

# **Town of Angier, North Carolina**

[www.angier.org](http://www.angier.org)

## **Comprehensive Annual Financial Report**

**For the fiscal year ended June 30, 2017**



Prepared by the Town of Angier Finance Department

Vanessa W. Young, Interim Finance Officer

# T

## able of Contents

---

### INTRODUCTORY SECTION

Letter of Transmittal	1 – 5
Certificate of Achievement for Excellence in Financial Reporting	6
Town Council, Appointed and Administrative Staff, Planning Board Members	7
Organizational Chart	8
History of Angier	9 – 12

### FINANCIAL SECTION

Independent Auditor's Report	13 – 16
Management's Discussion and Analysis	17 – 29

#### **Basic Financial Statements:**

##### Government-wide Financial Statements:

Statement of Net Position	30
Statement of Activities	31

##### Fund Financial Statements:

Balance Sheet – Governmental Funds	32
Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund	35
Statement of Net Position – Proprietary Funds	36

# T

## able of Contents

---

Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds	37
Statement of Cash Flows – Proprietary Funds	38 – 39
Notes to the Financial Statements	40 – 77

### **Required Supplemental Financial Data:**

Other Postemployment Benefits – Schedule of Funding Progress	78
Other Postemployment Benefits – Schedule of Employer Contributions	79
Schedule of the Proportionate Share of the Net Pension Liability – Local Government Employees’ Retirement System	80
Schedule of Contributions – Local Government Employees’ Retirement System	81
Schedule of Changes in Total Pension Liability – Law Enforcement Officers’ Special Separation Allowance	82
Schedule of Total Pension Liability as a Percentage of Covered Payroll	83

### **Combining and Individual Fund Financial Statements and Schedules:**

General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – General Fund	84 – 87
Non-major Governmental Funds	
Combining Balance Sheet for Non-Major Governmental Funds	88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances for Non-major Governmental Funds	89

# T

## able of Contents

---

### Capital Project Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Lillington/Willow/Roy Street Sidewalk – Capital Project Fund	90
---------------------------------------------------------------------------------------------------------------------------------------------------	----

Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual – Hwy 210/Hwy 55 Sidewalk – Capital Project Fund	91
-------------------------------------------------------------------------------------------------------------------------------------	----

Schedule of Revenues and Expenditures, and Changes in Fund Balances Budget and Actual – Angier Elementary Drainage Project Fund	92
---------------------------------------------------------------------------------------------------------------------------------	----

Schedule of Revenues and Expenditures, and Changes in Fund Balances Budget and Actual – Harnett County Arts Council Fund	93
--------------------------------------------------------------------------------------------------------------------------	----

### Water and Sewer Fund

Schedule of Revenues and Expenditures – Budget and Actual – (Non-GAAP) – Water and Sewer Fund	94 – 96
-----------------------------------------------------------------------------------------------	---------

### Water Capital Reserve Fund

Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP) – From Inception – Water Capital Reserve Fund	97
------------------------------------------------------------------------------------------------------------------	----

### Water Capital Project Fund

Schedule of Revenues and Expenditures-Budget and Actual (Non-GAAP) – From Inception – Water Capital Project Fund	98
------------------------------------------------------------------------------------------------------------------	----

### **Supporting Schedules:**

Schedule of Ad Valorem Taxes Receivable	99
-----------------------------------------	----

Analysis of Current Tax Levy – Citywide Levy	100
----------------------------------------------	-----

# T

## able of Contents

---

### STATISTICAL SECTION (unaudited)

#### **Table**

1	Net Position by Component	101
2	Changes in Net Position	102 – 103
3	Governmental Activities Tax Revenues by Source	104
4	Fund Balances of Governmental Funds	105
5	Changes in Fund Balance of Governmental Funds	106
6	Assessed Value and Estimated Actual Value of Taxable Property	107
7	Property Tax Rates - Direct and Overlapping Governments	108
8	Principal Property Taxpayers	109
9	Property Tax Levies and Collections	110
10	Ratios of Outstanding Debt by Type	111
11	Ratios of General Bonded Debt Outstanding	112
12	Direct and Overlapping Governmental Activities Debt	113
13	Legal Debt Margin Information	114
14	Pledge – Revenue Coverage	115
15	Demographic and Economic Statistics	116
16	Principal Employers	117
17	Full – Time Equivalent Town Government Employees by Function	118
18	Operating Indicators by Function	119
19	Capital Assets Statistics by Function	120

# T

---

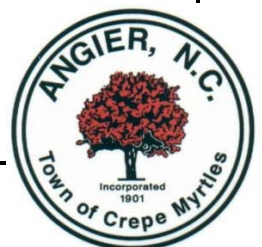
## able of Contents

### COMPLIANCE SECTION

Report on Compliance And On Internal Control Over Financial Reporting Based on an Audit Of Financial Statements Performed In Accordance With <u>Government Auditing Standards</u>	121 – 122
Schedule of Findings	123 – 125
Corrective Action Plan	126
Schedule of Expenditures of Federal and State Awards	127

*Town of Angier*  
*North Carolina*

## **INTRODUCTORY SECTION**





## TOWN OF ANGIER

---

Angier

January 2, 2018

**Honorable Mayor, Members of the Town Council  
And Citizens of the Town of Angier:**

The Comprehensive Annual Financial Report (CAFR) of the Town of Angier for the fiscal year ended June 30, 2017, is submitted by the Town's Finance Department, and it is the comprehensive publication of the town's financial position at June 30, 2017, and results of operations for the fiscal year then ended for all funds of the Town. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts. This report is published to fulfill that requirement for the fiscal year ended June 30, 2017, and to provide complete and further accountability to citizens and other interested parties by providing a comprehensive report in lieu of the minimum basic financial statement requirements.

Responsibility for both the accuracy of the presented data, and the completeness and the fairness of the presentation, including all disclosures, rests with the town. We believe the enclosed data and presentation is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the Town's funds over the last fiscal year.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This letter of transmittal is written to complement the MD&A and should be read in conjunction with it.

***Profile of the Town***

The Town of Angier, incorporated in 1901, is located in northeast Harnett County, approximately 21 miles from downtown Raleigh, the State Capital. Angier, the Town of Crepe Myrtles, is a town of quietness, security and tremendous opportunity for its residents. Despite the substantial growth in this area, Angier is still the kind of town where you know your neighbors. The Town covers approximately 2.3 square miles and has a population of 4,718.

The Town operates under a council-manager form of government. The governing body is comprised of a Mayor and a four-member Town Council, elected on a nonpartisan, at large basis for staggered four-year terms. The Town Council has policy-making and legislative authority and is responsible for the budget approval and appointment of the Town Manager, Town Attorney and Town Clerk. The Town Manager is responsible for implementing Council policies and Town Ordinances, managing daily operations and appointing department directors.

Angier is a *full service* town providing police, water distribution, sanitary sewer collection, street maintenance, including curbs, gutters, sidewalks and other infrastructure, recreation and cultural activities, engineering, household sanitation services, including recycling, planning and community development, code compliance and general administration, finance and human resources. Additionally Angier and Harnett County have formed collaborative partnerships to provide several services including economic development, inspections, code



enforcement, fire marshal services, E-911 emergency services, tax billing and collections, and election board services. This report includes all of the Town's activities in delivering and administering these services.

### ***Accounting System and Budgetary Control***

The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. Therefore, from an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate "fund".

A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Town's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other enterprises are reported on the accrual basis.

The Town's accounting system is organized and operated on a "fund" basis and each fund is classified in one of two categories and further identified as one of five major types of funds:

<b>Classification</b>	<b>Fund Type</b>
Governmental Funds	General
Proprietary Funds	Special Revenue
Fiduciary Fund	Capital Project
	Enterprise
	Capital Reserve
	Pension Trust

**Governmental Funds:** These funds are, in essence, accounting segregations of financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the differences between governmental fund assets and liabilities, the fund equity, is referred to as "Fund Balance". The primary measurement focus is upon determination of financial position and changes in financial position, which is supported by the statement of revenues, expenditures, and changes in fund balances. It may be supported or supplemented by more detailed schedules of revenues, expenditures, transfers, and other changes in fund balance.

**Proprietary Funds:** These funds are sometimes referred to as "income determination", "nonexpendable", or "commercial type" funds and are used to account for a government's on-going organizations and activities, which are similar to those often found in the private sector.

All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business and quasi business activities - where net income and capital maintenance are measured - are accounted for through proprietary funds.

The generally accepted accounting principles here are those applicable to similar businesses in the private sector, and the measurement focus is upon determination of net income, financial position, and changes in financial position.

**Budgetary Control:** The City's financial management software provides the information for effective fiscal management. Through utilization of budgetary accounting methods, effective budgetary control and accountability can be maintained. The Annual Budget, which is adopted for legal control at the functional level but controlled at the department level, authorizes and provides the basis for the City's financial management. The total adopted appropriations constitute the maximum expenditure authorization during the fiscal year and can only be amended by action of the City Council. Expenditures are controlled at the department level for all General, Special Revenue, Capital Projects and Enterprise funds.

Budgetary control is maintained at this level by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders, which would result in an overrun of departmental operating balances, are not released until additional appropriations are made available.

Open encumbrances at June 30, 2016, are treated as commitments, rather than expenditures, and such encumbered funds are appropriated for expenditure in fiscal year 2016-2017.

### ***Economic Condition and Outlook***

The Town of Angier boasts an excellent quality of life. We are a progressive and friendly community that offers small-town living, plus all of the benefits of being in close proximity to metropolitan areas of Raleigh, Durham, Chapel Hill and Research Triangle Part (RTP). Our great location, affordable land and outstanding workforce make Angier one of the best places in the region to begin or expand a business or industry.

Southwest of Angier, we have Campbell University. The main campus is located in Buies Creek with a law school located in Raleigh. Founded in 1887, the University is the second largest private four-year university in North Carolina and is composed of more than 7,000 students. The university is a private, co-educational university with Baptist roots that offers more than 150 majors, tracks, and concentrations in the liberal arts, sciences, and professions. The university offers professional degrees in law, pharmacology and health sciences, business, education and divinity as well as a wide variety of undergraduate degrees. Campbell has opened the College of Osteopathic Medicine, the first of its kind in North Carolina. Additional health science programs have also been introduced, including the Physician Assistant Program, Master of Public Health and plans for a Doctor of Physical Therapy degree program. This will greatly enhance medical training in the region and state.

Over the past few years, the Board has focused much attention on ensuring the long-term financial viability of the Town and maintaining the capital infrastructure investment during this current economic environment. Due to the strength of the Town's economy in prior years, the Town has been able to sustain what it considers to be quality development. The results of these planning processes will aid in moving the Town toward its mission and vision while current levels of service being undisturbed.

Like the national and state economy, the local economy continues to struggle in 2017. The Town has also not been immune to the national housing crisis our number of building permits decreased from 369 to 332 or 10.03% compared to the previous year. The overall property tax value for the 2017 fiscal year reflects an increase of 3.57% over the 2016 fiscal year

### ***Long Term Financial Planning and Initiatives***

The Town of Angier continues to prepare for the future through various initiatives that will enhance the services provided by the Town. Angier is recognized for its quality of life. Careful planning for growth has been based on

values for an attractive community, a strong commitment to environmental protection, adequate public facilities in advance of growth and a variety of local recreational opportunities while maintaining a strong financial position. The Town Board has committed to key goals and initiatives.

The Town maintains fund balance sufficient to maintain consistent cash flow, generate interest income, eliminate the need for short term borrowings, and provides flexibility for unanticipated opportunities and needs during emergencies or disasters. In addition, fiscally responsible budgeting has been key in maintaining and improving the Town's outstanding Council rating of 80, which is equivalent to a rating of A3/A by national rating agencies.

### ***Major Initiatives:***

During the year, the Town was involved in several projects as directed by the Town Commissioners and Town Manager. These projects are based on staff budget requests and Commissioner's funding priorities. Upon budget approval, staff maintains and implements programs, policies and activities that support the achievement of the goals and initiatives, which reflect the Town's continued commitment to quality of life while maintaining its unique personality.

### ***Financial Information:***

**Budget Control:** In government, much more than in business, the budget is an integral part of a unit's accounting system and daily operations. The North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year. The Town's budget ordinance, adopted by the Town Council, creates a legal limit on spending authorizations. Budgetary control is facilitated by the use of a requisition encumbrance and purchase order system that ensures the adequacy of funds prior to the placement of orders or the award of contracts.

**Internal Control:** The Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Town's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### ***Other Information:***

**Independent Audit:** The General Statutes of North Carolina require an annual independent financial audit of all local government units in the State. Christopher K. Abbott, CPA, PA, independent certified public accountant, has examined the financial records of the Town and their opinion has been included in this report. Their examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures, as they considered necessary in the circumstances. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the compliance section.

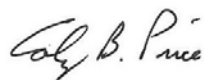
As a recipient of federal and state assistance, the Town is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

### ***Awards and Acknowledgements***

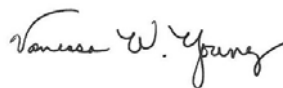
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Angier for its comprehensive annual financial report for the fiscal year ended June 30, 2016. Angier has received this prestigious award since 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments: This report is the work of the efficient and dedicated staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report and to the entire Town staff for their cooperation and assistance. Credit is also due to the mayor and the members of the Town Board for their unfailing support of the highest standards of professionalism in the management of Angier's finances.

Respectfully submitted,



Coley B. Price  
Town Manager



Vanessa W. Young  
Interim Finance Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Angier  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

# Town of Angier

## Members of Town Council

Lewis Weatherspoon  
Mayor

Alvis McKoy  
Council Member

Jerry Hockaday  
Council Member

Craig Honeycutt  
Council Member

Robert K. Smith  
Mayor Pro-Tem

## Appointed and Administrative Staff

Coley Price  
Town Manager

Veronica Hardaway  
Town Clerk

Al Bain  
Town Attorney

Vanessa Young  
Interim Finance Director

Henry Cook  
Public Works  
Director

Sean Johnson  
Planning & Zoning  
Director

Bobby Hallman  
Chief of Police

Derek McLean  
Parks & Recreation Director

## Planning Board Members

Thomas Taylor  
Council Member

Wayne Oaks  
Council Member

George Price Jr.  
Council Member

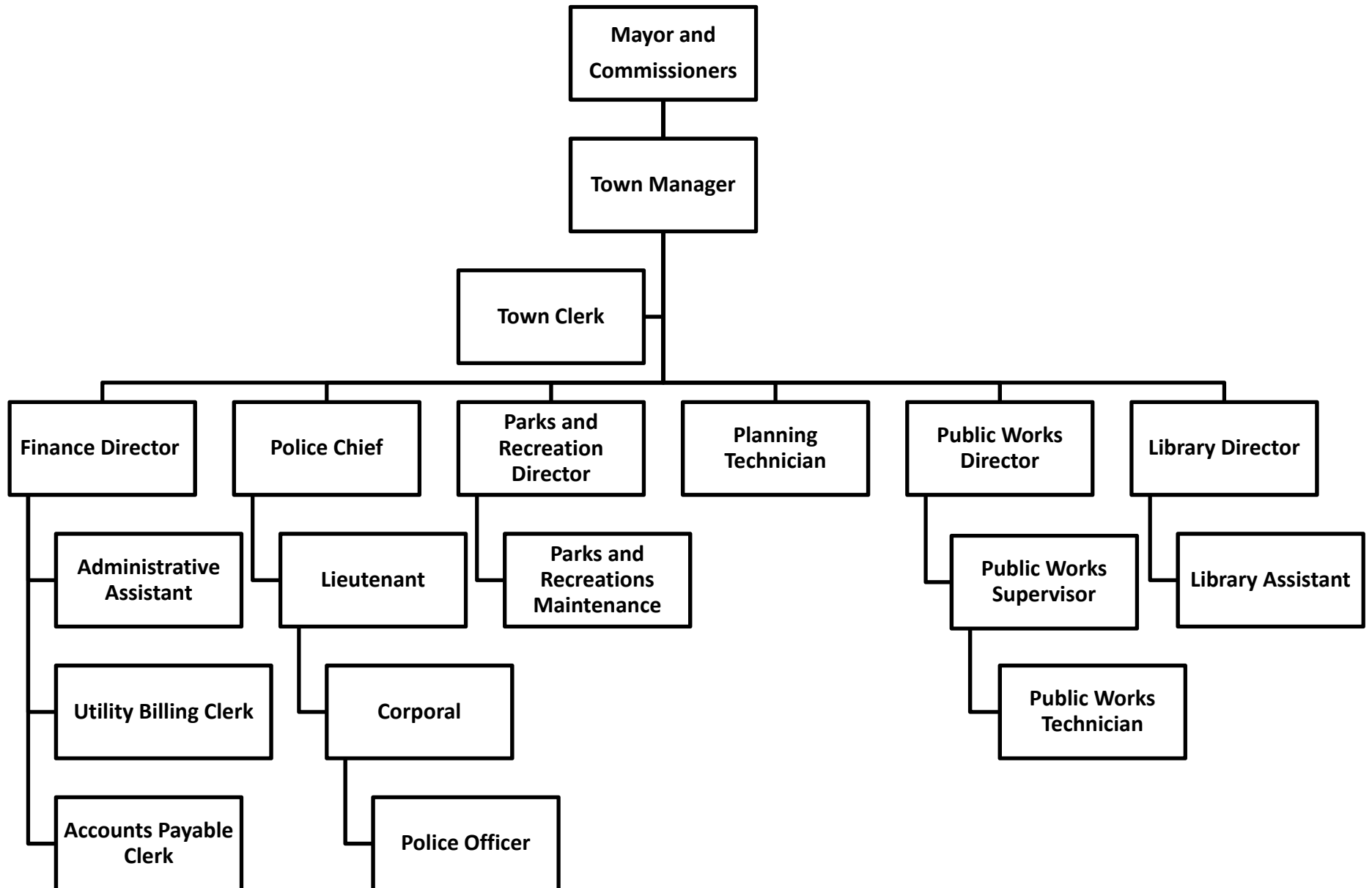
Everett Blake III  
Council Member

Lee Marshall  
Council Member

Paul Strohmeyer  
Council Member

Danny Honeycutt  
Council Member

# Town of Angier Organization Chart



# The History of Angier

Angier, the Town of Crepe Myrtles, is a town of quietness, security and tremendous opportunity for its residents. Despite the substantial growth in this area, Angier is still the kind of town where you know your neighbors.



**Jacob Calvin Williams**  
1834-1912

J.C. Williams, who grew up in the area that is now Angier, is credited with being the "Father" of the town. "Jake" was one of the eight children of Jacob Williams, and often called Jake-of-all. His ancestry has been traced all the way 'pack to the sixteenth century to the Isle of Wales, Scotland.

Jacob Calvin (Jake) married Nancy Norris of the Holly Springs section of Wake County and settled down to farm. He acquired a considerable amount of land. The first Harnett County Census in 1860 listed his holdings at 1300 acres. When the War between the States broke out in April 1861, the Williams men put down plows and

picked up guns to defend their homes. Jake served with Clingman's Brigade, Hokes Division, Company C, 3 1 st North Carolina Regiment. Records show that Jake was captured in 1864 and served time at Ft. Deleware.



**Nancy E. Norris Williams**  
1835-1903

After his release, Jake returned home to rebuild his life. In 1872 he bought seven hundred and fifty acres of land for \$3,000.00 from A.D. Cutts. The town of Angier is now located on some of that land. He and Nancy settled down on what is now North Broad Street. There they raised seven sons.

It was Jake Williams' farm that the railroad, which put Angier on the map, was built in 1899. The railroad was little more than a tramway leading from Apex, in Wake County, to the Jake Williams' farm in Harnett County. It was first known and chartered as the Cape Fear and Northern Railroad; later, about 1906, the line was extended to Durham and the name changed to the Durham and Southern.





The purpose of the railroad was to haul lumber and logs. The area around Angier had a vast sweep of fine saw timber, from short and long straw pines. The trees had been bled by the turpentine workers, leaving long stems of southern pine ready to be cut and sawed into lumber. When the turpentine business came to an end, workers and their families moved south to find unbled timber; and a new era began. A new way of making a living and supporting a family began-saw milling. No longer was the ox cart and mule-drawn wagon efficient to move lumber and logs. Now the building of the railroad was hailed as a step forward. Farming was becoming more important; growing cotton and tobacco took the place of sawmill work as that era came to a close.



**Jonathan Cicero Angier  
1857-1911**

The late Col. John C. Angier married the niece of the late Washington Duke whose "golden leaf" had found its way north after the war. The demand for more tobacco is said to have been the impetus for Mr. Duke and his sons to establish the American Tobacco Company.

Col. Angier owned and operated a lumber plant in Cary and decided to build a railroad down along the pine ridge from Apex to Harnett County. Supposedly with the backing of the Dukes, he built a railroad to the farm of Jake Williams where a "Y" was also built for turning the engine around. In time, a station house was erected for the train crew to stay at night and daily round trips were made to Apex.

Jake and his son Benton operated a general store and a turpentine distillery. Goods were transported to and from Raleigh or Dunn by two or four-horse wagons. The coming of the railroad was a boon to farmers, merchants and lumbermen.

After much discussion and numerous suggestions, the station house was named Angier to honor Johnathan C. Angier who played a major part in bringing the railroad to the area.

In July 1899, Jake Williams secured a noted surveyor, Daniel E. Green, to map and plot the land surrounding his home and the newly erected depot. Streets were laid off and named and Angier had its beginnings. By act of the North Carolina Legislature of 1901 the town received its charter.

During the 1930's, The Angier Woman's Club undertook a project to have crepe myrtles planted on roadsides leading into town from all directions. The trees make a spectacular show during June, July and August. The town chose "The Town of the Crepe Myrtles" as its slogan. Every year a Crepe Myrtle Festival is held in September with food, crafts and entertainment for all.

The Durham and Southern railroad which had run through the center of town since 1899, had its last run from Apex to Dunn on July 5, 1979. No longer was the railroad the cheapest way to transport goods to and from the industries of Angier and was no longer realizing a profit. Mayor Jack Marley and other town officials requested that railroad officials donate to the town the depot and the one hundred foot right of way within town limits. That was done and so ended another era.

Today Angier is one of the fastest growing areas in Harnett County; it has been called the bedroom of the Research Triangle Park. Angier is located twenty miles south of Raleigh, nine miles north of Lillington, the Harnett County seat, and ten miles west of Interstate 40, on NC 210.

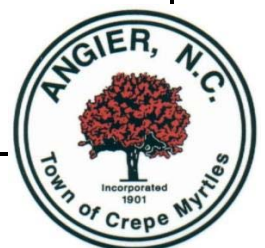






*Town of Angier*  
*North Carolina*

## **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Commissioners  
Town of Angier  
Angier, North Carolina 27501

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Angier, North Carolina, as of and for the year ended June 30, 2017, 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 did not audit the financial statements of the Town of Angier Alcoholic Beverage Control Board, which represents 100 percent of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Angier Alcoholic Beverage Control Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Town of Angier Alcoholic Beverage Control Board were not audited in accordance with Government Auditing Standards.

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

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

### ***Opinions***

In our opinion, based on our audit and the report of the other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Angier, North Carolina as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows 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.

### ***Emphasis of Matter***

As discussed in Note IV to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Additionally, the Town recorded a prior period adjustment to net position of governmental activities and general fund for unrecorded revenues. As discussed in Note IV to the financial statements, the Town determined that sales tax revenues had been under reported in previous years. The Town recorded a prior period adjustment to net position of the general fund for unrecorded revenues. Our opinion is not modified with respect to these matters.

### ***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 17 through 29, the Other Postemployment Benefits' Schedules of Funding Progress and Schedules of Employer Contributions, on pages 78 to 79, respectively, the Local Government Employee's Retirement System's Schedules of the Proportionate share of the Net Pension Asset and Contributions, on pages 80 to 81, respectively, the Law Enforcement Officers' Special Separation Allowance's Schedules of the Changes in

Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, on pages 82 to 83, 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 and other auditors 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 Angier, North Carolina. The introductory information, combining and individual fund statements, budgetary schedules, other schedules, and the statistical tables, as well as the accompanying Schedule of Expenditures of Federal and State Awards, 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, other schedules, and the Schedule of Expenditures of Federal and State Awards 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund statements, budgetary schedules, Schedule of Expenditures of Federal and State Awards, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2018 on our consideration of Town of Angier's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations,

contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Angier's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Christopher K. Abbott, CPA, PA". The signature is written in a cursive, flowing style.

Christopher K. Abbott, CPA, PA  
Fuquay-Varina, NC 27526  
January 2, 2018



*Town of Angier*  
*North Carolina*

# **MANAGEMENT DISCUSSION AND ANALYSIS**



## **Management's Discussion and Analysis**

As management of the Town of Angier, we offer readers of the Town of Angier's financial statements this narrative overview and analysis of the financial activities of the Town of Angier for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

The MD&A is an opportunity for management to proactively address any issues that might be affecting the unit's financial status or questions that might be posed by readers of the financial statements. A thoughtful discussion and analysis of economic, financial, or budgetary factors that might influence the unit should be presented.

### **Financial Highlights**

- The assets and deferred outflows of resources of the Town of Angier exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by approximately \$18,264,325 (*net position*).
- The government's total net position increased by \$118,321. Increase in the governmental activities amounts to \$248,349 and decrease in the enterprise type activities amounts to \$130,028. As a result of this increase, there have been some positive signs of the economy improving in our Town as well as Management instructing staff to curtail spending to aid in the improvement of the Town's financial condition.
- As of the close of the current fiscal year, the Town of Angier's governmental funds reported combined ending fund balances of \$3,970,123 an increase of \$249,983 in comparison with the prior year. Approximately 21.28 percent of this total amount or \$844,721 is non spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,879,320 or 83.30 percent of total general fund expenditures, for the fiscal year.
- At June 30, 2017, the Town of Angier's total debt was \$6,049,300. Increase of the Town's debt was a result of a new borrowing for a water tank.
- The Town of Angier has a Municipal Council Rating of 80 which is equivalent to a rating of A3/A by the national rating agencies. This rating is considered an investment grade rating and average or better than average for a town of Angier's population.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 30–31) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 32. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial

## Management Discussion and Analysis

### **Town of Angier**

information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

#### *Reporting the Town as a Whole*

Our analysis of the Town as a whole begins on page 19. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better or worse as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net financial position and changes in them. Readers are encouraged to think of the Town's net position—the difference between assets, liabilities, and deferred inflows of resources—as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader must also consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities, we divide the Town into three kinds of activities:

- **Governmental activities**—Most of the Town's basic services are reported here, including the general administration, police, fire, public services, and parks and recreation departments. Property taxes, sales and use taxes, intergovernmental revenues (utility franchise taxes, Powell Bill, etc.), along with various Federal and State grants finance most of these activities.
- **Business-type activities**—The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's utility systems (water, sewer, and storm water) and other business-type activities are reported here.
- **Component units**—The Town includes one separate legal entity in its report—the Town of Angier ABC Board. Although legally separate, this "component unit" is important because the Town appoints the board. The Town is not financially accountable for them, even though net profits are distributed to the Town.

### *Reporting the Town's Most Significant Funds*

Our analysis of the Town's major funds begins on page 25. The fund financial statements provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. The Town's two types of funds—governmental and proprietary—use different methods of accounting.

**Governmental funds**—Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

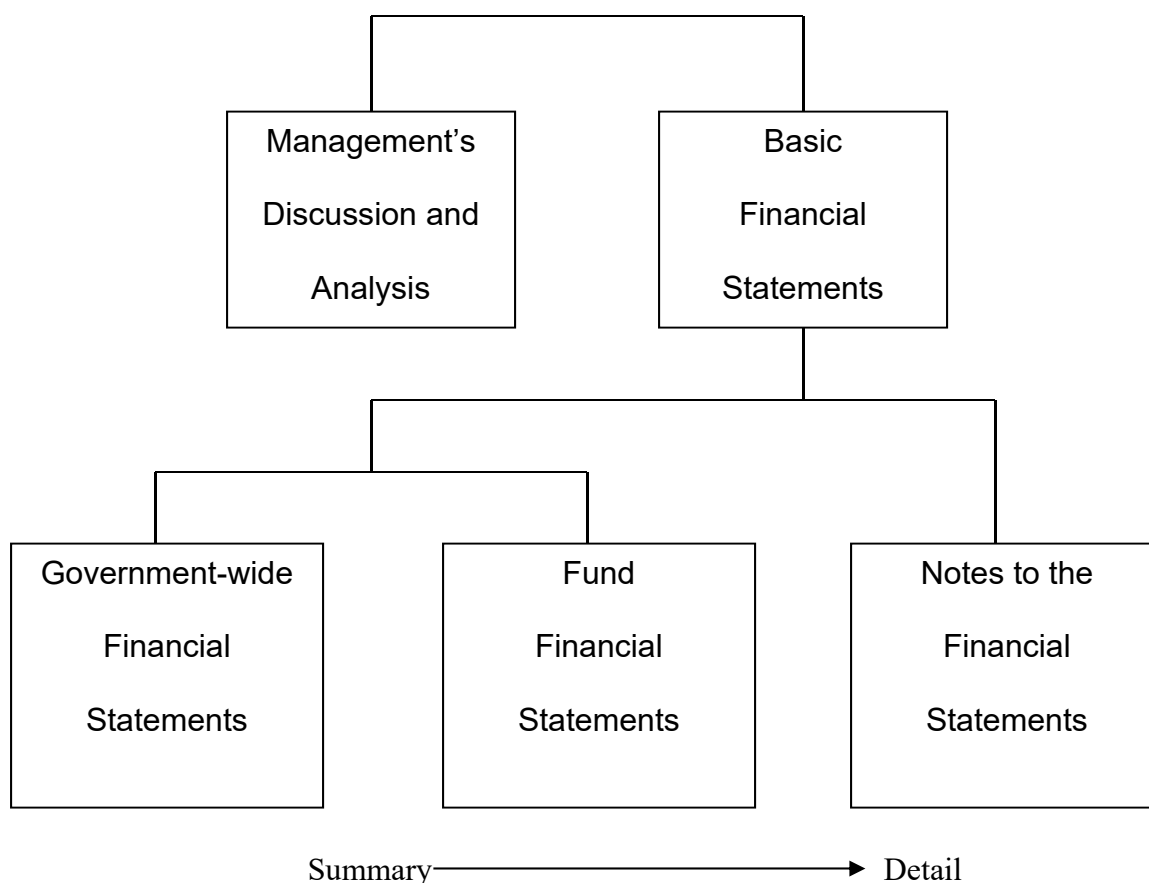
**Proprietary funds**—When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services to the Town's other programs and activities—such as the Town's fleet services operations.

### **THE TOWN AS A WHOLE AND GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements for the fiscal year ended June 30, 2017 are presented in accordance with GASB Statement (GASBS) No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

*Required Components of Annual Financial Report*

**Figure 1**



**Net Position**

The Town's combined net position increased slightly by .45% this year to \$18,264,325 from \$18,182,759. Given that the prior year's change also saw an increase of \$388,319 (2.18%), it is a testament to Town Board's fiscal policies, priority-based budgeting, and prudent fiscal management during this prolonged economic recession/recovery that the Town emerges these trying times as a stronger and leaner local government. Our analysis below focuses on the net financial position (Table 1), and changes in net position (Table 2) of the Town's governmental and business-type activities.

## Management Discussion and Analysis

### Town of Angier

The net position for governmental activities of \$8,020,592 increased by \$248,349 compared to prior fiscal year. We believe these results from a combination of several factors which contributed to the improving fiscal health of the government. The most significant factor however was realizing revenues which exceeded fiscal controls on expenses for both governmental and business-type activities. Restricted and unrestricted net position combined for a small net increase.

**Town of Angier's Statement of Net Position**  
**Table 1**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	4,116,314	3,767,383	\$ 5,711,917	\$ 4,363,977	\$ 9,828,231	\$ 8,131,360
Capital assets	5,174,910	5,254,144	10,285,797	10,294,809	15,460,707	15,548,953
Deferred outflows of resources	328,458	72,982	102,856	23,195	431,314	96,177
Total assets and deferred outflows of resources	9,619,682	9,094,509	16,100,570	14,681,981	25,720,252	23,680,313
Long-term liabilities outstanding	1,274,733	957,107	5,430,273	3,948,134	6,705,006	4,905,241
Other liabilities	302,036	283,464	421,140	345,980	723,176	629,444
Deferred inflows of resources	22,321	44,940	5,424	14,106	27,745	59,046
Total liabilities and deferred inflows of resources	1,599,090	1,285,511	5,856,837	4,308,220	7,455,927	5,593,731
Net Position:						
Net investment in capital assets	4,571,391	4,514,953	4,840,017	6,309,595	9,411,408	10,824,548
Restricted	721,605	584,742	-	-	721,605	584,742
Unrestricted	2,727,596	2,709,303	5,403,716	4,064,166	8,131,312	6,773,469
Total net position	\$ 8,020,592	\$ 7,808,998	\$ 10,243,733	\$ 10,373,761	\$ 18,264,325	\$ 18,182,759

The net position of our business-type activities decreased slightly (\$10,243,733) compared to (\$10,373,761) in 2016. Revenues were slightly lower than the previous year as the result of fewer access fees while expenses stayed constant. This results in the Town having to use fund balance for operation and maintenance. The Town will use the unrestricted net position to finance the continuing operations of the enterprise operations of the Town (Water and Sewer) and their related capital investments. Unrestricted net position in the governmental activities—the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements—increased to \$2,727,596 as compared to \$2,709,303. The Town will use the unrestricted net position to meet future budget needs and any potential deficits. These balances are also used as a tool to leverage the need for future tax increases. The net position of the Town has remained stable even though the demand for current and enhanced services continued to rise, and the Town emerges from the unusually tough economic period. Other surrounding regions as well as ourselves have experienced the same issues these last few years.

### Revenues and Expenses

The Town's total revenues (excluding transfers and special items) decreased 1.93 percent (\$116,057) over the previous fiscal year. Property Taxes and Grants and contributions not restricted to specific programs led the majority of the increase which was coupled with increases in other taxes such as Sales & Use tax and Utility Franchise tax. Charges for services in the Town's

Management Discussion and Analysis  
**Town of Angier**

governmental activities experienced a decrease while the business-type activities experienced modest increases

**Town of Angier's Changes in Net Position**  
**Table 2**

	Governmental Activities		Business Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 460,976	\$ 470,703	\$ 1,916,286	\$ 1,745,482	\$ 2,377,262	\$ 2,216,185
Operating grants and contributions	228,786	187,818	251,707	322,990	480,493	510,808
Capital grants and contributions	121,132	533,576	-	-	121,132	533,576
General Revenues:						
Property Taxes	1,784,595	1,731,489	-	-	1,784,595	1,731,489
Other Taxes	20,183	18,886	-	-	20,183	18,886
Grants and contributions not restricted to specific program	1,102,110	978,513	-	-	1,102,110	978,513
Other	19,869	32,094	3,439	3,589	23,308	35,683
Total Revenues	<u>3,737,651</u>	<u>3,953,079</u>	<u>2,171,432</u>	<u>2,072,061</u>	<u>5,909,083</u>	<u>6,025,140</u>
Expenses:						
General government	962,349	798,140	-	-	962,349	798,140
Public Safety	1,076,873	991,466	-	-	1,076,873	991,466
Transportation	749,548	988,430	-	-	749,548	988,430
Economic Development	109,617	110,989	-	-	109,617	110,989
Library	143,550	151,253	-	-	143,550	151,253
Cultural and Recreation	425,080	404,931	-	-	425,080	404,931
Interest on long-term debt	22,285	26,714	-	-	22,285	26,714
Water and Sewer	-	-	2,301,460	2,208,941	2,301,460	2,208,941
Total Expenses	<u>3,489,302</u>	<u>3,471,923</u>	<u>2,301,460</u>	<u>2,208,941</u>	<u>5,790,762</u>	<u>5,680,864</u>
Increase in net position before transfers	248,349	481,156	(130,028)	(136,880)	118,321	344,276
Transfers	-	-	-	-	-	-
Increase in net position	248,349	481,156	(130,028)	(136,880)	118,321	344,276
Net position, beginning, previously reported	7,808,998	7,283,799	10,373,761	10,510,641	18,182,759	17,794,440
Prior Period Adjustment	67,886	-	-	-	-	-
Restatement	(104,641)	44,043	-	-	(104,641)	44,043
Net Position, beginning restated	7,772,243	7,327,842	-	-	-	-
Net position, June 30	<u>\$ 8,020,592</u>	<u>\$ 7,808,998</u>	<u>\$10,243,733</u>	<u>\$ 10,373,761</u>	<u>\$18,264,325</u>	<u>\$ 18,182,759</u>

The total cost of all programs and services increased 1.93 percent (\$109,898). The Town moderated the increased demands for services and the resulting cost to Town operations in continued response to the protracted economic recovery. Results of operations show that governmental activities showed a decrease and the business-type activities of the water and sewer fund saw a moderate increase when compared to last fiscal year. Even with an increase in business-type activities, water & sewer tap fees for 2016 were \$64,168 and 2017 were \$36,811 and water and sewer access fees for 2016 were \$89,878 and 2017 were \$55,242. Even though there was a

## Management Discussion and Analysis

### Town of Angier

decrease in the governmental activities there were budgeted and expected increases for public safety and general government.

Several aspects of the Town's financial operations influenced the total unrestricted government net position. These are highlighted as follows:

- The Town's continued high collection of property taxes billed exceeding a tax collection rate of 99.85%. There was an increase of \$53,106 in advalorem taxes.
- Sales Tax grew slightly during this fiscal year.
- Permits and Fees in the Town's governmental activities decreased slightly over the past fiscal year. This was mainly due to an increase in garbage and recycling fees while other fund operating revenues remained virtually unchanged over the prior year.
- The net position for business-type operations decreased this year by \$130,028 with very little growth and increased expenditures. Harnett County sells Angier water and also treats the Town's wastewater. During FY2016-2017 the Town purchased 187,283,880 gallons from Harnett County compared to 172,438,050 gallons in FY2015-2016 which resulted in an increase in water expense paid to Harnett County of \$33,403 over the prior fiscal year. The County treated 158,583,189 metered gallons of wastewater during FY2016-2017 compared to 166,095,844 metered gallons during FY2015-2016; this resulted in a decrease of \$14,274 paid to Harnett County for the treatment of wastewater over the previous fiscal year. The Town is billed for every gallon of wastewater that Harnett County is required to treat. However, the Town only bills its customers for usage which in FY2016-2017 was 110,412,385 gallons compared to 96,058,781 gallons billed during FY2015-2016. In order to streamline our meter reading process, the Town is committed to replacing all meters with radio read meters. During the 2017 fiscal year, the Town purchased \$128,000 of radio read meters. This along with the increase in water purchase expense played a significant role in the increase of expenditures.

### Governmental Activities

Property tax revenues increased slightly compared to the prior year, primarily due to new home construction. Sales tax grew slightly in addition to the property taxes. The positive news in both these significant revenue sources is that the declines experienced in prior years have slowed and we are seeing a slight improvement monthly and throughout the fiscal year.

The total cost of all governmental activities this year increased by \$17,379. However, as shown in the Statement of Activities on pages 31, the amount that our taxpayers ultimately finance for these activities through Town taxes was \$2,678,408, an increase of \$398,582 from the prior year. The Town paid for the remaining "public benefit" portion of governmental activities with sales tax, other taxes and other general revenues.

Governmental Activities Pension Expense increased in 2017 to \$103,074 from \$42,090 in 2016.



Management Discussion and Analysis  
**Town of Angier**

**Town of Angier's Governmental Activities**

**Table 3**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
General Government	\$962,349	\$868,009
Public Safety	\$1,076,873	\$1,041,583
Transportation	\$749,548	\$241,278
Economic and Physical Development	\$109,617	\$44,949
Cultural and Recreation	\$425,080	\$329,403
Library	\$143,550	\$130,901
Interest on Long Term Debt	\$22,285	\$22,285
<b>Total</b>	<b>\$3,489,302</b>	<b>\$2,678,408</b>

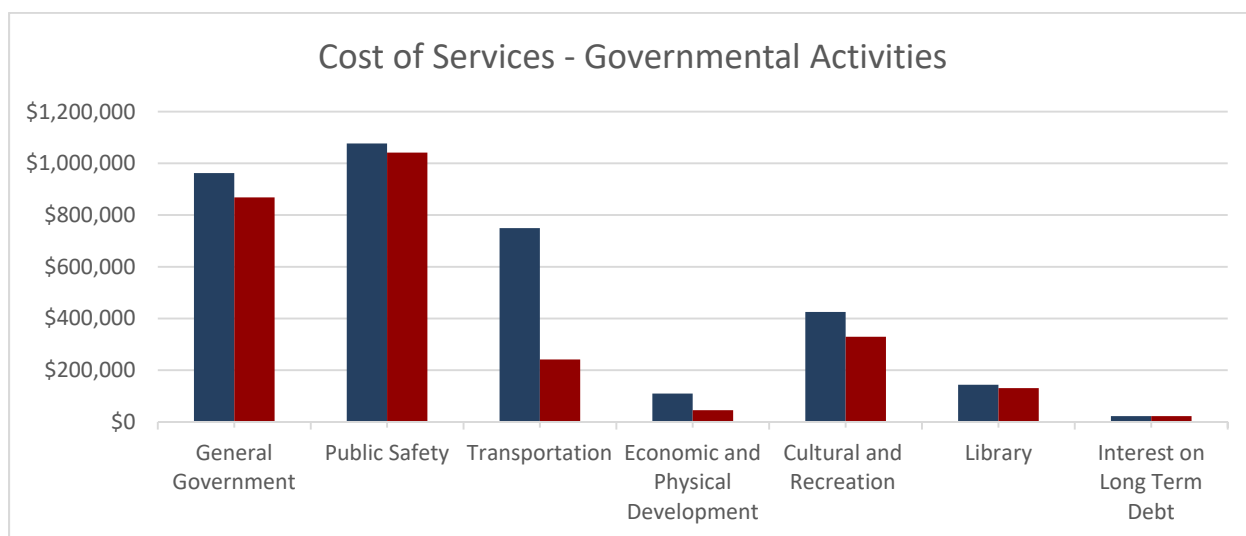


Table 3 presents the cost of each of the Town's programs—general government, public safety, transportation, economic and physical development, cultural and recreation and library—as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

## Management Discussion and Analysis

### Town of Angier

#### Business-type activities

Charges for services of the Town's business-type activities (see Exhibit 2) increased (9.79%) over the past fiscal year (\$1,745,482 in 2016 compared to \$1,916,286 in 2017). This increase is due to a small increase in consumption. Operating grants and contributions decreased by 22.07%. Business-Type Activities Pension Expense increased in 2017 to \$32,548 from \$13,292 in 2016.

#### Financial Analysis of the Town's Funds

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

**Governmental Fund.** The focus of the Town of Angier'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 Angier's financing requirements.

The general fund is the chief operating fund of the Town of Angier. At the end of the current fiscal year, fund balance available in the General Fund was \$2,879,320 while total fund balance reached \$3,963,646. The Town currently has an available fund balance of 83.30% of general fund expenditures, while total fund balance represents 114.66% of the same amount.

At June 30, 2017, the governmental funds of Town of Angier reported a combined fund balance of \$3,970,123 an 8.7 percent increase from last year.

**General Fund Budgetary Highlights:** During the fiscal year, the Town of Angier 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. However, expenditures were held in check and the Town was able to comply with its budgetary requirements.

#### General Fund Revenues on the Governmental Fund Basis

Revenue Sources	Actual Amount	Percent of Total	Increase (Decrease) from 2016
Ad valorem taxes	1,792,108	48.6%	60,665
Other taxes and licenses	20,183	0.5%	1,297
Unrestricted intergovernmental	1,124,536	30.5%	129,123
Restricted intergovernmental	274,122	7.4%	123,458
Permits and fees	401,445	10.9%	(12,589)
Sales and services	43,125	1.2%	653
Investment earnings	6,011	0.2%	3,388
Miscellaneous	28,863	0.8%	10,783
	<u>3,690,393</u>	<u>100%</u>	<u>316,778</u>

## Management Discussion and Analysis

### Town of Angier

The most significant component in General Fund revenues remains to be property taxes. As a result of new construction in the Town, the property taxes increased \$60,665 compared to the previous year. Also, permits and fees showed a decrease over the previous year by \$12,589. In addition, unrestricted intergovernmental revenue which is made up largely of sales and use taxes and franchise taxes are showing a slight increase of \$129,123. The most significant changes in General Fund expenditures when compared to the previous fiscal year occurred in Administration, Public Safety, Transportation, Powell Bill and Debt Service.

#### General Fund Expenditures on the Governmental Fund Basis

Expenditure Sources	Actual Amount	Percent of Total	Increase (Decrease) from 2016
General government	988,637	28.6%	213,755
Public safety	981,411	28.4%	(73,546)
Transportation	700,322	20.3%	69,921
Powell Bill	23,149	0.7%	(261,039)
Economic and physical development	104,888	3.0%	(7,846)
Culture and recreation	327,472	9.5%	58,913
Library	141,353	4.1%	(9,529)
Debt service	189,469	5.5%	(22,391)
	<u>3,456,701</u>	<u>100%</u>	<u>(31,762)</u>

**Proprietary Funds.** The Town of Angier'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 District at the end of the fiscal year amounted to \$5,403,716. This represents an increase of \$1,339,550 in unrestricted net position from the prior year.

#### Capital Asset and Debt Administration

**Capital assets.** The Town of Angier's investment in capital assets for its governmental and business-type activities as of June 30, 2017, totals \$15,460,707 (net of accumulated depreciation). These assets include land, buildings, roads, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions and no disposals:

##### Governmental Activities:

- 2017 Chevrolet Silverado.....\$ 28,453
- Hwy 210/Hwy 55 Sidewalk Project..... 134,380
- Lillington/Willow/Roy Sidewalk Project..... 735,827
- Building on Campbell Street..... 34,306
- Bridge at Jack Marley Park..... 18,800
- Roof for Angier Depot..... 45,760

## Management Discussion and Analysis

### Town of Angier

#### Business-Type Activities:

- Johnson's Landing Booster Pump Station.....\$ 231,119
- Meter at Knollwood Court..... 19,985
- 2017 generator for Pump Station 4..... 26,787
- Construction in Progress:
  - Wake County Elevated Water Tank..... 82,976
  - Rawls Church/Atkins Road water line extension..... 51,407

### Town of Angier's Capital Assets Figure 4

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,057,107	\$ 2,057,107	\$ 614,903	\$ 614,903	\$ 2,672,010	\$ 2,672,010
Buildings	2,301,061	1,486,129	-	-	2,301,061	1,486,129
Construction in Progress	31,289	831,134	134,383	-	165,672	831,134
Plant & Equipment	-	-	7,577,447	7,664,539	7,577,447	7,664,539
Distribution Vehicles/Heavy Equipment	177,038	242,803	202,763	208,440	379,801	451,243
Infrastructure	596,628	626,272	-	-	596,628	626,272
Furniture/Office Equipment	11,787	10,699	51	53	11,838	10,752
Intangible Assets	-	-	1,756,250	1,806,875	1,756,250	1,806,875
Total	\$ 5,174,910	\$ 5,254,144	\$ 10,285,797	\$ 10,294,810	\$ 15,460,707	\$ 15,548,954

Additional information on the Town's capital assets can be found in note II.A.4 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2017, the Town of Angier had total General Obligation Bonds \$878,780 and Installment Purchases of \$2,203,519. The remainder of the Town's debt (\$2,967,000) represents bonds secured solely by specified revenue sources (e.g. revenue bonds).

**Town of Angier's Outstanding Debt**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ -	\$ -	\$ 878,780	\$ 960,214	\$ 878,780	\$ 960,214
Installment Purchases	603,519	739,191	1,600,000	-	2,203,519	739,191
Revolving Loan	-	-	-	15,000	-	15,000
Revenue Bonds	-	-	2,967,000	3,010,000	2,967,000	3,010,000
Bond Anticipation Notes	-	-	-	-	-	-
<b>Total</b>	<b>\$ 603,519</b>	<b>\$ 739,191</b>	<b>\$ 5,445,780</b>	<b>\$ 3,985,214</b>	<b>\$ 6,049,299</b>	<b>\$ 4,724,405</b>

The Town of Angier's total debt increased by \$1,324,894 during the past fiscal year.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to eight (8) percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Angier is \$20,878,425.

Additional information on the Town's long term debt can be found in the Notes to the Financial Statements on pages 69-74 of the report.

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

The Town's elected and appointed officials considered many factors when setting the fiscal year 2016-2017 budget and tax rates that support the governmental activities and fees that will be charged for the business-type activities. Commercial and residential permits issued were showing a slight improvement in year-to-year growth although still well below what the Town would like to see.

In adopting the Annual Budget for fiscal year 2016-2017, the Town realized that there will always be challenges. The Town is the leading catalyst responsible for initiating and delivering on three very broadly defined community, neighborhood and economic quality of life goals:

- Create, guide and sustain Angier as being a livable, safe and prosperous community
- Add competitive value and quality to the services and programs provided to our citizens, businesses and visitors through prudent and accountable financial stewardship, expanding public-private partnerships and importantly, trusting and empowering employees to improve productivity and increase innovation and
- Seek out and create opportunities for the Town to grow while keeping the desire of our citizens to have a high level of quality services with minimum staffing and low taxes/utility rates.

**Budget Highlights for the Fiscal Year Ending June 30, 2018**

**Governmental Activities:** The revenues budgeted increased very little over the previous year's revenues due to the economic conditions we are experiencing. The Town will use these increases in revenues to finance programs that we currently have in place. However, with the slow growth the Town is experiencing, the Town's fund balance is staying solid. Budgeted expenditures in the General Fund for the 2018 year are approximately 5.05 percent less than the 2017 budget.

**Business – Type Activities:** The Utility Fund Annual Budget for fiscal year 2018 increased 9.07% more than the fiscal year 2017 budget.

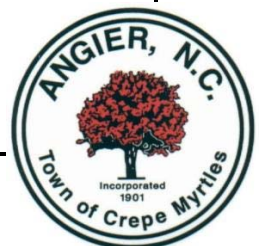
**Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. You can also visit our website at [www.Angier.org](http://www.Angier.org). Questions concerning any of the information found in this report or requests for additional information should be directed to:

Town of Angier  
Director of Finance  
PO Box 278  
Angier NC, 27501  
(919)639-2071  
[vyoung@angier.org](mailto:vyoung@angier.org)

*Town of Angier*  
*North Carolina*

# **BASIC FINANCIAL STATEMENTS**



**Town of Angier, North Carolina**  
**Statement of Net Position**  
**June 30, 2017**

	Primary Government			Town of Angier
	Governmental	Business-type	Total	ABC Board
	Activities	Activities		
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,289,631	\$ 3,633,645	\$ 6,923,276	\$ 220,998
Taxes receivables (net)	16,447	-	16,447	-
Accrued interest receivable on taxes	6,886	-	6,886	-
Accounts receivable (net)	83,505	264,178	347,683	-
Due from other governments	276,452	-	276,452	-
Due from component units	54,537	-	54,537	-
Inventories	-	12,000	12,000	193,242
Prepaid items	73,035	-	73,035	-
Restricted cash and cash equivalents	315,821	-	315,821	-
Total current assets	4,116,314	3,909,823	8,026,137	414,240
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	1,802,094	1,802,094	-
Capital assets (Note 1):				
Land, non-depreciable improvements, and construction in progress	2,088,396	749,286	2,837,682	252,000
Other capital assets, net of depreciation	3,086,514	9,536,511	12,623,025	602,385
Total capital assets	5,174,910	10,285,797	15,460,707	854,385
Total noncurrent assets	5,174,910	12,087,891	17,262,801	854,385
Total assets	\$ 9,291,224	\$ 15,997,714	\$ 25,288,938	\$ 1,268,625
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals	328,458	102,856	431,314	28,775
Total deferred outflow of resources	328,458	102,856	431,314	28,775
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 121,368	\$ 92,716	\$ 214,084	\$ 158,747
Distributions payable	-	-	-	10,158
Accrued Interest	18,025	-	18,025	-
Customer deposits	-	106,493	106,493	-
Due to primary government	-	-	-	54,537
Current portion of long-term liabilities	162,643	221,931	384,574	75,944
Total current liabilities	302,036	421,140	723,176	299,386
Long-term liabilities:				
Net pension liability	383,893	120,586	504,479	26,105
Total pension liability	168,706	-	168,706	-
Due in more than one year	722,134	5,309,687	6,031,821	338,850
Total liabilities	1,576,769	5,851,413	7,428,182	664,341
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	1,490	-	1,490	-
Pension deferrals	20,831	5,424	26,255	915
Total deferred inflows of resources	22,321	5,424	27,745	915
<b>NET Position</b>				
Net investment in capital assets	4,571,391	4,840,017	9,411,408	439,591
Restricted for:				
Stabilization by State Statute	414,494	-	414,494	-
Streets	301,979	-	301,979	-
Other purposes	5,132	-	5,132	57,344
Unrestricted	2,727,596	5,403,716	8,131,312	135,209
Total net position	\$ 8,020,592	\$ 10,243,733	\$ 18,264,325	\$ 632,144

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



**Town of Angier, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Town of Angier ABC Board
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 962,349	\$ -	\$ -	\$ 94,340	\$ (868,009)	\$ -	\$ (868,009)	\$ -
Public safety	1,076,873	1,426	33,864	-	(1,041,583)	-	(1,041,583)	-
Transportation	749,548	335,351	146,127	26,792	(241,278)	-	(241,278)	-
Economic and physical development	109,617	64,668	-	-	(44,949)	-	(44,949)	-
Library	143,550	7,056	5,593	-	(130,901)	-	(130,901)	-
Cultural and recreation	425,080	52,475	43,202	-	(329,403)	-	(329,403)	-
Interest on long-term debt	22,285	-	-	-	(22,285)	-	(22,285)	-
Total governmental activities (See Note 1)	3,489,302	460,976	228,786	121,132	(2,678,408)	-	(2,678,408)	-
Business-type activities:								
Water and sewer	2,301,460	1,916,286	251,707	-	-	(133,467)	(133,467)	-
Total business-type activities	2,301,460	1,916,286	251,707	-	-	(133,467)	(133,467)	-
Total primary government	\$ 5,790,762	\$ 2,377,262	\$ 480,493	\$ 121,132	(2,678,408)	(133,467)	(2,811,875)	-
<b>Component unit:</b>								
ABC Board	\$ 1,852,978	\$ 1,932,639	\$ -	\$ -	-	-	-	79,661
Total component unit	\$ 1,852,978	\$ 1,932,639	\$ -	\$ -	\$ -	\$ -	\$ -	79,661
<b>General revenues:</b>								
Taxes:								
Property taxes, levied for general purpose					1,784,595	-	1,784,595	-
Other taxes					20,183	-	20,183	-
Grants and contributions not restricted to specific programs					1,102,110	-	1,102,110	-
Unrestricted investment earnings					5,918	3,439	9,357	203
Gain (Loss) on Sale of Assets					(8,229)	-	(8,229)	-
Miscellaneous					22,180	-	22,180	-
Transfers					-	-	-	-
Total general revenues and transfers					2,926,757	3,439	2,930,196	203
Change in net assets					248,349	(130,028)	118,321	79,864
Net position, beginning, previously reported					7,808,998	10,373,761	18,182,759	552,280
Restatement					(104,641)	-	(104,641)	-
Prior period adjustment (Note IV)					67,886	-	67,886	-
Net assets, beginning, restated					7,772,243	10,373,761	18,146,004	552,280
Net position, ending					\$ 8,020,592	\$ 10,243,733	\$ 18,264,325	\$ 632,144

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

**Town of Angier, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	<b>Major Funds</b>		
	<b>General</b>	<b>Total Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,280,455	\$ 9,176	\$ 3,289,631
Restricted Cash	300,634	15,187	315,821
Receivables, net:			
Taxes	16,447	-	16,447
Accounts	83,505	-	83,505
Prepaid expenses	73,035	-	73,035
Due from other governments	276,452	-	276,452
Due from component unit	54,537	-	54,537
Total assets	<u>\$ 4,085,065</u>	<u>\$ 24,363</u>	<u>\$ 4,109,428</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 103,482	\$ 17,886	\$ 121,368
Total liabilities	<u>103,482</u>	<u>17,886</u>	<u>121,368</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes receivable	16,447	-	16,447
Prepaid taxes	1,490	-	1,490
Total deferred inflows of resources	<u>17,937</u>	<u>-</u>	<u>17,937</u>
Fund balances:			
Non Spendable			
Prepaid Expenses	73,035		73,035
Restricted			
Public Safety	5,132	-	5,132
Stabilization by State Statute	414,494	-	414,494
Streets	295,502	6,477	301,979
Committed			
LEO Special Separation Allowance	50,081	-	50,081
Assigned			
Subsequent year's expenditures	246,082	-	246,082
Unassigned	2,879,320	-	2,879,320
Total fund balances	<u>3,963,646</u>	<u>6,477</u>	<u>3,970,123</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,085,065</u>	<u>\$ 24,363</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	8,228,013	
Accumulated depreciation	(3,053,103)	5,174,910

Deferred outflows of resources related to pensions are not reported in the funds	328,458
----------------------------------------------------------------------------------	---------

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred in the funds.	6,886
-------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------

Earned revenues considered deferred inflows of resources in fund statements.	16,447
------------------------------------------------------------------------------	--------

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

Gross long-term debt	(902,802)	
Net pension liability	(383,893)	
Total pension liability	(168,706)	(1,455,401)

Deferred inflows of resources related to pensions are not reported in the funds	(20,831)
---------------------------------------------------------------------------------	----------

Net position of governmental activities	<u>\$ 8,020,592</u>
-----------------------------------------	---------------------

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

**Town of Angier, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	Major Funds		
	General Fund	Total Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 1,792,108	\$ -	\$ 1,792,108
Other taxes and licenses	20,183	-	20,183
Unrestricted intergovernmental	1,124,536	-	1,124,536
Restricted intergovernmental	274,122	62,994	337,116
Permits and fees	401,445	-	401,445
Sales and services	43,125	-	43,125
Investment earnings	6,011	6	6,017
Miscellaneous	28,863	-	28,863
Total revenues	3,690,393	63,000	3,753,393
<b>EXPENDITURES</b>			
Current:			
General government	988,637	-	988,637
Public safety	981,411	-	981,411
Transportation	700,322	39,072	739,394
Powell Bill	23,149	-	23,149
Economic and physical development	104,888	-	104,888
Culture and recreation	327,472	36,202	363,674
Library	141,353	-	141,353
Debt service:			
Principal	164,237	-	164,237
Interest and other charges	25,232	-	25,232
Total expenditures	3,456,701	75,274	3,531,975
Excess (deficiency) of revenues over expenditures	233,692	(12,274)	221,418
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from (to) Hwy 210/Hwy 55 Sidewalk Project Fund	(11,430)	11,430	-
Installment purchase obligations issued	28,565	-	28,565
Total other financing sources (uses)	17,135	11,430	28,565
Net change in fund balance	250,827	(844)	249,983
Fund balances, beginning as previously reported	3,644,933	7,321	3,652,254
Prior period adjustment (Note IV)	67,886	-	67,886
Fund balances, beginning as restated	3,712,819	7,321	3,720,140
Fund balances, ending	\$ 3,963,646	\$ 6,477	\$ 3,970,123

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

**Town of Angier, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2017**

different because:

Net changes in fund balances - total governmental funds \$ 249,983

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	213,211	
Depreciation expense for governmental assets	<u>(284,216)</u>	(71,005)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and outs, and donations) is to decreased net assets

Cost of capital assets disposed of	(19,950)	
Accumulated depreciation on capital assest disposed of	<u>11,721</u>	(8,229)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 81,148

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	(7,513)
------------------------------------------------	---------

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

New long-term debt issues	(28,565)	
Principal payments on long-term debt	164,237	
Decrease in accrued interest payable	<u>2,947</u>	<u>138,619</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	210	
Other postemployment benefits	(14,545)	
Net pension liability	(103,074)	
Total pension liability	<u>(17,245)</u>	<u>(134,654)</u>

Total changes in net position of governmental activities	<u><u>\$ 248,349</u></u>
----------------------------------------------------------	--------------------------

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

**Town of Angier, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2017**

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	1,745,141	1,745,141	1,792,108	46,967
Other taxes and licenses	13,000	16,497	20,183	3,686
Unrestricted intergovernmental	962,700	1,034,725	1,124,536	89,811
Restricted intergovernmental	143,784	263,304	274,122	10,818
Permits and fees	371,000	371,000	401,445	30,445
Sales and services	37,600	37,600	43,125	5,525
Investment earnings	2,100	4,100	6,011	1,911
Miscellaneous	14,100	26,200	28,863	2,663
Total revenues	3,289,425	3,498,567	3,690,393	191,826
Expenditures:				
Current:				
General government	821,767	1,041,607	988,637	52,970
Public safety	1,034,596	1,050,316	981,411	68,905
Transportation:				
Streets & Highways	678,008	731,433	700,322	31,111
Powell Bill	139,384	139,384	23,149	116,235
Subtotal Transportation	817,392	870,817	723,471	147,346
Economic and physical development	109,746	111,980	104,888	7,092
Cultural and recreation:				
Parks and Recreation	303,120	311,666	278,876	32,790
Depot	28,500	66,000	48,596	17,404
Subtotal Cultural and recreation	331,620	377,666	327,472	50,194
Library	159,915	160,300	141,353	18,947
Debt service:				
Principal retirement	173,488	173,488	164,237	9,251
Interest and other charges	26,222	26,222	25,232	990
Total expenditures	3,474,746	3,812,396	3,456,701	355,695
Revenues over (under) expenditures	(185,321)	(313,829)	233,692	547,521
Other financing sources (uses):				
Transfers from (to) other funds:				
Hwy 210/Hwy 55 Sidewalk Capital Project Fund	-	(38,792)	(11,430)	27,362
Installment purchase obligations issued	30,000	30,000	28,565	(1,435)
Sale of capital assets	3,500	3,500	-	(3,500)
Appropriation of fund balance	151,821	319,121	-	(319,121)
Total other financing sources (uses)	185,321	313,829	17,135	(296,694)
Revenues and other sources over (under) expenditures and other uses	-	-	250,827	250,827
Fund balances, beginning, previously reported			3,644,933	
Prior period adjustment (Note IV)			67,886	
Fund balances, beginning, restated			3,712,819	
Fund balances, ending			3,963,646	

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

**Town of Angier, North Carolina**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Water and Sewer Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 3,633,645
Accounts receivable (net) - billed	180,343
Accounts receivable (net) - unbilled	83,835
Inventories	12,000
Total current assets	<u>3,909,823</u>
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents	<u>1,802,094</u>
Capital assets:	
Land and other non-depreciable assets	749,286
Other capital assets, net of depreciation	<u>9,536,511</u>
Capital assets (net)	<u>10,285,797</u>
Total noncurrent assets	<u>12,087,891</u>
Total assets	<u><u>\$ 15,997,714</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension deferrals	\$ 102,856
Total deferred outflow of resources	<u>\$ 102,856</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	92,716
Customer deposits	106,493
Compensated absences - current	5,000
General obligation bonds payable-current	84,567
Installment purchases - current	87,364
Revenue bond payable - current	45,000
Total current liabilities	<u>421,140</u>
Noncurrent liabilities:	
Other postemployment benefits	58,513
Compensated absences	22,325
Net pension liability	120,586
General obligation bonds payable-noncurrent (net)	794,213
Installment purchases - noncurrent	1,512,636
Revenue bond payable - noncurrent	2,922,000
Total noncurrent liabilities	<u>5,430,273</u>
Total liabilities	<u><u>5,851,413</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension deferrals	5,424
<b>NET POSITION</b>	
Net investment in capital assets	4,840,017
Unrestricted	5,403,716
Total net position	<u><u>\$ 10,243,733</u></u>

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

**Town of Angier, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Water and Sewer Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,916,286
Water and sewer taps	36,811
Other operating revenues	185,110
<b>Total operating revenues</b>	<u>2,138,207</u>
<b>OPERATING EXPENSES</b>	
Water operations	1,007,572
Sewer operations	318,325
Water treatment and distribution	401,318
Depreciation	421,286
<b>Total operating expenses</b>	<u>2,148,501</u>
<b>Operating income (loss)</b>	<u>(10,294)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	3,439
Rental revenue	29,786
Interest and other charges	(152,959)
<b>Total nonoperating revenue (expenses)</b>	<u>(119,734)</u>
<b>Income (loss) before contributions and transfers</b>	<u>(130,028)</u>
Capital contributions	<u>-</u>
<b>Total income (loss) after contributions and transfers</b>	<u>(130,028)</u>
<b>Change in net position</b>	(130,028)
<b>Total net position, previously reported</b>	10,373,761
<b>Total net position, ending</b>	<u><u>\$ 10,243,733</u></u>

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

**Town of Angier, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Water and Sewer Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,927,544
Cash paid for goods and services	(1,274,781)
Cash paid to or on behalf of employees for services	(447,212)
Customer deposits received	3,168
Rental revenue	29,786
Other operating revenues	185,110
Net cash provided (used) by operating activities	<u>423,615</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers to other funds	<u>-</u>
Total cash flows from noncapital financing activities	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Installment purchase obligations issued	1,600,000
Acquisition and construction of capital assets	(412,274)
Principal paid on bond maturities and equipment contracts	(139,434)
Interest paid on bond maturities and equipment contracts	(152,959)
Net cash provided (used) by capital and related financing activities	<u>895,333</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends	<u>3,439</u>
Net increase (decrease) in cash and cash equivalents	1,322,387
Balances, beginning	4,113,352
Balances, ending	<u>\$ 5,435,739</u>
	cont.

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



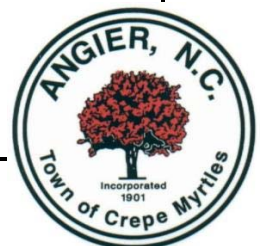
**Town of Angier, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Water and Sewer Fund</b>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ (10,294)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	421,286
Rental revenue	29,786
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(25,553)
Increase (decrease) in accounts payable and accrued liabilities	(7,505)
Increase in customer deposits	3,168
Increase (decrease) in accrued vacation pay	49
Increase in deferred outflows of resources - pensions	(79,661)
Increase in net pension liability	96,136
Decrease in deferred outflows of resources for pensions	(8,682)
Increase in OPEB liability	4,885
Total adjustments	433,909
Net cash provided by operating activities	\$ 423,615
<b>Noncash investing, capital, and financing activities:</b>	
Contributions of capital assets	\$ -

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

*Town of Angier*  
*North Carolina*

# **NOTES TO THE BASIC FINANCIAL STATEMENTS**



**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Angier 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:

A. Reporting Entity

The Town of Angier is a municipal corporation that is governed by an elected mayor and four-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.

Angier ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at the Angier ABC Board, Angier, NC 27501.

B. 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, except for fiduciary activities. 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.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a 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 nonmajor funds.

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 result from non-exchange transactions. 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:

**Lillington/Willow/Roy Street Sidewalk Capital Project Fund** – This fund is used to account for preliminary engineering, storm drainage and construction of curb and gutter with a 5' sidewalk along the aforementioned streets.

**Hwy 210/Hwy 55 Sidewalk Capital Project Fund** – This fund is used to account for the construction of the Hwy210/Hwy 55 Sidewalk.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**Angier Elementary Drainage Project Fund** – This fund is used to account for drainage remediation on the Elementary School property.

**Harnett County Arts Council Fund** – This Special Revenue Fund that accounts for specific revenue source, NC Arts Council revenues, (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

The Town reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

*Government-wide 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.

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 funds 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,

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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 revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Angier because the tax is levied by Harnett 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 by general revenues.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Project ordinances are adopted for the Special Revenue and Capital Projects 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, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the Town and of the ABC Board are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The Town and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and the ABC Board 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 ABC Board 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 and the ABC Board'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.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**2. Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

**3. 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 G.S. 136-41.4. Unexpended grant proceeds from Angier Elementary Drainage Project Funds are classified as restricted cash for Streets. Public Safety funds derived from forfeiture funds restricted for public safety and are classified as restricted cash. Revenue Bond reserve requirements are recorded as restricted cash in the Water and Sewer Fund. Customer deposits held by the Town before any services are supplies are restricted to the service for which the deposit was collected. BB&T Escrow funds are restricted for the construction of the Elevated Water Tank.

**Town of Angier Restricted Cash**

Governmental Activities		
General Fund		
	Streets	\$ 310,689
	Public Safety	5,132
Total governmental activities		<u>\$ 315,821</u>
Business-type Activities		
Water and Sewer Fund		
	Customer deposits	\$ 106,493
	Revenue Bond Reserve Requirements	95,601
	Elevated Water Tank Project	1,600,000
Total Business-type Activities		<u>\$ 1,802,094</u>
Total Restricted Cash		<u><u>\$ 2,117,915</u></u>



**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

4. Ad Valorem Taxes Receivable

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the Town levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2016.

5. 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.

6. Inventory and Prepaid Items

The Town's inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased.

Inventories of the ABC Board are valued at the lower of cost (first-in, first-out), which approximates market.

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$2,500. 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. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement 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.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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

	<u>Estimated Useful Lives</u>
Buildings and improvements	20
Infrastructure	33-40
Computer Equipment	5
Computer Software	5
Furniture and Office Equipment	10
Maintenance and Construction Equipment	10
Medium and Heavy Motor Vehicles	5
Automobiles and light Trucks	5

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Estimated Useful Lives</u>
Building and Improvements	5-40
Furniture, Fixtures, & Equipment	3-10

**8. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows 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, contributions made to the pension plan in the 2017 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, and deferrals of pension expense that result from the implementation of GASB Statement 68.

**9. 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. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**10. Compensated Absences**

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. 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 leave 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 has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned 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 does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

**11. Net Position/Fund Balances**

**Net Position**

Net Position in government-wide and proprietary fund financial statements are classified as net invested in capital assets; restricted; and unrestricted. Restricted net position represent 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.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

Prepaid Expenses – portion of fund that is not an available resource because it represents funds used to pay health insurance in advance.

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

Restricted for Stabilization by State statute – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. Also unexpended funds received by Harnett County Board of Education restricted for the Angier Elementary Drainage project. This amount represents the balance of the unexpended balances of these funds.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain public safety expenditures.

**Committed Fund Balance** – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Angier'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.

Committed for LEO pension obligation – portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

**Assigned fund balance** – portion of fund balance that Town of Angier intends to use for specific purposes imposed by majority vote by quorum of the Town of

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

Angier's governing body (highest level of decision-making authority). Any changes or removal requires majority action by the governing body.

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

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

**12. Defined Benefit Cost-Sharing Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government 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 Angier's employer contributions are recognized when due and the Town of Angier 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.

**II. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All the deposits of the Town and the ABC Board 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 ABC Board's agents 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

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the ABC Board, these deposits are considered to be held by the Town's and the ABC Board's agents 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 ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town or the ABC Board 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 has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G. S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2017, the Town's deposits had a carrying amount of \$7,591,467 and a bank balance of \$7,856,411. The carrying amount of deposits for the ABC Board was \$220,198 and the bank balance was \$208,131. At June 30, 2017, the Town's petty cash fund was \$260.

Of the Town's bank balance, \$500,000 was covered by federal depository insurance and \$7,356,411 was covered by collateral under the Pooling Method. All of the ABC Board's bank balance was fully covered by federal depository insurance.

## **2. Investments**

At June 30, 2017, The Town of Angier had \$1,449,464 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Valuation Method for the North Carolina Capital Management Trust's Government Portfolio is Amortized Cost. The Town has no policy regarding credit risk. The ABC Board has no investments.

*Interest Rate Risk.* The Town has no formal investment policy regarding interest rate risk.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

*Credit risk.* The Town has no formal policy regarding credit risk, but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated.

3. Receivables - Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2017 are net of the following allowances for doubtful accounts:

General Fund:	
Taxes receivable	\$ 7,208
Accounts receivable	<u>10,881</u>
Total General Fund	18,089
Enterprise Fund:	
Accounts receivable	<u>110,000</u>
Total	<u>\$128,089</u>

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**4. Capital Assets**

**Primary Government**

Capital asset activity for the Primary Government for the year ended June 30, 2017, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 2,057,107	\$ -	\$ -	\$ 2,057,107
Construction in Progress	831,134	70,362	870,207	31,289
	<u>\$ 2,888,241</u>	<u>\$ 70,362</u>	<u>\$ 870,207</u>	<u>\$ 2,088,396</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings	\$ 2,810,914	\$ 978,823	\$ 19,950	\$ 3,769,787
Equipment/Furniture	49,861	5,780	-	55,641
Vehicles/Heavy Equipment	1,383,497	28,453	-	1,411,950
Computer Equipment	79,801	-	-	79,801
Infrastructure	822,438	-	-	822,438
	<u>\$ 5,146,511</u>	<u>\$ 1,013,056</u>	<u>\$ 19,950</u>	<u>\$ 6,139,617</u>
<b>Less Accumulated depreciation for:</b>				
Buildings	\$ 1,324,785	\$ 155,662	\$ 11,721	\$ 1,468,726
Equipment/Furniture	41,062	2,792	-	43,854
Vehicles/Heavy Equipment	1,140,694	94,218	-	1,234,912
Computer Equipment	77,901	877	-	78,778
Infrastructure	196,166	30,667	-	226,833
Total Accumulated Depreciation	<u>\$ 2,780,608</u>	<u>\$ 284,216</u>	<u>\$ 11,721</u>	<u>\$ 3,053,103</u>
Total Capital Assets being Depreciated, net	<u>\$ 2,365,903</u>			<u>\$ 3,086,514</u>
Governmental Activity Capital Assets, net	<u>\$ 5,254,144</u>			<u>\$ 5,174,910</u>

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

General Government	\$ 19,667
Public Safety	59,991
Transportation	87,655
Economic and Physical Development	877
Culture and Recreation	115,949
Library	77
Total Depreciation Expense	<u><u>\$ 284,216</u></u>



**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

<b>Business-type activities:</b>				
<b>Water and Sewer Fund</b>	Beginning Balances	Increases	Decreases	Ending Balances
<b>Utility Fund:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 614,903	\$ -	\$ -	\$ 614,903
Intangible Assets	-	-	-	-
Construction in Progress	-	134,383	-	134,383
Total Capital Assets Not Being Depreciated	\$ 614,903	\$ 134,383	\$ -	\$ 749,286
<b>Capital Assets Being Depreciated:</b>				
Plant and distribution system	\$ 13,047,794	\$ 231,119	\$ -	\$ 13,278,913
Intangible Assets	2,025,000	-	-	2,025,000
Equipment and furniture	3,024	-	-	3,024
Vehicles and mortorized equipment	778,193	46,772	-	824,965
Computer equipment	61,594	-	-	61,594
Total Capital Assets Being Depreciated:	\$ 15,915,605	\$ 277,891	\$ -	\$ 16,193,496
<b>Less accumulated depreciation for:</b>				
Plant and distribution system	\$ 5,383,256	\$ 318,211	\$ -	\$ 5,701,467
Intangible Assets	218,125	50,625	-	268,750
Equipment and furniture	2,972	-	-	2,972
Vehicles and mortorized equipment	569,753	52,450	-	622,203
Computer equipment	61,593	-	-	61,593
Total Accumulated Depreciation	\$ 6,235,699	\$ 421,286	\$ -	\$ 6,656,985
Total Capital Assets Being Depreciated, Net	\$ 9,679,906			\$ 9,536,511
Utility Fund Capital Assets, Net	\$ 10,294,809			\$ 10,285,797

Discretely presented component unit

Activity for the ABC Board of the year ended June 30, 2017 was as follows:

	Beginning Balances	Increase	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 252,000	\$ -	\$ -	\$ 252,000
Total Capital assets not being depreciated	252,000	-	-	252,000
Capital assets being depreciated:				
Buildings	752,340	-	-	752,340
Furniture/equipment	131,919	-	-	131,919
Total Capital assets being depreciated	884,259	-	-	884,259
Less Accumulated depreciation for:				
Buildings	142,631	18,809	-	161,440
Furniture/equipment	115,871	4,563	-	120,434
Total acumulated depreciation	258,502	23,372	-	281,874
Total capital assets being depreciated, net	625,757			602,385
Capital assets, net	\$ 877,757			\$ 854,385

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**B. Liabilities**

**1. Pension Plan and Postemployment Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description.* The Town of Angier and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://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

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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 Angier and the ABC Board 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 Angier's contractually required contribution rate for the year ended June 30, 2017, was 8.00% of compensation for law enforcement officers and 7.25% 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 Angier and the ABC Board were \$105,903 and \$8,907 respectively for the year ended June 30, 2017.

*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.

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

At June 30, 2017, the Town reported a liability of \$504,479 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the Town's

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

proportion was 0.02305%, which was an increase of 0.00115% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Town recognized pension expense of \$135,621. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 9,478	\$ 17,678
Changes of assumptions	34,552	-
Net difference between projected and actual earnings on pension plan investments	278,913	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	2,466	4,917
Town contributions subsequent to the measurement date	105,903	-
Total	<u>\$ 431,312</u>	<u>\$ 22,595</u>

\$105,903 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2018	\$ 45,133
2019	45,188
2020	132,715
2021	79,780
2022	-
Thereafter	-
	<u>\$ 302,816</u>

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

*Actuarial Assumptions.* The total pension liability in the December 31, 2015 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 7.75 percent, including inflation and productivity factor
Investment rate of return	7.25 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, 2015 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, 2016 are summarized in the following table:

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

<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%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 7.25%. 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 liability 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 7.25 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 (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Town's proportionate share of the net pension liability (asset)	\$ 1,197,364	\$ 504,479	\$ (74,270)

*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.

**b. Law Enforcement Officers Special Separation Allowance**

**1. *Plan Description***

The Town of Angier 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 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.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2016 the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan member entitled to but not yet receiving benefits	-
Active plan members	<u>13</u>
Total	<u>13</u>

A separate report was not issued for the plan.

**2. *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,

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

which is maintained on the modified accrual basis of accounting. Benefits 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.

*3. Actuarial Assumptions*

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability in the December 31, 2015 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 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

The discount rate is based on the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

Mortality rates are based on the RP-2014 Mortality tables with adjustment for mortality improvements based on MP-2015 Mortality Improvement Scale.

*4. Contributions.*

The Town is required by 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 are no contributions made by employees. The Town'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 no benefits for the reporting period.

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

At June 30, 2017, the Town reported a total pension liability of \$168,706. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the Town recognized pension expense of \$17,245.



**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

	<b>Deferred Outflows of</b>	<b>Deferred Inflows of</b>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	3,662
Town benefit payments and plan administrative	-	-
Total	<u>\$ -</u>	<u>\$ 3,662</u>

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	\$ 581
2019	581
2020	581
2021	581
2022	581
Thereafter	757

*Sensitivity of the Town'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 3.86 percent, 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 (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

	<b>1% Decrease (2.86%)</b>	<b>Discount Rate (3.86%)</b>	<b>1% Increase (4.86%)</b>
Total Pension Liability	\$ 183,744	\$ 168,706	\$ 154,793

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

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

	<u><b>2017</b></u>
Beginning balance	\$ 155,163
Service Cost	12,247
Interest on the total pension liability	5,539
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(4,243)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>168,706</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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

**c. 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 Town has also elected to have employees not engaged in law enforcement to participate in the Supplemental Retirement Income Plan. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive 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. 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.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

*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.

Contributions for the year ended June 30, 2017 were \$45,293, which consisted of \$29,715 from the Town and \$15,578 from the law enforcement officers. The Town has elected to make contributions for each non-law enforcement employee. Also, the non-law enforcement employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2017 were \$80,203 which consisted of \$30,055 from the Town and \$50,147 from the non-law enforcement employees. No amounts were forfeited.

d. Other Postemployment Benefit

Healthcare Benefits

*Plan Description.* Under the terms of a Town resolution, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of June 2, 2009, this plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least ten years of creditable service with the Town and at least twenty years of service with the North Carolina Local Government Employees' Retirement System (NCLGERS). Prior to June 2, 2009, employees qualified for similar level benefits after a minimum of five years of creditable service with the Town.

The Town will contribute toward the cost of group health insurance premiums up to the base plan only based on the years of service at retirement using the following schedule:

Years of NC Service at Retirement	Years of Town Service at Retirement	Percentage of Premium Paid by the Town
20 -24	10 or more	50%
25-29	15 or more	75%
30 or more	20 or more	100%

Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates until age 65 or Medicare eligible. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

Membership of the HCB Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers:
Retirees and dependents receiving benefits	2	0
Active plan members	20	13
Total	22	13

*Funding Policy.* The Town pays the cost of coverage for the healthcare benefits paid to qualified retirees under a Town resolution that can be amended by Town Council. The Town's members pay \$276, \$809, \$1,085 per month for child, spouse, or family dependent coverage respectively. The Town has chosen to fund the healthcare benefits on a pay as you go basis.

The current annual required contribution (ARC) rate is 1.86% of annual covered payroll. For the current year, the Town contributed \$5,900 or .463% of annual covered payroll. The Town obtains healthcare coverage through private insurers. The Town's required contributions, under a Town resolution, for employees not engaged in law enforcement and for law enforcement officers represented 1.10% and .76% of covered payroll, respectively. The Town's contributions totaled \$5,900 in fiscal year 2017. There were no contributions made by employees. The Town's obligation to contribute to HCB Plan is established and may be amended by the Town Council.

*Summary of Significant Accounting Policies.* Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting and the Water & Sewer Fund, which is maintained on the accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

*Annual OPEB Cost and Net OPEB Obligation.* The Town's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation for the healthcare benefits:

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

Annual required contribution	\$ 25,005
Interest on net OPEB obligation	7,293
Adjustment to annual required contribution	6,968
Annual OPEB cost (expense)	<u>25,330</u>
Contributions made	<u>(5,900)</u>
Increase (decrease) in net OPEB obligation	19,430
Net OPEB obligation, beginning of year	<u>182,337</u>
Net OPEB obligation, end of year	<u><u>\$ 201,767</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2017 were as follows:

3 Year Trend Information

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 25,330	23.3%	\$ 201,767
2016	\$ 24,963	35.6%	\$ 182,337
2015	\$ 36,612	22.5%	\$ 166,254

*Funded Status and Funding Progress.* As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$231,327. The covered payroll (annual payroll of active employees covered by the plan) was \$1,273,626, and the ratio of the UAAL to the covered payroll was 18.2 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 to 5.00 percent annually. The investment rate included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5 year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2016, was 30 years.

**2. 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 all death benefit payments are 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 benefit amount 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.

**3. Disability Payment Plan**

The Town Board of Commissioners has established a disability fund for Town employees. Money was originally deposited into a savings account for the purpose of compensating an employee who for reasons of illness or injury was unable to perform his/her duties. The fund would pay the employee 80% of his/her regular salary, beginning on the eleventh day of disability for a period not to exceed 30 days. The Town originally deposited \$10,000 into a savings account

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

for the purpose of compensating an employee who for reasons of illness or injury was unable to perform his duties. The fund would pay the employee 80% of his/her regular salary, beginning on the eleventh day of disability for a period not to exceed 30 days. The balance on hand in the fund at June 30, 2016 was \$17,669.

**4. Deferred Outflows and Inflows of Resources**

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

Source	Amount
Contributions to pension plan in current fiscal year	\$ 105,903
Charge on assumptions	34,552
Difference between expected and actual experience	9,478
Net difference between projected and actual earnings on pension plan investments	278,913
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,466
Total	<u>\$ 431,312</u>

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

Prepaid taxes (General Fund)	\$ 1,490
Taxes Receivable (General Fund)	17,733
Differences between expected and actual experience	17,678
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,917
Change of assumptions	3,662
Total	<u>\$ 45,480</u>

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

**5. 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 protects itself from potential loss through the purchase of commercial insurance. Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance value of the property policy, and worker's compensation coverage up to statutory limits, and employee health coverage with no lifetime limit. Claims liabilities are reposted when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include amounts for material claims that have been incurred but are not reported (IBNRs), based on actuarial computations. At June 30, 2017, the Town did not have any material IBNRs reported in liabilities.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not carry flood insurance through the National Flood Insurance Plan (NPIF). The Town has decided to not obtain the coverage because it does not have any structures in a flood plain.

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 finance officer and tax collector are each individually bonded for \$100,000 and \$100,000 respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

The Town of Angier ABC Board 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 ABC Board has commercial property, general liability, auto liability, worker's compensation, and employee health coverage. The board also has liquor legal liability. There have been no significant reductions in insurance coverage from coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

**6. Long-Term Obligations**

**a. Installment Purchases**

The Town is indebted under installment purchase agreements as follows:

Serviced by the General Fund:



**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

The Town entered into a \$1,250,000 Installment Financing Contract with First Citizens Bank & Trust Company on June 25, 2007 for the renovation and expansion of the Jack Marley Town Park and improvements to the intersection of highways 210 and 55. The underlying promissory note provides for fifteen annual payments of \$83,333.33, plus accrued interest at 3.87%, commencing July 25, 2008. The note is secured by the real and personal property of the Park under a deed of trust.

Balance at June 30, 2017       \$   500,000

The Town entered into a \$28,963 Promissory Note Agreement with First Bank on September 12, 2014 for the purchase of a Dodge Charger Police Vehicle. The contract provides for monthly payments of \$842.78, including interest at 3.00%, commencing October, 2014. The note is secured by the equipment purchased.

Balance at June 30, 2017                   2,516

The Town entered into a \$46,000 Promissory Note Agreement with First Bank on July 8, 2015 for the purchase of two Dodge Charger Police Vehicles. The contract provides for monthly payments of \$1,338.66, including interest at 3.00%, commencing August, 2015. The note is secured by the equipment purchased.

Balance at June 30, 2017                   17,097

The Town entered into a \$95,000 Promissory Note Agreement with First Citizens Bank on March 28, 2016 for the purchase of three Dodge Charger Police Vehicles. The contract provides for monthly payments of \$2,719.39, including interest at 1.96%, commencing April, 2016. The note is secured by the equipment purchased.

Balance at June 30, 2017                   56,094

The Town entered into a \$28,565 Promissory Note Agreement with First Bank on May 23, 2017 for the purchase of a Chevrolet Truck. The contract provides for monthly payments of \$837.69, including interest at 3.50%, commencing June, 2017. The note is secured by the equipment purchased.

Balance at June 30, 2017                   27,813

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

Total General Fund \$ 603,520

Serviced by the Utility Fund:

The Town entered into a \$1,600,000 Installment Financing Contract with BB&T on June 19, 2017 for the construction of the Water Tank. The underlying promissory note provides for thirty semi-annual payments of \$65,541.69, plus accrued interest at 2.77%, commencing December 19, 2017. The note is secured by the equipment and the moneys on deposit from time to time in the Project Fund.

Balance at June 30, 2017 \$ 1,600,000

Annual debt service payments of the installment purchases as of June 30, 2017, including interest of \$70,561 for Governmental activities and \$366,251 for Business activities of are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2018	142,643	21,318	87,364	43,719
2019	118,491	16,834	89,801	41,282
2020	92,386	13,060	92,306	38,778
2021	83,333	9,675	94,880	36,203
2022	83,333	6,450	97,527	33,557
2023-2027	83,334	3,225	529,986	125,431
2028-2032	-	-	608,137	47,280
Total Principal Payments	<u>\$ 603,520</u>		<u>\$ 1,600,000</u>	
Total Interest Payments		<u>\$ 70,562</u>		<u>\$ 366,251</u>

**b. General Obligation Indebtedness**

The Town's general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

General obligation bonds payable at June 30, 2017 are comprised of the following individual issues serviced by the Water and Sewer Fund:

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

\$1,311,000 Refunding Bonds issued December 13, 2011, interest at 3.57%, with annual principal and interest payments due through June 1, 2026.	\$ 878,780
	_____

Total General Obligation Bonds	\$ <u>878,780</u>
--------------------------------	-------------------

Annual debt service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2018	84,567	31,372
2019	87,681	28,353
2020	90,775	25,223
2021	94,350	21,983
2022	96,895	18,614
2023-2026	424,512	38,469
Total	\$ 878,780	\$ 164,014

c. Revenue Bond

\$1,240,000 Water and Sewer Revenue Bonds, Series 2010, issued for water and sewer system improvements. Principal installments are due annually on June 1 beginning June 1, 2012 with semiannual interest payments due on December 1 and June 1, at an annual rate of 4.125%.

Balance June 30, 2017    \$1,146,000

\$1,921,000 Water and Sewer Revenue Bonds, Series 2012, issued for water and sewer system improvements. Principal installments are due annually on June 1 beginning June 1, 2014 with annual interest payments due on June 1, at an annual rate of 3.75%.

Balance June 30, 2017    \$1,821,000

Total Revenue Bonds	<u>\$2,967,000</u>
---------------------	--------------------

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

The future payments of the revenue bond for the years ending June 30, 2017 are as follows:

Year Ending June 30	Principal	Interest
2018	45,000	115,560
2019	47,000	113,805
2020	48,000	111,971
2021	51,000	110,100
2022	53,000	108,113
2023-2027	297,000	507,956
2028-2032	360,000	445,256
2033-2037	435,000	369,383
2038-2042	525,000	277,691
2043-2047	634,000	167,171
2048-2051	472,000	40,898
	\$	
Total	<u>2,967,000</u>	<u>\$ 2,367,904</u>

The Town is in compliance with the covenants as to rates, fees, rentals and charges in Section 5 of the Bond Order, authorizing the issuance of the Water and Sewer Revenue Bonds, Series 2010 since its adoption in 2010, and Water and Sewer Revenue Bonds, Series 2012 since its adoption in 2012. Section 5.01 of the Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2017, is as follows:

Operating Revenues	\$ 2,138,207
Operating expenses*	<u>1,727,215</u>
Operating income	410,992
Nonoperating revenues (expenses)**	<u>(2,359)</u>
Income available for debt service	408,633
Debt service, principal and interest paid (Revenue Bond only)	160,560
Debt service coverage ratio	255%

\*Per rate covenants, this does not include the depreciation expense of \$421,286

\*\*Per rate covenants, this does not include revenue bond interest paid of \$117,237

The Town has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$1,240,000 million in sewer system revenue bonds issued in May 2010 and the \$1,921,000 in sewer system revenue bonds issued in March 2012. Proceeds from the bonds provided financing to construct

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

improvements to the Town's sanitary sewer system and acquire entitlements to capacity in a regional sanitary sewer system. The bonds are payable solely from water and sewer customer net revenues and are payable through 2051. Annual principal and interest payments on the bonds are expected to require less than 25 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,334,904. Principal and interest paid for the current year and total customer net revenues were \$160,236 and \$331,842, respectively.

**d. Changes in Long-Term Liabilities**

During the year ended June 30, 2017 the following changes occurred in Long term liabilities:

	Balance			Balance		Current
	June 30, 2016	Increases	Decreases	June 30, 2017		Portion
<b>Governmental activities:</b>						
Installment purchases	\$ 739,191	\$ 28,565	\$ (164,237)	\$ 603,519	\$	142,643
Compensated absences	138,214	24,072	(24,282)	138,004		20,000
Other postemployment benefits	128,709	14,545	-	143,254		-
Net pension liability (LGERS)	78,996	304,897	-	383,893		-
Total pension liability (LEO)	50,482	118,224	-	168,706		-
Governmental activity long-term liabilities	<u>\$ 1,135,592</u>	<u>\$ 490,303</u>	<u>\$ (188,519)</u>	<u>\$ 1,437,376</u>	<u>\$</u>	<u>162,643</u>
<b>Business-type activities:</b>						
General obligation bonds	\$ 960,214	\$ -	\$ (81,434)	\$ 878,780	\$	84,567
Revolving loan	15,000	1,600,000	(15,000)	1,600,000		87,364
Revenue bonds	3,010,000	-	(43,000)	2,967,000		45,000
Net pension liability (LGERS)	24,450	96,136	-	120,586		-
Other postemployment benefits	53,628	4,885	-	58,513		-
Compensated absences	27,276	5,821	(5,772)	27,325		5,000
Business-type activity long-term liabilities	<u>\$ 4,090,568</u>	<u>\$ 1,706,842</u>	<u>\$ (145,206)</u>	<u>\$ 5,652,204</u>	<u>\$</u>	<u>221,931</u>

Compensated absences for governmental activities have typically been liquidated in the General Fund.

General Fund assets have and are used to satisfy net pension obligations.

**e. Operating Lease Obligations**

The Town has entered into operating leases for various office equipment for terms from three to five years. Rental expense under these agreements for the current

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

year was \$14,190 for Governmental Activities and \$2,249 for Business-type Activities.

Future minimum rental payments for the five years ending June 30 are as follows:

Year Ending June 30	Governmental Activities	Business-type Activities
2018	12,639	2,096
2019	7,200	1,239
2020	1,973	197
Totals	\$ 36,002	\$ 5,781

**C. Interfund Balances and Activity**

Balances due to/from other funds at June 30, 2017 consist of the following:

Due to Water Sewer Fund for expenditure of loan funds that had not been reimbursed at June 30, 2017 from the:

Water Capital Project Fund \$ 113,500

The interfund loan will be repaid upon receipt of loan funds, which is anticipated to occur within 60 days.

Transfers to/from other funds at June 30, 2017, consist of the following:

From General Fund to Hwy/Hwy 55 Project Fund \$ 11,430

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

**D. Net Investment in Capital Assets**

	Governmental	Business-type
Capital assets	\$ 5,174,909	\$ 10,285,797
less: long-term debt	603,520	5,445,780
Net investment in capital asset	\$ 4,571,389	\$ 4,840,017

**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

E. Fund Balance

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

<b>Total fund balance-General Fund</b>	<b>\$ 3,963,646</b>
<b>Less:</b>	
<b>Prepaid Expenses</b>	73,035
<b>Stabilization by State Statute</b>	414,494
<b>Streets-Powell Bill</b>	295,502
<b>Appropriated Fund Balance in 2015 budget</b>	246,082
<b>Public Safety</b>	5,132
<b>Remaining Fund Balance</b>	<b>2,929,401</b>

The Town of Angier has not adopted a minimum fund balance policy for the General Fund.

III. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

IV. Change in Accounting Principles/Restatement and Prior Period Adjustment

The Town implemented Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, in the fiscal year ending June 30, 2017. The implementation of the statement required the Town to record beginning total pension liability and the effects on net position of benefit payments and administrative expenses paid by the Town to the Law Enforcement Officers' Special Separation Allowance during the measurement period (fiscal year ending December 31, 2016). As a result, net position for the governmental activities decreased \$104,611.

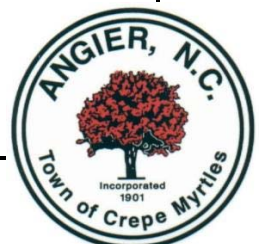
**Town of Angier, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2017**

During the fiscal year ended June 30, 2017, the Town determined that sales tax revenues had been under reported in previous years. This resulted in an increase to beginning net assets at the Government Wide level and the beginning fund balance in the General Fund of \$67,886.



## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

- Schedule of Funding Progress for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Post-Employment Benefits
- Schedule of Proportionate Share of Net Pension Liability 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 Angier, North Carolina**  
**Other Postemployment Benefits**  
**Required Supplementary Information**  
**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/15	-	231,327	1,273,626	18.2%
12/31/14	-	234,466	1,180,633	19.9%
12/31/13	-	360,318	1,127,026	32.0%
12/31/12	-	381,255	1,053,068	36.2%
12/31/11	-	396,631	1,067,399	37.2%
12/31/10	-	457,279	1,030,535	44.4%

**Town of Angier, North Carolina  
Other Postemployment Benefits  
Required Supplementary Information  
Schedule of Employer Contributions**

---

Year Ended June 30	Percentage Contributed
2017	23.3%
2016	35.6%
2015	22.5%
2014	37.8%
2013	47.2%
2012	32.9%
2011	43.5%

---

**Notes to the Required Schedules:**

The information presented in the required supplementary schedules was determined as part actuarial valuation follows:

Valuation date

Actuarial cost method

Amortization method

Remaining amortization period

Amortization Factor

Asset valuation method

Actuarial assumptions:

Investment rate of return\*

Medical cost trend rate

Year of Ultimate trend rate

\*Includes inflation at

**Town of Angier, North Carolina**  
**Town of Angier's Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Two Fiscal Years \***

**Local Government Employees' Retirement System**

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Town of Angier's proportion of the net pension liability (asset) (%)	0.02377%	0.02305%	0.02190%	0.02210%
Town of Angier's proportion of the net pension liability (asset) (\$)	\$ 504,479	\$ 103,446	\$ (129,154)	\$ 266,390
Town of Angier's covered-employee payroll	\$ 1,344,769	\$ 1,232,700	\$ 1,127,617	\$ 1,086,921
Town of Angier's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	37.51%	8.39%	( 11.45%)	24.51%
Plan fiduciary net position as a percentage of the total pension liability**	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.

This schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available.

**Town of Angier, North Carolina  
Town of Angier's Contributions  
Required Supplementary Information  
Last Two Fiscal Years**

**Local Government Employees' Retirement System**

	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Contractually required contribution	\$ 105,903	\$ 92,837	\$ 88,260	\$ 80,509
Contributions in relation to the contractually required contribution	105,903	92,837	88,260	80,509
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Angier's covered-employee payroll	\$ 1,395,017	\$ 1,344,769	\$ 1,232,700	\$ 1,127,617
Contributions as a percentage of covered-employee payroll	7.59%	6.90%	7.16%	7.14%

This schedule is intended to show information for ten years. The additional years' information will be displayed as it becomes available.

**Town of Angier, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2017**

	<b>2017</b>
Beginning balance	\$ 155,163
Service Cost	12,247
Interest on the total pension liability	5,539
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(4,243)
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 168,706</u>

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

**Town of Angier, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**June 30, 2017**

	<u><b>2017</b></u>
Total pension liability	\$ 168,706
Covered payroll	549,801
Total pension liability as a percentage of covered payroll	30.68%

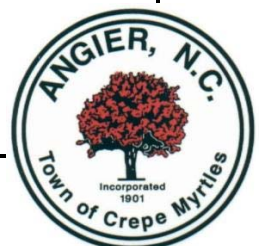
Notes to the schedules:

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

*Town of Angier*  
*North Carolina*

# **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

This section contains additional information on the  
Governmental and Proprietary Funds (budget to actual  
comparison).





**Town of Angier, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes	\$ 1,739,141	\$ 1,787,075	\$ 47,934
Penalties and interest	6,000	5,033	(967)
Total	<u>1,745,141</u>	<u>1,792,108</u>	<u>46,967</u>
Other taxes and licenses:			
Vehicle Licenses	16,300	19,858	3,558
Privilege licenses	197	325	128
Total	<u>16,497</u>	<u>20,183</u>	<u>3,686</u>
Unrestricted intergovernmental:			
Local option sales taxes	675,050	753,520	78,470
Motor fuel tax refund	9,500	9,833	333
Payments in lieu of taxes-outside sources	8,000	8,013	13
Telecommunications sales tax	18,000	21,648	3,648
Utility franchise tax	200,000	208,505	8,505
Video Franchise Fees	50,000	41,158	(8,842)
Piped natural gas tax	150	417	267
Beer and wine tax	22,525	22,525	-
Harnett county recreation funds	7,000	7,000	-
ABC profit distribution	44,500	51,917	7,417
Total	<u>1,034,725</u>	<u>1,124,536</u>	<u>89,811</u>
Restricted intergovernmental:			
Federal grant revenue	21,403	24,038	2,635
State grant revenue	98,117	98,582	465
Powell Bill Allocation	139,284	138,897	(387)
Powell Bill Reimbursement	-	3,816	3,816
Solid waste disposal tax	2,500	3,315	815
Drug forfeiture revenues	-	1,271	1,271
ABC Revenue for law enforcement	2,000	4,203	2,203
Total	<u>263,304</u>	<u>274,122</u>	<u>10,818</u>
Permits and fees:			
Police/Magistrate fees	1,000	1,426	426
Garbage fees	230,000	250,243	20,243
Recycling Fees	80,000	85,108	5,108
Building permits	50,000	53,150	3,150
Planning fees and permits	10,000	11,518	1,518
Total	<u>371,000</u>	<u>401,445</u>	<u>30,445</u>

**Town of Angier, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Budget	Actual	Variance Positive (Negative) cont.
Sales and services:			
Recreation department fees	37,600	43,125	5,525
Investment earnings	4,100	6,011	1,911
Miscellaneous:			
Library revenues	9,000	7,056	(1,944)
Depot revenues	6,000	9,350	3,350
Miscellaneous	11,200	12,457	1,257
Total	26,200	28,863	2,663
Total revenues	3,498,567	3,690,393	191,826
<b>Expenditures:</b>			(3,690,393)
General government:			
Administration:			
Salaries and employee benefits		363,693	
Other operating expenditures		573,404	
Capital Outlay		51,540	
Total General Government	1,041,607	988,637	52,970
Public safety:			
Police:			
Salaries and employee benefits		847,420	
Vehicle maintenance		25,297	
Other operating expenditures		108,694	
Total Public Safety	1,050,316	981,411	68,905
Transportation:			
Streets and highways:			
Salaries and employee Benefits		52,990	
Vehicle maintenance		16,907	
Building & equipment maintenance		11,931	
Street Lights		148,164	
Solid waste removal		238,895	
Other operating expenditures		168,676	
Capital outlay		62,759	
Total Streets and Highways	731,433	700,322	31,111

**Town of Angier, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Budget	Actual	Variance Positive (Negative) cont.
Powell Bill:			
Other operating expenditures		23,149	
Total Powell Bill	139,384	23,149	116,235
Total Transportation	870,817	723,471	147,346
Economic and Physical Development:			
Planning, Zoning and Inspections			
Salaries and employee benefits		56,845	
Other operating expenditures		48,043	
Total Economic and Physical Dev.	111,980	104,888	7,092
Cultural and recreation:			
Parks and Recreation:			
Salaries and employee benefits		153,860	
Reparis and maintenance		3,032	
Other operating expenditures		95,191	
Capital Outlay		26,793	(26,793)
Total Parks and Recreation	311,666	278,876	32,790
Depot			
Building maintenance		3,319	
Other operating expenditures		12,229	
Capital Outlay		33,048	
Total Depot	66,000	48,596	17,404
Total Cultural and Recreation:	377,666	327,472	50,194
Library:			
Salaries and employee benefits		88,872	
Other operating expenditures		50,283	
Reparis and maintenance		2,198	
Total Library	160,300	141,353	18,947
Debt service:			
Principal retirement		164,237	
Interest and other charges		25,232	
Total debt service	199,710	189,469	10,241
Total expenditures	3,812,396	3,456,701	355,695
Revenues over (under) expenditures	(313,829)	233,692	547,521

**Town of Angier, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) cont.</u>
Other financing sources (uses):			
Transfer to other funds:			
Hwy 210/Hwy 55 Sidewalk Project	(38,792)	(11,430)	27,362
Installment purchase obligations issued	30,000	28,565	(1,435)
Sale of capital assets	3,500	-	(3,500)
Appropriation of fund balance	319,121	-	(319,121)
Total	<u>\$ 313,829</u>	<u>17,135</u>	<u>\$ (296,694)</u>
Revenues and other financing sources			
over expenditures and other			
financing uses	<u>\$ -</u>	250,827	<u>\$ 250,827</u>
Fund balances, beginning as previously reported		3,644,933	
Prior period adjustment		67,886	
Fund balances, beginning, as restated		<u>3,712,819</u>	
Fund balances, ending		<u>\$ 3,963,646</u>	

**Town of Angier, North Carolina  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2017**

	Lillington/Willow/ Roy Street Sidewalk Capital Project Fund		Hwy 210/Hwy 55 Sidewalk Capital Project Fund		Angier Elementary Drainage Project Fund		Harnett County Arts Council		Total Nonmajor Governmental Funds
<b>Assets</b>									
Cash and cash equivalents	\$	4,068	\$	-	\$	15,187	\$	5,108	\$ 24,363
Due from other governments		-		-		-		-	-
Total assets	<u>\$</u>	<u>4,068</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>15,187</u>	<u>\$</u>	<u>5,108</u>	<u>\$ 24,363</u>
<b>Liabilities and Fund Balances</b>									
Liabilities:									
Due to other funds	\$	-	\$	-	\$	-	\$	-	\$ -
Accounts payable and accrued liabilities		4,068	\$	-	\$	8,710	\$	5,108	\$ 17,886
Total liabilities		<u>4,068</u>		<u>-</u>		<u>8,710</u>		<u>5,108</u>	<u>17,886</u>
Fund balances:									
Restricted:									
Streets		-		-		6,477		-	6,477
Committed:									
Streets		-		-		-		-	-
Total fund balances		<u>-</u>		<u>-</u>		<u>6,477</u>		<u>-</u>	<u>6,477</u>
Total liabilities and fund balances	<u>\$</u>	<u>4,068</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>15,187</u>	<u>\$</u>	<u>5,108</u>	<u>\$ 24,363</u>

**Town of Angier, North Carolina**  
**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Lillington/Willow/ Roy Street Sidewalk Capital Project Fund		Hwy 210/Hwy 55 Sidewalk Capital Project Fund	Angier Elementary Drainage Project Fund	Harnett County Arts Council	Total Nonmajor Governmental Funds
Revenues:						
Restricted intergovernmental	\$	-	\$ 26,792	\$ -	\$ 36,202	62,994
Investment earnings		-	-	6	-	6
Total revenues		-	26,792	6	36,202	63,000
Expenditures:						
Economic Development		-	-	-	-	-
General Government		-	-	-	-	-
Parks & Recreation		-	-	-	36,202	36,202
Transportation		-	39,072	-	-	39,072
Total expenditures		-	39,072	-	36,202	75,274
Revenues over (under) expenditures		-	(12,280)	6	-	(12,274)
Other financing sources:						
Transfers (to) from other funds:						
General Fund		-	11,430	-	-	11,430
Total Other financing sources		-	11,430	-	-	11,430
Revenues and other financing sources over expenditures		-	(850)	6	-	(844)
Fund balance, beginning		-	850	6,471	-	7,321
Fund balance, ending	\$	-	\$ -	\$ 6,477	\$ -	\$ 6,477

**Town of Angier, North Carolina**  
**Lillington/Willow/Roy Street Sidewalk - Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Project Author - ization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Grant Revenue	531,639	516,696	-	516,696	(14,943)
Investment earnings	-	-	-	-	-
Total revenues	<u>531,639</u>	<u>516,696</u>	<u>-</u>	<u>516,696</u>	<u>(14,943)</u>
<b>Expenditures</b>					
Engineering	68,000	67,504	-	67,504	496
Construction	663,177	639,711	-	639,711	23,466
Right of Way/Easements	9,000	8,782	-	8,782	218
Testing	20,000	18,821	-	18,821	1,179
Landscaping	2,500	1,008	-	1,008	1,492
Miscellaneous	-	-	-	-	-
Total expenditures	<u>762,677</u>	<u>735,826</u>	<u>-</u>	<u>735,826</u>	<u>26,851</u>
Revenues under expenditures	<u>(231,038)</u>	<u>(219,130)</u>	<u>-</u>	<u>(219,130)</u>	<u>11,908</u>
<b>Other Financing Sources</b>					
Transfers from other funds:					
General Fund	231,038	219,130	-	219,130	(11,908)
Transfers to other funds:					
General Fund	-	-	-	-	-
Total other financing sources	<u>231,038</u>	<u>219,130</u>	<u>-</u>	<u>219,130</u>	<u>(11,908)</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

**Town of Angier, North Carolina**  
**Hwy 210/Hwy 55 Sidewalk - Capital Project Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Project Author - ization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental:					
Grant Revenue	104,000	77,208	26,792	104,000	-
Total revenues	104,000	77,208	26,792	104,000	-
<b>Expenditures</b>					
Engineering	10,000	9,400	-	9,400	600
Construction	116,281	77,208	39,072	116,280	1
Right of Way	10,372	5,172	-	5,172	5,200
Testing	10,000	3,228	-	3,228	6,772
Miscellaneous	4,400	300	-	300	4,100
Total Expenditures	151,053	95,308	39,072	134,380	16,673
Revenues under expenditures	(47,053)	(18,100)	(12,280)	(30,380)	16,673
<b>Other Financing Sources</b>					
Transfer from General Fund	47,053	18,950	11,430	30,380	16,673
Fund Balance Appropriated	-	-	-	-	-
Total other financing sources	47,053	18,950	11,430	30,380	16,673
Revenues and other sources over expenditures	\$ -	\$ 850	(850)	\$ -	\$ -
Fund balance, beginning			850		
Fund balance, ending			\$ -		



**Town of Angier, North Carolina**  
**Angier Elementary Drainage Project**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2017**

	Project Author - ization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Harnett County Board of Education	50,000	50,000	-	50,000	-
Investment earnings	-	274	6	280	280
Total revenues	<u>50,000</u>	<u>50,274</u>	<u>6</u>	<u>50,280</u>	<u>280</u>
<b>Expenditures</b>					
Construction	<u>50,000</u>	<u>43,803</u>	<u>-</u>	<u>43,803</u>	<u>6,197</u>
Total expenditures	<u>50,000</u>	<u>43,803</u>	<u>-</u>	<u>43,803</u>	<u>6,197</u>
Revenues under expenditures	<u>-</u>	<u>6,471</u>	<u>6</u>	<u>6,477</u>	<u>6,477</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 6,471</u>	<u>6</u>	<u>\$ 6,477</u>	<u>\$ 6,477</u>
Fund balance, beginning			<u>6,471</u>		
Fund balance, ending			<u>\$ 6,477</u>		

**Town of Angier, North Carolina  
Harnett County Arts Council Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2017**

	Project Author - ization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Grant Revenue	36,202	-	36,202	36,202	-
Investment earnings	-	-	-	-	-
Total revenues	<u>36,202</u>	<u>-</u>	<u>36,202</u>	<u>36,202</u>	<u>-</u>
<b>Expenditures</b>					
Friday Depot Nights	6,000	-	6,000	6,000	-
Campbell Children's Choir	3,000	-	3,000	3,000	-
Harnett Regional Theater	10,000	-	10,000	10,000	-
Angier Chamber of Commerce	3,000	-	3,000	3,000	-
Miscellaneous	<u>14,202</u>	<u>-</u>	<u>14,202</u>	<u>14,202</u>	<u>-</u>
Total expenditures	<u>36,202</u>	<u>-</u>	<u>36,202</u>	<u>36,202</u>	<u>-</u>
Revenues under expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>					
Transfer from General Fund	-	-	-	-	-
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

**Town of Angier, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2017**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Water sales	\$ 890,000	\$ 944,685	\$ 54,685
Total	890,000	944,685	54,685
Sewer charges	900,000	971,601	71,601
Total	900,000	971,601	71,601
Water and sewer taps	18,372	36,811	18,439
Other operating revenues			
Late fees and reconnections	77,100	83,840	6,740
Activation fees	15,000	17,999	2,999
Water acreage fees	6,144	13,753	7,609
Sewer acreage fees	8,784	21,228	12,444
Water capacity fees	4,392	8,784	4,392
Sewer capacity fees	5,988	11,477	5,489
Miscellaneous water/sewer	1,000	3,703	2,703
Grant Revenue	-	14,674	14,674
Water meter revenue	10,000	9,652	(348)
Total other operating revenues	128,408	185,110	56,702
Total operating revenues	1,936,780	2,138,207	201,427
Nonoperating revenues:			
Rental revenue	28,800	29,786	986
Interest earnings	2,500	3,227	727
Total nonoperating revenue	31,300	33,013	1,713
Total revenues	1,968,080	2,171,220	203,140
Expenditures:			
Water operations:			
Salaries and employee benefits		254,991	
Water purchases		421,993	
Maintenance		83,053	
Other operating expenditures		240,211	
Capital outlay		302,511	
Total Water operations	1,769,734	1,302,759	466,975

**Town of Angier, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) (continued)
Sewer operations:			
Salaries and employee benefits		207,196	
Other operating expenditures		46,650	
Maintenance		31,645	
Sewer rehab/preventative maintenance		27,480	
Capital outlay		26,787	
Total Sewer Operations	<u>457,989</u>	<u>339,758</u>	<u>118,231</u>
Water treatment and distribution:			
Water treatment plant:			
Chemicals		19,403	
Other operating expenditures		497	
Maintenance		6,784	
Utilities		11,699	
Contracted services		307,594	
Total Water Treatment	<u>388,900</u>	<u>345,977</u>	<u>42,923</u>
Lagoon:			
Utilities		8,895	
Maintenance		13,970	
Chemicals		21,668	
Other operating expenditures		10,808	
Total Lagoon	<u>61,710</u>	<u>55,341</u>	<u>6,369</u>
Total Water Treatment and Distribution	<u>450,610</u>	<u>401,318</u>	<u>49,292</u>
Debt service:			
Principal retirement		139,434	
Interest and other charges		152,030	
Total debt service	<u>288,560</u>	<u>291,464</u>	<u>(2,904)</u>
Total expenditures	<u>2,966,893</u>	<u>2,335,299</u>	<u>631,594</u>

**Town of Angier, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) (continued)
Other financing sources (uses):			
Transfer (to) from other fund:			
Bond payment reserve fund	(15,731)	(15,731)	-
Appropriation of fund balance	<u>1,014,544</u>	<u>-</u>	<u>1,014,544</u>
Total other financing sources (uses)	<u>998,813</u>	<u>(15,731)</u>	<u>1,014,544</u>
Revenues and other sources under expenditures and other uses	<u><u>\$ -</u></u>	<u><u>(179,810)</u></u>	<u><u>\$ (179,810)</u></u>

**Reconciliation from budgetary basis  
(modified accrual) to full accrual:**

Revenues and other sources under expenditures and other uses	\$ (179,810)
Reconciling items:	
Principal retirement	139,434
Capital outlay	329,298
Increase in OPEB liability	(4,885)
Increase in interest accrued	(929)
Depreciation	(421,286)
Interest income Capital Reserve & Capital Project Funds	212
Increase in deferred outflows of resources - pensions	79,661
Increase in net pension liability	(96,136)
Decrease in deferred inflow of resources - pensions	8,682
Transfer to Bond Reserve Fund	<u>15,731</u>
Total reconciling items	<u>49,782</u>
Net income	<u><u>\$ (130,028)</u></u>

**Town of Angier, North Carolina**  
**Water Capital Reserve Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non - GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2017**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings		1,439	210	1,649	1,649
Total Revenues	-	1,439	210	1,649	1,649
Revenues under expenditures	-	1,439	210	1,649	1,649
Other financing sources (uses) :					
Transfers from other funds:					
Wastewater Capital Project Fund	-	300,000	-	300,000	300,000
Water and Sewer fund	-	250,000	-	250,000	250,000
Total other sources	-	550,000	-	550,000	550,000
Revenues and other sources over (under) expenditures	\$ -	\$ 551,439	\$ 210	\$ 551,649	\$ 551,649

**Town of Angier, North Carolina**  
**Water Capital Project Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non - GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2017**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Interest earnings	-	-	2	2	2
Total revenues	-	-	2	2	2
Expenditures:					
Wake Co. Elevated Tank Project					
Engineering fees	75,500	-	75,715	75,715	215
Construction	1,043,051	-	-	-	(1,043,051)
Administration & Observation	28,000	-	-	-	(28,000)
Additioanl Services	210	-	-	-	(210)
Environmental & Geotechnical	5,250	-	5,250	5,250	-
Miscellaneous	2,000	-	2,011	2,011	11
Contingency	52,153	-	-	-	(52,153)
Total expenditures	1,206,164	-	82,976	82,976	(1,123,188)
Revenues under expenditures	(1,206,164)	-	(82,974)	(82,974)	1,123,190
Other financing sources :					
Transfers from (to) other funds:					
From Water and Sewer Fund	2,000	-	-	-	(2,000)
To Water and Sewer Fund	-	-	-	-	-
Installment purchase obligations issued	1,204,164	-	1,600,000	1,600,000	395,836
Total other sources	1,206,164	-	1,600,000	1,600,000	393,836
Revenues and other sources over expenditures	\$ -	\$ -	\$ 1,517,026	\$ 1,517,026	\$ 1,517,026

*Town of Angier*  
*North Carolina*

## **SUPPORTING SCHEDULES**





**Town of Angier, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2017**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2016-2017	\$ -	\$ 1,785,191	\$ 1,782,461	\$ 2,730
2015-2016	6,637	-	3,634	3,003
2014-2015	2,643	-	1,716	927
2013-2014	3,336	-	1,236	2,100
2012-2013	2,580	-	156	2,424
2011-2012	2,494	-	175	2,319
2010-2011	1,980	-	65	1,915
2009-2010	1,990	-	67	1,923
2008-2009	3,027	-	0	3,027
2007-2008	3,198	-	(89)	3,287
2006-2007	3,598	-	3,598	-
	<u>\$ 31,483</u>	<u>\$ 1,785,191</u>	<u>\$ 1,793,019</u>	<u>23,655</u>

Less: allowance for uncollectible accounts:  
General Fund

7,208

Ad valorem taxes receivable - net

\$ 16,447

Reconcilement with revenues:

Ad valorem taxes - General Fund

\$ 1,787,075

Reconciling items:

Current Year Interest Collected

2,429

Taxes written off

3,515

Subtotal

5,944

Total collections and credits

\$ 1,793,019

**Town of Angier, North Carolina**  
**Analysis of Current Tax Levy**  
**City - Wide Levy**  
**For the Fiscal Year Ended June 30, 2017**

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current	\$ 338,460,720	\$ 0.53	\$ 1,788,460	\$ 1,593,227	\$ 195,233
Abatements	(616,792)		(3,269)	(3,269)	-
Total property valuation	<u>\$ 337,843,928</u>				
Net levy			1,785,191	1,589,958	195,233
Uncollected taxes at June 30, 2016			<u>2,730</u>	<u>2,730</u>	<u>-</u>
Current year's taxes collected			<u>\$1,782,461</u>	<u>\$1,587,228</u>	<u>\$195,233</u>
Current levy collection percentage			<u>99.85%</u>	<u>99.83%</u>	<u>100.00%</u>

## STATISTICAL SECTION

This part of the Town of Angier's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial information, note disclosures, and required supplementary information says about the government's overall financial health.

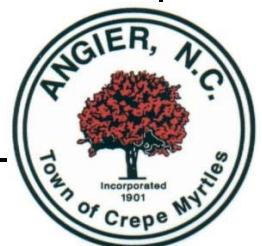
**Financial Trends** – These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

**Revenue Capacity** – These tables contain information to help the reader assess the government's most significant local revenue source, property tax.

**Debt Capacity** – These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

**Demographic and Economic** – These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

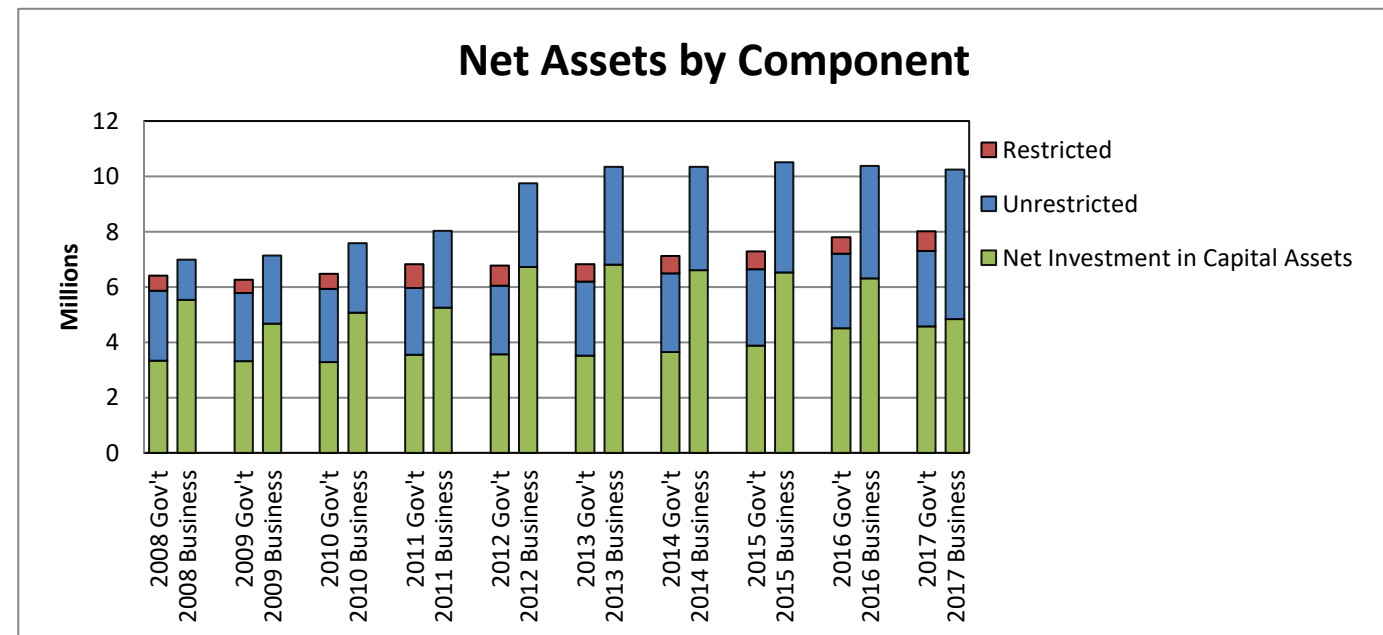
**Operating Information** – These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



**Town of Angier**  
**Net Assets by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

**Table 1**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 3,343,053	\$ 3,315,608	\$ 3,287,945	\$ 3,556,589	\$ 3,570,120	\$ 3,511,863	\$ 3,658,984	\$ 3,876,977	\$ 4,514,953	\$ 4,571,391
Restricted	550,522	481,264	555,713	850,592	717,185	627,391	637,917	642,750	584,742	721,605
Unrestricted	2,523,388	2,470,551	2,656,233 <sup>(3)</sup>	2,422,234	2,482,411	2,684,113	2,837,241	2,764,072	2,709,303	2,727,596
Total net position	<u>\$ 6,416,963</u>	<u>\$ 6,267,423</u>	<u>\$ 6,499,891</u>	<u>\$ 6,829,415</u>	<u>\$ 6,769,716</u>	<u>\$ 6,823,367</u>	<u>\$ 7,134,142</u>	<u>\$ 7,283,799</u>	<u>\$ 7,808,998</u>	<u>\$ 8,020,592</u>
Business-type activities										
Net investment in capital assets	\$ 5,545,466	\$ 4,686,716	\$ 5,073,701	\$ 5,256,078	\$ 6,737,470	\$ 6,810,476	\$ 6,605,087	\$ 6,524,943	\$ 6,309,595	\$ 4,840,017
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,442,895	2,457,043	2,520,039	2,782,041	3,024,489	3,533,525	3,750,179	3,985,698	4,064,166	5,403,716
Total net position	<u>\$ 6,988,361</u>	<u>\$ 7,143,759</u>	<u>\$ 7,593,740</u>	<u>\$ 8,038,119</u>	<u>\$ 9,761,959</u>	<u>\$ 10,344,001</u>	<u>\$ 10,355,266</u>	<u>\$ 10,510,641</u>	<u>\$ 10,373,761</u>	<u>\$ 10,243,733</u>
Primary government										
Net investment in capital assets	\$ 8,888,519	\$ 8,002,324	\$ 8,361,646	\$ 8,812,667	\$ 10,307,590	\$ 10,322,339	\$ 10,264,071	\$ 10,401,920	\$ 10,824,548	\$ 9,411,408
Restricted	550,522	481,264	555,713	850,592	717,185	627,391	637,917	642,750	584,742	721,605
Unrestricted	3,966,283	4,927,594	5,176,272	5,204,275	5,506,900	6,217,638	6,587,420	6,749,770	6,773,469	8,131,312
Total net position	<u>\$ 13,405,324</u>	<u>\$ 13,411,182</u>	<u>\$ 14,093,631</u>	<u>\$ 14,867,534</u>	<u>\$ 16,531,675</u>	<u>\$ 17,167,368</u>	<u>\$ 17,489,408</u>	<u>\$ 17,794,440</u>	<u>\$ 18,182,759</u>	<u>\$ 18,264,325</u>



**Town of Angier**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

**Table 2**

	<b>Fiscal Year</b>									
<b>Expenses</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Governmental activities:										
General government	\$ 579,936	\$ 644,962	\$ 648,486	\$ 645,759	\$ 608,020	\$ 627,668	\$ 650,203	\$ 723,631	\$ 798,140	\$ 962,349
Public safety	795,377	719,621	840,167	828,414	881,738	818,602	899,190	929,244	991,466	1,076,873
Transportation	693,839	785,492	463,732	569,822	894,675	842,763	582,127	663,442	988,430	749,548
Economic and physical development	176,569	182,464	196,228	130,107	132,146	120,213	174,149	133,334	110,989	109,617
Library	140,667	135,147	142,147	152,585	212,532	152,528	139,931	139,954	151,253	143,550
Cultural and recreational	213,856	298,367	321,741	373,080	375,479	416,432	403,930	421,279	404,931	425,080
Interest on long-term debt	4,878	97,127	46,434	42,559	40,240	36,319	34,341	30,630	26,714	22,285
Total governmental activities expenses	<u>\$ 2,605,122</u>	<u>\$ 2,863,180</u>	<u>\$ 2,658,935</u>	<u>\$ 2,742,326</u>	<u>\$ 3,144,830</u>	<u>\$ 3,014,525</u>	<u>\$ 2,883,871</u>	<u>\$ 3,041,514</u>	<u>\$ 3,471,923</u>	<u>\$ 3,489,302</u>
Business-type activities:										
Water and sewer	1,445,627	1,347,454	1,353,109	1,483,225	1,570,259	1,775,358	2,012,755	2,052,708	2,208,941	2,301,460
Total business-type activities	<u>1,445,627</u>	<u>1,347,454</u>	<u>1,353,109</u>	<u>1,483,225</u>	<u>1,570,259</u>	<u>1,775,358</u>	<u>2,012,755</u>	<u>2,052,708</u>	<u>2,208,941</u>	<u>2,301,460</u>
Total primary government expenses	<u>\$ 4,050,749</u>	<u>\$ 4,210,634</u>	<u>\$ 4,012,044</u>	<u>\$ 4,225,551</u>	<u>\$ 4,715,089</u>	<u>\$ 4,789,883</u>	<u>\$ 4,896,626</u>	<u>\$ 5,094,222</u>	<u>\$ 5,680,864</u>	<u>\$ 5,790,762</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 29,947	\$ 28,513	\$ 32,285	\$ 33,577	\$ 32,024	\$ 33,238	\$ 4,800	\$ -	\$ -	\$ -
Public safety	101,668	35,378	34,162	40,931	1,820	1,518	1,976	2,505	2,006	1,426
Transportation	188,806	192,133	199,386	260,167	255,696	282,967	308,415	322,890	328,351	335,351
Economic and physical development	12,450	13,310	14,928	7,700	54,465	114,167	101,849	108,789	83,677	64,668
Library	7,620	8,182	9,447	10,114	8,143	7,982	8,411	8,296	7,597	7,056
Cultural and recreational	48,891	36,270	41,180	46,425	46,285	42,617	47,819	47,990	49,072	52,475
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	156,320	146,080	227,742	134,969	134,431	150,101	144,010	185,131	187,818	228,786
Capital grants and contributions	640,978	-	-	182,250	108,722	57,152	130,216	35,922	533,576	121,132
Total governmental activities program revenues	<u>\$ 1,186,680</u>	<u>\$ 459,866</u>	<u>\$ 559,130</u>	<u>\$ 716,133</u>	<u>\$ 641,586</u>	<u>\$ 689,742</u>	<u>\$ 747,496</u>	<u>\$ 711,523</u>	<u>\$ 1,192,097</u>	<u>\$ 810,894</u>
Business-type activities:										
Charges for services:										
Water and sewer	1,400,330	1,398,642	1,376,471	1,441,565	1,533,449	1,658,133	1,694,226	1,737,079	1,745,482	1,916,286
Operating grants and contributions	221,201	188,663	171,910	201,326	219,549	484,420	333,716	414,973	322,990	251,707
Capital grants and contributions	-	-	353,986	406,013	1,623,612	181,184	-	97,394	-	-
Total business-type activities program revenues	<u>1,621,531</u>	<u>1,587,305</u>	<u>1,902,367</u>	<u>2,048,904</u>	<u>3,376,610</u>	<u>2,323,737</u>	<u>2,027,942</u>	<u>2,249,446</u>	<u>2,068,472</u>	<u>2,167,993</u>
Total primary government program revenues	<u>\$ 2,808,211</u>	<u>\$ 2,047,171</u>	<u>\$ 2,461,497</u>	<u>\$ 2,765,037</u>	<u>\$ 4,018,196</u>	<u>\$ 3,013,479</u>	<u>\$ 2,775,438</u>	<u>\$ 2,960,969</u>	<u>\$ 3,260,569</u>	<u>\$ 2,978,887</u>
Net (expense)/revenue										
Governmental activities	\$ (1,418,442)	\$ (2,403,314)	\$ (2,099,805)	\$ (2,026,193)	\$ (2,503,244)	\$ (2,324,783)	\$ (2,136,375)	\$ (2,329,991)	\$ (2,279,826)	\$ (2,678,408)
Business-type activities	175,904	239,851	549,258	565,679	1,806,351	548,379	15,187	196,738	(140,469)	(133,467)
Total primary government net revenue/(expense)	<u>\$ (1,242,538)</u>	<u>\$ (2,163,463)</u>	<u>\$ (1,550,547)</u>	<u>\$ (1,460,514)</u>	<u>\$ (696,893)</u>	<u>\$ (1,776,404)</u>	<u>\$ (2,121,188)</u>	<u>\$ (2,133,253)</u>	<u>\$ (2,420,295)</u>	<u>\$ (2,811,875)</u>

**Town of Angier**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

**Table 2 (cont.)**

	Fiscal Year									
General Revenues and Other Changes in Net Position	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Taxes:										
Property taxes, levied for general purpose	\$ 1,152,620	\$ 1,255,262	\$ 1,465,577	\$ 1,467,565	\$ 1,519,820	\$ 1,522,625	\$ 1,618,658	\$ 1,614,630	\$ 1,731,489	\$ 1,784,595
Other taxes	67,045	28,848	31,310	31,202	65,037	57,552	29,741	20,853	18,886	20,183
Grants & contributions not restricted to specific programs	683,975	790,878	694,394	714,504	733,685	772,684	766,390	914,883	978,513	1,102,110
Unrestricted investment earnings	76,461	28,166	11,632	7,077	6,226	4,658	3,260	2,472	2,510	5,918
Gain (Loss) on sale of assets	-	10,373	3,500	(3,920)	18,580	2,010	-	2,955	15,801	(8,229)
Miscellaneous	10,050	32,147	17,860	11,289	12,197	10,905	21,101	26,139	13,783	22,180
Transfers	116,679	108,000	108,000	128,000	88,000	8,000	8,000	-	-	-
Total government activities	2,106,830	2,253,674	2,332,273	2,355,717	2,443,545	2,378,434	2,447,150	2,581,932	2,760,982	2,926,757
Business-type activities:										
Other taxes	-	-	-	-	-	37,566	-	-	-	-
Grants & contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	63,770	22,827	8,931	6,700	5,443	4,097	4,078	3,249	3,589	3,439
Gain (Loss) on sale of assets	-	720	(208)	-	46	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Capital Contributed	-	-	-	-	-	-	-	-	-	-
Transfers	(116,679)	(108,000)	(108,000)	(128,000)	(88,000)	(8,000)	(8,000)	-	-	-
Total business-type activities	(52,909)	(84,453)	(99,277)	(121,300)	(82,511)	33,663	(3,922)	3,249	3,589	3,439
Total primary government	\$ 2,053,921	\$ 2,169,221	\$ 2,232,996	\$ 2,234,417	\$ 2,361,034	\$ 2,412,097	\$ 2,443,228	\$ 2,585,181	\$ 2,764,571	\$ 2,930,196
Change in Net Position										
Governmental activities	\$ 6,416,963	\$ 6,267,423	\$ 6,499,891	\$ 6,829,415	\$ 6,769,716	\$ 6,823,367	\$ 7,134,142	\$ 7,283,799	\$ 7,808,998	\$ 8,020,592
Business-type activities	6,988,361	7,143,759	7,593,740	8,038,119	9,761,959	10,344,001	10,355,266	10,510,641	10,373,761	10,243,733
Total primary government change in net position	\$ 13,405,324	\$ 13,411,182	\$ 14,093,631	\$ 14,867,534	\$ 16,531,675	\$ 17,167,368	\$ 17,489,408	\$ 17,794,440	\$ 18,182,759	\$ 18,264,325

(Concluded)

**Town of Angier**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

**Table 3**

<u>Fiscal Year</u>	<u>Property Tax <sup>(1)</sup></u>	<u>Tax Rate</u>
2008	1,154,915	0.530
2009	1,258,041	0.530
2010	1,467,815	0.530
2011	1,475,081	0.530
2012	1,518,362	0.530
2013	1,520,942	0.530
2014	1,613,759	0.530
2015	1,612,968	0.530
2016	1,728,678	0.530
2017	1,785,191	0.530

Notes:

(1) - Town of Angier only levies a property tax.

**Town of Angier**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 4**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 1,072,659	\$ 466,514	\$ 603,272	---	---	---	---	---	---	---
Unreserved	1,747,001	2,291,688	2,494,506	---	---	---	---	---	---	---
Total General Fund	<u>2,819,660</u>	<u>2,758,202</u>	<u>3,097,778</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
All other governmental funds										
Reserved	181,446	232,341	208,039	---	---	---	---	---	---	---
Unreserved, reported in:				---	---	---	---	---	---	---
Special revenue funds	59,715	33,151	22,299	---	---	---	---	---	---	---
Capital projects funds	28,839	-	-	---	---	---	---	---	---	---
Total all other governmental funds	<u>\$ 270,000</u>	<u>\$ 265,492</u>	<u>\$ 230,338</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

*Post-GASB 54*

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
<b>Fund Balance:</b>										
Nonspendable	---	---	---	---	---	---	---	---		73,035
Restricted	---	---	---	642,148	508,385	412,139	449,864	626,476	584,742	715,128
Committed	---	---	---	---	---	---	---	---	47,063	50,081
Assigned	---	---	---	---	50,614	45,986	45,029	32,777	151,821	246,082
Unassigned	---	---	---	2,500,296	2,550,637	2,826,402	3,035,227	3,101,606	2,867,778	2,879,320
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,142,444</u>	<u>\$ 3,109,636</u>	<u>\$ 3,284,527</u>	<u>\$ 3,530,120</u>	<u>\$ 3,760,859</u>	<u>\$ 3,651,404</u>	<u>\$ 3,963,646</u>

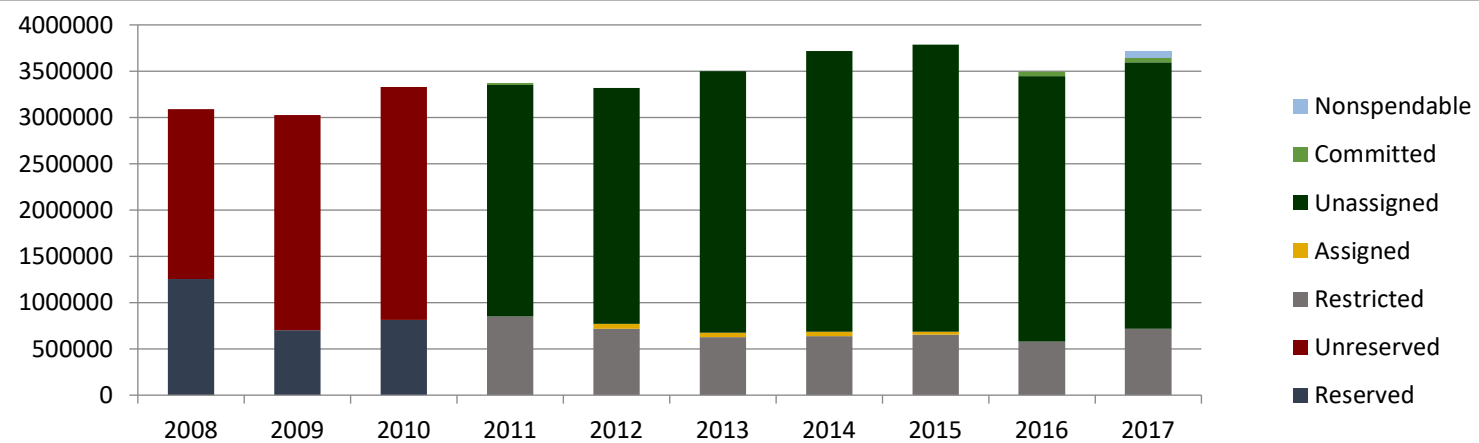
**All Other Governmental Funds**

<b>Fund Balance:</b>										
Nonspendable	---	---	---	---	---	---	---	---	-	-
Restricted	---	---	---	208,444	208,800	215,252	188,053	16,274	6,471	6,477
Committed	---	---	---	20,614	1	---	---	9,926	850	-
Assigned	---	---	---	---	---	---	---	---	---	---
Unassigned	---	---	---	---	---	---	---	---	---	---
Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,058</u>	<u>\$ 208,801</u>	<u>\$ 215,252</u>	<u>\$ 188,053</u>	<u>\$ 26,200</u>	<u>\$ 7,321</u>	<u>\$ 6,477</u>

Note:

--- = Not Applicable

GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions is designed to better convey the restrictions upon the





**Town of Angier**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 5**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Ad valorem taxes	\$ 1,153,839	\$ 1,257,132	\$ 1,470,497	\$ 1,440,244	\$ 1,509,640	\$ 1,562,447	\$ 1,621,154	\$ 1,630,275	\$ 1,731,443	\$ 1,792,108
Other taxes and licenses	20,678	21,153	24,181	23,749	57,344	57,552	29,741	20,853	18,886	20,183
Unrestricted intergovernmental	730,342	758,566	712,760	734,234	754,432	785,788	782,614	931,137	995,413	1,124,536
Restricted intergovernmental	667,656	211,197	222,152	293,426	204,605	185,306	267,056	213,922	714,274	337,116
Permits and fees	302,874	240,919	248,476	308,798	311,981	398,652	412,240	434,184	414,034	401,445
Sales and services	39,566	29,820	33,280	40,300	38,460	36,267	41,719	40,390	42,472	43,125
Investment earnings	86,498	30,249	12,222	7,870	6,654	4,941	3,430	2,603	2,630	6,017
Miscellaneous	56,992	48,101	61,255	63,828	51,755	50,371	31,188	32,781	18,080	28,863
Total revenues	3,058,445	2,597,137	2,784,823	2,912,449	2,934,871	3,081,324	3,189,142	3,306,145	3,937,232	3,753,393
<b>Expenditures</b>										
General government	557,659	624,570	629,303	629,085	584,698	606,798	668,187	759,756	774,882	988,637
Public Safety	799,052	738,738	817,792	782,938	887,674	778,467	859,338	971,089	1,054,957	981,411
Transportation	645,979	465,128	391,900	471,859	624,039	628,029	877,295	787,229	1,386,020	739,394
Powell Bill	127,768	264,336	25,829	49,976	345,708	218,472	39,259	31,508	284,188	23,149
Economic and physical development	185,722	188,094	190,567	127,137	125,995	114,883	114,159	134,585	112,734	104,888
Culture and recreation	1,876,444	336,109	358,963	790,164	240,144	267,147	256,912	281,991	298,593	363,674
Library	-	-	-	-	210,109 <sup>(3)</sup>	151,924	137,780	140,292	150,882	141,353
Debt service										
Principal	32,417	128,053	127,436	100,353	114,517	121,621	156,330	168,951	182,150	164,237
Interest and other charges	5,530	55,895	50,111	45,551	43,236	39,315	37,337	33,626	29,710	25,232
Capital outlay										
Total expenditures	4,230,571	2,800,923	2,591,901	2,997,063	3,176,120	2,926,656	3,146,597	3,309,027	4,274,116	3,531,975
Excess of revenues over (under) expenditures	(1,172,126)	(203,786)	192,922	(84,614)	(241,249)	154,668	42,545	(2,882)	(336,884)	221,418
<b>Other financing sources (uses)</b>										
Transfers in	155,942	108,000	108,000	128,000	88,000	8,000	8,000	-	-	-
Transfers out	(39,263)	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	-
Insurance Recovery	-	-	-	-	15,000	16,664	-	-	-	-
Sale of capital assets	-	29,820	3,500	-	20,373	2,010	-	3,820	17,036	-
Installment purchase obligations	1,381,539	-	-	-	64,811	-	167,849	28,963	141,000	28,565
Total other financing sources (uses)	1,498,218	137,820	111,500	128,000	188,184	26,674	175,849	32,783	158,036	28,565
Net change in fund balances	\$ 326,092	\$ (65,966) <sup>(2)</sup>	\$ 304,422	\$ 43,386	\$ (53,065)	\$ 181,342	\$ 218,394	\$ 29,901	\$ (178,848)	\$ 249,983
Capital Outlay Expenditures which were capitalized	1,714,761	94,075	73,245	426,293	242,487	83,865	449,897	363,426	875,827	213,211
Debt service as a percentage of noncapital expenditures	1.5%	6.8%	7.0%	5.7%	5.4%	5.7%	7.2%	6.9%	6.2%	5.7%

Notes:

(1) - Decrease is attributable to Phase I of Park Renovation.

(2) - Decrease is attributable to renovation of Town Hall

(3) - In previous years, Library was included in Culture and Recreation.

**Town of Angier**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

**Table 6**

<b>Fiscal Year</b>		<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Company</b>	<b>Total Assessed Value</b>	<b>Ratio of Assessed Value to Estimated Actual Value <sup>(1)</sup></b>	<b>Property Tax Rate <sup>(2)</sup></b>
2008	<sup>(3)</sup>	199,374,367	33,639,846	3,870,140	236,884,353	100%	0.530
2009	<sup>(4)</sup>	239,374,831	32,063,872	4,887,533	276,326,236	100%	0.530
2010		242,838,514	32,658,056	4,736,963	280,233,533	100%	0.530
2011		244,306,166	33,444,194	4,736,266	282,486,626	100%	0.530
2012		247,562,767	34,058,683	4,775,887	286,397,337	100%	0.530
2013		248,769,174	35,175,378	7,029,030	290,973,582	100%	0.530
2014		261,310,854	14,609,195	4,344,209	280,264,258	100%	0.530
2015		274,189,366	14,086,139	4,704,126	292,979,631	100%	0.530
2016		282,763,270	13,257,517	4,568,906	300,589,693	100%	0.530
2017		N/A	N/A	N/A	N/A		

**Notes:**

(1) Assessed value is established by the Harnett County and Wake County Tax Departments at 100% estimated market value.

(2) Rate per \$100 of assessed valuation.

(3) A revaluation of all property is required every eight (8) years by North Carolina State Statute. The last revaluation occurred for Wake County in 2008.

(4) A revaluation of all property is required every eight (8) years by North Carolina State Statute. The last revaluation occurred for Harnett County in 2009.

**Town of Angier**  
**Property Tax Rates**  
**Direct and Overlapping<sup>(1)</sup> Property Tax Rates**  
**Last Ten Fiscal Years**

**Table 7**

<b>Fiscal Year</b>	<b>Town of Angier</b>	<b>Harnett County</b>	<b>Wake County<sup>(4)</sup></b>	<b>Total Direct and Overlapping Rates</b>	
				<b>Harnett County Residents</b>	<b>Wake County Residents</b>
2008	0.530	0.735	0.534 <sup>(3)</sup>	1.265	1.064
2009	0.530	0.725 <sup>(2)</sup>	0.534	1.255	1.064
2010	0.530	0.725	0.534	1.255	1.064
2011	0.530	0.725	0.534	1.255	1.064
2012	0.530	0.725	0.534	1.255	1.064
2013	0.530	0.725	0.534	1.255	1.064
2014	0.530	0.750	0.578	1.280	1.108
2015	0.530	0.750	0.615	1.280	1.145
2016	0.530	0.750	0.601	1.280	1.131
2017	0.530	0.750	0.601	1.280	1.131

Notes:

(1) - Overlapping rates are those of local and county governments that apply to property owners within the Town of Angier.

(2) - A revaluation of all property is required every eight (8) years by North Carolina State Statute. The last revaluation occurred for Harnett County as of 2009.

(3) - A revaluation of all property is required every eight (8) years by North Carolina State Statute. The last revaluation occurred for Wake County as of 2008.

(4) - In 2004, the Town expanded into Wake County.

**Town of Angier  
Principal Property Taxpayers  
June 30, 2017**

**Table 8**

	2017			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<b>Taxpayer</b>						
JBS S. Company, LLC	3,252,150	1	0.01081923			
Angier Associates, LLC	3,134,630	2	0.01042827			
National Foam, INC	3,134,382	3	0.01042744			
Duke Energy Progress, INC	2,592,810	4	0.00862574			
Gibson, Ronald A	2,523,800	5	0.00839616			
Lane North Park Apartments, LLC	2,325,230	6	0.00773556			
KKLM Associates	2,276,960	7	0.00757498			
Blackriver Townhomes, LLC	1,819,430	8	0.00605287			
S and R Enterprises, LLC	1,635,200	9	0.00543997			
Cottages at Twin Oaks, LLC	1,467,500	10	0.00488207			
Ronald A. Gibson & wife				3,255,700	1	1.63%
Mary Frances Coats				3,242,640	2	1.62%
Parker and Stephenson PTNRSP				2,649,570	3	1.32%
Angier Associates, LLC				2,642,270	4	1.32%
AFAC INC				2,424,250	5	1.21%
KKLM Associates				2,162,620	6	1.08%
Carolina Telephone				2,144,429	7	1.07%
Carolina Power & Light				1,739,996	8	0.87%
Angus Fire Armour				1,710,830	9	0.86%
Avery L Moore Jr.				1,559,060	10	0.78%
Totals	<u>\$ 24,162,092</u>		<u>7.6%</u>	<u>\$ 23,531,365</u>		<u>11.8%</u>
Total Assessed Value	<u>\$ 300,589,693</u>			<u>\$ 200,061,658</u>		

Source: Harnett County Tax Department Statistics and Reports - Top Taxpayers

Notes: (1) - Earliest data available from Harnett County

**Town of Angier  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

**Table 9**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections &amp; Credits in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2007-2008	1,154,915	1,121,853	97.14%	29,504	1,151,357	99.69%
2008-2009	1,258,041	1,226,500	97.49%	28,472	1,254,972	99.76%
2009-2010	1,467,815	1,439,401	98.06%	26,406	1,465,807 <sup>(1)</sup>	99.86%
2010-2011	1,475,081	1,417,503	96.10%	55,585	1,473,088	99.86%
2011-2012	1,518,362	1,462,478	96.32%	53,378	1,515,856	99.83%
2012-2013	1,520,942	1,492,458	98.13%	25,121	1,517,579	99.78%
2013-2014	1,613,759	1,590,124	98.54%	18,111	1,608,235	99.66%
2014-2015	1,612,968	1,607,463	99.66%	-	1,607,463	99.66%
2015-2016	1,728,678	1,722,041	99.62%	-	1,722,041	99.62%
2016-2017	1,785,191	1,782,461	99.85%	-	1,782,461	99.85%

Notes:

(1) - A revaluation of all property is required every eight (8) years by North Carolina State Statute. The last revaluations occurred as of 2003 and 2009.

**Town of Angier**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

**Table 10**

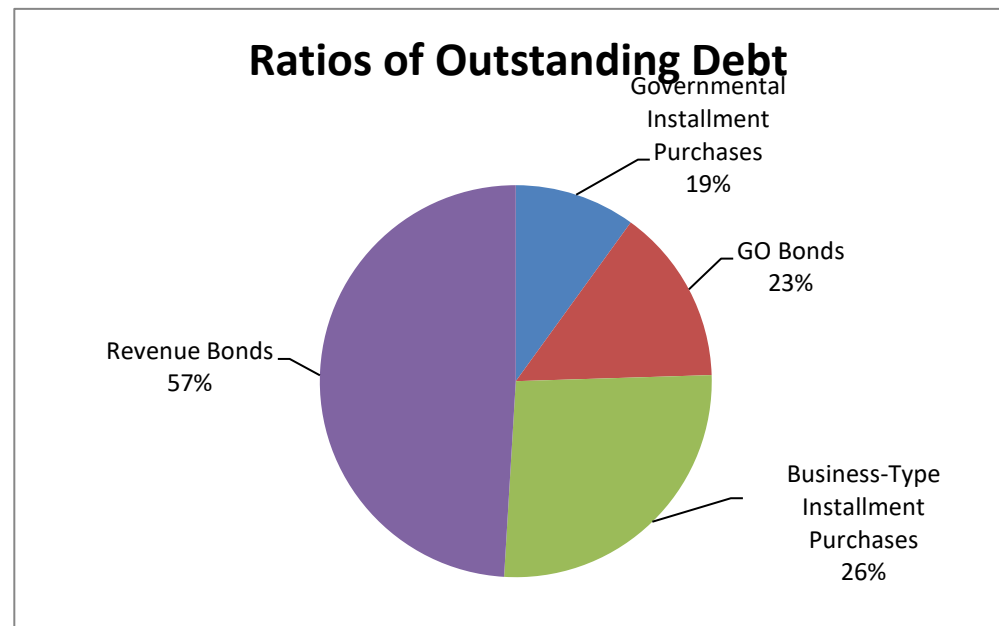
Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	Debt as a % of Personal Income	Per Capita
	GO Bonds	Installment Purchases	GO Bonds	Revolving Loan	Installment Purchases	Revenue Bonds			
2008	-	1,435,975	1,257,500	135,000	159,915	-	2,988,390	92.30%	687
2009	-	1,307,922	1,483,500	120,000	98,701	-	3,010,123	N/A	692
2010	-	1,180,486	1,438,000	105,000	33,853	-	2,757,339	N/A	634
2011	-	1,080,137	1,301,000	90,000	-	1,240,000 <sup>(1)</sup>	3,711,137	N/A	846
2012	-	1,030,431	1,259,423	75,000	-	3,147,000 <sup>(2)</sup>	5,511,854	N/A	1,226
2013	-	908,811	1,188,619	60,000	-	3,132,000	5,289,430	N/A	1,163
2014	-	920,216	1,115,144	45,000	-	3,093,000	5,173,360	N/A	1,097
2015	-	780,341	1,039,006	30,000	-	3,052,000	4,901,347	N/A	1,010
2016	-	739,191	960,214	15,000	-	3,010,000	4,724,405	N/A	958
2017	-	603,520	878,780	-	1,600,000	2,967,000	6,049,300	N/A	1,226

Notes:

1- Revenue Bonds issued for Phase I of Water and Sewer improvements.

2- Revenue Bonds issued for Phase I and Phase II of Water and Sewer improvements.

3- The Town of Angier's personal income is not available therefore, this percentage is calculated based on Harnett County's Personal Income found in table 15.



**Town of Angier**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Table 11**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Assessed Property Value</b>	<b>Per Capita</b>
2008	1,392,500	0.59%	320
2009	1,363,500	0.49%	314
2010	1,333,000	0.48%	306
2011	1,301,000	0.46%	297
2012	1,259,423	0.45%	280
2013	1,188,619	0.42%	261
2014	1,115,144	0.39%	236
2015	1,039,006	0.37%	214
2016	960,214	0.33%	195
2017	878,780	0.30%	178

Note: Details regarding the Town's debt can be found in the notes to the financial statements.

**Town of Angier**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2017**

**Table 12**

<b>Governmental Unit</b>	<b>Debt Outstanding <sup>(1)</sup></b>	<b>Estimated Percentage Applicable To Town <sup>(2)</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Debt repaid with property taxes - Harnett County	\$ 130,613,196	3.45%	<u>\$ 4,511,737</u>
Subtotal, overlapping debt			4,511,737
Town of Angier direct debt			<u>603,520</u> <sup>(3)</sup>
Total direct and overlapping debt			<u><u>\$ 5,115,257</u></u>

Notes:

(1) - Amount represents General Obligation Debt of Harnett County, North Carolina. The Town is a Municipal Government within Harnett County. These are 2016 numbers from Harnett County. As of 12/22/17, Harnett County's numbers were not available.

(2) - The percentage of overlapping debt applicable to the town is estimated using assessed property values. The applicable percentage represents the town's total assessed value divided by Harnett County's total assessed value.

(3) - Includes all governmental general obligation and installment financing debt.



**Town of Angier  
Legal Debt Margin Information  
Last Ten Fiscal Years**

**Table 13**

	<b>Fiscal Year</b>									
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Debt limit	\$ 17,481,876	\$ 18,147,946	\$ 21,917,565	\$ 21,921,031	\$ 22,716,446	\$ 23,277,887	\$ 22,939,241	\$ 22,421,141	\$ 23,702,492	\$ 23,960,725
Total net debt applicable to limit	3,123,390	2,890,123	2,652,339	2,471,137	2,364,855	2,157,430	2,080,474	1,895,347	1,714,405	3,082,300
Legal debt margin	<u>\$ 14,358,486</u>	<u>\$ 15,257,823</u>	<u>\$ 19,265,226</u>	<u>\$ 19,449,894</u>	<u>\$ 20,351,591</u>	<u>\$ 21,120,457</u>	<u>\$ 20,858,767</u>	<u>\$ 20,525,794</u>	<u>\$ 21,988,087</u>	<u>\$ 20,878,425</u>
Total net debt applicable to the limit as a percentage of debt limit	17.87%	15.93%	12.10%	11.27%	10.41%	9.27%	9.07%	8.45%	7.23%	12.86%

**Legal Debt Margin Calculation for Fiscal Year 2017 <sup>(1)</sup>**

Assessed Value	\$ 299,509,066
Debt Limit (8% of total assessed value)	23,960,725
Debt applicable to limit:	
General obligation bonds	878,780
Non bonded debt	2,203,520
Less: Statute exclusion for Water bonds	-
Total net debt applicable to limit	<u>3,082,300</u>
Legal Debt Margin	<u>\$ 20,878,425</u>

**Notes:**

(1) - Under North Carolina general statutes, the legal debt limit should not exceed 8% of total assessed property value. By law, the statutes provide exclusions for bonded debt which has been issued for water and sewer systems, provided the criteria for excluding the debt has been satisfied by the unit of government.

**Town of Angier  
Pledge-Revenue Coverage  
Last Ten Fiscal Years**

**Table 14**

<b>Sewer Revenue Bonds</b>								
<b>Fiscal Year</b>	<b>Water and Sewer Charges <sup>(1)</sup></b>	<b>Other Non- Operating Revenues</b>	<b>Total Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
						<b>Principal</b>	<b>Interest</b>	
2008	1,603,166	82,135	1,685,301	1,353,920	331,381	120,784	92,698	1.55
2009	1,572,280	38,526	1,610,806	1,263,046	347,760	105,214	85,890	1.82
2010	1,531,521	1,265,791 <sup>(4)</sup>	2,797,312	1,195,146	1,602,166	1,350,348	63,212	1.13
2011	1,610,628	38,963	1,649,591	1,405,091	244,500	80,854	125,417	1.19
2012	1,731,833	3,258,654	4,990,487	1,460,051	3,530,436	3,302,577	132,898	1.03
2013	2,124,130	60,086	2,184,216	1,619,887	564,329	100,804	169,885	2.08
2014	2,003,704	28,316	2,032,020	1,846,612	185,408	127,476	166,483	0.63
2015	2,110,082	45,219	2,155,301	1,891,064	264,237	132,138	161,827	0.90
2016	2,022,461	49,600	2,072,061	2,052,310	19,751	135,792	156,997	0.07
2017	2,123,533	47,687	2,171,220	2,148,501	22,719	216,931	190,652	0.06

Notes:

(1) - Includes water and sewer charges and tap fees.

(2) - Increase is due to state grant revenue for Phase I Wastewater Project

(3) - Decrease is attributable to transfer of funds to upfront start-up cost for Phase I Wastewater Project. The Town has received state grant funds and will get reimbursement as soon as project is started.

(4) - Increase is attributable to issuance of installment purchase obligations for Phase I Wastewater Project.

**Town of Angier**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

**Table 15**

<b>Fiscal Year</b>	<b>Angier Population (1)</b>	<b>Harnett County Population (2)</b>	<b>Personal Income (3)</b>	<b>Per Capita Income (4)</b>	<b>Median Age (5)</b>	<b>School Enrollment (6)</b>	<b>Unemployment Rate (7)</b>
2008	4,349	110,098	2,231,025,872	20,624	35.00	271	6.6%
2009	4,349	112,030	N/A	19,968	35.00	253	11.8%
2010	4,350	115,761	N/A	28,015	35.00	425	10.8%
2011	4,385	114,678	N/A	18,725	34.00	425	11.8%
2012	4,495	144,675	N/A	18,884	34.00	424	11.2%
2013	4,547	122,355	N/A	18,884	34.00	438	10.5%
2014	4,718	123,316	N/A	19,226	34.00	450	7.2%
2015	4,851	125,730	N/A	19,095	34.00	452	6.2%
2016	4,934	127,127	N/A	20,864	34.00	454	5.4%
2017	5,096	130,881	N/A	20,293	N/A	425	4.7%

**Notes:**

(1) - Population projections came from United States Census Bureau

(2) - Population projections came from United States Census Bureau

(3) - Personal Income for Harnett County according to the US Department of Commerce Bureau of Economic Analysis <<http://www.bea.gov/regional/reis/default.cfm?selTable=CA1-3&section=2>>  
 Data is no longer available.

(4) - Per capita Income for Angier according to the US Census Bureau  
 <[www.census.gov/quickfacts/fact/table/angiertownnorthcarolina,harnettcountynorthcarolina,US/PST216](http://www.census.gov/quickfacts/fact/table/angiertownnorthcarolina,harnettcountynorthcarolina,US/PST216)>

(5) - Median age for Harnett County according to the North Carolina Office of State Management and Budget. Data not available for 2016.

(6) - School enrollment for public schools within Town incorporated limits provided by Angier Elementary.

(7) - Unemployment rate for Harnett County as reported by the North Carolina Department of Commerce  
 Percentage shown is average of monthly data available at time of research.

**Town of Angier  
Principal Employers  
Current Year and Ten Years Ago**

**Table 16**

Employer	2016 (2)		2007 (1)	
	Employees	Rank	Employees	Rank
Harnett County Schools	1000+	1	1000+	1
Food Lion	1000+	2	1000+	2
Campbell University Inc	1000+	3	500-999	5
County of Harnett	1000+	4	500-999	3
Betsy Johnson Memorial Hospital	500-999	5	500-999	4
Carlie C's Operation Center	250-499	6	250-499	9
NC Dept. of Public Safety	250-499	7	-	
Wal-Mart Associates, Inc	250-499	8	250-499	8
Champion Home Builders Inc	100-249	9	100-249	11
Edwards Brothers Inc-Carolina	100-249	10	250-499	10
Principle Long Term Care	100-249	11	-	
Multitech Mechanical Support Inc. Mu	100-249	12	-	
Godwin Manufacturing Co. Inc.	100-249	13	100-249	23
Tri-Arc Food Systems Inc.	100-249	14	-	
Affinity Health Services	100-249	15	100-249	15
Saber Healthcare Holding Inc.	100-249	16	-	

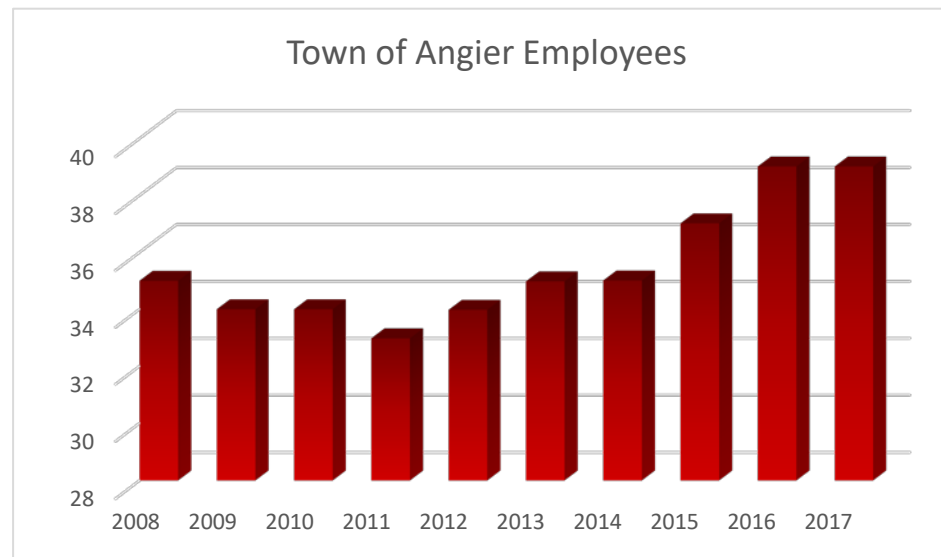
(1) - This information is Harnett County's principal employers. The Town of Angier's data is not available.

(2) These are 2016 Principal Employers from Harnett County. As of 12/22/2017, Harnett County's Principal Employers were not available.

**Town of Angier**  
**Full-time Equivalent Town Government Employees by Function**  
**Last Ten Fiscal Years**

**Table 17**

Function	Full-time Equivalent Employees as of June 30, 2017									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Governing Body	5	5	5	5	5	5	5	5	5	5
Administration	3	3	4	4	4	4	4	4	4	4
Finance	1	0	0	0	0	0	0	0	0	0
Library	2	2	2	2	2	2	2	2	2	2
Economic & Physical Development										
Planning and Zoning	2	2	1	1	1	1	1	1	1	1
Public Safety										
Law Enforcement Officers	11	12	12	11	12	12	12	13	14	14
Public Works										
Streets	2	1	2	0.66	0.66	0.66	0.67	1.34	1.34	1.34
Water	2	2	1	4.16	4.16	4.16	4.17	4.34	4.84	4.84
Sewer	5	5	5	3.16	3.16	3.16	3.17	3.34	3.84	3.84
Parks & Recreation	2	2	2	2	2	3	3	3	3	3
<b>Total</b>	<b>35</b>	<b>34</b>	<b>34</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>35</b>	<b>37</b>	<b>39</b>	<b>39</b>



**Town of Angier**  
**Operating Indicators by Function**  
**Last Ten Years**

**Table 18**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013				
<b>Function:</b>										
Public Safety										
Physical arrests	196	252	265	259	236	145	208	351	354	459
Traffic violations	820	1,167	1,434	999	686	784	378	782	850	762
Highways and streets										
Street resurfacing (miles)	N/A	3.78	N/A	1.67	1.83	1.00	-	-	-	-
Potholes repaired	9	15	10	12	12	10	12	12	14	20
Code Enforcement/Inspections										
Building permits	128	101	133	155	226	306	342	277	369	332
Sanitation										
Residential waste collected (tons/year) <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Recyclables collected (tons/year) <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Yard waste collected (tons/year)	N/A	N/A	N/A	241.02	271.07	276.93	264.36	263.41	484.01	274.22
Household/appliances (tons/year)	N/A	N/A	N/A	75.24	83.44	87.37	91.04	106.79	118.38	100.05
Recycle pick-up fee	N/A	N/A	3.00	3.00	3.00	3.10	3.30	3.30	3.30	3.30
Trash pick-up fee	8.50	8.50	8.50	8.50	8.50	8.75	9.30	9.30	9.30	9.30
Culture and recreation										
Athletic field permits issued	1	2	2	3	2	3	8	22	28	31
Youth participation:										
Fall soccer	296	292	300	315	308	298	265	252	360	374
Football & cheerleading	104	138	162	146	152	144	150	112	107	92
Basketball	229	220	227	238	265	278	255	238	252	274
Baseball	558	566	594	614	592	583	580	517	543	484
Water										
Water customers	2,410	2,599	2,616	2,642	2,581	2,511	2,567	2,637	2,706	2,772
Average water bill	57.20	57.20	63.60	66.15	66.47	58.12	57.79	63.64	66.37	68.72
Water main breaks	7	12	8	10	12	14	24	20	22	23
Wastewater										
Average daily sewage treatment	0.394	0.393	0.464	N/A <sup>(2)</sup>	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

(1) - Residential waste collected and recyclables collected is contracted through Waste Industries.

(2) - Sewer treatment is now contracted through Harnett County effective May 2010.

**Town of Angier**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

**Table 19**

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	15	15	15	15	15	21	18	19	19	19
Sanitation										
Collection trucks	2	2	2	2	2	2	3	3	3	3
Highways and streets										
Streets (miles)	23.37	23.37	24.37	24.37	24.37	24.37	24.37	24.37	24.37	24.66
Traffic signals	2	2	2	2	2	2	2	2	2	2
Culture and recreation										
Parks acreage	26.5	26.5	26.5	26.5	27.1 <sup>(2)</sup>	27.1	27.1	27.1	27.1	27.1
Parks	1	1	1	1	1	1	1	1	1	1
Baseball fields	6	6	6	6	5 <sup>(3)</sup>	5	5	5	5	5
Tennis courts	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (feet)										
4" water line	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043	7,043
6" water line	118,034	118,034	123,302	123,302	123,302	123,302	123,302	123,302	123,302	123,302
8" water line	46,317	48,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800
10' water line	8,711	8,711	8,711	8,711	8,711	8,711	8,711	8,711	8,711	8,711
12" water line	37,019	37,019	37,019	37,019	37,019	37,019	37,019	37,019	37,019	37,019
20"water line	5,967	5,967	5,967	5,967	5,967	5,967	5,967	5,967	5,967	5,967
Total	223,091	225,574	233,842	233,842	233,842	233,842	233,842	233,842	233,842	233,842
Sewer										
8" Sewer Lines (feet)	121,651	121,651	121,651	121,651	121,651	121,651	121,651	121,651	121,651	121,651
Max daily treatment capacity (millions of gallons per day)	0.106	0.107	0.036	N/A <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) - Sewer treatment is now contracted through Harnett County effective May 2010.

(2) - Angier Baptist Church donated 0.6 acres to the Town of Angier for the Angier Park.

(3) - Illuminated one of the baseball fields for other Parks and Recreation activities.

*Town of Angier*  
*North Carolina*

## **COMPLIANCE SECTION**







**Report On Internal Control Over Financial Reporting And on Compliance and  
Other Matters Based On An Audit Of Financial Statements Performed In  
Accordance With  
Government Auditing Standards**

Independent Auditor's Report

To the Honorable Mayor and Board of Commissioners  
Town of Angier  
Angier, North Carolina 27501

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Angier, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises the Town of Angier's basic financial statements, and have issued our report thereon dated January 2, 2018. Our report includes a reference to other auditors who audited the financial statements of the Town of Angier Alcoholic Beverage Control Board, as described in our report on the Town of Angier's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Town of Angier Alcoholic Beverage Control Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Angier's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Angier's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Angier's internal control.

Our consideration of the internal control was for limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed in the

accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2017-1

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Angier, North Carolina's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Town of Angier's Response to Findings

The Town of Angier's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial and accordingly, we express no opinion on it.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Christopher K. Abbott, CPA, PA  
Fuquay-Varina, NC  
January 2, 2018

## Section I. Summary of Auditor's Results

**Town of Angier  
Schedule of Findings  
For the Fiscal Year Ended June 30, 2017**

**Section II. Financial Statement Findings**

---

**MATERIAL WEAKNESS**

**2017-1 Controls over Financial Reporting**

**Criteria:** The controls over financial reporting should be sufficient to ensure the financial statements are free of material misstatements.

**Condition:** The Town underreported Sales Tax receivable in the amount of \$67,886 for the fiscal year ending June 30, 2016. During the audit, several audit adjustments were proposed and approved by management that resulted in a material adjustment to the financial statements.

**Effect:** A prior period adjustment was recorded in the amount of \$67,886 and audit adjustments that were material to the financial statements were approved and recorded.

**Cause:** In 2004 the State of North Carolina made changes to how sales taxes were distributed. At that time the effect on the Town's financials was not material. The Town had not reassessed the effect of this change in sales tax distributions method. As part of the audit, it was determined the effect is material and a prior period adjustment was recorded. Also, as part of the year end close process, needed adjustments were not posted at year end.

**Recommendation:** Management should put procedures in place to review possible accounting changes that in previous years did not materially affect the financial statements. Also, management should continue to review and improve the month and year end closing process to ensure accuracy of the financial statements.

**Management Response:** The Town agrees with this finding and will review year end closing procedures to ensure accuracy of the financial statements.

**Town of Angier  
Schedule of Findings  
For the Fiscal Year Ended June 30, 2017**

---

**Section III – Federal Award Findings**

---

None reported.

---

**Section IV – State Award Findings**

---

None reported.

**Town of Angier  
Corrective Action Plan  
For the Year Ended June 30, 2017  
Section II – Financial Statement Findings**

---

MATERIAL WEAKNESS

2017-1 Controls over Financial Reporting

Name of contact person: Coley Price, Town Manager

Corrective Action: The finance officer will continue to review and improve the procedures to ensure the accuracy of the statements.

Proposed Completion Date: The Finance Officer will review and make needed adjustments to the year end close process by fiscal year ending June 30, 2018

Town of Angier, North Carolina  
Schedule of Expenditures of Federal and State Awards  
For the year ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Grants:					
US Department of Homeland Security:					
Passed through NC Department of Public Safety:					
Disaster Grants - Public Assistance					
(Presidentially Declared Disasters)	97.036	A-71112	21,403	3,777	-
	97.036	7-B1113	11,006	3,668	-
	97.036	7-C1740	2,635	465	-
US Department of Transportation:					
Passed through NC Department of Transportation:					
Highway Planning, Research and Constructions:					
NC 210 Sidewalk Project	20.205-1	45855	-	26,792	-
Total assistance - federal programs			<u>35,044</u>	<u>34,702</u>	<u>-</u>
State Grants:					
North Carolina Department of Transportation					
Powell Bill		32570	-	20,049	-
North Carolina Department of Commerce					
Downtown Revitalization			-	94,340	-
North Carolina Arts Council Department of Cultural Resources					
Total assistance - federal programs		66188	<u>-</u>	<u>36,202</u>	<u>-</u>
			<u>-</u>	<u>150,591</u>	<u>-</u>
Total			<u>\$ 35,044</u>	<u>\$ 185,293</u>	<u>\$ -</u>