

VILLAGE OF WESLEY CHAPEL

NORTH CAROLINA

Audited Financial Statements

For the Fiscal Year Ended June 30, 2019

Village Council

*Mayor Brad S. Horvath
Mayor Pro-tem Paul Kaperonis
Council Member Mike Como
Council Member Amanda Fuller
Council Member William Rodriguez*

Administrative and Financial Staff

Finance Officer Cheryl Bennett

VILLAGE OF WESLEY CHAPEL

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
and Members of the Village Council
Village of Wesley Chapel, North Carolina

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities and each major fund, of the Village of Wesley Chapel, North Carolina as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund, of the Village of Wesley Chapel, North Carolina, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-10, the Schedules of Employer Contributions, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, on pages 38 and 39, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 we 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 me with sufficient evidence to express an opinion or 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 Village of Wesley Chapel, North Carolina's basic financial statements. The individual fund statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Kendra Gangal, CPA

Charlotte, NC
October 31, 2019

Management's Discussion and Analysis

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

Financial Highlights

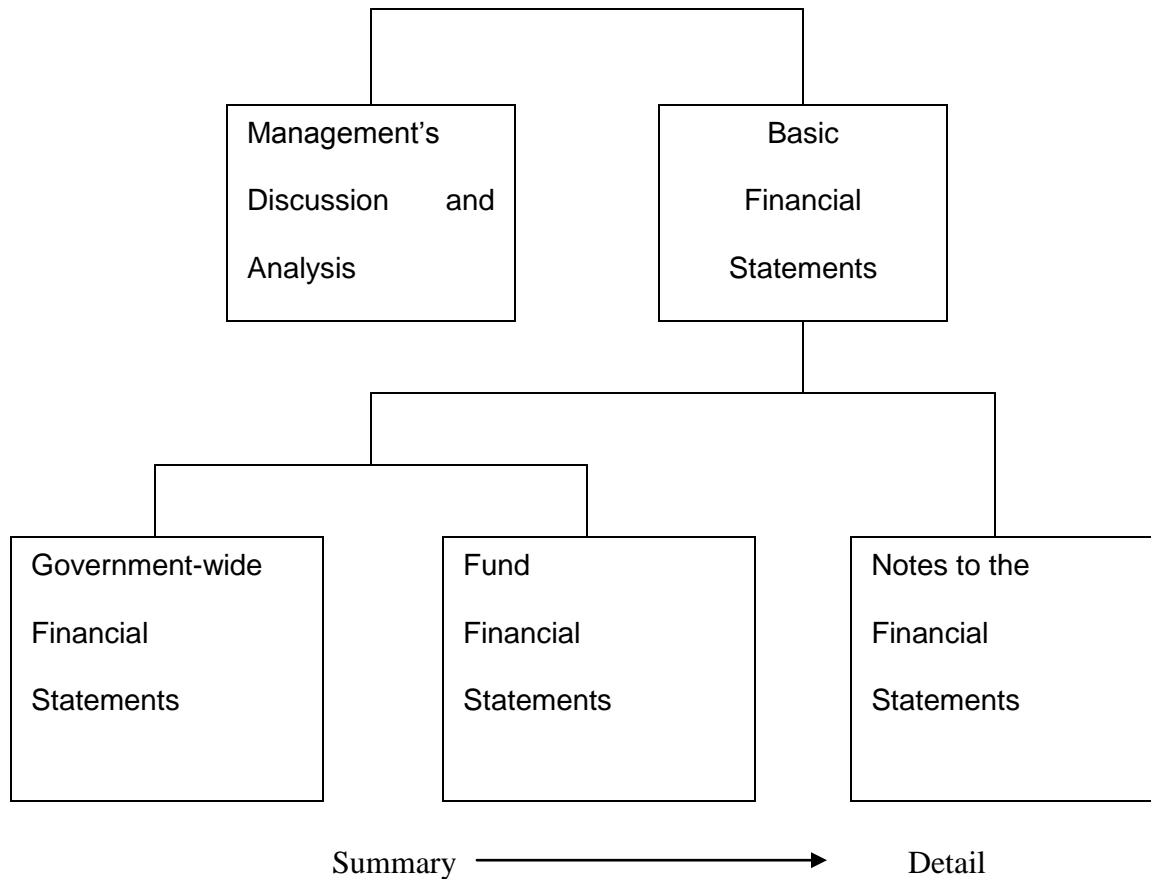
- The assets and deferred outflows of resources of the Village of Wesley Chapel exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,730,851 (net position).
- The government's total net position decreased by \$370.
- As of the close of the current fiscal year, the Village of Wesley Chapel's governmental funds reported combined ending fund balances of \$1,148,689, a decrease of \$60,986 in comparison with the prior year. Approximately 15 percent of this total amount or \$168,491 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$756,140 or 105 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of Wesley Chapel's basic financial statements. The village'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 village 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 Village of Wesley Chapel.

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 Village's financial status.

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Village's individual funds. Budgetary information required by the General Statutes can also 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 Village'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 Village's financial status as a whole.

The two government-wide statements report the Village's net position and how they have changed. Net position is the differences between the Village's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gage the Village's financial condition.

The governmental activities of the village are basically general administration and parks and recreation. Property taxes and state funds finance most of these activities.

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

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the Village'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 Village of Wesley Chapel, 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 village's budget ordinance. The Village of Wesley Chapel has only governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the village's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the village'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 Village of Wesley Chapel 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 village, the management of the village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the village to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the village complied with the budget ordinance and whether or not the village 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

Management Discussion and Analysis

Village of Wesley Chapel

June 30, 2019

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 18-36 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes supplementary information concerning the Village of Wesley Chapel. This supplementary information can be found beginning on page 37 of this report.

Interdependence with Other Entities: The Village depends on financial resources flowing from, or associated with, the State of North Carolina. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modifications to State laws and appropriations.

Government-Wide Financial Analysis

The Village of Wesley Chapel's Net Position

Figure 2

| | Governmental Activities | | | |
|---|--------------------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 | 2016 |
| Current and other assets | \$ 1,197,304 | \$ 1,419,209 | \$ 1,491,319 | \$ 1,322,356 |
| Capital assets | 2,571,737 | 2,519,031 | 2,632,055 | 2,729,557 |
| Deferred outflows of resources | 18,207 | 11,815 | 11,805 | 5,534 |
| Total assets and deferred outflows of resources | 3,787,248 | 3,950,055 | 4,135,179 | 4,057,447 |
| Long term liabilities outstanding | 8,306 | 6,113 | 8,916 | 2,155 |
| Other liabilities | 47,748 | 208,567 | 220,329 | 208,639 |
| Deferred inflows of resources | 343 | 4,154 | 7,095 | 11,558 |
| Total liabilities and deferred inflows of resources | 56,397 | 212,721 | 227,424 | 220,197 |
| Net Assets: | | | | |
| Net investment in capital assets | 2,571,737 | 2,519,031 | 2,632,055 | 2,729,557 |
| Restricted | 204,259 | 182,969 | 213,100 | 353,859 |
| Unrestricted | 954,855 | 1,029,221 | 1,053,682 | 751,679 |
| Total net position | \$ 3,730,851 | \$ 3,731,221 | \$ 3,898,837 | \$ 3,835,095 |

Management Discussion and Analysis

Village of Wesley Chapel

June 30, 2019

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Village of Wesley Chapel exceeded liabilities and deferred inflows by \$3,730,851 as of June 30, 2019. The Village's net position decreased by \$370 for the fiscal year ended June 30, 2019. However, the largest portion (69%) reflects the village's investment in capital assets (primarily land, park and town hall). The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Village of Wesley Chapel's net position (5%) represents resources that are restricted for sidewalks, by State Statute, for National Night Out, and various other projects. The remaining balance of \$954,855 is unrestricted.

Several particular aspects of the Village financial operations positively influenced the total unrestricted governmental net assets:

- High percentage of property taxes collected.
- Continued diligence in maintaining expenditures under budget.

Village of Wesley Chapel Changes in Net Position

Figure 3

| | Governmental Activities | | | |
|--|--------------------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 | 2016 |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 29,175 | \$ 30,880 | \$ 67,885 | \$ 55,232 |
| Operating grants and contributions | - | - | - | - |
| Capital grants and contributions | 19,633 | 70,652 | - | - |
| General revenues: | | | | |
| Property taxes | 173,530 | 166,754 | 161,653 | 154,869 |
| Other taxes | 405,854 | 406,734 | 395,980 | 405,544 |
| Grants and contributions not restricted to specific programs | - | - | - | - |
| Other | 30,327 | 39,690 | 57,660 | 661 |
| Total revenues | 658,519 | 714,710 | 683,178 | 616,306 |
| Expenses: | | | | |
| General government | 351,674 | 324,831 | 348,949 | 299,362 |
| Streets | - | 275,000 | | |
| Public safety | 96,449 | 88,343 | 88,167 | 83,318 |
| Culture and recreation | 122,231 | 84,605 | 92,737 | 91,754 |
| Planning and zoning | 88,535 | 109,547 | 89,583 | 75,536 |
| Total expenses | 658,889 | 882,326 | 619,436 | 549,970 |
| Increase (decrease) in net position before transfers | (370) | (167,616) | 63,742 | 66,336 |
| Beginning net position | 3,731,221 | 3,898,837 | 3,835,095 | 3,768,759 |
| Net position June 30 | \$ 3,730,851 | \$ 3,731,221 | \$ 3,898,837 | \$ 3,835,095 |

Governmental activities. Governmental activities decreased the Village's net position by \$370, thereby accounting for the net decrease in the net assets of the Village of Wesley Chapel.

Financial Analysis of the Village of Wesley Chapel's Funds

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

Governmental Funds. The focus of the Village of Wesley Chapel's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village of Wesley Chapel's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Village of Wesley Chapel. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$756,140, while total fund balance was \$1,148,689. The Village of Wesley Chapel Council has determined that the Village should maintain an available fund balance of 25% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Village. The Village currently has an unassigned fund balance of 105 percent of total General Fund expenditures. Total fund balance represents 160 percent of total General fund expenditures.

At June 30, 2019 the governmental funds of Village of Wesley Chapel reported a combined fund balance of \$1,148,689 with a net decrease in fund balance of \$60,986. This is primarily due to a one time expenditure for a NCDOT roundabout.

General Fund Budgetary Highlights: During the fiscal year, the village 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.

There were no significant budget amendments.

Revenues were slightly over the budgeted amounts primarily because restricted fees for recreation were received. The Village was able to comply with its budgetary requirements.

Capital Asset and Debt Administration

Capital assets. The Village of Wesley Chapel's investment in capital assets for its governmental activities as of June 30, 2019, totals \$2,571,737 (net of accumulated depreciation). These assets are furniture and equipment, buildings, park improvements and land.

There was one major capital asset addition during the year for a park amphitheater and associated equipment and no major deletions during the year.

Village of Wesley Chapel's Capital Assets
Figure 4

(net of depreciation)

| | Governmental Activities | | | |
|---------------------|--------------------------------|---------------------|---------------------|---------------------|
| | 2019 | 2018 | 2017 | 2016 |
| Land | \$ 813,423 | \$ 813,423 | \$ 813,423 | \$ 813,423 |
| Park Improvements | 719,222 | 592,448 | 626,995 | 664,882 |
| Buildings | 987,357 | 1,055,450 | 1,123,543 | 1,191,636 |
| Equipment | 1,935 | 4,700 | 11,874 | 15,486 |
| Driveway/irrigation | 49,800 | 53,010 | 56,220 | 44,130 |
| Total | \$ 2,571,737 | \$ 2,519,031 | \$ 2,632,055 | \$ 2,729,557 |

Additional information on the Village capital assets can be found in note 3 of the Basic Financial Statements.

Village of Wesley Chapel's Outstanding Debt

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Village of Wesley Chapel is \$83,979,151. The village has no bonds authorized but un-issued at June 30, 2019.

Economic Factors and Next Year's Budgets and Rates

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

- Our population is up to 8,801 per the N.C. Office of State Budget and Management Certified Estimate as of July 1, 2017.
- Shopping center occupancy rates continue to stay high.
- Several new residential housing developments continue to build out.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: Budgeted revenues and expenditures in the General Fund are \$734,501. There is \$97,195 of appropriated fund balance and the tax rate remains the same. The Village will maintain existing programs currently in place.

Requests for Information

This report is designed to provide an overview of the village'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:

Cheryl Bennett, Finance/Budget Officer
6490 Weddington Road
Wesley Chapel, NC 28104

Website:
www.wesleychapelnc.com

Basic Financial Statements

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Exhibit 1

Statement of Net Position
June 30, 2019

| | Primary Government | | |
|---|----------------------------|------------------|--------------|
| | Governmental Activities | Other Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 983,170 | \$ - | \$ 983,170 |
| Restricted cash | 116,034 | - | 116,034 |
| Taxes receivables (net) | 533 | - | 533 |
| Prepaid Expenses | 545 | - | 545 |
| Accrued interest receivable on taxes | 34 | - | 34 |
| Other Receivables | 3,015 | - | 3,015 |
| Due from other governments | 93,973 | - | 93,973 |
| Total current assets | 1,197,304 | - | 1,197,304 |
| Capital assets | | | |
| Land | 813,423 | - | 813,423 |
| Other capital assets, net of depreciation | 1,758,314 | - | 1,758,314 |
| Total capital assets | 2,571,737 | - | 2,571,737 |
| Total assets | 3,769,041 | - | 3,769,041 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension deferrals | 18,207 | - | 18,207 |
| Total deferred outflows of resources | 18,207 | - | 18,207 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 2,672 | - | 2,672 |
| Deposits Held | 45,076 | - | 45,076 |
| Total current liabilities | 47,748 | - | 47,748 |
| Long-term liabilities: | | | |
| Net pension liability | 8,306 | - | 8,306 |
| Total liabilities | 56,054 | - | 56,054 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Prepaid taxes | 300 | - | 300 |
| Pension deferrals | 43 | - | 43 |
| Total deferred inflows of resources | 343 | - | 343 |
| NET POSITION | | | |
| Net investment in capital assets | 2,571,737 | - | 2,571,737 |
| Restricted for: | | | |
| Sidewalks | 36,000 | - | 36,000 |
| National Night Out | 313 | - | 313 |
| Parks and Recreation | 70,958 | - | 70,958 |
| Stabilization by State Statute | 96,988 | - | 96,988 |
| Unrestricted | 954,855 | - | 954,855 |
| Total net position | \$ 3,730,851 | \$ - | \$ 3,730,851 |

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

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Exhibit 2

Statement of Activities
For the Fiscal Year Ended June 30, 2019

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | Total |
|---|------------|------------------|------------------------------------|----------------------------------|---|------------------|--------------|
| | | Permits and Fees | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Other Activities | |
| Primary government: | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 351,674 | \$ - | \$ - | \$ - | \$ (351,674) | \$ - | \$ (351,674) |
| Streets | - | - | - | - | - | - | - |
| Public safety | 96,449 | - | - | - | (96,449) | - | (96,449) |
| Culture and Recreation | 122,231 | - | - | 19,633 | (102,598) | - | (102,598) |
| Planning and Zoning | 88,535 | 29,175 | - | - | (59,360) | - | (59,360) |
| Total governmental activities (See Note 1) | 658,889 | 29,175 | - | 19,633 | (610,081) | - | (610,081) |
| Total primary government | \$ 658,889 | \$ 29,175 | \$ - | \$ 19,633 | \$ (610,081) | \$ - | \$ (610,081) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, levied for general purpose | | | | | 173,530 | - | 173,530 |
| Other taxes | | | | | 405,854 | - | 405,854 |
| Grants and fees not restricted to specific programs | | | | | - | - | - |
| Unrestricted investment earnings | | | | | 7,903 | - | 7,903 |
| Miscellaneous | | | | | 22,424 | - | 22,424 |
| Transfers | | | | | | - | - |
| Total general revenues and transfers | | | | | 609,711 | - | 609,711 |
| Change in net position | | | | | (370) | - | (370) |
| Net position, beginning | | | | | 3,731,221 | - | 3,731,221 |
| Net position, ending | | | | | \$ 3,730,851 | \$ - | \$ 3,730,851 |

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

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Exhibit 3

*Balance Sheet
Governmental Funds
June 30, 2019*

| | Major Fund | | Non-Major | | Total Governmental |
|--|---------------------|-----------|-----------------------|-----------|--------------------|
| | General | | Capital Projects Fund | | Funds |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 983,170 | \$ | - | \$ | 983,170 |
| Restricted cash | 116,034 | | - | | 116,034 |
| Receivables, net: | | | | | |
| Taxes | 533 | | - | | 533 |
| Other Receivables | 3,015 | | - | | 3,015 |
| Prepaid Expenses | 545 | | - | | 545 |
| Due from other governments | 93,973 | | - | | 93,973 |
| Total assets | <u>\$ 1,197,270</u> | <u>\$</u> | <u>-</u> | <u>\$</u> | <u>1,197,270</u> |
| LIABILITIES | | | | | |
| Liabilities: | | | | | |
| Accounts payable and accrued liabilities | \$ 47,748 | \$ | - | \$ | 47,748 |
| Total liabilities | <u>47,748</u> | | <u>-</u> | | <u>47,748</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property taxes receivable | 533 | | - | | 533 |
| Prepaid taxes | 300 | | - | | 300 |
| Total Deferred inflows of resources | <u>833</u> | | <u>-</u> | | <u>833</u> |
| FUND BALANCES | | | | | |
| Non Spendable | | | | | |
| Prepaid expense | 545 | | - | | 545 |
| Restricted | | | | | |
| Restricted by State Statute | 96,988 | | - | | 96,988 |
| Restricted for Parks and Recreation | 70,958 | | - | | 70,958 |
| Assigned | | | | | |
| Subsequent Year's Expenditures | 97,195 | | - | | 97,195 |
| Sidewalk | 36,000 | | - | | 36,000 |
| National Night Out | 313 | | - | | 313 |
| Amphitheater | - | | - | | - |
| Future park improvements | 90,550 | | - | | 90,550 |
| Unassigned | 756,140 | | - | | 756,140 |
| Total fund balance | <u>1,148,689</u> | | <u>-</u> | | <u>1,148,689</u> |
| Total liabilities, deferred inflows of resources, and fund balances. | <u>\$ 1,197,270</u> | <u>\$</u> | <u>-</u> | <u>\$</u> | <u>1,197,270</u> |

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

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Exhibit 3-
Continued*

Balance Sheet

Governmental Funds

June 30, 2019

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

| | |
|--|---------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 2,571,737 |
| Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and | 34 |
| Net pension liability | (8,306) |
| Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position | 18,207 |
| Liabilities for earned but deferred revenues in fund statements. | 533 |
| Pension deferrals | (43) |
| Net assets of governmental activities | <u>\$ 3,730,851</u> |

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

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Exhibit 4

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

| | Major Fund | Non-Major | Total Governmental |
|---|--------------|-----------------------|--------------------|
| | General | Capital Projects Fund | Funds |
| REVENUES | | | |
| Ad valorem taxes | \$ 173,181 | \$ - | \$ 173,181 |
| Other taxes and licenses | 285 | - | 285 |
| Unrestricted intergovernmental | 405,569 | - | 405,569 |
| Restricted fees | - | - | - |
| Permits and fees | 50,290 | - | 50,290 |
| Investment earnings | 7,903 | - | 7,903 |
| Miscellaneous | 20,942 | - | 20,942 |
| Total revenues | 658,170 | - | 658,170 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 279,989 | - | 279,989 |
| Public safety | 96,449 | - | 96,449 |
| Culture & Recreation | 254,183 | - | 254,183 |
| Planning and zoning | 88,535 | - | 88,535 |
| Total expenditures | 719,156 | - | 719,156 |
| Excess (deficiency) of revenues over expenditures | (60,986) | - | (60,986) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers from other funds | - | - | - |
| Transfers to other funds | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | (60,986) | - | (60,986) |
| Fund balances, beginning | 1,209,675 | - | 1,209,675 |
| Fund balances, ending | \$ 1,148,689 | \$ - | \$ 1,148,689 |

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

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Exhibit 5

*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Fiscal 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 | \$ (60,986) |
| 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 | 52,706 |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 8,547 |
| 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 | 332 |
| Change in interest accrued on property taxes receivables | 17 |
| 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 | (986) |
| Total changes in net position of governmental activities | <u>\$ (370)</u> |

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

| | General Fund | | | Variance with Final Budget - Positive (Negative) |
|---|---------------------|------------------|-------------------|---|
| | Original | Final | Actual Amounts | |
| Revenues: | | | | |
| Ad valorem taxes | 169,536 | 169,536 | 173,181 | 3,645 |
| Other taxes and licenses | 300 | 300 | 285 | (15) |
| Unrestricted intergovernmental | 408,700 | 408,700 | 405,569 | (3,131) |
| Restricted fees | - | - | - | - |
| Permits and fees | 75,000 | 75,000 | 50,290 | (24,710) |
| Investment earnings | 2,400 | 2,400 | 7,903 | 5,503 |
| Miscellaneous | 1,500 | 1,500 | 20,942 | 19,442 |
| Total revenues | <u>657,436</u> | <u>657,436</u> | <u>658,170</u> | <u>734</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 360,667 | 369,111 | 279,989 | 89,122 |
| Public safety | 99,535 | 99,785 | 96,449 | 3,336 |
| Culture & Recreation | 278,760 | 305,074 | 254,183 | 50,891 |
| Planning and Zoning | 122,900 | 106,066 | 88,535 | 17,531 |
| Total expenditures | <u>861,862</u> | <u>880,036</u> | <u>719,156</u> | <u>160,880</u> |
| Revenues over (under) expenditures | <u>(204,426)</u> | <u>(222,600)</u> | <u>(60,986)</u> | <u>161,614</u> |
| Other financing sources (uses): | | | | |
| Transfers from other funds | - | - | - | - |
| Appropriated fund balance | 204,426 | 222,600 | - | (222,600) |
| Total other financing sources (uses) | <u>204,426</u> | <u>222,600</u> | <u>-</u> | <u>(222,600)</u> |
| Revenues and other sources over (under) expenditures and other uses | - | - | (60,986) | (60,986) |
| Fund balances, beginning | - | - | 1,209,675 | 1,209,675 |
| Fund balances, ending | <u>-</u> | <u>-</u> | <u>1,148,689</u> | <u>1,148,689</u> |

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

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village of Wesley Chapel (the Village) 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 Village of Wesley Chapel, North Carolina, in Union County, was incorporated under The General Statutes of The State of North Carolina on July 15, 1998. It is governed by an elected mayor and a four member council. As required by generally accepted accounting principles, these financial statements present the Village of Wesley Chapel's financial position..

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 activities of the overall government. The Village only has governmental type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include (a) fees and charges paid by the recipients 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. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Village reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Village. The General Fund accounts for all financial resources except those 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 general government services.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village reports no non-major governmental funds.

C. Measurement Focus and Basis of Accounting

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

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

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

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 they are 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 to the extent they matured. General capital asset acquisitions are reported as expenditures in government funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Village 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 tax, collected and held by the State at year-end on behalf of the Village are recognized as revenue. Sales taxes are considered a shared revenue for the Village of Wesley Chapel because the tax is levied by the counties and then remitted to and distributed by the State. Most intergovernmental revenues 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.

D. Budgetary Data

The Village's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the general fund. All annual appropriations lapse at fiscal-year end. Project ordinances are adopted for the Town Hall Capital Projects Fund. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$1,000. All amendments must be approved by the governing board. During the year several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

1. Deposits and Investments

All deposits of the Village are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Village may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Village to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Village's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT – Term Portfolio is a 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 have 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 Village pools money to facilitate disbursements and investment and to maximize investment income. The Village maintains a general checking account and money market account for all general fund revenues. The Village considers all cash and investments to be demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Escrow funds from developers held by the Village are restricted to the service for which the deposit was collected. Fee in lieu monies collected from a developer have been restricted to Parks and Recreation.

Village of Wesley Chapel Restricted Cash

Governmental Activities
General Fund

| | | |
|-----------------------|--------------------|-------------------|
| | Developer escrow | \$ 45,076 |
| | Parks & Recreation | <u>70,958</u> |
| Total Restricted Cash | | <u>\$ 116,034</u> |

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 5. These taxes are based on the assessed values as of January 1, 2018.

5. Allowances for Doubtful Accounts

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

6. Prepaid Items

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: furniture and equipment, \$1,000.00. Donated assets are recorded at their estimated fair market value at the time of donation. The cost of general infrastructure (roads, bridges, curbs, gutters, streets, and sidewalks and similar assets) acquired prior to July 1, 2003 are not capitalized. Effective July 1, 2003, these costs will be recorded as capital assets. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

| <u>Asset Class</u> | <u>Estimated Useful Lives</u> |
|-------------------------|-----------------------------------|
| Infrastructure | 50 |
| Buildings | 20 |
| Improvements | 20 |
| Vehicles | 6 |
| Furniture and equipment | 5 |
| Computer equipment | 3 |

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 for 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 Village has one item meeting this criterion, contributions made to the pension plan in the 2017 fiscal year. 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 Village has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. Compensated Absences

The Village provides for paid vacation and sick time for full-time employees, and on a pro rata basis for part time employees; 10 paid holidays and three weeks personal time, (sick or vacation), each year. Accrual is limited to 120 hours.

10. Net Position/Fund Balances

Net Position

Net position in government-wide financial statements are classified as net investment 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.

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:

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

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

Restricted for Parks and Recreation – portion of fund balance that is restricted for parks and recreation.

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

Assigned fund balance – portion of fund balance that Village of Wesley Chapel intends to use for specific purposes.

Assigned for National Night Out – portion of fund balance assigned for subsequent years National Night Out event.

Assigned for Sidewalks – portion of fund balance assigned to pay for sidewalks on Highway 84 when it is widened.

Assigned for Subsequent Year's Expenditures – portion of fund balance assigned to future year's appropriations.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Continued

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

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

The Village of Wesley Chapel has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Village in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures. Any portion of the general fund balance in excess of 25% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Village in a future budget.

9. 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 (LGRS) and additions to/deductions from LGRS' fiduciary net position have been determined on the same basis as they are reported by LGRS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Village of Wesley Chapel's employer contributions are recognized when due and the Village of Wesley Chapel has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGRS. Investments are reported at fair value.

NOTE 2 - **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

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

None

1. Noncompliance with North Carolina General Statutes

None

2. Contractual Violations

None

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY - Continued

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

None

C. Excess of Expenditures Over Appropriations

None

NOTE 3- **DETAIL NOTES ON ALL FUNDS**

A. ASSETS

1. Deposits

All deposits of the Village 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 Village's agent in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Village, these deposits are considered to be held by the Village's agent in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Village escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Village under the Pooling method, the potential exists for undercollateralization, and the 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 collateralize public deposits under the Pooling Method. The Village has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance.

At June 30, 2019, the Village's deposits had a carrying amount of \$788,662 and a bank balance of \$834,179. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining \$334,179 was covered by collateral held under the pooling method. The Village's petty cash fund totaled \$50.

2. Investments

At June 30, 2019, the Village of Wesley Chapel had \$310,492 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Village has no policy regarding credit risk.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

3. Taxes Receivable – Allowance For Doubtful Accounts

The amounts presented in Exhibit 1, the Combined Balance Sheet, are net of the following allowances for doubtful accounts:

General Fund:

| | |
|------------------------|---------------|
| Taxes Receivable | \$ 1,024 |
| Allowance for Doubtful | (491) |
| Taxes receivable, net | <u>\$ 533</u> |

4. Capital Assets

Primary Government

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-----------------------|-----------|-----------|---------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 813,423 | \$ - | \$ - | \$ 813,423 |
| Construction in Process | - | - | - | - |
| Total not being depreciated | 813,423 | - | - | 813,423 |
| Capital assets being depreciated: | | | | |
| Furniture/Equipment | 36,668 | 1,977 | 1,500 | 37,145 |
| Buildings | 1,361,869 | - | - | 1,361,869 |
| Town Hall Driveway/Irrigation | 64,192 | - | - | 64,192 |
| Park Improvements | 761,090 | 174,970 | 7,076 | 928,984 |
| Total being depreciated | 2,223,819 | 176,947 | 8,576 | 2,392,190 |
| Less accumulated depreciation for: | | | | |
| Furniture/Equipment | 31,968 | 4,742 | 1,500 | 35,210 |
| Buildings | 306,419 | 68,093 | - | 374,512 |
| Town Hall Driveway/Irrigation | 11,182 | 3,210 | - | 14,392 |
| Park Improvements | 168,642 | 43,018 | 1,898 | 209,762 |
| Total accumulated depreciation | 518,211 | 119,063 | 3,398 | 633,876 |
| Total capital assets being depreciated, net | 1,705,608 | | | 1,758,314 |
| Governmental activity capital assets, net | \$ 2,519,031 | | | \$ 2,571,737 |

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

| | |
|----------------------------|-------------------|
| General Government | \$ 75,377 |
| Parks and Recreation | 43,686 |
| Total depreciation expense | \$ 119,063 |

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

Construction commitments

At year end there were no government commitments with architects or engineers.

B. LIABILITIES

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. 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 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.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Village of Wesley Chapel employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Village of Wesley Chapel's contractually required contribution rate for the year ended June 30, 2018, was 7.75% for general employees, 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 Village of Wesley Chapel were \$8,547 for the year ended June 30, 2019.

Refunds of Contributions. Village 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 Village reported a liability of \$8,306 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 asset 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 Village's proportion of the net pension asset was based on a projection of the Village'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 Village's proportion was 0.00035%, which was a decrease of 0.00005% from its proportion measured as of June 30, 2017.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

For the year ended June 30, 2019, the Village recognized pension expense of \$986. At June 30, 2019 the Village 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 | \$ 1,281 | \$ 43 |
| Changes of assumptions | 2,203 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,140 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 5,036 | - |
| Employer contributions subsequent to the measurement date | 8,547 | |
| | \$ 18,207 | \$ 43 |

\$8,547 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|----------------------------|----------|
| 2019 | \$ 4,056 |
| 2020 | 2,936 |
| 2021 | 1,397 |
| 2022 | 1,228 |
| 2023 | - |
| Thereafter | - |
| | \$ 9,617 |

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

Actuarial Assumptions. 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:

| | |
|---------------------------|---|
| 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, 2015 are summarized in the following table:

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

| <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% |
| | <u>100.0%</u> | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

Sensitivity of the Village's proportionate share of the net pension asset to changes in the discount rate. The following presents the Village's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Village'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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------------------|--------------------------------------|------------------------------------|
| Village's proportionate share of the net pension liability (asset) | \$ 19,945 | \$ 8,303 | \$ (1,425) |

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.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The Village is required to contribute at an actuarially determined rate. For the Village, the current rate for employees is 6% and for employer 7.07% of annual covered payroll. The contribution requirements of members and of the Village of Wesley Chapel, is established and may be amended by the North Carolina General Assembly. The Village's contributions to LGERS for the years ended June 30, 2019, 2018 and 2017, were \$8,547, \$5,001, and \$4,838, respectively. The contributions made by the Village equaled the required contributions for each year.

b. *Other Post-Employment Benefits*

The Village of Wesley Chapel does not provide any post-employment benefits to retired or former employees.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS – Continued**

2. Deferred Outflows and Inflows of Resources

The City has several deferred outflows of resources.

Deferred outflows of resources is comprised of the following:

| Source | Amount |
|---|-----------|
| Differences between expected and actual experience | \$ 1,281 |
| Changes of assumptions | 2,203 |
| Net difference between projected and actual earnings on pension plan investments | 1,140 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 5,036 |
| Employer contributions subsequent to the measurement date | 8,547 |
| Total | \$ 18,207 |

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

| | Net Position | Balance Sheet |
|--|--------------|---------------|
| Prepaid taxes (General Fund) | \$ 300 | \$ 300 |
| Taxes receivables (General Fund) | - | 533 |
| Differences between expected and actual experience | 43 | |
| Total | \$ 343 | \$ 833 |

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

3. Risk Management:

The Village is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets, including flood insurance; errors and omissions; injuries to employees; and natural disasters. The Village participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Village obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Village upon request. In accordance with State Statute, the Village maintains fidelity bonds on the finance officer, in the amount of \$50,000. The Village participates in the National Flood Insurance Plan.

4. Claims, Judgments and Contingent Liabilities

The Village is not currently involved in any lawsuits, and thus no accruals to the financial statements are necessary.

5. Interfund Balances and Activity

At June 30, 2019 there were no inter-fund balances due to/from.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

6. Fund Balance

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

| | |
|---------------------------------------|--------------|
| Total Fund Balance - General Fund | \$ 1,148,689 |
| Less: | |
| Non-spendable | 545 |
| Stabilization by State Statute | 96,988 |
| Restricted for parks and recreation | 70,958 |
| Assigned for National Night Out | 313 |
| Assigned for future community center | 36,000 |
| Assigned for future park improvements | 90,550 |
| Working Capital/Fund Balance Policy | 97,195 |
| Remaining Fund Balance | 756,140 |

The Village of Wesley Chapel has adopted a minimum fund balance policy for the General fund which instructs management to conduct the business of the Village in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures.

NOTE 4- **RELATED PARTY TRANSACTIONS**

None.

NOTE 5- **SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

The Village has received proceeds from a State grant. Periodic audits of grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agency. 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.

NOTE 6- **SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS**

None.

NOTE 7- **DATE OF MANAGERMENTS' REVIEW**

In preparing the financial statements, the Village of Wesley Chapel has evaluated events and transactions for potential recognition or disclosure through October 31, 2019, the date that the financial statements were available to be issued.

| |
|--|
| REQUIRED SUPPLEMENTARY FINANCIAL DATA |
|--|

- Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System.
- Schedule of contributions to Local Government Employees' Retirement System.

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Village of Wesley Chapel's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Six Fiscal Years*

Local Government Employees' Retirement System

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Wesley Chapel's proportion of the net pension liability (asset) (%) | 0.000350% | 0.000400% | 0.000420% | 0.000480% | 0.000540% | 0.002100% |
| Wesley Chapel's proportion of the net pension liability (asset) (\$) | \$ 8,306 | \$ 6,111 | \$ 8,914 | \$ 2,155 | \$ (3,185) | \$ 25,313 |
| Wesley Chapel's covered-employee payroll | \$ 110,372 | \$ 66,726 | \$ 62,613 | \$ 59,558 | \$ 65,638 | \$ 110,695 |
| Wesley Chapel's proportion of the net pension liability (asset) as a percentage of its covered-employee payroll | 7.53% | 9.16% | 14.24% | 3.62% | -4.85% | 22.87% |
| Plan fiduciary net position as a percentage of the total pension liability | 94.18% | 94.18% | 91.47% | 98.09% | 102.64% | 94.35% |

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

*Village of Wesley Chapel's Contributions
Required Supplementary Information
Last Six Fiscal Years*

Local Government Employees' Retirement System

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$ 8,547 | \$ 5,001 | \$ 4,838 | \$ 4,176 | \$ 4,211 | \$ 4,680 |
| Contributions in relation to the contractually required contribution | \$ 8,547 | \$ 5,001 | \$ 4,838 | \$ 4,176 | \$ 4,211 | \$ 4,680 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Wesley Chapel's covered-employee payroll | 110,372 | 66,681 | 66,726 | 62,613 | 59,558 | 65,638 |
| Contributions as a percentage of covered-employee payroll | 7.74% | 7.50% | 7.25% | 6.67% | 7.07% | 7.13% |

SUPPLEMENTAL STATEMENTS

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Statement 1
Page 1 of 2

General Fund

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

| | Budget | Actual | Variance Positive (Negative) |
|-------------------------------------|----------------|----------------|------------------------------------|
| Revenues: | | | |
| Ad valorem taxes: | | | |
| Taxes | \$ 168,986 | \$ 172,641 | \$ |
| Prior Years | 300 | 240 | |
| Penalties and interest | 250 | 300 | |
| Total | <u>169,536</u> | <u>173,181</u> | <u>3,645</u> |
| Other taxes and licenses: | | | |
| Privilege licenses | 300 | 285 | |
| Cable franchise fees | - | - | |
| Total | <u>300</u> | <u>285</u> | <u>(15)</u> |
| Unrestricted intergovernmental: | | | |
| Local option sales taxes | 52,000 | 54,329 | |
| Telecommunications sales tax | 7,900 | 7,174 | |
| Video Programing | 95,000 | 92,874 | |
| Utility sales tax | 203,000 | 190,713 | |
| Piped natural gas sales tax | 14,500 | 22,430 | |
| Beer and wine tax | 36,300 | 38,049 | |
| Total | <u>408,700</u> | <u>405,569</u> | <u>(3,131)</u> |
| Restricted fees | | | |
| Subdivision fees | - | - | |
| Total | <u>-</u> | <u>-</u> | <u>-</u> |
| Permits and fees: | | | |
| Zoning fees | 25,000 | 29,175 | |
| Engineering fees | 50,000 | 21,115 | |
| Total | <u>75,000</u> | <u>50,290</u> | <u>(24,710)</u> |
| Investment earnings | <u>2,400</u> | <u>7,903</u> | <u>5,503</u> |
| Miscellaneous: Miscellaneous income | | | |
| Total | <u>1,500</u> | <u>20,942</u> | <u>19,442</u> |
| | <u>1,500</u> | <u>20,942</u> | <u>19,442</u> |
| Total revenues | <u>657,436</u> | <u>658,170</u> | <u>734</u> |

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Statement 1
Page 2 of 2

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

| | Budget | Actual | Variance Positive (Negative) |
|---|-------------------|---------------------|------------------------------------|
| General government: | | | |
| Salaries and employee costs | 126,922 | 119,752 | |
| Council Compensation | 25,200 | 25,200 | |
| Other operating expenditures | 186,454 | 122,479 | |
| Capital outlay | 30,535 | 12,558 | |
| Total | <u>369,111</u> | <u>279,989</u> | <u>89,122</u> |
| Public safety: | | | |
| Other operating expenditures | <u>99,785</u> | <u>96,449</u> | |
| Total | <u>99,785</u> | <u>96,449</u> | <u>3,336</u> |
| Culture & Recreation: | | | |
| Personal Services | - | - | |
| Other operating expenditures | 94,900 | 65,886 | |
| Capital outlay | <u>210,174</u> | <u>188,297</u> | |
| Total | <u>305,074</u> | <u>254,183</u> | <u>50,891</u> |
| Planning and zoning | <u>106,066</u> | <u>88,535</u> | <u>17,531</u> |
| Total expenditures | <u>880,036</u> | <u>719,156</u> | <u>160,880</u> |
| Revenues over (under) expenditures | <u>(222,600)</u> | <u>(60,986)</u> | <u>161,614</u> |
| Other financing sources (uses): | | | |
| Fund balance appropriated | 222,600 | - | (222,600) |
| Total | <u>\$ 222,600</u> | <u>\$ -</u> | <u>\$ (222,600)</u> |
| Revenues and other financing sources over expenditures and other financing uses | <u>\$ -</u> | <u>(60,986)</u> | <u>\$ (60,986)</u> |
| Fund balance, beginning | | <u>1,209,675</u> | |
| Fund balance , ending | | <u>\$ 1,148,689</u> | |

OTHER SCHEDULES

This section contains additional information required on property taxes.

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

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Schedule 2

Schedule of Ad Valorem Taxes Receivable
June 30, 2019

| <u>Fiscal Year</u> | <u>Uncollected Balance June 30, 2018</u> | <u>Additions</u> | <u>Collections And Credits</u> | <u>Uncollected Balance June 30, 2019</u> |
|--------------------|--|-------------------|------------------------------------|--|
| 2018-2019 | \$ - | \$ 173,388 | \$ 172,822 | \$ 566 |
| 2017-2018 | 192 | 34 | 206 | 20 |
| 2016-2017 | 15 | 34 | 42 | 7 |
| 2015-2016 | 11 | - | - | 11 |
| 2014-2015 | 4 | - | - | 4 |
| 2013-2014 | 98 | - | - | 98 |
| 2012-2013 | 129 | - | - | 129 |
| 2011-2012 | 101 | - | - | 101 |
| 2010-2011 | 29 | - | - | 29 |
| 2009-2010 | 60 | - | 1 | 59 |
| 2008-2009 | 52 | - | 52 | - |
| | <u>\$ 691</u> | <u>\$ 173,456</u> | <u>\$ 173,123</u> | <u>\$ 1,024</u> |

Less: allowance for uncollectible accounts:
General Fund

(491)

Ad valorem taxes receivable - net

\$ 533

Reconcilement with revenues:

Ad valorem taxes - General Fund

\$ 173,181

Reconciling items:

Interest and Penalties collected

(300)

Discounts allowed

-

Taxes written off

242

Subtotal

(58)

Total collections and credits

\$ 173,123

VILLAGE OF WESLEY CHAPEL, NORTH CAROLINA

Schedule 3

*Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2019*

| | City - Wide | | Total Levy | | |
|---------------------------------------|-------------------------|----------|-------------------|--|---------------------------|
| | Property Valuation | Rate | Total Levy | Property excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original levy: | | | | | |
| Property taxed at current | \$ 1,049,630,304 | \$0.0165 | \$ 173,189 | \$ 154,804 | \$ 18,385 |
| Discoveries - Current and prior years | 1,206,061 | \$0.0165 | 199 | 199 | - |
| Releases | <u>(1,096,970)</u> | | <u>(181)</u> | <u>(100)</u> | <u>(81)</u> |
| Total property valuation | <u>\$ 1,049,739,395</u> | | | | |
| Net levy | | | 173,207 | 154,903 | 18,304 |
| Uncollected taxes at June 30, 2017 | | | <u>(566)</u> | <u>(566)</u> | - |
| Current year's taxes collected | | | <u>\$ 172,641</u> | <u>\$ 154,337</u> | <u>\$ 18,304</u> |
| Current levy collection percentage | | | <u>99.67%</u> | <u>99.63%</u> | <u>100.00%</u> |