

TOWN OF YADKINVILLE, NORTH CAROLINA

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2020

TOWN OF YADKINVILLE, NORTH CAROLINA

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TOWN OF YADKINVILLE, NORTH CAROLINA

MEMBERS OF BOARD OF COMMISSIONERS

Monta Davis-Oliver
Tony Hall

Chris Matthews

Richie Parker
Scott Winebarger

TOWN OFFICIALS

Thomas E. Norman, Jr. Mayor
Perry Williams Town Manager
Dina S. Reavis Finance Officer
Sheila Weathers Town Clerk
..... Assistant Town Manager



Independent Auditor's Report

To the Honorable Mayor
and Members of the Board of Commissioners
Town of Yadkinville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Yadkinville, 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's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Yadkinville, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Local Governmental Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability (Asset) and Contributions on pages 47 and 48, and the Law Enforcement Officer's Special Separation Allowance on pages 49 and 50, respectively 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 Yadkinville, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Gibson & Company, P.A.

Winston-Salem, North Carolina

January 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS



TOWN OF YADKINVILLE

"A TOWN IN PROGRESS"

Management's Discussion and Analysis

As management of the Town of Yadkinville, we offer readers of the Town of Yadkinville's financial statements this narrative overview and analysis of the financial activities of the Town of Yadkinville 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 of Yadkinville's financial statements, which follow this narrative.

Financial Highlights

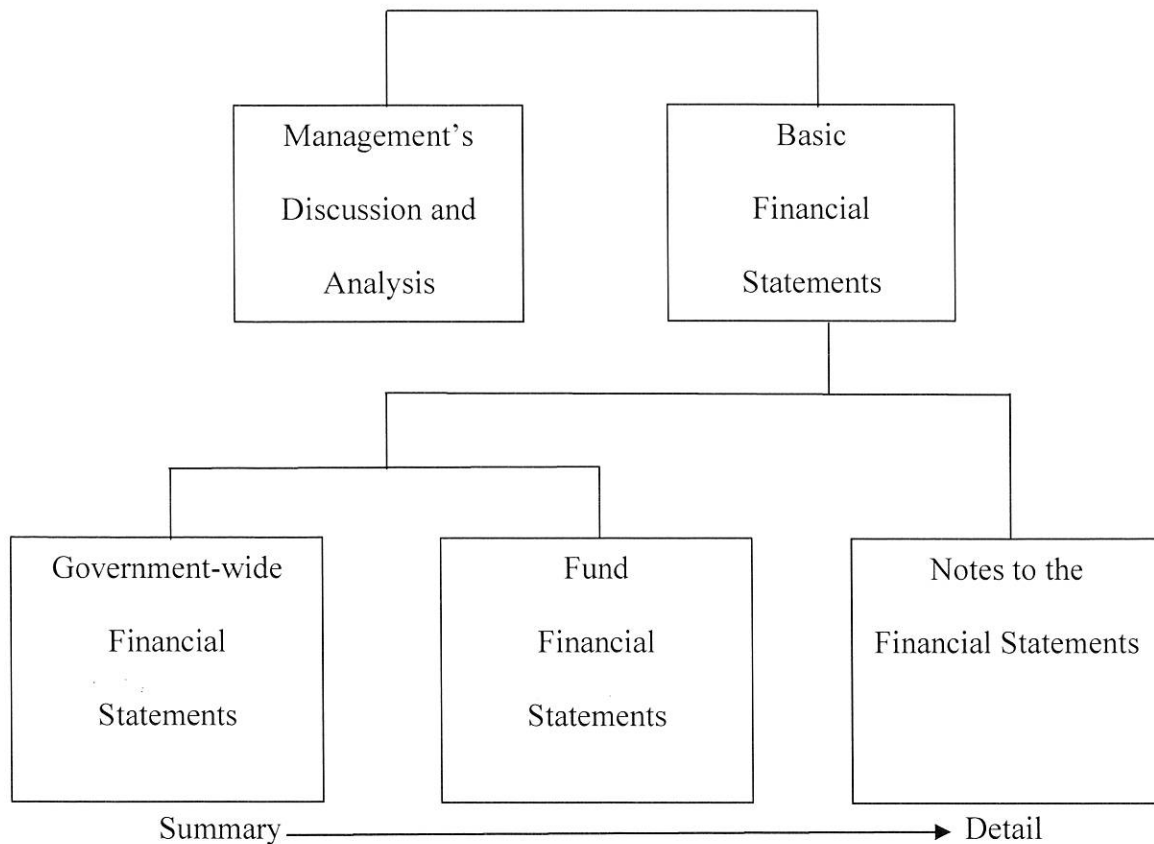
- The assets and deferred outflows of resources of the Town of Yadkinville *exceeded* its liabilities and deferred inflows of resources at the close of the fiscal year by \$22,396,861 (*net position*).
- The government's total net position decreased by \$36,845, primarily due to increases in net position of the governmental fund activities (\$261,714) and a decrease of business-type activities (\$298,559), respectively.
- As of the close of the current fiscal year, the Town of Yadkinville's governmental funds reported combined ending fund balances of \$3,432,237 an increase of \$375,515 in comparison with the prior year. Approximately 18.0 percent of this total amount, or \$617,750 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,814,487 or 111.06 percent of total general fund expenditures for the fiscal year.
- The Town of Yadkinville's total debt increased by \$58,656 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Yadkinville's basic financial statements. The Town of Yadkinville'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 Yadkinville.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town of Yadkinville's financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

TOWN OF YADKINVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2020

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 total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

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

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Yadkinville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Yadkinville can be divided into two categories: governmental funds and proprietary funds.

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

The Town of Yadkinville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

TOWN OF YADKINVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2020

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Yadkinville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 47 of this report.

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

Government-Wide Financial Analysis

Town of Yadkinville's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 3,511,324	\$ 3,151,959	\$ 3,776,805	\$ 3,471,982	\$ 7,288,129	\$ 6,623,941
Capital assets	5,226,836	5,325,498	11,225,643	11,751,457	16,452,479	17,076,955
Deferred outflows of resources	301,880	336,289	178,906	209,582	480,786	545,871
Total assets	9,040,040	8,813,746	15,181,354	15,433,021	24,221,394	24,246,767
Long-term liabilities outstanding	1,081,830	1,069,824	324,916	289,819	1,406,746	1,359,643
Other liabilities	169,677	177,829	148,503	133,222	318,180	311,051
Deferred inflows of resources	96,610	135,884	2,997	6,483	99,607	142,367
Total liabilities	1,348,117	1,383,537	476,416	429,524	1,824,533	1,813,061
Net position:						
Invested in capital assets	5,040,171	5,092,166	11,225,643	11,751,457	16,265,814	16,843,623
Restricted	617,750	580,991	-	-	617,750	580,991
Unrestricted	2,034,002	1,757,052	3,479,295	3,252,040	5,513,297	5,009,092
Total net position	\$ 7,691,923	\$ 7,430,209	\$ 14,704,938	\$ 15,003,497	\$ 22,396,861	\$ 22,433,706

TOWN OF YADKINVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2020

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Yadkinville exceeded liabilities and deferred inflows by \$22,396,861 as of June 30, 2020. The Town's net position decreased by \$36,845 for the fiscal year ended June 30, 2020. However, the largest portion, 72.62%, reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Yadkinville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Yadkinville's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Yadkinville's net position, \$617,750, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$5,513,297 is unrestricted.

The following particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 98.39%.

TOWN OF YADKINVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2020

Town of Yadkinville's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 1,934	\$ 11,433	\$ 2,429,138	\$ 2,576,696	\$ 2,431,072	\$ 2,588,129
Operating grants	86,740	146,514	-	-	86,740	146,514
Capital grants	-	1,232,525	-	-	-	1,232,525
General revenues:						
Property taxes	1,224,307	1,253,547	-	-	1,224,307	1,253,547
Other taxes	28,529	34,397	-	-	28,529	34,397
Grants and contributions not restricted to specific programs	1,377,585	1,342,169	-	-	1,377,585	1,342,169
Permits and fees	149,538	122,831	-	-	149,538	122,831
Other	18,759	51,533	7,083	31,190	25,842	82,723
Total revenues	<u>2,887,392</u>	<u>4,194,949</u>	<u>2,436,221</u>	<u>2,607,886</u>	<u>5,323,613</u>	<u>6,802,835</u>
Expenses:						
General government	690,458	712,341	-	-	690,458	712,341
Public safety	1,143,003	1,143,690	-	-	1,143,003	1,143,690
Transportation	393,982	375,792	-	-	393,982	375,792
Environmental protection	238,786	240,735	-	-	238,786	240,735
Culture and recreation	151,829	160,245	-	-	151,829	160,245
Water and sewer	-	-	2,734,780	2,549,997	2,734,780	2,549,997
Interest on long-term debt	7,620	9,392	-	-	7,620	9,392
Total expenses	<u>2,625,678</u>	<u>2,642,195</u>	<u>2,734,780</u>	<u>2,549,997</u>	<u>5,360,458</u>	<u>5,192,192</u>
Increase in net position	261,714	1,552,754	(298,559)	57,889	(36,845)	1,610,643
Net position, beginning	7,430,209	5,877,455	15,003,497	14,945,608	22,433,706	20,823,063
Net position, June 30	<u>\$ 7,691,923</u>	<u>\$ 7,430,209</u>	<u>\$ 14,704,938</u>	<u>\$ 15,003,497</u>	<u>\$ 22,396,861</u>	<u>\$ 22,433,706</u>

Governmental activities: Governmental activities increased the Town's net position by \$261,714.

Business-type activities: Business-type activities decreased the Town's net position by \$298,559.

TOWN OF YADKINVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2020

Financial Analysis of the Town of Yadkinville's Funds

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

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

The general fund is the chief operating fund of the Town of Yadkinville. At the end of the current fiscal year, the Town of Yadkinville's fund balance available in the General Fund was \$2,814,487 while total fund balance was \$3,225,787. The Town currently has available fund balance of 111.06% of general fund expenditures, and total fund balance represents 128.32% of the same amount.

At June 30, 2020, the governmental funds of Town of Yadkinville reported a combined fund balance of \$3,432,237 with a net increase in fund balance of \$375,315.

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

Proprietary Funds: The Town of Yadkinville's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$3,479,295. The total change in net position for the Water and Sewer Fund was a decrease of \$298,559. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Yadkinville's business-type activities.

Capital Asset and Debt Administration

Capital Assets: The Town of Yadkinville's investment in capital assets for its governmental and business-type activities as of June 30, 2020 totals \$16,452,479 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities and vehicles.

TOWN OF YADKINVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2020

Town of Yadkinville's Capital Assets
(Net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,513,928	\$ 1,503,271	\$ 982,164	\$ 1,003,196	\$ 2,496,092	\$ 2,506,467
Buildings	943,279	976,678	-	-	943,279	976,678
Other improvements	411,520	442,446	-	-	411,520	442,446
Automotive equipment	102,696	98,075	25,694	45,100	128,390	143,175
Other equipment	94,634	97,515	466,725	444,861	561,359	542,376
Water and sewer system	-	-	9,751,060	10,258,300	9,751,060	10,258,300
Infrastructure	2,160,779	2,207,513	-	-	2,160,779	2,207,513
Total	\$ 5,226,836	\$ 5,325,498	\$ 11,225,643	\$ 11,751,457	\$ 16,452,479	\$ 17,076,955

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

Long-term Debt. As of June 30, 2020, the Town of Yadkinville has an installment purchase agreement totaling \$186,666. The installment purchase agreement was issued to finance a park project. 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 the Town of Yadkinville is \$23,300,455.

TOWN OF YADKINVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2020

Town of Yadkinville's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Compensated absences	\$ 101,938	\$ 93,198	\$ 116,630	\$ 91,482	\$ 218,568	\$ 184,680
Direct placement installment purchase agreement	186,666	233,332	-	-	186,666	233,332
Pension related debt (LGERS)	337,838	317,514	268,154	249,476	605,992	566,990
Pension related debt (LEO)	559,753	527,321	-	-	559,753	527,321
Total	\$ 1,186,195	\$ 1,171,365	\$ 384,784	\$ 340,958	\$ 1,570,979	\$ 1,512,323

The Town of Yadkinville's total debt increased by \$58,656 during the past fiscal year.

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

Economic Factors and Next Year's Budgets and Rates

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

- Four manufacturing companies located in Yadkinville that continue to provide employment: Unifi (with continued expansion), B & G Foods, Lydall, and Indera Mills
- Several new small businesses have opened in Yadkinville: The Hair Salon, Hammer Jax Restaurant, and Pelagio Gutters.
- The Yadkin Arts Council is continuing to grow by adding new facilities and providing education, entertainment, and dining for the community.
- Yadkin County's unemployment rate has increased to 7.8% compared to last year's rate at 4.0% as of June 2020 and is slightly lower than the State average of 7.9%.
- New commercial and residential development
 - Office Building by Tad Ashely
- Completion and implementation of the Town's Comprehensive Plan
- Completion and implementation of the Town's Unified Development Ordinance
- Continued downtown revitalization with Business Improvement Grants

TOWN OF YADKINVILLE, NORTH CAROLINA
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Fiscal Year Ended June 30, 2020

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities: The General Fund is balanced with a tax rate of \$0.42 per \$100 valuation. This rate will provide approximately \$1,083,659 in property tax revenues. The property tax base is estimated to be \$263,279,605 which is a 0.39% increase over FY 2019-2020, and is realistically based on 2021 valuation information from the Yadkin County Tax Administrator. A penny on the tax rate is projected to generate about \$26,300 in revenue.

The FY 2020-2021 Adopted Budget for the General Fund totals \$2,784,849 which is approximately a 3% increase from the FY 2019-2020 Adopted Budget of \$2,703,769.

Business - Type Activities: The FY 2020-2021 Adopted Budget for the Water and Sewer Fund totals \$2,549,327. This is a 5% increase from the FY 2019-2020 Adopted Budget of \$2,428,012.

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 Town Manager, Michael R. Koser by phone at 336-679-8732, by e-mail at mkoser@yadkinville.org or by mail at P.O. Box 816, Yadkinville, North Carolina 27055. The Town of Yadkinville's website is www.yadkinville.org.

BASIC FINANCIAL STATEMENTS

TOWN OF YADKINVILLE, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Yadkinville Tourism Authority
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,013,816	\$ 3,297,112	\$ 6,310,928	\$ 100,204
Restricted cash and cash equivalents	117,516	51,299	168,815	-
Taxes receivables (net)	15,782	-	15,782	-
Accrued interest receivable on taxes	1,100	-	1,100	-
Accounts receivable (net)	64,099	189,868	253,967	-
Unbilled receivables	-	116,830	116,830	-
Due from other governments	299,011	-	299,011	-
Inventories	-	121,696	121,696	-
Total current assets	3,511,324	3,776,805	7,288,129	100,204
Non-current assets:				
Capital assets (Note I):				
Land, non-depreciable improvements	1,513,928	982,164	2,496,092	-
Other capital assets, net of depreciation	3,712,908	10,243,479	13,956,387	-
Total capital assets	5,226,836	11,225,643	16,452,479	-
Total assets	8,738,160	15,002,448	23,740,608	100,204
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	301,880	178,906	480,786	-
Total deferred outflows of resources	301,880	178,906	480,786	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	31,454	12,774	44,228	464
Accrued salaries	24,985	24,562	49,547	-
Due to Tourism Authority	8,873	-	8,873	(8,873)
Customer deposits	-	51,299	51,299	-
Current portion of long-term liabilities	104,365	59,868	164,233	-
Total current liabilities	169,677	148,503	318,180	(8,409)
Long-term liabilities:				
Net pension liability	337,838	268,154	605,992	-
Total pension liability	559,753	-	559,753	-
Due in more than one year	184,239	56,762	241,001	-
Total liabilities	1,251,507	473,419	1,724,926	(8,409)
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	96,610	2,997	99,607	-
Total deferred inflows of resources	96,610	2,997	99,607	-
NET POSITION				
Net investment in capital assets	5,040,171	11,225,643	16,265,814	-
Restricted for:				
Care of Hinshaw Gardens	69,326	-	69,326	-
Stabilization by State Statute	363,110	-	363,110	8,873
Streets	185,314	-	185,314	-
Unrestricted	2,034,002	3,479,295	5,513,297	99,740
Total net position	\$ 7,691,923	\$ 14,704,938	\$ 22,396,861	\$ 108,613

TOWN OF YADKINVILLE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Yadkinville Tourism Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental Activities:									
General government	\$ 690,458	\$ -	\$ -	\$ -	\$ (690,458)	\$ -	\$ (690,458)	\$ -	
Public safety	1,143,003	1,934	-	-	(1,141,069)	-	(1,141,069)	-	
Transportation	393,982	-	86,740	-	(307,242)	-	(307,242)	-	
Environmental protection	238,786	-	-	-	(238,786)	-	(238,786)	-	
Cultural and recreation	151,829	-	-	-	(151,829)	-	(151,829)	-	
Interest on long-term debt	7,620	-	-	-	(7,620)	-	(7,620)	-	
Total governmental activities	2,625,678	1,934	86,740	-	(2,537,004)	-	(2,537,004)	-	
Business-type activities:									
Water and sewer	2,734,780	2,429,138	-	-	-	(305,642)	(305,642)	-	
Total business-type activities	2,734,780	2,429,138	-	-	-	(305,642)	(305,642)	-	
Total primary government	\$ 5,360,458	\$ 2,431,072	\$ 86,740	\$ -	(2,537,004)	(305,642)	(2,842,646)	-	
Component unit:									
Yadkinville Tourism Authority	\$ 14,767	\$ -	\$ -	\$ -	-	-	-	14,767	
Total component unit	\$ 14,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14,767	
General revenues:									
Taxes:									
Property taxes, levied for general purpose					1,224,307	-	1,224,307	-	
Other taxes					28,529	-	28,529	-	
Grants and contributions not restricted to specific programs					1,377,585	-	1,377,585	-	
Permits and fees					149,538	-	149,538	-	
Contribution to capital project fund					-	-	-	-	
Payment from Town of Yadkinville					-	-	-	28,529	
Unrestricted investment earnings					9,508	4,265	13,773	1,091	
Gain on sale of equipment					2,070	2,818	4,888	-	
Miscellaneous					7,181	-	7,181	-	
Total general revenues and transfers					2,798,718	7,083	2,805,801	29,620	
Change in net position					261,714	(298,559)	(36,845)	14,853	
Net position beginning					7,430,209	15,003,497	22,433,706	93,760	
Net position, ending					\$ 7,691,923	\$ 14,704,938	\$ 22,396,861	\$ 108,613	

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

TOWN OF YADKINVILLE, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Total</u> <u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,876,692	\$ 137,124	\$ 3,013,816
Restricted cash and cash equivalents	48,190	69,326	117,516
Taxes receivable, net	50,950	-	50,950
Accounts receivable, net	64,099	-	64,099
Due from other governments	299,011	-	299,011
Total assets	<u>\$ 3,338,942</u>	<u>\$ 206,450</u>	<u>\$ 3,545,392</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 28,347	\$ -	\$ 28,347
Accrued salaries	24,985	-	24,985
Due to Yadkinville Tourism Development Authority	8,873	-	8,873
Total liabilities	<u>62,205</u>	<u>-</u>	<u>62,205</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	50,950	-	50,950
Total deferred inflows of resources	<u>50,950</u>	<u>-</u>	<u>50,950</u>
FUND BALANCES			
Restricted:			
Care of Hinshaw Gardens	-	69,326	69,326
Stabilization by State Statute	363,110	-	363,110
Streets	48,190	137,124	185,314
Unassigned	2,814,487	-	2,814,487
Total fund balances	<u>3,225,787</u>	<u>206,450</u>	<u>3,432,237</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 3,338,942</u>	<u>\$ 206,450</u>	

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Gross capital assets at historical cost	\$ 7,907,518	
Accumulated depreciation	<u>(2,680,682)</u>	5,226,836

Deferred outflows of resources related to pensions are not reported in the funds 301,880

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds 1,100

Earned revenues considered deferred inflows of resources in fund statements 15,782

Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.

Gross long-term debt (288,604)

Net pension liability (337,838)

Total pension liability (559,753)

Deferred inflows of resources related to pensions are not reported in the funds (96,610)

Other long-term liabilities (accrued interest) are not due and payable in the current period and therefore are not reported in the funds (3,107)

Net position of governmental activities \$ 7,691,923

TOWN OF YADKINVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Major Fund General Fund	Total Non-Major Funds	Total Governmental Funds
REVENUES			
Ad valorem taxes	\$ 1,230,059	\$ -	\$ 1,230,059
Other taxes	28,529	-	28,529
Unrestricted intergovernmental	1,377,585	-	1,377,585
Restricted intergovernmental	87,136	-	87,136
Permits and fees	149,538	-	149,538
Investment earnings	8,274	1,234	9,508
Other revenues	10,689	100	10,789
Total revenues	<u>2,891,810</u>	<u>1,334</u>	<u>2,893,144</u>
EXPENDITURES			
Current:			
General government	635,975	-	635,975
Public safety	1,128,284	-	1,128,284
Transportation	322,740	4,036	326,776
Environmental protection	238,786	-	238,786
Cultural and recreation	132,940	-	132,940
Debt service	55,068	-	55,068
Total expenditures	<u>2,513,793</u>	<u>4,036</u>	<u>2,517,829</u>
Excess (deficiency) of revenues over expenditures	<u>378,017</u>	<u>(2,702)</u>	<u>375,315</u>
OTHER FINANCING SOURCES (USES):			
Transfers from Trust Fund	5,521	(5,521)	-
Transfer from Capital Project Fund	81,330	(81,330)	-
Transfer to Capital Project Fund	(66,330)	66,330	-
Total other financing sources (uses)	<u>20,521</u>	<u>(20,521)</u>	<u>-</u>
Net change in fund balance	398,538	(23,223)	375,315
Fund balances, beginning	<u>2,827,249</u>	<u>229,673</u>	<u>3,056,922</u>
Fund balances, ending	<u>\$ 3,225,787</u>	<u>\$ 206,450</u>	<u>\$ 3,432,237</u>

TOWN OF YADKINVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (CONTINUED)
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	\$ 375,315
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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 depreciation exceeded capital outlays in the current period.

Capital outlay expenditures which were capitalized	\$ 86,921	
Depreciation expense for governmental assets	<u>(185,584)</u>	(98,663)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	91,102
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Benefits paid and administrative expense for the LEOSSA are not included on the Statement of Activities	-
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in:

Unavailable revenue for tax revenues	(5,167)
Interest on taxes receivable and loan	(585)

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 the governmental funds.

Principal payments on long-term debt	46,666	
Change in accrued interest	<u>781</u>	47,447

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

Change in compensated absences	(8,740)
Pension expense	<u>(138,995)</u>

Total changes in net position of governmental activities	<u>\$ 261,714</u>
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TOWN OF YADKINVILLE, 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	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 1,197,524	\$ 1,197,524	\$ 1,230,059	\$ 32,535
Other taxes	35,000	35,000	28,529	(6,471)
Unrestricted intergovernmental	1,223,950	1,223,950	1,377,585	153,635
Restricted intergovernmental	88,270	88,641	87,136	(1,505)
Permits and fees	137,550	137,550	149,538	11,988
Investment earnings	5,000	5,000	8,274	3,274
Other revenues	7,950	7,950	10,689	2,739
Total revenues	2,695,244	2,695,615	2,891,810	196,195
Expenditures:				
Current:				
General government	692,997	741,200	635,975	105,225
Public safety	1,187,680	1,197,480	1,128,284	69,196
Transportation	369,147	374,147	322,740	51,407
Environmental protection	243,150	243,150	238,786	4,364
Cultural and recreation	125,695	136,752	132,940	3,812
Debt service	55,100	55,100	55,068	32
Total expenditures	2,673,769	2,747,829	2,513,793	234,036
Revenues over (under) expenditures	21,475	(52,214)	378,017	430,231
Other financing sources (uses):				
Transfers from Trust Fund			5,521	
Transfer from Capital Project Fund			81,330	
Transfer to Capital Project Fund			(66,330)	
Total other financing sources (uses):	(24,650)	20,750	20,521	(229)
Fund balance appropriated	3,175	31,464	-	(31,464)
Net change in fund balance	\$ -	\$ -	398,538	398,538
Fund balances, beginning			2,827,249	
Fund balances, ending			\$ 3,225,787	

TOWN OF YADKINVILLE, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2020

	<u>Water and Sewer Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,297,112
Restricted cash and cash equivalents	51,299
Accounts receivable (net) - billed	189,868
Unbilled receivables	116,830
Inventories	<u>121,696</u>
Total current assets	<u>3,776,805</u>
Noncurrent assets:	
Capital assets:	
Land	982,164
Other capital assets, net of depreciation	10,243,479
Capital assets	<u>11,225,643</u>
Total noncurrent assets	<u>11,225,643</u>
Total assets	<u>15,002,448</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	<u>178,906</u>
Total deferred outflows of resources	<u>178,906</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	12,774
Accrued payroll	24,562
Current installments of long-term debt	59,868
Liabilities paid from restricted assets:	
Customer deposits	<u>51,299</u>
Total current liabilities	<u>148,503</u>
Noncurrent liabilities:	
Net pension liability	268,154
Long-term debt, less current installments	56,762
Total liabilities	<u>473,419</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>2,997</u>
Total deferred inflows of resources	<u>2,997</u>
NET POSITION	
Net investment in capital assets	11,225,643
Unrestricted	<u>3,479,295</u>
Total net position	<u><u>\$ 14,704,938</u></u>

TOWN OF YADKINVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2020

	Water and Sewer Fund
OPERATING REVENUES	
Water and sewer charges	\$ 2,331,884
Water and sewer taps	14,144
Reconnection fees and late charges	7,677
Other operating revenues	75,433
Total operating revenues	<u>2,429,138</u>
OPERATING EXPENSES	
Operating expenses:	
Administration	442,520
Water plant	512,799
Sewer plant	338,670
Laboratory	128,374
Water/sewer operations	644,503
County water/sewer line operations	32,357
Depreciation	635,557
Total operating expenses	<u>2,734,780</u>
Operating income	<u>(305,642)</u>
NONOPERATING REVENUES	
Investment earnings	4,265
Gain on sale of property	2,818
Total nonoperating revenues	<u>7,083</u>
Change in net position	(298,559)
Total net position, previously reported	<u>15,003,497</u>
Total net position, ending	<u><u>\$ 14,704,938</u></u>

TOWN OF YADKINVILLE, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2020

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,437,543
Cash paid for goods and services	(1,125,982)
Cash paid to or on behalf of employees for services	(899,177)
Customer deposits received	10,100
Customer deposits returned	(8,700)
Other operating revenues	75,114
Net cash provided by operating activities	<u>488,898</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(130,773)
Net cash used by capital and related financing activities	<u>(130,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	4,265
Proceeds from sale of property	23,850
Net cash provided by investing activities	<u>28,115</u>
Net increase in cash and cash equivalents	386,240
Balances, beginning	<u>2,962,171</u>
Balances, ending	<u><u>\$ 3,348,411</u></u>
Reconciliation of operating earnings to net cash provided by operating activities	
Operating earnings	<u>\$ (305,642)</u>
Adjustments to reconcile operating earnings to net cash provided by operating activities:	
Depreciation	635,557
Changes in assets and liabilities:	
Decrease in accounts receivable	83,519
Increase in inventories	(2,102)
Increase in deferred outflows of resources - pensions	30,677
Increase in net pension liability	18,678
Decrease in deferred inflows of resources - pensions	(3,487)
Decrease in accounts payable and accrued liabilities	(3,977)
Increase in accrued salaries	9,127
Increase in customer deposits	1,400
Increase in accrued vacation pay	25,148
Total adjustments	<u>794,540</u>
Net cash provided by operating activities	<u><u>\$ 488,898</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Yadkinville, North Carolina (Town) and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Town of Yadkinville is a municipal corporation which is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

Yadkinville Tourism Authority

The members of the Yadkinville Tourism Development Authority's governing board are appointed by the Town. The Yadkinville Tourism Development Authority (Authority) receives revenue through a six percent occupancy tax, which is levied and collected by the Town. The Town remits the taxes collected to the authority, net of administration and collection costs not to exceed three percent of collections up to \$500,000, and one percent thereafter. The Authority, which has a June 30 year-end, is presented as if it were a governmental fund.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town reports the following major governmental funds:

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

The Town reports the following non-major governmental funds:

Hinshaw Gardens Trust Fund. This fund is used to account for the endowment received and for which earnings are required to be used for the maintenance of Hinshaw Gardens.

Capital Project Funds. These funds are used to account for construction of sidewalks on North Lee Street and Main Street.

The Town reports the following major enterprise funds:

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

The Town reports the following fund type:

Capital Project Fund – Water and Sewer. This fund is used to account for sewer line extensions.

Measurement Focus and Basis of Accounting

All funds of the Town are accounted for on the cash basis of accounting during the year, and are converted at year end to the modified accrual or accrual basis of accounting in accordance with North Carolina General Statutes.

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, 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 taxes 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 beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Yadkinville because the tax is levied by Yadkin 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.

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects Funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, some 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 the time until the annual ordinance can be adopted.

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

Deposits and Investments

All deposits of the Town and the Yadkinville Tourism Development Authority (Tourism Authority) 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 and loan 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 and the Tourism Authority 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 reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT—Government Portfolio, a SEC-registered (2a-7) external investment pool is measured at amortized cost, which is the NCCMT's share price. The NCCMT-Term Portfolio's securities are valued 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 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.

Cash and Cash Equivalents

The Town pools money from the general fund, the water and sewer fund, and all other 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. The Tourism Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4 for purposes of maintaining, repairing, constructing, reconstructing or widening of local streets. Funds held in the Hinshaw Gardens Trust Fund are classified as restricted as the endowments received and related earnings are required to be used for the maintenance of Hinshaw Gardens. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

Town of Yadkinville Restricted Cash

Governmental Activities		
General Fund	Powell Bill - Streets	\$ 48,190
Hinshaw Gardens Trust Fund	Care of Hinshaw Gardens	<u>69,326</u>
Total governmental activities		<u>117,516</u>
Business-type Activities		
Water and Sewer Fund	Customer deposits	<u>51,299</u>
Total Business-type Activities		<u>51,299</u>
Total Restricted Cash		<u><u>\$ 168,815</u></u>

Ad Valorem Taxes Receivable

In accordance with state law [G. S. 105-347 and G. S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Town has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowances for Doubtful Accounts

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories of the Town consist of expendable parts and supplies, and are valued at cost (first in, first out), which approximates market.

Capital Assets

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	15-50 years
Improvements	10-40 years
Automotive equipment	5 years
Other equipment	5-10 years
Infrastructure	50 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion which is pension deferrals for the 2020 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 Town has two items that meet the criterion for this category - property taxes receivable and pension deferrals.

Long Term Obligations

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The vacation policy of the Town provides that earned vacation may be accumulated up to a maximum of 40 vacation days. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary related payments are recorded as the vacation is earned. The Town has assumed a first in, first out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year had been designated as a current liability in the government-wide financial statements.

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

Net Position/Fund Balances

Net Position

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

Fund Balances

In governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how the 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.

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

Restricted for Care of Hinshaw Gardens – portion of fund balance that is restricted for the maintenance of Hinshaw Gardens.

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE A- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

“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 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 that are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

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

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote of quorum of the Town’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 the Town intends to use for specific purposes.

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

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

Defined Benefit Cost-Sharing Plans

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS

Assets

Deposits

All the deposits of the Town and the Tourism Authority 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 or the Tourism Authority's agent in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the Tourism Authority, these deposits are considered to be held by the Town's and the Tourism Authority's agent in their names. 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, the Tourism Authority, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and the Tourism Authority under the Pooling Method, the potential exists for under-collateralization. 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 and the Tourism Authority have 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 and the Tourism Authority comply 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 \$5,596,954 and a bank balance of \$6,511,968. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered under the pooling method. At June 30, 2020, the Town's petty cash fund totaled \$248. At June 30, 2020, the Tourism Authority's deposits had a carrying amount of \$100,204 and a bank balance of \$100,204. The entire balance was covered by federal depository insurance.

Investments

At June 30, 2020, the Town's investment balances were as follows:

Investments by Type	Valuation Measurement Method	Book Value at 6/30/2020	Maturity	Rating
NC Capital Management Trust - Term Portfolio	Fair Value Level 1	\$ 882,541	.15 years a	Unrated

Receivables – Allowances for Doubtful Accounts

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

General Fund - taxes receivable	\$ 35,168
Enterprise Fund - accounts receivable	<u>1,500</u>
Total	<u><u>\$ 36,668</u></u>

Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,503,271	\$ 10,657	\$ -	\$ 1,513,928
Total capital assets not being depreciated	<u>1,503,271</u>	<u>10,657</u>	<u>-</u>	<u>1,513,928</u>
Capital assets being depreciated:				
Buildings	1,607,593	-	-	1,607,593
Other improvements	823,049	-	-	823,049
Automotive equipment	787,931	40,054	23,300	804,685
Other equipment	785,344	36,210	-	821,554
Infrastructure	2,336,709	-	-	2,336,709
Total capital assets being depreciated	<u>6,340,626</u>	<u>76,264</u>	<u>23,300</u>	<u>6,393,590</u>
Less accumulated depreciation for:				
Buildings	630,914	33,400	-	664,314
Other improvements	380,603	30,926	-	411,529
Automotive equipment	689,856	35,433	23,300	701,989
Other equipment	687,829	39,091	-	726,920
Infrastructure	129,196	46,734	-	175,930
Total accumulated depreciation	<u>2,518,398</u>	<u>185,584</u>	<u>23,300</u>	<u>2,680,682</u>
Total capital assets being depreciated, net	<u>3,822,228</u>			<u>3,712,908</u>
Governmental activity capital assets, net	<u><u>\$ 5,325,499</u></u>			<u><u>\$ 5,226,836</u></u>

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

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

General government	\$ 41,140
Public safety	51,129
Transportation	62,134
Cultural and recreation	31,181
Total depreciation expense	<u>\$ 185,584</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,003,196	\$ -	\$ 21,032	\$ 982,164
Total capital assets not being depreciated	<u>1,003,196</u>	<u>-</u>	<u>21,032</u>	<u>982,164</u>
Capital assets being depreciated:				
Water and sewer system	22,638,844	33,243	-	22,672,087
Automotive equipment	223,685	-	-	223,685
Other equipment	2,685,593	97,530	-	2,783,123
Total capital assets being depreciated	<u>25,548,122</u>	<u>130,773</u>	<u>-</u>	<u>25,678,895</u>
Less accumulated depreciation for:				
Water and sewer system	12,380,543	540,484	-	12,921,027
Automotive equipment	178,585	19,406	-	197,991
Other equipment	2,240,731	75,667	-	2,316,398
Total accumulated depreciation	<u>14,799,859</u>	<u>635,557</u>	<u>-</u>	<u>15,435,416</u>
Total capital assets being depreciated, net	<u>10,748,263</u>			<u>10,243,479</u>
Water and Sewer fund capital assets, net	<u>11,751,459</u>			<u>11,225,643</u>
Business-type activity capital assets, net	<u>\$ 11,751,459</u>			<u>\$ 11,225,643</u>

Liabilities

Pension Plan and Postemployment Obligations

Local Governmental Employees' Retirement System

Plan Description. The Town of Yadkinville 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 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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

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 (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Yadkinville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Yadkinville's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.01% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Yadkinville were \$174,835 for the year ended June 30, 2020.

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

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

At June 30, 2020, the Town reported a liability of \$605,992 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the Town's proportion was 0.0222%, which was a decrease of 0.0017% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$270,614. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,761	\$ -
Changes of assumptions	98,767	-
Net difference between projected and actual earnings on pension plan investments	14,781	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,810	7,455
Town contributions subsequent to the measurement date	174,835	-
Total	<u>\$ 398,954</u>	<u>\$ 7,455</u>

\$174,835 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 106,678
2022	34,113
2023	58,044
2024	17,829
2025	-
Thereafter	-

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

Actuarial Assumptions. The total pension liability in the December 31, 2018 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	7.0 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s proportionate share of the net pension asset to changes in the discount rate. The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (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%)
Town's proportionate share of the net pension liability (asset)	\$ 1,386,014	\$ 605,992	\$ (42,365)

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.

Law Enforcement Officers’ Special Separation Allowance

Plan Description

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>11</u>
Total	<u><u>12</u></u>

Summary of Significant Accounting Policies

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

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

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

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

Contributions

The Town is required by Article 12D of Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The town paid \$7,825 as benefits came due for the reporting period.

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

At June 30, 2020 the City reported a total pension liability of \$559,753. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the City recognized pension income of \$2,020.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,526	\$ 79,592
Changes of assumptions	22,306	12,560
County benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 81,832</u>	<u>\$ 92,152</u>

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ (2,913)
2022	(2,565)
2023	(8,093)
2024	3,251
2025	-
Thereafter	-

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

Sensitivity of the City's total pension liability to changes in the discount rate

The following presents the Town's total pension liability calculated using the discount rate of 3.26%, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 595,710	\$ 559,753	\$ 526,433

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

	2020
Beginning balance	\$ 527,321
Service cost	14,416
Interest on the total pension liability	18,610
Changes of benefit terms	-
Differences between expected and actual experience in the measurements of the total pension liability	18,574
Changes in assumptions or other inputs	12,965
Benefit payments	(32,133)
Other changes	-
Ending balance of the total pension liability	<u>\$ 559,753</u>

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

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

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

	LGERS	LEOSSA	Total
Pension expense (income)	\$ 270,614	\$ (2,020)	\$ 268,594
Pension liability	605,992	559,753	1,165,745
Proportionate share of the net pension liability	0.02220%	n/a	
Deferred outflow of resources			
Differences between expected and actual experience	103,761	59,526	163,287
Changes in assumptions	98,767	22,306	121,073
Net difference between projected and actual earnings on plan investments	14,781	-	14,781
Changes in proportion and differences between contributions and proportionate share of contributions	6,810	-	6,810
Benefit payments and administrative costs paid subsequent to the measurement date	174,835	-	174,835
			-
Deferred inflows of resources			-
Differences between expected and actual experience	-	79,592	79,592
Changes of assumptions	-	12,560	12,560
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	7,455	-	7,455

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description – The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454.

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan.

The town made contributions of \$32,227 for the reporting year. No amounts were forfeited.

Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because a death benefit payment is made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources

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

Contributions to pension plan in current fiscal year	\$ 174,835
Differences between expected and actual experience	163,287
Changes of assumptions	121,073
Net difference between projected and actual earnings on pension plan investments	14,781
Changes in proportion and differences between Town contributions and proportionate share of contributions	6,810
Total	<u><u>\$ 480,786</u></u>

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

The balance in deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable (General Fund)	\$ -	\$ 50,950
Changes in assumptions	12,560	-
Differences between expected and actual experience	79,592	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,455	-
Total	\$ 99,607	\$ 50,950

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 has property, general liability, auto liability, worker's compensation and employee health coverages. The finance officer is individually bonded for \$50,000. In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The remaining employees that have access to funds are bonded under a blanket bond of \$100,000. There have been no significant reductions in insurance coverage in the prior year, and settled claims from these risks have not exceeded the commercial coverage in any of the past three fiscal years.

The Town does not carry flood insurance as the Town limits are not in a designated flood area.

Claims, Judgments and Contingent Liabilities

At June 30, 2020, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

Long-Term Obligations

Changes in Long-Term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
Compensated absences	\$ 93,198	\$ 8,740	\$ -	\$ 101,938	\$ 57,699
Direct placement installment purchase agreement	233,332	-	46,666	186,666	46,666
Net pension liability (LGERS)	317,514	20,324	-	337,838	-
Total pension liability (LEO)	527,321	32,432	-	559,753	-
Total governmental activities	1,171,365	61,496	46,666	1,186,195	104,365
Business-type activities:					
Compensated absences	91,482	25,148	-	116,630	59,868
Net pension liability (LGERS)	249,476	18,678	-	268,154	-
Total business-type activities	340,958	43,826	-	384,784	59,868
Total long-term obligations	<u>\$ 1,512,323</u>	<u>\$ 105,322</u>	<u>\$ 46,666</u>	<u>\$ 1,570,979</u>	<u>\$ 164,233</u>

In January, 2009, the Town entered into a direct placement installment purchase agreement in the amount of \$700,000 to finance the construction of a park. This financing agreement requires semi-annual principal payments of \$23,333 plus interest of 3.79% per annum.

Year Ending June 30	Principal	Interest	Total
2021	\$ 46,667	\$ 6,633	\$ 53,300
2022	46,667	4,864	51,531
2023	46,667	3,095	49,762
2024	46,665	1,326	47,991
	<u>\$ 186,666</u>	<u>\$ 15,918</u>	<u>\$ 202,584</u>

The Town has a legal debt margin of \$23,300,455 at June 30, 2020.

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)

Interfund Balances and Activity

Transfers to/from other funds during the year ended June 30, 2020 were as follows:

<u>Transfer from</u>	<u>Amount</u>	<u>Transfer to</u>	<u>Amount</u>
Trust Fund	\$ 5,521	General Fund	\$ 5,521
General Fund	66,330	Capital Project Funds	66,330
Capital Project Funds	81,330	General Fund	81,330
Enterprise Fund	120,000	Capital Project Funds	120,000
	<u>\$ 273,181</u>		<u>\$ 273,181</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

During the 2020 fiscal year, the Town made transfers amounting to \$5,521 from the Trust Fund to the General Fund for the expenses of Hinshaw Gardens, \$66,330 from the General Fund to Capital Project Funds for expenditures in Capital Project Funds, \$81,330 from the Capital Project Funds to the General Fund for unspent funds in Capital Project Funds, and \$120,000 from the Enterprise Fund to the Capital Project Funds for expenditures in the Capital Project Funds.

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	\$3,225,787
Less:	
Stabilization by State Statute	363,110
Streets-Powell Bill	48,190
Remaining Fund Balance	\$2,814,487

NOTE C – JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION

Joint Venture

The Town of Yadkinville, City of Winston-Salem, Village of Clemmons, Town of Kernersville, Town of Lewisville, Town of Oak Ridge and Town of Bermuda Run jointly appoint the nine member Triad Municipal Alcoholic Beverage Control Board, which operates 15 liquor stores in Yadkin County, Forsyth County, Davie County and Guilford County. North Carolina General Statute 18B-805 requires the Triad Municipal Alcoholic Beverage Control Board to distribute its net income to the seven municipalities who appoint the Board and to Forsyth County. During fiscal year 2020, the Town of Yadkinville received \$130,450 distributed net income. The participating governments do not have equity interest in the joint venture. The Town of Yadkinville does not have financial responsibility for the Triad Board and is not held responsible for its debts. Audited financial statements for the Triad Municipal Alcoholic Beverage Control Board are available through their administrative offices at 3127 Starlight Drive, Winston-Salem, North Carolina 27107-4141.

TOWN OF YADKINVILLE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

NOTE C – JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION (CONTINUED)

Jointly Governed Organization

The Town, in conjunction with twelve counties and seventy-three other municipalities established the Piedmont Triad Regional Council (PTRC). The participating governments established the PTRC to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the PTRC's governing board. The Town paid membership fees of \$1,106 to PTRC during the fiscal year ended June 30, 2020.

NOTE D – TRUST FUND

The Town has received contributions from an individual and has assumed responsibility for the maintenance of Hinshaw Gardens, a park within the Town limits. The Town has included this endowment in a trust fund and will use the income from these contributions to assist in the maintenance of the park.

NOTE E – SUMMARY OF SIGNIFICANT CONTINGENCIES

Commitments

The Town has entered into a contract for waste collection expiring June, 2024 for approximately \$237,000 per year.

Indemnification Agreement

The Town has entered into a Performance Agreement with a local business and the Rural Economic Development Center, Inc. (Center). The Center has committed \$500,000 in grant funds to be expended by the Town on water and sewer improvements for the benefit of the business. The agreement requires the business to provide a specified minimum number of jobs within certain time limits or the grant or a portion thereof, as specified in the agreement, is to be repaid to the Center by the business.

The Town has also entered into a separate Indemnification Agreement with the business whereby it has agreed to indemnify the business of its obligation to repay the Center should the business not meet the terms of the Performance Agreement. The Town has agreed to reimburse the Center all sums that may be due under the terms of the performance agreement, and to indemnify and hold the business harmless against any and all liabilities, costs and expenses including reasonable attorney fees under the agreement.

Yadkinville Refuse Disposal Project

The Town received notice from the North Carolina Division of Waste Management that the Town was being required by the state to perform an assessment on old landfills to determine if they are contaminated with hazardous materials, and if they are, to enact measures to contain the environmental damages. The NC Division of Waste Management will cover all costs of the project up to \$150,000 on a reimbursement basis.

Federal and State Assisted Programs

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

NOTE F – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 25, 2021, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
FINANCIAL DATA**

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

- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability for Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for Law Enforcement Officers' Special Separation Allowance

TOWN OF YADKINVILLE, NORTH CAROLINA

TOWN OF YADKINVILLE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)

REQUIRED SUPPLEMENTARY INFORMATION

Last Seven Fiscal Years*

Local Government Employees' Retirement System	2020	2019	2018	2017	2016	2015	2014
Yadkinville's proportion of the net pension liability (asset) (%)	0.0222%	0.0239%	0.0260%	0.0255%	0.0277%	0.02733%	0.03040%
Yadkinville's proportion of the net pension liability (asset) (\$)	\$ 605,992	\$ 566,990	\$ 396,902	\$ 541,618	\$ 124,137	\$ (161,178)	\$ 366,437
Yadkinville's covered-employee payroll	\$ 1,857,896	\$ 1,643,594	\$ 1,693,040	\$ 1,628,907	\$ 1,687,689	\$ 1,725,167	\$ 1,661,547
Yadkinville's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	32.62%	34.50%	23.44%	33.25%	7.36%	-9.34%	22.05%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

*The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**This will be the same percentage for all participant employers in the LGERS plan.

TOWN OF YADKINVILLE, NORTH CAROLINA
TOWN OF YADKINVILLE'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
Last Seven Fiscal Years

Local Government Employees' Retirement System	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 174,835	\$ 142,424	\$ 129,336	\$ 124,895	\$ 108,482	\$ 115,063	\$ 118,636
Contributions in relation to the contractually required contribution	<u>174,835</u>	<u>142,424</u>	<u>129,336</u>	<u>124,895</u>	<u>108,482</u>	<u>115,063</u>	<u>118,636</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Yadkinville's covered-employee payroll	\$ 1,865,440	\$ 1,857,896	\$ 1,643,594	\$ 1,693,040	\$ 1,628,907	\$ 1,687,689	\$ 1,725,167
Contributions as a percentage of covered-employee payroll	9.37%	7.67%	7.87%	7.38%	6.66%	6.82%	6.88%

TOWN OF YADKINVILLE, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
June 30, 2020

Law Enforcement Officers' Special Separation Allowance	2020	2019	2018	2017
Beginning balance	\$ 527,321	\$ 651,525	\$ 491,891	\$ 472,235
Service cost	14,416	19,916	18,185	18,132
Interest on the total pension liability	18,610	20,455	18,771	16,776
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement	18,574	(139,890)	105,273	-
Changes of assumptions or other inputs	12,965	(16,276)	28,580	(10,596)
Benefit payments	(32,133)	(8,409)	(11,175)	(4,656)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 559,753</u>	<u>\$ 527,321</u>	<u>\$ 651,525</u>	<u>\$ 491,891</u>

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

TOWN OF YADKINVILLE, NORTH CAROLINA**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL**

June 30, 2020

Law Enforcement Officers' Special Separation Allowance	2020	2019	2018	2017
Total pension liability	\$ 559,753	\$ 527,321	\$ 651,525	\$ 491,891
Covered payroll	526,511	625,764	614,118	610,284
Total pension liability as a percentage of covered payroll	106.31%	84.27%	106.09%	80.60%

Notes to the schedules:

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

**INDIVIDUAL FUND
FINANCIAL STATEMENTS SECTION**

TOWN OF YADKINVILLE, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year, net of discounts	\$ -	\$ 1,197,488	\$ -
Prior years		25,475	
Penalties and interest		7,096	
Total	1,197,524	1,230,059	32,535
Other taxes - room occupancy tax	35,000	28,529	(6,471)
Unrestricted intergovernmental:			
Local option sales taxes		630,510	
Telecommunications sales tax		20,746	
Utility franchise tax		555,876	
Piped natural gas tax		3,426	
Video franchise fee		15,076	
Solid waste disposal fee		2,250	
Beer and wine tax		12,787	
ABC profit distribution		130,450	
Tax refunds		6,464	
Total	1,223,950	1,377,585	153,635
Restricted intergovernmental:			
Powell Bill allocation		86,740	
Controlled substance tax		396	
Total	88,641	87,136	(1,505)
Permits and fees:			
Solid waste fees		125,743	
Motor vehicle tax fee		15,390	
Building permits		8,330	
Special events permits		75	
Total	137,550	149,538	11,988
Investment earnings	5,000	8,274	3,274
Other revenues:			
Parking violations		760	
Court costs		1,934	
Sale of equipment		2,070	
Miscellaneous		5,925	
Total	7,950	10,689	2,739
Total revenues	2,695,615	2,891,810	196,195

TOWN OF YADKINVILLE, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
General government:			
Governing body:			
Salaries		42,000	
Employee benefits		3,599	
Telephone and postage		2,737	
Miscellaneous		11,093	
Total governing body	59,750	59,429	321
Administration:			
Salaries		177,946	
Retiree stipend		26,556	
Employee benefits		72,435	
Professional services		35,982	
Training		1,172	
Telephone and postage		6,574	
Maintenance and repairs		891	
Advertising		1,156	
Auto supplies		111	
Insurance and bonds		38,556	
Supplies and materials		5,119	
Contract services		15,667	
Elections		5,246	
Dues and subscriptions		6,657	
Other departmental expense		828	
Capital outlay		2,103	
Total administration	413,216	396,999	16,217
Planning and zoning:			
Salaries		58,020	
Fees		345	
Employee benefits		18,843	
Professional fees		200	
Training		100	
Telephone and postage		500	
Maintenance and repairs		6,000	
Advertising		2,775	
Safety		125	
Supplies and materials		493	
Contract services		16,125	
Façade grants		8,497	
Capital outlay		2,767	
Miscellaneous		1,084	
Total planning and zoning	167,879	115,874	52,005
Public buildings:			
Utilities		12,001	
Maintenance and repairs		3,722	
Supplies and materials		1,738	
Contracted services		6,548	
Miscellaneous		600	
Total public buildings	54,000	24,609	29,391

TOWN OF YADKINVILLE, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Special appropriations:			
Sales taxes		7,743	
Bank charges		2,399	
Yadkinville Tourism Development Authority		28,529	
Miscellaneous		393	
Total special appropriations	46,355	39,064	7,291
Total general government	741,200	635,975	105,225
Public safety:			
Salaries		644,539	
Employee benefits		308,534	
Professional fees		3,280	
Training		86	
Telephone and postage		13,363	
Printing		70	
Utilities		6,837	
Travel		136	
Safety		156	
Maintenance and repairs		20,125	
Automotive supplies		24,060	
Supplies and materials		18,441	
Uniforms		2,986	
Contracted services		15,813	
Miscellaneous		1,681	
Capital outlay		68,177	
Total public safety	1,197,480	1,128,284	69,196
Transportation:			
Garage:			
Telephone		1,995	
Utilities		5,452	
Maintenance and repairs		1,814	
Supplies and materials		1,440	
Contracted services		4,637	
Miscellaneous		119	
Total garage	17,950	15,457	2,493

TOWN OF YADKINVILLE, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Streets and highway:			
Salaries		82,558	
Professional services		4,562	
Employee benefits		30,429	
Training		105	
Telephone and postage		953	
Utilities		39,771	
Maintenance and repair		63,854	
OSHA safety		419	
Automotive supplies		4,279	
Supplies and materials		3,044	
Uniforms		925	
Contracted services		13,734	
Miscellaneous		190	
Total streets and highways	264,902	244,823	20,079
Powell Bill:			
Professional services		1,200	
Maintenance and repairs		57,386	
Automotive supplies		2,815	
Supplies and materials		1,059	
Total Powell Bill	91,295	62,460	28,835
Total transportation	374,147	322,740	51,407
Environmental protection:			
Sanitation:			
Contracted services		237,563	
Tipping fees		1,223	
Total environmental protection	243,150	238,786	4,364
Cultural and recreation:			
Town park:			
Salaries		19,288	
Employee benefits		7,957	
Utilities		5,051	
Maintenance and repairs		2,032	
Supplies and materials		1,184	
Contracted services		8,322	
Park events		1,033	
Miscellaneous		4	
Capital outlay		13,874	
Total town park	62,202	58,745	3,457

TOWN OF YADKINVILLE, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Hinshaw Gardens:			
Salaries		4,242	
Employee benefits		334	
Utilities		270	
Maintenance and repairs		421	
Supplies and materials		128	
Total Hinshaw Gardens	5,750	5,395	355
Special appropriations:			
Yadkin County Library		3,000	
Surry Community College		25,000	
Yadkin County Arts Council		15,000	
YMCA		1,000	
Mountain Valley Hospice		20,000	
Downtown Business Association		4,800	
Total special appropriations	68,800	68,800	-
Total cultural and recreation	136,752	132,940	3,812
Debt service:			
Principal retirement		46,667	
Interest and other charges		8,401	
Total debt service	55,100	55,068	32
Total expenditures	2,747,829	2,513,793	234,036
Revenues over-(under) expenditures	(52,214)	378,017	430,231
Other financing sources (uses):			
Transfers from Trust Fund		5,521	
Transfers from capital project		81,330	
Transfers to capital project		(66,330)	
Total other financing sources	20,750	20,521	229
Fund balance appropriated	31,464	-	(31,464)
Revenues and other financing sources over expenditures and other uses	\$ -	398,538	\$ 398,538
Fund balances, beginning as previously reported		2,827,249	
Fund balances, ending		\$ 3,225,787	

TOWN OF YADKINVILLE, NORTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2020

	Hinshaw Gardens Fund	Capital Project Funds	Total Non-major Governmental Funds
ASSETS			
Cash and cash equivalents	<u>\$ 69,326</u>	<u>\$ 137,124</u>	<u>\$ 206,450</u>
Total assets	<u><u>\$ 69,326</u></u>	<u><u>\$ 137,124</u></u>	<u><u>\$ 206,450</u></u>
LIABILITIES AND FUND BALANCES			
Fund balances	<u>\$ 69,326</u>	<u>\$ 137,124</u>	<u>\$ 206,450</u>
Total liabilities and fund balances	<u><u>\$ 69,326</u></u>	<u><u>\$ 137,124</u></u>	<u><u>\$ 206,450</u></u>

TOWN OF YADKINVILLE, NORTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Hinshaw Gardens Fund	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment earnings	\$ 1,234	\$ -	\$ 1,234
Rents	100	-	100
Total revenues	<u>1,334</u>	<u>-</u>	<u>1,334</u>
EXPENDITURES			
Professional services	<u>-</u>	<u>4,036</u>	<u>4,036</u>
Total expenditures	<u>-</u>	<u>4,036</u>	<u>4,036</u>
Revenues over (under) expenditures	<u>1,334</u>	<u>(4,036)</u>	<u>(2,702)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (to) from General Fund	<u>(5,521)</u>	<u>(15,000)</u>	<u>(20,521)</u>
Total other financing sources (uses)	<u>(5,521)</u>	<u>(15,000)</u>	<u>(20,521)</u>
Net change in fund balances	(4,187)	(19,036)	(23,223)
Fund balances, beginning	<u>73,513</u>	<u>156,160</u>	<u>229,673</u>
Fund balances, ending	<u>\$ 69,326</u>	<u>\$ 137,124</u>	<u>\$ 206,450</u>

TOWN OF YADKINVILLE, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Water and sewer charges		\$ 2,415,723	
Water and sewer taps		14,144	
Water reconnection fees and penalties		7,677	
Tax refunds		34,430	
County maintenance fees		4,837	
Miscellaneous revenue		11,972	
Sale of materials		24,194	
Total operating revenues	<u>\$ 2,319,030</u>	<u>2,512,977</u>	<u>\$ 193,947</u>
Nonoperating revenues:			
Interest earnings		4,265	
Gain on sale of property		2,818	
Total nonoperating revenues	<u>3,200</u>	<u>7,083</u>	<u>3,883</u>
Total revenues	<u>2,322,230</u>	<u>2,520,060</u>	<u>197,830</u>
Expenditures:			
Administration:			
Salaries		231,185	
Employee benefits		86,165	
Training		105	
Telephone and postage		6,896	
Maintenance and repairs		532	
Safety		490	
Auto		1,539	
Supplies and materials		5,406	
Uniforms		479	
Contracted services		14,708	
Miscellaneous		1,096	
Sales tax		24,014	
Bank and credit card charges		5,445	
Insurance		45,249	
Total administration	<u>435,653</u>	<u>423,309</u>	<u>12,344</u>

TOWN OF YADKINVILLE, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Water plant:			
Salaries		192,336	
Employee benefits		74,831	
Employee training		591	
Telephone and postage		2,940	
Utilities		80,454	
Travel		180	
Maintenance and repairs		14,293	
OSHA safety		716	
Automotive supplies		985	
Supplies and materials		5,490	
Other supplies-chemicals		105,122	
Uniforms		1,633	
Contracted services		25,418	
Permits		1,560	
Miscellaneous		1,073	
Total water plant	533,694	507,622	26,072
Sewer plant:			
Salaries		83,322	
Employee benefits		31,076	
Employee training		654	
Telephone and postage		1,369	
Printing		314	
Utilities		80,872	
Travel		359	
Maintenance and repairs		22,390	
Office supplies		-	
OSHA safety		260	
Automotive supplies		2,371	
Supplies and materials		2,470	
Other supplies-chemical		29,440	
Uniforms		793	
Contracted services		66,419	
Permits		4,375	
Miscellaneous		2,119	
Total sewer plant	341,450	328,603	12,847

TOWN OF YADKINVILLE, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Laboratory:			
Salaries		76,013	
Employee benefits		29,495	
Employee training		79	
Maintenance and repairs		-	
OSHA safety		225	
Automotive supplies		145	
Supplies and materials		5,145	
Other supplies-chemicals		4,684	
Uniforms		1,279	
Contracted services		2,101	
Dues and subscriptions		25	
Permits		2,000	
Other expense		394	
Total laboratory	123,850	121,585	2,265
Water/sewer operations:			
Salaries		319,605	
Professional services		200	
Employee benefits		135,213	
Employee training		2,219	
Telephone and postage		8,853	
Printing		314	
Utilities		25,729	
Travel		314	
Maintenance and repairs		26,892	
OSHA safety		2,080	
Automotive supplies		11,692	
Supplies and materials		31,612	
Uniforms		3,671	
Contracted services		45,553	
Permits		2,082	
Miscellaneous		1,093	
Total water/sewer operations	683,500	617,122	66,378

TOWN OF YADKINVILLE, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
County W/S line operations:			
Salaries		5,895	
Employee benefits		1,272	
Telephone and postage		179	
Utilities		7,315	
Maintenance and repairs		8,644	
Automotive supplies		3,276	
Supplies and materials		916	
Uniforms		92	
Contracted services		1,865	
Equipment rental		2,612	
Miscellaneous		2	
Total county W/S line operations:	70,290	32,068	38,222
Capital outlay	134,178	130,773	3,405
Total expenditures	2,322,615	2,161,082	161,533
Revenues over expenditures	(385)	358,978	359,363
Other financing sources (uses)			
Transfer to Capital Project	(120,000)	(120,000)	-
Fund balance appropriated	120,385	-	(120,385)
	385	(120,000)	(120,385)
Revenues and other financing sources (uses) over expenditures	\$ -	\$ 238,978	\$ 238,978

TOWN OF YADKINVILLE, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		\$ 238,978	
Reconciling items:			
Capital outlay		130,773	
Depreciation		(635,557)	
Transfer to capital project consolidated with Water & Sewer fund		120,000	
Increase in accounts receivable, net of allowance		(83,839)	
Increase in inventory		2,102	
Increase in deferred outflows of resources - pension		(30,677)	
Increase in compensated absences		(25,148)	
Increase in net pension liability		(18,678)	
Decrease in deferred inflows of resources - pensions		3,487	
Total reconciling items		<u>(537,537)</u>	
Change in net position		<u>\$ (298,559)</u>	

TOWN OF YADKINVILLE, NORTH CAROLINA
CAPITAL PROJECT FUND - WEST LEE STREET SIDEWALK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
REVENUES					
EB-529 (State funds)	\$ 1,295,000	\$ 1,282,525	\$ -	\$ 1,282,525	\$ (12,475)
Total revenues	<u>1,295,000</u>	<u>1,282,525</u>	<u>-</u>	<u>1,282,525</u>	<u>(12,475)</u>
EXPENDITURES					
Professional services	249,135	233,169	4,036	237,205	11,930
Capital outlay - other improvements	1,176,880	1,176,880	-	1,176,880	-
Contingency	545	-	-	-	545
Total expenditures	<u>1,426,560</u>	<u>1,410,049</u>	<u>4,036</u>	<u>1,414,085</u>	<u>12,475</u>
Revenue over (under) expenditures	<u>(131,560)</u>	<u>(127,524)</u>	<u>(4,036)</u>	<u>(131,560)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfers from (TO) General Fund	131,560	212,890	(81,330)	131,560	-
Total other financing sources	<u>131,560</u>	<u>212,890</u>	<u>(81,330)</u>	<u>131,560</u>	<u>-</u>
Total revenues and other financing sources over (under) expenditures	-	85,366	(85,366)	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>85,366</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 85,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF YADKINVILLE, NORTH CAROLINA
CAPITAL PROJECT FUND -MAIN STREET SIDEWALK
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Sales tax refund	\$ 2,000	\$ 1,890	\$ -	\$ 1,890	\$ (110)
Total revenues	<u>2,000</u>	<u>1,890</u>	<u>-</u>	<u>1,890</u>	<u>(110)</u>
					-
EXPENDITURES					
Professional services	32,708	32,708	-	32,708	-
Capital outlay - other improvements	264,177	126,945	-	126,945	137,232
State sales tax	1,400	1,395	-	1,395	5
County sales tax	600	603	-	603	(3)
Total expenditures	<u>298,885</u>	<u>161,651</u>	<u>-</u>	<u>161,651</u>	<u>137,234</u>
Revenues under expenditures	<u>(296,885)</u>	<u>(159,761)</u>	<u>-</u>	<u>(159,761)</u>	<u>137,124</u>
OTHER FINANCING SOURCES					
Transfers from General Fund	296,885	230,555	66,330	296,885	-
Total other financing sources	<u>296,885</u>	<u>230,555</u>	<u>66,330</u>	<u>296,885</u>	<u>-</u>
Total revenues and other financing sources over expenditures	-	70,794	66,330	137,124	(137,124)
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>70,794</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 70,794</u>	<u>\$ 137,124</u>	<u>\$ 137,124</u>	<u>\$ (137,124)</u>

TOWN OF YADKINVILLE, NORTH CAROLINA
CAPITAL PROJECT FUND -SEWER LINE EXTENSIONS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES					
Capital outlay - other improvements	\$ 489,324	\$ -	\$ -	\$ -	\$ 489,324
Total expenditures	<u>489,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,324</u>
Revenues under expenditures	<u>(489,324)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,324</u>
OTHER FINANCING SOURCES					
Transfers from Water and Sewer Fund	<u>489,324</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>	<u>369,324</u>
Total other financing sources	<u>489,324</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>	<u>369,324</u>
Total revenues and other financing sources over expenditures	-	-	120,000	120,000	120,000
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>

TOWN OF YADKINVILLE, NORTH CAROLINA
COMPONENT UNIT - YADKINVILLE TOURISM DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Occupancy tax	\$ 35,000	\$ 28,529	\$ (6,471)
Investment earnings	660	1,091	431
Total revenues	<u>35,660</u>	<u>29,620</u>	<u>(6,040)</u>
Expenditures:			
Administration	3,070	2,080	990
Tourism related programs	8,818	6,767	2,051
Travel and tourism promotion	23,772	5,920	17,852
Total expenditures	<u>35,660</u>	<u>14,767</u>	<u>20,893</u>
Revenues over (under) expenditures	<u>-</u>	<u>14,853</u>	<u>14,853</u>
Net change in fund balances	<u>\$ -</u>	14,853	<u>\$ 14,853</u>
Fund balance, beginning		<u>93,760</u>	
Fund balance, ending		<u>\$ 108,613</u>	

OTHER SCHEDULES

This section contains additional information on property taxes.

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

TOWN OF YADKINVILLE, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 1,238,604	\$ 1,218,809	\$ 19,795
2018-2019	23,029	-	17,251	5,778
2017-2018	8,292	-	2,438	5,854
2016-2017	4,299	-	1,493	2,806
2015-2016	2,964	-	981	1,983
2014-2015	2,823	-	823	2,000
2013-2014	4,134	-	804	3,330
2012-2013	4,940	-	676	4,264
2011-2012	2,700	-	197	2,503
2010-2011	2,783	-	146	2,637
2009-2010	2,559	-	2,559	-
	<u>\$ 58,523</u>	<u>\$ 1,238,604</u>	<u>\$ 1,246,177</u>	<u>\$ 50,950</u>

Less: allowance for uncollectible accounts:
General Fund

35,168

Ad valorem taxes receivable - net

\$ 15,782

Reconciliation to revenues:

Ad valorem taxes - General Fund

\$ 1,230,059

Reconciling items:

Interest collected

(7,096)

Discounts and collection fees

9,516

Adjustments of current year taxes

10,936

Adjustments prior year taxes

375

Taxes written off

2,387

Total collections and credits

\$ 1,246,177

TOWN OF YADKINVILLE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
TOWN-WIDE LEVY
For the Fiscal Year Ending June 30, 2020

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 294,722,848	\$ 0.0042	\$ 1,237,544	\$ 1,129,614	\$ 107,930
Penalty			1,060	1,060	-
	<u>294,722,848</u>		<u>1,238,604</u>	<u>1,130,674</u>	<u>107,930</u>
Discoveries: current year taxes	123,248		518	518	-
Abatements	<u>(1,257,076)</u>		<u>(11,454)</u>	<u>(11,454)</u>	<u>-</u>
Total property valuation	<u>\$ 293,589,020</u>				
Net levy			1,227,668	1,119,738	107,930
Unpaid (by taxpayer) taxes at June 30, 2020			<u>(19,795)</u>	<u>(19,795)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 1,207,873</u>	<u>\$ 1,099,943</u>	<u>\$ 107,930</u>
Current levy collection percentage			<u>98.39%</u>	<u>98.23%</u>	<u>100.00%</u>