$ 17,100
Discoveries:					
Current year taxes	-	0.48	-	-	-
Prior year taxes	-		-	-	-
Total	18,443,750	0.48	88,530	71,430	17,100
Abatements	-		-	-	-
Total property valuation	<u>\$ 18,443,750</u>				
Net Levy			88,530	71,430	17,100
Uncollected taxes at June 30, 2019			<u>8,471</u>	<u>8,471</u>	<u>-</u>
Current year's taxes collected			<u>\$ 80,059</u>	<u>\$ 62,959</u>	<u>\$ 17,100</u>
Current levy collection percentage			<u>90.43%</u>	<u>88.14%</u>	<u>100.00%</u>