

**TOWN OF WELDON, NORTH CAROLINA**

**FINANCIAL STATEMENTS  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED JUNE 30, 2019**

**GREGORY T. REDMAN, CPA**  
TARBORO, NORTH CAROLINA

Financial Statements  
Town of Weldon, North Carolina

Town Council Members

Julia Meacham, Mayor  
Larry Brunson, Commissioner  
Walter Clark, Jr., Commissioner  
Charlotte Moss, Commissioner  
John Smith, Commissioner  
Reilyn Stanback, Commissioner

Administrative Staff

Mike Williams, Town Administrator

**Town of Weldon, North Carolina**  
**Table of Contents**  
**June 30, 2019**

<u>Exhibit</u>		<u>Page</u>
	<b>Financial Section:</b>	
	<b>Independent Auditor's Report</b>	1
	<b>Management's Discussion and Analysis</b>	3
	<b>Basic Financial Statements:</b>	
	Government-wide Financial Statements:	
1	Statement of Net Position	11
2	Statement of Activities	12
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds	13
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	15
4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Net Position	16
5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual – General and Major Special Revenue Fund	17
6	Statement of Fund Net Position - Proprietary Fund	18
7	Statement of Revenues, Expenses, and Charges in Fund Net Position - Proprietary Funds	19
8	Statement of Cash Flows - Proprietary Funds	20
	Notes to the Financial Statements	21

**Exhibit****Page****Required Supplemental Financial Data:**

A-1	Schedule of the Proportionate Share of the Net Pension Liability – Local Government Employees’ Retirement System	49
A-2	Schedule of Contributions – Local Government Employees’ Retirement System	50
A-3	Schedule of Changes in Total Pension Liability – Law Enforcement Officers’ Special Separation Allowance	51
A-4	Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers’ Special Separation Allowance	52
A-5	Schedule of Changes in Total OPEB Liability	53

**Individual Fund Statements and Schedules:**

B-1	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	54
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Fire District Fund	57
B-3	Combining Balance Sheet – Non-major Governmental Funds	58
B-4	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds	59
B-5	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Cemetery Fund	60
B-6	Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Library Fund	61
B-7	Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) – Water and Sewer Fund	62

**Other Schedules:**

C-1	Schedule of Ad Valorem Taxes Receivable	64
C-2	Analysis of Current Tax Levy - Town-wide Levy	65

## **Financial Section**

*Gregory T. Redman, CPA*



Member  
North Carolina Association of  
Certified Public Accountants

Member  
American Institute of  
Certified Public Accountants

### **Independent Auditor's Report**

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

I 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 Weldon, 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 of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## Opinions

In my opinion, based on my 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 Weldon, 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 and Fire District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

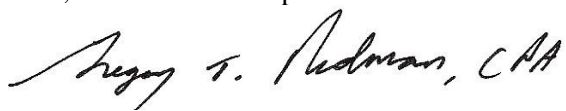
### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Other Postemployment Benefits' Schedule of changes in the Total OPEB Liability and Related Ratios, Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, the Law Enforcement Officers' Special Separation Allocation Schedules of the Changes in Total Pension Liability, and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basis financial statements. Such information, although not a part of the basic financial statement, is required by the Government Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basis financial statements in an appropriate operational, economic, or historical context. I 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 I obtained during my audit of the basic financial statements. I 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 to provide any assurance.

### Supplementary and Other Information

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

The combining and individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my 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.



Tarboro, North Carolina  
May 29, 2020

## **Management's Discussion and Analysis**



**Town of Weldon, North Carolina**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

As management of the Town of Weldon, I offer readers of the Town of Weldon's financial statements this narrative overview and analysis of the financial activities of the Town of Weldon for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that I have furnished in the Town's financial statements, which follow this narrative.

**Financial Highlights**

- The assets of the Town of Weldon exceeded its liabilities at the close of the fiscal year by \$12,197,688 (net position).
- The government's total net position decreased by \$148,157, due to decreases in the governmental activities and business-type activities net position of \$133,236 and \$14,921, respectively.
- As of the close of the current fiscal year, the Town of Weldon's governmental funds reported combined ending fund balances of \$2,308,797, an increase of \$3,748. Approximately 73 percent of this total amount, or \$1,667,363, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,667,363, or 117 percent of total general fund expenditures for the fiscal year.
- The Town of Weldon's total long-term liabilities increased by \$15,947 (2%) during the current fiscal year. Net pension liability and OPEB liability increased and total pension liability decreased during the current year. Compensated absences also decreased during the current year.

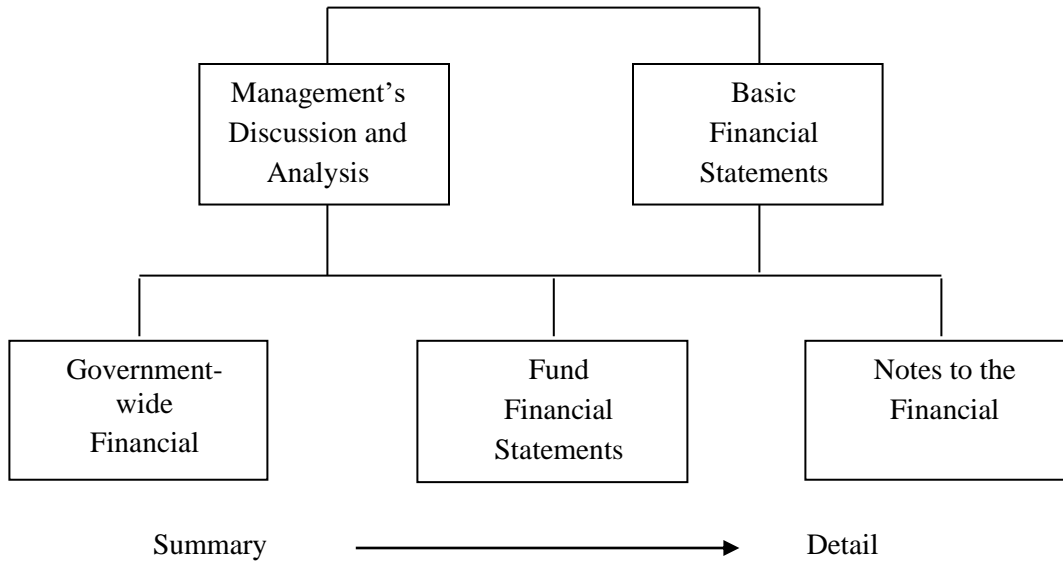
**Overview of the Financial Statements**

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

**Town of Weldon, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**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 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.

**Town of Weldon, North Carolina**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the Town's total assets and total liabilities. Measuring net position is one way to gage the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; 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 water and sewer services offered by the Town of Weldon.

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 Weldon, 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 Town of Weldon 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* 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 Weldon 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Town of Weldon, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**Proprietary Funds** – Town of Weldon has one different proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Weldon uses enterprise funds to account for its water and 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.

**Government-wide Financial Analysis  
Town of Weldon's Net position**

**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	201*9	2018
Current and other assets	\$2,490,955	\$2,495,570	\$2,298,335	\$1,985,864	\$ 4,789,290	\$ 4,481,434
Capital assets	1,385,788	1,540,303	6,948,695	7,180,188	8,334,483	8,720,491
Deferred outflows of resources	266,320	187,852	118,777	90,678	385,097	278,530
Total Assets	<u>\$4,143,063</u>	<u>\$4,223,725</u>	<u>\$9,365,807</u>	<u>\$9,256,730</u>	<u>\$13,508,870</u>	<u>\$13,480,455</u>
Long-term liabilities outstanding	\$ 602,474	\$ 628,334	\$ 252,775	\$ 217,002	\$ 855,249	\$ 845,336
Other liabilities	89,829	103,488	145,303	98,485	235,132	201,973
Deferred inflows of resources	201,284	70,688	19,517	5,933	220,801	76,621
Total liabilities and deferred inflows	<u>\$ 893,587</u>	<u>\$ 802,510</u>	<u>\$ 417,595</u>	<u>\$ 321,420</u>	<u>\$ 1,311,182</u>	<u>\$ 1,123,930</u>
Net position:						
Net investment in capital assets	\$1,385,788	\$1,540,303	\$6,948,695	\$7,180,188	\$ 8,334,483	\$ 8,720,491
Restricted	540,270	485,713	-	-	540,270	485,713
Unrestricted	1,323,418	1,395,199	1,999,517	1,755,122	3,322,935	3,150,321
Total Net Position	<u><u>\$3,249,476</u></u>	<u><u>\$3,421,215</u></u>	<u><u>\$8,948,212</u></u>	<u><u>\$8,935,310</u></u>	<u><u>\$12,197,688</u></u>	<u><u>\$12,356,525</u></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 Weldon exceeded liabilities by \$12,197,688 as of June 30, 2019. The Town's net position decreased by \$158,837 for the fiscal year ended June 30, 2019. The largest portion (68%) reflects the Town's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town of Weldon uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Weldon's investment in its 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 Weldon's net position (4.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the Town of Weldon's net position \$3,322,935 (28%) is unrestricted.

**Town of Weldon, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**Town of Weldon's Changes in Net position**

**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 188,387	\$ 241,150	\$ 1,856,963	\$ 1,384,710	\$ 2,045,350	\$ 1,625,860
Operating grants and contributions	47,792	77,859	-	-	47,792	77,859
Capital grants and contributions	-	-	-	-	-	-
<b>General Revenues:</b>						
Property taxes	786,549	755,998	-	-	786,549	755,998
Other taxes	169	82	-	-	169	82
Unrestricted intergovernmental	495,268	703,962	-	-	495,268	703,962
Other	241,162	231,827	5,331	3,219	246,493	235,046
<b>Total Revenues</b>	<b>\$ 1,759,327</b>	<b>\$ 2,010,878</b>	<b>\$ 1,862,294</b>	<b>\$ 1,387,929</b>	<b>\$ 3,621,621</b>	<b>\$ 3,398,807</b>
<b>Expenses:</b>						
General government	\$ 306,189	\$ 511,108	\$ -	\$ -	\$ 306,189	\$ 511,108
Public safety	1,063,199	1,293,768	-	-	1,063,199	1,293,768
Transportation	506,014	511,548	-	-	506,014	511,548
Economic and physical development	2,774	2,042	-	-	2,774	2,042
Environmental protection	7,600	8,817	-	-	7,600	8,817
Cultural and recreation	27,553	24,484	-	-	27,553	24,484
Water and sewer	-	-	1,856,449	1,934,726	1,856,449	1,934,726
<b>Total Expenses</b>	<b>\$ 1,913,329</b>	<b>\$ 2,351,767</b>	<b>\$ 1,856,449</b>	<b>\$ 1,934,726</b>	<b>\$ 3,769,778</b>	<b>\$ 4,286,493</b>
Decrease in net position before transfers	(154,002)	(340,889)	5,845	(546,797)	(148,157)	(887,686)
Transfers	20,766	20,766	(20,766)	(20,766)	-	-
Decrease in net position	\$ (133,236)	\$ (320,123)	\$ (14,921)	\$ (567,563)	\$ (148,157)	\$ (887,686)
Net Positions, July 1, previously reported	3,421,215	3,741,338	8,935,310	9,502,873	12,356,525	13,244,211
Prior period adjustment	(38,503)	-	27,823	-	(10,680)	-
Net Position, July 1, as restated	3,382,712	3,741,338	8,963,133	9,502,873	12,345,845	13,244,211
Net Positions, June 30	<b>\$ 3,249,476</b>	<b>\$ 3,421,215</b>	<b>\$ 8,948,212</b>	<b>\$ 8,935,310</b>	<b>\$ 12,197,688</b>	<b>\$ 12,356,525</b>

**Governmental activities.** Governmental activities decreased the Town's net position by \$133,236.

**Business-type activities.** Business-type activities increased the Town of Weldon's net position by \$12,902.

**Town of Weldon, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**Financial Analysis of the Town's Funds**

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

**Governmental Funds.** The focus of the Town of Weldon'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 Weldon's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of Weldon. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,667,363, while total fund balance reached \$2,207,633. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 117 percent of total General Fund expenditures and total fund balance was 155 percent of expenditures.

At June 30, 2019, the governmental funds of Town of Weldon reported a combined fund balance of \$2,308,767. That is a \$3,748 increase over last year.

**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.

Revenues were \$196,816 more than budgeted amounts. Expenditures were held in check to comply with its budgetary requirements and were \$300,827 less than what was budgeted.

**Proprietary Funds.** The Town of Weldon'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 \$1,999,517. Net position increased by \$12,902 for the year. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities.

**Capital Asset and Debt Administration**

**Capital assets.** The Town of Weldon's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$8,334,484 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

**Town of Weldon, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**Town of Weldon's Capital Assets**

(net of depreciation)

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2018	2018	2019	2018
Land and non-depreciable improvements	\$ 298,474	\$ 298,474	\$ 38,500	\$ 38,500	\$ 336,974	\$ 336,974
Buildings and system	287,260	311,360	18,036	6,626,954	305,296	6,938,314
Machinery and equipment	211,165	287,989	486,836	514,735	698,001	802,724
Infrastructure	576,158	607,288	6,369,877	-	6,946,035	607,288
Vehicles and motorized equipment	12,731	35,192	35,447	-	48,178	35,192
<b>Total</b>	<b>\$1,385,788</b>	<b>\$1,540,303</b>	<b>\$6,948,696</b>	<b>\$7,180,189</b>	<b>\$8,334,484</b>	<b>\$8,720,492</b>

Additional information on the Town's capital assets can be found in Notes I-E and III-A of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2019, the Town of Weldon had total debt of \$935,554.

**Long-term Debt**

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Other postemployment benefits	193,887	189,760	95,496	92,749	289,383	282,509
Net pension liability	319,325	221,165	157,279	124,253	476,604	345,418
Total pension liability	89,262	217,409	-	-	89,262	217,409
Compensated absences	52,074	52,074	28,231	22,197	80,305	74,271
<b>Total</b>	<b>\$654,548</b>	<b>\$680,408</b>	<b>\$281,006</b>	<b>\$239,199</b>	<b>\$935,554</b>	<b>\$919,607</b>

The Town of Weldon's total long-term liabilities increased by \$15,947 (2%) during the current fiscal year. The key factor in this increase was due to the increase in the net pension liability during the year.

Additional information regarding the Town of Weldon's long-term debt can be found in Notes III-B of this report.

**Town of Weldon, North Carolina  
Management's Discussion and Analysis  
For the Year Ended June 30, 2019**

**Economic Factors and Next Year's Budgets and Rates**

The following indicators reflect Weldon and the surrounding area's economic condition.

- High unemployment - The seasonally adjusted unemployment rate is 8.1% compared to the State average of 4.5%.
- No significant jobs have been created.

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

Governmental Activities: The property tax rate remained 77 cents per \$100 valuation.

Budgeted expenditures in the General Fund are expected to rise approximately 1%.

Business-type Activities: Water and sewer rates will not be changed.

**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 Weldon, P.O. Box 551, Weldon, NC 27890, and phone (252) 536-4836.



## **Basic Financial Statements**

**Town of Weldon, North Carolina**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Primary Government</b>		<b>Total</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	1,870,385	2,031,779	3,902,164
Restricted cash	126,674	40,965	167,639
Taxes receivables (net)	68,104	-	68,104
Accrued interest receivables on taxes	39,724	-	39,724
Accounts receivable (net)	140,070	171,895	311,965
Inventory	-	53,696	53,696
<b>Total Current Assets</b>	<b>2,244,957</b>	<b>2,298,335</b>	<b>4,543,292</b>
Non-current Assets:			
Promissory note receivable	\$ 245,998	\$ -	\$ 245,998
Capital assets:			
Land, non-depreciable improvements, and construction in progress	298,474	38,500	336,974
Other capital assets, net of depreciation	1,087,314	6,910,195	7,997,509
<b>Total Capital Assets</b>	<b>1,385,788</b>	<b>6,948,695</b>	<b>8,334,483</b>
<b>Total Non-current Assets</b>	<b>1,631,786</b>	<b>6,948,695</b>	<b>8,580,481</b>
<b>Total Assets</b>	<b>3,876,743</b>	<b>9,247,030</b>	<b>13,123,773</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Contributions to pension plan in current fiscal year	57,334	28,239	85,573
Pension deferrals	201,539	86,870	288,409
OPEB deferrals	7,447	3,668	11,115
<b>Total Deferred Outflows of Resources</b>	<b>266,320</b>	<b>118,777</b>	<b>385,097</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable & accrued liabilities	37,755	76,107	113,862
Customer deposits	-	40,965	40,965
Compensated absences payable	52,074	28,231	80,305
<b>Total Current Liabilities</b>	<b>89,829</b>	<b>145,303</b>	<b>235,132</b>
Long-term Liabilities:			
Net pension liability	319,325	157,279	476,604
Total pension liability	89,262	-	89,262
Other postemployment benefits	193,887	95,496	289,383
<b>Total Non-current Liabilities</b>	<b>602,474</b>	<b>252,775</b>	<b>855,249</b>
<b>Total Liabilities</b>	<b>692,303</b>	<b>398,078</b>	<b>1,090,381</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	144,436	9,547	153,983
Cemetery lots	1,805	-	1,805
Prepaid taxes	34,800	-	34,800
OPEB deferrals	20,243	9,970	30,213
<b>Total Deferred Inflows of Resources</b>	<b>201,284</b>	<b>19,517</b>	<b>220,801</b>
<b>NET POSITION</b>			
Net invested in capital assets	1,385,788	6,948,695	8,334,483
Restricted for:			
Streets	126,674	-	126,674
Stabilization by State Statute	167,598	-	167,598
Economic development	245,998	-	245,998
Unrestricted	1,323,418	1,999,517	3,322,935
<b>Total Net Position</b>	<b>3,249,476</b>	<b>8,948,212</b>	<b>12,197,688</b>

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 306,189	\$ 9,360	\$ -	\$ -	\$ (296,829)	\$ -	\$ (296,829)
Public safety	1,063,199	15,024	-	-	(1,048,175)	-	(1,048,175)
Transportation	506,014	-	46,714	-	(459,300)	-	(459,300)
Economic and Physical Development	2,774	-	-	-	(2,774)	-	(2,774)
Environmental protection	7,600	155,310	1,078	-	148,788	-	148,788
Cultural and recreational	27,553	8,693	-	-	(18,860)	-	(18,860)
Total Governmental Activities (See Note 1)	\$ 1,913,329	\$ 188,387	\$ 47,792	\$ -	\$ (1,677,150)	\$ -	\$ (1,677,150)
Business-type Activities:							
Water and sewer	\$ 1,856,449	\$ 1,856,963	\$ -	\$ -	\$ -	\$ 514	\$ 514
Total Business-type Activities	\$ 1,856,449	\$ 1,856,963	\$ -	\$ -	\$ -	\$ 514	\$ 514
Total Primary Government	\$ 3,769,778	\$ 2,045,350	\$ 47,792	\$ -	\$ (1,677,150)	\$ 514	\$ (1,676,636)
General Revenues:							
Ad valorem taxes					\$ 786,549	\$ -	\$ 786,549
Other taxes and licenses					169	-	169
Unrestricted intergovernmental					495,268	-	495,268
Unrestricted investment earnings					57,131	5,331	62,462
Miscellaneous					184,031	-	184,031
Total General Revenues not including transfers					\$ 1,523,148	\$ 5,331	\$ 1,528,479
Transfers					20,766	(20,766)	-
Change in Net Position					(133,236)	(14,921)	(148,157)
Net Position, beginning					3,421,215	8,935,310	12,356,525
Prior period adjustment					(38,503)	27,823	(10,680)
Net Position, ending					\$ 3,249,476	\$ 8,948,212	\$ 12,197,688

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

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

	<u>Major Funds</u>		<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Fire District</u>		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,770,267	\$ 8,899	\$ 91,219	\$ 1,870,385
Restricted cash	126,674	-	-	126,674
Receivables, net:				
Taxes	68,104	-	-	68,104
Accounts	132,813	5,430	1,827	140,070
Promissory note receivable	245,998	-	-	245,998
Total Assets	<u>\$ 2,343,856</u>	<u>\$ 14,329</u>	<u>\$ 93,046</u>	<u>\$ 2,451,231</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 33,319	\$ 4,143	\$ 293	\$ 37,755
Total Liabilities	<u>\$ 33,319</u>	<u>\$ 4,143</u>	<u>\$ 293</u>	<u>\$ 37,755</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes uncollected	\$ 68,104	\$ -	\$ -	\$ 68,104
Cemetery lots	-	-	1,805	1,805
Prepaid taxes	34,800	-	-	34,800
Total Deferred Inflows of Resources	<u>\$ 102,904</u>	<u>\$ -</u>	<u>\$ 1,805</u>	<u>\$ 104,709</u>
Fund Balances:				
Nonspendable:				
Economic development	\$ 245,998	\$ -	\$ -	\$ 245,998
Restricted:				
Stabilization by State Statute	167,598	-	-	167,598
Streets	126,674	-	-	126,674
Assigned:				
Fire department	-	10,186	-	10,186
Library & cemetery	-	-	90,948	90,948
Unassigned	1,667,363	-	-	1,667,363
Total Fund Balances	<u>\$ 2,207,633</u>	<u>\$ 10,186</u>	<u>\$ 90,948</u>	<u>\$ 2,308,767</u>
Total Liabilities and Fund Balances	<u>\$ 2,343,856</u>	<u>\$ 14,329</u>	<u>\$ 93,046</u>	<u>\$ 2,451,231</u>

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

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

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

Fund balance as reported in the balance sheet governmental funds	\$ 2,308,767
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,385,788
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	57,334
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Accrued interest receivable on taxes	39,724
Liabilities for earned but deferred revenues in fund statements	68,104
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:	
Pension related deferrals	57,113
OPEB related deferrals	(12,796)
Compensated absences payable	(52,074)
Other postemployment benefits	(193,887)
Net pension liability	(319,325)
Total pension liability	<u>(89,272)</u>
Net Position of Governmental Activities	<u>\$ 3,249,476</u>

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

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

	<u>Major Funds</u>		<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Fire District</u>		
<b>REVENUES</b>				
Ad valorem taxes	\$ 672,394	\$ 108,858	\$ -	\$ 781,252
Other taxes and licenses	169	-	-	169
Unrestricted intergovernmental	476,626	18,642	-	495,268
Restricted intergovernmental	47,792	-	-	47,792
Permits and fees	8,764	-	-	8,764
Sales and services	157,473	-	22,150	179,623
Investment earnings	57,131	-	-	57,131
Miscellaneous	173,108	7,091	-	180,199
Total Revenues	<u>\$ 1,593,457</u>	<u>\$ 134,591</u>	<u>\$ 22,150</u>	<u>\$ 1,750,198</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ 277,829	\$ -	\$ -	\$ 277,829
Public safety	625,453	323,573	-	949,026
Public works	506,014	-	-	506,014
Environmental protection	-	-	7,600	7,600
Culture and recreation	10,889	-	15,858	26,747
Total Expenditures	<u>\$ 1,420,185</u>	<u>\$ 323,573</u>	<u>\$ 23,458</u>	<u>\$ 1,767,216</u>
Excess (Deficiency) of Revenues Over	<u>\$ 173,272</u>	<u>\$ (188,982)</u>	<u>\$ (1,308)</u>	<u>\$ (17,018)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	\$ 20,766	\$ 127,183	\$ 26,463	\$ 174,412
Transfers to other funds	(153,646)	-	-	(153,646)
Total Other Financing Sources (Uses)	<u>\$ (132,880)</u>	<u>\$ 127,183</u>	<u>\$ 26,463</u>	<u>\$ 20,766</u>
Net Change in Fund Balances	\$ 40,392	\$ (61,799)	\$ 25,155	\$ 3,748
Fund Balances, beginning	2,167,241	71,985	65,793	2,305,019
Prior period adjustment	-	-	-	-
Fund Balances, ending	<u>\$ 2,207,633</u>	<u>\$ 10,186</u>	<u>\$ 90,948</u>	<u>\$ 2,308,767</u>

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

**Town of Weldon, North Carolina**  
**Reconciliation of the 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	\$ 3,748
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.	(154,515)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	57,334
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred revenue for tax revenues	5,297
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.	
Pension expense	(40,973)
Other postemployment benefits	(4,127)
Change in compensated absences	-
Total Changes in Net Position of Governmental Activities	\$ (133,236)

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

**Town of Weldon, North Carolina**  
**General Fund and Annually Budgeted Major Special Revenue Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

	<u>General Fund</u>				<u>Fire District Fund</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>								
Ad valorem taxes	\$ 620,287	\$ 620,287	\$ 672,394	\$ 52,107	\$ 92,385	\$ 92,385	\$ 108,858	\$ 16,473
Other taxes and licenses	150	150	169	19	20,000	-	-	-
Unrestricted intergovernmental	440,100	440,100	476,626	36,526	15,875	20,000	18,642	(1,358)
Restricted intergovernmental	46,800	46,800	47,792	992	-	-	-	-
Permits and fees	4,050	4,050	8,764	4,714	-	-	-	-
Sales and services	220,780	220,780	157,473	(63,307)	-	-	-	-
Investment earnings	45,000	45,000	57,131	12,131	-	-	-	-
Miscellaneous	13,100	19,474	173,108	153,634	7,100	7,100	7,091	(9)
Total Revenues	<u>\$ 1,390,267</u>	<u>\$ 1,396,641</u>	<u>\$ 1,593,457</u>	<u>\$ 196,816</u>	<u>\$ 135,360</u>	<u>\$ 119,485</u>	<u>\$ 134,591</u>	<u>\$ 15,106</u>
<b>EXPENDITURES</b>								
Current:								
General government	\$ 610,721	\$ 617,095	\$ 277,829	\$ 339,266	\$ -	\$ -	\$ -	\$ -
Public safety	569,708	569,708	625,453	(55,745)	374,410	374,410	323,573	50,837
Public works	531,109	531,109	506,014	25,095	-	-	-	-
Cultural and recreational	3,100	3,100	10,889	(7,789)	-	-	-	-
Total Expenditures	<u>\$ 1,714,638</u>	<u>\$ 1,721,012</u>	<u>\$ 1,420,185</u>	<u>\$ 300,827</u>	<u>\$ 374,410</u>	<u>\$ 374,410</u>	<u>\$ 323,573</u>	<u>\$ 50,837</u>
Revenues over (under) expenditures	<u>\$ (324,371)</u>	<u>\$ (324,371)</u>	<u>\$ 173,272</u>	<u>\$ 497,643</u>	<u>\$ (239,050)</u>	<u>\$ (254,925)</u>	<u>\$ (188,982)</u>	<u>\$ 65,943</u>
Other financing sources (uses):								
Transfers from other funds	\$ 20,766	\$ 20,766	\$ 20,766	\$ -	\$ 321,975	\$ 254,925	127,183	\$ (96,009)
Transfers to other funds	(335,465)	-	(153,646)	153,646	-	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (314,699)</u>	<u>\$ 20,766</u>	<u>\$ (132,880)</u>	<u>\$ 153,646</u>	<u>\$ 321,975</u>	<u>\$ 254,925</u>	<u>\$ 127,183</u>	<u>\$ (96,009)</u>
Fund balance appropriated	<u>\$ 188,947</u>	<u>\$ 303,605</u>	<u>\$ -</u>	<u>\$ (303,605)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	<u>\$ (450,123)</u>	<u>\$ -</u>	<u>\$ 40,392</u>	<u>\$ 347,684</u>	<u>\$ 82,925</u>	<u>\$ -</u>	<u>\$ (61,799)</u>	<u>\$ (30,066)</u>
Fund balances, beginning			2,167,241				71,985	
Prior period adjustment			-				-	
Fund balances, ending			<u>\$ 2,207,633</u>				<u>\$ 10,186</u>	

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



**Town of Weldon, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2019**

	<b>Major Enterprise Fund</b>
	<b>Water and Sewer Fund</b>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 2,031,779
Accounts receivable (net)	171,895
Inventory	53,696
Restricted cash and cash equivalents	40,965
Total Current Assets	\$ 2,298,335
Non-current Assets:	
Capital Assets:	
Land and construction in progress	\$ 38,500
Other capital assets, net of depreciation	6,910,195
Capital assets (net)	\$ 6,948,695
Total Non-current Assets	\$ 6,948,695
Total Assets	\$ 9,247,030
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Contributions to pension plan	\$ 28,239
Pension and OPEB deferrals	90,538
Total deferred outflows of resources	\$ 118,777
<b>LIABILITIES AND NET POSITION</b>	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 76,107
Customer deposits	40,965
Compensated absences payable	28,231
Total Current Liabilities	\$ 145,303
Non-current Liabilities:	
Net pension liability	\$ 157,279
Other postemployment benefits	95,496
Total Non-current Liabilities	\$ 252,775
Total Liabilities	\$ 398,078
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension and OPEB deferrals	\$ 19,517
<b>NET POSITION</b>	
Net invested in capital assets	\$ 6,948,695
Unrestricted	1,999,517
Total Net Position	\$ 8,948,212
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 9,365,807

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

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

	<u>Major Enterprise Fund Water and Sewer Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,840,873
Other operating revenues:	
Penalties and late fees	14,955
Miscellaneous	<u>1,135</u>
Total Operating Revenues	<u>\$ 1,856,963</u>
<b>OPERATING EXPENSES</b>	
Water administration and operations	\$ 933,422
Sewer administration and operations	652,148
Depreciation	<u>270,879</u>
Total Operating Expenses	<u>\$ 1,856,449</u>
Operating Income (Loss)	<u>\$ 514</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment earnings	<u>\$ 5,331</u>
Total Non-operating Revenue (Expenses)	<u>\$ 5,331</u>
<b>Income (Loss) Before Transfers</b>	\$ 5,845
Transfers	<u>(20,766)</u>
Change in Net Position	\$ (14,921)
Total Net Position, beginning	8,935,310
Prior period adjustment	<u>27,823</u>
Total Net Position, ending	<u><u>\$ 8,948,212</u></u>

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

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

	<b>Major Enterprise Funds</b>
	<b>Water and Sewer Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,873,574
Cash paid for goods and services	(828,204)
Cash paid to or on behalf of employees for services	(645,376)
	\$ 399,994
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Transfers to other funds	\$ (20,766)
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (20,766)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	\$ (39,386)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earned on investments	\$ 5,331
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 345,173
Balances, beginning	1,727,571
Balances, ending	\$ 2,072,744
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ 514
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	270,879
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	32,701
Increase (decrease) in accounts payable and accrued liabilities	71,459
Increase (decrease) in customer deposits	(2,851)
Increase (decrease) in compensated absences payable	6,034
Increase in net pension liability	33,026
(Increase) decrease in deferred outflows of resources for pensions	(28,099)
Increase (decrease) in deferred inflows of resources for pensions	13,584
Increase (decrease) in other postemployment benefits	2,747
Total Adjustments	\$ 399,480
Net Cash Provided by Operating Activities	\$ 399,994

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

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

**I. Summary of Significant Accounting Policies**

The accounting policies of the Town of Weldon 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 Weldon is a municipal corporation that is governed by an elected mayor and a council. The Town has no component units (legally separate entities for which the Town is financially accountable).

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. 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. Any remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

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

The Town reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and State-shared revenues. The primary expenditures are for streets and highways, sanitation, and general government services.

**Fire District Fund.** This fund is used to account for the operations of the Weldon Fire Department. The primary revenue sources are fire district taxes, contributions from the General Fund, and sales tax distributions from the County. The primary expenditures are for public safety.

The Town reports the following non-major governmental funds:

**Library Fund.** This fund is used to account for the operations of the Weldon Memorial Library.

**Cemetery Fund.** The fund is used to account for the care and maintenance of the Municipal Cemetery.

The Town reports the following major enterprise funds:

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

C. Measurement Focus and Basis of Accounting

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing water and sewer operations. The principal operating revenue of the Town's enterprise fund is charges to customers for sales and services.

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for all funds. All annual appropriations lapse at the fiscal year-end.

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

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 the multi-year funds. The Finance Officer is authorized to transfer appropriations within a fund up to 10% of the appropriated monies for the department whose allocation is reduced; however, the governing board must be subsequently notified about such transfers. During the year, several 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, 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, and bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The NCCMT – Government Portfolio, a SEC registered (2a-7) external investment pool, is measured at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2019, the Term portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios has a weighted average 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 Assets

Customer deposits held by the Town before any service is 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.

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

Town of Weldon Restricted Cash

Governmental Activities:

General Fund

Streets

\$ 126,674

Business-type Activities:

Water and Sewer Fund

Customer deposits

\$ 40,965

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<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. 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

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

6. Inventory and Prepaid Items

The inventories of the Town's enterprise fund consist of materials and supplies held for subsequent use. The cost of these inventories is recorded as an expense as the inventories are consumed.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings and improvements, \$10,000 infrastructure, \$20,000 equipment and furniture, \$1,000 vehicles and motorized equipment, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.



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

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

Asset Class	Estimated Useful Lives
Infrastructure	25 – 35
Buildings	30 – 40
Improvements	20 – 30
Furniture and Equipment	5 – 10
Vehicles	5 – 7
Computer Equipment	5

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 two items that meets that criterion, contributions made to the pension plan in the 2019 fiscal year and OPEB deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has four items that meet the criterion for this category – cemetery lots receivable, property taxes receivable, deferrals of pension expense that result from the implementation of GASB Statement 68 and OPEB deferrals.

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.

10. Compensated Absences

The vacation policies of the Town provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time.

The Town's sick leave policy provides for indefinite accumulation. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

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

11. Net position/Fund Balances

a. Net position

Net position in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; 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.

b. 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.

Economic Development – portion of fund balance that is not an available resource because it represents the year-end balance of a promissory note receivable.

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 the law through constitutional provisions or enabling legislation”. RSS is reduced by inventories and prepaids as they are classified as nonspendable.

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

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.

Assigned Fund Balance – portion of fund balance that Town of Weldon intends to use for specific purposes.

Assigned for Fire Department, Cemetery, and Library - portion of fund balance that has been assigned for the operation of the departments.

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

12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Weldon's employer contributions are recognized when due and the Town of Weldon has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**II. Stewardship, Compliance, and Accountability**

Material Violations of Finance-Related Legal and Contractual Provisions

A. Non-compliance with North Carolina General Statutes

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

Annual Audit

In accordance with G.S. 159-34, each unit of local government shall have its accounts audited as soon as possible after the close of each fiscal year. The audit for the year ended June 30, 2019 was not completed until May 29, 2020. Due to changeover in accounting personnel, the final accounting records and the required actuarial valuation for GASB 75 postemployment benefits were not received for audit until February 2020. The Town has hired new staff and an outside accountant and anticipates more timely audits in the future.

B. Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2019, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for public safety activities by \$55,745 and cultural and recreational by \$7,789. Management and the Board will more closely review the budget reports to ensure compliance in future years.

**III. Detail Notes on All Funds**

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in its 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 formal policy regarding custodial credit risk for deposits.

At June 30, 2019, the Town's deposits had a carrying amount of \$815,597 and a bank balance of \$843,373. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2019, the Town's petty cash fund totaled \$250.

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

2. Investments

At June 30, 2019, the Town of Weldon had \$3,254,206 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

At June 30, 2019, the Town's investment balances were as follows:

Investment by Type	Valuation Measurement Method	Book Value at 6/30/2019	Maturity	Rating
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$ 3,254,206	N/A	AAAM
Total		\$ 3,254,206		

a. Interest Rate Risk

The City has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits at least half of the City's investment portfolio to maturities of less than 12 months. Also, the City's internal management policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than two years.

b. Credit Risk

The City has adopted a formal policy regarding credit risk and has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2019.

3. Receivables – Allowance for Doubtful Accounts

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

The due from other governments that is owed to the Town consisted of the following at June 30, 2019:

Fund	6/30/2019
General Fund	\$ 42,225
Water & Sewer Fund	73,607
Total	<u>\$ 115,832</u>

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

4. Promissory Note Receivable

In April 2006, the Town sold certain property in exchange for a promissory note receivable in the amount of \$336,000. Payments on the note began in the fiscal year ended June 30, 2009. Annual payments on the note are \$11,200 and are due over 30 years. This is a non-interest-bearing note. The balance at June 30, 2019 was \$245,998.

5. 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	\$ 298,474	\$ -	\$ -	\$ 298,474
Total Capital Assets Not Being Depreciated	\$ 298,474	\$ -	\$ -	\$ 298,474
Capital Assets Being Depreciated:				
Buildings	\$ 949,024	\$ -	\$ -	\$ 949,024
Vehicles and motorized equipment	1,191,523	-	-	1,191,523
Equipment	1,229,356	-	-	1,229,356
Infrastructure	1,255,771	-	-	1,255,771
Total Capital Assets Being Depreciated	\$4,625,674	\$ -	\$ -	\$4,625,674
Less accumulated depreciation for:				
Buildings	\$ 637,664	\$ 24,100	\$ -	\$ 661,764
Vehicles and motorized equipment	1,156,331	22,461	-	1,178,792
Equipment	941,367	76,824	-	1,018,191
Infrastructure	648,483	31,130	-	679,613
Total accumulated depreciation	\$3,383,845	\$154,515	\$ -	\$3,538,360
Total Capital Assets Being Depreciated, Net	1,241,829			1,087,314
Governmental Activity Capital Assets, Net	\$1,540,303			\$1,385,788

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

General government	\$ 24,528
Public safety	126,407
Economic development	2,774
Cultural and recreational	806
Total Depreciation Expense	\$ 154,515

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

Business-type Activities:	07/01/18	Increases	Decreases	06/30/19
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 38,500	\$ -	\$ -	\$ 38,500
Total Capital Assets Not Being Depreciated	<u>\$ 38,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,500</u>
Capital Assets Being Depreciated:				
Buildings	\$ 116,102	\$ -	\$ -	\$ 116,102
Equipment	979,444	-	-	979,444
Vehicles	160,548	39,386	-	199,934
Plant and improvements	12,777,055	-	-	12,777,055
Total Capital Assets Being Depreciated	<u>\$ 14,033,149</u>	<u>\$ 39,386</u>	<u>\$ -</u>	<u>\$ 14,072,535</u>
Less accumulated depreciation for:				
Buildings	\$ 94,459	\$ 3,607	\$ -	\$ 98,066
Equipment	464,709	27,899	-	492,608
Vehicles and motorized equipment	160,548	3,939	-	164,487
Plant and improvements	6,171,745	235,433	-	6,407,178
Total Accumulated Depreciation	<u>\$ 6,891,461</u>	<u>\$ 270,878</u>	<u>\$ -</u>	<u>\$ 7,162,339</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 7,141,688</u>			<u>\$ 6,910,196</u>
Business-type Activity Capital Assets, Net	<u>\$ 7,141,688</u>			<u>\$ 6,948,696</u>

**B. Liabilities**

**1. Pension Plan Obligations and Postemployment Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description.* The Town of Weldon is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the Town to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Weldon employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Weldon's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 8.28% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Weldon were \$85,573 for the year ended June 30, 2019.



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

*Refunds of Contributions* – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual’s right to employer contributions, or any other benefit provided by LGERS.

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

At June 30, 2019, the Town reported a liability of \$476,604 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the Town’s proportion was 0.02009%, which was a decrease of 0.00050% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized pension expense of \$124,162. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,529	\$ 2,467
Changes of assumptions	126,472	-
Net difference between projected and actual earnings on pension plan investments	65,423	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,119	26,463
Town contributions subsequent to the measurement date	85,573	-
Total	\$ 357,116	\$ 28,930

\$85,573 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

Year ended June 30	
2019	\$ 121,358
2020	78,814
2021	10,646
2022	31,796
2023	-
Thereafter	-
	\$ 242,614

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

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

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

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent) or one percentage point higher (7.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$1,144,843	\$ 476,604	\$ (81,788)

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

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

b. Law Enforcement Officers Special Separation Allowance

1) *Plan Description*

The Town of Weldon administers a public employee retirement system (the “Separation Allowance”), a single employer defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the Town to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	-
Terminated plan members entitled to by not yet received benefits	-
Active plan members	<u>11</u>
Total	<u><u>11</u></u>

A separate report was not issued for the plan.

2) *Summary of Significant Accounting Policies*

*Basis of Accounting.* The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

3) *Actuarial Assumptions*

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

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

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

4) *Contributions*

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by the Town or its employees for fiscal year 2019.

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

At June 30, 2019, the Town reported a total pension liability of \$217,409. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the Town recognized pension expense of (\$2,695).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,951	\$117,741
Changes of assumptions	9,915	7,312
Town benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 16,866</u>	<u>\$125,053</u>

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

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

Year ended June 30	
2020	\$ (19,299)
2021	(19,299)
2022	(19,299)
2023	(19,243)
2024	(20,948)
Thereafter	(10,099)
	\$ (108,187)

\$0 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the City's total pension liability to changes in the discount rate.* The following presents the City's total pension liability calculated using the discount rate of 3.64 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Town's proportionate share of the net pension liability (asset)	\$ 100,839	\$ 89,262	\$ 78,862

**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**

	<b>2019</b>
Beginning balance	\$ 217,409
Service cost	9,734
Interest on the total pension liability	6,870
Changes of benefit terms	-
Differences between expected and actual experience in the	(139,345)
Changes of assumptions or other inputs	(5,406)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	\$ 89,262

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

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

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

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 124,162	\$ (2,695)	\$ 121,467
Pension Liability	476,604	89,262	565,866
Proportionate share of the net pension liability	0.02009%	n/a	
Deferred of Outflows of Resources:			
Differences between expected and actual experience	73,529	6,951	80,480
Changes of assumptions	126,472	9,915	136,387
Net difference between projected and actual earnings on plan investments	65,423	-	65,423
Changes in proportion and differences between contributions and proportionate share of contributions	6,119	-	6,119
Benefit payments and administrative costs paid subsequent to the measurement date	85,573	-	85,573
Deferred of Inflows of Resources:			
Differences between expected and actual experience	2,467	117,741	120,208
Changes of assumptions	-	7,312	7,312
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	26,463	-	26,463

c. Supplemental Retirement Income Plan for Law Enforcement Officers

1) *Plan Description*

The Town of contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

2) *Funding Policy*

Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer’s salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The contributions for the year ended June 30, 2016 were \$28,923 which consisted of \$16,823 from the Town and \$12,100 from the law enforcement officers.

d. Other Post-employment Benefits (OPEB)

*Healthcare Benefits*

*Plan Description.* Under the terms of the Town’s resolution, the Town administrates a single employer defined benefit Healthcare Benefits plan (the HCB Plan). As of February 6, 2006 this plan provides postemployment healthcare benefits to retirees of the Town, provided they have at least twenty (20) years of services with the Town and at least thirty (30) years of service with the North Carolina Local Government Employees’ Retirement System (the “System”). The Town will pay the full costs of coverage through private insurers until the retiree becomes eligible for Medicare. Coverage will continue until the retiree reaches age 65, at which time group health insurance benefits will end. Healthcare, prescription drug, dental, and life insurance are provided in the Town’s group health insurance plan. Eligible retirees will receive \$15,000 in life insurance. Dependent coverage is not offered under the Town’s plan.

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

	<u>Employees</u>
Retirees and dependents receiving benefits	1
Terminated plan members entitled to by not yet received benefits	-
Active plan members	29
Total	30

*Funding Policy.* The Town pays the cost of coverage for the healthcare paid to qualified retirees under a Town resolution that can be amended by Town Council. Dependent coverage is not provided under the Town’s plan. The Town has chosen to fund the healthcare benefits on a pay as you go basis.

*Summary of Significant Accounting Policies.* Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due. A separate report was not issued for the plan.



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

***Total OPEB Liability***

The District's Total OPEB Liability (TOL) of \$289,383 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Paragraph 166: Listed below is the information to be disclosed regarding the actuarial assumptions and other inputs used to measure the TOL. The complete set of actuarial assumptions and other inputs utilized in developing the TOL are outlined in Schedule C. The TOL was determined by an actuarial valuation as of June 30, 2018, using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary Increases, including wage inflation:	
General employees	3.50% - 7.75%
Municipal Bond Index Rate:	
Prior measurement date	3.56%
Measurement date	3.89%
Health Care Cost Trends:	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

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

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

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

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

Paragraph 167(a): This paragraph requires disclosure of the sensitivity of the TOL to changes in the health care cost trend rates. The following exhibit presents the TOL of the Plan, calculated using the health care cost trend rates, as well as what the Plan's TOL would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

**Health Care Cost Trend Rate Sensitivity**

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 241,898	\$ 289,383	\$ 349,483

Paragraph 167(b): This paragraph requires disclosure of the sensitivity of the TOL to changes in the discount rate. The following exhibit presents the TOL of the Plan, calculated using the discount rate of 3.56%, as well as what the Plan's TOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

**Discount Rate Sensitivity**

	1% Decrease (2.89%)	Current Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB Liability	\$ 331,765	\$ 289,383	\$ 252,993

Paragraph 168(a)-(c): This paragraph requires a schedule of changes in the TOL. The needed information is shown in the following table:

**Changes in the TOL**

Total OPEB Liability as of June 30, 2017	\$ 282,509
Changes for the year:	
Service Cost at the end of the year*	18,436
Interest on TOL and Cash Flows	9,800
Change in benefit terms	-
Difference between expected and actual experience	6,519
Changes of assumptions or other inputs	(13,290)
Benefit payments and implicit subsidy credit	(14,591)
Other	-
Net Changes	6,874
Total OPEB Liability as of June 30, 2018	\$ 289,383

\* The service cost includes interest for the year.

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

Paragraph 168(d): The employer does not have a special funding situation.

Paragraph 169(a): The TOL is based upon an actuarial valuation performed as of the Valuation Date, June 30, 2018. An expected TOL is determined as of June 30, 2017, the Prior Measurement Date, using standard roll back techniques. The roll back calculation begins with the TOL, as of the Measurement Date, June 30, 2018, adds the expected benefit payments for the year, deducts interest at the Discount Rate for the year, and then subtracts the annual Normal Cost (also called the Service Cost).

CMC has assumed no significant changes, other than the change in the Municipal Bond Index Rate, have occurred between the Valuation Date and the Measurement Date. If a significant change, other than the change in the Municipal Bond Index Rate, has occurred between the Valuation Date and the Measurement Date, an updated valuation may need to be performed.

Paragraph 169(b): Our understanding is that the employer does not have a special funding situation.

Paragraph 169(c): Since the Prior Measurement Date, the Discount Rate has changed from 3.01% to 3.56% due to a change in the Municipal Bond Rate.

Paragraph 169(d): There are no changes in benefit terms since the Prior Measurement Date.

Paragraph 169(e): No benefit payments are attributable to the purchase of allocated insurance contracts.

Paragraph 169(f): CMC was not expected to supply this information.

Paragraph 169(g): Please see Section IV for the development of the OPEB Expense (OE).

Paragraph 169(h)(1)-(2): Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts will increase OPEB Expense, they are labeled Deferred Outflows of Resources. If they serve to reduce OPEB Expense, they are labeled Deferred Inflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period.

The following table provides a summary of the Deferred Outflows of Resources and Deferred Inflows of Resources as of June 30, 2019:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,115	\$ -
Changes of assumptions or other inputs	-	30,213
Total	\$ 11,115	\$ 30,213

Paragraph 169(h)(3): Our understanding is that the employer does not have a special funding situation.

Paragraph 169(h)(4): CMC was not expected to supply this information.

Paragraph 169(i)(1)-(2): Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

Measurement Period Ended June 30:		
2019	\$	(2,011)
2020		(2,011)
2021		(2,011)
2022		(2,011)
2023		(2,011)
Thereafter		(9,043)

Paragraph(i)(3): Our understanding is that the employer does not have a special funding situation.

Paragraph(j): CMC was not expected to supply this information.

e. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employee's Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's twelve highest months' salary in a row during the twenty-four months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has not liability beyond the payment of monthly contributions.

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

Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town considers these contributions to be immaterial.

The Town provides \$15,000 in life insurance coverage to full-time employees. Employees may elect to purchase additional coverage and/or to ensure family members under this plan at their expense subject to the stipulations of the insurance contract.

2. Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 85,573
Differences between expected and actual experience	91,595
Changes in assumptions	136,387
Net difference between projected and actual	65,423
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,119
	\$ 385,097

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 34,800	\$ 34,800
Cemetery lots	1,805	-
Taxes receivable, less penalties (General Fund)	-	68,104
Changes in assumptions	37,525	-
Differences between expected and actual experience	120,208	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,463	-
	\$ 220,801	\$ 102,904

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

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town is a participant in three insurance 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, 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 carries commercial coverage for all risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town carries no flood insurance through the Interlocal Risk Financing Fund of North Carolina for listed buildings and contents.

In accordance with G.S. 159-29, the Finance Officer is covered under an Individual Public Officials Bond for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$25,000.

At June 30, 2019, the Town had a legal debt margin of \$8,141,963.

**IV. Interfund Balances and Activity**

Transfers to/from other funds during the year ended June 30, 2019 consist of the following:

From General Fund to Fire District Fund	\$ 127,183
From Water and Sewer Fund to General Fund	20,766
From General Fund to Library Fund	26,463
Total	<u>\$ 174,412</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

**V. Changes in Long-term Liabilities**

The following is a summary of changes in the Town's long-term obligations for the fiscal year ended June 30, 2019:

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

	Restated			Current	
	Balance 7/1/2018	Increases	Decreases	Balance 6/30/2019	Portion of Balance
<b>Governmental Activities:</b>					
Other postemployment benefits	\$ 189,760	\$ 4,127	\$ -	\$ 193,887	\$ -
Net pension liability	221,165	98,160	-	319,325	-
Total pension liability	217,409	-	128,147	89,262	-
Compensated absences	52,074	-	-	52,074	-
<b>Total Governmental Activities</b>	<b>\$ 680,408</b>	<b>\$102,287</b>	<b>\$128,147</b>	<b>\$ 654,548</b>	<b>\$ -</b>
<b>Business-type Activities:</b>					
Other postemployment benefits	\$ 92,749	\$ 2,747	\$ -	\$ 95,496	\$ -
Net pension liability	124,253	33,026	-	157,279	-
Compensated absences	22,197	6,034	-	28,231	28,231
<b>Total Business-type Activities</b>	<b>\$ 239,199</b>	<b>\$ 41,807</b>	<b>\$ -</b>	<b>\$ 281,006</b>	<b>\$ 28,231</b>

**VI. Fund Balance**

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

Total Fund Balance - General Fund	\$ 2,207,633
Less:	
Stabilization by State Statute	167,598
Streets-Powell Bill	126,674
Economic Development	245,998
Remaining Fund Balance	1,667,363

**VII. 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 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.

**VIII. Significant Effects of Subsequent Events**

As of May 29, 2020, the date of the completion of the financial statements, there were no material subsequent events that were required to be reported.

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

**IX. Prior Period Adjustment**

The beginning net position of the Governmental Activities and the Water and Sewer Fund had to be adjusted due to prior year accounting errors.

Governmental Activities	\$ (38,503)
Water and Sewer Fund	<u>27,823</u>
Total	<u><u>\$ (10,680)</u></u>



## Required Supplementary Financial Data

---

This section contains additional information required by generally accepted accounting principles.

---

- Schedule of the Proportionate Share of the Net Pension Liability – Local Government Employees’ Retirement System
- Schedule of Contributions – Local Government Employees’ Retirement System
- Schedule of Changes in Total Pension Liability – Law Enforcement Officers’ Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers’ Special Separation Allowance
- Schedule of Changes in Total OPEB Liability

**Town of Weldon, North Carolina**  
**Town of Weldon's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Six Fiscal Years**

**Local Government Employees' Retirement System**

	2019	2018	2017	2016	2015	2014
Town of Weldon's proportion of the net pension liability (asset) (%)	0.02009%	0.02261%	0.02127%	0.01940%	0.02015%	0.02060%
Town of Weldon's proportion of the net pension liability (asset) (\$)	\$ 476,604	\$ 345,418	\$ 451,419	\$ 87,380	\$ (118,834)	\$ 248,309
Town of Weldon's covered-employee payroll	\$ 1,156,341	\$ 1,350,972	\$ 1,146,467	\$ 1,107,950	\$ 1,059,720	\$ 1,047,300
Town of Weldon's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.22%	25.57%	39.37%	7.89%	-11.21%	23.71%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	94.18%	91.47%	98.09%	102.64%	0.00%

**Town of Weldon, North Carolina  
Town of Weldon's Contributions  
Required Supplementary Information  
Last Six Fiscal Years**

**Local Government Employees' Retirement System**

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 85,573	\$ 90,629	\$ 101,768	\$ 79,340	\$ 75,703	\$ 70,251
Contributions in relation to the contractually required contributions	85,573	90,629	101,768	79,340	75,703	70,251
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town of Weldon's covered-employee payroll	\$ 1,060,313	\$ 1,156,341	\$ 1,350,972	\$ 1,146,467	\$ 1,107,950	\$ 1,059,720
Contributions as a percentage of covered-employee payroll	8.07%	7.84%	7.53%	6.92%	6.83%	6.63%

**Town of Weldon, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2019**

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 217,409	\$ 174,010
Service Cost	9,734	12,130
Interest on the total pension liability	6,870	6,717
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(139,345)	10,119
Changes of assumptions or other inputs	(5,406)	14,433
Benefit payments	-	-
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 89,262</u>	<u>\$ 217,409</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

**Town of Weldon, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2019**

	<u>2019</u>	<u>2018</u>
Total pension liability	\$ 89,262	\$ 217,409
Covered payroll	440,632	511,713
Total pension liability as a percentage of covered payroll	20.26%	42.49%

Notes to the schedules:

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

**Town of Weldon, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**June 30, 2019**

<b>Total OPEB Liability</b>	<b>2018</b>	<b>2017</b>
Service Cost	\$ 18,436	\$ 20,216
Interest	9,800	8,328
Change in benefit terms	-	-
Difference between expected and actual experience	6,519	6,304
Changes of assumptions or other inputs	(13,290)	(22,048)
Benefit payments and implicit subsidy credit	(14,591)	(13,825)
Net Change in Total OPEB Liability	6,874	(1,025)
Total OPEB Liability - beginning	282,509	283,534
Total OPEB Liability - ending	<u>\$ 289,383</u>	<u>\$ 282,509</u>
Covered Payroll	\$ 1,003,495	\$ 1,003,495
Total OPEB Liability as a Percentage of Covered Payroll	28.84%	28.15%

**Notes to Schedule**

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

<u>Fiscal Year</u>	<u>Rate</u>
2018	3.89%
2017	3.56%

## **Individual Fund Statements and Schedules**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Ad Valorem Taxes:			
Taxes		\$ 662,164	
Penalties and interest		10,230	
Total	<u>\$ 620,287</u>	<u>\$ 672,394</u>	<u>\$ 52,107</u>
Other Taxes and Licenses:			
Privilege licenses		\$ 130	
Motor vehicle licenses		39	
Total	<u>\$ 150</u>	<u>\$ 169</u>	<u>\$ 19</u>
Unrestricted Intergovernmental:			
Local option sales taxes		\$ 332,993	
Utility franchise tax		136,996	
Beer and wine tax		6,637	
Total	<u>\$ 440,100</u>	<u>\$ 476,626</u>	<u>\$ 36,526</u>
Restricted Intergovernmental:			
Powell Bill allocation		\$ 46,714	
Police Athletic Grant			
Solid waste disposal tax		1,078	
Downtown revitalization grant			
Total	<u>\$ 46,800</u>	<u>\$ 47,792</u>	<u>\$ 992</u>
Permits and Fees:			
Building permits		\$ 4,923	
Inspection reimbursements		3,626	
Zoning fees		215	
Total	<u>\$ 4,050</u>	<u>\$ 8,764</u>	<u>\$ 4,714</u>
Sales and Services:			
Refuse collections		\$ 133,160	
Demolition		635	
Recreation		8,693	
Rent		9,360	
Traffic citations		5,625	
Total	<u>\$ 220,780</u>	<u>\$ 157,473</u>	<u>\$ (63,307)</u>
Investment Earnings	<u>45,000</u>	<u>57,131</u>	<u>12,131</u>



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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Revenues:			
Miscellaneous:			
Insurance reimbursements		\$ 17,828	
SRO reimbursements		97,129	
Court fees		916	
Other miscellaneous		57,235	
Total	<u>\$ 19,474</u>	<u>\$ 173,108</u>	<u>\$ 153,634</u>
Total Revenues	<u>\$ 1,396,641</u>	<u>\$ 1,593,457</u>	<u>\$ 196,816</u>
<b>EXPENDITURES</b>			
General Government:			
Governing Body:			
Salaries and employee benefits		\$ 13,943	
Other operating expenditures		3,857	
Total	<u>\$ 16,994</u>	<u>\$ 17,800</u>	<u>\$ (806)</u>
Administration:			
Salaries and employee benefits		\$ 55,959	
Professional services		46,181	
Insurance		32,992	
Demolition		1,552	
Collection fees		11,776	
Copier lease		3,349	
Other operating expenditures		38,946	
Total	<u>\$ 484,093</u>	<u>\$ 190,755</u>	<u>\$ 293,338</u>
Finance:			
Salaries and employee benefits		\$ 61,341	
Utilities		5,652	
Telephone and postage		1,600	
Other operating expenditures		681	
Total	<u>\$ 116,008</u>	<u>\$ 69,274</u>	<u>\$ 46,734</u>
Total General Government	<u>\$ 617,095</u>	<u>\$ 277,829</u>	<u>\$ 339,266</u>
Public Safety:			
Police:			
Salaries and employee benefits		\$ 502,000	
Maintenance and repairs		45,517	
Supplies		6,656	
County E-911 contribution		51,798	
Contracts		6,544	
Other operating expenditures		12,938	
Capital outlay		-	
Total Public Safety	<u>\$ 569,708</u>	<u>\$ 625,453</u>	<u>\$ (55,745)</u>

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public Works:			
Powell Bill:			
Operating expenditures		\$ 70,896	
Total	\$ 46,000	\$ 70,896	\$ (24,896)
Sanitation and Streets:			
Salaries and employee benefits		\$ 154,009	
Utilities		94,030	
Refuse service		135,819	
Maintenance and repairs		24,107	
Other operating expenditures		27,153	
Capital outlay		-	
Total	\$ 485,109	\$ 435,118	\$ 49,991
Total Public Works	\$ 531,109	\$ 506,014	\$ 25,095
Cultural and Recreational:			
Parks & Recreation		\$ 668	
Tourism/Beautification		8,266	
Recreation events		1,955	
Total Cultural and Recreational	\$ 3,100	\$ 10,889	\$ (7,789)
Total Expenditures	\$ 1,721,012	\$ 1,420,185	\$ 300,827
Revenues Over (Under) Expenditures	\$ (324,371)	\$ 173,272	\$ (497,643)
Other Financing Sources:			
Transfer to Fire District Fund	-	(127,183)	(127,183)
Transfer to Library Fund	-	(26,463)	(26,463)
Transfer from Water Sewer Fund	20,766	20,766	-
Fund Balance Appropriated	303,605	-	(303,605)
Total Other Financing Sources (Uses)	\$ 324,371	\$ (132,880)	\$ 457,251
Net Change in Fund Balance	\$ -	\$ 40,392	\$ 40,392
Fund Balances, beginning		2,167,241	
Fund Balances, ending		\$ 2,207,633	

**Town of Weldon, North Carolina**  
**Major Special Revenue Fund - Fire District Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes and Licenses:			
Fire district tax		\$ 108,853	
Penalties and interest		5	
Total	<u>\$ 92,385</u>	<u>\$ 108,858</u>	<u>\$ 16,473</u>
Unrestricted Intergovernmental:			
Sales tax		\$ 18,642	
Total	<u>\$ 20,000</u>	<u>\$ 18,642</u>	<u>\$ (1,358)</u>
Miscellaneous:			
Donations		\$ 7,091	
Total	<u>\$ 7,100</u>	<u>\$ 7,091</u>	<u>\$ (9)</u>
Total Revenues	<u>\$ 119,485</u>	<u>\$ 134,591</u>	<u>\$ 15,106</u>
<b>EXPENDITURES</b>			
Public Safety:			
Salaries and employee benefits		\$ 264,029	
Insurance		14,610	
Utilities		8,587	
Telephone and postage		6,638	
Maintenance and repairs		21,750	
Supplies		2,179	
Capital outlay		-	
Other operating expenditures		5,780	
Total Public Safety	<u>\$ 374,410</u>	<u>\$ 323,573</u>	<u>\$ 50,837</u>
Total Expenditures	<u>\$ 374,410</u>	<u>\$ 323,573</u>	<u>\$ 50,837</u>
Revenues Over (Under) Expenditures	<u>\$ (254,925)</u>	<u>\$ (188,982)</u>	<u>\$ 65,943</u>
Other Financing Sources:			
Transfer from General Fund	254,925	127,183	(127,742)
Fund balance appropriated		-	
Total Other Financing Sources (Uses)	<u>\$ 254,925</u>	<u>\$ 127,183</u>	<u>\$ (127,742)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (61,799)</u>	<u>\$ (61,799)</u>
Fund Balances, beginning		71,985	
Fund Balances, ending		<u>\$ 10,186</u>	

**Town of Weldon, North Carolina  
Combining Balance Sheet  
Non-major Governmental Funds  
For the Fiscal Year Ended June 30, 2019**

	<u>Cemetery Fund</u>	<u>Library Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Current Assets:			
Cash and cash equivalents	\$ 90,909	\$ 310	\$ 91,219
Accounts receivable	1,805	22	1,827
Total Assets	<u>\$ 92,714</u>	<u>\$ 332</u>	<u>\$ 93,046</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 293	\$ 293
Deferred revenue	1,805	-	1,805
Total Liabilities	<u>\$ 1,805</u>	<u>\$ 293</u>	<u>\$ 2,098</u>
<b>FUND BALANCE</b>	<u>90,909</u>	<u>39</u>	<u>90,948</u>
Total Liabilities and Fund Balances	<u>\$ 92,714</u>	<u>\$ 332</u>	<u>\$ 93,046</u>

**Town of Weldon, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2019**

	<b>Cemetery Fund</b>	<b>Library Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Sales and services	\$ 22,150	\$ -	\$ 22,150
Total Revenues	<u>\$ 22,150</u>	<u>\$ -</u>	<u>\$ 22,150</u>
<b>EXPENDITURES</b>			
Environmental protection	7,600	-	7,600
Culture and recreation	-	15,858	15,858
Total Expenditures	<u>\$ 7,600</u>	<u>\$ 15,858</u>	<u>\$ 23,458</u>
Revenues Over (Under) Expenditures	<u>\$ 14,550</u>	<u>\$ (15,858)</u>	<u>\$ (1,308)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfer from General Fund	\$ -	\$ 26,463	\$ 26,463
Total Other Financing Sources	<u>\$ -</u>	<u>\$ 26,463</u>	<u>\$ 26,463</u>
Revenues and other sources over expenditures and other uses	<u>\$ 14,550</u>	<u>\$ 10,605</u>	<u>\$ 25,155</u>
Fund Balances, beginning	76,359	(10,566)	65,793
Fund Balances, ending	<u><u>\$ 90,909</u></u>	<u><u>\$ 39</u></u>	<u><u>\$ 90,948</u></u>

**Town of Weldon, North Carolina**  
**Cemetery Fund**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Sales and services:			
Lot sales		\$ 5,650	\$ 5,650
Permits		16,500	16,500
Total Sales and Services	<u>\$ 13,250</u>	<u>\$ 22,150</u>	<u>\$ 8,900</u>
Total Revenues	<u>\$ 13,250</u>	<u>\$ 22,150</u>	<u>\$ 8,900</u>
<b>EXPENDITURES</b>			
Environmental protection:			
Other operating expenditures		\$ 7,600	\$ 7,600
Total Environmental Protection	<u>\$ 13,250</u>	<u>\$ 7,600</u>	<u>\$ 5,650</u>
Total Expenditures	<u>\$ 13,250</u>	<u>\$ 7,600</u>	<u>\$ 5,650</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 14,550</u>	<u>\$ 14,550</u>
Fund Balances, beginning		76,359	
Fund Balances, ending		<u><u>\$ 90,909</u></u>	

**Town of Weldon, North Carolina**  
**Library Fund**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investment earnings:			
Sales tax refund		\$ -	
Total Investment Earnings	-	-	-
Total Revenues	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Cultural and recreational:			
Salaries and employee benefits		3,277	
Other operating expenditures		12,581	
Total Cultural and Recreational	\$ 15,900	\$ 15,858	\$ 42
Total Expenditures	\$ 15,900	\$ 15,858	\$ 42
Revenues Over (Under) Expenditures	\$ (15,900)	\$ (15,858)	\$ 42
Other Financing Sources (Uses):			
Transfer from General Fund	15,900	26,463	10,563
Total Other Financing Sources (Uses)	\$ 15,900	\$ 26,463	\$ 10,563
Revenues and other sources over expenditures and other uses	\$ -	10,605	\$ 10,605
Fund Balances, beginning		(10,566)	
Fund Balances, ending		\$ 39	

**Town of Weldon, 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>
<b>REVENUES</b>			
Operating Revenues:			
Water sales		\$ 896,721	
Sewer sales		944,152	
Other Operating Revenue:			
Penalties & late fees		14,955	
Miscellaneous		1,135	
Total	<u>\$ 1,735,535</u>	<u>\$ 1,856,963</u>	<u>\$ 121,428</u>
Nonoperating Revenues:			
Investment earnings		\$ 5,331	
Total	<u>\$ -</u>	<u>\$ 5,331</u>	<u>\$ 5,331</u>
Total Revenues	<u>\$ 1,735,535</u>	<u>\$ 1,862,294</u>	<u>\$ 126,759</u>
<b>EXPENDITURES</b>			
Water Administration and Operations:			
Salaries and employee benefits	\$ -	\$ 329,539	\$ -
Professional services	-	-	-
Contract services	-	45,436	-
Insurance	-	16,856	-
Utilities	-	66,187	-
Maintenance and repairs	-	29,427	-
Chemicals and lab	-	367,987	-
Supplies	-	15,690	-
Taps and lines	-	25,406	-
Telephone	-	3,230	-
Capital outlay	-	-	-
Other operating expenditures	-	12,406	-
Total	<u>\$ 1,047,135</u>	<u>\$ 912,164</u>	<u>\$ 134,971</u>
Sewer Administration and Operations:			
Salaries and employee benefits	\$ -	\$ 294,630	\$ -
Professional services	-	-	-
Contract services	-	10,882	-
Insurance	-	17,486	-
Utilities	-	64,361	-
Maintenance and repairs	-	152,442	-
Supplies	-	594	-
Taps and lines	-	8,062	-
Chemical and labs	-	55,637	-
Sludge management	-	22,168	-
Telephone	-	1,719	-
Other operating expenditures	-	24,167	-
Total	<u>\$ 647,634</u>	<u>\$ 652,148</u>	<u>\$ (4,514)</u>
Total Expenditures	<u>\$ 1,694,769</u>	<u>\$ 1,564,312</u>	<u>\$ 130,457</u>



**Town of Weldon, 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>
Revenues Over (Under) Expenditures	\$ 40,766	\$ 297,982	\$ 257,216
Other Financing Sources (Uses):			
Contributed to Capital Reserve	\$ (20,000)	\$ -	\$ 20,000
Transfer to General Fund	(20,766)	(20,766)	-
Fund balance appropriated	-	-	-
Total Other Financing Sources (Uses)	<u>\$ (40,766)</u>	<u>\$ (20,766)</u>	<u>\$ 20,000</u>
Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 277,216</u>	<u>\$ 277,216</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling Items:			
Depreciation		(270,879)	
Increase in OPEB liability		(2,747)	
Increase in net pension liability		(33,026)	
Increase in deferred outflows of resources		28,099	
Decrease in deferred inflows of resources		(13,584)	
Total Reconciling Items		<u>\$ (292,137)</u>	
Change in Net Position		<u>\$ (14,921)</u>	

## Other Schedules

---

This section contains additional information on property taxes.

---

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

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

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections And Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 671,712	\$ 646,290	\$ 25,422
2017-2018	27,894	-	12,135	15,759
2016-2017	11,855	-	2,246	9,609
2015-2016	10,818	-	1,206	9,612
2014-2015	11,944	-	2,122	9,822
2013-2014	12,319	-	1,285	11,034
2012-2013	10,125	-	923	9,202
2011-2012	7,408	-	120	7,288
2010-2011	6,836	-	-	6,836
2009-2010	5,745	-	-	5,745
2008-2009	7,256	-	7,256	-
	\$ 112,200	\$ 671,712	\$ 673,583	\$ 110,329
Less: Allowance for uncollectible accounts:				
	General Fund			(42,225)
	Ad Valorem Taxes Receivable - Net			\$ 68,104
<u>Reconciliation with revenues:</u>				
	Ad valorem taxes - General Fund			\$ 672,394
	Reconciling Items:			
	Releases and adjustments			4,163
	Amounts written off statute of limitations			7,256
	Less: Interest collected			(10,230)
	Subtotal			\$ 1,189
	Total Collections and Credits			\$ 673,583

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

	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	\$ 89,396,667	0.77	\$ 590,018	590,018	\$ -
Registered motor vehicles taxed	12,377,879	0.77	81,694	-	81,694
Total	\$ 101,774,545		\$ 671,712	590,018	\$ 81,694
Net Levy			\$ 671,712	590,018	\$ 81,694
Uncollected Taxes at June 30, 2019			\$ 25,422	\$ 25,350	\$ 72
Current Year's Taxes Collected			\$ 646,290	\$ 564,668	\$ 81,622
Current Levy Collection Percentage			96.22%	95.70%	99.91%