

**VILLAGE OF MARVIN**  
**NORTH CAROLINA**

*Audited Financial Statements*

*For the Fiscal Year Ended June 30, 2017*

**Village Council**

*Joseph E Pollino, Jr., Mayor*  
*Brian Beaty, Mayor Pro Tem*  
*Nick Dispenziere*  
*Robert Epps*  
*Ron Salimao*

**Administrative and Financial Staff**

*Mary Shkut, Village Administrator/Planner*  
*Christine Robertson, Finance Officer*  
*Nancy Schneeberger, Tax Collector*

*Village of Marvin, North Carolina  
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**FINANCIAL SECTION**



## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
and Members of the Village Council  
Village of Marvin, North Carolina

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

I have audited the accompanying financial statements of the governmental activities and each major fund, of the Village of Marvin, North Carolina as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village'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**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund, of the Village of Marvin, North Carolina, North Carolina, as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-10, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, and the Schedules of Employer Contributions, on pages 39 and 40, respectively be presented to supplement the basic financial statements. Such information, although not a 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. I 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 my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Marvin, North Carolina's basic financial statements. The individual fund statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Kendra Gangal, CPA*

Charlotte, NC  
October 30, 2017

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

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

### **Financial Highlights**

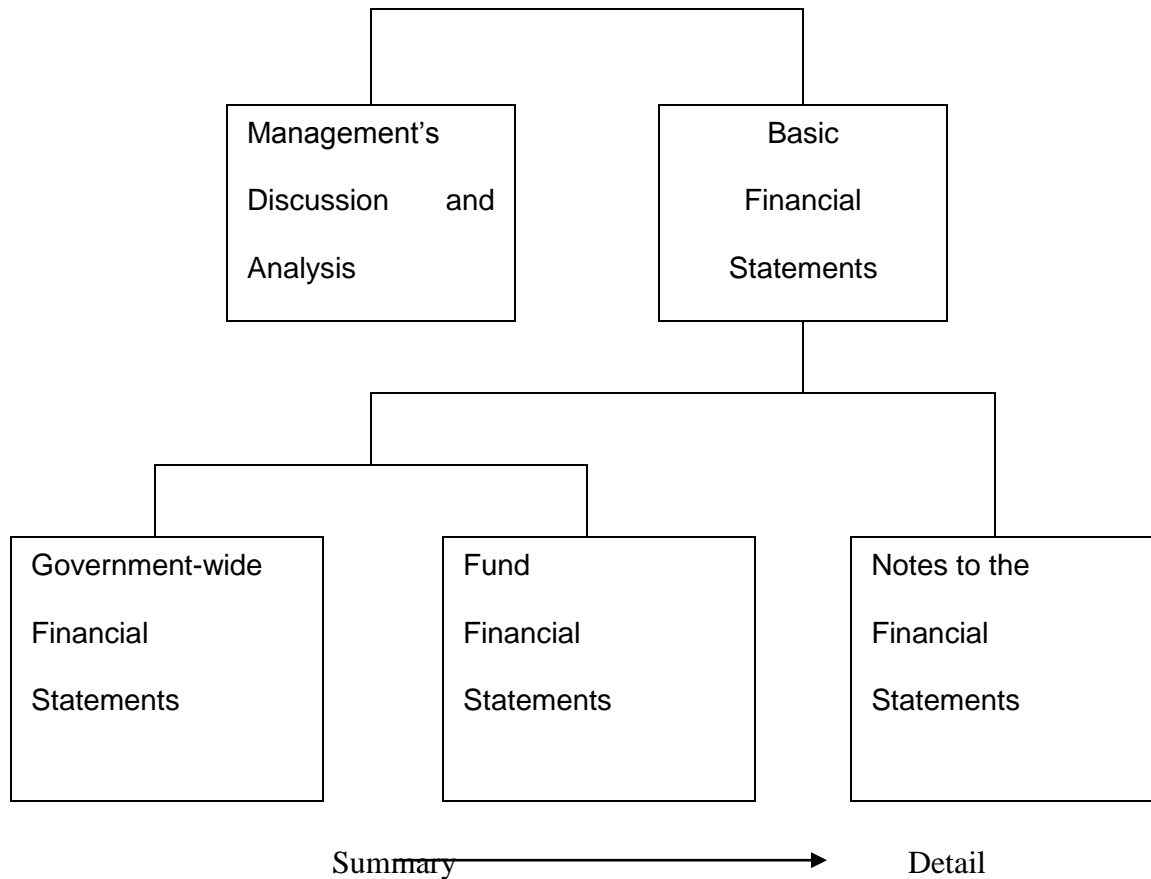
- The assets and deferred outflows of resources of the Village of Marvin exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,810,632 (net position).
- The government's total net position increased by \$460,613, primarily due to revenues exceeding expenditures.
- As of the close of the current fiscal year, the Village of Marvin's governmental funds reported combined ending fund balances of \$2,587,259, an increase of \$396,994 in comparison with the prior year. Approximately 6.02 percent of this total amount or \$155,926 is non-spendable or restricted.
- The Village of Marvin's total debt decreased by \$107,143 (37.5%) during the current fiscal year as a result of principal payments.
- The Village Council approved two Capital Projects Budget Ordinances during the year to appropriate funds for road improvements and greenway trails construction and maintenance.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Village of Marvin's basic financial statements. The village's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the village through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Village of Marvin.

### Required Components of Annual Financial Report

**Figure 1**



#### **Basic Financial Statements**

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

The next statements (Exhibits 3 through 6) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.



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

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the Village's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Village's financial status as a whole.

The two government-wide statements report the Village's net position and how they have changed. Net position is the differences between the Village's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gage the Village's financial condition.

The governmental activities of the Village are basically general administration and parks and recreation. Property taxes and state funds finance most of these activities.

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

### **Fund Financial Statements**

The fund financial statements (see Figure 2) provide a more detailed look at the Village's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Marvin, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Village's budget ordinance. The Village of Marvin has only one fund – the governmental fund.

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

The Village of Marvin adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Village, the management of the Village, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Village complied with the budget ordinance and whether or not the Village succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement

Management Discussion and Analysis

**Village of Marvin**

June 30, 2017

shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 18-38 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes supplementary information concerning the Village of Marvin. This supplementary information can be found beginning on page 39 of this report.

**Interdependence with Other Entities** – The Village depends on financial resources flowing from, or association with, the State of North Carolina. Because of this dependency, the Village is subject to changes in specific flows of intergovernmental revenues based on modification to State laws and State appropriations.

**Government-Wide Financial Analysis**

**The Village of Marvin's Net Position**

**Figure 2**

	<b>Governmental Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 2,772,935	\$ 2,370,459	\$ 2,772,935	\$ 2,370,459
Capital assets	3,316,178	3,353,273	3,316,178	3,353,273
Deferred outflows of resources	55,982	19,281	55,982	19,281
Total assets and deferred outflows of resources	6,145,095	5,743,013	6,145,095	5,743,013
Long-term liabilities outstanding	62,820	88,032	62,820	88,032
Other liabilities	261,802	291,395	261,802	291,395
Deferred inflows of resources	9,841	13,567	9,841	13,567
Total liabilities and deferred inflows of resources	334,463	392,994	334,463	392,994
Net Assets:				
Net investment in capital assets	3,316,178	3,174,702	3,316,178	3,174,702
Restricted	169,478	34,076	169,478	34,076
Unrestricted	2,324,976	2,141,241	2,324,976	2,141,241
Total net position	\$ 5,810,632	\$ 5,350,019	\$ 5,810,632	\$ 5,350,019

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Village of Marvin exceeded liabilities by \$5,810,632 as of June 30, 2017. The Village's net position increased by \$460,613 for the fiscal year ended June 30, 2017. However, the largest portion (57%) reflects the village's investment in capital assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the Village of Marvin's net assets (2.9%) represents resources that are subject to internal and external restrictions on how they may be used. The remaining balance of \$2,324,976 is unrestricted.

Management Discussion and Analysis

**Village of Marvin**

June 30, 2017

Several particular aspects of the Village financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.85%.
- Increase in unrestricted intergovernmental revenues over prior years.
- Decrease in general government expenditures over prior years.
- Continued reduction of debt through installment payments without incurring additional debt.

**Village of Marvin's Changes in Net Position**

Figure 3

	Governmental Activities		Total	
	2017	2016	2017	2016
Revenues:				
Program revenues:				
Charges for services	\$ 71,621	\$ 34,648	\$ 71,621	\$ 34,648
Operating grants and contributions	10,168	9,970	10,168	9,970
Capital grants and contributions	-	156,200	-	156,200
General revenues:				
Property taxes	565,585	549,529	565,585	549,529
Other taxes	630,062	558,950	630,062	558,950
Other	2,735	591,329	2,735	591,329
Total revenues	<u>1,280,171</u>	<u>1,900,626</u>	<u>1,280,171</u>	<u>1,900,626</u>
Expenses:				
General government	560,592	426,563	560,592	426,563
Public safety	109,711	825,526	109,711	825,526
Transportation	-	7,501	-	7,501
Economic and physical development	64,469	82,920	64,469	82,920
Cultural and recreation	81,278	74,979	81,278	74,979
Interest on long-term debt	3,508	6,392	3,508	6,392
Total expenses	<u>819,558</u>	<u>1,423,881</u>	<u>819,558</u>	<u>1,423,881</u>
Increase in net position before transfers	460,613	476,745	460,613	476,745
Transfers	-	-	-	-
Increase in net position	460,613	476,745	460,613	476,745
Net position, July 1	5,350,019	4,873,274	5,350,019	4,873,274
Net position, June 30	<u>\$ 5,810,632</u>	<u>\$ 5,350,019</u>	<u>\$ 5,810,632</u>	<u>\$ 5,350,019</u>

**Governmental activities.** Governmental activities increased the Village's net position by \$460,613, thereby accounting for 100% of the total growth in the net position of the Village of Marvin. A concentrated effort to control costs led to an overall decrease in general government expenditures. Increases in unrestricted intergovernmental revenues also contributed to the increase in net position.

### **Financial Analysis of the Village of Marvin's Funds**

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

**Governmental Funds.** The focus of the Village of Marvin's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village of Marvin's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Village of Marvin. At the end of the current fiscal year, Village of Marvin's fund balance available in the General Fund was \$1,339,512 while total fund balance reached \$1,377,949. The Village currently has an available fund balance of 174.84 % of general fund expenditures, and total fund balance represents 179.86% of the same amount.

At June 30, 2017 the governmental funds of Village of Marvin reported a combined fund balance of \$2,587,259 with a net increase in fund balance of \$396,991. Included in this change in fund balance is an increase in fund balance in the Capital Projects Fund.

**General Fund Budgetary Highlights:** During the fiscal year, the village 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.

There were several reasons the Village revised its budget throughout the year.

The Village Council voted to make a partnership gift to Artists Music Guild, Inc. in return for that organization making itself available to help in any public or private artistic functions with the Village of Marvin.

The Village Council reallocated funds to provide for hiring a full-time Park Manager and additional hours for part-time assistants at Marvin-Efird Park.

Further, the Village Council approved two Capital Projects Budget Ordinances during the year to appropriate funds for road improvements and greenway trails construction and maintenance. These funds had originally been appropriated as part of the current fiscal year's operating budget.

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

**Capital assets.** The Village of Marvin's investment in capital assets for its governmental activities as of June 30, 2017, totals \$3,316,178 (net of accumulated depreciation). These assets include land, right-of-way easements, furniture and equipment, buildings and park improvements.

**Village of Marvin's Capital Assets**  
**Figure 4**

	<b>Governmental Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Land and improvements	\$ 2,334,724	\$ 2,334,724	\$ 2,334,724	\$ 2,334,724
Buildings and improvements	361,882	372,611	361,882	372,611
Leasehold improvements	1,643	1,708	1,643	1,708
Furniture	4,643	7,193	4,643	7,193
Infrastructure	596,206	609,628	596,206	609,628
Equipment and computers	17,080	27,409	17,080	27,409
<b>Total</b>	<b>\$ 3,316,178</b>	<b>\$ 3,353,273</b>	<b>\$ 3,316,178</b>	<b>\$ 3,353,273</b>

Additional information on the Village capital assets can be found in note 3 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2017, the Village of Marvin had installment debt outstanding of \$71,428.

**Outstanding Debt**  
**Figure 5**

	<b>Governmental Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Installment debt	\$ 71,428	\$ 178,571	\$ 71,428	\$ 178,571
<b>Total</b>	<b>\$ 71,428</b>	<b>\$ 178,571</b>	<b>\$ 71,428</b>	<b>\$ 178,571</b>

**Village of Marvin's Outstanding Debt**

During the current fiscal year, the Village of Marvin's total debt decreased by \$107,143 (60%) due to payments made on the installment purchase financing agreement to purchase land for the municipal park.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Village of Marvin is \$90,792,320.

Additional information regarding the Village of Marvin's long-term debt can be found in the notes to the basic financial statements.

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

**Governmental Activities:** The budget for the fiscal year ending June 30, 2018, reflects a full year of anticipated revenues and expenditures. The revenues generated during the year, including an allocation from the Powell Bill Program, will be used to finance Village operations such as public safety, park operations, and residential street maintenance. In addition to the General Fund Budget, the Village has several ongoing Capital Projects Budgets.

**Requests for Information**

This report is designed to provide an overview of the village's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Village of Marvin, 10004 New Town Road, Marvin, NC 28173. One can also call (704)-843-1680, visit our website [www.marvinnc.org](http://www.marvinnc.org), or send an email to [finance@marvinnc.org](mailto:finance@marvinnc.org) for more information.

## Basic Financial Statements

VILLAGE OF MARVIN, NORTH CAROLINA

Exhibit 1

Statement of Net Position  
June 30, 2017

	Primary Government		
	Governmental Activities	Other Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,454,032	\$ -	\$ 2,454,032
Restricted cash	279,318	-	279,318
Taxes receivables (net)	1,148	-	1,148
Due from other governments	31,868	-	31,868
Accounts receivable	5,669	-	5,669
Prepaid items	900	-	900
Total current assets	2,772,935	-	2,772,935
Capital assets:			
Land and improvements	2,334,724	-	2,334,724
Other capital assets, net of depreciation	981,454	-	981,454
Total capital assets	3,316,178	-	3,316,178
Total assets	\$ 6,089,113	\$ -	\$ 6,089,113
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Contributions to pension plan in current fiscal year	55,982	-	55,982
Total deferred outflows of resources	55,982	-	55,982
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	22,699	-	22,699
Deposits Held	161,829	-	161,829
Current portion of long-term liabilities	77,274	-	77,274
Total current liabilities	261,802	-	261,802
Long-term liabilities:			
Net pension liability	62,820	-	62,820
Total liabilities	324,622	-	324,622
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	9,841	-	9,841
Total deferred inflows of resources	9,841	-	9,841
<b>NET POSITION</b>			
Net investment in capital assets	3,316,178	-	3,316,178
Restricted for:			
Stabilization by State Statute	37,537	-	37,537
Streets	117,489	-	117,489
Unrestricted	2,339,428	-	2,339,428
Total net position	\$ 5,810,632	\$ -	\$ 5,810,632

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



**VILLAGE OF MARVIN, NORTH CAROLINA**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

*Exhibit 2*

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Other Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 560,592	\$ 71,621	\$ -	\$ -	\$ (488,971)	\$ -	\$ (488,971)
Public safety	109,711	-	-	-	(109,711)	-	(109,711)
Economic and physical dev	64,469	-	-	-	(64,469)	-	(64,469)
Transportation	-	-	-	-	-	-	-
Culture and Recreation	81,278	-	10,168	-	(71,110)	-	(71,110)
Interest on lng-term debt	3,508	-	-	-	(3,508)	-	(3,508)
Total governmental activities (See Note 1)	819,558	71,621	10,168	-	(737,769)	-	(737,769)
<b>Total primary government</b>	<b>\$ 819,558</b>	<b>\$ 71,621</b>	<b>\$ 10,168</b>	<b>\$ -</b>	<b>\$ (737,769)</b>	<b>\$ -</b>	<b>\$ (737,769)</b>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					565,585	-	565,585
Other taxes					630,062	-	630,062
Unrestricted investment earnings					746	-	746
Miscellaneous					1,989	-	1,989
Total general revenues					1,198,382	-	1,198,382
Change in net position					460,613	-	460,613
Net position, beginning,					5,350,019	-	5,350,019
Net position, ending					\$ 5,810,632	\$ -	\$ 5,810,632

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

VILLAGE OF MARVIN, NORTH CAROLINA

Exhibit 3

*Balance Sheet  
Governmental Funds  
June 30, 2017*

	Major Funds		Total Governmental
	General	Capital Projects	Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,362,211	\$ 1,091,821	\$ 2,454,032
Restricted cash	161,829	117,489	279,318
Taxes receivable, net	1,148	-	1,148
Accounts receivable, net	5,669	-	5,669
Due from other governments	31,868	-	31,868
Prepaid expenses	900	-	900
Total assets	<u>\$ 1,563,625</u>	<u>\$ 1,209,310</u>	<u>\$ 2,772,935</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 22,699	\$ -	\$ 22,699
Escrow deposits	161,829	-	161,829
Total liabilities	<u>184,528</u>	<u>-</u>	<u>184,528</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	1,148	-	1,148
Total Deferred inflows of resources	<u>1,148</u>	<u>-</u>	<u>1,148</u>
<b>FUND BALANCES</b>			
Non Spendable			
Prepaid expense	900	-	900
Restricted			
Stabilization by State Statute	37,537	-	37,537
Streets - Powell Bill	-	117,489	117,489
Committed	10,173	1,091,821	1,101,994
Assigned			
Land acquisition	364,797	-	364,797
Loop projects	134,012	-	134,012
Capital asset replacement	15,659	-	15,659
Future capital projects	7,947	-	7,947
Maintenance of greenway trails	27,750	-	27,750
Village signs	20,000	-	20,000
Intersection/traffic improvement	152,444	-	152,444
Road maintenance	29,875	-	29,875
Reserves	161,585	-	161,585
Unassigned	415,270	-	415,270
Total fund balance	<u>1,377,949</u>	<u>1,209,310</u>	<u>2,587,259</u>
Total liabilities, deferred inflows of resources, and fund balances.	<u>\$ 1,563,625</u>	<u>\$ 1,209,310</u>	<u>\$ 2,772,935</u>

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

VILLAGE OF MARVIN, NORTH CAROLINA

*Exhibit 3-  
Continued*

*Balance Sheet*

*Governmental Funds*

*June 30, 2017*

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.	\$ 3,316,178
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	55,982
Liabilities for earned revenues considered deferred inflows of resources in fund statements	1,148
Some liabilities, including installment loans and compensated balances, are not due and payable in the current period and therefore are not reported in the funds.	(77,274)
Pension related deferrals	(9,841)
Net pension liability	<u>(62,820)</u>
Net position of governmental activities	<u><u>\$ 5,810,632</u></u>

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

VILLAGE OF MARVIN, NORTH CAROLINA

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balance  
 Governmental Funds  
 For the Fiscal Year Ended June 30, 2017

	Major Funds		Total Governmental Funds
	General	Capital Projects	
<b>REVENUES</b>			
Ad valorem taxes	\$ 566,222	\$ -	\$ 566,222
Unrestricted intergovernmental	497,652	-	497,652
Restricted intergovernmental	132,410	-	132,410
Permits and fees	71,621	-	71,621
Sales and service	10,168	-	10,168
Investment earnings	746	-	746
Other	1,986	-	1,986
Total revenues	1,280,805	-	1,280,805
<b>EXPENDITURES</b>			
Current:			
General government	414,206	76,993	491,199
Public safety	109,711	-	109,711
Economic and physical development	64,469	-	64,469
Transportation	-	-	-
Culture and recreation	66,544	40,702	107,246
Debt service:			
Principal retirement	107,143	-	107,143
Interest and other charges	3,508	-	3,508
Contingency	538	-	538
Total expenditures	766,119	117,695	883,814
Excess (deficiency) of revenues over expenditures	514,686	(117,695)	396,991
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	(228,950)	228,950	-
Net change in fund balance	285,736	111,255	396,991
<b>FUND BALANCE</b>			
Fund balances, beginning	1,092,213	1,098,055	2,190,268
Fund balances, ending	\$ 1,377,949	\$ 1,209,310	\$ 2,587,259

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

VILLAGE OF MARVIN, NORTH CAROLINA

Exhibit 5

*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2017*

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

Net changes in fund balances - total governmental funds	\$ 396,991
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	(37,095)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,209
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Change in deferred revenue for tax revenues	(637)
The issuance of long-term debt provides current financial resources to governmental funds statement, while repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transaction has any effect on net position. Principal payments on long-term debt	107,143
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Pension expense	(15,998)
Total changes in net position of governmental activities	<u>\$ 460,613</u>

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

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Ad valorem taxes	\$ 552,725	\$ 552,725	\$ 566,222	\$ 13,497
Unrestricted intergovernmental	438,760	438,760	497,652	58,892
Restricted intergovernmental	120,670	120,670	132,410	11,740
Permits and fees	59,066	59,066	71,621	12,555
Sales and service	-	-	10,168	10,168
Investment earnings	755	755	746	(9)
Miscellaneous	20,000	20,000	1,986	(18,014)
Total revenues	<u>1,191,976</u>	<u>1,191,976</u>	<u>1,280,805</u>	<u>88,829</u>
<b>Expenditures:</b>				
Current:				
General government	771,050	553,530	414,206	139,324
Public safety	112,667	112,667	109,711	2,956
Economic and physical development	64,469	64,469	64,469	-
Transportation	-	-	-	-
Culture & Recreation	76,424	72,994	66,544	6,450
Debt service				
Principal retirement	107,143	107,143	107,143	-
Interest and other charges	3,508	3,508	3,508	-
Contingency	56,715	48,715	538	48,177
Total expenditures	<u>1,191,976</u>	<u>963,026</u>	<u>766,119</u>	<u>196,907</u>
Revenues over (under) expenditures	<u>-</u>	<u>228,950</u>	<u>514,686</u>	<u>285,736</u>
<b>Other financing sources (uses):</b>				
Fund balance appropriated	-	-	-	-
Transfers to capital projects	-	(228,950)	(228,950)	-
Total other financing sources (uses)	<u>-</u>	<u>(228,950)</u>	<u>(228,950)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>285,736</u>	<u>\$ 285,736</u>
Fund balance				
Fund balances, beginning			<u>1,092,213</u>	
Fund balances, ending			<u>\$ 1,377,949</u>	

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

## VILLAGE OF MARVIN, NORTH CAROLINA

### *Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017*

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#### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Marvin (the Village) 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 Village of Marvin, North Carolina, in Union County, was incorporated under The General Statutes of The State of North Carolina in July 1994. It is governed by an elected mayor and a five member council. As required by generally accepted accounting principles, these financial statements present the Village, which has no component units.

##### B. Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include activities of the overall government. The Village only has governmental type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include (a) fees and charges paid by the recipients 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. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Village reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Village. The General Fund accounts for all financial resources except those required to be accounted for in another fund.

The primary revenue sources are ad valorem taxes and State-shared revenues. The primary expenditures are for general government, zoning, public safety, salaries, and professional fees.

## VILLAGE OF MARVIN, NORTH CAROLINA

### *Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017*

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#### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Village reports the following non-major governmental fund:

Capital Project Fund – This fund is used for the construction, rehabilitation, and acquisition of major capital assets, such as buildings, equipment, roads, and greenways.

#### C. Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements: The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, including 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are 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 to the extent they matured. General capital asset acquisitions are reported as expenditures in government funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.



## VILLAGE OF MARVIN, NORTH CAROLINA

### *Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017*

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#### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Village considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Village are recognized as revenue. Sales taxes are considered a shared revenue for the Village of Marvin because the tax is levied by the counties and then remitted to and distributed by the State. Most intergovernmental revenues 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 Village 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 Village's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

#### D. Budgetary Data

The Village's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the general fund. All annual appropriations lapse at fiscal-year end. Project ordinances are adopted for the Capital Projects Fund. 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 fund. 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.

VILLAGE OF MARVIN, NORTH CAROLINA

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Village 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Village's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value. 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.

2. Cash and Cash Equivalents

The Village pools money from both funds to facilitate disbursements and investment and to maximize investment income. The Village maintains a general checking account and money market account for all general fund revenues. The Village considers all cash and investments to be demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Construction deposits received by the Village are restricted to the service for which the deposit was collected.

Governmental Activities

General Fund

Escrow deposits	\$ 161,829
Streets	<u>117,489</u>

Total governmental activities \$ 279,318

VILLAGE OF MARVIN, NORTH CAROLINA

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 5th. 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 any allowance for doubtful accounts. This amount is generally estimated by analyzing the amount of receivables that were written off in prior years. No allowance for doubtful accounts was required as of June 30, 2017.

6. Prepaid Items

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 as follows: land and right-of-way easements, \$10,000; buildings, improvements, substations, lines, and other plan and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$1,000.00; and vehicles, \$10,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Improvements	39
Furniture and equipment	7
Computer equipment	5

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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 for 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 Village has one item meeting 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 Village 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 government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position. The face amount of debt issued is reported as other financial sources.

10. Compensated Absences

The vacation policy of the Village provides for the accumulation of up to ten days earned vacation leave with such leave being fully vested when earned. For the Village's government-wide financial statements, an expense and a liability for accrued vacation are recorded as the leave is earned. All of the vacation leave accrued is expected to be used in the next fiscal year and is designed as a current liability in the government-wide financial statements.

The Village's sick leave policy provides for an unlimited accumulation of earned sick leave. Since 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 Village has no 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 financial statements are classified as net investment in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments or imposed by law through state statute.

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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:

Non Spendable 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 Expenditures – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not expendable, available resources.

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. This amount represents the balance of the total unexpended Powell bill funds.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Village of Marvin’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 Parks and Recreation – portion of fund balance committed for parks and recreation.

Assigned fund balance – portion of fund balance that Village of Marvin intends to use for specific purposes.

Assigned for Land Acquisition – portion of fund balance that has been assigned by the Village Council for expenditures related to the purchase of land for the Village.

## VILLAGE OF MARVIN, NORTH CAROLINA

### *Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017*

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#### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assigned for Loop Projects – portion of fund balance that has been assigned by the Village Council for expenditures related to the Village of Marvin Loop located in the Village.

Assigned for Capital Asset Replacement – portion of fund balance that has been assigned by the Village Council for expenditures related to the purchase of capital assets for the Village.

Assigned for Maintenance of Greenway Trails – portion of fund balance that has been assigned by the Village Council for expenditures related to maintaining the greenway trails currently being constructed.

Assigned for Village Signs – portion of fund balance that has been assigned by the Village Council for the design and purchase of signs welcoming visitors to the Village of Marvin.

Assigned for Intersection/Traffic Improvement – portion of fund balance that has been assigned by the Village Council for expenditures related to traffic improvements within the Village.

Assigned for Road Maintenance – portion of fund balance that has been assigned by the Village Council for expenditures related to road maintenance.

Assigned for Reserves – portion of fund balance that has been assigned by the Village Council as a percentage of current year budgeted expenditures in accordance with internal financial policy.

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

#### 12. Pensions

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

VILLAGE OF MARVIN, NORTH CAROLINA

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 1- **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - Continued

13. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

14. Total Governmental Fund Columns

In the accompanying financial statements, the “Total Governmental Funds” columns are not the equivalent of consolidated totals and do not represent consolidated financial information. These columns are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data. However, the reconciliations to net position are reflective of interfund eliminations and reflect financial position.

NOTE 2 - **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

A. Significant Violations of Finance-Related Legal and Contractual Provisions

None

1. Noncompliance with North Carolina General Statutes

None

2. Contractual Violations

None

B. Deficit in Fund Balance or Net Assets of Individual Funds

None

C. Excess of Expenditures Over Appropriations

None

VILLAGE OF MARVIN, NORTH CAROLINA

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 3- **DETAIL NOTES ON ALL FUNDS**

A. **ASSETS**

1. Deposits

All deposits of the Village 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 Village's agent in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Village, these deposits are considered to be held by the Village's agent in their name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Village escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Village under the Pooling method, the potential exists for undercollateralization, and the 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 collateralize public deposits under the Pooling Method. The Village 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.

At June 30, 2017, the Village's deposits had a carrying amount of \$2,733,350 and a bank balance of \$2,760,791. Of the bank balance, \$250,000 was covered by federal depository insurance. The remaining \$2,510,791 was covered by collateral held under the pooling method. The Village's petty cash fund totaled \$189.



**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

2. 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>Capital assets not being depreciated:</b>				
Land and improvements	\$ 1,248,078	\$ -	\$ -	\$ 1,248,078
Right-of-way easements	1,086,646	-	-	1,086,646
Total not being depreciated	2,334,724	-	-	2,334,724
<b>Capital assets being depreciated:</b>				
Leasehold improvements	2,513	-	-	2,513
Buildings and improvements	418,452	-	-	418,452
Infrastructure	671,078	-	-	671,078
Equipment and computers	86,316	-	-	86,316
Furniture	25,830	-	-	25,830
Total being depreciated	1,204,189	-	-	1,204,189
Less accumulated depreciation for:				
Leasehold improvements	805	65	-	870
Buildings and improvements	45,841	10,729	-	56,570
Infrastructure	61,450	13,422	-	74,872
Equipment and computers	58,907	10,329	-	69,236
Furniture	18,637	2,550	-	21,187
Total accumulated depreciation	185,640	37,095	-	222,735
Total capital assets being depreciated, net	1,018,549			981,454
<b>Governmental activity capital assets, net</b>	<b>\$ 3,353,273</b>			<b>\$ 3,316,178</b>

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

General Government	\$ 22,364
Culture and Recreation	14,731
Total depreciation expense	<b>\$ 37,095</b>

## VILLAGE OF MARVIN, NORTH CAROLINA

### *Notes to the Financial Statements For the Fiscal Year Ended June 30, 2017*

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#### NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

##### B. LIABILITIES

##### 1. Pension Plan and Postemployment Obligations

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

*Plan Description.* The Village of Marvin is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating 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, or 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. 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 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.

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Village of Marvin employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Village of Marvin's contractually required contribution rate for the year ended June 30, 2017, was 7.25% for general employees, 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 Village of Marvin were \$10,209 for the year ended June 30, 2017.

*Refunds of Contributions.* Village 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.

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

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

At June 30, 2017, the Village reported a liability of \$62,820 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 Village's proportion of the net pension liability was based on a projection of the Village'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, 2017, the Village's proportion was 0.00296%, which was a decrease of 0.00074% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Village recognized pension expense of \$15,998. At June 30, 2017 the Village 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	\$ 1,180	\$ 2,201
Changes of assumptions	4,303	-
Net difference between projected and actual earnings on pension plan investments	34,732	-
Changes in proportion and differences between employer employer contributions and proportionate share of contributions	5,558	7,640
Employer contributions subsequent to the measurement date	10,209	
	\$ 55,982	\$ 9,841

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

\$10,209 reported as deferred outflows of resources related to pensions resulting from Village 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:

<b>Year ended June 30:</b>		
2018	\$	4,963
2019		4,984
2020		16,977
2021		9,009
2022		-
Thereafter		-
	<u>\$</u>	<u>35,933</u>

*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.

VILLAGE OF MARVIN, NORTH CAROLINA

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

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:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
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%
	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 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.

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

*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 Village’s proportionate share of the net pension asset to changes in the discount rate.* The following presents the Village’s proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Village’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:

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Village's proportionate share of the net pension liability (asset)	\$149,104	\$ 62,821	\$ (9,249)

*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. *Other Post-Employment Benefits*

The Village of Marvin does not provide any post-employment benefits to retired or former employees.

VILLAGE OF MARVIN, NORTH CAROLINA

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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NOTE 3- **DETAIL NOTES ON ALL FUNDS – Continued**

2. Deferred Outflows and Inflows of Resources

The Village has several deferred outflows of resources.

Deferred outflows of resources is comprised of the following:

Contributions to pension plan in current year	\$ 10,209
Changes in assumptions	4,303
Differences between expected and actual experience	1,180
Difference between projected and actual earnings	34,732
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>5,558</u>
Total	<u>\$ 55,982</u>

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

Changes in proportion and differences between employer contributions and proportionate share	7,640
Prepaid taxes (General Fund)	<u>1,148</u>
Total	<u>\$ 10,989</u>

3. Risk Management:

The Village is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets, including flood insurance; errors and omissions; injuries to employees; and natural disasters. The Village participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Village obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Village upon request.



**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

The Village carries commercial insurance for all risks of loss, with the exception of flood. The Village's offices are not located in a flood plain; therefore, flood insurance is not deemed a necessity. Settled claims have not exceeded commercial insurance covered in any of the past three fiscal years.

In accordance with G.S. 159-29, the Village's employees are performance bonded through a commercial surety bond. The Village carries a fidelity bond on the finance officer and tax collector, in the amount of \$100,000 and \$60,000, respectively, and \$10,000 for all other employees.

4. Long Term Obligations

A. Operating Lease

In October 2003, the Village entered into a one year lease for office space. The lease expired in September 2004 and is renewed monthly. Lease expense for the year ended June 30, 2017 totaled \$10,980.

B. Installment Obligation

In February 2011, the Village obtained a \$750,000 loan from a financial institution to purchase land for a future municipal park. The loan agreement required 84 monthly payments of \$8,928, plus interest through February 2018. The annual interest rate is \$2.71%.

Annual debt service payments of the installment purchase as of June 30, 2017, including \$726 of interest, are as follows:

Year ending June 30	Principal	Interest
2018	71,428	726
Total	\$ 71,428	\$ 726

C. Change in Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Installment purchase	\$ 178,571		\$ 107,143	\$ 71,428	\$ 71,428
Compensated absences	5,846			5,846	5,846
Governmental activities					
long term liabilities	\$ 184,417	\$ -	\$ 107,143	\$ 77,274	\$ 77,274

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

NOTE 3- **DETAIL NOTES ON ALL FUNDS - Continued**

5. Net Investment in Capital Assets

Capital assets	\$ 3,316,178
Less: installment purchase	(71,428)
Net investment in capital assets	\$ 3,244,750

6. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2017 consist of transfers in the amount of \$228,950 from the General Fund to the Capital Projects Fund for various construction projects.

7. Fund Balance

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

Total Fund Balance - General Fund	\$ 1,377,949
Less:	
Prepaid Expenditures	900
Stabilization by State Statute	37,537
Parks and recreation	10,173
Land acquisition	364,797
Loop projects	134,012
Capital asset replacement	15,659
Future capital projects	7,947
Maintenance of greenway trails	27,750
Village signs	20,000
Intersection/traffic improvement	152,444
Road maintenance	29,875
Reserves	161,585
Unassigned	415,270

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2017*

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**NOTE 4- INTERLOCAL AGREEMENTS**

In February 2005, the Village entered into an interlocal agreement with the county for law enforcement services. This contract is renewed annually.

**NOTE 5- SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Subsequent to year end, a lawsuit was filed against the Village. In the opinion of the Village and legal council, this legal matter will not have a material effect on the Village's financial position. The Village's insurance policy is funding the defense for any amounts above the deductible.

**NOTE 6- DATE OF MANagements' REVIEW**

In preparing the financial statements, the Village of Marvin has evaluated events and transactions for potential recognition or disclosure through October 30, 2017, the date that the financial statements were available to be issued.

<b>REQUIRED SUPPLEMENTARY FINANCIAL DATA</b>
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- Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System.
- Schedule of contributions to Local Government Employees' Retirement System.

**VILLAGE OF MARVIN, NORTH CAROLINA**

***Village of Marvin's Proportionate Share of Net Pension Liability (Asset)  
Required Supplementary Information  
Last Four Fiscal Years***

***Local Government Employees' Retirement System***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Marvin's proportion of the net pension liability (asset) (%)	0.002960%	0.003700%	0.002450%	0.003000%
Marvin's proportion of the net pension liability (asset) (\$)	\$ 62,820	\$ 16,605	\$ (14,449)	\$ 36,162
Marvin's covered-employee payroll	\$ 128,510	\$ 155,123	\$ 109,079	\$ 145,092
Marvin's proportion of the net pension liability (asset) as a percentage of its covered-employee payroll	48.88%	10.70%	-13.25%	24.92%
Plan fiduciary net position as a percentage of the total pension liability	91.47%	96.09%	102.64%	94.35%

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Village of Marvin's Contributions  
Required Supplementary Information  
Last Four Fiscal Years*

*Local Government Employees' Retirement System*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 10,209	\$ 11,754	\$ 15,179	\$ 8,061
Contributions in relation to the contractually required contribution	\$ 10,209	\$ 11,754	\$ 15,179	\$ 8,061
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Marvin's covered-employee payroll	140,811	128,510	155,123	109,079
Contributions as a percentage of covered-employee payroll	7.25%	9.15%	9.79%	7.39%

**SUPPLEMENTAL STATEMENTS**

**VILLAGE OF MARVIN, NORTH CAROLINA**

*General Fund*

*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2017*

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Current year ad valorem taxes	511,000	518,777	7,777
Motor vehicle taxes	41,725	47,014	5,289
Interest	-	431	431
Total	552,725	566,222	13,497
Unrestricted intergovernmental:			
Beer and wine tax	28,760	29,293	533
Utility sales tax	260,000	305,021	45,021
Local option sales taxes	150,000	163,338	13,338
Total	438,760	497,652	58,892
Restricted intergovernmental:			
Powell Bill allocation	120,670	132,410	11,740
Total	120,670	132,410	11,740
Permits and fees:			
Zoning fees	59,066	71,621	12,555
Engineering fees	-	-	-
Miscellaneous fees	-	-	-
Total	59,066	71,621	12,555
Sales and service:			
Recreation department fees	-	10,168	10,168
Total	-	10,168	10,168
Investment earnings	755	746	(9)
Other:			
Fee in lieu of green space	20,000	-	(20,000)
Miscellaneous	-	1,986	1,986
Total	20,000	1,986	(18,014)
Total revenues	1,191,976	1,280,805	88,829



**VILLAGE OF MARVIN, NORTH CAROLINA**

*General Fund*

*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2017*

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures:</b>			
General government:			
Salaries and related expenses	256,184	247,756	8,428
Stipends - Mayor, Council & Boards	38,270	28,325	9,945
Professional services	73,500	69,015	4,485
Training	8,300	1,067	7,233
Dues and subscriptions	12,578	12,578	-
Elections	-	-	-
Furniture and equipment	14,500	2,336	12,164
Gifts	500	171	329
Insurance and bonds	12,143	11,416	727
Occupancy	22,655	19,669	2,986
Office expenses and supplies	22,500	21,873	627
Prospective acquisitions costs	92,400	-	92,400
Total	553,530	414,206	139,324
Public safety:			
Professional services	-	85,667	-
Other operating expenditures	-	24,044	-
Total	112,667	109,711	2,956
Economic and Physical Development:			
Zoning:			
Professional services	-	-	-
Other operating expenditures	-	64,469	-
Total	64,469	64,469	-
Transportation:			
Maintenance and repairs	-	-	-
Total	-	-	-
Culture & Recreation:			
Community events	11,200	6,857	4,343
Park operations	61,794	59,687	2,107
Total	72,994	66,544	6,450

**VILLAGE OF MARVIN, NORTH CAROLINA**

*General Fund*

*Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2017*

	Budget	Actual	Variance Positive (Negative)
Capital outlay	-	-	-
Debt Services:			
Principal retirement	107,143	107,143	-
Interest	3,508	3,508	-
Total	110,651	110,651	-
Contingency	48,715	538	48,177
Total expenditures	963,026	766,119	196,907
Revenues over (under) expenditures	228,950	514,686	285,736
Other financing sources (uses):			
Fund balance appropriated	-	-	-
Transfers to capital projects	(228,950)	(228,950)	-
Total	(228,950)	(228,950)	-
Net change in fund balance	\$ -	\$ 285,736	\$ 285,736
Fund balance, beginning		1,092,213	
Fund balance , ending		\$ 1,377,949	

**VILLAGE OF MARVIN, NORTH CAROLINA**

*Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2017*

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>					
Village Hall:					
Construction	964,425	4,378	61,577	65,955	898,470
Total Village Hall	<u>964,425</u>	<u>4,378</u>	<u>61,577</u>	<u>65,955</u>	<u>898,470</u>
Marvin Loop Extensions:					
Loop extensions	72,500	7,492	405	7,897	64,603
Total Marvin Loop Extensions	<u>72,500</u>	<u>7,492</u>	<u>405</u>	<u>7,897</u>	<u>64,603</u>
Tullamore Parking Lot/Trail:					
Construction	48,000	-	40,702	40,702	7,298
Total Tullamore Parking Lot/Trail	<u>48,000</u>	<u>-</u>	<u>40,702</u>	<u>40,702</u>	<u>7,298</u>
Farmers' Market					
Construction	25,000	-	-	-	25,000
Total Farmer's Market	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Greenway Trails Construction/Maint:					
Construction & Maintenance	3,950	-	-	-	3,950
Total Greenway Trails Const/Maint	<u>3,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,950</u>
Road Improvements:					
Road Improvements	225,000	-	15,011	15,011	209,989
Total Road Improvements	<u>225,000</u>	<u>-</u>	<u>15,011</u>	<u>15,011</u>	<u>209,989</u>
Total Expenditures	<u>1,338,875</u>	<u>11,870</u>	<u>117,695</u>	<u>129,565</u>	<u>1,209,310</u>
Revenues under expenditures	<u>(1,338,875)</u>	<u>(11,870)</u>	<u>(117,695)</u>	<u>(129,565)</u>	<u>(1,209,310)</u>
<b>Other financing sources:</b>					
Transfer from other funds:					
General Fund	1,338,875	1,109,925	228,950	1,338,875	-
Total other financing sources:	<u>1,338,875</u>	<u>1,109,925</u>	<u>228,950</u>	<u>1,338,875</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,098,055</u>	<u>\$ 111,255</u>	<u>\$ 1,209,310</u>	<u>\$ (1,209,310)</u>
Fund balance, beginning			1,098,055		
Fund Balance, Ending			<u>\$ 1,209,310</u>		

## **OTHER SCHEDULES**

This section contains additional information required on property taxes.

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



**VILLAGE OF MARVIN, NORTH CAROLINA**

*Analysis of Current Tax 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 rate	\$ 1,134,544,000	0.050	\$ 567,272	\$ 518,205	\$ 49,067
Discoveries - current and prior years	791,900		396	396	\$ -
Releases	(431,900)		(216)	(216)	-
Total property valuation	<u>\$ 1,134,904,000</u>				
Net levy			567,452	518,385	49,067
Uncollected taxes at June 30, 2016			<u>(873)</u>	<u>(873)</u>	-
Current year's taxes collected			<u>\$ 566,579</u>	<u>\$ 517,512</u>	<u>\$ 49,067</u>
Current levy collection percentage			<u>99.85%</u>	<u>99.83%</u>	<u>100.00%</u>