

Basic Financial Statements

Town of Emerald Isle, North Carolina
Statement of Net Position
June 30, 2015

Exhibit 1

	Primary Government
	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,697,635
Receivables (net)	40,522
Due from other governments	668,753
Restricted cash and cash equivalents	290,737
Total current assets	3,697,647
Non Current Assets:	
Net pension asset	291,747
Capital assets (Note 4):	
Land and construction in progress	12,265,830
Other capital assets, net of depreciation	9,464,390
Total capital assets	21,730,220
Total assets	25,719,614
DEFERRED OUTFLOWS OF RESOURCES	
Contributions to pension plan in current fiscal year	191,000
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 288,801
Current portion of long term liabilities	615,584
Total current liabilities	904,385
Long-term liabilities:	
Due in more than one year	3,282,603
Total liabilities	4,186,988
DEFERRED INFLOW OF RESOURCES	
Pension deferrals	719,683
Total deferred inflows of resources	719,683
NET POSITION	
Net investment in capital assets	18,195,914
Restricted for	
Stabilization by State Statute	695,281
Public safety	1,276
Environmental protection	1,391,580
Culture and recreation	(181,049)
Unrestricted	900,941
Total net position	\$ 21,003,943

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

Town of Emerald Isle, North Carolina
Statement of Activities
For the Year Ended June 30, 2015

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Primary Government
					Governmental Activities
Primary government:					
Governmental Activities:					
General government	\$ 1,472,440	\$ 41,275	\$ -	\$ -	\$ (1,431,165)
Public safety	3,244,183	249,428	30,397	-	(2,964,358)
Environmental protection	2,188,457	1,503,941	154,934	-	(529,582)
Cultural and recreation	774,486	239,799	14,660	860,700	340,673
Interest on long-term debt	74,032	-	-	-	(74,032)
Total governmental activities	\$ 7,753,598	\$ 2,034,443	\$ 199,991	\$ 860,700	\$ (4,658,464)

General revenues:

Taxes:

Property taxes, levied for general purpose	4,442,231
Local option sales tax	1,668,520
Other taxes and licenses	594,313
Unrestricted grants and contributions	117,820
Unrestricted investment earnings	1,560
Miscellaneous	47,898
Total general revenues	6,872,342
Change in net position	2,213,878
Net position, beginning, previously reported	19,201,871
Restatement	(411,806)
Net position, beginning, restated	18,790,065
Net position, ending	\$ 21,003,943

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

Town of Emerald Isle, North Carolina
Balance Sheet
June 30, 2015

Exhibit 3

	Major Funds				
	Future Beach Nourishment				
	Special Revenue Fund	Welcome Center Project	Non-Major Funds	Total Governmental Funds	
	General Fund				
ASSETS					
Cash and cash equivalents	\$ 1,536,722	1,115,580	\$ -	\$ 45,333	\$ 2,697,635
Restricted cash and cash equivalents	-	-	161,963	128,774	290,737
Taxes receivable, net	12,251	855	-	-	13,106
Accounts receivables, net	26,529	-	-	-	26,529
Due from other governments	668,753	-	-	-	668,753
Advances to other funds	-	276,000	-	-	276,000
Total assets	<u>\$ 2,244,255</u>	<u>\$ 1,392,435</u>	<u>\$ 161,963</u>	<u>\$ 174,107</u>	<u>\$ 3,972,760</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 151,396	\$ -	\$ 111,180	\$ 144	\$ 262,720
Advances from other funds	-	-	276,000	-	276,000
Total liabilities	<u>151,396</u>	<u>-</u>	<u>387,180</u>	<u>144</u>	<u>538,720</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	12,251	855	-	-	13,106
Total deferred inflows of resources	<u>12,251</u>	<u>855</u>	<u>-</u>	<u>-</u>	<u>13,106</u>
FUND BALANCES					
Restricted:					
Stabilization by State Statute	695,281	-	-	-	695,281
Public safety	-	-	-	1,276	1,276
Environmental protection	-	1,391,580	-	-	1,391,580
Culture and recreation	-	-	(225,217)	44,168	(181,049)
Assigned:					
Culture and recreation	-	-	-	128,519	128,519
Unassigned	1,385,327	-	-	-	1,385,327
Total fund balances	<u>2,080,608</u>	<u>1,391,580</u>	<u>(225,217)</u>	<u>173,963</u>	<u>3,420,934</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,244,255</u>	<u>\$ 1,392,435</u>	<u>\$ 161,963</u>	<u>\$ 174,107</u>	<u>\$ 3,972,760</u>

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

Town of Emerald Isle, North Carolina
Balance Sheet
June 30, 2015

Exhibit 3

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances, Governmental Funds	\$ 3,420,934
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,730,220
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	13,106
Net pension asset	291,747
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	191,000
Other long-term assets (accrued interest from taxes) are not available to pay current period expenditures and therefore are deferred in the funds.	887
Pension related deferrals	(719,683)
Long-term liabilities, including, accrued interest, compensated absences and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,924,268)</u>
Net position of governmental activities	<u><u>\$ 21,003,943</u></u>

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

Town of Emerald Isle, North Carolina **Exhibit 4**
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2015

	Major Funds				
	General Fund	Future Beach Nourishment Special Revenue Fund	Welcome Center Project	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 4,223,710	\$ 235,807	\$ -	\$ -	\$ 4,459,517
Restricted intergovernmental	187,382	-	-	807,876	995,258
Unrestricted intergovernmental	2,409,556	-	-	-	2,409,556
Permits and fees	1,797,147	-	-	-	1,797,147
Sales and services	135,652	-	-	-	135,652
Investment earnings	414	1,146	-	-	1,560
Miscellaneous	43,711	-	-	142,361	186,072
Total revenues	<u>8,797,572</u>	<u>236,953</u>	<u>-</u>	<u>950,237</u>	<u>9,984,762</u>
EXPENDITURES					
Current:					
General government	1,443,813	-	-	4,221	1,448,034
Public safety	3,300,250	-	-	3,062	3,303,312
Environmental protection	2,105,296	-	-	-	2,105,296
Cultural and recreation	866,999	-	-	66,935	933,934
Capital outlay:					
Environmental protection	-	-	-	172,517	172,517
Cultural and recreation	-	-	225,217	1,223,109	1,448,326
Debt service:					
Principal	582,542	-	-	-	582,542
Interest and other charges	78,191	-	-	-	78,191
Total expenditures	<u>8,377,091</u>	<u>-</u>	<u>225,217</u>	<u>1,469,844</u>	<u>10,072,152</u>
Excess (deficiency) of revenues over expenditures	<u>420,481</u>	<u>236,953</u>	<u>(225,217)</u>	<u>(519,607)</u>	<u>(87,390)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of debt	-	-	-	86,077	86,077
Transfers from other funds	299	450,000	-	224,063	674,362
Transfers to other funds	(490,417)	-	-	(183,945)	(674,362)
Total other financing sources (uses)	<u>(490,118)</u>	<u>450,000</u>	<u>-</u>	<u>126,195</u>	<u>86,077</u>
Net change in fund balance	(69,637)	686,953	(225,217)	(393,412)	(1,313)
Fund balance, beginning	2,150,245	704,627	-	567,375	3,422,247
Fund balance, ending	<u>\$ 2,080,608</u>	<u>\$ 1,391,580</u>	<u>\$ (225,217)</u>	<u>\$ 173,963</u>	<u>\$ 3,420,934</u>

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

Town of Emerald Isle, North Carolina **Exhibit 4**
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the 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 \$ (1,313)

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

Capital outlay expenditures which were capitalized	2,195,749	
Depreciation expense for governmental assets	<u>(653,110)</u>	
		1,542,639

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities 191,000

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

Change in accrued taxes receivable	(1,711)
Change in unavailable revenue for tax revenues	(15,575)

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 496,465

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

Compensated absences	20,498
Pension expense	(16,130)
Accrued interest payable	4,158
Net pension obligation	<u>(6,153)</u>

Total changes in net position of governmental activities \$ 2,213,878

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

Town of Emerald Isle, North Carolina **Exhibit 5**
General Fund and Annually Budgeted Major Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget to Actual
For the Year Ended June 30, 2015

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 4,222,682	\$ 4,222,682	\$ 4,223,710	\$ 1,028
Restricted intergovernmental	157,795	187,337	187,382	45
Unrestricted intergovernmental	2,103,095	2,351,873	2,409,556	57,683
Permits and fees	1,780,625	1,793,625	1,797,147	3,522
Sales and services	138,000	138,000	135,652	(2,348)
Investment earnings	1,000	1,000	414	(586)
Miscellaneous	29,100	37,177	43,711	6,534
Total revenues	8,432,297	8,731,694	8,797,572	65,878
Expenditures:				
Current:				
General government	1,294,041	1,496,990	1,443,813	53,177
Public safety	3,184,718	3,340,118	3,300,250	39,868
Environmental protection	2,003,212	2,141,838	2,105,296	36,542
Cultural and recreation	852,273	874,713	866,999	7,714
Debt service:				
Principal retirement	590,974	582,542	582,542	-
Interest and other charges	78,910	78,192	78,191	1
Total expenditures	8,004,128	8,514,393	8,377,091	137,302
Revenues over (under) expenditures	428,169	217,301	420,481	203,180
Other Financing Sources (Uses):				
Proceeds from installment financing	-	-	-	-
Transfers from other funds	21,831	22,130	299	(21,831)
Transfers to other funds	(450,000)	(490,417)	(490,417)	-
	(428,169)	(468,287)	(490,118)	(21,831)
Fund balance appropriated	-	250,986	-	(250,986)
Net change in fund balance	\$ -	\$ -	\$ (69,637)	\$ (69,637)
Fund balance, beginning			2,150,245	
Fund balance, ending			\$ 2,080,608	

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

Future Beach Nourishment Special Revenue Fund			
Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
231,487	\$ 231,487	\$ 235,807	\$ 4,320
-	-	-	-
-	-	-	-
-	-	-	-
500	500	1,146	646
-	-	-	-
<u>231,987</u>	<u>231,987</u>	<u>236,953</u>	<u>4,966</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>231,987</u>	<u>231,987</u>	<u>236,953</u>	<u>4,966</u>
-	-	-	-
450,000	450,000	450,000	-
-	-	-	-
<u>450,000</u>	<u>450,000</u>	<u>450,000</u>	<u>-</u>
(681,987)	(681,987)	-	681,987
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 686,953</u>	<u>\$ 686,953</u>
		<u>704,627</u>	
		<u>\$ 1,391,580</u>	

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

Town of Emerald Isle, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

Exhibit 6

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 63,755	\$ 457
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ 457
NET POSITION		
Assets held in trust for pension benefits	\$ 63,755	\$ -

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

Town of Emerald Isle, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

Exhibit 7

	Pension Trust Fund
Additions:	
Investment income:	
Interest	\$ 24
Total additions	24
Net position, beginning	63,731
Net position, ending	\$ 63,755

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

This Page Intentionally Left Blank.

Notes to the Financial Statements

This Page Intentionally Left Blank.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Emerald Isle 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 Emerald Isle is a municipal corporation that is governed by an elected mayor and a five-member board of commissioners. As required by generally accepted accounting principles, these financial statements present the Town.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish the *governmental activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues 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 fiduciary fund. Separate statements for each fund category – *governmental and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, solid waste fees, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, parks and recreation, and general government services.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

Future Beach Nourishment Special Revenue Fund. This fund accounts for financial resources collected from ad valorem assessments to be used for expenditures associated with future beach nourishment activities.

New Welcome Center Capital Project Fund. This fund accounts for financial resources to be used for expenditures associated with building a new welcome center that will be leased to and operated by the Carteret County Tourism Development Authority.

The Town reports the following non-major governmental funds:

Special Revenue Funds. These funds account for specific revenue sources (other than expendable trusts or major capital projects) that are restricted or assigned to expenditures for specific purposes. The Town maintains the following Special Revenue Funds: the Special Drug Fund and the Half Marathon Fund.

Capital Project Funds. These funds account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Town had the following non-major capital project funds: the Eastern EI Stormwater Outfall Project Fund, the Public Boat Launching Facility Project Fund, the NC 58 Bicycle Path Extension EORA-IB Project Fund, the Bike and Pedestrian Project Fund, the Jean Preston Memorial Playground Project Fund, the Future New Ocean Fishing Pier Project Fund, the Island Circle Stormwater Connection Project Fund, the Lands End Stormwater Connection Project Fund, the Coast Guard Road Multiuse Path Project Fund, the NC 58 Bicycle Path Extension – Fairfax-Ocean Project Fund, and the Coast Guard Road Bicycle Path Extension Project Fund.

The Town reports the additional following fund types:

Pension Trust Fund. The Town has a Pension Trust Fund, the Special Separation Allowance Fund, that accounts for the Law Enforcement Officer's Special Separation Allowance, a single-employer, public retirement system.

Agency Fund. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the Town holds on behalf of others. The Town maintains the following agency fund: Homeowner's Recovery Fund.

C. Measurement Focus and Basis of Accounting

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

Government-wide and Fiduciary Fund Financial Statements. The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide 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

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities sales tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Emerald Isle because the tax is levied by Carteret County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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, the Future Beach Nourishment Special Revenue Fund, the Special Drug Fund, and the Half Marathon Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the NC 58 Bicycle Path Extension – EORA-IB Project Fund, the Eastern EI Stormwater Outfall Project Fund, the Public Boat Launching Facility Project Fund, the Bike and Pedestrian Project, the Jean Preston Memorial Playground Project, the Future New Fishing Pier Project, the Island Circle Stormwater Connection Project Fund, the Lands End Stormwater Connection Project Fund, the Coast Guard Road Multiuse Path Project Fund, the NC 58 Bicycle Path Extension – Fairfax-Ocean Project Fund, and the Coast Guard Road Bicycle Path Extension Project Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the project level for the multi-year funds. The Town Manager is authorized to transfer appropriations within each department; however, any revision that alters total departmental expenditures must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing body must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the Town 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 may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT-Cash Portfolio, a 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.

2. Cash and Cash Equivalents

The Town pools money from several funds 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.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

3. Restricted Assets

The Welcome Center Capital Project fund are classified as restricted assets because they are for the purpose of constructing a new welcome center. The Future New Ocean Pier Project had unspent grant funds. The Bike and Pedestrian Project as well as the Jean Preston Memorial Playground have received specific donations for their particular project. The special drug fund can only be used for certain approved expenditures provided by the funding source.

Town of Emerald Isle Restricted Cash

Non-Major Funds	
Welcome Center Capital Project	\$ 161,963
Future New Ocean Fishing Pier Project	144
Special Drug Fund	1,276
Bike and Pedestrian Project	84,405
Jean Preston Memorial Playground	<u>42,949</u>
Total Restricted Cash	<u><u>\$ 290,737</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 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. 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. Prepaid Items

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs for the Town's assets are \$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. General infrastructure assets acquired prior to July 1, 2003, consist of the road network that was acquired or that received substantial improvements and are reported at

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Lives
Buildings	50
Improvements	20
Vehicles	5
Furniture and equipment	10
Computer equipment and software	3

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. 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 two items that meet the criterion for this category - property taxes receivable and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

Restricted for Environmental Protection – portion of fund balance that is restricted by revenue source for certain environmental activities and projects.

Restricted for Culture and Recreation – portion of fund balance that is restricted by revenue source for certain culture and recreation activities and projects.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Emerald Isle’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned Fund Balance – portion of fund balance that the Town of Emerald Isle intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. The governing body assigns fund balance through the adoption of the budget and planned use of resources in capital project funds.

Assigned for Culture and Recreation – portion of fund balance that has been budgeted by the Board for activities related to parks and recreation and the completion of ongoing capital projects.

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

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

The Town of Emerald Isle has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures. The Town’s policy defines available fund balance as unassigned plus stabilization by state statute. Any portion of the general fund balance in excess of 25% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (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 Emerald Isle's employer contributions are recognized when due and the Town of Emerald Isle 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.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additional to / deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

II. Stewardship, Compliance, and Accountability

No issues relating to stewardship, compliance, and accountability for the Town.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, 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 non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town 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

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

At June 30, 2015, the Town's deposits had a carrying amount of \$2,247,758 and a bank balance of \$2,350,777. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2015, the Town's petty cash fund totaled \$1,993. The fiduciary funds had a cash balance of \$64,212.

2. Investments

At June 30, 2015, the Town had \$738,620 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 formal policy regarding interest rate risk or credit risk.

3. Receivables

Receivables at the government-wide level at June 30, 2015, were as follows:

	Accounts	Taxes Receivable	Accrued Interest Receivable	Total
Governmental Activities:				
General	\$ 26,529	\$ 23,217	\$ 887	\$ 50,633
Future Beach Nourishment	-	855	-	855
Total receivables	26,529	24,072	887	51,488
Allowance for doubtful accounts	-	(10,966)	-	(10,966)
Total-governmental activities	<u>\$ 26,529</u>	<u>\$ 13,106</u>	<u>\$ 887</u>	<u>\$ 40,522</u>

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

4. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 11,364,946	\$ 324,864	\$ -	\$ 11,689,810
Construction in Progress	2,343,937	1,646,785	3,414,702	576,020
Total capital assets not being depreciated	<u>13,708,883</u>	<u>1,971,649</u>	<u>3,414,702</u>	<u>12,265,830</u>
Capital assets being depreciated:				
Buildings	3,245,146	-	-	3,245,146
Improvements	3,749,742	3,414,702	-	7,164,444
Furniture and equipment	1,611,923	111,112	23,969	1,699,066
Vehicles and motorized equipment	2,832,379	112,988	79,748	2,865,619
Total capital assets being depreciated	<u>11,439,190</u>	<u>3,638,802</u>	<u>103,717</u>	<u>14,974,275</u>
Less accumulated depreciation for:				
Buildings	857,690	64,903	-	922,593
Improvements	878,819	251,039	-	1,129,858
Furniture and equipment	1,356,851	101,589	23,969	1,434,471
Vehicles and motorized equipment	1,867,132	235,579	79,748	2,022,963
Total accumulated depreciation	<u>4,960,492</u>	<u>653,110</u>	<u>103,717</u>	<u>5,509,885</u>
Total capital assets being depreciated, net	<u>6,478,698</u>			<u>9,464,390</u>
Governmental activity capital assets, net	<u><u>\$ 20,187,581</u></u>			<u><u>\$ 21,730,220</u></u>

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

General government	\$ 222,483
Public safety	220,938
Environmental protection	123,078
Cultural and recreation	86,611
Total depreciation expense	<u><u>\$ 653,110</u></u>

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

Construction Commitments

The government has active construction projects as of June 30, 2015. At year-end, the government's commitments with contractors are as follows:

Project	Spent to date	Remaining Commitment
Welcome Center	\$ 225,217	\$ 50,783
Total	\$ 225,217	\$ 50,783

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town 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.

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 services 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 gain of the plan.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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 or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed five years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Emerald Isle employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Emerald Isle's contractually required contribution rate for the year ended June 30, 2015, was 7.410% of compensation for law enforcement officers and 7.070% 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 Emerald Isle were \$191,000 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 \$291,747 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 0.049%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

For the year ended June 30, 2015, the Town recognized pension expense of \$16,130. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 31,878
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	679,182
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	8,623
Town contributions subsequent to the measurement date	191,000	-
Total	<u>\$ 191,000</u>	<u>\$ 719,683</u>

\$191,000 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	\$ (179,946)
2017	(179,946)
2018	(179,946)
2019	(179,845)
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 period included 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.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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 return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

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

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.

A 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%.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of net pension liability (asset)	\$ 990,317	\$ (291,747)	\$ (1,371,204)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description.

The Town 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 law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2014 the Separation Allowance’s membership consisted of:

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	17
Total	18

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies.

Basis of Accounting. The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earning on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

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. The Town has partially funded the obligation through contributions in prior years. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85%. Both (a) and (b) included an inflation component of 3%. The assumptions did not include post-retirement benefit increases.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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 were as follows:

Annual required contribution	\$ 31,975
Interest on net pension obligation	8,057
Adjustment to annual required contribution	(13,612)
Annual pension cost	26,420
Contributions made	20,267
Increase (decrease) in net pension obligation	6,153
Net pension obligation beginning of year	161,141
Net pension obligation end of year	\$ 167,294

3 Year Trend Information

For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 19,388	0.00%	\$ 140,952
2014	20,189	0.00%	161,141
2015	26,420	76.71%	167,294

4. Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the plan was 18.70 percent funded. The actuarial accrued liability for benefits was \$340,894 and the actuarial value of assets was \$63,731, resulting in an unfunded actuarial liability of (UAAL) of \$277,163. The covered payroll (annual payroll of active employees covered by the plan) was \$784,802, and the ratio of the UAAL to the covered payroll was 35.32 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 and Other Employees

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers and other employees 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 and Other Employees 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 and Other Employees. The report may be obtained by writing to the Office

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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 the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The Town has also elected to contribute each month an amount equal to five percent of each employee's salary. Also, the law enforcement officers and other employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2015 were \$192,383, which consisted of \$133,050 from the Town and \$59,333 from the law enforcement officers and other employees.

d. Firefighter's and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the Town of Emerald Isle, to the Firefighter's and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 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 or Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighter's and Rescue Squad Workers' Pension Fund 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 the Firefighter's and Rescue Squad Workers' Pension Fund. 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.

Benefits Provided. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

Contributions. Plan members are required to contribute \$10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The Town elected to contribute the \$10 per month for the eligible plan members. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2014, the State contributed \$14,627,000 to the plan. The Town of Emerald Isle's proportionate share of the State's contributions is \$6,230.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

Refunds of Contributions – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member’s contributions and contributions paid by others on the member’s behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual’s right to employer contributions or any other benefit provided by FRSWPF.

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

At June 30, 2015, the Town reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the Town through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the Town and supported by the State was \$10,384. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability 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 liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the Town is not projected to make any future contributions to the plan, its proportionate share at June 30, 2014 and at June 30, 2013 was 0%.

For the year ended June 30, 2015, the Town recognized pension expense of \$3,904 and revenue of \$1,952 for support provided by the State. At June 30, 2015, the Town reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

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

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

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.

2. Other Employment Benefits

The Town has also elected to provide death benefits to law enforcement 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. All death benefit payments are made from the Death Benefit Plan. 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. The Town considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 191,000
Total	\$ 191,000

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

Taxes Receivable, less penalties (General Fund)	\$ 13,106
Pension deferrals	719,683

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

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 two 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 \$2 million per occurrence, property coverage up to the total insurance values of the property policy, and workers' compensation coverage up to statutory limits. Police professional and public officials' liability coverage of \$2 million per claim with a \$3 million aggregate are also obtained from the League. 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 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 insurance for all Fire Department operations, including liability and property coverage through VFIS (Code 3 Insurance Services.) General liability limits for through VFIS are \$1 million per occurrence and \$3 million general aggregate.

The Town carries employee health coverage through a commercial carrier with an unlimited lifetime limit.

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 Town carries flood insurance through the National Flood Insurance Plan (NFIP) on four properties with structures and contents being covered.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000, and the tax collector is bonded for \$20,000. The remaining employees that have access to funds are bonded under a blanket bond for \$20,000.

5. Claims, Judgments and Contingent Liabilities

At June 30, 2015, the Town was a defendant to three lawsuit. In the opinion of the Town's management and the Town attorney, the ultimate fact of this legal matter will not have a material adverse effect on the Town's financial position.

6. Long-Term Obligations

a. General Obligation Indebtedness

At June 30, 2015, the Town of Emerald Isle had a legal debt margin of \$237,014,421.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

b. Installment Notes

On January 24, 2013, the Town entered into an installment agreement to refinance its prior debt for the purchase of land, stormwater improvements, and the construction of an administration building. This financing contract will be paid in annual installments of \$246,489 including interest at 1.59% for six years. The original amount financed was \$1,400,000. The balance due at June 30, 2015 was \$947,977.

On August 14, 2013, the Town entered into an installment agreement for the purchase of a fire truck. This financing contract will be paid in annual installments of \$95,498 including interest at 1.63% for five years. The original amount financed was \$455,000. The balance due at June 30, 2015 was \$366,919.

On March 12, 2014, the Town entered into an installment agreement to finance several improvements throughout the Town, including the completion of the multi-use path and stormwater infrastructure. This financing contract will be paid in annual installments of \$266,667 plus interest at 2.17% for nine years. The original amount financed was \$2,400,000. The balance due at June 30, 2015 was \$2,133,333.

On September 15, 2014, the Town entered into an installment agreement for the purchase of land adjacent to the Public Boating Access Area for future recreational uses. The financing contract will be paid in monthly installments, beginning on July 15, 2015, of \$750 including interest at 0.82% for ten years. The original amount financed was \$86,077. The balance due at June 30, 2015 was \$86,077.

The future minimum payments of the installment notes as of June 30, 2015 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2016	\$ 595,925	\$ 68,022
2017	601,133	57,028
2018	606,423	45,951
2019	611,797	34,790
2020	275,270	23,544
2021-2025	843,759	35,632
	\$ 3,534,306	\$ 264,966

c. Changes in Long-Term Liabilities

Pension obligations and compensated absences are typically liquidated in the General Fund.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

	Beginning Balances	Increases	Decreases	Ending Balances	Current Portion of Balance
Governmental activities					
Installment notes	\$ 4,030,771	\$ 86,077	\$ 582,542	3,534,306	\$ 595,925
Net pension obligation	161,141	26,420	20,267	167,294	-
Compensated absences	217,085	33,614	54,112	196,587	19,659
Net pension liability (LGERS)	601,487	-	601,487	-	-
Total	\$ 4,408,997	\$ 146,111	\$ 656,921	\$ 3,898,187	\$ 615,584

C. Interfund Balances and Activity

Interfund loan – On June 30, 2015, the Welcome Center Project Fund borrowed \$276,000 from the Future Beach Nourishment Fund to fund the construction of the new welcome center that will be leased to the Carteret County Tourism Development Authority (TDA). The terms of the capital lease agreement require the TDA to repay the Future Beach Nourishment Fund over ten years with an interest rate of federal funds rate plus 0.50% with a bargain purchase option at the end of the term.

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

From the General Fund to the:

Beach Nourishment Fund	\$ 450,000
Eastern EI Stormwater Outfall Project Fund	100
Future Beach Fishing Pier Project Fund	27
Jean Preston Memorial Playground Project Fund	3,750
Public Boat Launch Facility Project Fund	11,077
Coast Guard Road Bicycle Path Extension Project Fund	25,463
	<u>\$ 490,417</u>

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

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

D. Fund Balance

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

<i>Total fund balance - General Fund</i>	\$ 2,080,608
Less:	
Stabilization by State Statute	695,281
Working Capital/Fund Balance Policy	1,385,327
Remaining Fund Balance	-

The Town of Emerald Isle has adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures. The Town's policy defines available fund balance as unassigned plus stabilization by state statute.

IV. Joint Venture

The Town and the members of the Town's fire department each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums that insurers remit to the State. The State passes these moneys to the local board of the Firemen's Relief Fund. The Funds are used to assist fire fighters in various ways. The Town obtains an ongoing financial benefit from the Firemen's Relief Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the board of trustees. During the fiscal year ended June 30, 2015, there were no payments made through the Firemen's Relief Fund on-behalf of the Town. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2015. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

V. Summary Disclosure of Significant Contingencies

Federal and State Assistance 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.

Town of Emerald Isle, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2015

VI. Significant Effects of Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through October 6, 2015, the date the financial statements were available to be issued.

VII. 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, 2014). As a result, net position for the governmental activities decreased by \$411,806.

Required Supplementary Financial Data

- Schedule of Funding Progress for Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan

This Page Intentionally Left Blank.

Town of Emerald Isle, North Carolina
Law Enforcement Offices' 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)
12/31/2009	\$ 63,727	\$ 207,575	\$ 143,848	30.70%	\$ 751,739	19.14%
12/31/2010	63,727	199,078	135,351	32.01%	636,285	21.27%
12/31/2011	63,727	203,590	139,863	31.30%	610,921	22.89%
12/31/2012	63,727	219,529	155,802	29.03%	729,926	21.34%
12/31/2013	63,727	257,025	193,298	24.79%	691,866	27.94%
12/31/2014	63,731	340,894	277,163	18.70%	784,802	35.32%

Town of Emerald Isle, North Carolina
Law Enforcement Offices' Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 17,267	0.00%
2011	22,231	0.00%
2012	20,466	0.00%
2013	20,875	0.00%
2014	24,625	0.00%
2015	31,975	63.30%

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

Local Government Employees' Retirement System

	2015	2014
Emerald Isle's proportion of the net pension liability (asset) (%)	0.0495%	0.0499%
Emerald Isle's proportion of the net pension liability (asset) (\$) \$	(219,748)	\$ 601,487
Emerald Isle's covered-employee payroll \$	2,459,431	\$ 2,891,933
Emerald Isle's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(8.93%)	20.80%
Plan fiduciary net position as a percentage of the total pension liability **	102.64%	94.35%

* The amounts presented for the 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 Emerald Isle, North Carolina
Town of Emerald Isle's Contributions
Required Supplementary Information
Last Two Fiscal Years**

Local Government Employees' Retirement System

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 191,000	\$ 189,681
Contributions in relation to the contractually required contribution	191,000	189,681
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Emerald Isle's covered-employee payroll	\$ 2,673,931	\$ 2,459,431
Contributions as a percentage of covered-employee payroll	7.14%	7.71%

Town of Emerald Isle, North Carolina
Town of Emerald Isle's Proportionate Share of Net Pension Liability
Required Supplementary Information
Last Fiscal Year*

Firefighters' and Rescue Squad Workers' Pension

Emerald Isle's proportionate share of the net pension liability (%)		0.0000%
Emerald Isle's proportionate share of the net pension liability (\$)	\$	-
State's proportionate share of the net pension liability associated with Town of Emerald Isle		10,384
Total	\$	<u>10,384</u>
Emerald Isle's covered-employee payroll	\$	624,047
Emerald Isle's proportionate share of the net pension liability as a percentage of its covered-employee payroll		1.664%
Plan fiduciary net position as a percentage of the total pension liability		93.42%

* The amounts presented for the fiscal year ending June 30, 2015 were determined as of June 30, 2014

This Page Intentionally Left Blank.

Individual Fund Statements and Schedules

Town of Emerald Isle, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Collections of tax levy	\$	\$ 4,212,698	\$
Penalties and interest		11,012	
	<u>4,222,682</u>	<u>4,223,710</u>	<u>1,028</u>
Unrestricted intergovernmental:			
Local option sales tax		1,668,520	
Utility franchise tax		450,455	
Beer/wine tax		18,047	
Video programming		117,820	
Telecommunications tax		43,004	
ABC revenues		82,807	
Refunds		28,903	
	<u>2,351,873</u>	<u>2,409,556</u>	<u>57,683</u>
Restricted intergovernmental:			
Grants		34,851	
Powell Bill allocation		152,531	
	<u>187,337</u>	<u>187,382</u>	<u>45</u>
Total intergovernmental	<u>2,539,210</u>	<u>2,596,938</u>	<u>57,728</u>
Permits, fees and assessments:			
Solid waste fees		1,373,485	
Solid waste container fees		6,041	
Administration fees		175	
Building and trailer permits		129,532	
CAMA permits		7,715	
Dunes and vegetation permits		4,000	
Beach vehicular permits		100,200	
Land Development and zoning fees		1,500	
Parking fees and fines/officer fees		119,896	
Solid waste disposal tax		2,403	
Reentry fees		12,600	
Golf cart permits		39,600	
Total permits, fees and assessments	<u>1,793,625</u>	<u>1,797,147</u>	<u>3,522</u>
Sales and services:			
Recreation revenues		135,652	
Total sales and services	<u>138,000</u>	<u>135,652</u>	<u>(2,348)</u>

Town of Emerald Isle, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Investment Earnings:	1,000	414	(586)
Miscellaneous revenue:			
Insurance proceeds/refunds		6,528	
DOT mowing reimbursement		5,100	
Donations		2,724	
Miscellaneous		22,742	
Sale of surplus property		6,617	
Total miscellaneous	37,177	43,711	6,534
Total revenue	8,731,694	8,797,572	65,878
Expenditures:			
General Government:			
Board of Commissioners:			
Salaries and benefits		58,594	
Professional services		11,183	
Operating expense		25,223	
	98,527	95,000	3,527
Administrative and finance:			
Salaries and benefits		472,840	
Operating expense		67,550	
	540,740	540,390	350
Inspection:			
Salaries and benefits		178,962	
Operating expense		53,935	
	238,743	232,897	5,846
Non-departmental:			
Contract services		14,350	
Operating expense		410,218	
Capital outlay		150,958	
	618,980	575,526	43,454
Total general government	1,496,990	1,443,813	53,177
Public safety:			
Police:			
Salaries and benefits		1,342,222	
Operating expense		168,935	
Capital outlay		131,403	
	1,672,583	1,642,560	30,023

Town of Emerald Isle, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Emergency medical services:			
Appropriations to Emerald Isle EMS	330,000	330,000	-
Fire department:			
Salaries and benefits		1,119,080	
Operating expense		152,116	
Capital outlay		56,494	
	1,337,535	1,327,690	9,845
Total public safety	3,340,118	3,300,250	39,868
Environmental protection:			
Public works:			
Salaries and benefits		275,651	
Operating expense		221,561	
Street maintenance		239,501	
Capital outlay		19,384	
	760,965	756,097	4,868
Solid waste:			
Salaries and benefits		155,813	
Operating expense		1,193,386	
	1,380,873	1,349,199	31,674
Total environmental protection	2,141,838	2,105,296	36,542
Cultural and recreation:			
Parks and recreation:			
Salaries and benefits		580,082	
Operating expense		270,099	
Capital outlay		16,818	
	874,713	866,999	7,714
Total cultural and recreation	874,713	866,999	7,714

Town of Emerald Isle, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Debt service:			
Principal		582,542	
Interest		78,191	
	<u>660,734</u>	<u>660,733</u>	<u>1</u>
Total expenditures	<u>8,514,393</u>	<u>8,377,091</u>	<u>137,302</u>
Revenue over (under) expenditures	<u>217,301</u>	<u>420,481</u>	<u>203,180</u>
Other financing sources (uses):			
Transfers:			
From Pension Trust Fund	21,831	-	(21,831)
From NC 58 Bicycle Path Project Fund	299	299	-
To Eastern EI Stormwater Outfall Project Fund	(100)	(100)	-
To Coast Guard Road Bicycle Path Extension Project Fund	(25,463)	(25,463)	-
To Future Beach Nourishment Fund	(450,000)	(450,000)	-
To Public Boat Launching Facility	(11,077)	(11,077)	-
To Future Ocean Fishing Pier Project Fund	(27)	(27)	-
To Jean Preston Memorial Payground Project	(3,750)	(3,750)	-
Total other financing sources (uses)	<u>(468,287)</u>	<u>(490,118)</u>	<u>(21,831)</u>
Fund balance appropriated	<u>250,986</u>	<u>-</u>	<u>(250,986)</u>
Net change in fund balance	<u>\$ -</u>	<u>(69,637)</u>	<u>\$ (69,637)</u>
Fund balance, beginning		<u>2,150,245</u>	
Fund balance, ending		<u>\$ 2,080,608</u>	

**Town of Emerald Isle, North Carolina
Future Beach Nourishment Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Benefit taxes	\$ 231,487	\$ 235,807	\$ 4,320
Investment earnings	500	1,146	646
Total revenue	231,987	236,953	4,966
Revenues over (under) expenditures	231,987	236,953	4,966
Other financing sources (uses):			
Transfers:			-
From General Fund	450,000	450,000	-
Total other financing sources (uses)	450,000	450,000	-
Fund balance appropriated	(677,203)	-	677,203
Net change in fund balance	\$ 4,784	\$ 686,953	\$ 682,169
Fund balance, beginning		704,627	
Fund balance, ending		\$ 1,391,580	

Town of Emerald Isle, North Carolina
Welcome Center Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Design and construction	\$ 276,000	\$ -	\$ 225,217	\$ 225,217	\$ 50,783
Total expenditures	276,000	-	225,217	225,217	50,783
Revenues over (under) expenditures	(276,000)	-	(225,217)	(225,217)	50,783
Net change in fund balance	\$ (276,000)	-	\$ (225,217)	\$ (225,217)	\$ 50,783
Fund balance, beginning			-		
Fund balance, ending			\$ (225,217)		

Town of Emerald Isle, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Special Revenue Funds		Capital Project Funds			
	Special Drug Fund	Half Marathon Fund	Eastern EI Stormwater Outfall	Public Boat Launching Facility	NC 58 Bicycle Path Extension EORA-IB Project Fund	Bike and Pedestrian Project
Assets:						
Cash and cash equivalents	\$ -	\$ 1,165	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	1,276	-	-	-	-	84,405
Total assets	\$ 1,276	\$ 1,165	\$ -	\$ -	\$ -	\$ 84,405
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-
Fund Balances:						
Restricted:						
Public safety	1,276	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Assigned:						
Culture and recreation	-	1,165	-	-	-	84,405
Total fund balances	1,276	1,165	-	-	-	84,405
Total liabilities and fund balances	\$ 1,276	\$ 1,165	\$ -	\$ -	\$ -	\$ 84,405

Capital Project Funds

Jean Preston Memorial Playground	Future New Ocean Fishing Pier Project	Island Circle Stormwater Connection	Lands End Stormwater Connection	Coast Guard Road Multiuse Path	NC 58 Bicycle Path Extension - Fairfax- Ocean	Coast Guard Road Bicycle Path Extension	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,168	\$ 45,333
42,949	144	-	-	-	-	-	128,774
<u>\$ 42,949</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,168</u>	<u>\$ 174,107</u>
\$ -	144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144
-	144	-	-	-	-	-	144
-	-	-	-	-	-	-	1,276
-	-	-	-	-	-	44,168	44,168
42,949	-	-	-	-	-	-	128,519
42,949	-	-	-	-	-	44,168	173,963
<u>\$ 42,949</u>	<u>\$ 144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,168</u>	<u>\$ 174,107</u>

Town of Emerald Isle, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Special Revenue Funds			Capital Project Funds		
	Special Drug Fund	Half Marathon Fund	Eastern EI Stormwater Outfall	Public Boat Launching Facility	NC 58 Bicycle Path Extension EORA-IB Project Fund	Bike and Pedestrian Project
Revenues:						
Restricted intergovernmental	\$ 72	\$ -	\$ (100)	\$ 75,000	\$ -	\$ -
Miscellaneous	-	89,565	-	-	-	18,591
Total revenue	72	89,565	(100)	75,000	-	18,591
Expenditures:						
Current:						
General government	-	-	-	-	-	4,221
Public safety	3,062	-	-	-	-	-
Cultural and recreation	-	66,935	-	-	-	-
Capital outlay:						
Environmental protection	-	-	-	-	-	-
Cultural and recreation	-	-	-	173,907	188,897	45,450
Total expenditures	3,062	66,935	-	173,907	188,897	49,671
Revenues over (under) expenditures	(2,990)	22,630	(100)	(98,907)	(188,897)	(31,080)
Other financing sources (uses):						
Proceeds from issuance of debt	-	-	-	86,077	-	-
Transfers from other funds	-	-	100	11,077	74,463	115,485
Transfer to other funds	-	(67,000)	-	(4,994)	-	-
Total other financing sources (uses)	-	(67,000)	100	92,160	74,463	115,485
Net change in fund balance	\$ (2,990)	\$ (44,370)	\$ -	\$ (6,747)	\$ (114,434)	\$ 84,405
Fund balance, beginning	4,266	45,535	-	6,747	114,434	-
Fund balance, ending	\$ 1,276	\$ 1,165	\$ -	\$ -	\$ -	\$ 84,405

Capital Project Funds

					NC 58		
Jean Preston Memorial Playground	Future New Ocean Fishing Pier Project	Island Circle Stormwater Connection	Lands End Stormwater Connection	Coast Guard Road Multiuse Path	Bicycle Path Extension - Fairfax- Ocean	Coast Guard Road Bicycle Path Extension	Total Nonmajor Governmental Funds
\$ -	\$ 732,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 807,876
34,205	-	-	-	-	-	-	142,361
34,205	732,904	-	-	-	-	-	950,237
-	-	-	-	-	-	-	4,221
-	-	-	-	-	-	-	3,062
-	-	-	-	-	-	-	66,935
-	-	-	172,517	-	-	-	172,517
-	732,930	-	-	1,604	-	80,321	1,223,109
-	732,930	-	172,517	1,604	-	80,321	1,469,844
34,205	(26)	-	(172,517)	(1,604)	-	(80,321)	(519,607)
-	-	-	-	-	-	-	86,077
8,744	26	-	-	-	-	14,168	224,063
-	-	(2,140)	(13,241)	(48,485)	(26,050)	(22,035)	(183,945)
8,744	26	(2,140)	(13,241)	(48,485)	(26,050)	(7,867)	126,195
\$ 42,949	\$ -	\$ (2,140)	\$ (185,758)	\$ (50,089)	\$ (26,050)	\$ (88,188)	\$ (393,412)
-	-	2,140	185,758	50,089	26,050	132,356	567,375
\$ 42,949	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,168	\$ 173,963

Town of Emerald Isle, North Carolina
Special Drug Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental:			
Control substance tax	\$ -	\$ 72	\$ 72
Total revenue	<u>-</u>	<u>72</u>	<u>72</u>
Expenditures:			
Operating	-	1,797	(1,797)
Capital outlay	4,266	1,265	3,001
Total expenditures	<u>4,266</u>	<u>3,062</u>	<u>1,204</u>
Revenues over (under) expenditures	(4,266)	(2,990)	1,276
Fund balance appropriated	<u>4,266</u>	<u>-</u>	<u>(4,266)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (2,990)</u>	<u>\$ (2,990)</u>
Fund balance, beginning		<u>4,266</u>	
Fund balance, ending		<u>\$ 1,276</u>	

Town of Emerald Isle, North Carolina
Half Marathon Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Miscellaneous:			
Entry fees	\$ 82,155	\$ 82,155	\$ -
Sponsorships / donations	7,410	7,410	-
Total revenue	89,565	89,565	-
Expenditures:			
Operating	68,100	66,935	1,165
Total expenditures	68,100	66,935	1,165
Revenues over (under) expenditures	21,465	22,630	1,165
Other financing sources (uses):			
Fund balance appropriated	45,535	-	(45,535)
Transfers:			
To Bike & Pedestrian Fund	(67,000)	(67,000)	-
Net change in fund balance	\$ -	\$ (44,370)	\$ 1,165
Fund balance, beginning		45,535	
Fund balance, ending		\$ 1,165	

**Town of Emerald Isle, North Carolina
Eastern EI Stormwater Outfall Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
Grants	\$ 96,900	\$ 97,000	\$ (100)	\$ 96,900	\$ -
Total revenue	96,900	97,000	(100)	96,900	-
Expenditures:					
Detailed design and engineering	41,954	41,954	-	41,954	-
Construction and improvements	58,997	58,997	-	58,997	-
Total expenditures	100,951	100,951	-	100,951	-
Revenues over (under) expenditures	(4,051)	(3,951)	(100)	(4,051)	-
Other financing sources (uses):					
Transfers:					
From General Fund	3,922	3,822	100	3,922	-
From Archers Creek Stormwater Project Fund	126	126	-	126	-
From Coast Guard Stormwater Phase IV Project Fund	3	3	-	3	-
Total other financing sources	4,051	3,951	100	4,051	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

**Town of Emerald Isle, North Carolina
Public Boat Launching Facility Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
Grants	\$ 3,227,993	\$ 3,152,993	\$ 75,000	\$ 3,227,993	\$ -
Carteret County contribution	658,125	658,125	-	658,125	-
Donations	5,727	5,727	-	5,727	-
Investment earnings	381	381	-	381	-
Total revenue	3,892,226	3,817,226	75,000	3,892,226	-
Expenditures:					
Construction and improvements	4,854,711	4,680,804	173,907	4,854,711	-
Total expenditures	4,854,711	4,680,804	173,907	4,854,711	-
Revenues over (under) expenditures	(962,485)	(863,578)	(98,907)	(962,485)	-
Other financing sources (uses):					
Proceeds from installment purchase	598,231	512,154	86,077	598,231	-
Transfers:					
From Regional Access Fund	46,828	46,828	-	46,828	-
From General Fund	243,818	232,741	11,077	243,818	-
From Coast Guard Road Stormwater Phase IV Project Fund	78,602	78,602	-	78,602	-
To CPO Jean Preston Memorial Playground	(4,994)	-	(4,994)	(4,994)	-
Total other financing sources	962,485	870,325	92,160	962,485	-
Net change in fund balance	\$ -	\$ 6,747	\$ (6,747)	\$ -	\$ -
Fund balance, beginning			6,747		
Fund balance, ending			\$ -		

Town of Emerald Isle, North Carolina
NC 58 Bike Path Extension – EORA-IB Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Construction	\$ 844,905	\$ 685,146	159,759	\$ 844,905	\$ -
Miscellaneous	29,558	420	29,138	29,558	-
Total expenditures	874,463	685,566	188,897	874,463	-
Revenues over (under) expenditures	(874,463)	(685,566)	(188,897)	(874,463)	-
Other financing sources:					
Proceeds from installment financing	800,000	800,000	-	800,000	-
Transfers:					
From General Fund	11,295	-	11,295	11,295	
From NC 58 Bicycle Path - Fairfax	25,751	-	25,751	25,751	
From CGR Bicycle Path Extension	22,035	-	22,035	22,035	
From Island Circle Stormwater	2,140	-	2,140	2,140	
From Lands End Stormwater	13,242	-	13,242	13,242	-
Total other financing sources	874,463	800,000	74,463	874,463	-
Net change in fund balance	\$ -	\$ 114,434	\$ (114,434)	\$ -	\$ -
Fund balance, beginning			114,434		
Fund balance, ending			\$ -		

Town of Emerald Isle, North Carolina
Bike & Pedestrian Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Miscellaneous:					
Entry fees	\$ 4,280	\$ -	\$ 4,280	\$ 4,280	\$ -
Donations	14,311	-	14,311	14,311	-
Total revenue	18,591	-	18,591	18,591	-
Expenditures:					
General government	-	-	4,221	4,221	(4,221)
Construction	134,076	-	45,450	45,450	88,626
Total expenditures	134,076	-	49,671	49,671	84,405
Revenues over (under) expenditures	(115,485)	-	(31,080)	(31,080)	84,405
Other financing sources (uses):					
Transfers:					
From Coast Guard Road					
Multiuse Path	48,485	-	48,485	48,485	-
From Half Marathon Fund	67,000	-	67,000	67,000	-
Total other financing sources (uses)	115,485	-	115,485	115,485	-
Net change in fund balance	\$ -	\$ -	\$ 84,405	\$ 84,405	\$ 84,405
Fund balance, beginning			-		
Fund balance, ending			\$ 84,405		

Town of Emerald Isle, North Carolina
Jean Preston Memorial Playground
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
Grants	\$ 56,250	\$ -	\$ -	\$ -	\$ (56,250)
Donations	80,006	-	34,205	34,205	(45,801)
Total revenue	136,256	-	34,205	34,205	(102,051)
Expenditures:					
Construction	145,000	-	-	-	145,000
Total expenditures	145,000	-	-	-	145,000
Revenues over (under) expenditures	(8,744)	-	34,205	34,205	42,949
Other financing sources (uses):					
Transfers:					
From Coast Guard Road					
Multiuse Path	4,994	-	4,994	4,994	-
From General Fund	3,750	-	3,750	3,750	-
Total other financing sources (uses)	8,744	-	8,744	8,744	-
Net change in fund balance	\$ -	\$ -	\$ 42,949	\$ 42,949	\$ 42,949
Fund balance, beginning			-		
Fund balance, ending			\$ 42,949		

Town of Emerald Isle, North Carolina
Future New Ocean Fishing Pier
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
Grants	\$ 732,904	\$ -	\$ 732,904	\$ 732,904	\$ -
Total revenue	732,904	-	732,904	732,904	-
Expenditures:					
Design and construction	732,931	-	732,930	732,930	1
Total expenditures	732,931	-	732,930	732,930	1
Revenues over (under) expenditures	(27)	-	(26)	(26)	1
Other financing sources (uses):					
Transfers:					
From General Fund	27	-	26	26	(1)
Total other financing sources	27	-	26	26	(1)
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

**Town of Emerald Isle, North Carolina
Island Circle Stormwater Connection Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Design and construction	\$ 297,860	\$ 297,860	\$ -	\$ 297,860	\$ -
Total expenditures	297,860	297,860	-	297,860	-
Revenues over (under) expenditures	(297,860)	(297,860)	-	(297,860)	-
Other financing sources (uses):					
Proceeds from installment financing	270,000	270,000	-	270,000	-
Transfers:					
From General Fund	30,000	30,000	-	30,000	-
To NC 58 Bicycle Path Ext. EORA IB Capital Project Fund	(2,140)	-	(2,140)	(2,140)	-
Total other financing sources	297,860	300,000	(2,140)	297,860	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,140</u>	<u>\$ (2,140)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>2,140</u>		
Fund balance, ending			<u>\$ -</u>		

**Town of Emerald Isle, North Carolina
Lands End Stormwater Connection Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Design and construction	\$ 538,759	\$ 366,242	\$ 172,517	\$ 538,759	\$ -
Total expenditures	538,759	366,242	172,517	538,759	-
Revenues over (under) expenditures	(538,759)	(366,242)	(172,517)	(538,759)	-
Other financing sources (uses):					
Proceeds from installment financing	517,000	517,000	-	517,000	-
Transfers:					
From General Fund	35,000	35,000	-	35,000	-
To NC 58 Bicycle Path Ext. EORA					
IB Capital Project Fund	(13,241)	-	(13,241)	(13,241)	-
Total other financing sources	538,759	552,000	(13,241)	538,759	-
Net change in fund balance	\$ -	\$ 185,758	\$ (185,758)	\$ -	\$ -
Fund balance, beginning			185,758		
Fund balance, ending			\$ -		

**Town of Emerald Isle, North Carolina
Coast Guard Road Multiuse Path Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Donations	\$ 155,008	\$ 155,008	\$ -	\$ 155,008	\$ -
Total revenue	155,008	155,008	-	155,008	-
Expenditures:					
Construction	215,576	213,972	1,604	215,576	-
Total expenditures	215,576	213,972	1,604	215,576	-
Revenues over (under) expenditures	(60,568)	(58,964)	(1,604)	(60,568)	-
Other financing sources (uses):					
Transfers:					
From General Fund	109,000	109,000	-	109,000	-
From Bicycle Path and Sidewalks Project Fund	53	53	-	53	-
To Bike and Pedestian Fund	(48,485)	-	(48,485)	(48,485)	-
Total other financing sources	60,568	109,053	(48,485)	60,568	-
Net change in fund balance	\$ -	\$ 50,089	\$ (50,089)	\$ -	\$ -
Fund balance, beginning			50,089		
Fund balance, ending			\$ -		

Town of Emerald Isle, North Carolina
NC 58 Bicycle Path Extension – Fairfax-Ocean Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Miscellaneous	\$ 299	\$ 299	\$ -	\$ 299	\$ -
Total revenue	299	299	-	299	-
Expenditures:					
Construction	406,380	406,380	-	406,380	-
Miscellaneous	7,869	7,869	-	7,869	-
Total expenditures	414,249	414,249	-	414,249	-
Revenues over (under) expenditures	(413,950)	(413,950)	-	(413,950)	-
Other financing sources (uses):					
Proceeds from installment financing	440,000	440,000	-	440,000	-
Transfers:					
To General Fund	(299)	-	(299)	(299)	-
To NC 58 Bicycle Path Ext. EORA IB Capital Project Fund	(25,751)	-	(25,751)	(25,751)	-
Total other financing sources (uses)	413,950	440,000	(26,050)	413,950	-
Net change in fund balance	\$ -	\$ 26,050	\$ (26,050)	\$ -	\$ -
Fund balance, beginning			26,050		
Fund balance, ending			\$ -		

**Town of Emerald Isle, North Carolina
Coast Guard Road Bicycle Path Extension Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2015**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Construction	\$ 296,994	\$ 180,666	\$ 71,998	\$ 252,664	\$ 44,330
Miscellaneous	98,139	89,978	8,323	98,301	(162)
Total expenditures	<u>395,133</u>	<u>270,644</u>	<u>80,321</u>	<u>350,965</u>	<u>44,168</u>
Revenues over (under) expenditures	<u>(395,133)</u>	<u>(270,644)</u>	<u>(80,321)</u>	<u>(350,965)</u>	<u>44,168</u>
Other financing sources (uses):					
Proceeds from installment financing	373,000	373,000	-	373,000	-
Transfers:			-		
From General Fund	44,168	30,000	14,168	44,168	-
To NC 58 Bicycle Path Ext. EORA IB Capital Project Fund	<u>(22,035)</u>	<u>-</u>	<u>(22,035)</u>	<u>(22,035)</u>	<u>-</u>
Total other financing sources (uses)	<u>395,133</u>	<u>403,000</u>	<u>(7,867)</u>	<u>395,133</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 132,356</u>	<u>\$ (88,188)</u>	<u>\$ 44,168</u>	<u>\$ 44,168</u>
Fund balance, beginning			<u>132,356</u>		
Fund balance, ending			<u>\$ 44,168</u>		

Town of Emerald Isle, North Carolina
Homeowner's Recovery Fund
Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2015

	<u>Balance</u>		<u>Deductions</u>	<u>Balance</u>
	<u>June 30, 2014</u>	<u>Additions</u>		<u>June 30, 2015</u>
Assets, cash and investments	<u>\$ 622</u>	<u>\$ 1,360</u>	<u>\$ 1,525</u>	<u>\$ 457</u>
Liabilities, accounts payable, and accrued liabilities	<u>\$ 622</u>	<u>\$ 1,360</u>	<u>\$ 1,525</u>	<u>\$ 457</u>

**Town of Emerald Isle, North Carolina
Homeowner's Recovery Fund
Statement of Cash Receipts and Disbursements
For the Fiscal Year Ended June 30, 2015**

Cash receipts:

Collection of homeowner's recovery fees	\$ <u>1,360</u>
---	-----------------

Cash disbursements:

General fund administration fee	175
---------------------------------	-----

Remittance to NC licensing board	<u>1,350</u>
----------------------------------	--------------

Total disbursements	<u><u>1,525</u></u>
---------------------	---------------------

Net cash receipts over cash disbursements	(165)
---	-------

Beginning cash balance	<u>622</u>
------------------------	------------

Ending cash balance	<u><u>\$ 457</u></u>
---------------------	----------------------

Other Schedules

This section contains additional financial information that provides detailed analysis of particular aspects of the Town's financial position or results of operation.

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

This Page Intentionally Left Blank.

Town of Emerald Isle, North Carolina
Schedule of Ad Valorem Taxes Receivable
For the Fiscal Year Ended June 30, 2015

Fiscal Year	Uncollected Balance June 30, 2014	Additions	Collections And Credits	Uncollected Balance June 30, 2015
2015	\$ -	\$ 4,441,488	\$ (4,429,183)	\$ 12,305
2014	21,252	-	(15,849)	5,403
2013	9,319	-	(6,578)	2,741
2012	2,725	-	(898)	1,827
2011	2,170	-	(1,093)	1,077
2010	214	-	-	214
2009	191	-	-	191
2008	48	-	-	48
2007	66	-	-	66
2006	200	-	-	200
2005	258	-	(258)	-
	\$ 36,443	\$ 4,441,488	\$ (4,453,859)	\$ 24,072
				(10,966)
				\$ 13,106
Reconciliation with revenues:				
				\$ 4,223,710
				235,807
				(11,012)
				5,354
				\$ 4,453,859

Town of Emerald Isle, North Carolina
Analysis of Current Tax Levy
Town – Wide Levy
For the Fiscal Year Ended June 30, 2015

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding registered motor vehicles	Registered motor vehicles
Original levy:					
Property taxed at current year's rate	\$ 2,999,120,221	0.140	\$ 4,198,040	\$ 4,128,167	\$ 69,873
Special district taxes			232,794	232,066	728
Total	2,999,120,221		4,430,834	4,360,233	70,601
Discoveries:					
Current year taxes	13,613,855	0.140	19,059	19,059	-
Special district taxes			365	365	-
Total	13,613,855		19,424	19,424	-
Abatements:					
Current year taxes	(5,874,992)	0.140	(8,225)	(8,225)	-
Special district taxes			(544)	(544)	-
Total	(5,874,992)		(8,769)	(8,769)	-
Total property valuation	\$ 3,006,859,084				
Net levy			4,441,488	4,370,887	70,601
Uncollected taxes at June 30, 2015			(12,305)	(12,305)	-
Current year's taxes collected			\$ 4,429,183	\$ 4,358,582	\$ 70,601
Current levy collection percentage			99.72%	99.72%	100.00%