

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2020

Board of Commissioners

Robert V. Wheeler, Mayor  
Del Mims, Mayor Pro Tem  
Kechia Brustmeyer-Brown  
Ed Mims  
Georgana Kicinski  
Neena Nowell

Administrative and Financial Staff

Michael Turner, Interim City Manager  
Reuben D. Carden, Finance Director

Prepared by:

Finance Department,  
City of Creedmoor

## CITY OF CREEDMOOR BOARD OF COMMISSIONERS



From Left to Right, Board of Commissioners as of June 30, 2020: Mayor Pro Tem Del Mims, Commissioner Kechia Brustmeyer-Brown, Mayor Robert V. Wheeler, Commissioner Georgana Kicinski, Commissioner Ed Mims, Commissioner Neena Nowell.

Cover Photo: Boardwalk at Lake Rogers Park in Creedmoor, North Carolina

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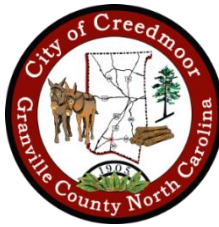
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# City of Creedmoor North Carolina

## INTRODUCTORY SECTION

This section, containing unaudited information, introduces the reader to the report and to the City. It includes the letter of transmittal, key staff members and other information regarding the City.



November 9, 2020

City of Creedmoor, North Carolina  
Post Office Box 765  
Creedmoor, North Carolina 27522  
[www.cityofcreedmoor.org](http://www.cityofcreedmoor.org)

To the Board of Commissioners and Citizens of the City of Creedmoor:

This Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020, is intended to provide in detail how the City receives, spends, and accounts for its money. Key information of the City's financial condition is included along with selected operating measures in the Statistical Section. These measurements are specific to Creedmoor and are intended to show how well the City is meeting typical city responsibilities. In keeping with management's goal, the financial indicators and benchmarks are presented in as clear a format as possible, to be more informative and useful to the citizens of Creedmoor.

The CAFR consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the City has established a system of internal controls designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of its financial statements in accordance with generally accepted accounting principles, commonly known as "GAAP". The City's management team has also established the control system to provide reasonable assurance that the financial statements will be free from material misstatement. As members of the management team, we assert that to the best of our knowledge and belief, this seventh Comprehensive Annual Financial Report is complete to the best of our ability and is reliable in all material respects.

The City's financial statements have been audited by the independent accounting firm of Winston, Williams, Creech, Evans and Company, LLP, of Oxford, North Carolina. The objective of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2018, are free of material misstatement. An audit involves performing procedures to obtain 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 controls 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. An annual financial audit is also required by North Carolina General Statute §159-34. The City's independent auditor concluded, based on the results of the audit procedures, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2020. An unmodified, or "clean," opinion is what all audited local governments should be working toward. The independent auditor's report is



presented as the first component of the financial section of this report.

As required by GAAP, the Management Discussion and Analysis (MD&A) is presented in narrative form to introduce the basic financial statements and to provide an overview and analysis of the financial operations for the fiscal year ended June 30, 2020. This letter of transmittal is designed to complement and amplify the MD&A and should be read in conjunction with the MD&A. The MD&A is located immediately following the independent auditor's report and includes more illustrative tables than this letter of transmittal.

### **Financial Reporting Entity**

The funds related to the City of Creedmoor that are included in our CAFR represent those funds for which the primary government is financially accountable. There are no other entities or organizations for which the City of Creedmoor is financially accountable that should be included in the CAFR. The criteria used in determining the reporting entity are consistent with the Government Accounting Standards Board (GASB) Statement 14, which defines a reporting entity. Based on these criteria, the various funds (being all the funds of the City) shown in the Table of Contents are included in this report.

### **Profile of the City of Creedmoor**

The City of Creedmoor is located in the southern end of Granville County, North Carolina with the Virginia state line forming the northern border. The Raleigh-Durham-Chapel Hill metropolitan areas border the southern and southwestern parts of the City, all conveniently connected and accessible via a short commute on Interstate I-85, US Highway 15, or NC Highway 50. For the County as a whole, there has been a shift away from the traditional industries, such as tobacco production and textiles, to a more diverse industrial and service-based economy. More detailed information on this issue is in the Factors Influencing Economic Conditions section, below.

While Granville County does have major corporate employers such as Revlon, Bridgestone-Bandag, and CertainTeed, none of those businesses are located in the City of Creedmoor. A majority of Creedmoor residents work outside of the City, making a 20-25 minute commute southward to Raleigh, the State Capital, or to the southwest to Durham or Chapel Hill. The City's leaders and Business Development Department continue to actively seek businesses and industries that would benefit from Creedmoor's existing industrial sites and convenient access to highways.

The City of Creedmoor administers its financial and daily affairs using the Council/Manager form of government. Policy-making and legislative authority is vested in the Creedmoor Board of Commissioners (the Board), consisting of the non-voting Mayor and five Commissioners. The Mayor is elected every two years and the Commissioners to staggered four-year terms. The Board is responsible for governing the City by adopting local ordinances, adopting an annual budget, and establishing annual property tax rates. The Board also hires the City Manager and appoints members to various other boards and commissions. The Board may also call bond referendums, enter into contracts, and establish new programs.

The City Manager is the chief administrative officer of the City. The major responsibilities of the Manager include the day-to-day supervision of the activities of City departments, attendance at Board meetings, making recommendations on matters of business, and preparing and recommending the annual budget. The City provides a full range of services including: economic development, public safety, general public works, street and highway maintenance, parks and recreation services, and planning and zoning. Creedmoor citizens contract individually with South

Granville Water and Sewer Authority (SGWASA) for water and sewer services and with Waste Industries for solid waste services.

The annual budget provides the foundation for the City's financial planning and control. The budget is a legally adopted ordinance, the development of which receives input from citizens, management team members, Commissioners and other interested parties. The format and required budget elements are spelled out in NC General Statute §159, Article 3, commonly known as The Local Government Budget and Fiscal Control Act. The Manager uses funding requests from all departments and agencies to develop a proposed budget that is presented to the Board of Commissioners for their review and approval.

### **Factors Influencing Economic Conditions**

Creedmoor's proximity to the urban core of Raleigh and Durham makes it convenient for citizens to live in the City and commute throughout the region for employment. Because of this, the City has traditionally been a bedroom community attracting highly trained and skilled professionals, consistently keeping the median household income above the state average.

As described in previous CAFR's, the City of Creedmoor continues to make data collection, performance management, and analytical procedures part of the everyday operating environment. Table 19 in the Statistical Section shows some of these operational workload and performance measures. While workload measurement is rudimentary performance management, it must be done before more interpretive analytical procedures can be done.

### **City Initiatives**

The Board of Commissioners and City staff continue to take actions intended to improve the financial condition of the City, increase the efficiency of daily operations, and improve the quality of life for its citizens. The following is a summary of achievements accomplished in the past year:

The City continued construction of sidewalks/greenways along Highway 56, Lake Road, & Highway 15. These projects are primarily funded by grants provided by NC Department of Transportation, with matching funds provided by the City. These greenways will connect downtown Creedmoor with the surrounding residential areas of the City. The majority of this project has been completed and the remainder is expected to be finished in Fiscal Year 2021, depending on any unforeseen changes.

The City also continued the renovation and construction phase of the Creedmoor Community Center. This project is primarily funded by the proceeds from the water/sewer system sale to SGWASA in 2015, with additional funding assistance from Granville County & the NC Parks and Recreation Trust Fund Grant. The Community Center will consist of a basketball court with walking track, multi-purpose room, office space, and an outdoor multi-purpose field. Granville County will continue to operate the Senior Center from this location. The construction phase of the project is expected to be completed in Fiscal Year 2021, depending on any unforeseen changes.

The majority of the Lake Rogers Improvement Project, which consists of two phases, was completed in Fiscal Year 2020. Phase I began in Fiscal Year 2018 and includes a new picnic shelter, entrance sign, repairs to the existing fishing pier, and landscaping. Phase II, which includes a new boardwalk, walking trails, and fishing platforms, began construction in Fiscal Year 2020. The project is expected to be complete in Fiscal Year 2021.

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The City purchased the school administrative building located at 109 Park Avenue from the Granville County Board of Education in Fiscal Year 2020. The Board, along with Pritchett Steinbeck Group, LLC, is currently exploring ideas for the best use of the building.

### **Awards and Accolades**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Creedmoor for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the eleventh consecutive year that the City of Creedmoor achieved the prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. City management believes that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and the CAFR will be submitted to the GFOA to determine its eligibility for another certificate.

We appreciate the assistance and dedication of all employees in carrying out the services and programs approved by the Board of Commissioners. Preparation of this report would not have been possible without the efforts of the Creedmoor Finance Department, the Creedmoor Management Team, and the independent auditors, Winston, Williams, Creech, Evans & Company, LLP.

Respectfully Submitted,



Michael O. Turner  
Interim City Manager



Reuben D. Carden  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Creedmoor  
North Carolina**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

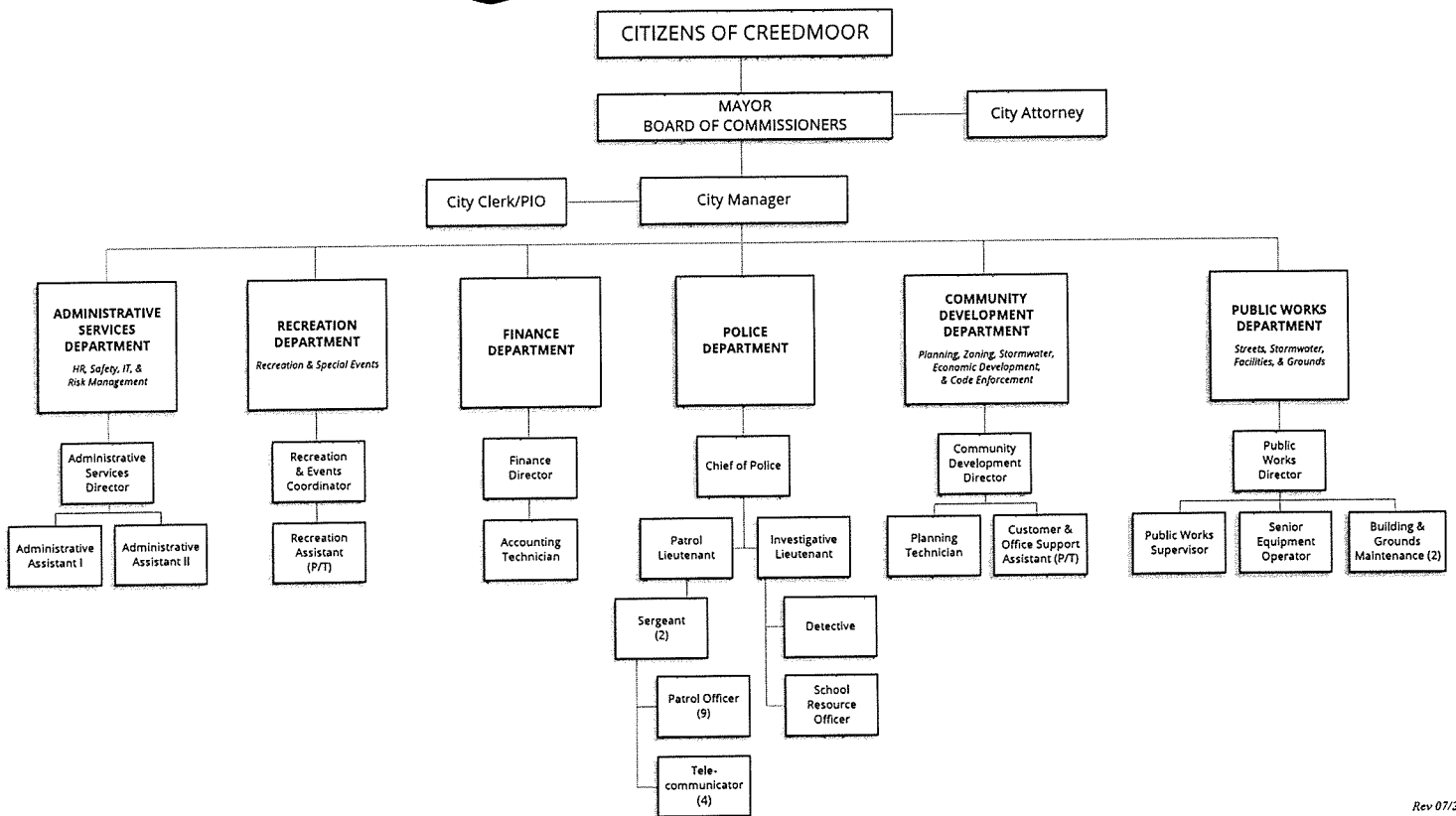
June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



City of Creedmoor  
**ORGANIZATIONAL CHART**



# History

In 1885, a group of twenty five taxpayers of Granville County appeared before the Board of Commissioners for the County of Granville with a petition from the Dutchville Township. The petition made a proposition to subscribe ten thousand dollars to the capital stock of the Oxford and Clarksville Railroad Company. Under the provisions of the act of the General Assembly of North Carolina which was entitled "An Act to Incorporate," the Oxford and Clarksville Railroad Company was notified on the 28<sup>th</sup> day of February 1885.

The proposal was thereby approved under the provisions of the General Assembly of North Carolina. As a result it was ordered that the election of subscribing the said sum of ten thousand dollars to the capital stock of the said railroad company be submitted to the qualified voters of the Dutchville Township and that an election be held in the said township at the proper voting place therein on the 8<sup>th</sup> day of October 1887.

Over the next few years, the Creedmoor served as a railroad depot between the Clarksville and Oxford Railroads and the Raleigh and Gaston Railroads.



In 1886, Thomas B. Lyon applied to the Post Office Department for a post office to be located in Creedmoor. Lyon's request was granted on the 10<sup>th</sup> day of April 1886. John Harmon was appointed as the first postmaster. In September of that same year, Samuel C. Lyon, son of Thomas B. Lyon, was appointed postmaster.

In 1895, Creedmoor was incorporated as *Creedmore* and reincorporated in 1905 as *Creedmoor*.

At the time of incorporation, Creedmoor's officials consisted of a mayor and five commissioners who were to be elected by the voters of the town.

Joseph L. Peed served as the first mayor. The first commissioners were Dr. J.F. Sanderford, Isaac Bullock, S. C. Lyon, Claude V. Garner, and L. H. Longmire. With the election of these men, the foundation for Creedmoor's future was laid.

At one time Creedmoor was a larger tobacco market than Durham. Area Farmers did not limit themselves to tobacco only, but also grew cotton as a profitable crop.

In the wake of Creedmoor's tobacco era, mules came to Creedmoor. About forty train car loads of mules were pulled into the town each year. At one time, Creedmoor was considered to be the largest mule trading center in the world and was known far and wide as the "Mule Town". It was not until the mid-nineteen fifties that the town removed the slogan "One of the Largest Retail Livestock Markets in North Carolina" from its official letterhead.



In 1917, electricity came to Creedmoor when G. H. Dove and F. J. McDuffy flipped a switch in their plant which was located in Railroad Street.

Today, Creedmoor is a thriving community that serves those looking for a small town experience, within easy access of the Raleigh and Durham metropolitan areas.

In 1996, this area of Granville County was voted one of the best places to live in the nation by Money Magazine.

The City of Creedmoor remains a great place to live for residents of all ages and backgrounds.

# City of Creedmoor North Carolina

## FINANCIAL SECTION

This section includes the independent auditor's report, the management discussion and analysis, the basic financial statements (government-wide and fund financial statements), notes to the financial statements and required supplementary information other than management discussion and analysis (budget to actual comparison of major governmental funds and pension schedules).



# Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



America Counts on CPAs

Gary L. Williams, CPA  
Carleen P. Evans, CPA  
Jennifer T. Reese, CPA  
Tara H. Roberson, CPA

Curtis G. Van Horne, CPA

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## Independent Auditor's Report

To the Mayor and Board Members  
City of Creedmoor  
Creedmoor, North Carolina

### Report on the Financial Statements

We 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 City of Creedmoor, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based upon our audit, 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 City of Creedmoor, North Carolina, as of June 30, 2020 and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 through 23, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 70 and 71, 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 on pages 72 and 73, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, on pages 74 , be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Creedmoor, North Carolina. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section, and the Schedule of Expenditures of Federal and State awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020 on our consideration of the City of Creedmoor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Creedmoor's internal control over financial reporting and compliance.

***Winston, Williams, Creech, Evans & Company, LLP***  
Oxford, North Carolina  
November 9, 2020

## Management's Discussion and Analysis

As management of the City of Creedmoor, we offer the readers of the City of Creedmoor's financial statements this narrative overview and analysis of the financial activities of the City of Creedmoor for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

### Financial Highlights

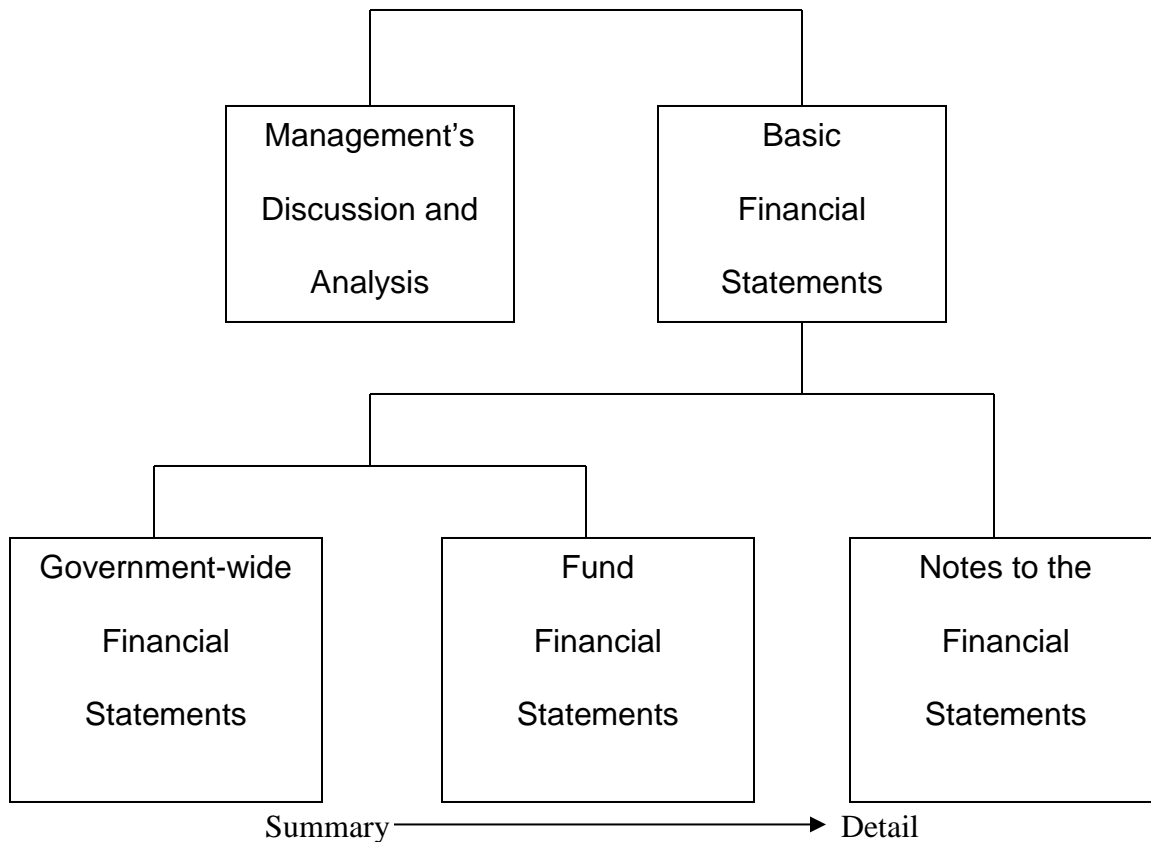
- The assets and deferred outflows of the City of Creedmoor exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$30,082,435 (*net position*).
- The government's total net position increased by \$4,277,665.
- As of the close of the fiscal year, the City of Creedmoor's governmental funds reported combined ending fund balances of \$10,686,049, a decrease of \$5,417,614 in comparison with the prior year. Of the fund balance total, approximately 65% or \$6,995,768 is unassigned.
- At the end of the current fiscal year, fund balance available for appropriation in the General Fund was \$7,853,735, or approximately 173% of total general fund expenditures for the fiscal year. This amount includes resources available for appropriation, but legally limited to certain purposes. The latest group average for municipalities of a similar size is 77.89% of General Fund spending. See Table 9 in the Statistical Section for additional discussion and detail.
- The City of Creedmoor's General Fund reported expenditures over revenues by \$349,929 before other financing sources. The General Fund had \$9,946 in income from other financing sources.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Creedmoor's basic financial statements. The City'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 City 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 City of Creedmoor.

## 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 City's financial status.

The next statements (Exhibits 3 through 8) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to 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. 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 City's individual funds. Budgetary information required by the North Carolina 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 City'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 City's financial status as a whole.

The two government-wide statements report the City's net position and how they have changed. Net position is the difference between the City's total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City'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 City's basic services such as public safety, public works, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. The stormwater management operations are the City of Creedmoor's only business-type activity.

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

## Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City'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 City of Creedmoor, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Creedmoor can be divided into two categories: governmental 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 City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Creedmoor 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 City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current

period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City 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 of Commissioners; 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. The budgetary comparison statement uses the budgetary basis of accounting (modified accrual) and is presented using the same format, language and classifications as the legal budget document.

**Proprietary Funds** – The City of Creedmoor has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Creedmoor uses enterprise funds to account for its stormwater management operation. These funds are 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 39 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Creedmoor's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 70 of this report.

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

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## Government-Wide Financial Analysis

### City of Creedmoor's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 11,799,916	\$ 17,205,461	\$ 558,357	\$ 391,193	\$ 12,358,273	\$ 17,596,654
Capital assets	21,689,393	12,077,746	-	-	21,689,393	12,077,746
Total assets	33,489,309	29,283,207	558,357	391,193	34,047,666	29,674,400
Deferred outflows of resources	602,843	604,565	23,755	28,044	626,598	632,609
Long-term liabilities outstanding	3,120,597	2,961,880	133,250	149,242	3,253,847	3,111,122
Other liabilities	1,090,327	1,090,346	9,910	7,976	1,100,237	1,098,322
Total liabilities	4,210,924	4,052,226	143,160	157,218	4,354,084	4,209,444
Deferred inflows of resources	231,037	282,773	6,708	10,022	237,745	292,795
Net position:						
Net investment in capital assets	21,689,393	12,077,746	-	-	21,689,393	12,077,746
Restricted	874,315	796,290	432,244	251,997	1,306,559	1,048,287
Unrestricted	7,086,483	12,678,737	-	-	7,086,483	12,678,737
Total net position	\$ 29,650,191	\$ 25,552,773	\$ 432,244	\$ 251,997	\$ 30,082,435	\$ 25,804,770

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the City of Creedmoor exceeded liabilities and deferred outflows by \$30,082,435 as of June 30, 2020. The City's net position increased by \$4,277,665 for the fiscal year ended June 30, 2020. The City'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 represents 72.1% of the net position. The City of Creedmoor uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Creedmoor's net investment in capital assets is reported net of any 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. However, for Fiscal Year 2020, Creedmoor had no outstanding debt related to the capital assets. An additional portion of the City of Creedmoor's net position (4.34%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$7,086,483 is unrestricted.

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

- The City continues to budget revenues and expenditures conservatively. Actual revenues were slightly higher than the budget. Most revenue categories had positive variances. Two revenue categories that saw significant revenues over budgeted amounts were Local Option Sales Tax and Investment Earnings.
- At year end, actual operating expenditures were under the budgeted amounts by \$723,544 in the General Fund. This was in large part due to the ongoing effort to minimize administrative spending wherever possible, vacant positions, and purchase orders that were not closed out by year-end.



These events have benefited the final revenue over expenditures amount. Some, of course, are infrequent events or one-time events. The City has improved its internal review procedures to better anticipate negative pressures on the budget and to have response alternatives available.

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**City of Creedmoor Changes in Net position**  
**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Service	\$ 217,927	\$ 206,455	\$ 301,673	\$ 283,947	\$ 519,600	\$ 490,402
Operating Grants						
& Contributions	143,451	152,057	-	-	143,451	152,057
Capital Grants & Contributions	4,215,850	614,994	-	-	4,215,850	614,994
General Revenues:						
Property Taxes	2,043,856	2,055,914	-	-	2,043,856	2,055,914
Other Taxes	1,162,138	1,096,278	-	-	1,162,138	1,096,278
Other	670,481	820,182	7,561	8,323	678,042	828,505
Total Revenues	8,453,703	4,945,880	309,234	292,270	8,762,937	5,238,150
Expenses:						
General Government	1,308,964	1,347,193	-	-	1,308,964	1,347,193
Public Safety	2,273,108	1,669,492	-	-	2,273,108	1,669,492
Transportation & Public Works	571,596	570,293	-	-	571,596	570,293
Economic & Physical Development	-	-	-	-	-	-
Environmental Protection	-	-	-	-	-	-
Cultural and Recreation	202,617	248,575	-	-	202,617	248,575
Stormwater Management	-	-	128,987	181,801	128,987	181,801
Total Expenses	4,356,285	3,835,553	128,987	181,801	4,485,272	4,017,354
Excess (deficiency) Before Transfers, Gains on Sale and Special Items	4,097,418	1,110,327	180,247	110,469	4,277,665	1,220,796
Transfers	-	-	-	-	-	-
Increase in Net Position	4,097,418	1,110,327	180,247	110,469	4,277,665	1,220,796
Net Position, July 1	25,552,773	24,442,446	251,997	141,528	25,804,770	24,583,974
Net Position, June 30	\$ 29,650,191	\$ 25,552,773	\$ 432,244	\$ 251,997	\$ 30,082,435	\$ 25,804,770

**Governmental Activities:** Governmental activities increased the City's net position by \$4,097,418. The majority of the increase is due to the receipt of grants for ongoing capital projects, including the Cross-City Trail, Community Center, and Lake Rogers Park Improvements. The ending net position for the governmental activities was \$29,650,191.

**Business-Type Activities:** Business-type activities increased Creedmoor's net position by \$180,247. Investment in the stormwater system in prior years is proving beneficial, decreasing the necessary maintenance costs.

## Financial Analysis of the City's Funds

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

**Governmental Funds.** The focus of the City of Creedmoor's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. The government wide statements discussed above take a longer term financial view, similar to that found in corporate accounting. The information from both perspectives is useful in assessing the City of Creedmoor's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Creedmoor. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,995,768, while total fund balance increased to \$8,475,364. The increased fund balance in the general fund is a result of a continued effort to spend conservatively on City-wide operating expenditures. Revenues exceeded expenditures in the General Fund before other financing sources (uses) by \$82,957. As a measure of the General Fund's solvency, fund balance available for appropriation is calculated in accordance with North Carolina General Statute 159-8(a). The fund balance legally available is compared to the total expenditures and transfers out from the General Fund. This calculation is promulgated by the staff of the Local Government Commission and is a generally accepted benchmark in the state. The City of Creedmoor's legal, calculated fund balance available is \$7,853,735 in the General Fund, which is 173% of the annual spending and transfers out from the fund. The latest group average for similar municipalities in the state is 77.89%. A *very general* interpretation of this percentage is that if it had to, the City could continue to function at its current level for about 2 years on the cash and investments available. The cash reserves are due to the sale of the City's water and sewer system. These funds are intended to help the City to continue operating at similar service levels without the benefit of utility revenues. See Table 9 for more details on the statutory calculation of fund balance available for appropriation.

The General Capital Project Fund reported a net decrease in fund balance of \$555,716.

At June 30, 2020, the governmental funds of City of Creedmoor reported a combined fund balance of \$10,686,049, a decrease over last year.

**General Fund Budgetary Highlights:** During the fiscal year, the City 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 became available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues were higher than the budgeted amount by \$134,438 and expenditures for operational functions were under budget by \$723,544. The policy of taking a very conservative approach to budgeting has continued to prove its worth. The Local Option Sales Tax alone had actual revenue \$137,138 higher than budgeted, in the face of the emergence of the COVID-19 pandemic. Investments continued to perform well in the first half of the year, but has since fallen due to decreasing interest rates and cash balances. In the General Fund investment income was \$31,474 over the conservative budget. General Fund

expenditures were under budget, partly due to open positions in the Police Department, general government projects not completed before June 30, 2020 and unused Powell Bill allocations.

**Proprietary Funds.** The City of Creedmoor has one proprietary fund, the Stormwater Fund. As of June 30, 2020, revenues in the fund exceeded expenditures by \$180,247. There were no transfers in or out of the Stormwater Fund during the year. At June 30, 2020, net position was \$432,244.

## Capital Asset and Debt Administration

**Capital Assets.** The City of Creedmoor's investment in capital assets for its governmental activities as of June 30, 2020, totaled \$21,689,393 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, park facilities, and vehicles.

The major capital asset transactions during the year include the following:

- The majority of the increase to construction in progress consists of construction activity for the Cross-City Trail, Lake Rogers Park Improvement Project, & Creedmoor Community Center. Construction for each of these projects is expected to be completed in Fiscal Year 2021.

### City of Creedmoor's Capital Assets (net of depreciation)

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 5,060,862	\$ 5,060,862	\$ -	\$ -	\$ 5,060,862	\$ 5,060,862
Construction in progress	12,074,425	2,217,040	-	-	12,074,425	2,217,040
Buildings and system	827,664	872,981	-	-	827,664	872,981
Machinery and equipment	258,486	342,417	-	-	258,486	342,417
Vehicles and motorized equipment	155,688	178,175	-	-	155,688	178,175
Infrastructure	3,312,268	3,406,271	-	-	3,312,268	3,406,271
Total	\$ 21,689,393	\$ 12,077,746	\$ -	\$ -	\$ 21,689,393	\$ 12,077,746

Additional information on the City's capital assets can be found in Note III.A.4 of the Basic Financial Statements, beginning on page 50 of this document.

**Long-Term Debt.** As of June 30, 2020, the City of Creedmoor had no bonded debt outstanding.

### City of Creedmoor's Outstanding Debt

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Bond	-	-	-	-	-	-
Accrued Vacation Pay	126,663	82,369	3,608	4,251	130,271	86,620
Net pension liability-LGERS	581,544	634,757	33,187	35,667	614,731	670,424
Total pension liability-LEO	306,456	301,018	-	-	306,456	301,018
Other Post Employment Benefits	2,146,658	2,021,288	100,063	113,575	2,246,721	2,134,863
Total	\$ 3,161,321	\$ 3,039,432	\$ 136,858	\$ 153,493	\$ 3,298,179	\$ 3,192,925

Pension related debt is the Law Enforcement Officers' Special Separation Allowance. This and the Other Post-Employment Benefits are included in the interest of full disclosure and transparency. These amounts are actuarial estimates, for payment over multiple years.

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 City of Creedmoor is \$26,787,889.

Additional information regarding the City of Creedmoor's long-term debt can be found in Note III.B.9 beginning on page 65 of this report.

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

The following key economic indicators and factors affect the growth of the City.

- The City of Creedmoor is located in the southern part of Granville County, within commuting distance of the Raleigh and Durham metropolitan centers. A new subdivision is under development which will bring 92 new homes to Creedmoor. Phase 1 of this subdivision, which consists of 41 homes is nearly complete and construction on Phase 2 has begun, which will include the remaining 51 homes. In addition to the new subdivision, a 68-unit apartment complex has finished construction and is now accepting rental applications.
- City staff has applied analytical procedures to the total amount of local option sales tax revenue available to Granville County to distribute among the five municipalities. That "pot of money" continues to show growth. While the amount of growth is increasing, Creedmoor's population relative to the other areas of the County has also been growing. These two factors benefit the City

because Granville County apportions the funds on a per capita basis. This has been the trend for several years now.

- The Local Option Sales Tax is the City's second biggest revenue stream and can be a measurement of economic health in Granville County and statewide. The City of Creedmoor had an increase in Local Option Sales Tax Collections of 6.8% from Fiscal Year 2019 to Fiscal Year 2020. The City was trending to have a larger increase in sales tax revenue, but was hampered by the COVID-19 pandemic.

### **Budget Highlights for the Fiscal Year Ending June 30, 2021**

**Governmental Activities:** The tax rate in Creedmoor remained at 61.5¢ per \$100 of assessed value. Recreation opportunities continue to grow and develop. The City currently has several recreation projects at different stages of development including capital improvements at Lake Rogers Park and the Creedmoor Community Center, which includes renovations to the Creedmoor Gym and Senior Center, and construction of a new gymnasium. The Cross City Trail, which is a network of sidewalks and greenways connecting different areas of the City, continues to be constructed. All of these projects are expected to be completed in Fiscal Year 2021.

Revenues are expected to decrease in Fiscal Year 2021 as a result of the COVID-19 pandemic. Local Option Sales Tax, which has steadily increased the past several years, is expected to continue to grow, but possibly at a slower rate. Interest earnings are expected to drop considerably due to the COVID-19 pandemic and decreasing cash balances. Additionally, ad valorem tax collection rates expect to be affected as well, but it is unclear if the City will experience a significant decrease.

**Business - Type Activities:** Fiscal Year 2021 will be the tenth year of operation for the Stormwater Management Fund. Because of the interlocal agreement with Stem, Butner, Granville County and Person County, the Creedmoor stormwater fees are collected by the Granville County tax collector and remitted monthly to the City. Creedmoor contracts with an independent third-party for stormwater consulting on statewide permitting matters. City-wide work on identified stormwater issues continues. The Creedmoor staff are working to correct these problems "beginning upstream and going down." Correction of problems where the stormwater begins to flow continues to reduce problems later in the water's flow to Falls Lake. Operations are expected to continue at this level for the foreseeable future.

### **Requests for Information**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, City of Creedmoor, P.O. Box 765, Creedmoor, NC 27522.

City of Creedmoor  
North Carolina

BASIC  
FINANCIAL  
STATEMENTS

# GOVERNMENT-WIDE FINANCIAL STATEMENTS



**CITY OF CREEDMOOR, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 8,756,101	\$ -	\$ 8,756,101
Restricted cash	2,423,593	555,960	2,979,553
Taxes receivable (net)	43,664	-	43,664
Accrued interest receivable on taxes	11,138	-	11,138
Accounts receivable (net)	56,505	-	56,505
Due from other governments	414,637	2,397	417,034
Prepaid items	94,278	-	94,278
Total current assets	11,799,916	558,357	12,358,273
<b>CAPITAL ASSETS</b>			
Land and construction in progress	17,135,287	-	17,135,287
Other capital assets, net of depreciation	4,554,106	-	4,554,106
Total capital assets	21,689,393	-	21,689,393
Total assets	33,489,309	558,357	34,047,666
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	478,685	21,565	500,250
OPEB deferrals	124,158	2,190	126,348
Total deferred outflows of resources	602,843	23,755	626,598
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	878,343	6,302	884,645
Prior years' payroll taxes and pension payable	85,543	-	85,543
Accrued salaries	85,717	-	85,717
Accrued vacation	40,724	3,608	44,332
Total current liabilities	1,090,327	9,910	1,100,237
<b>NONCURRENT LIABILITIES</b>			
Accrued vacation pay	85,939	-	85,939
Net pension liability-LGERS	581,544	33,187	614,731
Total pension liability-LEO	306,456	-	306,456
Other postemployment benefits	2,146,658	100,063	2,246,721
Total non-current liabilities	3,120,597	133,250	3,253,847
Total liabilities	4,210,924	143,160	4,354,084
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	9,462	-	9,462
Pension deferrals	121,027	2,021	123,048
OPEB deferrals	100,548	4,687	105,235
Total deferred inflows of resources	231,037	6,708	237,745
<b>NET POSITION</b>			
Net Investment in Capital Assets	21,689,393	-	21,689,393
Restricted for:			
Public safety	1,656	-	1,656
Streets	291,595	-	291,595
Stabilization by State Statute	581,064	-	581,064
Stormwater	-	432,244	432,244
Unrestricted	7,086,483	-	7,086,483
Total position	\$ 29,650,191	\$ 432,244	\$ 30,082,435

The accompanying notes are an integral part of the financial statements.

**CITY OF CREEDMOOR, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 1,308,964	\$ 18,722	\$ -	\$ -	\$ (1,290,242)	\$ -	\$ (1,290,242)
Public Safety	2,273,108	67,876	10,538	-	(2,194,694)	-	(2,194,694)
Transportation	571,596	-	118,850	3,378,025	2,925,279	-	2,925,279
Environmental protection	-	3,551	-	-	3,551	-	3,551
Cultural and recreation	202,617	127,778	14,063	837,825	777,049	-	777,049
Total governmental activities	4,356,285	217,927	143,451	4,215,850	220,943	-	220,943
Business-type activities:							
Stormwater management	128,987	301,673	-	-	-	172,686	172,686
Total business-type activities	128,987	301,673	-	-	-	172,686	172,686
Total primary government	4,485,272	519,600	143,451	4,215,850	220,943	172,686	393,629
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,043,856	-	2,043,856
Sales taxes					1,162,138	-	1,162,138
Unrestricted intergovernmental					360,908	-	360,908
Unrestricted investment earnings					207,280	7,561	214,841
Miscellaneous					102,293	-	102,293
Total general revenues not including transfers					3,876,475	7,561	3,884,036
Change in net position					4,097,418	180,247	4,277,665
Net position - beginning					25,552,773	251,997	25,804,770
Net position - ending					\$ 29,650,191	\$ 432,244	\$ 30,082,435

The accompanying notes are an integral part of the financial statements.

## FUND FINANCIAL STATEMENTS

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	MAJOR FUNDS			TOTAL NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	GENERAL CAPITAL PROJECTS FUND	CAPITAL RESERVE FUND		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,397,285	\$ 358,816	\$ -	\$ -	\$ 8,756,101
Restricted cash	293,251	-	1,218,412	911,930	2,423,593
Receivables, net:					
Taxes	43,664	-	-	-	43,664
Accounts	2,792	53,713	-	-	56,505
Due from other governments	414,637	-	-	-	414,637
Prepaid assets	94,278	-	-	-	94,278
Total assets	<u>9,245,907</u>	<u>412,529</u>	<u>1,218,412</u>	<u>911,930</u>	<u>11,788,778</u>
<b>LIABILITIES</b>					
Liabilities:					
Accounts payable and accrued liabilities	546,157	332,186	-	-	878,343
Prior years' taxes and pension payable	85,543	-	-	-	85,543
Accrued salaries and fringe benefits	85,717	-	-	-	85,717
Total liabilities	<u>717,417</u>	<u>332,186</u>	<u>-</u>	<u>-</u>	<u>1,049,603</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes receivable	43,664	-	-	-	43,664
Other deferred inflows	9,462	-	-	-	9,462
Total deferred inflows of resources	<u>53,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,126</u>
<b>FUND BALANCES</b>					
Non Spendable					
Prepaid assets	94,278	-	-	-	94,278
Restricted					
Public safety	1,656	-	-	-	1,656
Stabilization by State Statute	527,351	53,713	-	-	581,064
Streets	291,595	-	-	-	291,595
Committed					
Capital Projects	-	-	1,218,412	-	1,218,412
Economic Development	-	-	-	911,930	911,930
Assigned					
Subsequent year's expenditures	229,731	-	-	-	229,731
Public safety	10,766	-	-	-	10,766
Recreation	324,219	-	-	-	324,219
Capital Projects	-	26,630	-	-	26,630
Unassigned	6,995,768	-	-	-	6,995,768
Total fund balances	<u>8,475,364</u>	<u>80,343</u>	<u>1,218,412</u>	<u>911,930</u>	<u>10,686,049</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 9,245,907</u>	<u>\$ 412,529</u>	<u>\$ 1,218,412</u>	<u>\$ 911,930</u>	<u>\$ 11,788,778</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

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

Total equity and other credits (Exhibit 4)	\$	10,686,049
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Total capital assets	24,366,241	
Less accumulated depreciation	<u>(2,676,848)</u>	
		21,689,393
Deferred inflows of resources related to pensions are not reported in the funds.		(121,027)
Deferred inflows of resources related to OPEB are not reported in the funds.		(100,548)
Deferred outflows of resources related to pensions are not reported in the funds.		478,685
Deferred outflows of resources related to OPEB are not reported in the funds		124,158
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred.		
Interest receivable		11,138
Earned revenues considered deferred inflows of resources in fund statements.		43,664
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and therefore not recorded in the fund statements		
Compensated absences	(126,663)	
Net pension liability-LGERS	(581,544)	
Total pension liability-LEO	(306,456)	
OPEB liability	<u>(2,146,658)</u>	
		<u>(3,161,321)</u>
Net position of governmental activities	<u>\$</u>	<u>29,650,191</u>

**CITY OF CREEDMOOR, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	MAJOR FUNDS			TOTAL NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	GENERAL CAPITAL PROJECTS FUND	CAPITAL RESERVE FUND		
REVENUES					
Ad valorem taxes	\$ 2,053,393	\$ -	\$ -	\$ -	\$ 2,053,393
Other taxes and licenses	1,162,138	-	-	-	1,162,138
Unrestricted intergovernmental revenues	360,908	-	-	-	360,908
Restricted intergovernmental revenues	204,320	4,215,850	-	-	4,420,170
Permits and fees	57,704	-	-	-	57,704
Sales and services	149,000	-	-	-	149,000
Investment earnings	131,924	2,325	59,811	13,220	207,280
Miscellaneous	52,306	-	-	-	52,306
Total revenues	4,171,693	4,218,175	59,811	13,220	8,462,899
EXPENDITURES					
Current:					
General government	1,343,093	-	-	-	1,343,093
Public safety	2,132,767	-	-	-	2,132,767
Transportation and public works	427,925	-	-	-	427,925
Culture and recreation	142,286	-	-	-	142,286
Capital outlay	42,665	9,801,723	-	-	9,844,388
Total expenditures	4,088,736	9,801,723	-	-	13,890,459
REVENUES OVER (UNDER) EXPENDITURES	82,957	(5,583,548)	59,811	13,220	(5,427,560)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	(442,832)	5,027,832	(4,585,000)	-	-
Sale of equipment	9,946	-	-	-	9,946
Total other financing sources (uses)	(432,886)	5,027,832	(4,585,000)	-	9,946
Net change in fund balance	(349,929)	(555,716)	(4,525,189)	13,220	(5,417,614)
Fund balance, Beginning of year - July 1	8,825,293	636,059	5,743,601	898,710	16,103,663
Fund balance, End of year - June 30	\$ 8,475,364	\$ 80,343	\$ 1,218,412	\$ 911,930	\$ 10,686,049

The accompanying notes are an integral part of the financial statements.

**CITY OF CREEDMOOR, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

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

Net changes in fund balances - total governmental funds (Exhibit 4)		\$ (5,417,614)
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 or (were less than) depreciation in the current period.		
Capital asset expenditures, capitalized as assets in the Statement of Activities	9,900,050	
Depreciation expense	<u>(278,798)</u>	9,621,252
Cost of capital asset disposed of during the year, not recognized on modified accrual basis		(9,605)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities		152,391
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		(45,663)
Benefit payments paid and administrative expense for retirees are not included on the Statement of Activities		77,186
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (net of prior accrual).		
Reversal of deferred tax revenue at 7-1-2019	(50,442)	
Tax receipts deferred in the fund statements at 6-30-2020	43,664	
Decrease in accrued taxes receivable	<u>(2,759)</u>	(9,537)
Expenses reported in the statement of activities do not require the use of current financial resources to pay are not recorded as expenditures in the fund statements.		
Compensated absences	(44,294)	
Pension obligations-LEO	76,923	
Pension obligations-LGERS	(300,984)	
OPEB plan expense	<u>(2,637)</u>	<u>(270,992)</u>
Total changes in net position of governmental activities		<u>\$ 4,097,418</u>

The accompanying notes are an integral part of the financial statements.

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	GENERAL FUND			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
REVENUES				
Ad valorem taxes	\$ 2,080,000	\$ 2,093,270	\$ 2,053,393	\$ (39,877)
Other taxes and licenses	1,025,000	1,025,000	1,162,138	137,138
Unrestricted intergovernmental revenues	386,500	379,500	360,908	(18,592)
Restricted intergovernmental revenues	199,000	199,000	204,320	5,320
Permits and fees	45,695	50,175	57,704	7,529
Sales and services	151,100	140,100	149,000	8,900
Investment earnings	100,450	100,450	131,924	31,474
Miscellaneous	25,600	49,760	52,306	2,546
Total revenues	4,013,345	4,037,255	4,171,693	134,438
EXPENDITURES				
Current:				
General government	1,515,887	1,601,129	1,343,093	258,036
Public safety	1,891,161	2,395,249	2,175,432	219,817
Transportation and public works	586,173	598,410	427,925	170,485
Cultural and recreation	204,337	217,492	142,286	75,206
Total expenditures	4,197,558	4,812,280	4,088,736	723,544
REVENUES OVER (UNDER) EXPENDITURES	(184,213)	(775,025)	82,957	857,982

The accompanying notes are an integral part of the financial statements.



**CITY OF CREEDMOOR, NORTH CAROLINA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2020**

	GENERAL FUND			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
OTHER FINANCING SOURCES (USES)				
Transfers to Other Funds				
Capital Projects	-	(442,900)	(442,832)	68
Sale of equipment	5,000	5,000	9,946	4,946
Total other financing sources (uses)	5,000	(437,900)	(432,886)	5,014
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(179,213)	(1,212,925)	(349,929)	862,996
APPROPRIATED FUND BALANCE	179,213	1,212,925	-	(1,212,925)
REVENUES, OTHER SOURCES AND APPROPRIATED FUND BALANCE OVER (UNDER) EXPENDITURES AND OTHER USES	\$ -	\$ -	(349,929)	\$ (349,929)
Fund balance, Beginning of year - July 1			8,825,293	
Fund balance, End of year - June 30			\$ 8,475,364	

The accompanying notes are an integral part of the financial statements.

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2020**

	MAJOR FUND STORMWATER	TOTAL
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Due from other governments	\$ 2,397	\$ 2,397
Restricted cash and investments	555,960	555,960
Total current assets	558,357	558,357
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Contributions to pension plan	21,565	21,565
OPEB deferrals	2,190	2,190
	23,755	23,755
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	6,302	6,302
Current portion of accrued vacation	3,608	3,608
Total current liabilities	9,910	9,910
<b>NONCURRENT LIABILITIES</b>		
Net pension liability	33,187	33,187
Total OPEB liability	100,063	100,063
Total noncurrent liabilities	133,250	133,250
Total liabilities	143,160	143,160
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension deferrals	2,021	2,021
OPEB deferrals	4,687	4,687
Total deferred inflows of resources	6,708	6,708
<b>NET POSITION</b>		
Restricted:		
Stormwater	432,244	432,244
Unrestricted	-	-
Total net position	\$ 432,244	\$ 432,244

The accompanying notes are an integral part of the financial statements.

**CITY OF CREEDMOOR, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGE IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	MAJOR FUND STORMWATER	TOTAL
OPERATING REVENUES		
Charges for services	\$ 301,673	\$ 301,673
Total operating revenues	301,673	301,673
OPERATING EXPENSES		
Stormwater management	128,987	128,987
Total operating expenses	128,987	128,987
Operating income (loss)	172,686	172,686
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	7,561	7,561
Total nonoperating revenue (expenses)	7,561	7,561
CHANGE IN NET POSITION	180,247	180,247
Total net position - beginning - July 1	251,997	251,997
Total net position - ending - June 30	\$ 432,244	\$ 432,244

The accompanying notes are an integral part of the financial statements.

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	STORMWATER	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 301,673	\$ 301,673
Cash paid for goods and services	(62,150)	(62,150)
Cash paid to employees for services	(80,215)	(80,215)
Net Cash Provided (Used) By Operating Activities	<u>159,308</u>	<u>159,308</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investment	7,561	7,561
Net Cash Flows from Investing Activities	<u>7,561</u>	<u>7,561</u>
Net Increase (Decrease) in Cash and Cash Equivalents	166,869	166,869
Cash and Cash Equivalents - Beginning of the Year	389,091	389,091
Cash and Cash Equivalents - End of the Year	<u>\$ 555,960</u>	<u>\$ 555,960</u>
 Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Operating Income	\$ 172,686	\$ 172,686
 Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:		
Change in assets and liabilities:		
(Increase) decrease in due from other governments	(295)	(295)
Decrease in deferred outflows of resources - pensions	5,924	5,924
(Increase) in deferred outflows of resources - OPEB	(1,635)	(1,635)
(Decrease) in net pension liability	(2,480)	(2,480)
Increase in deferred inflows of resources - pensions	1,341	1,341
(Decrease) in deferred inflows of resources - OPEB	(4,655)	(4,655)
Increase (decrease) in accounts payable	2,577	2,577
Increase (decrease) in accrued vacation payable	(643)	(643)
Increase (decrease) in OPEB liability	(13,512)	(13,512)
Total Adjustments	<u>(13,378)</u>	<u>(13,378)</u>
Net Cash Provided By Operating Activities	<u>\$ 159,308</u>	<u>\$ 159,308</u>

The accompanying notes are an integral part of the financial statements.

City of Creedmoor  
North Carolina

NOTES TO THE FINANCIAL  
STATEMENTS

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The City of Creedmoor is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the City and its component units, legally-separate entities for which the City is financially accountable. The City as of June 30, 2020 had no component units.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business*-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

**CITY OF CREEDMOOR, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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The City reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services.

**General Capital Projects Fund** – This fund is used to account for capital projects benefiting the City as a whole.

**Capital Reserve Fund** – This fund was established in FY15, in accordance with Article 3, Part 2, of North Carolina General Statute 159 (GS 159-18 through 159-22). The funds set aside here may only be used for future capital asset acquisition of construction. The money may not legally be returned to the General Fund for routine operations. The initial \$8,000,000 funding came from utility system sale proceeds.

The City reports the following non-major governmental funds:

**Water Economic Development Fund** –These funds have been set aside to fund water infrastructure costs as part of economic development. The funding came from prior earnings from water operations. There are no external restrictions on this money.

**Sewer Economic Development Fund** –These funds have been set aside to fund sewer infrastructure costs as part of economic development. The funding came from the prior earnings from sewer operations. There are no external restrictions on this money.

The City reports the following major enterprise funds:

**Stormwater Fund** - This fund is used to account for the City's stormwater management operations.

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

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

*Government-wide and Proprietary Fund Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Creedmoor because the tax is levied by Granville County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenue rather than program revenue. Any grant revenues which are unearned at year-end are recorded as deferred



**CITY OF CREEDMOOR, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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inflows of resources. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**D. Budgetary Data**

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the General Capital Projects Fund, the Capital Reserve Fund, the Water Economic Development Fund, and the Sewer Economic Development Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund. 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 budget ordinance can be adopted.

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

**1. Deposits and Investments**

All deposits of the City are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The City may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City 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 City 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 Cash Capital Management Trust (NCCMT). The City's investments are generally reported at fair value. The NCCMT-Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

**2. Cash and Cash Equivalents**

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income and minimize banking fees. Therefore, all cash and

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted because Powell Bill funds may only be expended for the purpose of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. The resources on the Capital Reserve Fund are restricted by State law for capital asset purchase or construction. The specific usage of the Capital Reserve money may be amended by Board action. As with Powell Bill funds, the Stormwater funds are restricted to the management of storm runoff and drainage.

The funds shown in the Water and Sewer Funds are unrestricted funds. The Board of Commissioners could, by Board action, close those funds and reassign the balance of funds.

City of Creedmoor Restricted Cash

Governmental Activities:

Capital Reserve Fund	\$ 1,218,412
Water Economic Development	381,763
Sewer Economic Development	530,167
Streets (Powell Bill)	291,595
Public Safety (Police Dept.)	<u>1,656</u>
Total Governmental Activities	<u>\$ 2,423,593</u>

Business-Type Activities:

Stormwater Fund	<u>555,960</u>
Total Business-Type Activities	<u>\$ 555,960</u>

Total Restricted Cash	<u>\$ 2,979,553</u>
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4. Ad Valorem Taxes Receivables

In accordance with State law (G.S. 105-347 and G.S. 159- 13(a)), the City levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Prepaid Items

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

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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6. 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, furniture, equipment, vehicles and other plant and distribution systems, \$5,000; infrastructure, \$50,000. Donated capital assets received prior to June 15, 2016 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2016 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimate Useful Lives</u>
Infrastructure	40
Buildings	40
Improvements	40
Furniture and equipment	7
Computer software	5
Vehicles	5

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City of Creedmoor has one item that meet this criterion: pension deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has three items that meet the criterion for this category: prepaid property taxes, prepaid stormwater fees, and pension deferrals.

8. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs (if any), are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

**9. Compensated Absences**

The vacation policy of the City provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the City'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 City has assumed a last-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

**10. Net Position/Fund Balances**

**Net Position**

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

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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**Prepaid assets** - portion of fund balance that is not an available resource because it represents payment costs associated with activities better matched to the following fiscal year.

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

**Restricted for Public Safety** - portion of fund balance that is restricted by revenue source for law enforcement efforts. The \$1,656 represents the balance of Unauthorized Substance Tax revenue sent to the City by the State of North Carolina.

**Restricted for Stabilization by 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.

**Restricted for Streets** - Powell Bill portion of the fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the unexpended Powell Bill funds, less obligations to be paid with Powell Bill money.

Committed Fund Balance – This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City of Creedmoor's Board of Commissioners. The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

**Committed for Capital Projects** – portion of the fund balance committed by the Board for future capital asset acquisition or construction.

**Committed for Economic Development** – portion of the fund balance that has been committed by the Board for future water and sewer projects to promote economic development. The amount committed to future water utility projects is \$381,763 and the amount committed to future sewer utility projects is \$530,167.

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Assigned Fund Balance – This classification represents that portion of fund balance that the City of Creedmoor intends to use of a specific purpose. The City Manager makes recommendations to the governing board regarding any revenue streams or fund balance assigned for a particular purpose. Fund balance assignments are discussed with the Finance and Intergovernmental Relations (FAIR) committee. As part of Creedmoor's operational policies, the FAIR committee makes the recommendations regarding assignments to the full Board of Commissioners. No formal action by the Board is required.

**Assigned for Public Safety** – portion of fund balance that is assigned to support future capital needs for the Creedmoor Volunteer Fire Department (CVFD). The City contractually provides annual operations support. Some years the CVFD requests additional funding for capital asset needs.

**Assigned for Recreation** – portion of fund balance that is assigned to support recreation opportunities within the City of Creedmoor.

**Assigned for Capital Projects** – portion of fund balance that is assigned to support capital projects.

**Assigned for Subsequent Year's Expenditures** - portion of fund balance that has been appropriated in the subsequent year's annual budget. The Board of Commissioners approves the appropriation as part of the annual budget process and would have to take formal action to change the appropriation.

Unassigned Fund Balance – This classification represents that portion of fund balance that has not been restricted, committed or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance amount.

The business-type funds have the following restriction on net position:

**Restricted for Stormwater** – portion of net position restricted stormwater management efforts, in accordance with State laws and regulations.

The City of Creedmoor will use resources in the following hierarchy; as such funds may be available: debt proceeds, federal funds, State funds, local non-city funds, and city 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 finally unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is determined to be in the best interest of the City.

The City of Creedmoor has established the goal to have the Fund Balance Available (FBA) for Appropriation at 100% of that year's expenditures. FBA for Appropriation will be calculated annually in accordance with G.S. 159-8(a) and guidance provided by the State and Local Government Finance Division of the Department of the State Treasurer. This calculation will be made and reported to the Board of Commissioners as part of the annual audit presentation by the City's independent auditor. If the FBA is below 100%, the Finance Director will provide the Board with an analysis of the factors causing the drop. The Finance Director's report will include suggested steps to rebuild the fund balance to the 100% target within the next 36 months, or sooner. Amounts

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above 100% goal may be transferred to the Capital Reserve Fund if that is the Board's direction.

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

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

**NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2020, the City did not have any functions with expenditures greater than the budgeted amount.

**NOTE III. DETAIL NOTES ON ALL FUNDS**

**A. Assets**

**1. Deposits**

All of the deposits of the City 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 City agents in these unit's 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 City, these deposits are considered to be held by the City's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for undercollateralization, 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 City has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling financial institutions and to monitor them for compliance. The City complies with the provisions

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of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the City's deposits had a bank balance of \$ 767,691 and a book balance (reconciled balance) of \$756,319. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2020, the City's petty cash fund totaled \$805.

**2. Investments**

At June 30, 2020, the City of Creedmoor's investment balances were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/20</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust Fund – Government Portfolio	Fair Value Level 1	\$ 2,051,227	N/A	AAAm
NC Capital Management Trust Fund – Term Portfolio	Fair Value Level 1	<u>8,927,303</u>	.015 years	Unrated
Total		<u>\$ 10,978,530</u>		

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

*Credit Risk.* The City has no formal policy regarding credit risk, but internal management practices limit the City's investigations to the investments allowed by G.S. 159-30. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard and Poor's as of June 30, 2020. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30, as amended.

**3. Receivables**

Receivables presented in the Balance Sheet and the Statement of Net Position at June 30, 2020, were as follows:



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Governmental Funds:

General Fund

Property Taxes Receivable	\$ 43,664
Franchise Tax Receivable	67,162
Sales Tax Receivable	306,265
Solid Waste Tax Receivable	843
Due From Other Governments	40,367
Accounts Receivable	<u>2,792</u>
Total General Fund	<u>\$ 461,093</u>

General Capital Projects Fund

Due From Other Governments	\$ <u>53,713</u>
Total General Capital Projects	<u>\$ 53,713</u>
Total Governmental Funds	<u>\$ 514,806</u>

Enterprise Funds

Stormwater Fees Receivable	\$ <u>2,397</u>
Total Enterprise Funds	<u>2,397</u>

Total	<u>\$ 517,203</u>
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4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2020 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
<b><u>Governmental activities</u></b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 5,060,862	-	-	-	\$ 5,060,862
Construction in Progress	<u>2,217,040</u>	<u>9,857,385</u>	<u>-</u>	<u>-</u>	<u>12,074,425</u>
	7,277,902	9,857,385	-	-	17,135,287

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**Capital Assets  
being  
depreciated:**

Buildings	1,503,796	-	(60,464)	-	1,443,332
Other improvements	36,639	-	-	-	36,639
Equipment	836,792	-	-	-	836,792
Vehicles and motorized equipment	715,141	42,665	(31,170)	-	726,636
Infrastructure	4,187,555	-	-	-	4,187,555
<b>Total capital assets being depreciated</b>	<b>7,279,923</b>	<b>42,665</b>	<b>(91,634)</b>	<b>-</b>	<b>7,230,954</b>

**Less  
accumulated  
depreciation  
for:**

Buildings	658,585	34,981	(50,859)	-	642,707
Other improvements	8,869	731	-	-	9,600
Equipment	494,375	83,931	-	-	578,306
Vehicles	536,966	65,152	(31,170)	-	570,948
Infrastructure	781,284	94,003	-	-	875,287
<b>Total accumulated depreciation</b>	<b>2,480,079</b>	<b>\$ 278,798</b>	<b>\$ (82,029)</b>	<b>\$ -</b>	<b>2,676,848</b>
<b>Total capital assets being depreciated, net</b>	<b>4,799,844</b>				<b>4,554,106</b>

**Government  
activity  
capital assets,  
net**

\$12,077,746

\$21,689,393

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

General government	\$ 31,480
Public Safety	66,816
Transportation	121,429
Cultural and recreational	<u>59,073</u>
<b>Total depreciation expense</b>	<b><u>\$ 278,798</u></b>

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5. Construction Commitments

The government has active construction projects as of June 30, 2020. At year-end, the City of Creedmoor's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to date</u>	<u>Remaining Commitment</u>
CMAQ Cross Town Trail-A	\$ 2,974,949	\$ 17,675
CMAQ Cross Town Trail-B	1,863,061	14,727
US 15 Sidewalk Project	1,045,628	93,321
Lake Rogers Improvements	680,799	19,680
Creedmoor Community Center	5,161,494	1,058,333
120 Sanderford Street	39,932	-
122 Pecan Street	15,730	-
109 Park Avenue	<u>292,832</u>	<u>-</u>
	<u>\$ 12,074,425</u>	<u>\$ 1,203,736</u>

B. Liabilities

1. Pension Plan and Postemployment Obligations

Local Governmental Employees' Retirement System

*Plan Description.* The City of Creedmoor 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 government units. 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 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serves as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's advantage final compensation times

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the member's years of credible 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 benefits at age 65 with five years of credible service at age 60 with 25 years of credible service, or at any age with 30 years of credible service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of credible service or at age 60 with five years of credible 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 service and who have either completed 20 years of credible service regardless of age (15 years of credible service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly survivor's Alternate Benefit for life or return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEO are eligible to retire with full retirement benefits at age 55 with five years of credible service as an officer, or at any age with 30 years of credible service. LEO plan members are eligible to retire with partial benefits at age 50 with 15 years of credible 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 credible service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or completed five years of credible service as a LEO and have reached age 55, or have completed 15 years of credible service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 138-30 and may be amended only by the North Carolina General Assembly. City of Creedmoor employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Creedmoor's contractually required contribution rate for the year ended June 30, 2020 was 9.7% of compensation for law enforcement officers and 8.95% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Creedmoor were \$159,488 for the year ended June 30, 2020.

*Refunds of Contributions* – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state laws, refunds to members with at least five years of service include 4% interest. State law requires 60 day waiting period after service termination before refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2020, the City reported a liability of \$614,731 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019.

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The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City'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, 2020, the City's proportion was 0.02251%; which was a decrease of 0.00575% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the City recognized pension expense of \$266,923. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 105,257	\$ -
Changes of assumptions	100,191	-
Net difference between projected and actual earnings on pension plan investments	14,994	-
Changes in proportion and differences between City contributions and proportionate share contributions	3,765	42,896
City contributions subsequent to the measurement date	<u>159,488</u>	<u>-</u>
Total	<u>\$ 383,695</u>	<u>\$ 42,896</u>

\$159,488 reported as deferred outflows related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	99,498
2022	25,125
2023	48,870
2024	7,818
2025	-
Thereafter	-

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

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Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
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 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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighing 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	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	<u>6.0%</u>	4.0%
	<u>100.0%</u>	

The information above is based on a 30 year expectation developed with the consulting actuary for 2018 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 3.0%. All rates of return and inflation are annualized.

**CITY OF CREEDMOOR, NORTH CAROLINA  
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*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 City's proportionate share of the net pension asset to changes in the discount rate.* The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the City'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 <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
City's proportionate share of the net Pension liability (asset)	\$1,406,001	\$614,731	(\$42,976)

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

## 2. Law Enforcement Officers Special Separation Allowance

### a. Plan Description

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

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active Plan members	<u>16</u>
Total	17

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b. Summary of Significant Accounting Policies:

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

c. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

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

d. Contributions

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen not to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$10,648 as benefits came due for the reporting period.

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

At June 30, 2020, the City reported a total pension liability of \$306,456. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension expense of \$17,052.



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	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 24,237	\$ 69,057
Changes of assumptions	15,395	11,095
Benefit payments and administrative expenses made subsequent to the measurement date	<u>76,923</u>	<u>-</u>
Total	\$ 116,555	\$ 80,152

\$76,923 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	(12,587)
2022	(12,587)
2023	(12,208)
2024	( 1,437)
2025	( 725)
Thereafter	( 976)

\$76,923 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 3.26 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease <u>(2.26%)</u>	Discount Rate <u>(3.26%)</u>	1% Increase <u>(4.26%)</u>
Total pension liability	\$331,753	\$306,456	\$283,182

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

	<u>2020</u>
Beginning balance	\$ 301,018
Service Cost	18,503
Interest on the total pension liability	10,763
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(22,257)
Changes of assumptions or other inputs	9,077
Benefit payments	(10,648)
Other changes	-
Ending balance of the total pension liability	<u>\$ 306,456</u>

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 266,923	\$ 17,052	\$ 283,975
Pension Liability	614,731	306,456	921,187
Proportionate share of the net pension liability	.02251%	n/a	

Deferred of Outflows of Resources

Differences between expected and actual experience	105,257	24,237	129,494
Changes of assumptions	100,191	15,395	115,586
Net difference between projected and actual earnings on plan investments	14,994	-	14,994
Changes in proportion and differences between contributions and proportionate share of contributions	3,765	-	3,765
Benefit payments and administrative costs paid subsequent to the measurement date	159,488	76,923	236,411

**CITY OF CREEDMOOR, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred of Inflows of Resources</u>			
Differences between expected and actual experience	-	69,057	69,057
Changes of assumptions	-	11,095	11,095
Changes in proportion and differences between contributions and proportionate share of contributions	42,896	-	42,896

**3. Supplemental Retirement Income Plan for Law Enforcement Officers**

*Plan Description.* The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The City of Creedmoor voluntarily contributes an amount equal to six percent of each officer's salary. Also, the law enforcement officers may make voluntary contributions to the plan.

The City made contributions of \$47,581 for the reporting year. No amounts were forfeited.

**4. Supplemental Retirement Income Plan for General Employees**

*Plan Description.* The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to general employees of the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Employees is included in the Comprehensive annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. 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.

**CITY OF CREEDMOOR, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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*Funding Policy.* Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. The City of Creedmoor voluntarily contributes an amount equal to six percent of each employee's salary. Also, the employees may make voluntary contributions to the plan.

The City made contributions of \$46,127 for the reporting year. No amounts were forfeited.

**5. Other Post-employment Benefits**

**Health Care Benefits**

Plan Description. Employees who retire under the provisions of the North Carolina Local Government Employees' Retirement System (NCLGERS) and meet one of the following criteria are eligible to receive premium reimbursement for healthcare coverage obtained outside of the City's healthcare plan:

1. Age 62 or older with at least ten (10) years of permanent full time City service
2. Age 55 or older with at least twenty (20) years of permanent full time City service
3. Thirty (30) or more years of permanent full time City service

Those employees hired on or after July 1, 2013 will not be eligible to receive premium reimbursement for healthcare coverage upon retirement.

Funding Policy – Pre-65 retirees are not allowed to remain on the City's healthcare plan, but the City will contribute toward the cost of individual health insurance premiums. For retirees who are not yet eligible for Medicare, the City identifies a health plan and will provide a reimbursement equivalent to the premium for this coverage, at which point the retiree may elect this coverage or use the reimbursement toward the purchase of coverage of his or her choosing. The retiree will continue to receive this reimbursement until eligible for Medicare.

Upon eligibility for Medicare, the City provides a Medicare supplement plan for those retirees hired on or before July 1, 2011. Retirees that were hired after July 1, 2011 and before July 1, 2013 will receive benefits until eligible for Medicare. Retirees that were hired on or after July 1, 2013 will not be eligible to participate in the plan.

Health care and prescription drug coverage are obtained outside of the City's group health insurance plan. If a retiree was hired on or before July 1, 2011, coverage is transferred to a Medicare Supplement once the retiree is eligible for Medicare. Dental and Vision coverage is available at the retiree's expense.

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

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

As of June 30, 2019 (latest available information), membership in the plan consisted of:

	General <u>Employees</u>	Law Enforcement <u>Officers</u>
Retirees receiving benefits	6	6
Active Plan Members	<u>5</u>	<u>4</u>
Total	<u>11</u>	<u>10</u>

**Total OPEB Liability**

The City's total OPEB liability of \$2,246,721 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5 – 7.75 percent, average, including inflation – General Employees 3.5 – 7.35 percent, average, including inflation – Law Enforcement Officers
Discount rate	3.5 percent
Healthcare cost trend rates	Pre-medicare – 7.0% for 2019 decreasing to an ultimate rate of 4.50% by 2026 Medicare – 5.0% for 2019 decreasing to an ultimate rate of 4.5% by 2021

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

<u>Changes in the Total OPEB Liability</u>	<u>Total OPEB Liability</u>
Balance at July 1, 2019	\$2,134,863
Changes for the year	
Service cost	50,250
Interest	81,636
Changes of benefit terms	-
Differences between expected and actual experience	62,531
Changes in assumptions or other inputs	(9,364)
Benefit payments	<u>(73,195)</u>
Net changes	<u>111,858</u>
Balance at June 30, 2020	<u>\$2,246,721</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate (3.50%)</u>	<u>1% Increase</u>
Total OPEB liability	\$ 2,603,185	\$ 2,246,721	\$ 1,959,766

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the City, as well as what the city's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>(Medical-5.0%, Prescription-6.25%, Admin Expenses- 2.00%)</u>	<u>Discount Rate (Medical-6.5%, Prescription-7.25%, Admin Expenses- 3.00%)</u>	<u>(Medical-7.0%, Prescription- 8.25%, Admin Expenses-4.00%)</u>
Total OPEB liability	\$ 1,940,838	\$ 2,246,721	\$ 2,629,900

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2020, the City recognized OPEB expense of \$79,505. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 49,162	\$ -
Changes of assumptions	-	105,235
Benefit payments and administrative expenses made subsequent to the measurement date	77,186	-
Total	<u>\$ 126,348</u>	<u>\$ 105,235</u>

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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\$77,186 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows or resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	( 52,676)
2022	( 7,637)
2023	4,240

Death Benefit Plan

The City provides death benefits to law enforcement officers through the Death Benefit Plan for members of the Local Government Employees' Retirement System (Death Benefit Plan), a multi-employer, State-administered, cost-sharing plan funded on a one-year cost basis. The beneficiaries of those officers who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City 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 City considers these contributions immaterial.

For the fiscal year ended June 30, 2020, the City made contributions to the State for death benefits of \$1,110. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.14% of covered payroll, respectively.

6. Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2020, the City had several deferred outflows of resources:

<u>Source</u>	<u>Amount</u>
Contribution to pension plan in current year	\$ 159,488
Benefit payments made and administrative expenses for LEOSSA	76,923
Differences between expected and actual experience	178,656
Changes in assumptions	115,586
Net difference between projected and actual	14,994
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,765
Total	<u>\$ 549,412</u>

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

<u>Source</u>	<u>Statement of</u> <u>Net Position</u>	<u>General</u> <u>Fund</u> <u>Balance</u> <u>Sheet</u>
Unavailable Revenue	\$ 9,462	\$ 9,462
Differences between expected and actual experience	69,057	-
Change in assumptions	116,330	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,896	-
Property taxes receivable	-	43,664
Total	<u>\$237,745</u>	<u>\$ 53,126</u>

**7. Risk Management**

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

The City carried builders risk insurance, through a commercial agent, as part of the USDA water and sewer rehabilitation project. 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 project is complete.

In accordance with G.S. 159-29, the Finance Officer is bonded for \$100,000 and the Tax Collector is bonded for \$10,000. Employees that have access to \$100 or more at any given time of the City's funds are covered by an employees' dishonesty blanket policy, with coverage up to \$50,000.

**8. Claims, Judgments and Contingent Liabilities**

During the year ended June 30, 2020, the City consulted attorneys on various legal matters. In the opinion of the City's management and the City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.



**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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9. Commitments

The City has one commitment to the Creedmoor Volunteer Fire Department Inc. The commitment is for fire protection for fiscal year 2021 in the amount of \$153,050.

10. Long-Term Obligation

a. Changes in General Long-Term Liabilities

Governmental Activities

<i>General Fund</i>	General Long-Term Debt Balance, as restated <u>7/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	General Long-Term Debt Balance, <u>6/30/2020</u>	Current Portion Of <u>Balance</u>
Total pension liability (LEO)	\$ 301,018	\$ 5,438	\$ -	\$ 306,456	\$ -
Net pension liability (LGERS)	634,757	-	53,213	581,544	-
Total OPEB liability	2,021,288	125,370	-	2,146,658	-
Compensated Absences	<u>82,369</u>	<u>85,018</u>	<u>40,724</u>	<u>126,663</u>	<u>40,724</u>
Totals	<u>\$3,039,432</u>	<u>\$ 215,826</u>	<u>\$93,937</u>	<u>\$3,161,321</u>	<u>\$40,724</u>

Business-type Activities

<i>Stormwater Fund</i>	General Long-Term Debt Balance, as restated <u>7/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	General Long-Term Debt Balance, <u>6/30/2020</u>	Current Portion Of <u>Balance</u>
Net pension liability (LGERS)	\$ 35,667	\$ -	\$ 2,480	\$ 33,187	\$ -
Total OPEB liability	113,575	-	13,512	100,063	-
Compensated Absences	<u>4,251</u>	<u>3,830</u>	<u>4,473</u>	<u>3,608</u>	<u>3,608</u>
Totals	<u>\$153,493</u>	<u>\$ 3,830</u>	<u>\$ 20,465</u>	<u>\$136,858</u>	<u>\$ 3,608</u>

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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Net pension liability, total pension liability, and total other postemployment liability for governmental activities are all typically liquidated in the General Fund. Compensated absences for governmental activities typically have been liquidated in the General Fund and accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. Net pension liability and total other postemployment liability for business-type activities are generally liquidated by the Stormwater Fund.

**b. Fund Balance**

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

Total Fund Balance –General Fund	<u>\$8,475,364</u>
Less:	
Prepaid assets	94,278
Stabilization by State Statute	527,302
Appropriated in subsequent year	229,731
Streets – Powell Bill *	291,595
Public safety *	12,422
Recreation *	<u>324,219</u>
<i>Undesignated Fund Balance</i>	<u>\$6,995,817</u>

The items above, marked with an \*, may be appropriated in the City's budget, but only for limited purposes.

The City's Board of Commissioners adopted a formal fund balance policy in July 2015 which sets a goal of maintaining 100% Fund Balance Available for Appropriation in the General Fund. The calculation will be done in accordance with General Statute 159-8(a) and in guidance from the Local Government Commission.

*Encumbrances*

Outstanding encumbrances are amounts needed to pay any commitments related to open purchase orders and contracts which remain unperformed at year end.

<u>General Fund</u>	\$ 109,922
<u>General Capital Projects</u>	\$ 1,203,736
<u>Stormwater Fund</u>	\$ 4,523

*Net Investment in Capital Assets*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital Assets	\$21,689,393	\$ -
Less:		
Long-term debt associated with capital assets	-	-
	<u>\$21,689,393</u>	<u>\$ -</u>

**CITY OF CREEDMOOR, NORTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**NOTE IV. TRANSFERS TO/FROM OTHER FUNDS**

Interfund transfers for the fiscal year ended are summarized in the matrix following:

From	To	Amount	Reason
Capital Reserve	General Capital Projects	\$4,585,000	To fund various capital projects.
General Fund	General Capital Projects	\$442,832	To fund various capital projects.

**NOTE V. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Federal and State Assisted Programs

The City has received proceeds from several Federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

**NOTE VI. EVENTS OCCURRING AFTER REPORTING DATE**

The City has evaluated events and transactions that occurred between June 30, 2020 and November 9, 2020, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no events that occurred during this time that were deemed to be significant enough to be disclosed.

## REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CREEDMOOR, NORTH CAROLINA  
CITY OF CREEDMOOR'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST SEVEN FISCAL YEARS \***

**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**

	2020	2019	2018	2017	2016	2015	2014
Creedmoor's share of the net pension liability (asset) as a percentage	0.00251%	0.02826%	0.02902%	0.02714%	0.02813%	-0.02660%	0.02570%
Creedmoor's share of the net pension liability (asset) as a dollar amount	\$ 614,731	\$ 670,424	\$ 443,345	\$ 576,002	\$ 126,246	\$ (156,872)	\$ 309,784
Creedmoor's covered payroll	1,669,721	1,778,460	1,694,817	1,615,520	1,612,971	1,492,642	1,364,249
Creedmoor's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.82%	37.70%	26.16%	35.65%	7.83%	-10.51%	22.71%
Plan fiduciary net position as a percentage of the total pension liability **	91.63%	94.18%	91.47%	98.09%	99.07%	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.

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**CITY OF CREEDMOOR, NORTH CAROLINA  
CITY OF CREEDMOOR'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST SEVEN FISCAL YEARS**

**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM**

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 159,488	\$ 135,180	\$ 138,629	\$ 128,012	\$ 110,879	\$ 109,786	\$ 106,883
Contributions in relation to the contractually required contribution	159,488	135,180	138,629	128,012	110,879	116,141	106,883
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,355</u>	<u>\$ -</u>
Creedmoor's covered payroll	1,715,542	1,669,721	1,778,460	1,694,817	1,615,520	1,612,971	1,492,642
Contributions as a percentage of covered payroll	9.30%	8.10%	7.79%	7.55%	6.86%	7.20%	7.16%

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 301,018	\$ 259,981	\$ 324,532	\$ 309,056
Service cost	18,503	19,829	15,655	23,176
Interest on the total pension liability	10,763	8,047	12,321	10,843
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(22,257)	35,381	(96,747)	-
Changes of assumptions or other inputs	9,077	(11,572)	14,868	(7,895)
Benefit payments	(10,648)	(10,648)	(10,648)	(10,648)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 306,456</u>	<u>\$ 301,018</u>	<u>\$ 259,981</u>	<u>\$ 324,532</u>

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

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**June 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 306,456	\$ 301,018	\$ 259,981	\$ 324,532
Covered payroll	809,400	745,707	684,786	918,561
Total pension liability as a percentage of covered payroll	37.86%	40.37%	37.97%	35.33%

Notes to the schedules:

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

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.



**CITY OF CREEDMOOR, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**June 30, 2020**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total OPEB liability			
Service Cost	\$ 50,250	\$ 52,896	\$ 59,116
Interest	81,636	76,056	67,780
Changes of benefit terms		-	-
Differences between expected and actual experience	62,531	5,980	12,158
Changes of assumptions	(9,364)	(107,164)	(194,879)
Benefit payments	(73,195)	(58,111)	(61,134)
Net change in total OPEB liability	111,858	(30,343)	(116,959)
Total OPEB liability - beginning	2,134,863	2,165,206	2,282,165
Total OPEB liability - ending	<u>\$ 2,246,721</u>	<u>\$ 2,134,863</u>	<u>\$ 2,165,206</u>

Covered payroll	*	n/a	578,578	578,578
Total OPEB liability as a percentage of covered payroll	*	n/a	368.98%	374.23%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u><b>Fiscal Year</b></u>	<u><b>Rate</b></u>
2018	3.56%
2019	3.89%
2020	3.50%

\* Covered payroll is not provided since there are fewer than 10 participants in the plan

Information included above is intended to include ten years; however, only the years above have information available. Additional years will be included as information becomes available.

City of Creedmoor  
North Carolina

**COMBINING AND INDIVIDUAL  
FUND SCHEDULES**

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**With Comparative Totals for the Year ended June 30, 2019**

	2020		VARIANCE POSITIVE (NEGATIVE)	2019
	BUDGET	ACTUAL		ACTUAL
<b>REVENUES</b>				
Ad valorem taxes				
Taxes	\$ 2,087,545	\$ 2,043,223	\$ -	2,030,322
Penalties and interest	5,725	10,170		6,372
Total	2,093,270	2,053,393	(39,877)	2,036,694
Other taxes and licenses				
Local option sales tax	1,025,000	1,162,138		1,088,165
Total	1,025,000	1,162,138	137,138	1,088,165
Unrestricted intergovernmental				
Utility franchise tax	360,000	340,839		358,097
Beer and wine tax	19,500	20,069		19,876
Total	379,500	360,908	(18,592)	377,973
Restricted intergovernmental				
"State Street Aid" grant	118,500	118,850		118,689
South Granville SRO	63,500	67,876		63,489
Solid waste disposal	3,000	3,531		3,417
Granville County recreation grant	14,000	14,063		14,063
Total	199,000	204,320	5,320	199,658
Permits and fees				
City tags	38,000	38,727		37,948
Zoning & Plan reviews	11,980	18,722		7,160
Beer and wine permits	195	255		545
Total	50,175	57,704	7,529	45,653
Sales and services				
Cable franchise	-	-		5,797
Local ABC revenues	7,000	10,664		7,568
Garbage fees	-	20		-
Police Officer Fees	5,500	10,538		19,305
Rent-gym	-	-		5,900
Rent-ball field	-	-		760
Concessions and boat rental	4,400	4,416		5,081
Participant registration fees	1,000	911		1,763
Cell tower lease	122,200	122,451		118,885
Total	\$ 140,100	\$ 149,000	\$ 8,900	\$ 165,059

Investment earnings

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**With Comparative Totals for the Year ended June 30, 2019**

	2020		VARIANCE POSITIVE (NEGATIVE)	2019
	BUDGET	ACTUAL		ACTUAL
General fund	\$ 92,500	\$ 122,705	\$ -	\$ 169,158
Powell bill	4,150	4,619		6,658
Recreation Fund	3,800	4,600		6,657
Total	100,450	131,924	31,474	182,473
Miscellaneous				
Music Festival	20,435	20,436		21,179
Fireworks	9,500	9,642		9,312
Miscellaneous	19,825	22,228		12,250
Total	49,760	52,306	2,546	42,741
Total revenues	4,037,255	4,171,693	134,438	4,138,416
<b>EXPENDITURES</b>				
General government				
Business development				
Other operating expenditures	167,511	48,957		8,151
Capital outlay	65,600	55,662		-
Total business development	233,111	104,619	128,492	8,151
Governing body				
Salaries and benefits	43,243	39,916		39,439
Other operating expenditures	57,150	41,214		33,524
Total governing body	100,393	81,130	19,263	72,963
City Manager				
Salaries and benefits	139,592	138,671		212,074
Other operating expenditures	5,900	4,730		6,718
Total city manager	145,492	143,401	2,091	218,792
City Clerk				
Salaries and benefits	72,972	69,959		51,676
Other operating expenditures	8,003	3,359		7,267
Total city clerk	80,975	73,318	7,657	58,943
Administration				
Salaries and benefits	199,529	181,846		181,362
Other operating expenditures	368,169	324,970		326,315
Capital outlay	10,000	-		-
Total administration	\$ 577,698	\$ 506,816	\$ 70,882	\$ 507,677

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**With Comparative Totals for the Year ended June 30, 2019**

	2020		VARIANCE POSITIVE (NEGATIVE)	2019
	BUDGET	ACTUAL		ACTUAL
Legal Services				
Other operating expenditures	\$ 70,000	\$ 61,565		\$ 48,892
Total legal services	70,000	61,565	8,435	48,892
Finance				
Salaries and benefits	151,188	148,865		153,063
Other operating expenditures	44,270	36,995		36,308
Total finance	195,458	185,860	9,598	189,371
Planning and Development				
Salaries and benefits	172,359	166,954		161,915
Other operating expenditures	25,643	19,430		12,098
Capital outlay	-	-		-
Total planning and development	198,002	186,384	11,618	174,013
Total general government	1,601,129	1,343,093	258,036	1,278,802
Public Safety				
Police				
Salaries and benefits	1,524,441	1,352,856		1,284,018
Vehicle maintenance	22,000	20,347		23,651
Other operating expenditures	154,362	109,014		122,779
Public safety-fire	650,550	650,550		144,270
Capital outlay	43,896	42,665		40,659
Total Public Safety	2,395,249	2,175,432	219,817	1,615,377
Transportation and Public Works				
Inspections				
Salaries and benefits	-	-		21,223
Other operating expenditures	-	-		29,530
Total inspections	-	-	-	50,753
Public Works				
Salaries and benefits	229,869	221,657		195,450
Street & sidewalk, construction and maintenance	2,500	2,501		1,061
Vehicle maintenance	7,000	2,158		7,123
Refuse collection	5,000	4,441		4,646
Other operating expenditures	212,991	166,752		157,359
Capital outlay	18,400	-		55,414
Total public works	\$ 475,760	\$ 397,509	\$ 78,251	\$ 421,053

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**With Comparative Totals for the Year ended June 30, 2019**

	2020			2019
	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ACTUAL
Powell Bill				
Salaries and benefits	\$ 24,748	\$ 21,095		\$ 21,180
Other operating expenditures	97,902	9,321		-
Total Powell Bill	122,650	30,416	92,234	21,180
Total transportation and public works	598,410	427,925	170,485	492,986
Culture and recreation				
Parks and recreation				
Salaries and benefits	90,672	64,517		71,223
Programming	84,750	53,193		71,036
Site specific operations	42,070	24,576		45,099
Capital outlay	-	-		13,257
Total Culture and recreation	217,492	142,286	75,206	200,615
Total expenditures	4,812,280	4,088,736	723,544	3,587,780
Revenues over (under) expenditures	(775,025)	82,957	857,982	550,636
Other Financing Sources (Uses)				
Transfers to Other Funds				
Capital Projects	(442,900)	(442,832)		-
Sale of equipment	5,000	9,946		13,677
Total other financing sources (uses)	(437,900)	(432,886)	5,014	13,677
FUND BALANCE APPROPRIATED	1,212,925	-	(1,212,925)	-
EXCESS OF REVENUES, APPROPRIATED FUND BALANCE, AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ -	(349,929)	\$ (349,929)	564,313
FUND BALANCES				
Beginning of year		8,825,293		8,260,980
End of year		\$ 8,475,364		\$ 8,825,293

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**GENERAL CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2020**

	<u>PROJECT AUTHORIZATION</u>	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL TO DATE</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Revenues-General Government Projects					
Restricted Intergovernmental					
Federal Grant-CMAQ 2, C-5166A	\$ 907,200	\$ 498,639	\$ 408,561	\$ 907,200	\$ -
Federal Grant-CMAQ 3, C-5166B	765,600	302,674	462,926	765,600	-
Federal Grant-US 15 Sidewalk	560,000	197,134	362,866	560,000	-
Federal Grant-Campo	2,320,531	-	2,052,955	2,052,955	(267,576)
State Grant-US 15 Sidewalk	140,000	49,284	90,717	140,001	1
State Grant-Gym and Senior Center	500,000	-	450,000	450,000	(50,000)
Local Grants-Lake Rogers Improvements	112,825	75,000	35,725	110,725	(2,100)
Local Grant-Creedmoor Community Center	350,000	-	350,000	350,000	-
Donations	-	-	2,100	2,100	2,100
Investment Earnings	-	43,667	2,325	45,992	45,992
Total Revenues	5,656,156	1,166,398	4,218,175	5,384,573	(271,583)
Expenditures-General Government Projects					
CMAQ 2, C-5166	3,039,336	650,852	2,324,097	2,974,949	64,387
CMAQ 3, C-5166b	1,980,989	378,343	1,484,718	1,863,061	117,928
US 15 Sidewalk	1,193,161	278,876	766,752	1,045,628	147,533
Lake Rogers Improvements	721,405	348,029	332,770	680,799	40,606
109 Park Avenue	292,900	-	292,832	292,832	68
Creedmoor Community Center	6,203,090	560,940	4,600,554	5,161,494	1,041,596
Total Expenditures	13,430,881	2,217,040	9,801,723	12,018,763	1,412,118
Revenues over (under) expenditures	(7,774,725)	(1,050,642)	(5,583,548)	(6,634,190)	1,140,535
Other Financing Sources (uses)					
Transfer from General Fund	989,600	518,201	442,832	961,033	(28,567)
Transfer from Capital Reserve	6,785,125	1,140,000	4,585,000	5,725,000	(1,060,125)
Transfer from Water Ops	-	14,250	-	14,250	14,250
Transfer from Sewer Ops	-	14,250	-	14,250	14,250
Total Other Financing Sources (uses)	7,774,725	1,686,701	5,027,832	6,714,533	(1,060,192)
Fund Balance Appropriated	-	-	-	-	-
Revenues and other sources over (under) expenditures	\$ -	\$ 636,059	\$ (555,716)	\$ 80,343	\$ 80,343

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**CAPITAL RESERVE FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2020**

	<u>PROJECT AUTHORIZATION</u>	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL TO DATE</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Revenues - Capital Reserve Fund					
Investment Earnings	<u>\$ 340,139</u>	<u>\$ 279,793</u>	<u>\$ 59,811</u>	<u>\$ 339,604</u>	<u>\$ (535)</u>
Total Revenues	340,139	279,793	59,811	339,604	(535)
Expenditures - Economic Development					
Economic Development facilities	<u>3,625,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,625,991</u>
Total Expenditures	3,625,991	-	-	-	3,625,991
Revenues over (under) expenditures	(3,285,852)	279,793	59,811	339,604	3,625,456
Other Financing Sources (uses)					
Transfer from Water Operations	-	4,800,000	-	4,800,000	4,800,000
Transfer from Sewer Operations	-	3,200,000	-	3,200,000	3,200,000
Transfer from General Capital Projects	-	439,966	-	439,966	439,966
Transfer to General Capital Projects	<u>3,285,852</u>	<u>(2,976,158)</u>	<u>(4,585,000)</u>	<u>(7,561,158)</u>	<u>(10,847,010)</u>
Subtotal Other Financing Sources (uses)	3,285,852	5,463,808	(4,585,000)	878,808	(2,407,044)
Revenues and other financing sources and (uses)	<u>\$ -</u>	<u>\$ 5,743,601</u>	<u>\$ (4,525,189)</u>	<u>\$ 1,218,412</u>	<u>\$ 1,218,412</u>



**CITY OF CREEDMOOR, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	WATER ECONOMIC DEVELOPMENT FUND	SEWER ECONOMIC DEVELOPMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS			
Restricted cash and cash equivalents	\$ 381,763	\$ 530,167	\$ 911,930
Total Assets	<u>381,763</u>	<u>530,167</u>	<u>911,930</u>
LIABILITIES AND FUND BALANCE			
Liabilities	-	-	-
Fund Balance			
Economic Development	<u>381,763</u>	<u>530,167</u>	<u>911,930</u>
Total Liabilities and Fund Balance	<u>\$ 381,763</u>	<u>\$ 530,167</u>	<u>\$ 911,930</u>

**CITY OF CREEDMOOR, NORTH CAROLINA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2020**

	WATER ECONOMIC DEVELOPMENT FUND	SEWER ECONOMIC DEVELOPMENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:			
Investment earnings	\$ 5,534	\$ 7,686	\$ 13,220
Total revenues	5,534	7,686	13,220
Other Financing Sources (uses)			
Transfer to General Capital Projects Fund	-	-	-
Total Other Financing Sources (uses)	-	-	-
Net Change in Fund Balance	5,534	7,686	13,220
Fund Balance - beginning of year - July 1	376,229	522,481	898,710
Fund Balance - end of year - June 30	\$ 381,763	\$ 530,167	\$ 911,930

**CITY OF CREEDMOOR, NORTH CAROLINA  
WATER ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	PROJECT AUTHORIZATION	PRIOR YEARS	CURRENT YEAR	TOTAL TO DATE	VARIANCE POSITIVE (NEGATIVE)
Revenues - Water Project					
Restricted Intergovernmental					
Investment Earnings	\$ -	\$ 16,229	\$ 5,534	\$ 21,763	\$ 21,763
Total Revenues	-	16,229	5,534	21,763	21,763
Other Financing Sources (uses)					
Transfer to General Capital Projects	(140,000)	(140,000)	-	(140,000)	-
Total Other Financing Sources (uses)	(140,000)	(140,000)	-	(140,000)	-
Fund Balance Appropriated	140,000	-	-	-	140,000
Revenues and other sources over (under) expenditures	\$ -	\$ (123,771)	\$ 5,534	\$ (118,237)	\$ (118,237)

**CITY OF CREEDMOOR, NORTH CAROLINA  
SEWER ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PROJECT AUTHORIZATION</u>	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>TOTAL TO DATE</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
Revenues - Sewer Project					
Restricted Intergovernmental					
Investment earnings	<u>\$ -</u>	<u>\$ 22,481</u>	<u>\$ 7,686</u>	<u>\$ 30,167</u>	<u>\$ 30,167</u>
Total Revenues	<u>-</u>	<u>22,481</u>	<u>7,686</u>	<u>30,167</u>	<u>30,167</u>
Other Financing Sources (uses)					
Transfer from Sewer Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Appropriated Fund Balance, and Other Funding Sources Over (Under) Expenditures and Other Funding Uses	<u>\$ -</u>	<u>\$ 22,481</u>	<u>\$ 7,686</u>	<u>\$ 30,167</u>	<u>\$ 30,167</u>

**CITY OF CREEDMOOR, NORTH CAROLINA  
STORMWATER MANAGEMENT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2020  
With Comparative Totals for the Year Ended June 30, 2019**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>	<u>2019</u>
REVENUES:				
Stormwater assessments	\$ 281,500	\$ 291,624		\$ 281,259
Prior year stormwater assessments	4,305	5,420		2,068
Penalties & interest	500	1,259		620
Review fees	3,370	3,370		-
Total operating revenues	<u>289,675</u>	<u>301,673</u>	<u>11,998</u>	<u>283,947</u>
Nonoperating revenues				
Interest earnings	4,300	7,561		8,323
Total nonoperating revenues	<u>4,300</u>	<u>7,561</u>	<u>3,261</u>	<u>8,323</u>
Total Revenues	293,975	309,234	15,259	292,270
EXPENDITURES:				
Stormwater administration				
Salaries & employee benefits	15,259	14,884		7,212
Other operating expenditures	30,950	19,351		26,823
	<u>46,209</u>	<u>34,235</u>	<u>11,974</u>	<u>34,035</u>
Stormwater repair and maintenance				
Salaries & employee benefits	75,669	65,331		86,730
Drainage Maintenance	30,000	2,804		41,980
Other operating expenditures	12,500	9,005		9,531
	<u>118,169</u>	<u>77,140</u>	<u>41,029</u>	<u>138,241</u>
Stormwater common operating expenses				
Other operating expenditures	55,859	32,629		22,001
	<u>55,859</u>	<u>32,629</u>	<u>23,230</u>	<u>22,001</u>
Total stormwater management	220,237	144,004	76,233	194,277
REVENUES OVER (UNDER) EXPENDITURES	73,738	165,230	91,492	97,993
OTHER FINANCING SOURCES (USES)				
Fund Balance Appropriated	(68,997)	-	68,997	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(68,997)</u>	<u>-</u>	<u>68,997</u>	<u>-</u>
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 4,741</u>	<u>165,230</u>	<u>\$ 160,489</u>	<u>\$ 97,993</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Increase in deferred outflows of resources--OPEB		1,635		
Decrease in OPEB liability		13,512		
Decrease in deferred inflows of resources-OPEB		4,655		
Decrease in deferred outflows of resources-pensions		(5,924)		
Decrease in net pension liability		2,480		
Increase in deferred inflows of resources-pensions		(1,341)		
Change in net position - Exhibit 7		<u>\$ 180,247</u>		

Note: Stormwater Common Operating Expenses are Creedmoor's share of costs borne through an interlocal agreement for stormwater management and billing.

**CITY OF CREEDMOOR, NORTH CAROLINA**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**June 30, 2020**

FISCAL YEAR	UNCOLLECTED BALANCE June 30, 2019	ADDITIONS	COLLECTIONS AND CREDITS	UNCOLLECTED BALANCE June 30, 2020
2019-2020	\$ -	\$ 2,059,319	\$ 2,036,044	\$ 23,275
2018-2019	27,983	-	21,000	6,983
2017-2018	3,950	-	636	3,314
2016-2017	2,760	-	1,734	1,026
2015-2016	1,905	-	682	1,223
2014-2015	1,318	-	726	592
2013-2014	3,205	-	759	2,446
2012-2013	3,656	-	1,020	2,636
2011-2012	3,215	-	1,046	2,169
2010-2011	2,450	-	2,450	-
	<u>\$ 50,442</u>	<u>\$ 2,059,319</u>	<u>\$ 2,066,097</u>	<u>\$ 43,664</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 2,053,393
Reconciling items:	
Write off of 10 year old accounts net of actual collections	2,450
Discounts allowed	20,424
Interest collected	(10,170)
Total collections and credits	<u>\$ 2,066,097</u>

**CITY OF CREEDMOOR, NORTH CAROLINA  
SUPPLEMENTARY INFORMATION  
ANALYSIS OF CURRENT TAX LEVY  
June 30, 2020**

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at Current Year Rate	\$ 287,175,935	0.615	\$ 1,766,132	\$ 1,766,132	\$ -
Registered motor vehicles taxed at current year's rate	<u>39,231,870</u>	0.615	<u>241,276</u>	<u>-</u>	<u>241,276</u>
Total Levy	326,407,805		2,007,408	1,766,132	241,276
Discoveries	8,987,967	0.615	55,276	55,276	-
Abatements	<u>(547,154)</u>	0.615	<u>(3,365)</u>	<u>(3,365)</u>	<u>-</u>
Total Property Valuation	<u>\$ 334,848,618</u>		2,059,319	1,818,043	241,276
Less: Uncollected Tax June 30, 2020			<u>(23,275)</u>	<u>(22,827)</u>	<u>(448)</u>
Current Year Taxes Collected			<u>\$ 2,036,044</u>	<u>\$ 1,795,216</u>	<u>\$ 240,828</u>
Current Levy Collection %			<u>98.87%</u>	<u>98.74%</u>	<u>99.81%</u>

# City of Creedmoor North Carolina

## STATISTICAL SECTION

The unaudited statistical section presents comparative statistical data and other pertinent information for the City. Because this is the City's second Comprehensive Annual Financial Report, certain data is not available. This section may be further divided as follows:

**Financial Trends** (Tables 1 to 3), containing trend information to help the reader understand how the City's financial performance and standing have changed over time.

**Revenue Capacity** (Tables 4 to 7), containing information to help the reader assess the City's tax base.

**Debt Capacity** (Tables 8 to 12), containing schedules to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.



# City of Creedmoor North Carolina

## STATISTICAL SECTION

**Demographic and Economic Information** (Tables 13 to 15), containing demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place. This information also enhances comparisons over different time periods and comparisons with other local government units.

**Operating Information,** (Tables 16 to 19), containing information about the City's operation and resources, specific to Creedmoor, to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

CITY OF CREEDMOOR, NORTH CAROLINA  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)

Table 1

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net investment in capital assets	\$ 1,432,833	\$ 3,816,883	\$ 4,397,870	\$ 4,585,965	\$ 7,919,141	\$ 8,210,882	\$ 10,525,310	\$ 10,890,129	\$ 12,077,746	\$ 21,689,393
Restricted	410,743	517,547	575,496	596,197	8,673,716	7,407,260	6,805,838	6,815,150	796,290	874,315
Unrestricted	2,386,960	2,274,297	2,735,686	2,990,879	7,381,804	9,841,979	8,079,408	6,741,362	12,678,737	7,086,483
Total governmental activities net position	<u>\$ 4,230,536</u>	<u>\$ 6,608,727</u>	<u>\$ 7,709,052</u>	<u>\$ 8,173,041</u>	<u>\$ 23,974,661</u>	<u>\$ 25,460,121</u>	<u>\$ 25,410,556</u>	<u>\$ 24,446,641</u>	<u>\$ 25,552,773</u>	<u>\$ 29,650,191</u>
Business-type Activities										
Net investment in capital assets	\$ 4,978,709	\$ 6,257,388	\$ 7,796,988	\$ 8,068,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	232,745	232,610	109,607	171,305	159,710	142,217	251,997	432,244
Unrestricted	2,034,768	2,643,259	2,705,075	2,855,744	1,000,094	-	-	-	-	-
Total business-type activities net position	<u>\$ 7,013,477</u>	<u>\$ 8,900,647</u>	<u>\$ 10,734,808</u>	<u>\$ 11,157,147</u>	<u>\$ 1,109,701</u>	<u>\$ 171,305</u>	<u>\$ 159,710</u>	<u>\$ 142,217</u>	<u>\$ 251,997</u>	<u>\$ 432,244</u>
Primary Government										
Net investment in capital assets	\$ 6,411,542	\$ 10,074,271	\$ 12,194,858	\$ 12,654,758	\$ 7,919,141	\$ 8,210,882	\$ 10,525,310	\$ 10,890,129	\$ 12,077,746	\$ 21,689,393
Restricted	410,743	517,547	808,241	828,807	8,783,323	7,578,565	6,965,548	6,957,367	1,048,287	1,306,559
Unrestricted	4,421,728	4,917,556	5,440,761	5,846,623	8,381,898	9,841,979	8,079,408	6,741,362	12,678,737	7,086,483
Total primary government net position	<u>\$ 11,244,013</u>	<u>\$ 15,509,374</u>	<u>\$ 18,443,860</u>	<u>\$ 19,330,188</u>	<u>\$ 25,084,362</u>	<u>\$ 25,631,426</u>	<u>\$ 25,570,266</u>	<u>\$ 24,588,858</u>	<u>\$ 25,804,770</u>	<u>\$ 30,082,435</u>

Note:

The terminology has been updated in accordance with  
GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources,  
Deferred Inflows of Resources, and Net Position.*

CITY OF CREEDMOOR, NORTH CAROLINA  
Government-wide Revenues  
Last Ten Fiscal Years  
(accrual basis of accounting)

Table 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 888,435	\$ 1,051,839	\$ 1,022,837	\$ 1,206,037	\$ 1,200,962	\$ 1,176,457	\$ 1,234,843	\$ 1,295,994	\$ 1,347,193	\$ 1,308,964
Public Safety	1,228,704	1,371,705	1,278,179	1,381,334	1,565,786	1,527,302	1,562,651	1,560,820	1,669,492	2,273,108
Transportation and Public Works	786,032	754,452	785,295	747,318	692,788	588,099	629,857	659,022	570,293	571,596
Economic Development	16,572	550	20,195	7,455	9,226	107,260	13,515	14,377	-	-
Cultural and Recreation	130,428	117,418	103,598	180,976	364,657	295,899	254,625	232,419	248,575	202,617
Environmental Protection	-	-	-	-	15,600	-	-	-	-	-
Interest on long-term debt	35,905	8,163	-	-	-	-	-	-	-	-
Total governmental activities expenses	\$ 3,086,076	\$ 3,304,127	\$ 3,210,104	\$ 3,523,120	\$ 3,849,019	\$ 3,695,017	\$ 3,695,491	\$ 3,762,632	\$ 3,835,553	\$ 4,356,285
Business-type Activities										
Water	\$ 1,091,286	\$ 1,108,679	\$ 1,324,572	\$ 1,392,565	\$ 1,425,935	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	1,188,980	1,275,255	1,594,291	1,615,703	1,520,237	-	-	-	-	-
Stormwater	-	74,289	131,114	218,457	298,298	228,334	419,313	210,481	181,801	128,987
Total business-type activities expenses	\$ 2,280,266	\$ 2,458,223	\$ 3,049,977	\$ 3,226,725	\$ 3,244,470	\$ 228,334	\$ 419,313	\$ 210,481	\$ 181,801	\$ 128,987
Total Primary Government expenses	\$ 5,366,342	\$ 5,762,350	\$ 6,260,081	\$ 6,749,845	\$ 7,093,489	\$ 3,923,351	\$ 4,114,804	\$ 3,973,113	\$ 4,017,354	\$ 4,485,272
<b>Program Revenues</b>										
Governmental Activities:										
Charges for service:										
General Government	\$ 50,770	\$ 50,721	\$ -	\$ 73,319	\$ 92,040	\$ 99,118	\$ 58,302	\$ 79,560	\$ 7,160	\$ 18,722
Public Safety	56,169	57,674	59,937	63,764	60,021	60,021	61,795	62,269	63,489	67,876
Transportation and Public Works	303,885	325,356	343,442	391,929	120,342	-	-	-	-	-
Cultural and Recreation	119,145	106,434	111,982	110,429	97,342	105,721	125,000	132,957	132,389	127,778
Environmental Protection	-	-	-	-	-	3,241	3,329	3,031	3,417	3,551
Operating grants and contributions	97,470	137,851	134,578	201,584	281,303	323,724	134,667	142,204	152,057	143,451
Capital grants and contributions	11,246	2,024,115	517,881	13,000	15,000	250,000	17,860	40,000	614,994	4,215,850
Total governmental activities program revenue	\$ 638,685	\$ 2,702,151	\$ 1,167,820	\$ 854,025	\$ 666,048	\$ 841,825	\$ 400,953	\$ 460,021	\$ 973,506	\$ 4,577,228
Business-type Activities										
Charges for service:										
Water	\$ 1,402,434	\$ 1,355,705	\$ 1,497,238	\$ 1,460,290	\$ 1,265,048	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	1,599,444	1,503,883	1,658,062	1,611,220	1,400,833	-	-	-	-	-
Stormwater	-	-	281,553	294,118	287,263	288,873	285,272	285,188	283,947	301,673
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	1,481,152	1,818,297	280,228	461,663	-	-	-	-	-
Total business-type activities program revenue	\$ 3,001,878	\$ 4,340,740	\$ 5,255,150	\$ 3,645,856	\$ 3,414,807	\$ 288,873	\$ 285,272	\$ 285,188	\$ 283,947	\$ 301,673
Net (expense)/revenue:										
Governmental activities	\$ (2,447,391)	\$ (601,976)	\$ (2,042,284)	\$ (2,669,095)	\$ (3,182,971)	\$ (2,853,192)	\$ (3,294,538)	\$ (3,302,611)	\$ (2,862,047)	\$ 220,943
Business-type activities	721,612	1,882,517	2,205,173	419,131	170,337	60,539	(134,041)	74,707	102,146	172,686
Total primary government net revenue/(expense)	\$ (1,725,779)	\$ 1,280,541	\$ 162,889	\$ (2,249,964)	\$ (3,012,634)	\$ (2,792,653)	\$ (3,428,579)	\$ (3,227,904)	\$ (2,759,901)	\$ 393,629

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>General Revenues and Other Changes to Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes, general	2,024,691	1,911,636	1,988,986	2,073,246	2,021,066	1,958,169	1,995,394	1,969,219	2,055,914	2,043,856
Other taxes	822,348	1,028,433	1,088,367	1,045,352	1,201,829	1,260,267	1,349,576	1,407,742	1,474,251	1,523,046
Unrestricted investment earnings	2,694	3,696	4,147	3,314	3,766	47,319	118,076	208,763	348,046	207,280
Miscellaneous	48,305	36,402	35,078	11,172	302,957	72,803	82,940	165,978	94,163	102,293
Transfers	45,000	-	26,031	-	15,636,373	-	(120,000)	-	-	-
Total governmental activities	<u>2,943,038</u>	<u>2,980,167</u>	<u>3,142,609</u>	<u>3,133,084</u>	<u>19,165,991</u>	<u>3,338,558</u>	<u>3,425,986</u>	<u>3,751,702</u>	<u>3,972,374</u>	<u>3,876,475</u>
Business-type activities:										
Unrestricted investment earnings	2,508	4,653	4,027	3,208	5,509	1,159	2,446	4,178	8,323	7,561
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(45,000)	-	(26,031)	-	(15,636,373)	-	120,000	-	-	-
Special item gain (loss)	-	-	(349,008)	-	5,431,677	-	-	-	-	-
Total business-type activities	<u>(42,492)</u>	<u>4,653</u>	<u>(371,012)</u>	<u>3,208</u>	<u>(10,199,187)</u>	<u>1,159</u>	<u>122,446</u>	<u>4,178</u>	<u>8,323</u>	<u>7,561</u>
Total primary government	<u>\$ 2,900,546</u>	<u>\$ 2,984,820</u>	<u>\$ 2,771,597</u>	<u>\$ 3,136,292</u>	<u>\$ 8,966,804</u>	<u>\$ 3,339,717</u>	<u>\$ 3,548,432</u>	<u>\$ 3,755,880</u>	<u>\$ 3,980,697</u>	<u>\$ 3,884,036</u>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 495,647	\$ 2,378,191	\$ 1,100,325	\$ 463,989	\$ 15,983,020	\$ 485,366	\$ 131,448	\$ 449,091	\$ 1,110,327	\$ 4,097,418
Business-type activities:	<u>679,120</u>	<u>1,887,170</u>	<u>1,834,161</u>	<u>422,339</u>	<u>(10,028,850)</u>	<u>61,698</u>	<u>(11,595)</u>	<u>78,885</u>	<u>110,469</u>	<u>180,247</u>
Total primary government	<u>\$ 1,174,767</u>	<u>\$ 4,265,361</u>	<u>\$ 2,934,486</u>	<u>\$ 886,328</u>	<u>\$ 5,954,170</u>	<u>\$ 547,064</u>	<u>\$ 119,853</u>	<u>\$ 527,976</u>	<u>\$ 1,220,796</u>	<u>\$ 4,277,665</u>

Note:

Education revenue shown in earlier years as program revenue have been combined with Operating Grants to conform to the latest presentation.

Transportation and Environmental Protection have been combined as Transportation and Public Works to conform with current accounting practices in the City.

Economic Development and General Government have been combined to conform with current accounting practices in the City

CITY OF CREEDMOOR, NORTH CAROLINA  
Changes in Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Table 3

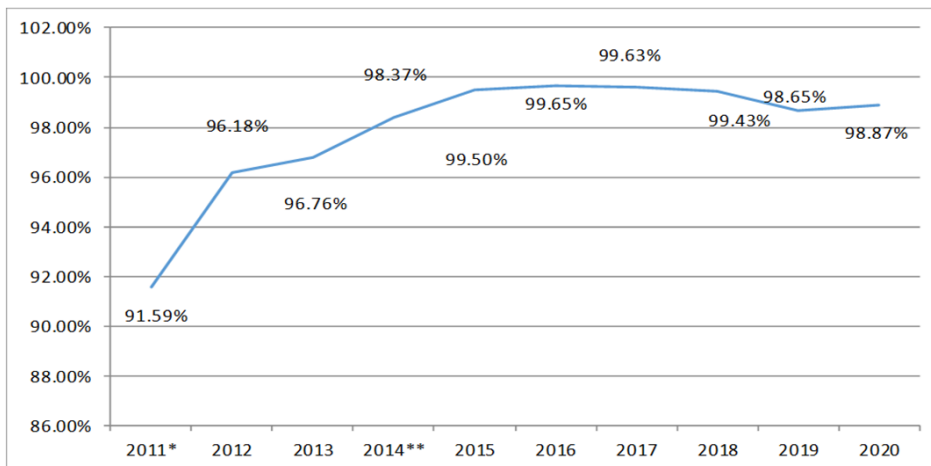
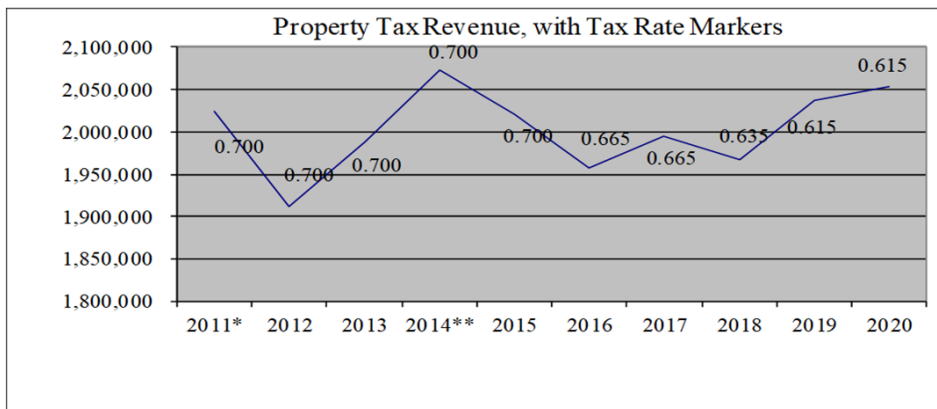
	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Revenues</b>										
Ad valorem taxes	\$ 1,912,674	\$ 1,997,414	\$ 2,019,824	\$ 2,101,734	\$ 2,047,425	\$ 1,974,347	\$ 1,996,408	\$ 1,966,473	\$ 2,036,694	\$ 2,053,393
Other taxes and licenses	518,109	667,370	682,741	717,193	787,411	842,863	963,820	1,025,838	1,096,278	1,162,138
Unrestricted intergovernmental revenue	306,473	319,058	320,876	328,160	414,418	417,404	385,756	381,904	377,973	360,908
Restricted intergovernmental revenue	152,859	190,259	708,748	246,763	458,568	383,467	213,930	196,141	814,652	4,420,170
Permits and fees	72,115	81,854	84,750	118,369	129,136	135,709	95,840	116,633	45,108	57,704
Sales and service	444,423	447,868	455,186	459,864	350,772	370,642	143,005	157,417	157,491	149,000
Investment earnings	2,775	3,701	4,213	3,332	3,803	47,319	118,076	105,100	348,046	207,280
Miscellaneous	15,277	22,170	54,639	41,517	28,370	23,492	21,864	27,231	42,741	52,306
Total revenues	3,424,705	3,729,694	4,330,977	4,016,932	4,219,903	4,195,243	3,938,699	3,976,737	4,918,983	8,462,899
<b>Expenditures</b>										
General Government	836,888	1,004,283	971,795	1,091,276	1,153,785	1,211,024	1,140,848	1,240,637	1,278,802	1,343,093
Public Safety	1,156,694	1,296,155	1,229,338	1,292,624	1,402,298	1,404,074	1,445,315	1,479,080	1,574,718	2,132,767
Transportation and public works	801,748	728,264	761,791	739,558	778,220	568,772	566,249	564,954	437,572	427,925
Economic and physical dev.	16,572	550	19,689	7,455	24,825	107,260	13,515	14,377	-	-
Cultural and recreation	63,933	96,752	105,701	157,780	164,308	155,090	201,439	175,058	187,358	142,286
Capital outlay	125,509	2,175,253	685,369	366,696	642,284	464,170	2,526,551	163,461	1,490,021	9,844,388
Debt service:										
Principal	91,898	337,183 *	-	-	-	-	-	-	-	-
Interest	22,939	22,410	-	-	-	-	-	-	-	-
	3,116,181	5,323,667	4,110,866	3,655,389	4,165,720	3,910,390	5,893,917	3,637,567	4,968,471	13,890,459
Excess of revenues over / (under) expenditures	308,524	(1,593,973)	220,111	361,543	54,183	284,853	(1,955,218)	339,170	(49,488)	(5,427,560)
<b>Other financing sources / (uses)</b>										
Transfers in	232,800	-	292,150	147,300	12,892,203	489,035	-	-	-	-
Transfers out	(187,800)	-	(266,119)	(147,300)	(114,750)	(489,035)	(120,000)	-	-	-
Sale of equipment	-	-	-	-	2,131	9,393	14,396	88,577	13,677	9,946
Proceeds of debt issuance	-	-	-	-	-	-	-	-	-	-
Total other financing sources or (uses)	45,000	-	26,031	-	12,779,584	9,393	(105,604)	88,577	13,677	9,946
Net change in fund balance	\$ 353,524	\$ (1,593,973)	\$ 246,142	\$ 361,543	\$ 12,833,767	\$ 294,246	\$ (2,060,822)	\$ 427,747	\$ (35,811)	\$ (5,417,614)
Debt service as a percentage of noncapital expenditures	3.84%	10.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* = City Hall installment purchase settled 3 years early. See also Table 13.

CITY OF CREEDMOOR  
Governmental Activities, Property Tax Revenue  
Last Ten Fiscal Years  
(accrual basis of accounting)

Table 4

Fiscal Year	Tax Rate	Property Tax	Tax Base	Collection Rate Current Fiscal Year
2011*	0.700	2,024,691	271,501,322	91.59%
2012	0.700	1,911,636	272,071,628	96.18%
2013	0.700	1,988,986	285,134,429	96.76%
2014**	0.700	2,073,246	296,899,857	98.37%
2015	0.700	2,021,066	290,091,850	99.50%
2016	0.665	1,958,169	296,689,924	99.65%
2017	0.665	1,995,394	302,637,895	99.63%
2018	0.635	1,966,473	312,606,457	99.43%
2019	0.615	2,036,694	336,420,651	98.65%
2020	0.615	2,053,393	334,848,618	98.87%



Note:

\* = Three years of past taxes included in FY11 levy, with partial collection.

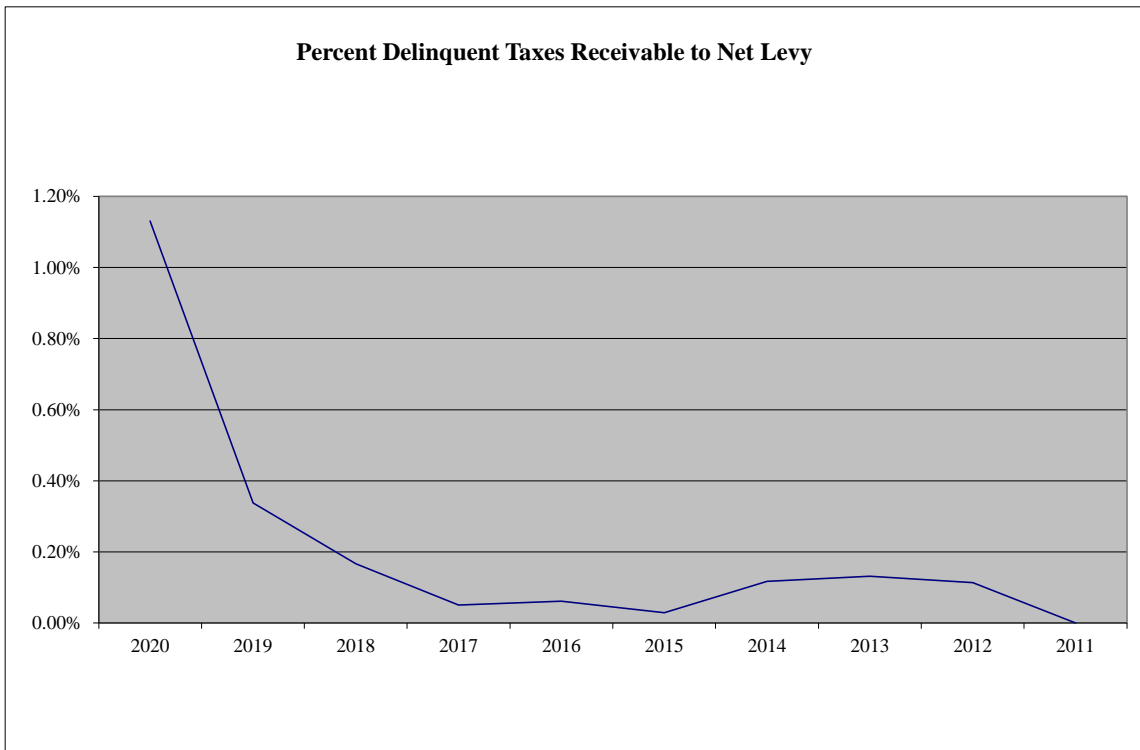
All three years of past taxes collected by the end of FY13.

\*\* = Because of a change in motor vehicle property tax collection procedures, overlapping collection efforts are included in this fiscal year. This is a one time event in the year of implementation.

CITY OF CREEDMOOR, NORTH CAROLINA  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Table 5

Fiscal Year	Net Levy	Current Year's Taxes Collected	Percent of Net Levy Collected	Collections -- Prior Years	Total Collections and Credits	Percent of Total Tax Collections to Net Levy	Ad Valorem Taxes Receivable Balance as of June 30, 2020	Percent Delinquent Taxes to Net Levy
2020	\$ 2,059,319	\$ 2,036,044	98.87%	-	\$ 2,036,044	98.87%	\$ 23,275	1.13%
2019	2,068,987	2,041,004	98.65%	21,000	2,062,004	99.66%	6,983	0.34%
2018	1,985,051	1,981,101	99.80%	636	1,981,737	99.83%	3,314	0.17%
2017	2,012,542	2,009,782	99.86%	1,734	2,011,516	99.95%	1,026	0.05%
2016	1,972,988	1,971,083	99.90%	682	1,971,765	99.94%	1,223	0.06%
2015	2,030,716	2,029,398	99.94%	726	2,030,124	99.97%	592	0.03%
2014	2,078,299	2,075,094	99.85%	759	2,075,853	99.88%	2,446	0.12%
2013	1,995,941	1,992,285	99.82%	1,020	1,993,305	99.87%	2,636	0.13%
2012	1,904,501	1,901,286	99.83%	1,046	1,902,332	99.89%	2,169	0.11%
2011	2,019,350	2,016,900	99.88%	2,450	2,019,350	100.00%	-	0.00%



CITY OF CREEDMOOR  
Assessed Value of Taxable Property  
Last Ten Fiscal Years

Table 6

Fiscal Year	Assessed Value (1)					Ratio of Assessed Value to Actual Value	Property Tax Rate (per \$100 Assessed Value)
	Real Property	Personal Property (2)	Public Service Property	Abatements and Adjustments	Total		
2020	\$ 287,982,455	\$ 39,231,870	\$ 8,181,447	\$ (547,154)	\$ 334,848,618	100%	0.615
2019	290,133,900	38,240,976	8,268,864	(223,089)	336,420,651	100%	0.615
2018 (3)	266,894,170	37,202,677	8,553,232	(43,622)	312,606,457	100%	0.635
2017	259,021,298	35,360,602	8,275,243	(19,248)	302,637,895	100%	0.665
2016	255,353,677	32,829,474	8,612,638	(105,865)	296,689,924	100%	0.665
2015	251,727,143	30,221,429	8,143,977	(99,919)	289,992,630	100%	0.700
2014	261,462,375	28,246,714	7,910,197	(719,429)	296,899,857	100%	0.700
2013	249,758,049	27,607,287	8,420,379	(651,286)	285,134,429	100%	0.700
2012	234,986,964	33,343,009	6,617,941	(2,876,286)	272,071,628	100%	0.700
2011	233,992,652	32,525,245	8,517,854	(3,534,429)	271,501,322	100%	0.700

Note:

(1) Assessed value provided by NC Department of Revenue, per North Carolina TR-2 reports.

(2) Personal property includes motor vehicle values.

(3) Revaluation effective January 1 of the revaluation year. The increase to the tax base is effective in the following year's budget.

Property Tax Rates - Direct and Overlapping (4)  
Last Ten Fiscal Years

Table 7	City of Creedmoor Tax Rate	Granville County Tax Rate	Combined Tax Rate Per \$100 of Assessed Valuation
Fiscal Year			
2020	\$ 0.615	\$ 0.840	\$ 1.455
2019	0.615	0.840	1.455
2018 (3)	0.635	0.880	1.515
2017	0.665	0.880	1.545
2016	0.665	0.830	1.495
2015	0.700	0.830	1.530
2014	0.700	0.830	1.530
2013	0.700	0.795	1.495
2012	0.700	0.795	1.495
2011	0.700	0.795	1.495

(3) Revaluation effective January 1 each year. The increase to the tax base is effective in the following year's budget.

(4) Overlapping rates are those of the local municipality and the county government that apply to property owners within the City of Creedmoor



## CITY OF CREEDMOOR, NORTH CAROLINA

## Fund Balance of Governmental Funds

## Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 8

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>General Fund</b>										
<b>Fund Balance:</b>										
Nonspendable	\$ 16,734	\$ 2,551	\$ 18,292	\$ 24,410	\$ 30,220	\$ 44,083	\$ 43,356	\$ 52,872	\$ 49,256	\$ 94,278
Restricted	410,743	517,547	575,496	596,197	672,957	614,314	576,434	664,543	795,173	820,602
Committed	-	-	99,272	254,907	304,536	333,041	-	-	-	-
Assigned	165,017	244,356	305,251	294,688	414,359	425,903	442,388	448,984	483,394	564,716
Unassigned	2,183,308	2,165,366	2,346,597	2,568,474	6,214,349	6,204,349	6,773,955	7,094,581	7,497,470	6,995,768
Total General Fund	\$ 2,775,802	\$ 2,929,820	\$ 3,344,908	\$ 3,738,676	\$ 7,636,421	\$ 7,621,690	\$ 7,836,133	\$ 8,260,980	\$ 8,825,293	\$ 8,475,364
<b>All Other Governmental Funds</b>										
<b>Fund Balance:</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 8,000,759	\$ 7,655,331	\$ 7,097,730	\$ 3,607	\$ 1,117	\$ 53,713
Committed	-	-	-	-	-	-	-	7,030,291	6,642,311	2,130,342
Assigned	142,084	81,131	249,368	217,143	1,152,406	2,806,905	1,089,241	844,596	634,942	26,630
Total All Other Governmental Funds	\$ 142,084	\$ 81,131	\$ 249,368	\$ 217,143	\$ 9,153,165	\$ 10,462,236	\$ 8,186,971	\$ 7,878,494	\$ 7,278,370	\$ 2,210,685

## CITY OF CREEDMOOR, NORTH CAROLINA

## Statutory Calculation of Fund Balance

Available for Appropriation, in Accordance with State Statute  
Table 9

**Fiscal Year Ended**  
**6/30/2020**

**Calculation****Fund Balance Available for Appropriation - G.S. §159-8(a)**

	<b>Total</b>
Unrestricted Cash and Investments .....	\$ 8,397,285
Restricted cash and investments (This would normally include Powell Bill, Bond Proceeds, consolidated funds such as capital reserve funds or tax revaluation funds)	293,251
Liabilities excluding those to be paid from restricted cash .....	726,879
Liabilities to be paid from restricted cash not included above	---
Encumbrances at June 30 (listed in the notes).....	109,922
Deferred or Unearned Revenues Arising from Cash Receipts ....	---
<b>Fund Balance Available for Appropriation .....</b>	<b>\$ 7,853,735</b>

Total Fund Balance (From Audited Financial Statements) .....	8,475,364
--	-----------

Total Restricted by State Statute.....	\$ 621,629
--	------------

**Restricted by State Statute Presented on Financial Statements**

<b><u>Less</u></b> Non Spendable - Inventory .....	---
Non Spendable - Prepaids	94,278
Other Non Spendable amounts	---
<b>Restricted - Stabilization by State Statute (LGC calculation) .....</b>	<b>\$ 527,351</b>

Restricted - Stabilization by State Statute (From Audited Financial Statements) .....	\$ 527,351
--	------------

**Analysis****Total****Expenditures - General Fund**

Total Expenditures - General Fund .....	\$ 4,088,736
<b><u>Adjustments</u></b>	
Transfers Out .....	442,832
Issuance of Capital Leases & Installment Purchases .....	---
Total Expenditures (As Adjusted) .....	\$ 4,531,568

<b>Fund Balance Available as % of Expenditures .....</b>	<b><u>173.31 %</u></b>
--	------------------------

CITY OF CREEDMOOR, NORTH CAROLINA  
Fund Balance Available as a Percentage  
of General Fund Annual Expenditures  
Past 10 fiscal years, modified accrual basis of accounting

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	74.88%	69.87%	83.99%	92.47%	179.77%	174.64%	201.66%	214.23%	232.20%	173.31%
	69.30%	69.14%	71.30%	72.50%	73.14%	72.91%	75.93%	81.60%	77.89%	Not Available

Latest group average for municipalities with populations  
between, 2,500 and 9,999. 77.89%

The calculation presented on the facing page is to illustrate the calculation of Fund Balance Available as a Percentage of Expenditures (FBA%). This ratio is a common North Carolina benchmark for the strength of a local government's financial reserves. The schedule on the facing page is modified from a template available from the State and Local Government Finance Division of the NC Department of State Treasurer. Department staff review each audit and publish the FBA% for all North Carolina municipalities and counties annually. Thus, comparisons can be made to nearby local government units, as well as similar sized units across the State.

The FBA% is the ratio of year end fund balance, less receivables and other fund obligations, divided by annual General Fund spending, excluding debt supported expenditures. The percentage is sometimes explained as an indication of how long a local government might be able to function on reserves alone. I.E. a fund balance available percentage of 84% is roughly equal to ten months of spending. Again, that is a general analogy to gauge the amount of fund balance in the local government.

CITY OF CREEDMOOR, NORTH CAROLINA  
Legal Debt Margin Information  
Last Ten Fiscal Years

Table 10

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 21,720,106	\$ 21,765,730	\$ 22,810,754	\$ 23,751,989	\$ 23,207,348	\$ 23,735,194	\$ 24,211,032	\$ 25,008,517	\$ 26,913,652	\$ 26,787,889
Total debt applicable to limit	<u>6,254,777</u>	<u>5,723,097</u>	<u>5,622,981</u>	<u>5,519,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 15,465,329</u>	<u>\$ 16,042,633</u>	<u>\$ 17,187,773</u>	<u>\$ 18,232,125</u>	<u>\$ 23,207,348</u>	<u>\$ 23,735,194</u>	<u>\$ 24,211,032</u>	<u>\$ 25,008,517</u>	<u>\$ 26,913,652</u>	<u>\$ 26,787,889</u>
Total net debt applicable to the limit, as a percentage of the total debt limit.	28.80%	26.29%	24.65%	23.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Assessed Value --- June 30, 2020	<u>\$ 334,848,618</u>
Debt Limit --- 8 percent of total assessed value	26,787,889
Total Debt Applicable to Limitation: Bonded Debt Outstanding:	<u>-</u>
Total Debt Applicable to Limitation	<u>-</u>
Legal Debt Margin	<u><u>\$ 26,787,889</u></u>

Note:  
Under North Carolina General Statutes, the legal debt limit should not exceed  
8% of the total assessed property value.

CITY OF CREEDMOOR, NORTH CAROLINA

Ratio of Net Bonded Debt to

Assessed Value and Governmental Bonded Debt per Capita

Last Ten Fiscal Years

Table 11													
Governmental Activities							Governmental Activities						
Fiscal Year	Governmental Activities	Business-Type Activities				Total Primary Government	Debt as a Percentage of Assessed Valuation	Assessed Valuation	Governmental Activities Debt per Capita	(1) Population	(1) Per Capita Income	Debt, as a percentage of estimated personal income	
	Installment Purchases	General Obligation Bonds	Installment Purchases *	Revenue Bond Anticip. Note	Revenue Bond *								
2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 334,848,618	\$ -	(2)	(2)	0.00%	
2019	-	-	-	-	-	-	0.00%	336,420,651	-	(2)	(2)	0.00%	
2018	-	-	-	-	-	-	0.00%	312,606,457	-	4,429	\$ 29,071	0.00%	
2017	-	-	-	-	-	-	0.00%	302,637,895	-	4,372	\$ 29,096	0.00%	
2016	-	-	-	-	-	-	0.00%	296,689,924	-	4,353	\$ 25,204	0.00%	
2015	-	-	-	-	-	-	0.00%	290,091,850	-	4,289	\$ 23,933	0.00%	
2014	-	-	673,864	-	4,846,000	5,519,864	0.00%	296,899,857	-	4,228	\$ 20,399	0.00%	
2013	-	-	715,981	-	4,907,000	5,622,981	0.00%	285,134,429	-	4,173	\$ 22,295	0.00%	
2012	-	-	758,214	4,965,000	-	5,723,214	0.00%	272,071,628	-	4,070	\$ 22,144	0.00%	
2011	337,182	135,000	814,464	4,965,000	-	6,251,646	0.12%	271,501,322	85.13	3,961	\$ 22,387	0.38%	

(1) Information from American Community Survey on US Census website.

(2) Information not available

During Fiscal Year 2012, the City of Creedmoor made advance payments to repay the installment purchase note for City Hall and to repay the Sewer General Obligations Bonds.

\* = During Fiscal Year 2015, the City sold its water and sewer utility system to the South Granville Water and Sewer Authority (SGWASA). The debt was repaid by SGWASA as part of the negotiated sale. By the terms of the sale, SGWASA assumed responsibility for the debt service in terms similar to that held by the City.

CITY OF CREEDMOOR

Direct and Overlapping Governmental Activities Debt

As of June 30, 2020

Table 12

Governmental Unit	General Obligation Debt Outstanding (1)	Estimated Percentage Applicable to the City (2)	Estimated Share of Overlapping Debt
Debt repaid with property taxes, Granville County	\$ 23,426,000	6.55%	\$ 1,533,287
Subtotal, overlapping debt portion			1,533,287
City of Creedmoor direct debt			---
Total, direct and overlapping debt			\$ 1,533,287

Prior Years Fiscal Years Ending June 30	Percentage Reported	Creedmoor Debt	Estimated Share of Overlapping Debt
2019	6.93%	\$ -	\$ 3,809,560
2018	6.79%	-	1,591,386
2017	6.73%	-	1,771,668
2016	6.46%	-	1,905,312
2015	6.76%	-	2,195,986
2014	6.91%	-	2,465,143
2013	6.99%	-	2,717,712
2012 (3)	6.81%	-	2,920,469
2011	7.72%	337,182	3,896,874

Notes:

- (1) Amount for Fiscal Year 2020 not available at the time the financial statements were issued.  
The amount shown is from Fiscal Year 2019
- (2) The percentage of overlapping debt applicable to the city is estimated using assessed property values.  
The applicable percentage represents the city's total assessed value divided by Granville County's total assessed value.
- (3) During Fiscal Year 2012, Creedmoor retired the installment purchase debt for the City Hall approximately 3 years early, at an approximate savings of \$22,800.

CITY OF CREEDMOOR  
Demographic Statistics  
Last Ten Fiscal Years

Table 13

Fiscal Year	Population	(1) Personal Income (thousands of dollars)	(4) Creedmoor Personal Income, Imputed	As a % of County Personal Income	(1) Per Capita Income	(2) Unemployment Rate, as a percentage
2020	4,666	(3)	(3)	0.00%	(3)	6.2%
2019	4,600	(3)	(3)	0.00%	(3)	3.9%
2018	4,518	\$ 2,323,593	\$ 174,629,736	7.52%	\$ 38,652	3.2%
2017	4,498	\$ 2,188,055	\$ 165,760,296	7.58%	\$ 36,852	3.6%
2016	4,425	\$ 2,099,824	\$ 158,295,525	7.54%	\$ 35,773	4.5%
2015	4,325	\$ 2,007,609	\$ 149,238,450	7.43%	\$ 34,506	5.5%
2014	4,289	\$ 1,935,051	\$ 143,098,196	7.40%	\$ 33,364	6.8%
2013	4,223	\$ 1,874,450	\$ 137,049,019	7.31%	\$ 32,453	9.4%
2012	4,168	\$ 1,850,573	\$ 134,026,208	7.24%	\$ 32,156	10.1%
2011	4,124	\$ 1,799,289	\$ 129,072,952	7.17%	\$ 31,298	10.5%

Notes:

All income and unemployment information is for Granville County as a whole. No City specific information is available at this time.

(1) Information from Federal Bureau of Economic Analysis

(2) Information from the NC Department of Commerce, Division of Employment Security

(3) Information not available

(4) Personal income for the City of Creedmoor is not available on the Bureau of Economic Analysis web site.  
This column, and the corresponding percentage, is estimated by multiplying the municipal population  
by the per capita income amount.

CITY OF CREEDMOOR  
Principal Taxpayers  
for the year ended June 30, 2020

		2020			2011		
		Percentage of			Percentage of		
		Total Assessed			Total Assessed		
Taxpayer (1)	Type of Enterprise	Assessed Valuation	Valuation	Rank	Assessed Valuation	Valuation	Rank
Creedmoor Crossing LLC	Real Estate	\$ 5,182,070	1.55%	1	---	---	---
PC Highland LLC	Real Estate	4,898,932	1.46%	2	---	---	---
Duke Energy Carolinas LLC	Energy	3,013,293	0.90%	3	3,519,126	1.30%	5
Time Warner Cable Southeast LLC	Telecommunications	2,925,642	0.87%	4	---	---	---
TRM Warehouse Group LLC	Warehouse	2,072,601	0.62%	5	---	---	---
Linda Vista Farms Assoc Inc (Dollar Tree)	Retail	1,838,255	0.55%	6	---	---	---
TAU NC1 LP (CVS)	Retail	1,339,747	0.40%	7	---	---	---
Public Service Co of NC Inc	Energy	1,223,831	0.37%	8	---	---	---
Creedmoor Business Park LLC	Real Estate	1,169,217	0.35%	9	5,750,817	2.12%	2
Driftwood Apartments LLC	Real Estate	1,711,870	0.51%	10	---	---	---
Baymor Associates	Real Estate	---	---	---	9,106,472	3.35%	1
Watson Martin Properties, LLC	Real Estate	---	---	---	4,406,628	1.62%	3
Verizon South, Inc.	Telecommunications	---	---	---	3,792,386	1.40%	4
Lake Glad Road Commercial (Millridge)	Real Estate	---	---	---	2,569,751	0.95%	6
Wake Electric Membership Corp.	Energy	---	---	---	1,118,284	0.41%	7
Wellons, Inc	Real Estate	---	---	---	796,694	0.29%	8
BDG Fontaine Associates (2)	Real Estate	718,912	---	---	722,728	0.27%	9
Hardison Limited Partnership (2)	Real Estate	689,705	---	---	334,651	0.12%	10
Total, Top 10 taxpayers		<u>\$ 26,784,075</u>	8.00%		<u>\$ 32,117,537</u>	11.83%	
Total Assessed Value		<u>\$ 334,848,618</u>			<u>\$ 271,501,322</u>		

Notes:

(1) Data obtained from the Granville County Tax Department, unless otherwise noted.

(2) Data from review of Granville County GIS System.



CITY OF CREEDMOOR  
Principal Employers  
Current Year and Ten Years Ago

Table 15 Employer	2020			2011		
	Reported Employees (1)	Percentage of Total Area Employment	Rank	Reported Employees (1)	Percentage of Total Area Employment	Rank
Granville County Board of Education*	107	4.55%	1	149	4.60%	1
City of Creedmoor **	34	1.44%	2	31	0.96%	5
Christian Faith Center	30	1.27%	3	36	1.11%	4
Learning Services	26	1.10%	4	30	0.93%	6
Builder Services	21	0.89%	5	---	---	---
Endure Productive	20	0.85%	6	---	---	---
First Baptist Academy	20	0.85%	7	20	0.62%	7
Rountree Chevrolet (Formerly Ellington-Brim Chevrolet)	20	0.85%	8	16	0.49%	9
RHA Group Homes	18	0.76%	9	60	1.85%	3
Food Lion	19	0.81%	10	61	1.88%	2
Creedmoor Fuel Service	13	0.55%	---	14	0.43%	10
Southern States	5	0.21%	---	17	0.52%	8
Total Employees	333	14.15%		434	13.40%	
Total estimated area employees (2)	2,354			3,240		

Notes:

\* Includes Creedmoor Elementary & South Granville High School. GC BOE moved out of Administrative Building on Park Ave in FY 2019.

\*\* Only regularly employed staff included. See Table 17 for more detailed employment information.

\*\*\* Prior to FY 2020, the number of employees listed for RHA Group Homes included multiple sites that were not in the city limits of Creedmoor

--- Information not available or not applicable

- (1) Information obtained from survey calls to area businesses. Number of Full Time employees requested.  
If employer is unresponsive, prior year information is used unless known major changes exist.
- (2) Information provided through US Census Bureau web site. From the 2010 Census, information is available and identified as "Creedmoor city, North Carolina" in the Census web pages. Most recent labor force statistic available on Census website from 2016 used for estimated area employees.

CITY OF CREEDMOOR, NORTH CAROLINA  
Relative Cost of Governmental Activities  
aka, "How \$1.00 of Ad Valorem Tax is Spent"

Table 16

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Expenditures</b>										
General Administration	\$ 0.315	\$ 0.319	\$ 0.406	\$ 0.386	\$ 0.305	\$ 0.330	\$ 0.315	\$ 0.332	\$ 0.446	\$ 0.293
Public Safety	0.473	0.514	\$ 0.537	0.497	0.477	0.516	0.459	0.461	\$ 0.588	\$ 0.573
Police and Fire Protection Contract										
Transportation	0.160	0.118	+	0.061	0.095	0.160	0.148	0.152	\$ (0.097)	\$ 0.089 √
Street Maintenance										
Professional Services and Governing										
Body	0.030	0.046	\$ 0.048	0.049	0.049	0.057	0.053	0.056	\$ 0.058	\$ 0.046
Debt Service	0.015	-	-	-	-	-	-	-	\$ -	\$ -
Economic Development <sup>(1)</sup>	0.007	\$\$	0.009	0.003	0.003	(0.020)	0.004	0.005	\$ 0.003	\$ -
Parks and Recreation	#	#	+	0.00	0.066	(0.040)	0.021	(0.004)	\$ 0.003	\$ 0.000 √
Environmental Protection	N/A	N/A	N/A	N/A	0.005	(0.002)	(0.001)	(0.001)	\$ (0.001)	\$ (0.001)
	\$ 1.00	\$ 1.00	1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00

Note: Some amounts may have been rounded for presentation purposes

\$\$ = Expenses incurred, but registered below 1/10th of 1%.

# = Parks and Recreation was supported by donations and rental fees from cellular telephone providers.

The City has leased antenna space on its water towers to three cell phone service providers.

An expanded Parks and Recreation department began operations in FY13, supported in part by tax revenue.

+ = Sufficient charges for service and/or grants received to make the function self-supporting for the year.

(1) = Included with General Administration beginning with Fiscal Year 2020

√ = Did not include Capital Grants & Contributions for Fiscal Year 2020.

Including these amounts would skew all of the other departments.

N/A = Program not yet established, or not applicable in some fashion

For Fiscal Years 2013 to 2020, the City had no Governmental Activity Debt.

CITY OF CREEDMOOR  
City Employee Statistics  
as of Fiscal Year End

Table 17

Fiscal Year	Administrative Team (1)	City Clerk (2)	Police	Maintenance	Inspections (3)	Planning	Business Dev./ Transportation	Finance	Recreation	Total per Fiscal Year
2020	4.00	1.00	19.00	5.00	-	2.50	-	2.00	1.00	34.50
2019	4.00	1.00	18.00	5.00	-	2.50	-	2.00	1.00	33.50
2018	3.75	1.00	19.00	5.00	2.00	3.00	-	2.00	1.00	36.75
2017	3.75	1.00	19.00	5.00	2.00	2.00	-	2.00	1.00	35.75
2016	3.75	1.00	19.00	4.00	2.00	2.00	-	2.00	1.00	34.75
2015	3.75	1.00	19.00	4.00	1.75	2.00	1.00	2.00	1.00	35.50
2014	2.50	1.00	18.00	5.00	1.75	2.30	1.00	3.75	1.00	36.30
2013	3.00	-	17.00	6.00	1.00	4.00	1.00	3.75	-	35.75
2012	3.00	-	17.00	5.00	1.00	4.00	1.00	3.75	-	34.75
2011	3.00	-	17.00	5.00	1.00	3.20	1.00	3.75	-	33.95

Notes:

(1) The "Administrative Team" includes the City Manager and the Administrative Services Dept. staff.

(2) In Fiscal Years 2011 through 2013, the City Clerk duties were fulfilled by a member of the Administrative Services Dept. or the Finance Dept.

(2) Inspection services are performed by Granville County beginning in Fiscal Year 2019

Employees included on this chart are regularly employed by the City, unless otherwise noted.  
"Regularly employed" in this context means working more than 1,000 hours per year for the City.

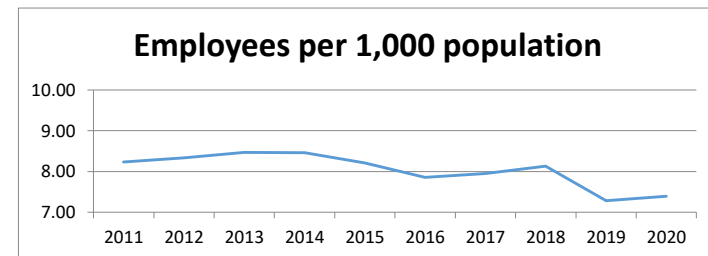
Recreation staffing is provided through part-time staff and seasonal labor provided through a staffing agency.  
With seasonal demand and participation variations, no FTE amount is a better estimate than another.  
A full time position was included in Fiscal Year 2014.

No reliable information is available for prior years. This information will be maintained and used for service effort and accomplishment purposes in the future. This measurement is intended as an "internal" measurement. Because different municipalities may have different staffing needs, comparisons to other municipalities have limited benefits.

Estimated Population  
For Fiscal Year

Employees per  
1,000 population

2011	4,124	8.23
2012	4,168	8.34
2013	4,223	8.47
2014	4,289	8.46
2015	4,325	8.21
2016	4,425	7.85
2017	4,498	7.95
2018	4,518	8.13
2019	4,600	7.28
2020	4,666	7.39



CITY OF CREEDMOOR, NORTH CAROLINA  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

Table 18

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Administrative (1)</b>										
City Hall	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Public Safety (1)</b>										
Police Stations	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Police Vehicles (2)	<i>11.00</i>	<i>11.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>
Fire Stations (3)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Transportation</b>										
Street Mileage	17.12	16.64	16.62	17.88	17.84	17.84	17.84	17.95	17.95	17.88
Other City vehicles	---	---	---	---	10.00	10.00	10.00	10.00	9.00	8.00
<b>Culture and Recreation</b>										
Parks	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Ballfields (4)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-
Community Center (5)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Community Gym (5)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Cross-City Trails Mileage (6)	NA	NA	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Hiking Trails Mileage (7)	NA	NA	NA	NA	NA	1.10	1.10	1.10	1.10	1.57
<b>Public Utilities (8)</b>										
Water	1.00	1.00	1.00	1.00						
Water Line Mileage	NA	41.00	41.00	41.00						
Sewer	1.00	1.00	1.00	1.00						
Sewer Line Mileage	NA	43.50	44.10	44.10						

Notes:

NA = Not Available  
--- = Information to be Presented Prospectively

- (1) The Police Department and City Administration staff (City Manager, Finance, HR, City Clerk, etc.) have shared space in City Hall. This is best represented by showing one half of the building as designated for the respective functions.
- (2) Years in italics indicate years with vehicle(s) on loan from Law Enforcement Support
- (3) The Fire Station is the property of the Creedmoor Volunteer Fire Department. Because the City provides significant funding for the Department, it is included here to provide a more complete picture of public safety in Creedmoor.
- (4) As a part of the construction of the Creedmoor Community Center, the ballfields are being repurposed into a single multi-purpose field as of the end of Fiscal Year 2019.
- (5) The Gym & Senior Center were closed for renovation & new construction as of the end of Fiscal Year 2019. Will include again once the project is complete and buildings reopen for business.
- (6) The Cross City Trails are those additions installed as part of a multi-phase plan. This does not include pre-existing downtown sidewalks. This data is intended to help show Creedmoor's growing commitment to recreation opportunities.
- (7) Hiking Trails include Gaudette's Gauntlet and the Lake Rogers Park Trails
- (8) Assets of the Water and Sewer Funds were sold to the South Granville Water and Sewer Authority in March 2015. This section will be deleted in future years.

CITY OF CREEDMOOR, NORTH CAROLINA  
Operating Indicators by Function  
Last Ten Fiscal Years

Table 19

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Finance Department</b>										
Audited Financial Stmt.										
delivered to NC Local										
Govt. Commission.	11/8/11	10/31/12	10/31/13	12/8/14	11/25/15	12/22/16	11/29/17	11/21/18	11/8/19	11/23/20
Due Oct. 31st each year (3)	10/31/11	10/31/12	10/31/13	10/31/14	10/31/15	10/31/16	10/31/17	10/31/18	10/31/19	1/31/21
Days (Early)/Past Due Date	8	0	0	38	25	52	29	21	8	(69)
CAFR delivered to GFOA	12/23/11	12/21/12	11/15/13	12/22/14	12/21/15	12/30/16	12/15/17	12/28/18	12/4/19	12/31/20
Due 12/31 for NC governments	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
Days (Early)/Past Due Date	(8)	(10)	(46)	(9)	(10)	(1)	(16)	(3)	(27)	0
<b>Debt Set Off (Collection Efforts)</b>										
Total Debt Submitted	\$ 44,580	\$ 35,729	\$ 42,649	\$ 52,925	\$ 46,002	\$ 38,822	\$ 33,408	\$ 31,783	\$ 33,807	\$ 31,121
Successful Collections	42	26	26	32	11	17	14	9	4	-
Amount Received	\$ 7,058	\$ 4,367	\$ 4,865	\$ 4,284	\$ 1,927	\$ 2,046	\$ 1,469	\$ 1,431	\$ 686	\$ -
% of submitted	15.83%	12.22%	11.41%	8.09%	4.19%	5.27%	4.40%	4.50%	2.03%	0.00%
Average per Collection	\$ 168.05	\$ 167.96	\$ 187.12	\$ 133.88	\$ 175.20	\$ 120.36	\$ 104.91	\$ 159.00	\$ 171.41	\$ -
<b>Planning, Zoning, and Inspections (4)</b>										
Permits Issued										
Residential Zoning Permits	37	29	27	32	72	89	57	29	74	85
Residential Construction Permits	250	294	278	221	366	360	317	21	N/A	N/A
Commercial Zoning Permits	13	9	6	14	16	18	20	11	23	21
Commercial Construction Permits	48	57	62	77	54	60	61	1	N/A	N/A
Builders' Est. Cost-Residential	\$ 2,126,225	\$ 2,339,162	\$ 2,808,993	\$ 1,457,695	\$ 5,229,876	\$ 6,837,022	\$ 3,604,317	\$ 1,903,220	N/A	N/A
Builders' Est. Cost-Commercial	\$ 176,230	\$ 776,215	\$ 265,058	\$ 3,993,226	\$ 1,422,521	\$ 2,304,229	\$ 260,404	\$ 8,500	N/A	N/A
Permit Revenue	\$ 41,470	\$ 49,892	\$ 52,022	\$ 73,319	\$ 91,841	\$ 99,076	\$ 58,276	\$ 79,560	\$ 5,240	\$ 13,230
<b>Police Department</b>										
Total calls to Police Dept.	9,639	6,600	6,574	5,961	11,489	17,036	22,288	21,588	24,407	23,050
Calls generating open cases	333	298	327	347	377	369	505	398	450	326
Cases Closed or Determined Unfounded	221	215	230	231	268	231	339	254	353	252
Percent of cases closed	66.4%	72.1%	70.3%	66.6%	71.1%	62.6%	67.1%	63.8%	78.4%	77.3%
Patrol miles driven	93,519	118,908	125,108	81,113	130,187	126,295	129,754	135,339	157,423	163,075
<b>Solid Waste and Recycling Efforts (1)</b>										
(Tons collected)										
Municipal Solid Waste	N/A	N/A	1,317.68	1,305.05	1,291.02	1,318.28	1,329.20	1,299.26	1,276.13	1,356.39
Residential Recycling (tons)										
Plastic	3.55	6.97	18.77	16.68	17.10	22.93	23.95	24.52	21.94	21.48
Paper	23.65	46.44	125.12	111.22	114.08	152.87	159.63	163.43	146.28	143.23
Glass	7.88	15.48	41.72	37.07	38.03	50.96	53.21	54.48	48.76	47.74
Aluminum	2.37	4.64	12.50	11.12	11.40	15.29	15.96	16.34	14.63	14.32
Metal Cans	1.97	3.87	10.44	9.27	9.50	12.74	13.30	13.62	12.19	11.94
Total Recycle Tonnage	39.42	77.40	208.55	185.36	190.11	254.79	266.05	272.39	243.80	238.72
<b>Administrative Services</b>										
Web Site Development/Management (2)										
Users	N/A	N/A	9,801	23,329	27,255	31,699	45,105	42,568	40,652	41,219
New Visitors (As a % of all users)	N/A	N/A	50.3%	44.2%	44.3%	46.3%	66.6%	83.4%	83.2%	84.0%
Page Views	N/A	N/A	89,118	182,909	176,811	222,316	187,248	178,150	158,265	147,332

Notes:

- (1) Solid waste and recycling services provided by Waste Industries, Inc., on a contract basis. Recycling breakdown based on percentages from prior years. Waste Industries does not track the individual types of recycling materials any longer.
- (2) Redesigned web site went live in January 2013. A smaller scale redesign went live in late Fiscal Year 2018.
- (3) While the stated due date for the audit report is October 31st, the NC Department of the State Treasurer often issues a "grace period". Unless otherwise noted above, the audit was submitted within the grace period. Fiscal Year 2020 deadline was pushed back to January 31, 2021 due to COVID-19.
- (4) Granville County assumed Building Inspection operations for the City beginning in Fiscal Year 2019

# City of Creedmoor North Carolina

## COMPLIANCE SECTION

This section includes information relating to federal and state financial assistance, in conformity with the provisions of *Government Auditing Standards*, published by the General Accounting Office. Included herein are a schedule of federal and state assistance and the auditor's report on the internal control structure and compliance with applicable laws and regulations.

# Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



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Gary L. Williams, CPA  
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Curtis G. Van Horne, CPA

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## Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

### Independent Auditor's Report

To the Honorable Mayor and Board of Commissioners  
City of Creedmoor, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Creedmoor, North Carolina, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprises the City of Creedmoor's basic financial statements, and have issued our report thereon dated November 9, 2020.

#### Internal Control Over Financial Reporting

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

Our consideration of the 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 our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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### Compliance and Other Matters

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

### Purpose of this Report

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

***Winston, Williams, Creech, Evans & Company, LLP***

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, North Carolina  
November 9, 2020



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## Report On Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance; and the State Single Audit Implementation Act

### Independent Auditor's Report

To the Honorable Mayor and Board of Commissioners  
City of Creedmoor, North Carolina

#### Report on Compliance for Each Major Federal Program

We have audited the City of Creedmoor, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Creedmoor's major federal programs for the year ended June 30, 2020. The City of Creedmoor's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Creedmoor's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Creedmoor's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Creedmoor's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the City of Creedmoor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **Report on Internal Control Over Compliance**

Management of the City of Creedmoor is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Creedmoor's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Creedmoor's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Winston, Williams, Creech, Evans & Company, LLP***

Winston, Williams, Creech, Evans & Company, LLP  
Creedmoor, North Carolina  
November 9, 2020

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## Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

### Independent Auditor's Report

To the Honorable Mayor and Board of County Commissioners  
City of Creedmoor, North Carolina

#### Report on Compliance for Each Major State Program

We have audited the City of Creedmoor, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City of Creedmoor's major state programs for the year ended June 30, 2020. The City of Creedmoor's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Creedmoor's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the *State Single Audit Implementation Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Creedmoor's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the City of Creedmoor's compliance.

### **Opinion on Each Major State Programs**

In our opinion, the City of Creedmoor complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

### **Report on Internal Control over Compliance**

Management of the City of Creedmoor is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Creedmoor's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Winston, Williams, Creech, Evans & Company, LLP***

Winston, Williams, Creech, Evans & Company, LLP  
Certified Public Accountants  
Oxford, NC  
November 9, 2020

**CITY OF CREEDMOOR, NORTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

**A. Summary of Auditor's Results**

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(s)	____ Yes	__X__ None reported
Noncompliance material to financial statements noted?	____ Yes	__X__ No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(s) identified?	____ Yes	__X__ None reported

Type of auditors' report issued on compliance for major federal program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	__X__ No
--	----------	----------

Identification of major federal programs:

<u>CFDA No(s).</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold to distinguish between Type A and Type B Programs	\$750,000
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Auditee qualified as low-risk auditee	____ Yes	__X__ No
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State Awards

Internal control over major State programs

Material weakness(es) identified?	____ Yes	__X__ No
Significant deficiency(s) identified?	____ Yes	__X__ None reported

Type of auditors' report issued on compliance for major State program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	____ Yes	__X__ No
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Identification of major state programs:

Program Name

Highway Planning and Construction  
PARTF

**B. Financial Statement Findings**

Non reported.

**CITY OF CREEDMOOR, NORTH CAROLINA  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2020**

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**Section II - Financial Statement Findings**

None reported

**Section III - Federal Award Findings and Questioned Costs**

None reported

**CITY OF CREEDMOOR, NORTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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**Prior Year Audit Findings:**

Financial Statement Findings

None reported

Federal Award Findings

None reported

State Award Findings

None reported

**CITY OF CREEDMOOR**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Federal CFDA Number	State Pass-through Grantor Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b>Federal Awards</b>				
<u>U S Department of Transportation</u>				
<u>Passed through the N C Department of Transportation</u>				
Highway Planning Research and Construction Cluster (Construction and Maintenance)	20.205-1CL		4,421,747	\$ 153,325
<u>U S Departement of Justice</u>				
<u>Passed through Bureau of Justice Assistance</u>				
Bulletproof vest program	16.607		1897	
<b>State Awards</b>				
<u>N C Department of Transportation</u>				
Powell Bill		DOT-4		179,545
<u>N C League of Municipalities</u>				
Soft Body Armor				1,750
<u>N C Department of Natural and Cultural Resources</u>				
PARTF grant				450,000
Total Assistance			\$ 4,423,644	\$ 784,620

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of federal and State Awards (SEFSA) includes the federal and State grant activity of the City of Creedmoor under the programs of the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Creedmoor, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Creedmoor.

**Note 2 - Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3 - Indirect Cost Rate**

The City of Creedmoor has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.