

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Report of Audit

For the Fiscal Year Ended June 30, 2020



INC. 1988

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## ***FINANCIAL SECTION***

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## **Independent Auditor's Report**

To the Honorable Mayor and  
Members of the Board of Alderman  
Town of Varnamtown, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Varnamtown, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Varnamtown's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Town of Varnamtown, North Carolina as of June 30, 2020, 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 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Varnamtown, North Carolina. The 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 individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the 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.

***W Greene, PLLC***

Whiteville, North Carolina  
December 21, 2020

As management of the Town of Varnamtown, we offer readers of the Town of Varnamtown's financial statements this narrative overview and analysis of the financial activities of the Town of Varnamtown for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

### Financial Highlights

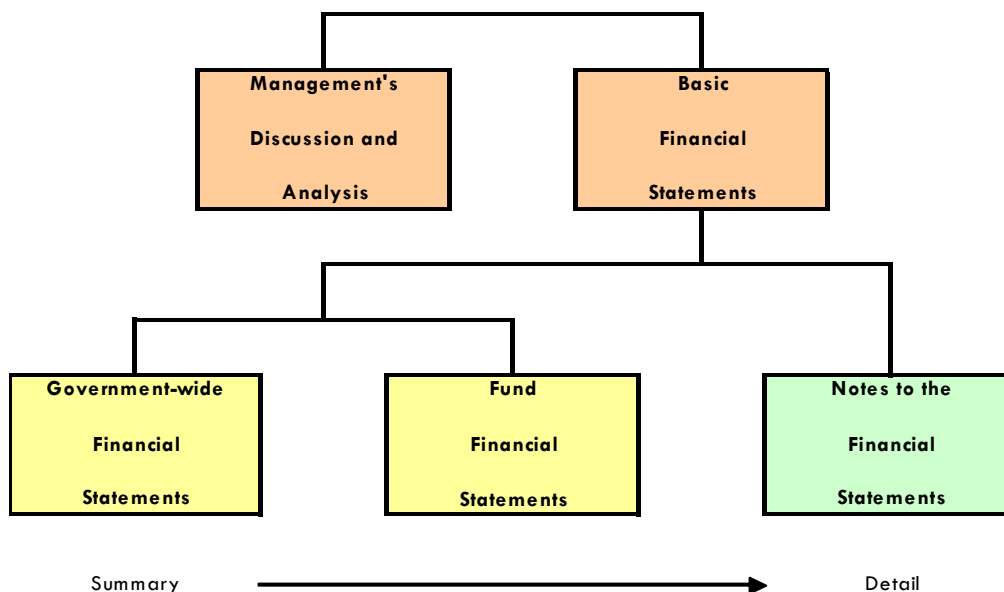
- The assets and deferred outflows of resources of the Town of Varnamtown exceeded its liabilities and deferred inflows at the close of the fiscal year by \$2,469,365 (net position).
- The government's total net position increased by \$159,987, primarily due to increases in the governmental activities net position.
- As of the close of the current fiscal year, the Town of Varnamtown's governmental funds reported combined ending fund balances of \$1,623,313 with a net increase of \$19,909 in fund balance. Approximately 2.46 percent of this total amount, or \$39,860, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,455,442, or 414.65 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 Town of Varnamtown'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 Varnamtown.

**Required Components of Annual Financial Report**

**Figure 1**





### Basic Financial Statements

The first two statements (pages 16 through 19) 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 (pages 20 through 25) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements, and 2) the budgetary comparison statements.

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

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

The government-wide statements are divided into one category: governmental 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 funds finance most of these activities.

The government-wide financial statements are on pages 16 through 19 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 Varnamtown, 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 Varnamtown can be divided into one category: governmental funds.

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

The Town of Varnamtown 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.

**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 26 through 35 of this report.

**Interdependence with Other Entities:** The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

## Government-Wide Financial Analysis

### Town of Varnamtown's Net Position

Figure 2

	Governmental Activities	
	2020	2019
Current and other assets	\$ 1,625,242	\$ 1,678,224
Capital assets	844,123	704,239
Total assets and deferred outflows of resources	2,469,365	2,382,463
Long-term liabilities outstanding	-	-
Other liabilities	-	73,085
Deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	-	73,085
Net position:		
Net investment in capital assets	844,123	704,239
Restricted	39,860	110,166
Unrestricted	1,585,382	1,494,973
Total net position	\$ 2,469,365	\$ 2,309,378

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Varnamtown exceeded liabilities and deferred inflows by \$2,469,365 as of June 30, 2020. The Town's net position increased by \$159,987 for the fiscal year ended June 30, 2020. However, a portion (34.18%) reflects the Town's net 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 Varnamtown uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Varnamtown's net 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 Varnamtown's net position, \$39,860, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,585,382 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 95.94%

## The Town of Varnamtown's Changes in Net Position

Figure 3

	Governmental Activities	
	2020	2019
Revenues:		
Program revenues:		
Charges for services	\$ -	\$ -
Operating grants and contributions	8,266	73,085
Capital grants and contributions	95,620	-
General Revenues		
Property taxes	27,084	22,725
Other taxes	224,380	210,988
Other	15,759	16,764
Total revenues	371,109	323,562
Expenses:		
General Government	91,589	85,300
Public Safety	500	200
Transportation	77,194	73,881
Cultural and Recreation	41,839	36,881
Interest on long-term debt	-	-
Total expenses	211,122	196,262
Increase(Decrease) in net position before transfers	159,987	127,300
Transfers	-	-
Change in net position	159,987	127,300
Net position, July 1 (consolidated)	2,309,378	2,182,078
Net position, June 30	\$ 2,469,365	\$ 2,309,378

**Governmental activities.** Governmental activities increased the Town's net position by \$159,987, thereby accounting for 100% of the total increase in the net position of the Town of Varnamtown. Key element of this increase is as follows:

- Net increase in other taxes, such as, Local Option Sales Tax, Utility Sales Tax, etc.

### Financial Analysis of the Town's Funds

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

**Governmental Funds.** The focus of the Town of Varnamtown'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 Varnamtown's financing requirements.

The general fund is the chief operating fund of the Town of Varnamtown. At the end of the current fiscal year, Town of Varnamtown's fund balance available in the General fund was \$1,583,453, while total fund balance reached \$1,623,313. The Town currently has an available fund balance of 451.12% of general fund expenditures, while the total balance represents 462.47% of the same amount.

At June 30, 2020, the governmental funds of Town of Varnamtown reported a combined fund balance of \$1,623,313 with a net increase in fund balance of \$19,909.

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

Revenues were more than the budgeted amounts primarily because of an increase in tax revenues that the Town originally had expected to receive. Expenditures were overall more than budget because of unbudgeted expenditures.

#### **Capital Asset and Debt Administration**

**Capital assets.** The Town of Varnamtown's investment in capital assets for its governmental activities as of June 30, 2020, totals \$844,123 (net of accumulated depreciation). These assets include buildings, land, and equipment.

Major capital asset acquisition during the year ended June 30, 2020 consisted of the purchase of land in the amount of \$150,976.

#### **The Town of Varnamtown's Capital Assets**

**Figure 4**

	<b>(Net of depreciation)</b>	
	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 547,585	\$ 396,609
Buildings	283,495	292,020
Vehicles	-	-
Equipment	13,043	15,610
<b>Total</b>	<b>\$ 844,123</b>	<b>\$ 704,239</b>

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

**Long-term Debt.** As of June 30, 2020, the Town of Varnamtown had total long-term debt outstanding of \$-0-.

**Town of Varnamtown 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 Town of Varnamtown is \$4,265,434. The Town of Varnamtown does not have any authorized but un-issued debt at June 30, 2020.

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

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

- The Town is experiencing a small increase in its number of residents.

**Budget Highlights for the Fiscal Year Ending June 30, 2021**

**Governmental Activities:** Budgeted expenditures in the General Fund are expected to decrease.

**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 following:

**Cassandra Parrish**  
**Finance Officer**  
**Town of Varnamtown**  
**100 Varnamtown Rd.**  
**Supply, NC 28462**  
[varnamtown@atmc.net](mailto:varnamtown@atmc.net)  
**(910) 842-3095**

## ***Basic Financial Statements***

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**TOWN OF VARNAMTOWN, NORTH CAROLINA**

## Statement of Net Position

June 30, 2020

	<b>Primary Government</b>	
	<b>Governmental</b>	
	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,583,453	\$ 1,583,453
Receivables (net):		
Ad Valorem Taxes	1,785	1,785
Interest	144	144
Accounts	-	-
Due from Other Governments	39,860	39,860
Restricted Cash and Cash Equivalents	-	-
Total Current Assets	1,625,242	1,625,242
Noncurrent Assets:		
Capital Assets		
Land, Nondepreciable Improvements, and Construction in Progress	547,585	547,585
Other Capital Assets, Net of Depreciation	296,538	296,538
Total Capital Assets	844,123	844,123
<b>Total Assets</b>	<b>2,469,365</b>	<b>2,469,365</b>



**TOWN OF VARNAMTOWN, NORTH CAROLINA**

## Statement of Net Position (Continued)

June 30, 2020

	<b>Primary Government</b>	
	<b>Governmental</b>	
	<b>Activities</b>	<b>Total</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable and		
Accrued Liabilities	\$ -	\$ -
Current Portion of Long-Term Liabilities	-	-
Total Current Liabilities	-	-
Long-Term Liabilities:		
Due in More Than One year	-	-
<b>Total Liabilities</b>	-	-
<b>NET POSITION</b>		
Net Investment in Capital Assets	844,123	844,123
Restricted for:		
Stabilization by State Statute	39,860	39,860
Unrestricted	1,585,382	1,585,382
<b>Total Net Position</b>	\$ 2,469,365	\$ 2,469,365

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

## Statement of Activities

For the Year Ended June 30, 2020

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 91,589	\$ -	\$ 8,266	\$ -
Public Safety	500	-	-	-
Transportation	77,194	-	-	95,620
Cultural and Recreational	41,839	-	-	-
Interest on long-term debt	-	-	-	-
Total Governmental Activities	211,122	-	8,266	95,620
Total Primary Government	\$ 211,122	\$ -	\$ 8,266	\$ 95,620

# TOWN OF VARNAMTOWN, NORTH CAROLINA

## Statement of Activities (Continued)

For the Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Functions/Programs	Governmental Activities	Totals
<b>Primary Government:</b>		
<b>Governmental Activities:</b>		
General Government	\$ (83,323)	\$ (83,323)
Public Safety	(500)	(500)
Transportation	18,426	18,426
Cultural and Recreational	(41,839)	(41,839)
Interest on long-term debt	-	-
<b>Total Governmental Activities</b>	<b>(107,236)</b>	<b>(107,236)</b>
<b>Total Primary Government</b>	<b>(107,236)</b>	<b>(107,236)</b>
<b>General Revenues:</b>		
Property Taxes, Levied for General Purpose	27,084	27,084
Other Taxes and Licenses	224,380	224,380
Investment Earnings	15,480	15,480
Miscellaneous	279	279
<b>Transfers</b>	<b>-</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>	<b>267,223</b>	<b>267,223</b>
<b>Change in Net Position</b>	<b>159,987</b>	<b>159,987</b>
<b>Net Position - Beginning of Year</b>	<b>2,309,378</b>	<b>2,309,378</b>
<b>Net Position - End of Year</b>	<b>\$ 2,469,365</b>	<b>\$ 2,469,365</b>

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Balance Sheet

Governmental Funds

June 30, 2020

	Major Fund		Total	
	General Fund		Governmental Funds	
ASSETS				
Cash and Cash Equivalents	\$	1,583,453	\$	1,583,453
Receivables (net):				
Ad Valorem Taxes		1,785		1,785
Interest		-		-
Sanitation		-		-
Due from Other Governments		39,860		39,860
Total Assets		1,625,098		1,625,098
LIABILITIES				
Accounts Payable and				
Accrued Liabilities		-		-
Total Liabilities		-		-
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Receivable		1,785		1,785
Total Deferred Inflows of Resources		1,785		1,785
FUND BALANCES				
Restricted				
Stabilization by State Statute		39,860		39,860
Assigned				
Subsequent Year's Expenditures		128,011		128,011
Unassigned		1,455,442		1,455,442
Total Fund Balances		1,623,313		1,623,313
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	1,625,098	\$	1,625,098

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Balance Sheet (Continued)

Governmental Funds

June 30, 2020

		<b>Total Governmental Funds</b>
<hr/>		
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Governmental Fund Balance	\$	1,623,313
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	\$	1,124,314
Accumulated depreciation	<u>(280,191)</u>	844,123
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and and therefore are deferred		
Accrued interest - taxes	<u>144</u>	144
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Ad valorem taxes	<u>1,785</u>	1,785
 <b>Net position of governmental activities</b>	 <u><u>\$</u></u>	 <u><u>2,469,365</u></u>

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

## Statement of Revenues, Expenditures, and Changes in Fund Balance

## Governmental Funds

For the Year Ended June 30, 2020

	<b>Major Fund</b>	<b>Total</b>
	<b>General</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Funds</b>
<b>Revenues</b>		
Ad Valorem Taxes	\$ 26,890	\$ 26,890
Unrestricted Intergovernmental	224,380	224,380
Restricted Intergovernmental	103,886	103,886
Investment Earnings	15,480	15,480
Miscellaneous	279	279
<b>Total Revenues</b>	<b>370,915</b>	<b>370,915</b>
<b>Expenditures</b>		
Current		
General Government	87,971	87,971
Public Safety	500	500
Transportation	77,194	77,194
Cultural and Recreational	34,365	34,365
Capital Outlay	150,976	150,976
<b>Total Expenditures</b>	<b>351,006</b>	<b>351,006</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>19,909</b>	<b>19,909</b>
<b>Net Change in Fund Balance</b>	<b>19,909</b>	<b>19,909</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,603,404</b>	<b>1,603,404</b>
<b>Fund Balance - End of Year</b>	<b>\$ 1,623,313</b>	<b>\$ 1,623,313</b>

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

## Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)

## Governmental Funds

For the Year Ended June 30, 2020

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

Net changes in fund balances - total governmental funds	\$	19,909
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures which were capitalized	150,976	
Depreciation expense	<u>(11,092)</u>	139,884

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	<u>-</u>	-
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Change in unavailable revenue for tax revenues	253	
Interest earned on ad valorem taxes	<u>(59)</u>	194

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issuance	-	
Debt retirement	<u>-</u>	-

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	-	
Compensated absences	<u>-</u>	-

Total changes in net position of governmental activities	<u>\$</u>	<u>159,987</u>
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**TOWN OF VARNAMTOWN, NORTH CAROLINA**

## General Fund

## Statement of Revenues, Expenditures, and Changes in Fund Balance

## Budget and Actual

For the Year Ended June 30, 2020

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues</b>				
Ad Valorem Taxes	\$ 24,150	\$ 23,391	\$ 26,890	\$ 3,499
Unrestricted Intergovernmental	185,000	140,000	224,380	84,380
Restricted Intergovernmental	-	-	103,886	103,886
Investment Earnings	9,000	6,000	15,480	9,480
Miscellaneous	-	-	279	279
<b>Total Revenues</b>	<b>218,150</b>	<b>169,391</b>	<b>370,915</b>	<b>201,524</b>
<b>Expenditures</b>				
Governing Body	489,719	94,730	87,971	6,759
Public Safety	700	1,100	500	600
Transportation	17,250	143,500	228,170	(84,670)
Cultural and Recreation	43,900	43,650	34,365	9,285
Contingency	25,000	14,872	-	14,872
<b>Total Expenditures</b>	<b>576,569</b>	<b>297,852</b>	<b>351,006</b>	<b>(53,154)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(358,419)</b>	<b>(128,461)</b>	<b>19,909</b>	<b>148,370</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(358,419)</b>	<b>(128,461)</b>	<b>19,909</b>	<b>148,370</b>
<b>Appropriated Fund Balance</b>	<b>358,419</b>	<b>128,461</b>	<b>-</b>	<b>(128,461)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>19,909</b>	<b>\$ 19,909</b>
<b>Fund Balance - Beginning of Year</b>			<b>1,603,404</b>	
<b>Fund Balance - End of Year</b>			<b>\$ 1,623,313</b>	

## TOWN OF VARNAMTOWN, NORTH CAROLINA

Notes to the Financial Statements

For the Year Ended June 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Varnamtown 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 Varnamtown is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town.

#### B. Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. 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 revenues 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 specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a specific 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. Statements for the governmental fund category are presented. 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 Town reports the following major governmental fund:

**General Fund.** The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and various other taxes and licenses. The primary expenditures are for general governmental and cultural and recreational.

## TOWN OF VARNAMTOWN, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 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 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 liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

*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.

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****C. Measurement Focus and Basis of Accounting (Continued)**

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

**D. Budgetary Data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity****1. Deposits and Investments**

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are generally reported at fair value. The NCCMT – Government Portfolio, a SEC-registered (2a-7) money market mutual fund, 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, 2020, the Term portfolio has a duration of .15 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.

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)****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. 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, 2019.

**4. Allowances for Doubtful Accounts**

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

**5. 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 one year. Minimum capitalization costs are as follows: land, \$0; Buildings, improvements, and infrastructure, \$20,000; Furniture, equipment and vehicles, \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Lives
Infrastructure	10-75
Buildings	10-50
Improvements	10-50
Vehicles	6
Furniture and Equipment	5-10
Computer Equipment	3

## TOWN OF VARNAMTOWN, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

##### 6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town does not have any items that meet this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has one item that meets the criterion for this category – property taxes receivable.

##### 7. Net Position/Fund Balances

###### Net Position

Net position in government-wide financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

###### Fund Balances

In the governmental fund financial statements, 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.

The Town has no items that can be classified as nonspendable.

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

## TOWN OF VARNAMTOWN, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

##### 7. Net Assets/Fund Balances (Continued)

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.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Varnamtown'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 similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

The Town has no funds that are committed as of June 30, 2020.

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The Board of Aldermen approves the appropriation and has the sole authority to change it.

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

The Town has not adopted a formal fund balance policy as of June 30, 2020. It has decided to follow the general guidance in *Government Accounting Standards #54* regarding the spending order of unrestricted fund balance. Committed amounts will be spent first, and then assigned, and finally those designated as unassigned will be spent last.

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**II. 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 this 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 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 but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$1,583,453 and a bank balance of \$1,573,503. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2020, the Town had no petty cash on hand.

**2. Receivables - Allowances for Doubtful Accounts**

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2020 are net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>06/30/2020</u>
General Fund:	
Taxes receivable	\$ 200
Total General Fund	200
Total	\$ 200



**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****A. Assets (Continued)****3. Capital Assets****Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 396,609	\$ 150,976	\$ -	\$ 547,585
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	396,609	150,976	-	547,585
<b>Capital assets being depreciated:</b>				
Buildings & Improvements	437,915	-	-	437,915
Equipment and Furniture/Fixtures	138,815	-	-	138,815
Total capital assets being depreciated	576,730	-	-	576,730
<b>Less accumulated depreciation for:</b>				
Buildings and Improvements	145,895	8,525	-	154,420
Equipment and Furniture/Fixtures	123,205	2,567	-	125,772
Total accumulated depreciation	269,100	11,092	-	280,192
Total capital assets being depreciated, net	307,630			296,538
<b>Governmental activity capital assets, net</b>	<u>\$ 704,239</u>			<u>\$ 844,123</u>

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

Administration/Community Projects	\$ 3,618
Recreation	7,474
Total	<u>\$ 11,092</u>

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities****1. Deferred Outflows and Inflows of Resources**

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

	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ -
Taxes receivable (General Fund)	1,785
Total	<u>\$ 1,785</u>

**2. Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town's coverage currently consists of fidelity bonds on the mayor, board and a clerk. The Town carries commercial insurance for general liability and auto liability of \$1 million per occurrence and workers' compensation coverage up to \$100,000 per accident. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond for amounts from \$5,000 up to \$20,000. The finance officer is individually bonded for \$50,000.

The Town is located in an area that has been mapped and designated as an "X" zone (an area that has a .2% thru 1% annual chance of a flood) by the Federal Emergency Management Agency; therefore, the Town carries no flood insurance.

**3. Claims, Judgements and Contingent Liabilities**

At June 30, 2020, the Town did not have any litigation pending.

**4. Contracts**

The Town has entered a contract with the County of Brunswick for the billing and collection of ad valorem taxes. The County maintains all records and forwards all checks to the Town for collections less collection fees. The collection fee is 1.5% of taxes and penalties received. For the year ended June 30, 2020, the fee totaled \$358.

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****C. Net Investment in Capital Assets**

	Governmental
Capital Assets	\$ 844,123
less: long-term debt	-
Add: unexpended debt proceeds	-
Net Investment in Capital Assets	\$ 844,123

**D. Fund Balance**

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

<i>Total fund balance – General Fund</i>	\$ 1,623,313
Less:	
Stabilization by State Statute	39,860
Appropriated Fund Balance in 2020-21 budget	128,011
Remaining Fund Balance	1,455,442

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<i>Encumbrances</i>	General Fund
-	\$ -

**III. JOINTLY GOVERNED ORGANIZATION**

The Town, in conjunction with several other local governments, participates in the Cape Fear Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town paid \$415 to the Council during the fiscal year ended June 30, 2020.

**IV. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 21, 2020, which is the date the financial statements were available to be issued.

**V. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY****Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2020, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for Transportation by \$84,670 and for Public Buildings by \$13,842. These over-expenditures occurred because of unbudgeted expenditures in these areas. Management and the Board will more closely review the budget reports to ensure compliance in future years.



INC. 1988

***Major Governmental Funds***

***General Fund***

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**TOWN OF VARNAMTOWN, NORTH CAROLINA**

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2020

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
<b>Ad Valorem Taxes</b>			
Taxes		\$ 26,449	
Penalties and Interest		441	
<b>Total Ad Valorem Taxes</b>	<b>\$ 23,391</b>	<b>26,890</b>	<b>\$ 3,499</b>
<b>Unrestricted Intergovernmental</b>			
Local Option Sales Tax		195,773	
Utility Sales Tax		18,672	
Telecommunications Sales Tax		5,157	
Video Franchise Fee		1,956	
Beer and Wine Tax		2,822	
<b>Total Unrestricted Intergovernmental</b>	<b>140,000</b>	<b>224,380</b>	<b>84,380</b>
<b>Restricted Intergovernmental</b>			
Federal, State, and Local Grants		103,886	
<b>Total Restricted Intergovernmental</b>	<b>-</b>	<b>103,886</b>	<b>103,886</b>
<b>Investment Earnings</b>			
General		15,480	
<b>Total Investment Earnings</b>	<b>6,000</b>	<b>15,480</b>	<b>9,480</b>
<b>Miscellaneous</b>			
Other		279	
<b>Total Miscellaneous</b>	<b>-</b>	<b>279</b>	<b>279</b>
<b>Total Revenues</b>	<b>169,391</b>	<b>370,915</b>	<b>201,524</b>

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2020

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures</b>			
<b>Governing Body</b>			
Other Expenditures		90	
<b>Total Governing Body</b>	500	90	410
<b>Administration</b>			
Salaries and Employee Benefits		23,128	
Other Expenditures		35,711	
<b>Total Administration</b>	79,030	58,839	20,191
<b>Public Buildings</b>			
Other Expenditures		29,042	
<b>Total Public Buildings</b>	15,200	29,042	(13,842)
<b>Total General Government</b>	94,730	87,971	6,759
<b>Public Safety</b>			
Other Expenditures		500	
<b>Total Public Safety</b>	1,100	500	600
<b>Transportation</b>			
Other Expenditures		77,194	
Capital Outlay		150,976	
<b>Total Transportation</b>	143,500	228,170	(84,670)
<b>Cultural and Recreational</b>			
Other Expenditures		34,365	
<b>Total Cultural and Recreational</b>	43,650	34,365	9,285
<b>Contingency</b>			
Other Expenditures		-	
<b>Total Contingency</b>	14,872	-	14,872
<b>Total Expenditures</b>	297,852	351,006	(53,154)
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(128,461)	19,909	148,370
<b>Fund Balance Appropriated</b>	128,461	-	(128,461)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	19,909	<u>\$ 19,909</u>
<b>Fund Balance - Beginning of Year</b>		<u>1,603,404</u>	
<b>Fund Balance - End of Year</b>		<u>\$ 1,623,313</u>	



INC. 1988



## ***Other Schedules***

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**TOWN OF VARNAMTOWN, NORTH CAROLINA**

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2020

<b>Fiscal Year</b>	<b>Uncollected Balance 7-1-19</b>	<b>Additions and Adjustments</b>	<b>Collections and Credits</b>	<b>Uncollected Balance 6-30-20</b>
2019-20	\$ -	\$ 26,707	\$ 25,622	\$ 1,085
2018-19	790	-	446	344
2017-18	259	-	33	226
2016-17	97	-	36	61
2015-16	78	-	30	48
2014-15	98	-	51	47
2013-14	122	-	24	98
2012-13	91	-	38	53
2011-12	57	-	39	18
2010-11	83	-	78	5
2009-10	57	-	57	-
	<u>\$ 1,732</u>	<u>\$ 26,707</u>	<u>\$ 26,454</u>	1,985

Less: Allowance for Uncollectible Accounts:

General Fund

200

Ad Valorem Taxes Receivable - Net

\$ 1,785Reconciliation with Revenues

Ad Valorem Taxes - General Fund

26,890

Reconciling Items:

Interest and Penalties Collected

(441)

Taxes Released

(52)

Taxes Written Off

57

Total Collections and Credits

\$ 26,454

**TOWN OF VARNAMTOWN, NORTH CAROLINA**

Analysis of Current Tax Levy

Town-Wide Levy

June 30, 2020

	Town-Wide		Total Levy	
	Property Valuation	Rate Per \$100	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>				
Property Taxed at				
Current Year's Rate	\$ 53,319,900	0.05	\$ 26,660	\$ 3,024
Penalties	-		34	23
	<u>53,319,900</u>		<u>26,694</u>	<u>3,047</u>
<b>Discoveries:</b>				
Current Year Taxes	12,920	0.05	20	-
Penalties	-		-	-
	<u>12,920</u>		<u>20</u>	<u>-</u>
<b>Abatements:</b>				
Property Taxes -				
Current Year's Rate	(14,900)	0.05	\$ (7)	-
<b>Total Property Valuations</b>	<u>\$ 53,317,920</u>			
<b>Net Levy</b>			26,707	3,047
<b>Uncollected Taxes at June 30, 2020</b>			1,085	-
<b>Current Year's Taxes Collected</b>			<u>\$ 25,622</u>	<u>\$ 3,047</u>
<b>Current Levy Collection Percentage</b>			<u>95.94%</u>	<u>100.00%</u>



INC. 1988