

TOWN OF ROBBINS
FINANCIAL STATEMENTS

June 30, 2019

TOWN OF ROBBINS, NORTH CAROLINA

MAYOR

Lonnie B. English

TOWN COUNCIL

Nicki Green, Mayor Pro-Tem

Joey Boswell

Terri Holt

Brandon Phillips

Kevin Stewart

OFFICIALS

Finance Officer

Kim Williams

Town Manager

David Lambert

TOWN OF ROBBINS, NORTH CAROLINA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, North Carolina as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, North Carolina as of June 30, 2019, and the respective changes in its financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Town of Robbins, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated January 31, 2020 on my consideration of Town of Robbins' internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Town of Robbins' internal control over financial reporting and compliance.



William R. Huneycutt, CPA, PLLC
Albemarle, North Carolina

January 31, 2020

Management's Discussion and Analysis

As management of the Town of Robbins, we offer readers of the Town of Robbins's financial statements this narrative overview and analysis of the financial activities of the Town of Robbins for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

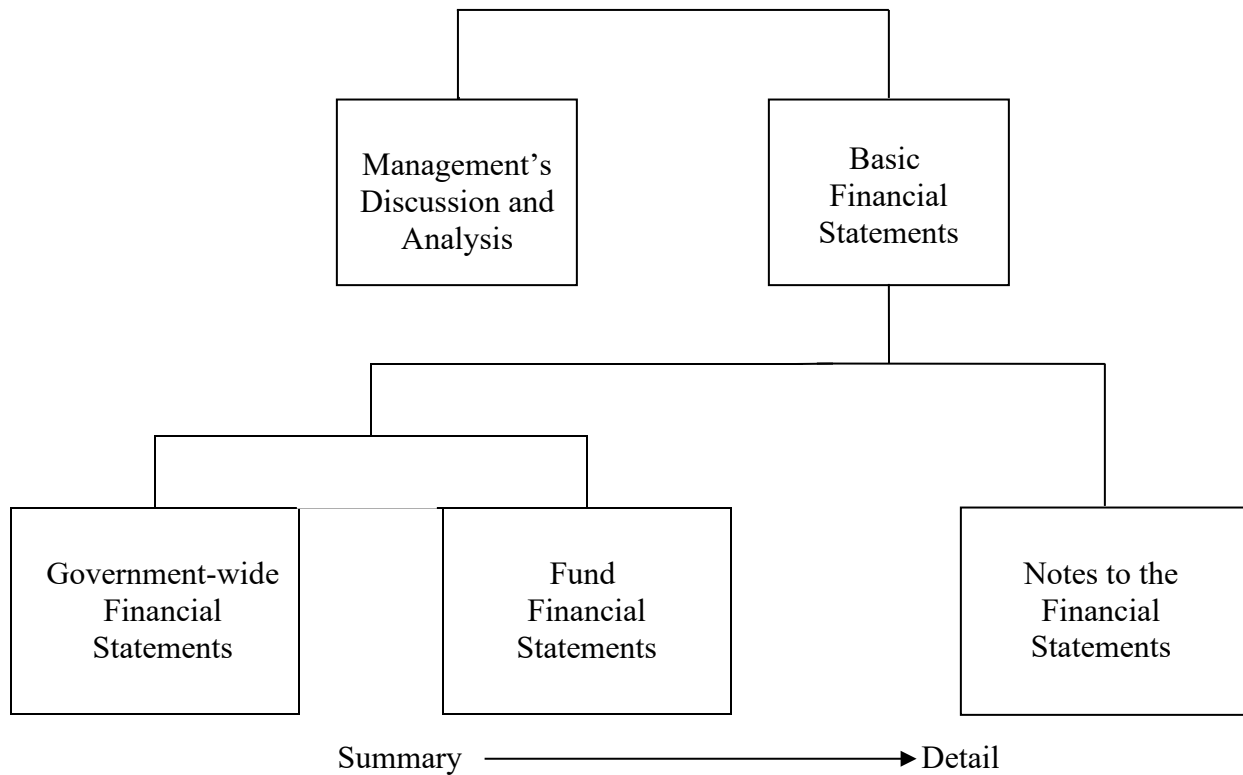
- The assets and deferred outflows of resources of the Town of Robbins exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$6,857,723 (net position).
- The government's total net position increased by \$747,843 primarily due to capital grants received during the fiscal year.
- As of the close of the current fiscal year, the Town of Robbins's governmental funds reported combined ending fund balance of \$1,120,903. Approximately 31 percent of this total amount, or \$348,387 is available for spending at the government's discretion.
- At the end of the current year, unassigned fund balance for the General Fund was \$348,387.
- The Town of Robbins's total debt increased by \$1,544,283 during the current fiscal year. The key factor in this increase was a loan from NC Office of Recovery and Resiliency in the amount of \$1,600,000.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: (1) governmental activities and (2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, transportation, and general administration. Property taxes and other intergovernmental revenues finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Robbins.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Robbins, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance or noncompliance with finance-related legal requirements, such as the General Statutes of the Town's budget ordinance. All the funds of the Town of Robbins can be divided into four categories: governmental funds, special revenue funds, debt service funds and proprietary funds.

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

The Town of Robbins adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decision of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund

demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: (1) the original budget as adopted by the Board; (2) the final budget as amended by the Board; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town of Robbins has one proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Robbins uses enterprise funds to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Robbins's progress in funding its obligation to provide pension benefits to its employees.

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

Government-Wide Financial Analysis of the Town of Robbins
Town of Robbins's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	1,179,248	735,438	2,303,258	549,074	3,482,506	1,284,512
Capital assets	2,894,980	2,933,650	4,613,904	4,239,131	7,508,884	7,172,781
Deferred outflows of resources	149,845	97,262	45,902	21,729	195,747	118,991
Total assets and deferred outflows of resources	4,224,073	3,766,350	6,963,064	4,625,812	11,187,137	8,576,284
Long-term liabilities outstanding	1,479,446	1,485,756	2,258,942	739,360	3,738,388	2,225,116
Other liabilities	135,930	92,453	442,287	131,667	578,217	224,120
Deferred inflows of resources	10,890	14,250	1,919	2,918	12,809	17,168
Total liabilities and deferred inflows of resources	1,626,266	1,592,459	2,703,148	873,945	4,329,414	2,466,404
Net Position:						
Invested in capital assets, net of related debt	1,718,499	1,705,730	3,929,142	3,470,004	5,647,641	5,175,734
Restricted	672,649	275,847	24,338	24,338	696,987	300,185
Unrestricted	206,659	192,314	306,436	441,647	513,095	633,961
Total net position	2,597,807	2,173,891	4,259,916	3,935,989	6,857,723	6,109,880

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Robbins exceeded liabilities and deferred inflows by \$6,857,723 as of June 30, 2019. However, the largest portion (82%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town's net position increased by \$747,843 for the fiscal year ended June 30, 2019. The Town of Robbins uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Robbins's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Towns of Robbins's net position, \$696,987, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$513,095 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.78%.

Town of Robbins Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 112,928	\$ 135,661	\$ 750,781	\$ 741,394	\$ 863,709	\$ 877,055
Operating grants and contributions	58,246	49,087	-	-	58,246	49,087
Capital grants and contributions	543,243	35,289	425,647	-	968,890	35,289
General Revenues:						
Property Taxes	433,482	389,727	-	-	433,482	389,727
Other taxes	386,661	355,816	-	-	386,661	355,816
Grants and contributions not Restricted to specific programs	316,701	359,311	-	184,122	316,701	543,433
Other	75,236	65,796	36,507	15,562	111,743	81,358
Total Revenues	1,926,497	1,390,687	1,212,935	941,078	3,139,432	2,331,765
Expenses						
General government	336,898	320,230	-	-	336,898	320,230
Public Safety	757,357	816,039	-	-	757,357	816,039
Transportation	122,112	167,029	-	-	122,112	167,029
Economic and physical development	-	71,503	-	-	-	71,503
Environmental protection	55,316	50,287	-	-	55,316	50,287
Cultural and recreational	54,766	31,466	-	-	54,766	31,466
Capital outlay	136,796	-	-	-	136,796	-
Interest on long-term debt	37,796	36,212	-	-	37,796	36,212
Water and sewer	-	-	889,008	922,565	889,008	922,565
Total Expenses	1,501,041	1,492,766	889,008	922,565	2,390,049	2,415,331
Transfers	(1,540)	-	-	-	(1,540)	-
Change in Net Position	423,916	(102,079)	323,927	18,513	747,843	(83,566)
Net position, July 1 as previously reported	2,173,891	2,275,970	3,935,989	3,900,555	6,109,880	6,176,525
Prior period adjustment	-	-	-	16,921	-	16,921
Restatement	-	-	-	-	-	-
Net position, July 1, Restated	2,173,891	2,275,970	3,935,989	3,917,476	6,109,880	6,193,446
Net position, June 30	2,597,807	\$ 2,173,891	4,259,916	3,935,989	6,857,723	6,109,880

Governmental Activities - Governmental activities increased the Town's net position by \$423,916 thereby accounting for 57% of the total increase in the net position of the Town of Robbins.

Business-Type Activities - Business-type activities increased the Town of Robbins's net position by \$323,927.

Financial Analysis of the Town's Funds

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

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

The General fund is the chief operating fund of the Town of Robbins. At the end of the current fiscal year, the Town of Robbins's fund balance available in the General Fund was \$348,387, while total fund balance reached \$730,430.

At June 30, 2019, the governmental funds of Town of Robbins reported a combined fund balance of \$1,120,903 with a net increase in fund balance of \$408,454. Included in this change in fund balance are increases in fund balance for the Non-Major Governmental Funds.

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

The original General Fund budget for 2018-19 was adopted at \$1,242,468. Due to unexpected operational costs throughout the year, the budget was increased to \$1,468,085. After this increase, expenditures were held in check to minimize the overall effect on the budget and to protect the Town of Robbins's fund balance as much as possible.

Proprietary Fund: The Town of Robbins's proprietary/enterprise fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$306,436. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Robbins's business-type activities.

Capital Asset and Debt Administration

Capital assets: The Town of Robbins's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$5,647,641 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Town of Robbins's Capital Assets, Net
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and Construction in Progress	337,253	337,253	702,309	238,586	1,039,562	575,839
Buildings and Land Improvements	1,952,278	1,956,019	-	-	1,952,278	1,956,019
Machinery and Equipment	96,424	109,783	77,566	76,885	173,990	186,668
Infrastructure	-	-	3,834,029	3,923,660	3,834,029	3,923,660
Vehicles and motorized equipment	509,025	530,595	-	-	509,025	530,595
Total	2,894,980	2,933,650	4,613,904	4,239,131	7,508,884	7,172,781

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

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Robbins is \$3,700,847.

Additional information regarding the Town of Robbins's long-term debt can be found in Note 3 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- Downtown businesses continue to open including the following:
 - New DMV office, retail stores, art and craft studio and Italian restaurant.
- Furniture manufacture Minehas is continuing to grow and looks to add more employees.
- Situs operations are continuing to be successful and they are looking to expand and add more employees.
- Growth of the tax base in Robbins has been hurt over the past couple of decades due to losing manufacturing jobs and the non-existence of new housing construction within the town limits. We currently have officials looking for ways to attract developers to build middle-income housing.

Budget Highlights for the Fiscal Year Ending June 30, 2019

In FY 2018-2019, the Town of Robbins endured exceptionally difficult natural disasters that had an impact on the Town resources. Hurricane Florence created an estimated \$2.6 million worth of damages to our wastewater system. Town officials were successful in obtaining funding from the Office of Recovery and Resiliency and have received a combined total of \$2.1 million in grants and zero percent interest loans to help capture the cost and impact of the natural disasters. We are currently working with FEMA representatives to establish and obtain the funding needed for the wastewater system repairs, replacements and upgrades.

Governmental Activities:

The FY 2019-2020 tax rates were increased from \$0.64 per \$100.00 valuation to \$ 0.75. This is an \$0.11 cent increase over the previous tax year. Tax Revenues are also expected to increase due to a County wide reevaluation by approximately 7 percent in addition to the increase in the tax rate.

In addition to the above tax revenue, the Town of Robbins receives a Fire District tax revenue, State shared sales revenues and investment returns and grant funding which compiles the balance of our revenue.

The Town has been approved to use a portion of the \$500,000 State ORR grant to fund code enforcement over the next three years. This is normally funded out of the general fund and has allowed us to use funds normally allocated for code enforcement to purchase a truck for the street department as well as equipment needed for the Public Services department.

Business-type Activities:

In response to repair estimates and debt service needs of our system for normal operations and hurricane repairs the Town of Robbins required an upward adjustment on water rates. Robbins has taken tremendous steps to ensure the sustainability and self-sufficiency of its water and sewer system in recent years. This is the third increase that has been made in the past two years.

The Local Government Commission monitors the Town to make sure we are bringing in enough revenue in the Enterprise Fund to cover the expenses for the year including any debt payment that is due. This increase gives the Town a ten percent increase over the previous year. This does not include any capital needs or emergency spending the Town may encounter. The Town will be using the \$500,000 ORR grant to fund equipment purchases for the department over the next three years.

Construction Projects in 2019-2020:

- 2016 CDBG Water System Improvement Project- This project dedicates \$2 Million for the water distribution system and improves lines and pressure zones in the Robbins System.
- 2018 Water System Improvement Project- This project includes moving the booster pump station closer to town and putting tank mixers in our elevated storage. This will improve water quality in town.
- Disaster Related Repairs- FEMA is assisting with the public assistance projects. The Wooten Company is the engineering company contracted for the project. Legal fees, personnel, operational dollars, and capital funds are all impacted by this project.
- Brownfields Project - Cardno Inc. is administrating this project at the old mill site. The clean-up of the old mill site is being funded by the EPA funds awarded to the Town of Robbins.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Manager, Town of Robbins, P.O. Box 296, Robbins, North Carolina 27325.

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF NET POSITION**

June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 903,385	\$ 360,919	\$ 1,264,304
Taxes receivable (net)	5,105	-	5,105
Accounts receivable (net)	43,887	74,964	118,851
Sales tax refund receivable	-	10,873	10,873
Grants receivable	-	229,690	229,690
Due from other governments	84,731	-	84,731
Restricted cash and cash equivalents	142,140	1,626,812	1,768,952
Total Current Assets	1,179,248	2,303,258	3,482,506
Non-Current Assets:			
Capital Assets:			
Land, non-depreciable improvements, and construction in progress	337,253	702,309	1,039,562
Other capital assets, net of depreciation	2,557,727	3,911,595	6,469,322
Total Capital Assets	2,894,980	4,613,904	7,508,884
Total Non-Current Assets	2,894,980	4,613,904	7,508,884
Total Assets	\$ 4,074,228	\$ 6,917,162	\$ 10,991,390
Deferred Outflows of Resources:			
Pension deferrals (LGERS)	124,101	45,902	170,003
Pension deferrals (LEO)	25,744	-	25,744
Total deferred outflows of resources	149,845	45,902	195,747
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 53,240	\$ 8,903	\$ 62,143
Customer deposits	-	39,525	39,525
Compensated absences	30,365	7,827	38,192
Current portion of long-term liabilities	52,325	84,365	136,690
Payable from restricted assets	-	301,667	301,667
Total Current Liabilities	135,930	442,287	578,217
Non-current Liabilities:			
Net pension liability	158,287	58,545	216,832
Total pension liability	197,003	-	197,003
Installment notes payable	1,124,156	2,200,397	3,324,553
Total Non-current Liabilities	1,479,446	2,258,942	3,738,388
Total Liabilities	1,615,376	2,701,229	4,316,605
Deferred Inflows of Resources:			
Pension deferrals (LGERS)	5,187	1,919	7,106
Pension deferrals (LEO)	5,703	-	5,703
Total deferred inflows of resources	10,890	1,919	12,809
Net Position:			
Net investment in capital assets	1,718,499	3,929,142	5,647,641
Restricted for:			
Stabilization by State Statute	92,449	-	92,449
Public safety	94,052	-	94,052
Transportation	48,088	-	48,088
Economic development	27,269	-	27,269
Capital projects	363,204	-	363,204
USDA debt service reserve	47,587	24,338	71,925
Unrestricted	206,659	306,436	513,095
Total Net Position	\$ 2,597,807	\$ 4,259,916	\$ 6,857,723

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 336,898	\$ 37,077	\$ -	\$ -	\$ (299,821)	\$ -	\$ (299,821)
Public safety	757,357	371	33,309	8,391	(715,286)	-	(715,286)
Transportation	122,112	-	-	534,852	412,740	-	412,740
Environmental protection	55,316	75,480	-	-	20,164	-	20,164
Economic development	-	-	3,002	-	3,002	-	3,002
Cultural and recreational	54,766	-	21,935	-	(32,831)	-	(32,831)
Capital outlay	136,796	-	-	-	(136,796)	-	(136,796)
Interest on long-term debt	37,796	-	-	-	(37,796)	-	(37,796)
Total government activities (See Note 1)	<u>1,501,041</u>	<u>\$ 112,928</u>	<u>\$ 58,246</u>	<u>\$ 543,243</u>	<u>(786,624)</u>	<u>-</u>	<u>(786,624)</u>
Business-type activities:							
Water and sewer	889,008	750,781	-	425,647	-	287,420	287,420
Total business-type activities	<u>889,008</u>	<u>750,781</u>	<u>-</u>	<u>425,647</u>	<u>-</u>	<u>287,420</u>	<u>287,420</u>
Total primary government	<u>\$ 2,390,049</u>	<u>\$ 863,709</u>	<u>\$ 58,246</u>	<u>\$ 968,890</u>	<u>\$ (786,624)</u>	<u>\$ 287,420</u>	<u>\$ (499,204)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					433,482	-	433,482
Other taxes					386,661	-	386,661
Grants and contributions, not restricted to specific programs					316,701	-	316,701
Unrestricted investment earnings					13,842	7,666	21,508
Miscellaneous					61,394	28,841	90,235
Total General Revenues not Including Transfers					<u>1,212,080</u>	<u>36,507</u>	<u>1,248,587</u>
Transfers					<u>(1,540)</u>		
Total General Revenues and Transfers					<u>1,210,540</u>	<u>36,507</u>	<u>1,248,587</u>
Change in Net Position					<u>423,916</u>	<u>323,927</u>	<u>747,843</u>
Net Position, Beginning of Year					<u>2,173,891</u>	<u>3,935,989</u>	<u>6,109,880</u>
Net Position, End of Year					<u>\$ 2,597,807</u>	<u>\$ 4,259,916</u>	<u>\$ 6,857,723</u>

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

TOWN OF ROBBINS, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	Major Funds Special Revenue Project Fund	ORR Stimulus Project Fund	Total Non-Major Governmental Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 509,895	\$ -	\$ 366,221	\$ 27,269	\$ 903,385
Restricted cash	142,140	-	-	-	142,140
Receivables, net					-
Taxes	5,105	-	-	-	5,105
Accounts	7,718	24,030	-	12,139	43,887
Due from other governments	84,731	-	-	-	84,731
Total Assets	<u>749,589</u>	<u>24,030</u>	<u>366,221</u>	<u>39,408</u>	<u>1,179,248</u>
Liabilities:					
Accounts payable	5,405	-	3,017	12,139	20,561
Cash overdraft	-	24,030	-	-	24,030
Payroll liabilities	8,649	-	-	-	8,649
Total Liabilities	<u>14,054</u>	<u>24,030</u>	<u>3,017</u>	<u>12,139</u>	<u>53,240</u>
Deferred Inflows of Resources:					
Property taxes receivable	5,105	-	-	-	5,105
Total Deferred Inflows of Resources	<u>5,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,105</u>
Fund Balances:					
Restricted					
Stabilization by State Statute	92,449	-	-	-	92,449
Streets	48,088	-	-	-	48,088
Committed					-
Fire department	94,052	-	-	-	94,052
Economic development	-	-	-	27,269	27,269
Assigned					-
Capital improvements	-	-	363,204	-	-
Subsequent year's expenditures	147,454	-	-	-	147,454
Unassigned	348,387	-	-	-	348,387
Total Fund Balances	<u>730,430</u>	<u>-</u>	<u>363,204</u>	<u>27,269</u>	<u>1,120,903</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 749,589</u>	<u>\$ 24,030</u>	<u>\$ 366,221</u>	<u>\$ 39,408</u>	<u>\$ 1,179,248</u>

Total fund balance, governmental funds \$ 1,120,903

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,894,980
Net and Total pension liability (LGERS & LEO)	(355,290)
Deferred outflows of resources related to pensions are not reported in the funds	149,845
Compensated absences not expected to be materially liquidated with expendable available resources	(30,365)
Liabilities for earned but unavailable revenues in fund statements	5,105
Long-term liabilities, principally installment purchases and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds	(1,176,481)
Pension related deferrals (LGERS & LEO)	(10,890)
Net position of governmental activities	<u>\$ 2,597,807</u>

TOWN OF ROBBINS, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2019

	Major Funds			Non-major Governmental Fund	Total Governmental Funds
	General Fund	Special Revenue Project Fund	ORR Stimulus Project Fund		
Revenues:					
Ad valorem taxes	\$ 436,764	\$ -	\$ -	\$ -	\$ 436,764
Unrestricted intergovernmental	386,661	-	-	-	386,661
Restricted intergovernmental	396,255	9,796	500,000	12,139	918,190
Sales and services	140,873	-	-	-	140,873
Investment earnings	13,842	-	-	-	13,842
Miscellaneous	30,699	-	-	2,750	33,449
Total Revenues	<u>1,405,094</u>	<u>9,796</u>	<u>500,000</u>	<u>14,889</u>	<u>1,929,779</u>
Expenditures:					
General government	323,121	-	-	-	323,121
Public safety	669,125	-	-	-	669,125
Transportation	205,079	-	-	-	205,079
Environmental protection	54,996	-	-	-	54,996
Economic development	-	-	-	-	-
Cultural and recreational	19,498	9,796	-	12,139	41,433
Debt service:					
Principal retirement	51,439	-	-	-	51,439
Interest and other charges	37,796	-	-	-	37,796
Capital outlay	-	-	136,796	-	136,796
Total Expenditures	<u>1,361,054</u>	<u>9,796</u>	<u>136,796</u>	<u>12,139</u>	<u>1,519,785</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>44,040</u>	<u>-</u>	<u>363,204</u>	<u>2,750</u>	<u>409,994</u>
Other Financing Sources (Uses)					
Transfer from General Fund	(1,540)	-	-	-	(1,540)
Total other financing sources (uses)	<u>(1,540)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,540)</u>
Net Change in Fund Balance	<u>42,500</u>	<u>-</u>	<u>363,204</u>	<u>2,750</u>	<u>408,454</u>
Fund Balances, Beginning of Year	<u>687,930</u>	<u>-</u>	<u>-</u>	<u>24,519</u>	<u>712,449</u>
Fund Balances, End of Year	<u>\$ 730,430</u>	<u>\$ -</u>	<u>\$ 363,204</u>	<u>\$ 27,269</u>	<u>\$ 1,120,903</u>

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2019

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

Net changes in fund balances - total governmental funds	\$ 408,454
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	149,249
Depreciation expense for governmental assets	(187,919)
Contributions to the pension plan in the current fiscal years are not included on the Statement of Activities (LGERS & LEO)	30,590
Benefit payments paid for the LEOSSA are not included on the Statement of Activities	16,893
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenue for tax revenues	3,282
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	3,953
Pension expense LGERS & LEO	(52,025)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. 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.	
	<u>51,439</u>
Total changes in net position of governmental activities	\$ <u><u>423,916</u></u>

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

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	General Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 371,460	\$ 402,360	\$ 436,764	\$ 34,404
Unrestricted intergovernmental	398,100	351,900	386,661	34,761
Restricted intergovernmental	321,979	384,420	396,255	11,835
Sales and services	120,000	131,550	140,873	9,323
Investment earnings	5,000	5,000	13,842	8,842
Miscellaneous	16,000	39,400	30,699	(8,701)
Total Revenues	<u>1,232,539</u>	<u>1,314,630</u>	<u>1,405,094</u>	<u>90,464</u>
Expenditures:				
General government	302,252	334,702	323,121	11,581
Public safety	599,445	706,359	669,125	37,234
Transportation	174,466	259,719	205,079	54,640
Environmental protection	55,000	55,000	54,996	4
Cultural and recreational	21,950	22,950	19,498	3,452
Debt service				
Principal retirement	51,559	51,559	51,439	120
Interest and other charges	37,796	37,796	37,796	-
Total Expenditures	<u>1,242,468</u>	<u>1,468,085</u>	<u>1,361,054</u>	<u>107,031</u>
Revenues Over (Under)				
Expenditures	<u>(9,929)</u>	<u>(153,455)</u>	<u>44,040</u>	<u>197,495</u>
Other financing sources (uses)				
Transfer from economic development fund	-	6,000	-	(6,000)
Transfer to FEMA fund	-	-	(1,540)	(1,540)
Total other financing sources (uses)	<u>-</u>	<u>6,000</u>	<u>(1,540)</u>	<u>(7,540)</u>
Fund Balance Appropriated	<u>9,929</u>	<u>147,455</u>	<u>-</u>	<u>147,455</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>42,500</u>	<u>\$ 42,500</u>
Fund Balance, Beginning of Year			<u>687,930</u>	
Fund Balance, End of Year			<u>\$ 730,430</u>	

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF NET POSITION - PROPRIETARY FUND**

June 30, 2019

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Assets:	
Current Assets:	
Cash and cash equivalents	\$ 360,919
Accounts receivable (net)	74,964
Sales tax refund receivable	10,873
Grants receivable	229,690
Restricted cash and cash equivalents	1,626,812
Total Current Assets	<u>2,303,258</u>
Non-Current Assets:	
Capital Assets:	
Land, non-depreciable improvements, and construction in progress	702,309
Other capital assets, net of depreciation	3,911,595
Total Capital Assets	<u>4,613,904</u>
Total Non-Current Assets	<u>4,613,904</u>
Total Assets	<u>6,917,162</u>
Deferred Outflows of Resources:	
Pension deferrals	45,902
Total Assets and Deferred Outflows of Resources	<u>\$ 6,963,064</u>
Liabilities:	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 6,756
Accrued interest payable	2,147
Customer deposits	39,525
Net pension liability	58,545
Compensated absences	7,827
Current portion of long-term liabilities	84,365
Liabilities payable from restricted assets:	
Accounts payable	301,667
Total Current Liabilities	<u>500,832</u>
Non-current Liabilities:	
Notes payable	2,200,397
Total Non-current Liabilities	<u>2,200,397</u>
Total Liabilities	<u>2,701,229</u>
Deferred Inflows of Resources:	
Pension deferrals	1,919
Net Position:	
Net investment in capital assets	3,929,142
Restricted - USDA debt service reserve	24,338
Unrestricted	306,436
Total Net Position	<u>4,259,916</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 6,963,064</u>

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
PROPRIETARY FUND**

For the Year Ended June 30, 2019

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Operating Revenues:	
Charges for services	\$ 741,830
Water and sewer taps	4,675
Other operating revenues	4,276
Total Operating Revenues	<u>750,781</u>
Operating Expenses:	
Water and sewer operations	719,108
Depreciation	156,534
Total Operating Expenses	<u>875,642</u>
Operating (loss)	<u>(124,861)</u>
Nonoperating Revenues (Expenses)	
Late fees	16,210
Sales tax refund	2,763
Insurance claim proceeds	9,868
Investment earnings	7,666
Interest expense	(13,366)
Total Nonoperating Revenues (Expenses)	<u>23,141</u>
Income (Loss) Before Contributions and Transfers	(101,720)
Capital contributions	<u>425,647</u>
Change in Net Position	<u>323,927</u>
Net Position, Beginning of Year	<u>3,935,989</u>
Net Position, End of Year	<u>\$ 4,259,916</u>

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**

For the Year Ended June 30, 2019

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 765,441
Cash paid for goods and services	(587,200)
Cash paid to or on behalf of employees for services	(144,402)
Customer deposits	603
Other operating revenues	<u>12,631</u>
Net Cash Provided by Operating Activities	<u>47,073</u>
Cash Flows from Capital and Related Financing Activities	
Debt proceeds	1,600,000
Acquisition and construction of capital assets	(229,640)
Interest paid on notes payable	(14,171)
Principal paid on notes payable	(84,365)
Capital contributions	<u>195,957</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>1,467,781</u>
Cash Flows from Investing Activities	
Interest and dividends	<u>7,666</u>
Net Cash Provided by Investing Activities	<u>7,666</u>
Net (Decrease) in Cash and Cash Equivalents	<u>1,522,520</u>
Balances, Beginning	<u>465,211</u>
Balances, Ending	\$ <u><u>1,987,731</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating (loss)	\$ <u>(124,861)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	156,534
Other income	-
Changes in assets and liabilities:	
Increase in accounts receivable	(6,306)
Decrease in other assets	18,833
Decrease in accounts payable and accrued liabilities	(2,677)
Increase in customer deposits	603
Decrease in compensated absences	(6,662)
Increase in deferred outflows of resources for pensions	(24,173)
Increase in net pension liability	36,781
Decrease in deferred inflows of resources for pensions	(999)
Total adjustments	<u>171,934</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>47,073</u></u>

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2019

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Town of Robbins conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Town of Robbins is a municipal corporation which is governed by an elected mayor and a five-member Board of Commissioners. The Town operates under a Commissioner-Manager form of government. As required by generally accepted accounting principles, the Town would include any component unit for which it is financially accountable. For the year ended June 30, 2019, no component units were included in the basic financial statements.

Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for 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. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category, *governmental* and *proprietary*, are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, transportation, environmental protection and cultural and recreational services.

Brownfield Assessment Project Fund. The fund is used to account for grant monies for the study of brownfields.

ORR Stimulus Project Fund. The fund is used to account for stimulus funds from the Office of Recovery and Resiliency.

The Town reports the following major enterprise fund:

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

Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

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 during this period are shown as a receivable in these financial statements and are offset by unavailable revenues.

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Concluded)

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, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions 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.

Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general and enterprise funds. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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 securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

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.

Restricted Assets

Powell Bill funds are classified as restricted cash and cash equivalents because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

Town of Robbins' Restricted Cash

Governmental Activities

General Fund

Streets	\$	48,088
Fire Department		94,052

Total Restricted Cash	\$	<u>142,140</u>
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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 September 1st (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. The Town believes any allowance to be immaterial.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings, improvements, infrastructure, furniture and equipment, and vehicles, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2017 are recorded at their estimated fair value at the date of the donation. Donated capital assets received after June 15, 2017 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of road network assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Improvements	20
Furniture and equipment	10
Vehicles	4
Computer equipment	3

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion: pension deferrals related to LGERS and LEO Separation Allowance.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

Deferred Outflows/Inflows of Resources (Concluded)

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

Claims, Judgments, and Contingent Liabilities

At June 30, 2019, the Town was not involved in any lawsuits.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities un the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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. Accumulated earned vacation in excess of thirty days at December 31 may be transferred to sick leave. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resource 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, the fund balance is composed of three 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:

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

Restricted for stabilization of State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "Restricted by State Statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

Net Position/Fund Balances (Continued)

Fund Balances (Concluded)

Restricted for Streets – The Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by the majority vote by quorum of Town of Robbins 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. Any changes or removal of specific purpose requires majority action by the governing body.

Fire Department – portion of fund balance committed for use in fire protection and capital outlay for fire department needs.

Economic Development – portion of fund balance committed for use in economic development.

Assigned Fund Balance – portion of fund balance that the Town of Robbins intends to use for specific purposes.

Capital improvements – portion of fund balance that is assigned for use in making capital improvement or capital expenditures.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted. The governing body approves the appropriation.

Unassigned Fund Balance – portion of total fund balance available that has not been restricted, committed, or assigned to specific purpose on other funds.

The Town of Robbins 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 OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)

Net Position/Fund Balances (Concluded)

Fund Balances (Concluded)

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.

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 Robbins' employer contributions are recognized when due and the Town of Robbins 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.

Use of Estimates

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds

Assets

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 these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for noninterest bearing deposits and the actual current balance for the interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their information with the Town or the escrow agent. Because of the inability to measure the exact amount 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 needs for deposits but relies on the State Treasurer to enforce standards in minimum capitalization in all pooling method financial institutions and to monitor them for compliance. The Town complies with provisions of G.S. 159-31 when designated official depositories and verifying that deposits are properly secured.

At June 30, 2019, the Town's deposits had a carrying amount of \$860,883 and a bank balance of \$948,317. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

Restricted Assets: Powell Bill funds are also classified as restricted cash because they can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41-1 through 136-41-4.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Assets (Continued)

Investments

At June 30, 2019, the Town of Robbins had \$2,172,373 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAA by Standard and Poor's. The Town has no policy regarding credit risk.

Receivables – Allowance for Doubtful Accounts

The amounts presented in the balance sheet and the statement of net position and are net of the following allowances for doubtful accounts:

Governmental Activities

General Fund: Taxes Receivable \$1,000

Due from Other Governmental Agencies

At June 30, 2019, funds due from other governmental agencies consisted of the following:

	Primary Government	
	General	Business-Type
Local Option Sales Tax	\$ 53,491	\$ -
Utility Franchise Tax	12,276	-
Solid Waste	213	-
Sales Tax Refund	6,946	-
Other	11,805	-
Total	\$ 84,731	\$ -

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Continued)

Primary Government

Capital assets for the Primary Government for the year ended for the year June 30, 2019
was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 337,253	-	-	\$ 337,253
Total capital assets not being depreciated	<u>\$ 337,253</u>	<u>-</u>	<u>-</u>	<u>\$ 337,253</u>
Capital assets being depreciated:				
Land improvements	\$ 284,181	59,150	-	\$ 343,331
Buildings	2,395,934	-	-	2,395,934
Vehicles and motorized equipment	1,705,879	65,190	-	1,771,069
Other equipment	<u>594,853</u>	<u>24,909</u>	<u>-</u>	<u>619,762</u>
Total capital assets being depreciated	<u>\$ 4,980,847</u>	<u>149,249</u>	<u>-</u>	<u>\$ 5,130,096</u>
Less accumulated depreciation				
Land improvements	\$ 260,046	6,397	-	\$ 266,443
Buildings	464,050	56,494	-	520,544
Vehicles and motorized equipment	1,175,284	86,760	-	1,262,044
Other equipment	<u>485,070</u>	<u>38,268</u>	<u>-</u>	<u>523,338</u>
Total accumulated depreciation	<u>2,384,450</u>	<u>187,919</u>	<u>-</u>	<u>2,572,369</u>
Total capital assets being depreciated, net	<u>2,596,397</u>			<u>2,557,727</u>
Governmental activity capital assets, net	<u>\$ 2,933,650</u>			<u>\$ 2,894,980</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Continued)

Primary Government (Concluded)

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

General government	\$	7,608
Public safety		163,453
Transportation		3,115
Cultural and recreational		13,743
Total depreciation expense	\$	<u>187,919</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Concluded)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 238,586	463,723	-	\$ 702,309
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>\$ 238,586</u>	<u>463,723</u>	<u>-</u>	<u>\$ 702,309</u>
Capital assets being depreciated:				
Plant and distribution system	\$ 10,323,586	-	-	\$10,323,586
Vehicles and motorized equipment	133,862	-	-	133,862
Other equipment	228,194	14,920	-	243,114
Total capital assets being depreciated	<u>\$ 10,685,642</u>	<u>14,920</u>	<u>-</u>	<u>\$10,700,562</u>
Less accumulated depreciation				
Plant and distribution system	\$ 6,334,562	154,995	-	\$ 6,489,557
Vehicles and motorized equipment	133,862	-	-	133,862
Other equipment	151,309	14,239	-	165,548
Total accumulated depreciation	<u>\$ 6,619,733</u>	<u>156,534</u>	<u>-</u>	<u>\$ 6,788,967</u>
Total capital assets bring depreciated, net	<u>4,065,909</u>			<u>3,911,595</u>
Business-type activity capital assets, net	<u>\$ 4,239,131</u>			<u>\$ 4,613,904</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Liabilities

Pension Plan Obligations

Local Government Employee's Retirement System

Plan description. The Town of Robbins 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 consist of 13 member – 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. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government 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 or 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 who have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increase. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full 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 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Robbins employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Robbins' contractually required contribution rate for the year ended June 30, 2018, was 8.50% of compensation for law enforcement officers and 7.75% 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 Robbins were \$30,590 for the year ended June 30, 2019.

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 member 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.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

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

At June 30, 2019, the Town reported a liability of \$216,832 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018 (measurement date), the Town's proportion was 0.00914%, which is an increase of 0.00076% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized pension expense of \$57,991. At June 30, 2019, 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	\$ 33,452	\$ 1,122
Changes of assumptions	57,539	-
Net difference between projected and actual earnings on pension plan investments	29,765	-
Changes in proportion and differences between town contributions and proportionate share of contributions	7,342	5,984
Town contributions subsequent to the measurement date	41,905	-
Total	\$ 170,003	\$ 7,106

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

\$41,905 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2020	\$	60,378
2021		36,864
2022		5,673
2023		18,076
2024		-
Thereafter		-
	\$	<u><u>120,991</u></u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Concluded)

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. 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 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 520,849	\$ 216,832	\$ (37,210)

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.

Law Enforcement Officers Special Separation Allowance

The Town of Robbins administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

The Separation Allowance is equal to 0.85 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 County law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

	General Employees:
Retirees and dependents receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	5
Total	<u>8</u>

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 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 criteria which are outlined in GASB Statement 73.

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Concluded)

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

Contributions. The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earning. The Town paid \$16,893 as benefits came due for the reporting period.

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

At June 30, 2019, the Town reported a total pension liability of \$197,003. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the Town recognized pension expense of \$12,757.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,878	\$ -
Changes of assumptions	3,973	5,703
Town benefit payments and plan administrative expense made subsequent to the measurement date	16,893	-
Total	\$ 25,744	\$ 5,703

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

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

\$16,893 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2020	\$	1,770
2021		1,562
2022		(184)
2023		-
2024		-
Thereafter		-
	\$	<u>3,148</u>

\$16,893 paid as benefits came due subsequent to the measurement date and is reported as deferred outflows of resources.

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 3.64 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.64%) or one percentage point higher (4.64%) than the current rate:

	<u>1% Decrease (2.64%)</u>	<u>Discount Rate (3.64%)</u>	<u>1% Increase (4.64%)</u>
Total pension liability	\$ 208,350	\$ 197,003	\$ 186,627

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

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

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

	2019
Beginning balance	\$ 203,016
Service cost	4,839
Interest on the total pension liability	6,148
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	5,214
Changes of assumptions or other inputs	(5,321)
Benefit payments	(16,893)
Other changes	-
Ending balance of the total pension liability	\$ 197,003

The plan currently uses mortality tables that vary by age, and health status (i.e. disable and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Town Council of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Plan for law enforcement officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Supplemental Retirement Income Plan for Law Enforcement Officers (Concluded)

Section 401(K) plan that includes the Supplemental Retirement Income Plan for law enforcement officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$7,590.

Other Employee 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 month's 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 the contributions to be immaterial.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Concluded)

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$2 million per occurrence, employee benefits, police professional and public official's liability coverage of \$1 million, property coverage up to \$16,804,163, and workers' compensation coverage up to \$1 million. The Town carries commercial coverage for all other risks of loss.

There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not carry flood insurance as none of their buildings are located in flood prone areas.

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

Deferred Outflows and Inflows of Resources

The Town has deferred outflows and inflows of resources.

Source	Amount
Deferred outflows of resources:	
Pension deferrals (LGERS)	\$ 170,003
Pension deferrals (LEO)	25,744
	\$ 195,747
Deferred inflows of resources:	
Pension deferrals (LGERS)	\$ 7,106
Pension deferrals (LEO)	5,703
	\$ 12,809

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Long-Term Obligations

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
In June 2017, the Town entered into an installment loan for the purchase of a vehicle. Due in five annual payments of \$5,176 including interest at 3.0%, secured by vehicle.	\$ 14,629	\$ -
In June 2017, the Town entered into an installment loan for the purchase of a fire truck. Due in ten annual payments of \$36,000 including interest at 1.0%, secured by truck.	294,876	-
In October 2002, the Town entered into a loan agreement with the NC Dept. of Commerce to partially finance an emergency water interconnection with Montgomery County, non-interest bearing.	-	160,958
On April 18, 2002, the Town executed a promissory note payable to the NC Dept. of Environment, Health, and Natural Resources to finance sewer improvements. Bears interest at 2.5%	-	515,308
In September 2010, the Town entered into a loan agreement with the U.S. Dept. of Agriculture for the New Fire Department construction. Upon completion of the building, the loan will be paid in forty annual payments of \$32,362, including interest at 3.5%.	639,239	-
In September 2012, the Town entered into a Federal Revolving Loan agreement, due in monthly principal installments of \$8,496, non-interest bearing.	-	8,496
In May 2012, the Town entered into a loan agreement with the U.S. Dept. of Agriculture for the New Fire Department construction. Upon completion of the building, the loan will be paid in forty annual payment of \$11,318, including interest at 3.375%.	227,737	-
In April 2019, the Town entered into a loan agreement with the NC Office of Recovery and Resiliency for emergency funding for disaster relief and recovery. The loan is principal only with no interest or administrative fees. Repayments are made upon receipt of reimbursement from federal government.	-	1,600,000
Total outstanding	\$ 1,176,481	\$ 2,284,762
Less: current portion	<u>52,325</u>	<u>84,365</u>
	<u>\$ 1,124,156</u>	<u>\$ 2,200,397</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Long-Term Obligations (Continued)

At June 30, 2019, the Town of Robbins had a legal debt margin of \$3,700,847.

Changes in long-term liabilities: The following is a summary of changes in the Town's long-term obligations for the year ended June 30, 2019:

	Balances July 1, 2018	Increases	Decreases	Balances June 30, 2019	Current Portion of Balance
Governmental activities:					
Installment debt					
Vehicle	\$ 19,221	\$ -	\$ 4,592	\$ 14,629	\$ 4,738
Truck	327,600	-	32,724	294,876	33,051
FD Cons. (2010)	649,551	-	10,312	639,239	10,616
FD Cons. (2012)	231,548	-	3,811	227,737	3,920
Net pension liability (LGERS)	106,259	52,028	-	158,287	-
Total pension liability (LEO)	203,016	-	6,013	197,003	-
Compensated absences	26,412	3,953	-	30,365	30,365
Governmental activity					
long-term liabilities	<u>\$ 1,563,607</u>	<u>\$ 55,981</u>	<u>\$ 57,452</u>	<u>\$ 1,562,136</u>	<u>\$ 82,690</u>
Business-type activities:					
Promissory note					
Sewer Improvements	\$ 566,839	\$ -	\$ 51,531	\$ 515,308	\$ 51,531
Loan agreement					
Water Interconnection	185,296	-	24,338	160,958	24,338
Revolving Loan	16,992	-	8,496	8,496	8,496
NCORR	-	1,600,000	-	1,600,000	-
Net Pension Liability (LGERS)	21,764	36,781	-	58,545	-
Compensated Absences	14,489	-	6,662	7,827	-
Business-type activity					
long-term liabilities	<u>\$ 805,380</u>	<u>\$ 1,636,781</u>	<u>\$ 91,027</u>	<u>\$ 2,351,134</u>	<u>\$ 84,365</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Continued)

Long-Term Obligations (Continued)

Maturities of Long-Term Obligations

The annual requirements to retire all debt outstanding, other than compensated absences, at June 30, 2019, including interest, are as follows:

Governmental Activities: Principal	Notes Payable				
	Vehicle	Truck	FD Cons. (2010)	FD Cons. (2012)	Total
2020	\$ 4,738	\$ 33,051	\$ 10,616	\$ 3,920	\$ 52,325
2021	4,880	33,382	11,055	4,076	53,393
2022	4,843	33,716	11,447	4,215	54,221
2023	-	34,053	11,853	4,360	50,266
2024	-	34,393	12,216	4,489	51,098
2025-2029	-	126,281	68,154	24,943	219,378
Thereafter	-	-	513,898	181,734	695,632
	<u>\$ 14,461</u>	<u>\$ 294,876</u>	<u>\$ 639,239</u>	<u>\$ 227,737</u>	<u>\$ 1,176,313</u>
Interest					
2020	\$ 438	\$ 2,949	\$ 22,749	\$ 7,894	\$ 34,030
2021	296	2,618	22,310	7,738	32,962
2022	150	2,284	21,918	7,599	31,951
2023	-	1,947	21,512	7,454	30,913
2024	-	1,607	21,149	7,325	30,081
2025-2029	-	2,953	98,671	34,127	135,751
Thereafter	-	-	242,545	82,626	325,171
	<u>\$ 884</u>	<u>\$ 14,359</u>	<u>\$ 450,854</u>	<u>\$ 154,763</u>	<u>\$ 620,860</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Detail Notes on All Funds (Concluded)

Long-Term Obligations (Concluded)

Business-Type Activities: Principal	Notes Payable			
	Water Inter.	Sewer Impr.	Revolving Loan	Total
2020	\$ 24,338	\$ 51,531	\$ 8,496	\$ 84,365
2021	24,338	51,531	-	75,869
2022	24,338	51,531	-	75,869
2023	24,338	51,531	-	75,869
2024	24,338	51,531	-	75,869
2025-2029	39,268	257,654	-	296,922
Thereafter	-	-	-	-
	<u>\$ 160,958</u>	<u>\$ 515,308</u>	<u>\$ 8,496</u>	<u>\$ 684,762</u>
Interest				
2020	\$ -	\$ 12,883	\$ -	\$ 12,883
2021	-	11,594	-	11,594
2022	-	10,306	-	10,306
2023	-	9,018	-	9,018
2024	-	7,730	-	7,730
2025-2029	-	19,324	-	19,324
Thereafter	-	-	-	-
	<u>\$ -</u>	<u>\$ 70,855</u>	<u>\$ -</u>	<u>\$ 70,855</u>

The note payable to NCORR is not reflected in the above schedule. Repayment dates are determined by dates of reimbursement from federal government and therefore, are not readily determinable. The full loan is expected to be repaid from reimbursement within three years from the loan date.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

Note 4 – Fund Balance

Fund Balance

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

Total fund balance - General Fund	\$	<u>730,430</u>
Stabilization by State Statute		92,449
Streets - Powell Bill		48,088
Committed - Fire Department		94,052
Appropriated Fund Balance in 2020 budget		147,454
Remaining Fund Balance		348,387

Note 5 – Significant Effects of Subsequent Events

The Town has evaluated all subsequent events through January 31, 2020, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by
generally accepted accounting principles.

- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability
- Schedule of Total Pension Liability as a Percentage of Covered Payroll

TOWN OF ROBBINS. NORTH CAROLINA

PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS

Local Government Employee's Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Robbins's proportion of the net pension liability (asset) (%)	0.00914%	0.00838%	0.00916%	0.00008%	0.00920%	0.00622%
Robbins's proportion of the net pension liability (asset) (\$)	\$ 180,051	\$ 128,023	\$ 194,406	\$ 36,263	\$ (36,682)	\$ 110,895
Robbins's covered-employee payroll	\$ 566,306	\$ 505,470	\$ 477,135	\$ 518,096	\$ 268,573	\$ 265,853
Robbins's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.79%	25.33%	40.74%	7.00%	-13.66%	41.71%
Plan fiduciary net position as percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

TOWN OF ROBBINS. NORTH CAROLINA

**TOWN OF ROBBINS'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SIX FISCAL YEARS**

Local Government Employee's Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribtution	\$ 41,905	\$ 35,036	\$ 36,539	\$ 32,761	\$ 36,512	\$ 16,177
Contributions in relation to the contractually required contribution	<u>41,905</u>	<u>35,036</u>	<u>36,539</u>	<u>32,761</u>	<u>36,512</u>	<u>16,177</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Robbins's covered-employee payroll	538,000	566,306	505,470	477,135	518,096	268,573
Contributions as a percentage of covered-employee payroll	7.79%	6.19%	7.23%	6.87%	7.05%	6.02%

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 203,016	\$ 219,790	\$ 234,054
Service Cost	4,839	2,339	7,304
Interest on the Total Pension Liability	6,148	7,769	7,903
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience in the Measurement of the Total Pension Liability	5,214	2,043	-
Changes of Assumptions or Other Inputs	(5,321)	8,113	(4,128)
Benefit Payments	(16,893)	(37,038)	(25,343)
Other Changes	<u>-</u>	<u>-</u>	<u>-</u>
Ending Balances of the Total Pension Liability	\$ <u>197,003</u>	\$ <u>203,016</u>	\$ <u>219,790</u>

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

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

June 30, 2019

	<u>2019</u>		<u>2018</u>		<u>2017</u>
Total Pension Liability	\$ 197,003	\$	203,016	\$	219,790
Covered Payroll	178,620		116,147		234,054
Total Pension Liability as a Percentage of Covered Payroll	110.29%		174.79%		93.91%

Notes to the Schedules:

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

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ -	\$ 437,251	\$ -
Prior Years Taxes	-	2,960	-
Penalties and Interest	-	1,849	-
Discounts	-	(5,296)	-
Total	<u>402,360</u>	<u>436,764</u>	<u>34,404</u>
Unrestricted Intergovernmental:			
Local Option Sales Tax	-	310,465	-
Utility Franchise Tax	-	59,886	-
Sales tax refund	-	11,332	-
Beer and Wine Tax	-	4,978	-
Total	<u>351,900</u>	<u>386,661</u>	<u>34,761</u>
Restricted Intergovernmental:			
Powell Bill Allocation	-	34,852	-
FEMA grants	-	33,309	-
OSFM grant	-	8,391	-
Economic Development	-	3,002	-
Moore County fire district	-	295,377	-
County rescue funding	-	20,468	-
Solid Waste Disposal Tax	-	856	-
Total	<u>384,420</u>	<u>396,255</u>	<u>11,835</u>
Sales and Services:			
Refuse Collection Fees	-	75,480	-
Cemetery revenues	-	23,130	-
Rentals	-	2,175	-
Officer Fees	-	371	-
Zoning permits	-	2,640	-
Drivers License Office	-	37,077	-
Total	<u>131,550</u>	<u>140,873</u>	<u>9,323</u>
Investment Earnings	<u>5,000</u>	<u>13,842</u>	<u>8,842</u>
Other General Revenues:			
Donations	-	455	-
Land sale proceeds	-	5,700	-
Insurance proceeds	-	14,444	-
Miscellaneous	-	10,100	-
Total	<u>39,400</u>	<u>30,699</u>	<u>(8,701)</u>
Total Revenues	<u>\$ 1,314,630</u>	<u>\$ 1,405,094</u>	<u>\$ 90,464</u>

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and Employee Benefits	\$	\$ 15,888	\$
Operating Expenditures		2,971	
Total	<u>18,954</u>	<u>18,859</u>	<u>95</u>
Administration:			
Salaries and Employee Benefits		123,336	
Operating Expenditures		133,577	
Total	<u>264,948</u>	<u>256,913</u>	<u>8,035</u>
Legal:			
Operating Expenditures	<u>50,800</u>	<u>47,349</u>	
Total General Government	<u>334,702</u>	<u>323,121</u>	<u>11,581</u>
Public Safety:			
Police Department:			
Salaries and Employee Benefits		217,091	
Operating Expenditures		114,490	
Capital Outlay		32,436	
Total	<u>375,681</u>	<u>364,017</u>	<u>11,664</u>
Fire Department:			
Salaries and Employee Benefits		112,883	
Operating Expenditures		134,552	
Capital Outlay		57,673	
Total	<u>330,678</u>	<u>305,108</u>	<u>25,570</u>
Total Public Safety	<u>706,359</u>	<u>669,125</u>	<u>37,234</u>
Transportation:			
Street Department:			
Salaries and Employee Benefits		64,634	
Operating Expenditures		81,295	
Capital Outlay		-	
Total	<u>151,721</u>	<u>145,929</u>	<u>5,792</u>
Powell Bill:			
Street Maintenance and Repair:	<u>107,998</u>	<u>59,150</u>	<u>48,848</u>
Total Transportation	<u>259,719</u>	<u>205,079</u>	<u>54,640</u>

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (concluded):			
Environmental Protection:			
Sanitation:			
Operating Expenditures	\$	\$ 54,996	\$
Total Environmental Protection	<u>55,000</u>	<u>54,996</u>	<u>4</u>
Cultural and Recreational:			
Library:			
Operating Expenditures		15,961	
Other recreational		<u>3,537</u>	
Total Cultural and Recreational	<u>22,950</u>	<u>19,498</u>	<u>3,452</u>
Debt Service:			
Principal Retirement		51,439	
Interest and Fees		<u>37,796</u>	
Total Debt Service	<u>89,355</u>	<u>89,235</u>	<u>120</u>
Total Expenditures	<u>1,468,085</u>	<u>1,361,054</u>	<u>107,031</u>
Revenues Over (Under) Expenditures	<u>(153,455)</u>	<u>44,040</u>	<u>(197,495)</u>
Other Financing Sources (Uses):			
Transfer from economic development fund	6,000	-	(6,000)
Transfer to FEMA fund	<u>-</u>	<u>(1,540)</u>	<u>(1,540)</u>
Total Other Financing Sources (Uses)	<u>6,000</u>	<u>(1,540)</u>	<u>(7,540)</u>
Fund Balance Appropriated	<u>147,455</u>	<u>-</u>	<u>(147,455)</u>
Net Change in Fund Balance	\$ <u>-</u>	42,500	\$ <u>42,500</u>
Fund Balances, Beginning		<u>687,930</u>	
Fund Balances, Ending		\$ <u><u>730,430</u></u>	

TOWN OF ROBBINS, NORTH CAROLINA**BROWNFIELD ASSESSMENT PROJECT FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Contributions	\$ 700,000	\$ 689,114	\$ 9,796	\$ 698,910	\$ (1,090)
Total Revenues	<u>700,000</u>	<u>689,114</u>	<u>9,796</u>	<u>698,910</u>	<u>(1,090)</u>
Expenditures:					
Administration	10,000	8,666	892	9,558	442
Construction	<u>690,000</u>	<u>680,448</u>	<u>8,904</u>	<u>689,352</u>	<u>648</u>
Total Expenditures	<u>700,000</u>	<u>689,114</u>	<u>9,796</u>	<u>698,910</u>	<u>1,090</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Beginning			<u>-</u>		
Fund Balance, Ending			\$ <u><u>-</u></u>		

TOWN OF ROBBINS, NORTH CAROLINA

ORR STIMULUS GRANT PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant proceeds	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -
Total Revenues	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Expenditures:					
Capital purchases	400,000	-	88,121	88,121	311,879
Miscellaneous	<u>100,000</u>	<u>-</u>	<u>48,676</u>	<u>48,676</u>	<u>51,324</u>
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>136,797</u>	<u>136,797</u>	<u>363,203</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>363,203</u>	<u>363,203</u>	<u>363,203</u>
Fund Balance, Beginning			<u>-</u>		
Fund Balance, Ending			\$ <u><u>363,203</u></u>		

TOWN OF ROBBINS, NORTH CAROLINA

BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2019

	Economic Development Fund	Brownfield Robbins Mill Smokestack	Total Non-Major Governmental Fund
Assets:			
Cash and Cash Equivalents	\$ 27,269	\$ -	\$ 27,269
Grants receivable	-	12,139	12,139
Total Assets	<u>27,269</u>	<u>12,139</u>	<u>39,408</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable and Accrued Liabilities	-	12,139	12,139
Total Liabilities	-	12,139	12,139
Fund Balances:			
Unreserved, Reported in Special Revenue Fund	27,269	-	27,269
Total Fund Balances	27,269	-	27,269
Total Liabilities and Fund Balances	<u>\$ 27,269</u>	<u>\$ 12,139</u>	<u>\$ 39,408</u>

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUND**

For the Fiscal Year Ended June 30, 2019

	Economic Development Fund	Brownfield Robbins Mill Smokestack	Total Non-Major Governmental Fund
Revenues:			
Grant revenue	\$ -	\$ 12,139	\$ 12,139
Donation revenue	2,750	-	2,750
Total Revenues	<u>2,750</u>	<u>12,139</u>	<u>14,889</u>
Expenditures:			
Operating expenditures	-	-	-
Grant expenditures	-	12,139	12,139
Total Expenditures	<u>-</u>	<u>12,139</u>	<u>12,139</u>
Revenues Over (Under) Expenditures	<u>2,750</u>	<u>-</u>	<u>2,750</u>
Other Financing Sources/(Uses)			
Transfer from general fund	-	-	-
Net Change in Fund Balance	<u>2,750</u>	<u>-</u>	<u>2,750</u>
Fund Balance, Beginning	<u>24,519</u>	<u>-</u>	<u>24,519</u>
Fund Balance, Ending	<u>\$ 27,269</u>	<u>\$ -</u>	<u>\$ 27,269</u>

TOWN OF ROBBINS, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Charges	\$	\$ 436,578	\$
Sewer Charges		304,260	
Tap and Connection Fees		4,675	
Other Operating Revenues		5,268	
	<u>755,850</u>	<u>750,781</u>	<u>(5,069)</u>
Total Operating Revenues			
Nonoperating Revenues:			
Investment Earnings		1,616	
Sales and use tax refund		2,763	
Insurance proceeds		9,868	
Late Fees		16,210	
	<u>15,600</u>	<u>30,457</u>	<u>14,857</u>
Total Nonoperating Revenues			
Total Revenues	<u>771,450</u>	<u>781,238</u>	<u>9,788</u>
Expenditures:			
Water Treatment and Distribution:			
Salaries and Employee Benefits		93,619	
Water purchases		213,039	
Operating Expenses		112,694	
Capital Outlay		5,910	
Total	<u>442,791</u>	<u>425,262</u>	<u>17,529</u>
Water Collection and Treatment:			
Salaries and Employee Benefits		93,655	
Operating Expenses		209,469	
Capital Outlay		-	
Total	<u>308,221</u>	<u>303,124</u>	<u>5,097</u>
Debt Service:			
Principal		84,365	
Interest		13,366	
Total	<u>98,438</u>	<u>97,731</u>	<u>707</u>
Total Expenditures	<u>\$ 849,450</u>	<u>\$ 826,117</u>	<u>\$ 23,333</u>

TOWN OF ROBBINS, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues Over (Under) Expenditures	<u>(78,000)</u>	<u>(44,879)</u>	<u>33,121</u>
Fund Balance Appropriated	<u>78,000</u>	<u>-</u>	<u>(78,000)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Financing Uses	\$ <u>-</u>	<u>(44,879)</u>	\$ <u>(44,879)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling Items:			
Principal Retirement		84,365	
Capital Contributions		425,647	
Capital Outlays		14,920	
Depreciation		(156,534)	
Vacation Accrual		6,662	
Pension expense		5,355	
Increase in Outflows of Resources- Pension		24,173	
Decrease in Inflows of Resources- Pension		999	
Increase in Net Pension Liability		(36,781)	
Total Reconciling Items		<u>368,806</u>	
Change in Net Position		\$ <u>323,927</u>	

TOWN OF ROBBINS, NORTH CAROLINA**WATER AND SEWER CAPITAL PROJECTS FUND****WATER SYSTEM IMPROVEMENTS GRANT****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**

From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorizaion	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
CDBG Grant	\$ 2,000,000	\$ 86,408	\$ 363,806	\$ 450,214	\$ (1,549,786)
Total Revenues	<u>2,000,000</u>	<u>86,408</u>	<u>363,806</u>	<u>450,214</u>	<u>(1,549,786)</u>
Expenditures:					
Public water improvements	1,779,953	-	251,437	251,437	1,528,516
Administration	<u>220,047</u>	<u>86,408</u>	<u>112,369</u>	<u>198,777</u>	<u>21,270</u>
Total Expenditures	<u>2,000,000</u>	<u>86,408</u>	<u>363,806</u>	<u>450,214</u>	<u>1,549,786</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWN OF ROBBINS, NORTH CAROLINA**WATER AND SEWER CAPITAL PROJECTS FUND****CHLORINE BOOSTER WATER IMPROVEMENT GRANT****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**

From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorizaion	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant proceeds	\$ 624,240	\$ -	\$ -	\$ -	\$ (624,240)
Total Revenues	<u>624,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(624,240)</u>
Expenditures:					
Construction costs	533,900	-	-	-	533,900
Engineering costs	50,000	-	36,829	36,829	13,171
Administration costs	40,340	-	1,575	1,575	38,765
Total Expenditures	<u>624,240</u>	<u>-</u>	<u>38,404</u>	<u>38,404</u>	<u>585,836</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(38,404)</u>	<u>(38,404)</u>	<u>(38,404)</u>

TOWN OF ROBBINS, NORTH CAROLINA**WATER AND SEWER CAPITAL PROJECTS FUND****FEMA RECOVERY AND RESPONSE****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AN ACTUAL (NON-GAAP)**

From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorizaion	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant proceeds	\$ -	\$ -	\$ 61,841	\$ 61,841	\$ 61,841
Total Revenues	<u>-</u>	<u>-</u>	<u>61,841</u>	<u>61,841</u>	<u>61,841</u>
Expenditures:					
Emergency needs	-	-	27,113	27,113	(27,113)
Road/bridge repair	-	-	-	-	-
Water control	-	-	-	-	-
Buildings/equipment repair and replacement	-	-	7,200	7,200	(7,200)
Utility repair	-	-	52,847	52,847	(52,847)
Engineering costs	-	-	27,017	27,017	(27,017)
Miscellaneous	-	-	-	-	-
Total Expenditures	<u>1,600,000</u>	<u>-</u>	<u>114,177</u>	<u>114,177</u>	<u>1,485,823</u>
Revenues Over (Under) Expenditures	<u>(1,600,000)</u>	<u>-</u>	<u>(52,336)</u>	<u>(52,336)</u>	<u>1,547,664</u>
Other Financing Sources/(Uses):					
Loan proceeds	1,600,000	-	1,600,000	1,600,000	-
Interest income	-	-	6,050	6,050	(6,050)
Total Other Financing Sources	<u>1,600,000</u>	<u>-</u>	<u>1,606,050</u>	<u>1,606,050</u>	<u>(6,050)</u>
Revenues and Other Sources Over (Under) Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,553,714</u>	\$ <u>1,553,714</u>	\$ <u>1,553,714</u>

TOWN OF ROBBINS, NORTH CAROLINA**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**

June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2018</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$ -	\$ 431,062	\$ 430,119	\$ 943
2017-2018	2,355	-	1,993	362
2016-2017	766	-	390	376
2015-2016	436	-	252	184
2014-2015	382	-	288	94
2013-2014	751	-	335	417
2012-2013	245	-	57	188
2011-2012	691	-	38	653
2010-2011	260	-	-	260
2009-2010	2,660	-	32	2,628
2008-2009	841	-	841	-
	<u>\$ 9,387</u>	<u>\$ 431,062</u>	<u>\$ 434,344</u>	6,105
Less: Allowance for Uncollectible Ad Valorem Taxes Receivable				<u>(1,000)</u>
Ad Valorem Taxes Receivable - Net				<u>\$ 5,105</u>
Reconcilement with Revenues:				
Ad Valorem Taxes Collected:				
General Fund			\$	436,764
Reconciling Items:				
Interest Collected				(1,869)
Taxes Written Off				(841)
Discoveries, releases and adjustments				<u>290</u>
Total Collections and Credits			\$	<u>434,344</u>

TOWN OF ROBBINS, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY****TOWN - WIDE LEVY**

For the Year Ended June 30, 2019

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 67,744,375	0.64	\$ 433,564	\$ 346,629	\$ 86,935
Penalties	-		-	-	-
Total	<u>67,744,375</u>		<u>433,564</u>	<u>346,629</u>	<u>86,935</u>
Abatements	<u>(390,938)</u>	0.64	<u>(2,502)</u>	<u>(1,753)</u>	<u>(749)</u>
Total Property Valuation	<u>\$ 67,353,438</u>				
Net levy			<u>431,062</u>	<u>344,876</u>	<u>86,186</u>
Uncollected taxes at June 30, 2019			<u>943</u>	<u>943</u>	<u>-</u>
Current year's taxes collected			<u>\$ 430,119</u>	<u>\$ 343,933</u>	<u>\$ 86,186</u>
Current levy collection percentage			<u>99.78%</u>	<u>99.73%</u>	<u>100.00%</u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Town Council
Town of Robbins
Robbins, North Carolina

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town of Robbins, North Carolina's basic financial statements, and have issued my report thereon dated January 31, 2020.

Internal Control over Financial Reporting

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

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

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "William R. Huneycutt, CPA, PLLC". The signature is written in a cursive, flowing style.

William R. Huneycutt, CPA, PLLC
Albemarle, North Carolina

January 31, 2020

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited
were prepared in accordance with GAAP: Unmodified.

Internal control over financial reporting:

Material weakness(es) identified?	_____	yes	<u> X </u>	no
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Significant deficiency(s) identified that are not considered to be material weaknesses	_____	yes	<u> X </u>	none reported
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Noncompliance material to financial statements noted	_____	yes	<u> X </u>	no
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TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Concluded)

For the Year Ended June 30, 2019

Section II. Findings Related to the Audit
of the Basic Financial Statements

Significant Deficiency:

None noted.

TOWN OF ROBBINS, NORTH CAROLINA

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2019

No findings noted.

TOWN OF ROBBINS, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2019

Section II. Financial Statement Findings

2018-1:

Status: Corrected. No issues in fiscal year ended June 30, 2019.