

Town of Carrboro, North Carolina
Balance Sheet
Governmental Funds
June 30, 2018

Exhibit 3
(3 pages)

	Major Funds				
	General Fund	Revolving Loan Fund	Bond Fund	Capital Projects Fund	Grants Administration Fund
ASSETS					
Cash and cash equivalents	\$ 14,886,192	\$ 528,176	\$ 689,723	\$ 2,713,100	\$ 40,414
Taxes receivable, net	248,362	-	-	-	-
Accounts receivable, net	18,895	-	-	-	-
Due from other governments	1,876,411	-	24,866	-	-
Notes receivable, net	-	37,706	-	-	-
Inventories	37,100	-	-	-	-
Prepays	242,968	-	-	-	-
Restricted cash	462,568	-	-	-	-
Total assets	<u>\$ 17,772,496</u>	<u>\$ 565,882</u>	<u>\$ 714,589</u>	<u>\$ 2,713,100</u>	<u>\$ 40,414</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 670,246	\$ -	\$ -	\$ 2,544	\$ 20,321
Payable from restricted assets, customer deposits and performance bonds	222,568	-	-	-	-
Revenues received in advance	47,937	-	-	-	-
Due to component unit	48,290	-	-	-	-
Total liabilities	<u>989,041</u>	<u>-</u>	<u>-</u>	<u>2,544</u>	<u>20,321</u>
DEFERRED INFLOWS OF RESOURCES	<u>248,362</u>	<u>37,706</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Inventories	37,100	-	-	-	-
Prepays	242,968	-	-	-	-
Restricted:					
Stabilization by state statute	2,292,472	-	314,428	67,525	-
Powell Bill (streets)	-	-	-	-	-
Capital equipment	240,000	-	-	-	-
Capital projects	-	-	400,161	-	-
Committed:					
Economic development	-	528,176	-	-	20,093
Capital projects	-	-	-	2,643,031	-
Affordable housing	-	-	-	-	-
Energy efficiency	-	-	-	-	-
Assigned:					
Subsequent year's expenditures	1,088,391	-	-	-	-
Capital projects	2,000,000	-	-	-	-
Unassigned	10,634,162	-	-	-	-
Total fund balances	<u>16,535,093</u>	<u>528,176</u>	<u>714,589</u>	<u>2,710,556</u>	<u>20,093</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,772,496</u>	<u>\$ 565,882</u>	<u>\$ 714,589</u>	<u>\$ 2,713,100</u>	<u>\$ 40,414</u>

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

Town of Carrboro, North Carolina
Balance Sheet
Governmental Funds
June 30, 2018

Exhibit 3
(3 pages)

	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and cash equivalents	\$ 973,560	\$ 19,831,165
Taxes receivable, net	-	248,362
Accounts receivable, net	-	18,895
Due from other governments	-	1,901,277
Notes receivable, net	49,680	87,386
Inventories	-	37,100
Prepays	-	242,968
Restricted cash	-	462,568
	<u>\$ 1,023,240</u>	<u>\$ 22,829,721</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ 693,111
Payable from restricted assets, customer deposits and performance bonds	-	222,568
Revenues received in advance	-	47,937
Due to component unit	-	48,290
	<u>-</u>	<u>1,011,906</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>49,680</u>	<u>335,748</u>
FUND BALANCES		
Nonspendable:		
Inventories	-	37,100
Prepays	-	242,968
Restricted:		
Stabilization by state statute	45,522	2,719,947
Powell Bill (streets)	-	-
Capital equipment	-	240,000
Capital projects	-	400,161
Committed:		
Economic development	115,471	663,740
Capital projects	-	2,643,031
Affordable housing	716,877	716,877
Energy efficiency	95,690	95,690
Assigned:		
Subsequent year's expenditures	-	1,088,391
Capital projects	-	2,000,000
Unassigned	-	10,634,162
	<u>973,560</u>	<u>21,482,067</u>
Total fund balances	<u>973,560</u>	<u>21,482,067</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,023,240</u>	<u>\$ 22,829,721</u>

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

Town of Carrboro, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
Year Ended June 30, 2018

Exhibit 3
(3 pages)

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Total fund balances - governmental funds	\$ 21,482,067
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	35,050,326
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.	56,723
Deferred outflows of resources related to pensions are not reported in the fund statements.	1,624,748
Deferred outflows of resources related to OPEB are not reported in the fund statements.	250,472
Liabilities for earned revenues are considered deferred inflows of resources in fund statements.	335,748
Some liabilities, including long-term obligations, are not due and payable in the current period, and therefore are not reported in the funds.	(6,315,433)
Deferred inflows of resources related to pensions are not reported in the fund statements.	(204,695)
Deferred inflows of resources related to OPEB are not reported in the fund statements.	(1,897,914)
Net pension liability - LGERS	(2,013,788)
Total pension liability - LEO	(1,517,471)
Total pension liability - OPEB	(19,639,836)
Other long-term liabilities (accrued interest) are not due and payable in the current period, and therefore are not reported in the funds.	<u>(54,253)</u>
Net position of governmental activities	<u>\$ 27,156,694</u>

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Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

Exhibit 4
(4 pages)

	Major Funds				
	General Fund	Revolving Loan Fund	Bond Fund	Capital Projects Fund	Grants Administration
Revenues:					
Ad valorem taxes	\$ 12,921,946	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	4,557,933	-	-	-	-
Other taxes and licenses	1,601,362	-	-	-	-
Unrestricted					
intergovernmental	1,406,331	-	-	-	-
Restricted intergovernmental	623,799	-	3,998	-	9,082
Permits and fees	1,377,586	-	-	-	-
Sales and services	245,059	-	-	-	-
Investment earnings	135,490	943	13,685	-	-
Other	171,134	11,668	-	-	-
Total revenues	<u>23,040,640</u>	<u>12,611</u>	<u>17,683</u>	<u>-</u>	<u>9,082</u>
Expenditures:					
General government	4,729,326	-	-	-	-
Public safety	6,555,984	-	-	-	-
Planning	1,134,657	-	-	-	-
Transportation	1,455,012	-	-	-	-
Public works	3,104,559	-	-	-	-
Economic and					
physical development	-	-	-	-	9,309
Parks and recreation	1,503,476	-	-	-	-
Capital outlay	720,733	-	651,703	2,114,404	-
Debt service:					
Principal	1,001,731	-	-	-	-
Interest and other					
charges	138,983	-	-	-	-
Total expenditures	<u>20,344,461</u>	<u>-</u>	<u>651,703</u>	<u>2,114,404</u>	<u>9,309</u>
Excess of revenues over (under) expenditures	<u>2,696,179</u>	<u>12,611</u>	<u>(634,020)</u>	<u>(2,114,404)</u>	<u>(227)</u>
Other financing sources (uses):					
Transfers from other funds	551,000	-	-	2,462,006	21,000
Transfers to other funds	(2,922,481)	-	-	(551,000)	-
Sale of capital assets	92,291	-	-	-	-
Installment purchase obligations issued	240,000	-	-	-	-
Total other financing sources (uses)	<u>(2,039,190)</u>	<u>-</u>	<u>-</u>	<u>1,911,006</u>	<u>21,000</u>
Net change in fund balances	656,989	12,611	(634,020)	(203,398)	20,773
Fund balances, beginning of year	<u>15,878,104</u>	<u>515,565</u>	<u>1,348,609</u>	<u>2,913,954</u>	<u>(680)</u>
Fund balances, end of year	<u>\$ 16,535,093</u>	<u>\$ 528,176</u>	<u>\$ 714,589</u>	<u>\$ 2,710,556</u>	<u>\$ 20,093</u>

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

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

Exhibit 4
(4 pages)

	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:		
Ad valorem taxes	\$ -	\$ 12,921,946
Local option sales taxes	-	4,557,933
Other taxes and licenses	-	1,601,362
Unrestricted		
intergovernmental	-	1,406,331
Restricted intergovernmental	-	636,879
Permits and fees	-	1,377,586
Sales and services	-	245,059
Investment earnings	1,589	151,707
Other	27,481	210,283
Total revenues	<u>29,070</u>	<u>23,109,086</u>
Expenditures:		
General government	-	4,729,326
Public safety	-	6,555,984
Planning	-	1,134,657
Transportation	-	1,455,012
Public works	-	3,104,559
Economic and		
physical development	211,202	220,511
Parks and recreation	-	1,503,476
Capital outlay	-	3,486,840
Debt service:		
Principal	-	1,001,731
Interest and other		
charges	-	138,983
Total expenditures	<u>211,202</u>	<u>23,331,079</u>
Excess of revenues		
over (under)		
expenditures	<u>(182,132)</u>	<u>(221,993)</u>
Other financing sources (uses):		
Transfers from other funds	131,092	3,165,098
Transfers to other funds	-	(3,473,481)
Sale of capital assets	-	92,291
Installment purchase		
obligations issued	-	240,000
Total other financing		
sources (uses)	<u>131,092</u>	<u>23,908</u>
Net change in fund		
balances	(51,040)	(198,085)
Fund balances,		
beginning of year	<u>1,024,600</u>	<u>21,680,152</u>
Fund balances,		
end of year	<u>\$ 973,560</u>	<u>\$ 21,482,067</u>

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

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

Exhibit 4
(4 pages)

**Reconciliation of the Governmental Funds Statement
of Revenues, Expenditures and Changes in Fund
Balances to the Statement of Activities:**

Total net change in fund balances - governmental funds \$ (198,085)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$ 3,486,840	
Depreciation expense for governmental assets	<u>(1,605,503)</u>	1,881,337

Cost of capital asset disposed of during the year, not recognized on modified accrual basis.

Proceeds on disposal of fixed assets under modified accrual basis	(92,291)	
Gain on sale of fixed assets recognized under full accrual basis	<u>92,291</u>	-

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.

606,527

Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities.

81,025

Benefit payments paid and administrative expense for the OPEB are not included on the Statement of Activities.

250,472

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in accrued interest receivable, property taxes	(2,216)	
Change in deferred revenues, property taxes	15,357	
Change in deferred revenues	<u>40,546</u>	53,687

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New installment purchase obligations issued	(240,000)	
Principal payments on long-term debt	1,001,731	
Change in accrued interest payable	<u>6,220</u>	767,951

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

Exhibit 4
(4 pages)

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.

Amortization of bond premiums	\$	4,866	
Pension expense		(739,872)	
OPEB expense		(971,215)	
Change in compensated absences		<u>(79,259)</u>	\$ <u>(1,785,480)</u>
Total changes in net position of governmental activities			<u>\$ 1,657,434</u>

Town of Carrboro, North Carolina
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2018

Exhibit 5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 12,729,642	\$ 12,729,642	\$ 12,921,946	\$ 192,304
Local option sales taxes	4,018,500	4,018,500	4,557,933	539,433
Other taxes and licenses	1,846,810	1,846,810	1,601,362	(245,448)
Unrestricted intergovernmental	1,219,773	1,219,774	1,406,331	186,557
Restricted intergovernmental	634,244	634,244	623,799	(10,445)
Permits and fees	1,178,867	1,178,867	1,377,586	198,719
Sales and services	170,870	170,870	245,059	74,189
Investment earnings	27,089	27,089	135,490	108,401
Other revenues	130,396	195,896	171,134	(24,762)
Total revenues	<u>21,956,191</u>	<u>22,021,692</u>	<u>23,040,640</u>	<u>1,018,948</u>
Expenditures				
Current:				
General government	5,032,489	5,154,613	4,735,147	419,466
Public safety	6,911,225	7,023,308	6,804,321	218,987
Planning	1,476,764	1,546,845	1,134,657	412,188
Transportation	1,834,856	1,834,856	1,455,012	379,844
Public works	3,606,915	4,240,566	3,571,134	669,432
Parks and recreation	1,650,042	1,694,574	1,503,476	191,098
General services	932,885	725,924	-	725,924
Debt service	1,124,510	1,124,510	1,140,714	(16,204)
Total expenditures	<u>22,569,686</u>	<u>23,345,196</u>	<u>20,344,461</u>	<u>3,000,735</u>
Excess of revenues over (under) expenditures	<u>(613,495)</u>	<u>(1,323,504)</u>	<u>2,696,179</u>	<u>4,019,683</u>
Other financing sources (uses)				
Transfers from other funds	-	551,000	551,000	-
Transfers to other funds	(300,000)	(2,926,091)	(2,922,481)	3,610
Sale of capital assets	13,219	13,219	92,291	79,072
Installment purchase obligations issued	<u>301,872</u>	<u>301,872</u>	<u>240,000</u>	<u>(61,872)</u>
Total other financing sources (uses)	<u>15,091</u>	<u>(2,060,000)</u>	<u>(2,039,190)</u>	<u>20,810</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(598,404)</u>	<u>(3,383,504)</u>	<u>656,989</u>	<u>4,040,493</u>
Fund balance appropriated	<u>598,404</u>	<u>3,383,504</u>	<u>-</u>	<u>(3,383,504)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>656,989</u>	<u>\$ 656,989</u>
Fund balance, beginning of year			<u>15,878,104</u>	
Fund balance, end of year			<u>\$ 16,535,093</u>	

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

Town of Carrboro, North Carolina
Statement of Net Position
Proprietary Fund - Stormwater Utility Enterprise Fund
June 30, 2018

Exhibit 6

ASSETS

Current assets:

Cash and cash equivalents \$ 194,426

Total assets 194,426

DEFERRED OUTFLOWS OF RESOURCES

Pension deferrals 7,435

Total deferred outflows of resources 7,435

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities 1,834

Current portion of long-term liabilities 2,925

Total current liabilities 4,759

Long-term liabilities:

Net pension liability - LGERS 9,987

Total OPEB liability 113,525

Due in more than one year 5,197

Total long-term liabilities 128,709

Total liabilities 133,468

DEFERRED INFLOWS OF RESOURCES

Pension deferrals 947

OPEB deferrals 10,971

Total deferred inflows of resources 11,918

NET POSITION

Unrestricted 56,475

Total net position \$ 56,475

Town of Carrboro, North Carolina
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Stormwater Utility Enterprise Fund
Year Ended June 30, 2018

Exhibit 7

Operating revenues	
Charges for services	\$ -
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Total operating revenues	-
	<hr/>
Operating expenses	
Personnel services	238,556
Other current charges	13,352
	<hr/>
Total operating expenses	251,908
	<hr/>
Operating loss	(251,908)
Loss before transfers	(251,908)
Transfers	
Transfers from general fund	308,383
	<hr/>
Change in net position	56,475
Total net position, beginning	-
	<hr/>
Total net position, ending	<u>\$ 56,475</u>

Town of Carrboro, North Carolina
Statement of Cash Flows
Proprietary Fund - Stormwater Utility Enterprise Fund
Year Ended June 30, 2018

Exhibit 8

Cash flows from operating activities:	
Cash received from customers	\$ -
Cash paid for goods and services	(11,518)
Cash paid to or on behalf of employees for services	(102,439)
	<u>(113,957)</u>
Net cash used by operating activities	<u>(113,957)</u>
Cash flows from noncapital financing activities	
Transfers in from other funds	<u>308,383</u>
Net cash provided by noncapital financing activities	<u>308,383</u>
Net increase in cash and cash equivalents	194,426
Cash and cash equivalents, beginning	<u>-</u>
Cash and cash equivalents, ending	<u>\$ 194,426</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating loss	\$ (251,908)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Change in assets, deferred outflows of resources, and liabilities:	
Increase in deferred outflows of resources for pensions	(7,435)
Increase in accounts payable and accrued liabilities	1,834
Increase in accrued vacation pay	8,122
Increase in deferred inflows of resources for pensions	947
Increase in deferred inflows of resources for OPEB	10,971
Increase in net pension liability	9,987
Increase in total OPEB liability	113,525
	<u>113,525</u>
Net cash used by operating activities	<u>\$ (113,957)</u>