

TOWN OF LELAND, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2015

Town of Leland
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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the Town Council
Town of Leland
Leland, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Leland, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Town of Leland'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements bases on our audit. We did not audit the financial statements of Leland Tourism Development Authority, 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 Leland Tourism Development Authority, is based solely on the report of the 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 Leland Tourism Development Authority were not audited in accordance with *Governmental 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 auditors' 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.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

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 Leland, North Carolina as of June 30, 2015, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 9, the Law Enforcement Officers' Special Separation Allowance on pages 45 through 46, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions on pages 47 through 48, 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. 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 Leland, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relates 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 the other auditors, the combining and individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2016 on our consideration of Town of Leland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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 Leland's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

January 20, 2016

As management of the Town of Leland, we offer readers of the Town of Leland's financial statements this narrative overview and analysis of the financial activities of the Town of Leland for the fiscal year ended June 30, 2015. 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.

Financial Highlights

- The assets and deferred outflows of resources of Town of Leland exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$91,607,976 (net position).
- The government's total net position increased by \$4,660,125.
- As of the close of the current fiscal year, the Town of Leland's governmental funds reported combined ending fund balances of \$10,671,117 with an increase of \$770,298 in fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,888,219, or 49.02 percent of total general fund expenditures for the fiscal year.

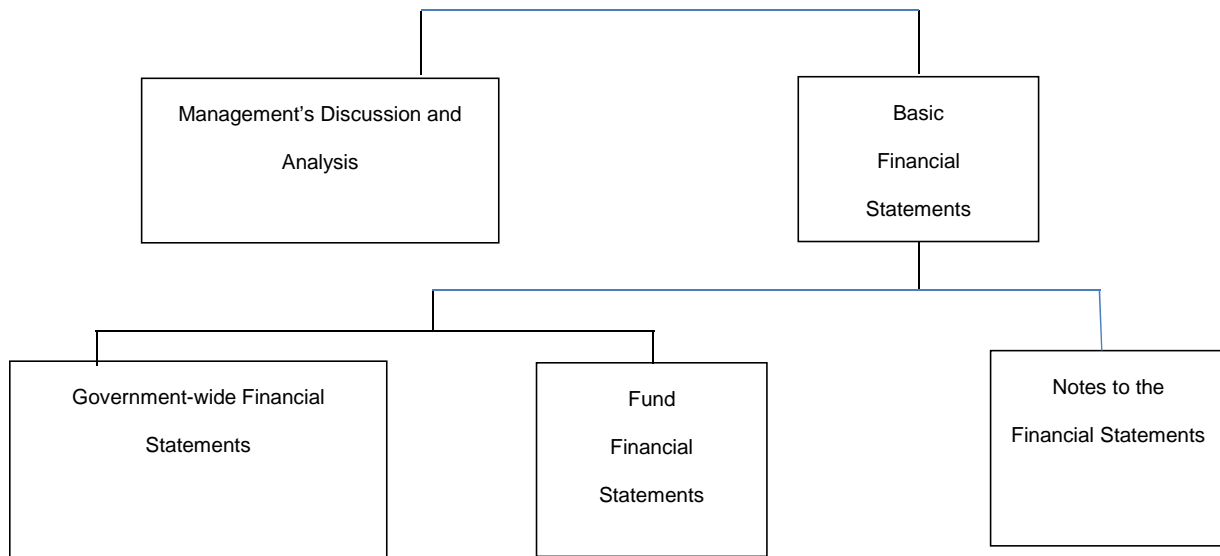
Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1

Figure 1



Summary —————> Detail

Basic Financial Statements

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

The next statements (Exhibits 3 through 9a) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can 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 Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the total of the Town's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; and 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as administration, streets and highways, and inspections. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water and sewer services offered by the Town of Leland. The final category is the component unit. Although legally separate from the Town, the ABC Board is important to the Town. The Town exercises control over the Board by appointing its members.

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

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

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

**Town of Leland
Management's Discussion and Analysis
June 30, 2015**

Proprietary Funds – Town of Leland has one kind of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Leland uses enterprise funds to account for its water and sewer activity, and the cultural arts center. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Town of Leland has one fiduciary fund, a pension trust fund.

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 start after Exhibit 10.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Town of Leland's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 45, directly after the notes.

Interdependence with Other Entities – The Town depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and assets values associated with U.S. Treasury Securities because of actions by foreign government and others holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

The Town of Leland's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 11,744,539	\$ 11,620,609	\$ 11,206,696	\$ 10,192,276	\$ 22,951,235	\$ 21,812,885
Capital Assets	54,113,811	53,952,329	33,985,705	33,221,952	88,099,516	87,174,281
Deferred Outflows of Resources	193,122	-	18,915	-	212,037	-
Total Assets and Deferred Outflows of Resources	66,051,472	65,572,938	45,211,316	43,414,228	111,262,788	108,987,166
Long-term Liabilities Outstanding	10,743,852	11,859,080	5,405,751	6,198,619	16,149,603	18,057,699
Other Liabilities	1,707,122	2,523,314	938,836	858,843	2,645,958	3,382,157
Deferred Inflows of Resources	782,602	-	76,649	-	859,251	-
Total Liabilities and Deferred Inflows of Resources	13,233,576	14,382,394	6,421,236	7,057,462	19,654,812	21,439,856
Net Position:						
Net Investment in capital assets	42,991,011	41,332,970	27,798,879	26,254,568	70,789,890	67,587,538
Restricted	2,059,716	2,897,788	-	-	2,059,716	2,897,788
Unrestricted	7,767,169	6,959,786	10,991,201	10,102,198	18,758,370	17,061,984
Total Net Position	\$ 52,817,896	\$ 51,190,544	\$ 38,790,080	\$ 36,356,766	\$ 91,607,976	\$ 87,547,310

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 Town of Leland exceeded liabilities and deferred inflows by \$91,607,976 as of June 30, 2015. The Town's net position increased by \$4,660,125 for the fiscal year ended June 30, 2015. However, the largest portion (77.27%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Town of Leland uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Leland's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Leland's net position, \$2,059,716, represents sources that are subject to external restrictions on how they may be used. The remaining balance of \$18,758,370 is unrestricted. Also, the Town of Leland implemented GASB Statement 68 this year. With the new reporting change, the Town is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$471,339. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Town of Leland's management.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.51%.
- Significant contributions from developers for capital assets owned by the Town.

The Town of Leland Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 897,954	\$ 420,863	\$ 3,777,566	\$ 3,507,196	\$ 4,675,520	\$ 3,928,059
Operating grants and contributions	639,370	423,846	-	-	639,370	423,846
Capital grants and contributions	1,838,339	132,424	2,242,763	-	4,081,102	132,424
General revenues:						
Property taxes	3,189,545	3,071,881	-	-	3,189,545	3,071,881
Other taxes	4,521,148	4,030,277	-	-	4,521,148	4,030,277
Other	93,327	119,305	1,269	1,469	94,596	120,774
Total revenues	11,179,683	8,198,596	6,021,598	3,508,665	17,201,281	11,707,261
Expenses:						
Governing body	191,143	187,490	-	-	191,143	187,490
Administration	528,458	657,160	-	-	528,458	657,160
Information Technology	377,236	373,990	-	-	377,236	373,990
Human Resources	174,315	128,272	-	-	174,315	128,272
Finance	240,461	229,935	-	-	240,461	229,935
Public Works	1,232,550	1,303,813	-	-	1,232,550	1,303,813
Planning	18,350	129,198	-	-	18,350	129,198
Police	2,927,932	2,608,332	-	-	2,927,932	2,608,332
Development services	630,545	736,398	-	-	630,545	736,398
Powell Bill	274,575	1,752,801	-	-	274,575	1,752,801
Transportation	1,324,399	-	-	-	1,324,399	-
Parks and recreation	1,239,708	1,400,408	-	-	1,239,708	1,400,408
Interest on long-term debt	338,890	289,773	-	-	338,890	289,773
Utilities	-	-	2,916,977	3,155,406	2,916,977	3,155,406
Cultural Arts Center	-	-	125,617	-	125,617	-
Total expenses	9,498,562	9,797,570	3,042,594	3,155,406	12,541,156	12,952,976
Increase (decrease) in net position before transfers	1,681,121	(1,598,974)	2,979,004	353,259	4,660,125	(1,245,715)
Transfers	503,644	-	(503,644)	-	-	-
Change in net position	2,184,765	(1,598,974)	2,475,360	353,259	4,660,125	(1,245,715)
Net position, beginning	51,190,546	52,789,520	36,356,768	36,003,509	87,547,314	88,793,029
Net position, beginning, restated	50,633,131	52,789,520	36,314,720	36,003,509	86,947,851	88,793,029
Net position, ending	\$ 52,817,896	\$ 51,190,546	\$ 38,790,080	\$ 36,356,768	\$ 91,607,976	\$ 87,547,314

Governmental activities. Governmental activities increased the Town's net position by \$2,184,765, thereby accounting for 36.07% of the total growth in the net position of the Town of Leland.

Business-type activities: Business-type activities increased the Town's net position by \$2,475,360, thereby accounting for 63.93% of the total growth in the net position of the Town of Leland.

A significant portion of the increase for both governmental activities and business-type activities was contributed capital from developers for various projects.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Leland's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Town of Leland's financing requirements. Specifically, unreserved 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 Town of Leland. At the end of the current fiscal year, Town of Leland's fund balance available in the General Fund was \$5,218,112, while total fund balance reached \$7,277,828. The Town currently has an available fund balance of 52.33% of general fund expenditures, while total fund balance represents 72.99% of the same amount.

At June 30, 2015, the governmental funds of Town of Leland reported a combined fund balance of \$10,671,117, with a net increase in fund balance of \$770,298. Included in this change in fund balance is a decrease in fund balance in the non-major funds.

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

Revenues were less than the budgeted amounts primarily because the Town did not receive some of the unrestricted intergovernmental funds that were anticipated. Expenditures were held in check to comply with its budgetary requirements.

Proprietary Funds. The Town of Leland's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Utility Fund at the end of the fiscal year amounted to \$11,006,531, and for the Cultural Arts Center a deficit of \$15,330. The total change in net position for the Utility Fund was an increase of \$2,481,479 and a decrease in the Cultural Arts Center of \$6,119.

Capital Asset and Debt Administration

Capital assets. The Town of Leland's investment in capital assets for its governmental and business-type activities as of June 30, 2015, totals \$88,099,516 (net of accumulated depreciation). These assets include buildings, land, vehicles, infrastructure, and equipment.

Major capital asset transactions during the year include:

- Construction in progress of a new town hall.
- Contributed capital from developers
- Utility distribution and treatment expansion

**Town of Leland's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 5,127,043	\$ 5,093,343	\$ -	\$ -	\$ 5,127,043	\$ 5,093,343
Construction in Progress	-	8,963,223	208,559	-	208,559	8,963,223
Buildings	12,014,964	2,910,389	-	-	12,014,964	2,910,389
Infrastructure	36,911,792	36,911,792	-	-	36,911,792	36,911,792
Vehicles	58,511	73,582	-	-	58,511	73,582
Plant and Distribution	-	-	32,762,235	33,221,952	32,762,235	33,221,952
Equipment	1,501	-	1,014,911	-	1,016,412	-
Total	\$ 54,113,811	\$ 53,952,329	\$ 33,985,705	\$ 33,221,952	\$ 88,099,516	\$ 87,174,281

Additional information on the Town's capital assets can be found in the Notes to the Financial Statements.

Long-term Debt. As of June 30, 2015, Town of Leland had total debt outstanding of \$17,642,803. Of this, \$0 is debt backed by the full faith and credit of the Town of Leland.

Town of Leland's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Installment purchases	\$ 11,455,977	\$ 12,619,359	\$ -	\$ -	\$ 11,455,977	\$ 12,619,359
Interlocal agreements	-	-	6,186,826	6,967,384	6,186,826	6,967,384
Total	\$ 11,455,977	\$ 12,619,359	\$ 6,186,826	\$ 6,967,384	\$ 17,642,803	\$ 19,586,743

Town of Leland's total debt decreased by \$1,943,940 (9.92%) during the past fiscal year, primarily due to debt service payments exceeding loan proceeds in the fiscal year.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Leland is \$157,371,007. The Town of Leland does not have any authorized but un-issued debt at June 30, 2015.

Additional information regarding the Town of Leland's long-term debt can be found in the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

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

- Population Growth
- New construction

Budget Highlights for the Fiscal Year Ending June 30, 2016

Governmental Activities. Property taxes will maintain at levels to fund budgeted revenues.

Business-type Activities. Water rates in the Town will be reviewed during the budget process annually.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the following:

David Hollis
 Town Manager
 Town of Leland
 102 Town Hall Drive
 Leland, NC 28451
 Telephone: (910) 371-0148
dhollis@townofleland.com

BASIC FINANCIAL STATEMENTS

TOWN OF LELAND, NORTH CAROLINA
Statement of Net Position
For the Year Ended June 30, 2015

	Primary Government			Leland Tourism Development Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 8,663,126	\$ 11,251,603	\$ 19,914,729	\$ 170,459
Receivables (net):				
Ad Valorem Taxes	157,058	-	157,058	-
Occupancy Tax	-	-	-	17,252
Interest	-	-	-	-
Accounts	-	267,755	267,755	-
Internal Balances	531,462	(531,462)	-	-
Due from Other Governments	902,617	100,884	1,003,501	-
Restricted Cash and Cash Equivalents	1,157,099	85,284	1,242,383	-
Total Current Assets	<u>11,411,362</u>	<u>11,174,064</u>	<u>22,585,426</u>	<u>187,711</u>
Noncurrent Assets				
Net pension asset	333,177	32,632	365,809	-
Capital Assets				
Land, Nondepreciable Improvements, and Construction in Progress	5,127,043	208,559	5,335,602	-
Other Capital Assets, Net of Deprec.	48,986,768	33,777,146	82,763,914	-
Total Noncurrent Assets	<u>54,446,988</u>	<u>34,018,337</u>	<u>88,465,325</u>	<u>-</u>
Total Assets	<u>65,858,350</u>	<u>45,192,401</u>	<u>111,050,751</u>	<u>187,711</u>
DEFERRED OUTFLOWS OF RESOURCES				
Contributions to pension plan in current fiscal year	193,122	18,915	212,037	-
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	374,814	24,801	399,615	-
Customer Deposits	208,373	85,284	293,657	-
Accrued Interest	18,414	35,253	53,667	-
Current Portion of Long-term Debt	1,105,521	793,498	1,899,019	-
Total Current Liabilities	<u>1,707,122</u>	<u>938,836</u>	<u>2,645,958</u>	<u>-</u>
Long-term liabilities:				
Due in more than one year	10,743,852	5,405,751	16,149,603	-
Total Long-Term Liabilities	<u>10,743,852</u>	<u>5,405,751</u>	<u>16,149,603</u>	<u>-</u>
Total Liabilities	<u>12,450,974</u>	<u>6,344,587</u>	<u>18,795,561</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	782,602	76,649	859,251	-
Total deferred inflows of resources	<u>782,602</u>	<u>76,649</u>	<u>859,251</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	42,991,011	27,798,879	70,789,890	-
Restricted for:				
Transportation	1,146,091	-	1,146,091	-
Stabilization by State Statute	902,617	-	902,617	17,252
Drug Forfeiture	11,008	-	11,008	-
Unrestricted	7,767,169	10,991,201	18,758,370	170,459
Total Net Position	<u>\$ 52,817,896</u>	<u>\$ 38,790,080</u>	<u>\$ 91,607,976</u>	<u>\$ 187,711</u>

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

TOWN OF LELAND, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Leland Tourism Development Authority
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Governing Body	\$ 191,143	\$ -	\$ -	\$ -	\$ (191,143)	\$ -	\$ (191,143)	\$ -
Administration	528,458	-	-	-	(528,458)	-	(528,458)	-
Information Technology	377,236	-	-	-	(377,236)	-	(377,236)	-
Human Resources	174,315	-	-	-	(174,315)	-	(174,315)	-
Finance	240,461	-	-	-	(240,461)	-	(240,461)	-
Public Works	1,232,550	1,000	-	469,931	(761,619)	-	(761,619)	-
Planning	18,350	3,412	-	-	(14,938)	-	(14,938)	-
Police	2,927,932	4,673	198,038	35,540	(2,689,681)	-	(2,689,681)	-
Developmental Services	630,545	876,455	-	-	245,910	-	245,910	-
Powell Bill	274,575	-	441,332	-	166,757	-	166,757	-
Transportation	1,324,399	-	-	1,299,168	(25,231)	-	(25,231)	-
Parks and Recreation	1,239,708	12,414	-	33,700	(1,193,594)	-	(1,193,594)	-
Interest on long-term debt	338,890	-	-	-	(338,890)	-	(338,890)	-
Total governmental activities	9,498,562	897,954	639,370	1,838,339	(6,122,899)	-	(6,122,899)	-
Business-type activities:								
Utility	2,916,977	3,756,524	-	2,242,763	-	3,082,310	3,082,310	-
Cultural Arts Center	125,617	21,042	-	-	-	(104,575)	(104,575)	-
Total business-type activities	3,042,594	3,777,566	-	2,242,763	-	2,977,735	2,977,735	-
Total primary government	12,541,156	4,675,520	639,370	4,081,102	(6,122,899)	2,977,735	(3,145,164)	-
Component unit:								
Leland Tourism Development Authority	\$ 133,219	\$ -	\$ -	\$ -	-	-	-	(133,219)
General revenues:								
Property taxes, levied for general purpose					3,189,545		3,189,545	-
Other taxes and licenses					4,521,148		4,521,148	136,105
Investment Earnings					1,634	1,269	2,903	-
Miscellaneous					91,693		91,693	8,500
Transfers					503,644	(503,644)	-	-
Total general revenues, special items, and transfers					8,307,664	(502,375)	7,805,289	144,605
Change in Net Position					2,184,765	2,475,360	4,660,125	11,386
Net position, beginning					51,190,544	36,356,766	87,547,310	176,325
Restatement					(429,293)	(42,046)	(471,339)	-
Prior Period Adjustment					(128,120)	-	(128,120)	-
Net position, beginning, restated					50,633,131	36,314,720	86,947,851	176,325
Net position, ending					\$ 52,817,896	\$ 38,790,080	\$ 91,607,976	\$ 187,711

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

TOWN OF LELAND, NORTH CAROLINA
 Balance Sheet
 Governmental Funds
 For the Fiscal Year Ended June 30, 2015

	Major Funds			Total Governmental Funds
	General	Town Center Capital Project Fund	Total Non-Major Funds	
ASSETS				
Cash and cash equivalents	\$ 5,856,733	\$ 71,863	\$ 2,734,530	\$ 8,663,126
Restricted Cash	1,157,099	-	-	1,157,099
Receivables (net):		-		-
Ad Valorem Taxes	133,324	-	-	133,324
Due from Other Funds	-	-	600,113	600,113
Due from Other Governments	902,617	-	-	902,617
Total assets	\$ 8,049,773	\$ 71,863	\$ 3,334,643	\$ 11,456,279
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 361,772	\$ -	\$ 13,042	\$ 374,814
Due to other funds	68,476	-	175	68,651
Deposits	208,373	-	-	208,373
Total liabilities	638,621	-	13,217	651,838
DEFERRED INFLOWS OF RESOURCES	133,324	-	-	133,324
Fund balances:				
Restricted:				
Stabilization by State statute	902,617	-	-	902,617
Streets	1,146,091	-	-	1,146,091
Drug Forfeiture	11,008	-	-	11,008
Committed:				
Vehicles	84,893	-	-	84,893
Assigned:				
Subsequent Year's Expenditures	-	-	-	-
Capital Projects	-	71,863	-	71,863
Planning	245,000	-	679,005	924,005
Police	-	-	2,962	2,962
Public Works	-	-	5,551	5,551
Parks and Recreation	-	-	649,056	649,056
Sewer	-	-	600,000	600,000
Transportation	-	-	1,384,852	1,384,852
Unassigned:	4,888,219	-	-	4,888,219
Total fund balances	7,277,828	71,863	3,321,426	10,671,117
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,049,773	\$ 71,863	\$ 3,334,643	\$ 11,456,279

TOWN OF LELAND, NORTH CAROLINA
 Balance Sheet
 Governmental Funds
 For the Fiscal Year Ended June 30, 2015

Amounts reported for governmental activities in the Statements of Net Position are different because:

Total Governmental Fund Balance		\$ 10,671,117
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	67,820,780	
Accumulated depreciation	<u>(13,706,969)</u>	54,113,811
Net pension asset		333,177
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		193,122
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred		
Accrued interest - taxes		23,734
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Ad valorem Taxes		133,324
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Installment purchase obligations	(11,455,977)	
Accrued interest payable	(18,414)	
Net pension obligation	(190,959)	
Compensated Absences	<u>(202,437)</u>	(11,867,787)
Pension related deferrals		(782,602)
Net position of governmental activities		<u><u>\$ 52,817,896</u></u>

TOWN OF LELAND, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Major Fund			Total Governmental Funds
	General Fund	Town Center Capital Project Fund	Total Non- Major Funds	
REVENUES				
Ad valorem taxes	\$ 3,214,684	\$ -	\$ -	\$ 3,214,684
Other taxes and licenses	91,530	-	-	91,530
Unrestricted intergovernmental	4,511,179	-	-	4,511,179
Restricted intergovernmental	649,339	-	-	649,339
Permits and fees	806,424	-	-	806,424
Investment earnings	1,591	-	43	1,634
Miscellaneous	128,643	-	15,515	144,158
Total revenues	<u>9,403,390</u>	<u>-</u>	<u>15,558</u>	<u>9,418,948</u>
EXPENDITURES				
Governing Body	191,143	-	-	191,143
Administration	531,949	-	-	531,949
Information Technology	381,819	-	-	381,819
Human Resources	180,488	-	-	180,488
Finance	248,705	-	-	248,705
Public Works	1,222,327	-	4,262	1,226,589
Police	2,235,728	-	166,995	2,402,723
Planning	-	-	18,350	18,350
Transportation	-	-	78,784	78,784
Development Services	651,989	-	-	651,989
Powell Bill	301,007	-	-	301,007
Parks and Recreation	261,625	-	863,083	1,124,708
Debt Service:				
Principal	1,163,382	-	-	1,163,382
Interest and Other Charges	320,476	-	-	320,476
Capital Outlay:				
Administration	-	330,183	-	330,183
Total expenditures	<u>7,690,638</u>	<u>330,183</u>	<u>1,131,474</u>	<u>9,152,295</u>
Excess (deficiency) of revenues over expenditures	<u>1,712,752</u>	<u>(330,183)</u>	<u>(1,115,916)</u>	<u>266,653</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	894,780	851,551	2,406,736	4,153,067
Transfers to other funds	(2,280,764)	-	(1,368,658)	(3,649,422)
Appropriated Fund Balance	-	-	-	-
Installment Purchase Obligations Issued	-	-	-	-
Total other financing sources and uses	<u>(1,385,984)</u>	<u>851,551</u>	<u>1,038,078</u>	<u>503,645</u>
Net change in fund balance	<u>326,768</u>	<u>521,368</u>	<u>(77,838)</u>	<u>770,298</u>
Fund balances-beginning	7,079,180	(449,505)	3,399,264	10,028,939
Prior Period Adjustment	(128,120)	-	-	(128,120)
Fund balances-ending	<u>\$ 7,277,828</u>	<u>\$ 71,863</u>	<u>\$ 3,321,426</u>	<u>\$ 10,671,117</u>

TOWN OF LELAND, NORTH CAROLINA
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

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

Net changes in fund balances - total governmental funds		\$	770,298
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay expenditures which are capitalized	494,808		
Contributed Capital that is not recorded on the fund statements	1,838,339		
Depreciation Expense	(2,119,199)		
Gain (Loss) on Disposal of Assets	<u>(52,466)</u>		161,482
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	193,122		193,122
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.			
Change in unavailable revenue for tax revenues	(31,579)		
Interest earned on ad valorem taxes	<u>6,440</u>		(25,139)
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.			
Debt issuance	-		
Debt retirement	1,163,382		
Increase in accrued interest payable	<u>(18,414)</u>		1,144,968
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:			
Net pension obligation	(23,815)		
Pension expense	(20,131)		
Compensated absences	<u>(16,020)</u>		<u>(59,966)</u>
Total Change in net position of governmental activities		\$	<u><u>2,184,765</u></u>

TOWN OF LELAND, NORTH CAROLINA
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	General Fund			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 2,887,709	\$ 3,202,709	\$ 3,214,684	\$ 11,975
Other taxes and licenses	90,000	90,000	91,530	1,530
Unrestricted intergovernmental	3,873,489	3,909,489	4,511,179	601,690
Restricted intergovernmental	432,128	436,828	646,633	209,805
Permits and fees	465,000	501,499	806,424	304,925
Investment earnings	-	500	1,584	1,084
Miscellaneous	-	93,806	128,643	34,837
Total revenues	<u>7,748,326</u>	<u>8,234,831</u>	<u>9,400,677</u>	<u>1,165,846</u>
Expenditures				
Governing Body	186,065	206,564	191,143	15,421
Administration	632,238	600,868	531,949	68,919
Information Technology	427,936	426,192	381,819	44,373
Human Resources	198,794	205,723	180,488	25,235
Finance	286,913	293,762	248,705	45,057
Public Works	1,307,275	1,326,583	1,222,327	104,256
Police	2,366,714	2,361,794	2,229,856	131,938
Development Services	854,326	906,907	646,989	259,918
Powell Bill	432,128	1,407,359	301,007	1,106,352
Parks and Recreation	422,858	271,806	261,625	10,181
Debt Service	-	1,424,762	1,483,858	(59,096)
Total expenditures	<u>7,115,247</u>	<u>9,432,320</u>	<u>7,679,766</u>	<u>1,752,554</u>
Revenues over (under) expenditures	<u>633,079</u>	<u>(1,197,489)</u>	<u>1,720,911</u>	<u>2,918,400</u>
Other financing sources (uses):				
Transfers from Other Funds	128,300	433,300	968,015	534,715
Transfers to Other Funds	(761,379)	(1,985,230)	(1,934,121)	51,109
Total other financing sources (uses)	<u>(633,079)</u>	<u>(1,551,930)</u>	<u>(966,106)</u>	<u>585,824</u>
Revenues and other financing sources over expenditures and other financing uses	-	(2,749,419)	754,805	3,504,224
Appropriated Fund Balance	<u>-</u>	<u>2,749,419</u>	<u>-</u>	<u>(2,749,419)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>754,805</u>	<u>\$ 754,805</u>
Fund balance, beginning			6,310,242	
Prior Period Adjustment			(128,120)	
Fund balance, ending			<u>\$ 6,936,927</u>	

TOWN OF LELAND, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

For the Fiscal Year Ended June 30, 2015

A legally budgeted Parks and Recreation Capital Reserve Fund is consolidated into the General Fund for reporting purposes:

Investment Earnings	\$	7
Transfer to General Fund		(64,764)
Fund Balance, beginning of year		64,757
		<u>-</u>

A legally budgeted Transportation Capital Improvement Reserve Fund is consolidated into the General Fund for reporting purposes:

Investment Earnings		-
Transfer to Planning Revitalization Capital Project Fund		(9,343)
Fund Balance, beginning of year		9,343
		<u>-</u>

A legally budgeted Drug Forfeitures Capital Reserve Fund is consolidated into the General Fund for reporting purposes:

Restricted Intergovernmental Revenue		2,706
Investment Earnings		-
Transfer to Town Center Project		(198,637)
Transfer to Police Grant Capital Project Fund		(4,029)
Fund Balance, beginning of year		210,968
		<u>11,008</u>

A legally budgeted Town Center Capital Reserve Fund is consolidated into the General Fund for reporting purposes:

Investment Earnings		-
Transfer to Town Center Capital Project Fund		(185,870)
Fund Balance, beginning of year		185,870
		<u>-</u>

A legally budgeted Sign Amortization Capital Reserve Fund is consolidated into the General Fund for reporting purposes:

Investment Earnings		-
Other Expenditures		(5,000)
Transfer to General Fund		-
Fund Balance, beginning of year		250,000
		<u>245,000</u>

A legally budgeted Vehicle Capital Reserve Fund is consolidated into the General Fund for reporting purposes:

Investment Earnings		-
Other Expenditures		(5,872)
Transfer from General Fund		116,000
Transfer to General Fund		(73,235)
Fund Balance, beginning of year		48,000
		<u>84,893</u>

Fund Balance - End of Year (Consolidated)\$ 7,277,828

TOWN OF LELAND, NORTH CAROLINA
Statement of Net Position
Proprietary Funds
June 30, 2015

	<u>Major</u>	<u>Non-Major</u>	
	<u>Utility Fund</u>	<u>Cultural Arts Center</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and Investments	\$ 11,229,017	\$ 22,586	\$ 11,251,603
Accounts Receivable, net	265,406	2,349	267,755
Due from other governments	100,884	-	100,884
Restricted cash	85,284	-	85,284
Total current assets	11,680,591	24,935	11,705,526
Noncurrent assets:			
Net Pension Asset	25,483	7,149	32,632
Capital Assets:			
Other Capital Assets, net of Depreciation	33,985,705	-	33,985,705
Total noncurrent assets	34,011,188	7,149	34,018,337
Total Assets	\$ 45,691,779	\$ 32,084	\$ 45,723,863
DEFERRED OUTFLOWS OF RESOURCES			
Contributions to Pension Plan	14,771	4,144	18,915
Total Deferred Outflows of Resources	14,771	4,144	18,915
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	24,763	38	24,801
Due to other funds	496,734	34,728	531,462
Customer deposits	85,284	-	85,284
Accrued interest payable	35,253	-	35,253
Interlocal Agreements	793,498	-	793,498
Total current liabilities	1,435,532	34,766	1,470,298
Noncurrent liabilities:			
Interlocal Agreements	5,393,328	-	5,393,328
Compensated Absences Payable	12,423	-	12,423
Total noncurrent liabilities	5,405,751	-	5,405,751
Total liabilities	6,841,283	34,766	6,876,049
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	59,857	16,792	76,649
Total Deferred Inflows of Resources	59,857	16,792	76,649
NET POSITION			
Net investment in capital assets	27,798,879	-	27,798,879
Unrestricted	11,006,531	(15,330)	10,991,201
Total net position	\$ 38,805,410	\$ (15,330)	\$ 38,790,080

Town of Leland, North Carolina

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Fund

For the Year Ended June 30, 2015

	Major		Non-Major
	Utility Fund	Cultural Arts Center	Total
OPERATING REVENUES			
Water Charges	\$ 1,033,184	\$ -	\$ 1,033,184
Sewer Charges	1,691,830	-	1,691,830
Cultural Arts Center	-	21,042	21,042
Impact Fees	1,008,656	-	1,008,656
Penalties and Interest	22,854	-	22,854
Total Operating Revenues	3,756,524	21,042	3,777,566
OPERATING EXPENSES			
Water Operations	372,505	-	372,505
Sewer Operations	951,167	-	951,167
Cultural Arts Center Operations	-	125,617	125,617
Depreciation	1,407,340	-	1,407,340
Total Operating Expenses	2,731,012	125,617	2,856,629
OPERATING INCOME (LOSS)	1,025,512	(104,575)	920,937
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	1,269	-	1,269
Interest Expense	(185,965)	-	(185,965)
Total Nonoperating Revenues (Expenses)	(184,696)	-	(184,696)
Income (loss) before contributions and transfers	840,816	(104,575)	736,241
Capital Contributions	2,240,663	2,100	2,242,763
Transfers from other funds	3,709,377	96,356	3,805,733
Transfers to other funds	(4,309,377)	-	(4,309,377)
Change in Net Position	2,481,479	(6,119)	2,475,360
Total net position, previously reported	36,356,766	-	36,356,766
Restatement	(32,835)	(9,211)	(42,046)
Total net position, restated	36,323,931	(9,211)	36,314,720
Net Position -- End of Year	\$ 38,805,410	\$ (15,330)	\$ 38,790,080

TOWN OF LELAND, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For The Fiscal Year Ended June 30, 2015

	Major	Non-Major	
	Utility Fund	Cultural Arts Center	Total
Cash flows from operating activities:			
Cash Received from Customers and Users	\$ 3,738,238	\$ 18,693	\$ 3,756,931
Cash Paid for Goods and Services	(1,018,131)	(33,484)	(1,051,615)
Cash Paid to or on Behalf of Employees for Services	(293,415)	(95,807)	(389,222)
Customer Deposits (net)	7,034	-	7,034
Net cash provided (used) by operating activities	2,433,726	(110,598)	2,323,128
Cash flows from noncapital financing activities			
Increase (decrease) in due to other funds	496,734	34,728	531,462
Transfers from other funds	3,709,377	96,356	3,805,733
Transfers to other funds	(4,309,377)	-	(4,309,377)
Total Cash flows from noncapital financing activities	(103,266)	131,084	27,818
Cash flows from Capital financing activities			
Acquisition of Capital Assets	(2,171,093)	-	(2,171,093)
Interest Paid on Debt Obligations and Equipment Contracts	(150,712)	-	(150,712)
Principal Paid on Debt Obligations and Equipment Contracts	(780,558)	-	(780,558)
Capital contributions	2,240,663	2,100	2,242,763
Net cash provided (used) by capital and related financing activities	(861,700)	2,100	(859,600)
Cash flows from investing activities:			
Interest on investments	1,269	-	1,269
Net increase (decrease) in cash and cash equivalents	1,470,029	22,586	1,492,615
Cash and cash equivalents, July 1	9,844,272	-	9,844,272
Cash and cash equivalents, June 30	\$ 11,314,301	\$ 22,586	\$ 11,336,887
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,025,512	\$ (104,575)	\$ 920,937
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,407,340	-	1,407,340
Pension expense	1,540	432	1,972
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(18,286)	(2,349)	(20,635)
Increase (decrease) in accounts payable and accrued liabilities	24,727	38	24,765
Increase (Decrease) in customer deposits	7,034	-	7,034
(Increase) decrease in deferred outflows of resources for pensions	(14,771)	(4,144)	(18,915)
Increase (decrease) in compensated absences payable	630	-	630
Total adjustments	1,408,214	(6,023)	1,402,191
Net cash provided (used) by operating activities	\$ 2,433,726	\$ (110,598)	\$ 2,323,128

TOWN OF LELAND, NORTH CAROLINA
Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Pension Trust Fund
Assets	
Cash and Investments	\$ 51,142
Occupancy Tax Receivable	-
Total Assets	<u>51,142</u>
Liabilities	
Due to Other Governments	-
Total Liabilities	<u>-</u>
Net Position	
Assets Held in Trust for Pension Benefits	<u>51,142</u>
Net Position - End of Year	<u>\$ 51,142</u>

TOWN OF LELAND, NORTH CAROLINA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

	Pension Trust Fund
Additions	
Employee Contributions	\$ -
Investment Earnings	
Interest	<u>9</u>
Total Additions	9
Deductions	
Benefits	<u>-</u>
Change in Net Position	9
Net Position - Beginning of Year	<u>51,133</u>
Net Position - End of Year	<u><u>\$ 51,142</u></u>

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Leland Tourism Development Authority

The Leland Tourism Development Authority is a municipal corporation, which is governed by a five member Board of Commissioners appointed by the Town. The Leland Tourism Development Authority, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the authority may be obtained from the entity's administrative offices at Leland Tourism Development Authority, PO Box 1186, Shallotte, NC 28459.

B. Basis of Presentation – Basis of Accounting

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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, including the fiduciary fund. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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 -This 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 administration, police, inspections, and parks and recreation. Additionally, the Town has legally adopted a Parks and Recreation Capital Reserve Fund, a Space Development Capital Reserve Fund, Transportation Capital Improvement Reserve Fund, Drug Forfeitures Capital Reserve Fund, Town Center Capital Reserve Fund, Debt Payment Capital Reserve Fund, and a Sign Amortization Payment Fund. Under GASB 54 guidance these funds are consolidated in the General Fund. The budgetary comparison for these funds has been included in the supplemental information.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Basis of Accounting (Continued)

Town Center Capital Project Fund. This fund is used to account for the acquisition of building and equipment for use in the development of town property.

The Town reports the following non-major governmental funds:

Gateway Beautification Capital Project Fund. This fund is used to account for the construction of improvements at the Town's main entrance at Village Road and US 17/74/76.

Village Road/Cross Access Capital Project Fund. This fund is used to account for construction and improvements at the Village

Westgate Nature Park Capital Project Fund. This fund is used to account for the construction of the Westgate Nature Park.

Sturgeon Environmental Educational Park Project Fund. The fund is used to account for the construction of the Sturgeon Environmental Educational Park.

Drug Forfeitures Capital Projects Fund. This fund is used to account for activities related to drug forfeitures.

Lanvale Trace Stormwater Improvement Project Fund. This fund is used to account for the repair and maintenance of the Lanvale Trace Stormwater Project.

Cultural Arts Center Capital Project Fund. This fund is used to account for funding construction of a Cultural Arts Center.

Vehicle Replacement Capital Project Fund. This fund is used to account for future capital vehicle acquisitions.

Old Fayetteville MUP Capital Project Fund. This fund is used to account for planning and construction.

Planning Revitalization Capital Project Fund. This fund is used to account for funding major capital improvements.

Transportation Capital Project Fund. This fund is used to account for funding major transportation capital improvements.

Westgate Senior Apartment Housing Capital Project Fund. This fund is used to account for the construction of the Westgate Senior Apartment Housing Complex.

Greenway Capital Project Fund. This fund is used to account for the construction of the Greenway Capital Project.

Bike Plan Capital Project Fund. This fund is used to account for the planning and construction of bike paths.

Dog Park Capital Project Fund. This fund is used to account for the planning and construction of dog parks.

Splash Park Capital Project Fund. This fund is used to account for the planning and construction of a splash park.

Rice Gate Capital Project Fund. This fund is used to account for the associated expenditures of the Rice Gate Project.

Property Acquisition (Water Access) Capital Project Fund. This fund is used for the acquisition of property by the Town.

Property Acquisition (General) Capital Project Fund. This fund is used for the acquisition of property by the Town.

Westgate Berm Capital Project Fund. This fund is used to account for the development of the Westgate Berm.

Municipal Park Improvements Capital Project Fund. This fund is used to account for the construction of the Municipal Park Capital Project.

Police Grant Capital Project Fund. This fund is used to account for the capital expenditures from police funds.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Basis of Accounting (Continued)

Leland MS Sidewalk Capital Project Fund. This fund is used to account for construction and improvements of the Leland MS Sidewalk.

Old Fayetteville/Village Rd Ped Loop Capital Project Fund. This fund is used to account for planning and construction.

Village Road MUP Extension Capital Project Fund. This fund is used to account for planning and construction.

NC Department of Transportation Capital Project Fund. This fund is used to reserve funds for DOT project.

Mallory Creek Capital Project Fund. This fund is used to account for construction and improvements of Mallory Creek.

The Town reports the following major enterprise funds:

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

The Town reports the following non-major enterprise funds:

Cultural Arts Center - This fund is used to account for the activities of the Cultural Arts Center.

The Town reports the following fiduciary fund types:

Pension Trust Fund. The Town maintains a Pension Trust Fund – the Special Separation Allowance Fund. Pension Trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Special Separation Allowance Fund, that accounts for Law Enforcement Officers' Special Separation Allowance, is a single-employer, public employee retirement system.

C. Measurement Focus, 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, Proprietary, and Fiduciary Fund Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund and fiduciary 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Basis of Accounting (Continued)

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 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, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting

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 property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. 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, Town of Leland 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 utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied. 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 are 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.

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, Parks and Recreation Capital Reserve Fund, Transportation Capital Improvement Reserve Fund, Drug Forfeitures Capital Reserve Fund, Town Center Capital Reserve Fund, Sign Amortization Payment Fund, Town Center Capital Project Fund, Gateway Beautification Capital Project Fund, Village Road/Cross Access Capital Project Fund, Westgate Nature Park Capital Project Fund, Sturgeon Environmental Educational Park Project Fund, Drug Forfeitures Capital Project Fund, Lanvale Trace Stormwater Improvement Project Fund, Cultural Arts Center Capital Project Fund, Vehicle Replacement Capital Projects Fund, Old Fayetteville MUP Capital Project Fund, Planning Revitalization Capital Project Fund, Transportation Capital Project Fund, Westgate Senior Apartment Housing Capital Project Fund, Greenway Capital Project Fund, Bike Plan Capital Project Fund, Dog Park Capital Project Fund, Splash Park Capital Project Fund, Rice Gate Capital Project Fund, Property Acquisition (Water Access) Capital Project Fund,

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data (Continued)

Property Acquisition (General) Capital Project Fund, Westgate Berm Capital Project Fund, Municipal Park Improvements Capital Project Fund, Police Grant Capital Project Fund, Leland MS Sidewalk Capital Project Fund, Old Fayetteville / Fillage Rd Ped Loop Capital Project Fund, Village Rd MUP Extension Capital Project Fund, NC Department of Transportation Capital Project Fund, Mallory Creek Capital Project Fund, Utility Fund, the Utility Capital Reserve Fund, and the Cultural Arts Center Fund. 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. The governing board must approve all amendments. 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 and Fund Equity

1. Deposits and Investments

All deposits of the Town and the Leland Tourism Development Authority are made in board-designated official depositories and are secured as required by State law [G.S.159-31]. The Town may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and the Leland Tourism Development Authority 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 Town and the Leland Tourism Development Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town and the Authority's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

In accordance with State law, the Town and Leland Tourism Development Authority have invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair values as determined by quoted market prices.

2. Cash and Cash Equivalents

The Town pools money from several funds, except the Pension Trust Fund, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. Leland Tourism Development Authority considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

3. Restricted Assets

Cash collected for drug forfeiture and seizures are classified as restricted assets for the General Fund because their use is completely restricted by the U.S. Department of Justice, to the purpose for which they were received. Powell bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S.136-41.1 through 136-41.4. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

Town of Leland Restricted Cash

Governmental Activities	
General Fund:	
Streets	\$ 1,146,091
Drug Forfeiture	11,008
Total Governmental Activities	<u>\$ 1,157,099</u>
Business-type Activities	
Utility Fund:	
Customer Deposits	\$ 85,284
Total Business-Type Activities	<u>\$ 85,284</u>
 Total Restricted Cash	 <u><u>\$ 1,242,383</u></u>

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, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2014.

5. Allowance 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. Inventories and Prepaid Items

The inventories of the Town, and Leland Tourism Development Authority are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased.

The inventory of the Town's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when purchased.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

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, buildings, and infrastructure, \$100,000; furniture, equipment, and vehicles, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 of the Town are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	40
Infrastructure	25-40
Vehicles	5
Furniture and Equipment	5

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 2015 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, prepaid utilities, 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 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. Prepaid insurance costs are expensed over the life of the debt.

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 policies of the Town provide 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 sick leave policies of the Town provide 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 accruals for sick leave have been made.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

11. Net Position/Fund Balances

Net Position

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

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 balance as follows:

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

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

 Restricted for Stabilization of 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.

 Restricted for Drug Forfeitures and Seizures – portion of fund balance that is restricted by the U.S. Department of Justice.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by majority vote of Town of Leland's governing body (highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the governing body.

 Committed for Administration - portion of fund balance that has been committed for use within the administration department.

 Committed for Planning - portion of fund balance that has been committed for planning purposes.

 Committed for Transportation - portion of fund balance that has been committed for future capital projects.

 Committed for Parks and Recreation - portion of fund balance that has been committed for projects within the parks and recreation department.

 Committed for Debt Service - portion of fund balance that has been committed for repayment of debts.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Fund Equity (Continued)

11. Net Position/Fund Balances (Continued)

Assigned Fund Balance - portion of fund balance that the Town of Leland governing board has budgeted.

Assigned for Information Technology – portion of fund balance that has been assigned for information technology purposes.

Assigned for Planning – portion of fund balance that has been assigned for planning purposes.

Assigned for Police - portion of fund balance that has been assigned for purposes with the police department.

Assigned for Inspections - portion of fund balance that has been assigned for vehicle replacement purposes with the inspections department.

Assigned for Public Works - portion of fund balance that has been assigned for projects within the public works department.

Assigned for Parks and recreation - portion of fund balance that has been assigned for projects within the parks and recreation department.

Assigned for Transportation - portion of fund balance that has been assigned for projects within the transportation department.

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.

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

12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows or resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Leland employer contributions are recognized when due and the Town of Leland 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 of the deposits of the Town and the Leland Tourism Development Authority are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Town's or the Leland Tourism Development Authority'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 agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the Authority, these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for noninterest 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, Leland Tourism Development Authority or with the escrow agent.

Because of the inability to measure the exact amounts of collateral pledged for the Town, or Leland Tourism Development Authority under the Pooling Method, the potential exists for under-collateralization, and 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. Leland Tourism Development Authority has no formal policy regarding custodial credit risk for deposits.

At June 30, 2015, the Town's deposits had a carrying amount of \$11,498,225 and a bank balance of \$11,795,105. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for Leland Tourism Development Authority was \$170,459 and the bank balance was \$168,709. All of the bank balance was covered by federal depository insurance. At June 30, 2015, the Town's petty cash fund totaled \$367.

2. Investments

At June 30, 2015, the Town of Leland had \$9,710,029 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

3. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2015 are net of the following allowances for doubtful accounts:

Fund	June 30, 2015
General Fund	
Taxes Receivable	\$ 27,110
Total	\$ 27,110
Enterprise Funds	
Utility Billing	\$ 10,338
Total	\$ 10,338

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

4. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balances				Ending Balances
	June 30, 2014	Additions	Retirements	Transfers	June 30, 2015
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 5,093,343	\$ 33,700	\$ -	\$ -	\$ 5,127,043
Construction in Progress	8,963,223	330,183	9,293,406	-	-
Total capital assets not being depreciated	14,056,566	363,883	9,293,406	-	5,127,043
Other capital assets:					
Buildings & Improvements	4,281,775	11,062,505	-	-	15,344,280
Equipment	260,097	39,874	7,786	-	292,185
Vehicles	2,837,833	160,291	111,155	-	2,886,969
Infrastructure	44,170,303	-	-	-	44,170,303
Total capital assets being depreciated	51,550,008	11,262,670	118,941	-	62,693,737
Less accumulated depreciation for:					
Buildings & Improvements	1,371,386	1,957,930	-	-	3,329,316
Equipment	260,097	38,367	7,780	-	290,684
Vehicles	2,764,251	122,902	58,695	-	2,828,458
Infrastructure	7,258,511	-	-	-	7,258,511
Total accumulated depreciation	11,654,245	2,119,199	66,475	-	13,706,969
Total capital assets being depreciated, net	39,895,763	9,143,471	52,466	-	48,986,768
Governmental activities capital assets, net	\$ 53,952,329				\$ 54,113,811

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

Governmental activities	Depreciation
Administration	\$ 9,108
Cultural Arts	13,940
Fire	63,059
Inspections	2,588
Parks & Recreation	107,031
Police	645,462
Public Works	32,396
Transportation	1,245,615
Total depreciation expense	<u>\$ 2,119,199</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

4. Capital Assets (Continued)

Business-Type Activities

UTILITY FUND

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 208,559	\$ -	\$ 208,559
Total capital assets not being depreciated	-	208,559	-	208,559
Capital assets being depreciated:				
Equipment	357,118	1,584,000	-	1,941,118
Vehicles	65,482	-	-	65,482
Sewer System	40,362,186	378,534	-	40,740,720
Total capital assets being depreciated	40,784,786	1,962,534	-	42,747,320
Less accumulated depreciation for:				
Equipment	357,118	569,089	-	926,207
Vehicles	65,482	-	-	65,482
Sewer System	7,140,234	838,251	-	7,978,485
Total accumulated depreciation	7,562,834	\$ 1,407,340	\$ -	8,970,174
Sewer capital assets, net	\$ 33,221,952			\$ 33,985,705

B. Liabilities

1 Pension Plan Obligations

a. Local Governmental Employees' Retirement System of North Carolina

Plan Description. The Town of Leland 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.

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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (continued)

1 Pension Plan Obligations (continued)

a. Local Governmental Employees' Retirement System of North Carolina (continued)

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service of 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 Stature 128-30 and may be amended only by the North Carolina General Assembly. Town of Leland 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 Leland contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 6.00% 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 Leland were \$212,037 for the year ended June 30, 2015.

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, 2015, the Town reported an asset of \$352,550 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension asset 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, 2014, the Town's proportion was 0.05978%, which was an increase of 9.4871% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$ 24,790. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 38,522
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	820,729
Changes in proportion and differences between Town contributions and proportionate share of contributions	10,602	-
Town contributions subsequent to the measurement date	212,037	-
Total	<u>\$ 222,639</u>	<u>\$ 859,251</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (continued)

1 Pension Plan Obligations (continued)

a. Local Governmental Employees' Retirement System of North Carolina (continued)

\$222,639 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (212,180)
2017	(212,180)
2018	(212,180)
2019	(212,110)
2020	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.0 percent
Salary Increases	4.25 to 8.55 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, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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 expectations of forward yields projected and interpolated for multiple tenor 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 for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100.0%	

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (continued)

1 Pension Plan Obligations (continued)

a. Local Governmental Employees' Retirement System of North Carolina (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

The new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

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 asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset 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:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8-25%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 1,196,708	\$ (352,550)	\$ (1,656,976)

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

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

All full-time Town law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>31</u>
Total	<u><u>31</u></u>

A separate report was not issued for the plan.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1 Pension Plan Obligations (Continued)

b. Law Enforcement Officers' Special Separation Allowance (continued)

2. Summary of Significant Accounting Policies:

Basis of Accounting - Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the Town has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Investments are reported at fair value. Short-term debt money market debt instruments, deposits, repurchase agreements, and the North Carolina Capital Management Trust investments are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

3. 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 by making contributions based on actuarial valuations. For the current year, the Town contributed \$-0- or 00.00% of annual pension cost. There were 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 annual required contributions for the fiscal year ended June 30, 2015 was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25 – 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected pay on a closed basis. The remaining amortization period at December 31, 2013 was 17 years.

Annual Pension Cost and Net Pension Obligation - The Town's annual pension cost and net pension obligation to the Separation Allowance for the current year was as follows:

Employer Annual Required Contribution	\$ 29,578
Interest on Net Pension Obligation	8,357
Less: Adjustments to Annual Required Contributions	<u>(14,120)</u>
Annual Pension Cost	\$ 23,815
Less: Contributions Made	<u>-</u>
Increase (Decrease) in Net Pension Obligation	\$ 23,815
Net Pension Obligation Beginning of Year	<u>167,144</u>
Net Pension Obligation End of Year	<u><u>\$ 190,959</u></u>

3 Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	31,822	15.71%	152,819
2014	19,325	25.87%	167,144
2015	23,815	0.00%	190,959

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1 Pension Plan Obligations (Continued)

b. Law Enforcement Officers' Special Separation Allowance (Continued)

4. Funded Status of Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the plan was 28.45% funded. The actuarial accrued liability for benefits was \$179,269, resulting in an unfunded actuarial accrued liability (UAAL) of \$128,269. The covered payroll (annual payroll of active employees covered by the plan) was \$1,380,039, and the ratio of the UAAL to the covered payroll was 9.29 percent.

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 are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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 the State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental 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.

Funding Policy - Article 12E of G.S. Chapter 143 requires that the Town contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2015 were \$86,794, which consisted of \$72,242 from the Town and \$14,552 from the law enforcement officers.

All Other Employees

Plan Description - All other employees have the option of contributing to the Supplemental Retirement Plan of North Carolina 401(k). This plan is a defined contribution pension plan and participation is optional.

Funding Policy - The Town contributes each month an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. The employees may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2015 equaled \$90,594, which consisted of \$73,707 from the Town and \$16,887 from the employees.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

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 Deferred Outflows and Inflows of Resources

Deferred outflows of resources is comprised of the following:

Contributions to pension plan in current fiscal year	\$ 212,037
Total Deferred outflows	<u>\$ 212,037</u>

Deferred inflows of resources is comprised of the following:

Taxes receivable, less penalties	\$ 133,324
Pension deferrals	<u>859,251</u>
Total deferred inflows	<u>\$ 992,575</u>

4 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 participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage up to \$2 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years. The finance officer and tax collector are bonded for \$50,000 and \$10,000 respectively.

The Town carries no flood insurance through the National Flood Insurance Plan (NFIP), as they are considered to be in a low-risk area.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

5 Claims, Judgments and Contingent Liabilities

At June 30, 2015, the Town was a defendant to various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

6 Long-Term Obligations

a. Installment Purchases

On May 19, 2006, the Town entered into an installment loan in the amount of \$1,500,000 to purchase 4 fire trucks. The financing contract requires 107 monthly payments beginning June 2007 of \$15,348, at an annual interest rate of 3.97%.

On June 21, 2012 the Town entered into an installment loan in the amount of \$9,900,000 to finance the construction of the new Town Hall and Police Station. The financing contract requires 15 annual payments of \$660,000, at an annual interest rate of 2.14%.

On February 20, 2007, the Town entered into an installment loan in the amount of \$2,200,000 to finance a new fire station. The financing contract requires 15 annual payments beginning February 2008 of \$146,667 plus interest at 3.85%.

On April 3, 2015 the Town entered into an installment loan in the amount of \$2,000,000 to finance the construction of a new Cultural Arts Center. The financing contract requires 15 annual payments beginning April 2015 of \$133,333 at an annual interest rate of 3.09%.

For Town of Leland, the future minimum payments as of June 30, 2015, including \$1,793,042 of interest are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2016	\$ 1,105,521	\$ 269,800
2017	940,000	251,277
2018	940,000	227,386
2019	940,000	203,496
2020	940,000	179,605
2021-2025	4,260,000	556,606
2026-2027	2,330,456	104,872
Total	<u>\$ 11,455,977</u>	<u>\$ 1,793,042</u>

b. Interlocal Agreement

The Town has incurred the following liability through joint service agreements with Brunswick County. In these agreements, the Town of Leland shares in the costs and debt of certain sewer infrastructure financed by the County. These agreements require principal payments due annually with semiannual interest payments, at an annual interest rate of 1.84% to 2.55%.

Annual debt service requirements to maturity for interlocal agreements are as follows:

Year Ending June 30	Business Type Activities	
	Principal	Interest
2016	\$ 793,498	\$ 133,594
2017	806,488	116,204
2018	819,528	98,539
2019	833,628	80,600
2020	847,788	62,363
2021-2023	2,085,896	74,674
Total	<u>\$ 6,186,826</u>	<u>\$ 565,974</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6 Long-Term Obligations (Continued)

c. Long-Term Obligation Activity

	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion of Balance
Governmental Activities:					
Installment Purchases	\$ 12,619,359	\$ -	\$ 1,163,382	\$ 11,455,977	\$ 1,105,521
Compensated Absences	186,417	16,020	-	202,437	-
Net Pension Obligation	167,144	23,815	-	190,959	-
Total	\$ 12,972,920	\$ 39,835	\$ 1,163,382	\$ 11,849,373	\$ 1,105,521
Business-type Activities:					
Interlocal Agreements	\$ 6,967,384	\$ -	\$ 780,558	\$ 6,186,826	\$ 793,498
Compensated Absences	11,793	630	-	12,423	-
Total	\$ 6,979,177	\$ 630	\$ 780,558	\$ 6,199,249	\$ 793,498

Compensated absences for governmental activities typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave as it is earned.

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2015, consists of the following:

From the General Fund to the Vehicle Capital Reserve Fund	\$ 76,283
From the General Fund to the Town Center Capital Project Fund	651,551
From the General Fund to the Police Grant Fund	514,996
From the General Fund to the Police Grant Fund - Powell Bill	500,000
From the General Fund to the Cultural Arts Center Fund	96,356
From the General Fund to the Police Grant Capital Project Fund	4,029
From the General Fund to the Westgate Nature Park Capital Project Fund	63,027
From the General Fund to the Leland MS Sidewalk Capital Project Fund	55,733
From the General Fund to the Old Fayetteville / Village Rd Capital Project Fund	82,897
From the General Fund to the Village Rd MUP Extension Capital Project Fund	41,963
From the General Fund to the Vehicle Replacement Capital Project Fund	57,805
From the General Fund to the Vehicle Capital Reserve Fund	116,000
From the General Fund to the NCDOT Grant Capital Project Fund	10,000
From the General Fund to the Plan Revitalization CPF	9,343
From the Drug Seizure Fund to the Town Center Capital Project Fund	200,000
From the Drug Seizure Fund to the Police Grant Capital Project Fund	4,526
From the Greenway Capital Project Fund to the Westgate Nature Park Capital Project Fund	25,000
From the Highway 17 Park Fund to the Westgate Nature Park Capital Project Fund	50,000
From the Bike Plan Capital Project Fund to the Westgate Nature Park Capital Project Fund	50,000
From the Old Fayetteville MUP Capital Project Fund to the General Fund	55,000
From the Drug Forfeitures Fund to the Vehicle Replacement Capital Project Fund	14,642
From the Village Road Cross-Access Project to the Plan Revitalization CPF	2,040
From the Transportation Capital Project Fund to the Plan Revitalization CPF	107,500
From the Cultural Arts Fund to the General Fund	460,603
From the Dog Park Fund to the Municipal Park Fund	50,000
From the Splash Park Fund to the Municipal Park Fund	50,000
From the Gateway Capital Project Fund to the General Fund	9
From the Planning Revitalization Capital Project Fund to the General Fund	9,338
From the Planning Revitalization Capital Project Fund to the NCDOT Grant Capital Project Fund	40,000

II. DETAIL NOTES ON ALL FUNDS (Continued)

C. Interfund Balances and Activity (continued)

From the Transportation Capital Project Fund Fund to the General Fund	250,000
From the Utility Fund to the Police Grant Capital Project Fund	600,000
From the Utility Fund to the Sewer Capital Reserve Fund	1,120,566
From the Sewer Capital Reserve Fund to the Utility Fund	53,000
From the Sewer Capital Reserve Fund to the Lift Station Upgrade Capital Reserve Fund	190,000
From the Sewer Capital Reserve Fund to the US17 Corridor Force Main Upgrade Project Fund	533,803
From the Sewer Capital Reserve Fund to the Collection System Replacement Capital Project Fund	90,000
From the Sewer Capital Reserve Fund to the Half Million Water Tower Capital Project Fund	1,612,861
From the Sewer Capital Reserve Fund to the Public Utility Vector Truck Capital Project Fund	40,000
From the Sewer Capital Reserve Fund to the Thomas Garst Capital Project Fund	69,147
	<u>\$ 7,958,018</u>

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 providing matching funds for various grant programs.

D. Fund Balance

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

<u>Total Fund Balance - General Fund</u>		<u>\$ 7,277,828</u>
Less:		
Restricted		
Stabilization by State Statute	902,617	
Streets - Powell Bill	1,146,091	
Drug Forfeiture	11,008	
Committed		
Administration	-	
Planning	-	
Transportation	84,893	
Parks and Recreation	-	
Vehicles	-	
Remaining Fund Balance		5,133,219

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contract that remain unperformed at year-end.

<u>Encumbrances</u>	<u>General Fund</u>	<u>Non-Major Funds</u>
\$ -	\$ -	\$ -

III. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

A. Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under 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. SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 20, 2016, which is the date the financial statements were available to be issued.

III. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES (continued)

V. Prior Period Adjustment

A prior period adjustment was made that decreased fund balance for the general fund by \$128,120. This adjustment was to reconcile the balance for contract deposits. Revenue has been recognized in previous years that should have been recorded as a liability.

VI. Change in Accounting Principles / Restatement

The Town implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the Town to record beginning net pension liability and the effects on net position of contributions made by the Town during the measurement period (fiscal year ending June 30, 2015). As a result, net position for the governmental and business-type activities decreased by \$429,293 and \$42,046, respectively.

REQUIRED
SUPPLEMENTAL FINANCIAL DATA

TOWN OF LELAND, NORTH CAROLINA

Law Enforcement Officers' Special Separation Allowance

Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/2006	\$ -	\$ 62,139	\$ 62,139	0.00%	\$ 730,659	8.50%
12/31/2007	\$ -	\$ 81,230	\$ 81,230	0.00%	\$ 982,494	8.27%
12/31/2008	\$ -	\$ 157,107	\$ 157,107	0.00%	\$ 1,204,352	13.04%
12/31/2009	\$ 26,000	\$ 229,838	\$ 203,838	11.31%	\$ 1,240,546	16.43%
12/31/2010	\$ 31,000	\$ 222,238	\$ 191,238	13.95%	\$ 1,332,449	14.35%
12/31/2011	\$ 36,000	\$ 222,960	\$ 186,960	16.15%	\$ 1,286,773	14.53%
12/31/2012	\$ 41,000	\$ 132,366	\$ 91,366	30.97%	\$ 1,223,149	7.47%
12/31/2013	\$ 41,000	\$ 159,228	\$ 118,228	25.75%	\$ 1,242,213	9.52%
12/31/2014	\$ 51,000	\$ 179,269	\$ 128,269	28.45%	\$ 1,380,039	9.29%

TOWN OF LELAND, NORTH CAROLINA
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Funding Progress

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage of APC Contributed</u>
2007	\$ 4,305	0.00%
2008	13,048	0.00%
2009	17,061	152.39%
2010	25,707	19.45%
2011	34,486	14.50%
2012	33,199	15.06%
2013	33,363	14.99%
2014	24,135	20.72%
2015	29,578	0.00%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 to 7.85 %
*Includes inflation at	3.00%
Cost-of living adjustments	N/A

Town of Leland
Town of Leland Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Two Fiscal Years*

Local Government Employees' Retirement System		
	2015	2014
Leland proportion of the net pension liability (asset) (%)	0.05978%	0.000546
Leland proportion of the net pension liability (asset) (\$)	\$ (352,550)	\$ 658,140
Leland covered-employee payroll	\$ 2,842,380	\$ 2,824,030
Leland proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-12%	23%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

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

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

Town of Leland
Town of Leland Contributions
Required Supplementary Information
Last Two Fiscal Years

Local Government Employees' Retirement System		
	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 212,037	\$ 186,801
Contributions in relation to the contractually required contribution	212,037	186,801
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Leland; covered-employee payroll	\$ 2,842,380	\$ 2,824,030
Contributions as a percentage of covered-employee payroll	7.46%	6.61%

Major Governmental Funds

General Fund

TOWN OF LELAND, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes			
Taxes		\$ 3,200,353	
Penalties and Interest		14,331	
Total Ad Valorem Taxes	<u>\$ 3,202,709</u>	<u>3,214,684</u>	<u>\$ 11,975</u>
Other Taxes and Licenses			
Privilege Licenses		91,530	
Total Other Taxes and Licenses	<u>90,000</u>	<u>91,530</u>	<u>1,530</u>
Unrestricted Intergovernmental Revenues			
Local Option Sales Tax		3,666,370	
Utility Franchise Tax		771,127	
Beer and Wine Tax		73,682	
Total Unrestricted Intergovernmental	<u>3,909,489</u>	<u>4,511,179</u>	<u>601,690</u>
Restricted Intergovernmental Revenues			
Powell Bill Allocation	-	441,332	441,332
State Grants	-	195,332	195,332
Controlled Substance Tax	-	-	-
Solid Waste Disposal Tax	-	9,969	9,969
Total Restricted Intergovernmental	<u>436,828</u>	<u>646,633</u>	<u>209,805</u>
Permits and Fees			
Building Permits	443,924	652,862	208,938
Inspection Fess	20,575	73,131	52,556
Zoning Permits	35,000	58,932	23,932
Recreation Fees	-	8,439	8,439
Other Fees and Permits	2,000	13,060	11,060
Total Permits and Fees	<u>501,499</u>	<u>806,424</u>	<u>304,925</u>
Investment Earnings			
General	500	1,405	905
Powell Bill	-	179	179
Total Investment Earnings	<u>500</u>	<u>1,584</u>	<u>1,084</u>
Miscellaneous			
Sale of Fixed Assets	-	1,210	1,210
Other	93,806	127,433	33,627
Total Miscellaneous	<u>93,806</u>	<u>128,643</u>	<u>34,837</u>
Total Revenues	<u>\$ 8,234,831</u>	<u>\$ 9,400,677</u>	<u>\$ 1,165,846</u>

TOWN OF LELAND, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Governing Body			
Salaries and Wages		\$ 39,690	
Employee Benefits		20,010	
Other Expenditures		131,443	
Total Governing Body	<u>\$ 206,564</u>	<u>191,143</u>	<u>\$ 15,421</u>
Administration			
Salaries and Wages		216,729	
Employee Benefits		88,652	
Other Expenditures		226,568	
Total Administration	<u>600,868</u>	<u>531,949</u>	<u>68,919</u>
Information Technology			
Salaries and Wages		66,882	
Employee Benefits		26,770	
Other Expenditures		288,167	
Total Information Technology	<u>426,192</u>	<u>381,819</u>	<u>44,373</u>
Human Resources			
Salaries and Wages		94,663	
Employee Benefits		39,761	
Other Expenditures		46,064	
Total Human Resources	<u>205,723</u>	<u>180,488</u>	<u>25,235</u>
Finance			
Salaries and Wages		124,434	
Employee Benefits		50,259	
Other Expenditures		74,012	
Total Finance	<u>293,762</u>	<u>248,705</u>	<u>45,057</u>
Public Works			
Salaries and Wages		124,907	
Employee Benefits		62,752	
Other Expenditures		1,034,668	
Total Public Works	<u>1,326,583</u>	<u>1,222,327</u>	<u>104,256</u>
Police			
Salaries and Wages		1,330,831	
Employee Benefits		595,964	
Other Expenditures		303,061	
Total Police	<u>2,361,794</u>	<u>2,229,856</u>	<u>131,938</u>
Economic and Community Development			
Salaries and Wages		399,290	
Employee Benefits		176,010	
Other Expenditures		71,689	
Total Developmental Services	<u>906,907</u>	<u>646,989</u>	<u>259,918</u>

TOWN OF LELAND, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Powell Bill			
Salaries and Wages		98,832	
Employee Benefits		50,565	
Other Expenditures		81,573	
Powell Bill Capital Project Cost		70,037	
Total Powell Bill	<u>1,407,359</u>	<u>301,007</u>	<u>1,106,352</u>
Parks and Recreation			
Salaries and Wages		116,155	
Employee Benefits		49,315	
Other Expenditures		96,155	
Total Parks and Recreation	<u>271,806</u>	<u>261,625</u>	<u>10,181</u>
Debt Service			
Principal		1,163,382	
Interest		320,476	
Total Debt Service	<u>1,424,762</u>	<u>1,483,858</u>	<u>(59,096)</u>
Total Expenditures	<u>9,432,320</u>	<u>7,679,766</u>	<u>1,752,554</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,197,489)</u>	<u>1,720,911</u>	<u>2,918,400</u>
Other Financing Sources (Uses):			
Transfers In:			
Gateway Capital Project Fund	-	9	9
Planning Revitalization Capital Project Fund	-	9,338	9,338
Old Fayetteville MUP Capital Project Fund	55,000	55,000	-
Cultural Arts Center	-	460,603	460,603
Powell Bill Fund	128,300	128,300	-
Transportation	250,000	250,000	-
Parks and Recreation	-	64,765	64,765
Transfers Out:			
Police Grant Capital Project Fund	(14,996)	(14,996)	-
Cultural Arts Center Enterprise Fund	(147,418)	(96,356)	51,062
Vehicle Replacement Capital Project Fund	(67,805)	(67,805)	-
Town Center Capital Project Center	(61,044)	(61,044)	-
Town Center Capital Project Center - Powell Bill	(206,000)	(206,000)	-
Westgate Senior Apt Housing Capital Project Fund	(63,027)	(63,027)	-
Leland MS Sidewalk Capital Project Fund	(55,733)	(55,733)	-
Old Fayetteville/Village Road Ped Loop	(82,897)	(82,897)	-
Village Road MUP Extension Fund	(41,963)	(41,963)	-
Mallory Creek Capital Project Fund	(500,000)	(500,000)	-
Powell Bill Paving Capital Project Fund	(128,347)	(128,300)	47
Vehicle Replacement Reserve Fund	(116,000)	(116,000)	-
Mallory Creek Capital Project Fund	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	<u>\$ (1,551,930)</u>	<u>\$ (966,106)</u>	<u>\$ 585,824</u>
Fund Balance Appropriated	<u>\$ 2,749,419</u>	<u>\$ -</u>	<u>\$ (2,749,419)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>754,805</u>	<u>\$ 754,805</u>
Fund balance, beginning		6,310,242	
Prior Period Adjustment (see Note V)		<u>(128,120)</u>	
Fund balance, ending		<u>\$ 6,936,927</u>	

Special Revenue Funds
Consolidated with General Fund

TOWN OF LELAND, NORTH CAROLINA
 Parks and Recreation Capital Reserve Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 7	\$ 7
Total Revenues	<u>-</u>	<u>7</u>	<u>7</u>
Expenditures			
Parks and Recreation			
Other Expenditures	-	-	-
Total Parks and Recreation	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenue Over (Under) Expenditures	<u>-</u>	<u>7</u>	<u>7</u>
Other financing sources (uses)			
Transfers Out:			
General Fund	-	(64,764)	(64,764)
Total other financing sources (uses)	<u>-</u>	<u>(64,764)</u>	<u>(64,764)</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(64,757)</u>	<u>\$ (64,757)</u>
Fund balance, beginning		<u>64,757</u>	
Fund balance, ending		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA

Transportation Capital Improvement Reserve Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Transportation			
Other Expenditures	-	-	-
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenue Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers (Out):			
Planning Revitalization Capital Project Fund	-	(9,343)	(9,343)
Total other financing sources (uses)	<u>-</u>	<u>(9,343)</u>	<u>(9,343)</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(9,343)</u>	<u>\$ (9,343)</u>
Fund balance, beginning		<u>9,343</u>	
Fund balance, ending		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA

Drug Forfeitures Capital Reserve Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental			
Federal Forfeitures	\$ -	\$ 2,087	\$ 2,087
State Forfeitures	-	619	619
Total Restricted Intergovernmental	-	2,706	2,706
Investment Earnings	-	-	-
Total Revenues	-	2,706	2,706
Expenditures			
Police			
Other Expenditures	198,637	198,637	-
Total Police	198,637	198,637	-
Excess Revenue Over (Under) Expenditures	(198,637)	(195,931)	2,706
Other financing sources (uses)			
Transfers out:			
Police Grant Capital Project Fund	(4,029)	(4,029)	-
Total other financing sources (uses)	(4,029)	(4,029)	-
Fund Balance Appropriated	202,666	-	(202,666)
Net Change in Fund Balance	\$ -	(199,960)	\$ (199,960)
Fund balance, beginning		210,968	
Fund balance, ending		\$ 11,008	

TOWN OF LELAND, NORTH CAROLINA
Town Center Capital Reserve Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Administration			
Other Expenditures	-	-	-
Total Administration	-	-	-
Excess Revenue Over (Under) Expenditures	-	-	-
Other financing sources (uses)			
Transfers Out:			
Town Center Capital Project Fund	(185,870)	(185,870)	-
Total other financing sources (uses)	(185,870)	(185,870)	-
Fund Balance Appropriated	185,870	-	(185,870)
Net Change in Fund Balance	<u>\$ -</u>	(185,870)	<u>\$ (185,870)</u>
Fund balance, beginning		185,870	
Fund balance, ending		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA
 Sign Amortization Payment Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Planning			
Other Expenditures	-	5,000	(5,000)
Total Planning	<u>250,000</u>	<u>5,000</u>	<u>(5,000)</u>
Excess Revenue Over (Under) Expenditures	<u>(250,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
Other financing sources (uses)			
Transfers Out:			
General Fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance Appropriated	<u>250,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(5,000)</u>	<u>\$ (5,000)</u>
Fund balance, beginning		<u>250,000</u>	
Fund balance, ending		<u>\$ 245,000</u>	

TOWN OF LELAND, NORTH CAROLINA

Vehicle Capital Reserve Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Police			
Capital Outlay	92,117	5,872	86,245
Total Public Works	92,117	5,872	86,245
Excess Revenue Over (Under) Expenditures	(92,117)	(5,872)	86,245
Other financing sources (uses)			
Transfers In:			
General Fund	116,000	116,000	-
Transfers Out:			
General Fund	(71,810)	(73,235)	(1,425)
Total other financing sources (uses)	44,190	42,765	(1,425)
Fund Balance Appropriated	47,927	-	(47,927)
Net Change in Fund Balance	\$ -	36,893	\$ 36,893
Fund balance, beginning		48,000	
Fund balance, ending		\$ 84,893	

Major Governmental Funds

Capital Project Funds

TOWN OF LELAND, NORTH CAROLINA
Town Center Capital Project Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Administration			
Capital Outlay	402,047	330,183	71,864
Total Administration	<u>402,047</u>	<u>330,183</u>	<u>71,864</u>
Excess Revenue Over (Under) Expenditures	<u>(402,047)</u>	<u>(330,183)</u>	<u>71,864</u>
Other financing sources (uses)			
Transfers In:			
General Fund	61,044	61,044	-
Powell Bill	206,000	206,000	-
Drug Seizure	398,637	398,637	-
Town Center Capital Reserve Fund	<u>185,870</u>	<u>185,870</u>	<u>-</u>
Total other financing sources (uses)	<u>851,551</u>	<u>851,551</u>	<u>-</u>
Fund Balance Appropriated	<u>(449,504)</u>	<u>-</u>	<u>449,504</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>521,368</u>	<u>\$ 521,368</u>
Fund balance, beginning		<u>(449,505)</u>	
Fund balance, ending		<u>\$ 71,863</u>	

Non-Major Governmental Funds

Capital Project Funds

TOWN OF LELAND, NORTH CAROLINA
 Combining Balance Sheet
 Nonmajor Capital Project Funds
 June 30, 2015

	Gateway Beautification Capital Project Fund	Village Road/Cross Access Capital Project Fund	Westgate Nature Park Capital Project Fund	Sturgeon Environmental Educational Park Project Fund	Drug Forfeitures Capital Project Fund	Lanvale Trace Stormwater Improvement Project Fund	Cultural Arts Center Capital Project Fund	Vehicle Replacement Capital Project Fund
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 468,157	\$ 9,586	\$ -	\$ 986	\$ -	\$ -
Restricted Cash	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	113	-
Total assets	-	-	468,157	9,586	-	986	113	-
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	175	-	-
Total liabilities	-	-	-	-	-	175	-	-
Restricted:								
Drug Forfeitures	-	-	-	-	-	-	-	-
Assigned								
Planning	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	811	-	-
Parks and Recreation	-	-	468,157	9,586	-	-	113	-
Sewer	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Total fund balances	-	-	468,157	9,586	-	811	113	-
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ -	\$ 468,157	\$ 9,586	\$ -	\$ 986	\$ 113	\$ -

TOWN OF LELAND, NORTH CAROLINA

Combining Balance Sheet
 Nonmajor Capital Project Funds
 June 30, 2015

	Old Fayetteville MUP Capital Project Fund	Planning Revitalization Capital Project Fund	Transportat ion Capital Project Fund	Westgate Senior Apt. Housing Capital Project Fund	Greenway Capital Project Fund	Bike Plan Capital Project Fund	Dog Park Capital Project Fund	Splash Park Capital Project Fund
ASSETS								
Cash and cash equivalents	\$ 111,289	\$ 723,636	\$ -	\$ 16,762	\$ 25,000	\$ -	\$ -	\$ -
Restricted Cash	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total assets	111,289	723,636	-	16,762	25,000	-	-	-
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable and Accrued Liabilities	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-
Restricted:								
Drug Forfeitures	-	-	-	-	-	-	-	-
Assigned								
Planning	-	-	-	16,762	-	-	-	-
Police	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	25,000	-	-	-
Sewer	-	-	-	-	-	-	-	-
Transportation	111,289	723,636	-	-	-	-	-	-
Total fund balances	111,289	723,636	-	16,762	25,000	-	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 111,289	\$ 723,636	\$ -	\$ 16,762	\$ 25,000	\$ -	\$ -	\$ -

TOWN OF LELAND, NORTH CAROLINA

Combining Balance Sheet
 Nonmajor Capital Project Funds
 June 30, 2015

	HWY 17 Park/Amphi- theater Capital Project Fund	Property Acquisition (Water Access) Capital Project Fund	Property Acquisition (Water Access) Capital Project Fund	Westport Berm Capital Project Fund	Municipal Park Improvements Capital Project Fund	Police Grant Capital Project Fund	Leland MS Sidewalk Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ 26,200	\$ 20,000	\$ 17,782	\$ 100,000	\$ 2,962	\$ 55,733
Restricted Cash	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	-	26,200	20,000	17,782	100,000	2,962	55,733
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable and Accrued Liabilities	-	-	-	13,042	-	-	-
Due to Other Funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	13,042	-	-	-
Restricted:							
Drug Forfeitures	-	-	-	-	-	-	-
Assigned							
Planning	-	-	-	-	-	-	55,733
Police	-	-	-	-	-	2,962	-
Public Works	-	-	-	4,740	-	-	-
Parks and Recreation	-	26,200	20,000	-	100,000	-	-
Sewer	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total fund balances	-	26,200	20,000	4,740	100,000	2,962	55,733
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 26,200	\$ 20,000	\$ 17,782	\$ 100,000	\$ 2,962	\$ 55,733

TOWN OF LELAND, NORTH CAROLINA
 Combining Balance Sheet
 Nonmajor Capital Project Funds
 June 30, 2015

	Old Fayetteville/V illage Road Ped Loop	Village Road MUP Extension	NC DOT Grant Capital Project Fund	Mallory Creek Project Fund	June 30, 2015
ASSETS					
Cash and cash equivalents	\$ 73,687	\$ 32,823	\$ 50,000	\$ 999,927	\$ 2,734,530
Restricted Cash	-	-	-	-	-
Due from other funds	-	-	-	600,000	600,113
Total assets	73,687	32,823	50,000	1,599,927	3,334,643
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Accrued Liabilities	-	-	-	-	13,042
Due to Other Funds	-	-	-	-	175
Total liabilities	-	-	-	-	13,217
Restricted:					
Drug Forfeitures	-	-	-	-	-
Assigned					
Planning	73,687	32,823	-	500,000	679,005
Police	-	-	-	-	2,962
Public Works	-	-	-	-	5,551
Parks and Recreation	-	-	-	-	649,056
Sewer	-	-	-	600,000	600,000
Transportation	-	-	50,000	499,927	1,384,852
Total fund balances	73,687	32,823	50,000	1,599,927	3,321,426
Total liabilities, deferred inflows of resources, and fund balances	\$ 73,687	\$ 32,823	\$ 50,000	\$ 1,599,927	\$ 3,334,643

TOWN OF LELAND, NORTH CAROLINA

Combining Statement of Revenues,
Expenditures and Changes in Fund
Nonmajor Capital Project Funds
June 30, 2015

	Gateway Beautification Capital Project Fund	Village Road/Cross Access Capital Project Fund	Westgate Nature Park Capital Project Fund	Sturgeon Environmental Educational Park Project Fund	Drug Forfeitures Capital Project Fund	Lanvale Trace Stormwater Improvement Project Fund	Cultural Arts Center Capital Project Fund
Revenues							
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	4	-	-	44
Other Income	-	-	-	-	-	-	-
Total Revenue	-	-	-	4	-	-	44
Expenditures							
Planning	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	175	-
Parks and Recreation	-	-	30,549	10,318	-	-	822,216
Transportation	-	-	-	-	-	-	-
Total Expenditures	-	-	30,549	10,318	-	175	822,216
Excess (Deficiency) of Revenues Over Expenditures	-	-	(30,549)	(10,314)	-	(175)	(822,172)
Other Financing Sources (Uses)							
Transfers from Other Funds	-	-	188,027	-	-	-	-
Transfers to Other Funds	(9)	(2,040)	-	-	(219,168)	-	(460,603)
Total Other Financing Sources (Uses)	(9)	(2,040)	188,027	-	(219,168)	-	(460,603)
Net Change in Fund Balance	(9)	(2,040)	157,478	(10,314)	(219,168)	(175)	(1,282,775)
Fund Balance - Beginning of Year	9	2,040	310,679	19,900	219,168	986	1,282,888
Fund Balance - End of Year	\$ -	\$ -	\$ 468,157	\$ 9,586	\$ -	\$ 811	\$ 113

TOWN OF LELAND, NORTH CAROLINA
 Combining Statement of Revenues,
 Expenditures and Changes in Fund
 Nonmajor Capital Project Funds
 June 30, 2015

	Vehicle Replacement Capital Project Fund	Old Fayetteville MUP Capital Project Fund	Planning Revitalization Capital Project Fund	Transportation Capital Project Fund	Westgate Senior Apt. Housing Capital Project Fund	Greenway Capital Project Fund	Bike Plan Capital Project Fund
Revenues							
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	(5)	-	-	-	-
Other Income	-	-	-	-	15,515	-	-
Total Revenue	-	-	(5)	-	15,515	-	-
Expenditures							
Planning	-	-	-	-	-	-	-
Police	146,406	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-	-
Transportation	-	78,711	-	-	-	-	-
Total Expenditures	146,406	78,711	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	(146,406)	(78,711)	(5)	-	15,515	-	-
Other Financing Sources (Uses)							
Transfers from Other Funds	145,682	-	118,883	-	-	-	-
Transfers to Other Funds	-	(55,000)	(49,338)	(357,500)	-	(25,000)	(50,000)
Total Other Financing Sources (Uses)	145,682	(55,000)	69,545	(357,500)	-	(25,000)	(50,000)
Net Change in Fund Balance	(724)	(133,711)	69,540	(357,500)	15,515	(25,000)	(50,000)
Fund Balance - Beginning of Year	724	245,000	654,096	357,500	1,247	50,000	50,000
Fund Balance - End of Year	\$ -	\$ 111,289	\$ 723,636	\$ -	\$ 16,762	\$ 25,000	\$ -

TOWN OF LELAND, NORTH CAROLINA
 Combining Statement of Revenues,
 Expenditures and Changes in Fund
 Nonmajor Capital Project Funds
 June 30, 2015

	Dog Park Capital Project Fund	Splash Park Capital Project Fund	HWY 17 Park/Amphi- theater Capital Project Fund	Property Acquisition (Water Access) Capital Project Fund	Property Acquisition (General) Capital Project Fund	Westport Berm Capital Project Fund	Municipal Park Improvements Capital Project Fund
Revenues							
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-	-
Expenditures							
Planning	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	4,087	-
Parks and Recreation	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	4,087	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-	-	(4,087)	-
Other Financing Sources (Uses)							
Transfers from Other Funds	-	-	-	-	-	-	100,000
Transfers to Other Funds	(50,000)	(50,000)	(50,000)	-	-	-	-
Total Other Financing Sources (Uses)	(50,000)	(50,000)	(50,000)	-	-	-	100,000
Net Change in Fund Balance	(50,000)	(50,000)	(50,000)	-	-	(4,087)	100,000
Fund Balance - Beginning of Year	50,000	50,000	50,000	26,200	20,000	8,827	-
Fund Balance - End of Year	\$ -	\$ -	\$ -	\$ 26,200	\$ 20,000	\$ 4,740	\$ 100,000

TOWN OF LELAND, NORTH CAROLINA

Combining Statement of Revenues,
Expenditures and Changes in Fund
Nonmajor Capital Project Funds
June 30, 2015

	Police Grant Capital Project Fund	Leland MS Sidewalk Fund	Old Fayetteville/ Village Road Ped Loop	Village Road MUP Extension	NC DOT Grant Capital Project Fund	Mallory Creek Project Fund	June 30, 2015
Revenues							
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-	-	-	43
Other Income	-	-	-	-	-	-	15,515
Total Revenue	-	-	-	-	-	-	15,558
Expenditures							
Planning	-	-	9,210	9,140	-	-	18,350
Police	20,589	-	-	-	-	-	166,995
Public Works	-	-	-	-	-	-	4,262
Parks and Recreation	-	-	-	-	-	-	863,083
Transportation	-	-	-	-	-	73	78,784
Total Expenditures	20,589	-	9,210	9,140	-	73	1,131,474
Excess (Deficiency) of Revenues Over Expenditures	(20,589)	-	(9,210)	(9,140)	-	(73)	(1,115,916)
Other Financing Sources (Uses)							
Transfers from Other Funds	23,551	55,733	82,897	41,963	50,000	1,600,000	2,406,736
Transfers to Other Funds	-	-	-	-	-	-	(1,368,658)
Total Other Financing Sources (Uses)	23,551	55,733	82,897	41,963	50,000	1,600,000	1,038,078
Net Change in Fund Balance	2,962	55,733	73,687	32,823	50,000	1,599,927	(77,838)
Fund Balance - Beginning of Year	-	-	-	-	-	-	3,399,264
Fund Balance - End of Year	\$ 2,962	\$ 55,733	\$ 73,687	\$ 32,823	\$ 50,000	\$ 1,599,927	\$ 3,321,426

TOWN OF LELAND, NORTH CAROLINA

Gateway Beautification Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Transportation			
Other Expenditures	-	-	-
Total Transportation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other financing sources (uses):			
Transfers out:			
General Fund	-	(9)	(9)
Total financing sources (uses)	-	(9)	(9)
Appropriated Fund Balance	-	-	-
Net Change in Fund Balance	<u>\$ -</u>	<u>(9)</u>	<u>\$ (9)</u>
Fund Balance - Beginning of Year		<u>9</u>	
Fund Balance - End of Year		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA

Village Road/Cross Access Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Transportation			
Capital Outlay	-	-	-
Total Transportation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other financing sources (uses):			
Transfers In (Out):			
Planning Revitalization Capital Project Fund	(2,040)	(2,040)	-
Total financing sources (uses)	(2,040)	(2,040)	-
Appropriated Fund Balance	2,040	-	(2,040)
Net Change in Fund Balance	<u>\$ -</u>	(2,040)	<u>\$ (2,040)</u>
Fund Balance - Beginning of Year		2,040	
Fund Balance - End of Year		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA

Westgate Nature Park Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental			
PARTF Grant	\$ -	\$ -	\$ -
Total Restricted Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Parks and Recreation			
Capital Outlay	498,772	30,549	468,223
Total Parks and Recreation	<u>498,772</u>	<u>30,549</u>	<u>468,223</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(498,772)</u>	<u>(30,549)</u>	<u>468,223</u>
Other financing sources (uses):			
Transfers In:			
General Fund	63,027	63,027	-
Greenway Capital Project Fund	25,000	25,000	-
Hwy 17 Park/Amphitheater Capital Project Fund	50,000	50,000	-
Bike Plan Capital Project Fund	50,000	50,000	-
Total financing sources (uses)	<u>188,027</u>	<u>188,027</u>	<u>-</u>
Appropriated Fund Balance	<u>310,745</u>	<u>-</u>	<u>(310,745)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>157,478</u>	<u>\$ 157,478</u>
Fund Balance - Beginning of Year		<u>310,679</u>	
Fund Balance - End of Year		<u>\$ 468,157</u>	

TOWN OF LELAND, NORTH CAROLINA

Sturgeon Environmental Educational Park Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental	\$ -	\$ -	\$ -
Investment Earnings	-	4	4
Total Revenues	<u>-</u>	<u>4</u>	<u>4</u>
Expenditures			
Parks and Recreation			
Capital Outlay	19,900	10,318	9,582
Total Parks and Recreation	<u>19,900</u>	<u>10,318</u>	<u>9,582</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(19,900)</u>	<u>(10,314)</u>	<u>9,586</u>
Other financing sources (uses):			
Transfers Out:			
General Fund	-	-	-
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Appropriated Fund Balance	<u>19,900</u>	<u>-</u>	<u>(19,900)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(10,314)</u>	<u>\$ (10,314)</u>
Fund Balance - Beginning of Year		<u>19,900</u>	
Fund Balance - End of Year		<u>\$ 9,586</u>	

TOWN OF LELAND, NORTH CAROLINA

Drug Forfeitures Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental			
Federal Drug Forfeitures	\$ -	\$ -	\$ -
State Drug Forfeitures	-	-	-
Total Restricted Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Police			
Other Expenditures	-	-	-
Total Police	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers In (Out):			
Vehicle Replacement Capital Project Fund	(14,642)	(14,642)	-
Town Hall Project	(200,000)	(200,000)	-
Police Grant Capital Project Fund	(4,526)	(4,526)	-
Total financing sources (uses)	<u>(219,168)</u>	<u>(219,168)</u>	<u>-</u>
Appropriated Fund Balance	<u>219,168</u>	<u>-</u>	<u>(219,168)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(219,168)</u>	<u>\$ (219,168)</u>
Fund Balance - Beginning of Year		<u>219,168</u>	
Fund Balance - End of Year		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA

Lanvale Trace Stormwater Improvement Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Public Works			
Other Expenditures	175	175	-
Total Public Works	175	175	-
Excess (Deficiency) of Revenues Over Expenditures	(175)	(175)	-
Other financing sources (uses):			
Transfers In:			
General Fund	-	-	-
Total financing sources (uses)	-	-	-
Appropriated Fund Balance	175	-	(175)
Net Change in Fund Balance	\$ -	(175)	\$ (175)
Fund Balance - Beginning of Year		986	
Fund Balance - End of Year		\$ 811	

TOWN OF LELAND, NORTH CAROLINA

Cultural Arts Center Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 44	\$ 44
Expenditures			
Parks and Recreation			
Other Expenditures	886,876	822,216	64,660
Principal Retirement	-	-	-
Total Parks and Recreation	<u>886,876</u>	<u>822,216</u>	<u>64,660</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(886,876)</u>	<u>(822,172)</u>	<u>64,704</u>
Other financing sources (uses):			
Transfers Out:			
General Fund	-	(460,603)	(460,603)
Total financing sources (uses)	<u>-</u>	<u>(460,603)</u>	<u>(460,603)</u>
Appropriated Fund Balance	<u>886,876</u>	<u>-</u>	<u>(886,876)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(1,282,775)</u>	<u>\$ (1,282,775)</u>
Fund Balance - Beginning of Year		<u>1,282,888</u>	
Fund Balance - End of Year		<u>\$ 113</u>	

TOWN OF LELAND, NORTH CAROLINA

Vehicle Replacement Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Information Technology			
Capital Outlay	-	-	-
Total Information Technology	-	-	-
Public Works			
Capital Outlay	-	-	-
Total Public Works	-	-	-
Police			
Capital Outlay	146,406	146,406	-
Total Police	146,406	146,406	-
Inspections			
Capital Outlay	-	-	-
Total Inspections	-	-	-
Total Expenditures	146,406	146,406	-
Excess (Deficiency) of Revenues Over Expenditures	(146,406)	(146,406)	-
Other financing sources (uses):			
Transfers In:			
General Fund	57,805	57,805	-
Drug Forfeitures Capital Project Fund	14,642	14,642	-
Vehicle Replacement Capital Reserve Fund	71,810	73,235	1,425
Transfers Out:			
General Fund	-	-	-
Total financing sources (uses)	144,257	145,682	1,425
Appropriated Fund Balance	2,149	-	(2,149)
Net Change in Fund Balance	\$ -	(724)	\$ (724)
Fund Balance - Beginning of Year		724	
Fund Balance - End of Year		\$ -	

TOWN OF LELAND, NORTH CAROLINA
 Old Fayetteville MUP Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Transportation			
Other Expenditures	190,000	78,711	111,289
Total Transportation	<u>190,000</u>	<u>78,711</u>	<u>111,289</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(190,000)</u>	<u>(78,711)</u>	<u>111,289</u>
Other financing sources (uses):			
Transfers Out:			
General Fund	(55,000)	(55,000)	-
Total financing sources (uses)	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
Appropriated Fund Balance	<u>245,000</u>	<u>-</u>	<u>(245,000)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(133,711)</u>	<u>\$ (133,711)</u>
Fund Balance - Beginning of Year		<u>245,000</u>	
Fund Balance - End of Year		<u>\$ 111,289</u>	

TOWN OF LELAND, NORTH CAROLINA

Planning Revitalization Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ (5)	\$ (5)
Expenditures			
Transportation			
Other Expenditures	723,636	-	(723,636)
Total Transportation	<u>723,636</u>	<u>-</u>	<u>(723,636)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(723,636)</u>	<u>(5)</u>	<u>723,631</u>
Other financing sources (uses):			
Transfers In:			
Village Road. Cross Access Capital Project Fund	2,040	2,040	-
Transportation Capital Project Fund	107,500	107,500	-
Transportation Capital Improvement Reserve Fund	-	9,343	9,343
Transfers Out:			
NCDOT Grant Capital Project Fund	(40,000)	(40,000)	-
General Fund	-	(9,338)	(9,338)
Total financing sources (uses)	<u>69,540</u>	<u>69,545</u>	<u>5</u>
Appropriated Fund Balance	654,096	-	(654,096)
Net Change in Fund Balance	<u>\$ -</u>	69,540	<u>\$ 69,540</u>
Fund Balance - Beginning of Year		<u>654,096</u>	
Fund Balance - End of Year		<u>\$ 723,636</u>	

TOWN OF LELAND, NORTH CAROLINA
 Transportation Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Transportation			
Other Expenditures	-	-	-
Total Transportation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other financing sources (uses):			
Transfers Out:			
Planning Revitalization Capital Project Fund	(107,500)	(107,500)	-
Powell Bill Paving Capital Project Fund	(250,000)	(250,000)	-
Total financing sources (uses)	(357,500)	(357,500)	-
Appropriated Fund Balance	357,500	-	(357,500)
Net Change in Fund Balance	<u>\$ -</u>	(357,500)	<u>\$ (357,500)</u>
Fund Balance - Beginning of Year		357,500	
Fund Balance - End of Year		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA

Westgate Senior Apt. Housing Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Federal Grant	\$ -	\$ -	\$ -
Miscellaneous Income	-	15,515	15,515
Total Revenues	<u>-</u>	<u>15,515</u>	<u>15,515</u>
Expenditures			
Planning			
Other Expenditures	-	-	-
Total Planning	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>15,515</u>	<u>15,515</u>
Other financing sources (uses):			
Transfers In:			
Westgate Nature Park Capital Project Fund	-	-	-
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>15,515</u>	<u>\$ 15,515</u>
Fund Balance - Beginning of Year		<u>1,247</u>	
Fund Balance - End of Year		<u>\$ 16,762</u>	

TOWN OF LELAND, NORTH CAROLINA
 Greenway Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Parks and Recreation			
Other Expenditures	25,000	-	25,000
Total Parks and Recreation	25,000	-	25,000
Excess (Deficiency) of Revenues Over Expenditures	(25,000)	-	25,000
Other financing sources (uses):			
Transfers Out:			
Westgate Nature Park Capital Project Fund	(25,000)	(25,000)	-
Total financing sources (uses)	(25,000)	(25,000)	-
Appropriated Fund Balance	50,000	-	(50,000)
Net Change in Fund Balance	\$ -	(25,000)	\$ (25,000)
Fund Balance - Beginning of Year		50,000	
Fund Balance - End of Year		\$ 25,000	

TOWN OF LELAND, NORTH CAROLINA

Bike Plan Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Parks and Recreation			
Capital Outlay	-	-	-
Total Parks and Recreation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other financing sources (uses):			
Transfers Out:			
Westgate Nature Park Capital Project Fund	(50,000)	(50,000)	-
Total financing sources (uses)	(50,000)	(50,000)	-
Appropriated Fund Balance	50,000	-	(50,000)
Net Change in Fund Balance	\$ -	(50,000)	\$ (50,000)
Fund Balance - Beginning of Year		50,000	
Fund Balance - End of Year		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA

Dog Park Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Parks and Recreation			
Capital Outlay	-	-	-
Total Parks and Recreation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other financing sources (uses):			
Transfers Out:			
Municipal Park Improvements Capital Project Fund	(50,000)	(50,000)	-
Total financing sources (uses)	(50,000)	(50,000)	-
Appropriated Fund Balance	50,000	-	
Net Change in Fund Balance	\$ -	(50,000)	\$ -
Fund Balance - Beginning of Year		50,000	
Fund Balance - End of Year		\$ -	

TOWN OF LELAND, NORTH CAROLINA
 Splash Park Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Parks and Recreation			
Capital Outlay	-	-	-
Total Parks and Recreation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other financing sources (uses):			
Transfers Out:			
Municipal Park Improvements Capital Project Fund	(50,000)	(50,000)	-
Total financing sources (uses)	(50,000)	(50,000)	-
Appropriated Fund Balance	50,000	-	(50,000)
Net Change in Fund Balance	<u>\$ -</u>	(50,000)	<u>\$ (50,000)</u>
Fund Balance - Beginning of Year		50,000	
Fund Balance - End of Year		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA
 HWY 17 Park/Amphitheater Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Parks and Recreation			
Capital Outlay	-	-	-
Total Parks and Recreation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other financing sources (uses):			
Transfers Out:			
Westgate Nature Park Capital Project Fund	(50,000)	(50,000)	-
Total financing sources (uses)	(50,000)	(50,000)	-
Appropriated Fund Balance	50,000	-	(50,000)
Net Change in Fund Balance	-	(50,000)	(50,000)
Fund Balance - Beginning of Year		50,000	
Fund Balance - End of Year		<u>\$ -</u>	

TOWN OF LELAND, NORTH CAROLINA

Property Acquisition (Water Access) Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Parks and Recreation			
Other Expenditures	26,200	-	26,200
Total Parks and Recreation	26,200	-	26,200
Excess (Deficiency) of Revenues Over Expenditures	(26,200)	-	(26,200)
Other financing sources (uses):			
Transfers In:			
General Fund	-	-	-
Total financing sources (uses)	-	-	-
Appropriated Fund Balance	26,200	-	26,200
Net Change in Fund Balance	\$ -	-	\$ -
Fund Balance - Beginning of Year		26,200	
Fund Balance - End of Year		<u>\$ 26,200</u>	

TOWN OF LELAND, NORTH CAROLINA

Property Acquisition (General) Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Public Buildings			
Capital Outlay	20,000	-	20,000
Total Parks and Recreation	20,000	-	20,000
Excess (Deficiency) of Revenues Over Expenditures	(20,000)	-	20,000
Other financing sources (uses):			
Transfers In:			
General Fund	-	-	-
Total financing sources (uses)	-	-	-
Appropriated Fund Balance	20,000	-	(20,000)
Net Change in Fund Balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance - Beginning of Year		<u>20,000</u>	
Fund Balance - End of Year		<u>\$ 20,000</u>	

TOWN OF LELAND, NORTH CAROLINA

Westport Berm Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Public Works			
Other Expenditures	8,827	4,087	4,740
Total Public Works	8,827	4,087	4,740
Excess (Deficiency) of Revenues Over Expenditures	(8,827)	(4,087)	(4,740)
Other financing sources (uses):			
Transfers In:			
General Fund	-	-	-
Total financing sources (uses)	-	-	-
Appropriated Fund Balance	8,827	-	8,827
Net Change in Fund Balance	\$ -	(4,087)	\$ 4,087
Fund Balance - Beginning of Year		8,827	
Fund Balance - End of Year		\$ 4,740	

TOWN OF LELAND, NORTH CAROLINA
Municipal Park Improvements Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Parks and Recreation			
Capital Outlay	-	-	-
Total Parks and Recreation	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-
Other financing sources (uses):			
Transfers In:			
Dog Park Capital Project Fund	50,000	50,000	-
Splash Park Capital Project Fund	-	50,000	50,000
Total financing sources (uses)	50,000	100,000	50,000
Appropriated Fund Balance	50,000	-	(50,000)
Net Change in Fund Balance	<u>\$ 100,000</u>	100,000	<u>\$ -</u>
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		<u>\$ 100,000</u>	

TOWN OF LELAND, NORTH CAROLINA

Police Grant Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Police			
Capital Outlay		20,589	
Total Police	23,551	20,589	2,962
Excess (Deficiency) of Revenues Over Expenditures	(23,551)	(20,589)	2,962
Other financing sources (uses):			
Transfers In:			
General Fund	14,996	14,996	-
Drug Forfeiture Capital Project Fund	4,526	4,526	-
Drug Forfeiture Capital Reverse Fund	4,029	4,029	-
Total financing sources (uses)	23,551	23,551	-
Appropriated Fund Balance	-	-	-
Net Change in Fund Balance	\$ -	2,962	\$ 2,962
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		\$ 2,962	

TOWN OF LELAND, NORTH CAROLINA

Leland MS Sidewalk Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental			
STP-DA Grant	\$ 222,932	\$ -	\$ (222,932)
Total Restricted Intergovernmental	<u>222,932</u>	<u>-</u>	<u>(222,932)</u>
Expenditures			
Planning			
Capital Outlay	-	-	-
Total Planning	<u>278,665</u>	<u>-</u>	<u>278,665</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(55,733)</u>	<u>-</u>	<u>55,733</u>
Other financing sources (uses):			
Transfers In:			
General Fund	55,733	55,733	-
Total financing sources (uses)	<u>55,733</u>	<u>55,733</u>	<u>-</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>55,733</u>	<u>\$ 55,733</u>
Fund Balance - Beginning of Year		<u>-</u>	
Fund Balance - End of Year		<u>\$ 55,733</u>	

TOWN OF LELAND, NORTH CAROLINA

Old Fayetteville/Village Rd Ped Loop

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted Intergovernmental			
STP-DA Grant	\$ 193,427	\$ -	\$ (193,427)
Total Restricted Intergovernmental	<u>193,427</u>	<u>-</u>	<u>(193,427)</u>
Expenditures			
Planning			
Capital Outlay		9,210	
Total Planning	<u>276,324</u>	<u>9,210</u>	<u>267,114</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(82,897)</u>	<u>(9,210)</u>	<u>73,687</u>
Other financing sources (uses):			
Transfers In:			
General Fund	82,897	82,897	-
Total financing sources (uses)	<u>82,897</u>	<u>82,897</u>	<u>-</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>73,687</u>	<u>\$ 73,687</u>
Fund Balance - Beginning of Year		<u>-</u>	
Fund Balance - End of Year		<u>\$ 73,687</u>	

TOWN OF LELAND, NORTH CAROLINA

Village Rd MUP Extension

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted Intergovernmental			
STP-DA Grant	\$ 97,914	\$ -	\$ (97,914)
Total Restricted Intergovernmental	<u>97,914</u>	<u>-</u>	<u>(97,914)</u>
Expenditures			
Planning			
Capital Outlay		9,140	
Total Planning	<u>139,877</u>	<u>9,140</u>	<u>130,737</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(41,963)</u>	<u>(9,140)</u>	<u>32,823</u>
Other financing sources (uses):			
Transfers In:			
General Fund	41,963	41,963	-
Total financing sources (uses)	<u>41,963</u>	<u>41,963</u>	<u>-</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>32,823</u>	<u>\$ 32,823</u>
Fund Balance - Beginning of Year		<u>-</u>	
Fund Balance - End of Year		<u>\$ 32,823</u>	

TOWN OF LELAND, NORTH CAROLINA

NC Department of Transportation Grant Capital Project Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Transportation			
Other Expenditures	-	-	-
Total Transportation	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Other financing sources (uses):			
Transfers Out:			
General Fund	10,000	10,000	-
Planning Revitalization Capital Project Fund	40,000	40,000	-
Total financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	50,000	<u>\$ (50,000)</u>
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		<u>\$ 50,000</u>	

TOWN OF LELAND, NORTH CAROLINA
Mallory Creek Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Transportion			
Capital Outlay		73	
Total Transportion	1,600,000	73	1,599,927
Excess (Deficiency) of Revenues Over Expenditures	(1,600,000)	(73)	1,599,927
Other financing sources (uses):			
Transfers In:			
General Fund	500,000	500,000	-
Sewer Enterpirse Fund	600,000	600,000	-
Powell Bill Paving Capital Project Fund	500,000	500,000	-
Total financing sources (uses)	1,600,000	1,600,000	-
Appropriated Fund Balance	-	-	-
Net Change in Fund Balance	\$ -	1,599,927	\$ 1,599,927
Fund Balance - Beginning of Year		-	
Fund Balance - End of Year		\$ 1,599,927	

Enterprise Funds

TOWN OF LELAND, NORTH CAROLINA

Utility Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Revenues			
Water Charges	\$ 644,515	\$ 1,033,184	\$ 388,669
Sewer Charges	1,504,348	1,691,830	187,482
Impact Fees	1,154,820	1,008,656	(146,164)
Penalties and Interest	-	22,854	22,854
Total Operating Revenues	<u>3,303,683</u>	<u>3,756,524</u>	<u>452,841</u>
Nonoperating Revenues			
Investment Earnings	-	693	693
Total Nonoperating Revenues	<u>-</u>	<u>693</u>	<u>693</u>
Total Revenues	<u>3,303,683</u>	<u>3,757,217</u>	<u>453,534</u>
Expenditures			
Water Operations			
Salaries and Wages	49,142	35,180	13,962
Employee Benefits	26,866	19,997	6,869
Repairs and Maintenance	111,716	110,716	1,000
Capital Outlay	8,600	207,124	(198,524)
Other Expenditures	225,734	209,048	16,686
Total Water Operations	<u>422,058</u>	<u>582,065</u>	<u>(160,007)</u>
Sewer Operations			
Salaries and Wages	182,051	162,358	19,693
Employee Benefits	79,678	75,880	3,798
Repairs and Maintenance	247,500	221,251	26,249
Other Expenditures	656,668	501,843	154,825
Capital Outlay	5,000	1,755,410	(1,750,410)
Total Sewer Operations	<u>1,170,897</u>	<u>2,716,742</u>	<u>(1,545,845)</u>
Debt Service			
Principal Retirement	932,000	780,558	151,442
Interest Paid	-	185,965	(185,965)
Total Debt Service	<u>932,000</u>	<u>966,523</u>	<u>(34,523)</u>
Total Expenditures	<u>2,524,955</u>	<u>4,265,330</u>	<u>(1,740,375)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>778,728</u>	<u>(508,113)</u>	<u>(1,286,841)</u>

TOWN OF LELAND, NORTH CAROLINA

Utility Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses):			
Contributed Capital - Interlocal Agreements	-	288,129	288,129
Contributed Capital - Builders	-	1,750,410	1,750,410
Contributed Capital - Builders	-	202,124	202,124
Transfers In:			
Utility Capital Reserve Fund	53,000	53,000	-
Transfers Out:			
Utility Capital Reserve Fund	(632,322)	(632,322)	-
Utility Capital Reserve Fund	(488,244)	(488,244)	-
Mallory Creek Capital Project Fund	(600,000)	(600,000)	-
Total financing sources (uses)	<u>(1,667,566)</u>	<u>573,097</u>	<u>2,240,663</u>
Appropriated Fund Balance	<u>888,838</u>	<u>-</u>	<u>(888,838)</u>
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 64,984</u>	<u>\$ 64,984</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		<u>\$ 64,984</u>	
Reconciling Items:			
Depreciation Expense		(1,407,340)	
Principal Retirement		780,558	
Capital Outlay		1,962,534	
Increase in Compensated Absences Payable		(630)	
Contributions to the Pension Plan in the Current Fiscal Year		14,771	
Pension Expense		(1,540)	
Investment Earnings from Utility Capital Reserve Fund		576	
Transfers (consolidating funds)		<u>1,067,566</u>	
Total Reconciling Items		<u>2,416,495</u>	
Change in Net Position		<u>\$ 2,481,479</u>	

TOWN OF LELAND, NORTH CAROLINA
 Combining Schedule of Revenues and Expenditures
 Utility Capital Project Funds
 June 30, 2015

	Utility Capital Reserve Fund	Collection System Replacement Capital Reserve Fund	Lift Station Upgrade Capital Reserve Fund	US 17 Corridor Force Main Upgrade Capital Project Fund	Public Utility Vactor Truck Capital Project Fund	Half Million Water Tower Capital Project Fund	Utility Vehicle Capital Project Fund	Thomas Garst Lane Gravity Sewer Capital Project Fund	Total
Revenues									
Investment Earnings	\$ 576	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 576
Expenditures									
Sewer Operations									
Capital Outlay	-	-	-	84,495	-	73,211	-	50,853	208,559
Total Expenditures	-	-	-	84,495	-	73,211	-	50,853	208,559
Excess (Deficiency) of Revenues Over Expenditures	576	-	-	(84,495)	-	(73,211)	-	(50,853)	(207,983)
Other Financing Sources (Uses)									
Transfers from Other Funds	1,129,713	90,000	190,000	533,803	40,000	1,612,861	-	60,000	3,656,377
Transfers to Other Funds	(2,579,664)	-	-	-	-	-	-	(9,147)	(2,588,811)
Total Other Financing Sources (Uses)	(1,449,951)	90,000	190,000	533,803	40,000	1,612,861	-	50,853	1,067,566
Revenues Over Other Financing	\$ (1,449,375)	\$ 90,000	\$ 190,000	\$ 449,308	\$ 40,000	\$ 1,539,650	\$ -	\$ -	\$ 859,583

TOWN OF LELAND, NORTH CAROLINA
 Utility Capital Reserve Fund
 Schedule of Revenues and Expenditures
 Budget and Actual (Non-GAAP)
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ 576	\$ 576
Expenditures			
Sewer Operations			
Other Expenditures	-	-	-
Total Sewer Operations	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	576	576
Other financing sources (uses):			
Transfers In:			
Utility Fund - Sewer	632,322	632,322	-
Utility Fund - Water	488,244	488,244	-
Thomas Garst Lane Gravity Capital Project Fund	9,147	9,147	-
Transfers Out:			
Thomas Garst Lane Gravity Capital Project Fund	(60,000)	(60,000)	-
Collection System Replacement Capital Reserve Fund	(90,000)	(90,000)	-
Lift Station Upgrade Capital Reserve Fund	(190,000)	(190,000)	-
US 17 Corridor Force Main Upgrade Capital Project Fund	(533,803)	(533,803)	-
Public Utility Vector Truck Capital Project Fund	(40,000)	(40,000)	-
Half Million Water Tower Capital Project Fund	(1,612,861)	(1,612,861)	-
Sewer Enterprise	(53,000)	(53,000)	-
Total financing sources (uses)	(1,449,951)	(1,449,951)	-
Appropriated Fund Balance	1,449,951	-	(1,449,951)
Revenues Over Other Financing Sources (Uses)	\$ -	\$ (1,449,375)	\$ (1,449,375)

TOWN OF LELAND, NORTH CAROLINA
Collection System Replacement Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Sewer Operations			
Capital Outlay	-	-	-
Total Sewer Operations	110,000	-	110,000
Excess (Deficiency) of Revenues Over Expenditures	(110,000)	-	110,000
Other financing sources (uses):			
Transfers In:			
Utility Capital Reserve	90,000	90,000	-
Total financing sources (uses)	90,000	90,000	-
Appropriated Fund Balance	20,000	-	(20,000)
Revenues Over Other Financing Sources (Uses)	\$ -	\$ 90,000	\$ 90,000

TOWN OF LELAND, NORTH CAROLINA
 Lift Station Upgrade Capital Reserve Fund
 Schedule of Revenues and Expenditures
 Budget and Actual (Non-GAAP)
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Sewer Operations			
Capital Outlay	-	-	-
Total Sewer Operations	210,000	-	210,000
Excess (Deficiency) of Revenues Over Expenditures	(210,000)	-	210,000
Other financing sources (uses):			
Transfers In:			
Utility Capital Reserve Fund	190,000	190,000	-
Total financing sources (uses)	190,000	190,000	-
Appropriated Fund Balance	20,000	-	(20,000)
Revenues Over Other Financing Sources (Uses)	\$ -	\$ 190,000	\$ 190,000

TOWN OF LELAND, NORTH CAROLINA

US 17 Corridor Force Main Upgrade Capital Project Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Sewer Operations			
Capital Outlay	-	-	-
Total Sewer Operations	1,499,557	84,495	1,415,062
Excess (Deficiency) of Revenues Over Expenditures	(1,499,557)	(84,495)	1,415,062
Other financing sources (uses):			
Transfers In:			
Utility Capital Reserve Fund	533,803	533,803	-
Total financing sources (uses)	533,803	533,803	-
Appropriated Fund Balance	965,754	-	(965,754)
Revenues Over Other Financing Sources (Uses)	\$ -	\$ 449,308	\$ 449,308

TOWN OF LELAND, NORTH CAROLINA
Public Utilities Vactor Truck Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Sewer Operations			
Capital Outlay	-	-	-
Total Sewer Operations	160,000	-	160,000
Excess (Deficiency) of Revenues Over Expenditures	(160,000)	-	160,000
Other financing sources (uses):			
Transfers In:			
Utility Capital Reserve Fund	40,000	40,000	-
Total financing sources (uses)	40,000	40,000	-
Appropriated Fund Balance	120,000	-	(120,000)
Revenues Over Other Financing Sources (Uses)	\$ -	\$ 40,000	\$ 40,000

TOWN OF LELAND, NORTH CAROLINA
 Half Million Water Tower Capital Project Fund
 Schedule of Revenues and Expenditures
 Budget and Actual (Non-GAAP)
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Sewer Operations			
Capital Outlay	-	-	-
Total Sewer Operations	<u>2,332,592</u>	<u>73,211</u>	<u>2,259,381</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,332,592)</u>	<u>(73,211)</u>	<u>2,259,381</u>
Other financing sources (uses):			
Transfers In:			
Utility Capital Reserve Fund	1,612,861	1,612,861	-
Total financing sources (uses)	<u>1,612,861</u>	<u>1,612,861</u>	<u>-</u>
Appropriated Fund Balance	<u>719,731</u>	<u>-</u>	<u>(719,731)</u>
Revenues Over Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ 1,539,650</u>	<u>\$ 1,539,650</u>

TOWN OF LELAND, NORTH CAROLINA
 Utility Vehicles Capital Project Fund
 Schedule of Revenues and Expenditures
 Budget and Actual (Non-GAAP)
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Sewer Operations			
Capital Outlay	-	-	-
Total Sewer Operations	50,000	-	50,000
Excess (Deficiency) of Revenues Over Expenditures	(50,000)	-	50,000
Appropriated Fund Balance	50,000	-	(50,000)
Revenues Over Other Financing Sources (Uses)	\$ -	\$ -	\$ -

TOWN OF LELAND, NORTH CAROLINA

Thomas Garst Lane Gravity Sewer Capital Project Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Sewer Operations			
Capital Outlay	-	50,853	
Total Sewer Operations	18,553	50,853	(32,300)
Excess (Deficiency) of Revenues Over Expenditures	(18,553)	(50,853)	(32,300)
Other financing sources (uses):			
Transfers In:			
Utility Capital Reserve Fund	60,000	60,000	-
Transfers Out:			
Utility Capital Reserve Fund	(9,147)	(9,147)	-
Total financing sources (uses)	50,853	50,853	-
Appropriated Fund Balance	(32,300)	-	32,300
Revenues Over Other Financing Sources (Uses)	\$ -	\$ -	\$ -

TOWN OF LELAND, NORTH CAROLINA
 Cultural Arts Center
 Schedule of Revenues and Expenditures
 Budget and Actual (Non-GAAP)
 For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Revenues			
Registration Revenue	\$ -	\$ 18,652	\$ 18,652
Facility Rental Revenue	-	725	725
Sales Revenue	-	1,140	1,140
Studio Pass Revenue	-	225	225
Caterer Application Fees	-	300	300
Total Operating Revenues	-	21,042	21,042
Nonoperating Revenues			
Grassroots Grant	-	2,100	2,100
Investment Earnings	-	-	-
Total Nonoperating Revenues	-	2,100	2,100
Total Revenues	-	23,142	23,142
Expenditures			
Salaries and Wages	73,320	72,119	1,201
Employee Benefits	23,599	23,688	(89)
Professional / Contract Fees	6,552	7,243	(691)
Capital Outlay	-	-	-
Other Expenditures	43,947	26,279	17,668
Total Expenditures	147,418	129,329	18,089
Excess (Deficiency) of Revenues Over Expenditures	(147,418)	(106,187)	41,231
Other financing sources (uses):			
Transfers In:			
General Fund	147,418	96,356	(51,062)
Total financing sources (uses)	147,418	96,356	(51,062)
Appropriated Fund Balance	-	-	-
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ (9,831)	\$ (9,831)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		\$ (9,831)	
Reconciling Items:			
Contributions to the Pension Plan in the Current Fiscal Year		4,144	
Pension Expense		(432)	
Total Reconciling Items		3,712	
Change in Net Position		\$ (6,119)	

Other Schedules

TOWN OF LELAND, NORTH CAROLINA
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 For the Fiscal Year Ended June 30, 2015

Fiscal Year	Uncollected Balance July 1, 2014	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2015
2014-15	\$ -	\$ 3,197,161	\$ 3,149,583	\$ 47,578
2013-14	66,265	-	31,962	34,303
2012-13	39,366	-	11,287	28,079
2011-12	27,318	-	9,869	17,449
2010-11	16,137	-	4,189	11,948
2009-10	10,304	-	2,782	7,522
2008-09	5,426	-	207	5,219
2007-08	3,344	-	38	3,306
2006-07	3,400	-	57	3,343
2005-06	1,774	-	87	1,687
2004-05	1,569	-	1,569	-
	<u>\$ 174,903</u>	<u>\$ 3,197,161</u>	<u>\$ 3,211,630</u>	160,434
Less: Allowance for Uncollectible Accounts: General Fund				27,110
Ad Valorem Taxes Receivable, net				<u>\$ 133,324</u>
<u>Reconciliation with Revenues</u>				
Ad Valorem Taxes - General Fund				3,214,684
Reconciling Items:				
Interest and Penalties Collected				(14,331)
Releases and adjustments				11,277
Total Collections and Credits				<u>\$ 3,211,630</u>

TOWN OF LELAND, NORTH CAROLINA
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 For the Fiscal Year Ended June 30, 2015

	Town-Wide			Total Levy	
	Property Valuation	Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property Taxed at					
Current Year's Rate	\$ 2,110,337,294	0.1515	\$ 3,197,161	\$ 2,929,902	\$ 267,259
Penalties	-				
	2,110,337,294		3,197,161	2,929,902	267,259
Total Property Valuations	\$ 2,110,337,294				
Net Levy			\$ 3,197,161	\$ 2,929,902	\$ 267,259
Uncollected Taxes at June 30, 2015			47,578	47,494	84
Current Year's Taxes Collected			\$ 3,149,583	\$ 2,882,408	\$ 267,175
Current Levy Collection Percentage			98.51%	98.38%	99.97%

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 Auditors' Report

To the Honorable Mayor
And Members of the Town Council
Town of Leland, North Carolina

We have audited, in accordance with the 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 accompanying 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 Town of Leland, North Carolina, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprises Town of Leland's basic financial statements, and have issued our report thereon dated January 20, 2016. Our report includes a reference to other auditors who audited the financial statements of the Leland Tourism Development Authority, as described in our report on Town of Leland'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 Leland Tourism Development Authority 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 Town of Leland'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 Town of Leland's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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 a 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 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies [15-01].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Leland'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 Leland's Response to Findings

The Town of Leland's responses 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 statements 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 results 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 20, 2016

TOWN OF LELAND, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified? ___ yes X no

- Significant Deficiency(s) identified that are
 not considered to be material weaknesses X yes ___ none reported

Noncompliance material to financial statements
noted ___yes X no

Section II. Financial Statement Findings

Finding 15-01 Prior Period Adjustments

SIGNIFICANT DEFICIENCY

Criteria: SAS 115 requires communication of certain matters related to internal control over financial reporting.

Condition: The Board recorded prior period adjustments to adjust contract deposits. Revenue had been recognized in previous years that was actually deposits from contractors.

Effect: This is an indicator of a control deficiency.

Cause: The subsidiary ledger for contract deposits was not properly monitored in the past few years, so adjustments had to be made to reconcile the balance.

Recommendation: The Board should implement internal control procedures that will monitor accounts to ensure that all subsidiary accounts are reconciled to the general ledger.

Views of responsible officials and planned corrective actions: The Town agrees with this finding. Responsible officials will review the financial statements and the notes for accuracy before finalizing the report.

TOWN OF LELAND, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2015

Section II - Financial Statement Findings

Finding 15-01 Prior Period Adjustments

Name of contact person: Missy Rhodes, Finance Officer

Corrective Action: Responsible officials will review the financial statements and the notes for accuracy before finalizing the report.

Proposed Completion Date: Immediately

TOWN OF LELAND, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2015

None reported.