

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

Exhibit 3
(3 pages)

	Major Funds				
	General Fund	Revolving Loan Fund	Bond Fund	Capital Projects Fund	Grants Administration Fund
ASSETS					
Cash and cash equivalents	\$ 16,026,704	\$ 573,348	\$ -	\$ 2,438,455	\$ -
Taxes receivable, net	219,186	-	-	-	-
Accounts receivable, net	18,860	-	-	-	-
Due from other governments	2,016,896	-	843,183	778,400	32,223
Due from other funds	223,781	-	-	-	-
Notes receivable, net	-	13,568	-	-	-
Inventories	31,503	-	-	-	-
Prepays	285,803	-	-	-	-
Restricted cash	304,463	-	-	-	-
Total assets	<u>\$ 19,127,196</u>	<u>\$ 586,916</u>	<u>\$ 843,183</u>	<u>\$ 3,216,855</u>	<u>\$ 32,223</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 985,977	\$ -	\$ 130,218	\$ 392,162	\$ -
Payable from restricted assets, customer deposits and performance bonds	62,204	-	-	-	-
Revenues received in advance	100,962	-	-	-	-
Due to other funds	-	-	219,149	-	4,632
Due to component unit	54,616	-	-	-	-
Total liabilities	<u>1,203,759</u>	<u>-</u>	<u>349,367</u>	<u>392,162</u>	<u>4,632</u>
DEFERRED INFLOWS OF RESOURCES	<u>219,186</u>	<u>13,568</u>	<u>334,595</u>	<u>-</u>	<u>28,408</u>
FUND BALANCES					
Nonspendable:					
Inventories	31,503	-	-	-	-
Prepays	285,803	-	-	-	-
Restricted:					
Stabilization by state statute	2,410,730	-	650,830	778,400	3,815
Powell Bill (streets)	242,259	-	-	-	-
Capital projects	-	-	-	-	-
Committed:					
Economic development	-	573,348	-	-	-
Capital projects	-	-	-	2,046,293	-
Affordable housing	-	-	-	-	-
Energy efficiency	-	-	-	-	-
Assigned:					
Subsequent year's expenditures	1,500,753	-	-	-	-
Capital projects	2,000,000	-	-	-	-
Unassigned	11,233,203	-	(491,609)	-	(4,632)
Total fund balances	<u>17,704,251</u>	<u>573,348</u>	<u>159,221</u>	<u>2,824,693</u>	<u>(817)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,127,196</u>	<u>\$ 586,916</u>	<u>\$ 843,183</u>	<u>\$ 3,216,855</u>	<u>\$ 32,223</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, 2019

Exhibit 3
(3 pages)

	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and cash equivalents	\$ 372,318	\$ 19,410,825
Taxes receivable, net	-	219,186
Accounts receivable, net	-	18,860
Due from other governments	-	3,670,702
Due from other funds	-	223,781
Notes receivable, net	38,810	52,378
Inventories	-	31,503
Prepays	-	285,803
Restricted cash	-	304,463
	<u>411,128</u>	<u>24,217,501</u>
Total assets	<u>\$ 411,128</u>	<u>\$ 24,217,501</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 18,509	\$ 1,526,866
Payable from restricted assets, customer deposits and performance bonds	-	62,204
Revenues received in advance	-	100,962
Due to other funds	-	223,781
Due to component unit	-	54,616
	<u>18,509</u>	<u>1,968,429</u>
Total liabilities	<u>18,509</u>	<u>1,968,429</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>38,810</u>	<u>634,567</u>
FUND BALANCES		
Nonspendable:		
Inventories	-	31,503
Prepays	-	285,803
Restricted:		
Stabilization by state statute	25,522	3,869,297
Powell Bill (streets)	-	242,259
Capital projects	-	-
Committed:		
Economic development	-	573,348
Capital projects	-	2,046,293
Affordable housing	219,570	219,570
Energy efficiency	108,717	108,717
Assigned:		
Subsequent year's expenditures	-	1,500,753
Capital projects	-	2,000,000
Unassigned	-	10,736,962
	<u>353,809</u>	<u>21,614,505</u>
Total fund balances	<u>353,809</u>	<u>21,614,505</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 411,128</u>	<u>\$ 24,217,501</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
June 30, 2019

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	\$ 21,614,505
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	37,351,059
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.	46,307
Deferred outflows of resources related to pensions are not reported in the fund statements.	2,278,813
Deferred outflows of resources related to OPEB are not reported in the fund statements.	297,344
Liabilities for earned revenues are considered deferred inflows of resources in fund statements.	634,567
Some liabilities, including long-term obligations, are not due and payable in the current period, and therefore are not reported in the funds.	(5,554,982)
Deferred inflows of resources related to pensions are not reported in the fund statements.	(193,247)
Deferred inflows of resources related to OPEB are not reported in the fund statements.	(2,665,557)
Net pension liability - LGERS	(2,701,088)
Total pension liability - LEO	(1,428,599)
Total OPEB liability	(19,474,398)
Other long-term liabilities (accrued interest) are not due and payable in the current period, and therefore are not reported in the funds.	<u>(48,063)</u>
Net position of governmental activities	<u><u>\$ 30,156,661</u></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, 2019

Exhibit 4
(4 pages)

	Major Funds				
	General Fund	Revolving Loan Fund	Bond Fund	Capital Projects Fund	Grants Administration
Revenues:					
Ad valorem taxes	\$ 13,113,521	\$ -	\$ -	\$ -	\$ -
Local option sales taxes	4,880,680	-	-	-	-
Other taxes and licenses	1,630,840	-	-	-	-
Unrestricted					
intergovernmental	1,492,028	-	-	-	-
Restricted intergovernmental	774,586	-	1,116,490	956,402	20,166
Permits and fees	1,273,962	-	-	-	-
Sales and services	253,023	-	-	-	-
Investment earnings	202,849	7,034	21,080	29,366	-
Other	277,695	38,138	-	32,000	20,321
Total revenues	<u>23,899,184</u>	<u>45,172</u>	<u>1,137,570</u>	<u>1,017,768</u>	<u>40,487</u>
Expenditures:					
General government	5,369,254	-	-	-	-
Public safety	6,649,349	-	-	-	-
Planning	1,331,441	-	-	-	-
Transportation	1,808,940	-	-	-	-
Public works	3,750,034	-	-	-	-
Economic and					
physical development	-	-	-	-	61,397
Parks and recreation	1,602,097	-	-	-	-
Capital outlay	199,364	-	1,491,938	2,372,368	-
Debt service:					
Principal	824,548	-	-	-	-
Interest and other					
charges	126,621	-	-	-	-
Total expenditures	<u>21,661,648</u>	<u>-</u>	<u>1,491,938</u>	<u>2,372,368</u>	<u>61,397</u>
Excess of revenues over (under) expenditures	<u>2,237,536</u>	<u>45,172</u>	<u>(354,368)</u>	<u>(1,354,600)</u>	<u>(20,910)</u>
Other financing sources (uses):					
Transfers from other funds	491,659	-	-	1,787,450	-
Transfers to other funds	(1,587,450)	-	(201,000)	(318,713)	-
Sale of capital assets	27,413	-	-	-	-
Total other financing sources (uses)	<u>(1,068,378)</u>	<u>-</u>	<u>(201,000)</u>	<u>1,468,737</u>	<u>-</u>
Net change in fund balances	1,169,158	45,172	(555,368)	114,137	(20,910)
Fund balances, beginning of year	<u>16,535,093</u>	<u>528,176</u>	<u>714,589</u>	<u>2,710,556</u>	<u>20,093</u>
Fund balances, end of year	<u>\$ 17,704,251</u>	<u>\$ 573,348</u>	<u>\$ 159,221</u>	<u>\$ 2,824,693</u>	<u>\$ (817)</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, 2019

Exhibit 4
(4 pages)

	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:		
Ad valorem taxes	\$ 110,071	\$ 13,223,592
Local option sales taxes	-	4,880,680
Other taxes and licenses	-	1,630,840
Unrestricted		
intergovernmental	-	1,492,028
Restricted intergovernmental	-	2,867,644
Permits and fees	-	1,273,962
Sales and services	-	253,023
Investment earnings	6,260	266,589
Other	10,320	378,474
Total revenues	<u>126,651</u>	<u>26,266,832</u>
Expenditures:		
General government	-	5,369,254
Public safety	-	6,649,349
Planning	-	1,331,441
Transportation	-	1,808,940
Public works	-	3,750,034
Economic and		
physical development	630,931	692,328
Parks and recreation	-	1,602,097
Capital outlay	-	4,063,670
Debt service:		
Principal	-	824,548
Interest and other		
charges	-	126,621
Total expenditures	<u>630,931</u>	<u>26,218,282</u>
Excess of revenues over (under) expenditures	<u>(504,280)</u>	<u>48,550</u>
Other financing sources (uses):		
Transfers from other funds	-	2,279,109
Transfers to other funds	(115,471)	(2,222,634)
Sale of capital assets	-	27,413
Total other financing sources (uses)	<u>(115,471)</u>	<u>83,888</u>
Net change in fund balances	(619,751)	132,438
Fund balances, beginning of year	<u>973,560</u>	<u>21,482,067</u>
Fund balances, end of year	<u>\$ 353,809</u>	<u>\$ 21,614,505</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, 2019

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 \$ 132,438

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	\$ 4,063,670	
Depreciation expense for governmental assets	<u>(1,762,937)</u>	2,300,733

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	(27,413)	
Gain on sale of fixed assets recognized under full accrual basis	<u>27,413</u>	-

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

674,058

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

165,820

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

297,344

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	(10,416)	
Change in deferred revenues, property taxes	(29,176)	
Change in deferred revenues	327,995	
Change in total OPEB liability due to implicit rate subsidy	<u>67,900</u>	356,303

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction does not have an effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	824,548	
Change in accrued interest payable	<u>6,190</u>	830,738

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

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	\$	4,867	
Pension expense		(772,793)	
OPEB expense		(920,577)	
Change in compensated absences		<u>(68,964)</u>	\$ <u>(1,757,467)</u>
Total changes in net position of governmental activities			\$ <u><u>2,999,967</u></u>

Town of Carrboro, North Carolina
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2019

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	\$ 11,945,655	\$ 11,945,655	\$ 13,113,521	\$ 1,167,866
Local option sales taxes	4,475,980	4,475,980	4,880,680	404,700
Other taxes and licenses	1,604,757	1,604,757	1,630,840	26,083
Unrestricted intergovernmental	1,422,090	1,422,089	1,492,028	69,939
Restricted intergovernmental	623,891	683,991	774,586	90,595
Permits and fees	1,203,185	1,193,085	1,273,962	80,877
Sales and services	285,520	285,521	253,023	(32,498)
Investment earnings	51,812	51,812	202,849	151,037
Other revenues	79,441	164,641	277,695	113,054
Total revenues	<u>21,692,331</u>	<u>21,827,531</u>	<u>23,899,184</u>	<u>2,071,653</u>
Expenditures				
Current:				
General government	5,237,626	5,592,770	5,414,220	178,550
Public safety	6,936,113	7,074,033	6,724,929	349,104
Planning	1,477,419	1,606,023	1,331,441	274,582
Transportation	1,811,000	2,188,789	1,808,940	379,849
Public works	3,705,212	3,860,045	3,823,825	36,220
Parks and recreation	1,604,901	1,721,493	1,607,124	114,369
General services	746,166	433,804	-	433,804
Debt service	1,094,285	1,094,285	951,169	143,116
Total expenditures	<u>22,612,722</u>	<u>23,571,242</u>	<u>21,661,648</u>	<u>1,909,594</u>
Excess of revenues over (under) expenditures	<u>(920,391)</u>	<u>(1,743,711)</u>	<u>2,237,536</u>	<u>3,981,247</u>
Other financing sources (uses)				
Transfers from other funds	-	486,223	491,659	5,436
Transfers to other funds	(250,000)	(1,587,450)	(1,587,450)	-
Sale of capital assets	82,000	82,000	27,413	(54,587)
Total other financing sources (uses)	<u>(168,000)</u>	<u>(1,019,227)</u>	<u>(1,068,378)</u>	<u>(49,151)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,088,391)</u>	<u>(2,762,938)</u>	<u>1,169,158</u>	<u>3,932,096</u>
Fund balance appropriated	<u>1,088,391</u>	<u>2,762,938</u>	<u>-</u>	<u>(2,762,938)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,169,158</u>	<u>\$ 1,169,158</u>
Fund balance, beginning of year			<u>16,535,093</u>	
Fund balance, end of year			<u>\$ 17,704,251</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, 2019

Exhibit 6

ASSETS

Current assets:

Cash and cash equivalents	\$ 350,890
Accounts receivable	26,051
Prepays	860
	<hr/>
Total current assets	377,801
	<hr/>

Noncurrent assets:

Capital assets:

Construction in progress	114,998
Other capital assets, net of depreciation	173,845
	<hr/>

Total capital assets	288,843
	<hr/>
Total noncurrent assets	288,843
	<hr/>
Total assets	666,644
	<hr/>

DEFERRED OUTFLOWS OF RESOURCES

Pension deferrals	27,599
	<hr/>
Total deferred outflows of resources	27,599
	<hr/>

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	4,316
Current portion of long-term liabilities	867
	<hr/>
Total current liabilities	5,183
	<hr/>

Long-term liabilities:

Net pension liability - LGERS	34,222
Total OPEB liability	112,569
Due in more than one year	9,901
	<hr/>

Total long-term liabilities	156,692
	<hr/>
Total liabilities	161,875
	<hr/>

DEFERRED INFLOWS OF RESOURCES

Pension deferrals	2,293
OPEB deferrals	15,408
	<hr/>
Total deferred inflows of resources	17,701
	<hr/>

NET POSITION

Net investment in capital assets	288,843
Unrestricted	225,824
	<hr/>
Total net position	\$ 514,667
	<hr/> <hr/>

Town of Carrboro, North Carolina
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Stormwater Utility Enterprise Fund
Year Ended June 30, 2019

Exhibit 7

Operating revenues	
Charges for services	\$ 778,157
	<u>778,157</u>
Total operating revenues	<u>778,157</u>
Operating expenses	
Personnel services	194,089
Depreciation	9,150
Other current charges	65,924
	<u>269,163</u>
Total operating expenses	<u>269,163</u>
Operating income	508,994
Nonoperating revenues (expenses)	
Investment earnings	<u>5,673</u>
Total nonoperating revenues (expenses)	<u>5,673</u>
Income before transfers	514,667
Transfers	
Transfers to general fund	<u>(56,475)</u>
Change in net position	458,192
Total net position, beginning	<u>56,475</u>
Total net position, ending	<u><u>\$ 514,667</u></u>

Town of Carrboro, North Carolina
Statement of Cash Flows
Proprietary Fund - Stormwater Utility Enterprise Fund
Year Ended June 30, 2019

Exhibit 8

Cash flows from operating activities:	
Cash received from customers	\$ 752,106
Cash paid for goods and services	(64,302)
Cash paid to or on behalf of employees for services	(182,545)
	<u>505,259</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	(56,475)
	<u>(56,475)</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(297,993)
	<u>(297,993)</u>
Cash flows from investing activities:	
Investment earnings	5,673
	<u>5,673</u>
Net increase in cash and cash equivalents	156,464
Cash and cash equivalents, beginning	194,426
	<u>\$ 350,890</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 508,994
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	9,150
Change in assets, deferred outflows of resources, and liabilities:	
Increase in prepaid expenses	(860)
Increase in accounts receivable	(26,051)
Increase in accounts payable and accrued liabilities	2,482
Increase in accrued vacation pay	2,646
Increase in deferred outflows of resources for pensions	(20,164)
Increase in deferred inflows of resources for pensions	1,346
Increase in deferred inflows of resources for OPEB	4,437
Increase in net pension liability	24,235
Decrease in total OPEB liability	(956)
	<u>\$ 505,259</u>

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