

TOWN OF DUBLIN, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2020

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TOWN COUNCIL

Darryl Dowless, Mayor

David Hursey, III, Mayor Pro Tem

Jeffery Smith, Commissioner

David Kirby, Commissioner

TOWN CLERK

Ashley Matthews

ATTORNEY

Whitley J.H. Ward

TOWN OF DUBLIN, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2020

<u>Exhibit</u>		<u>Page</u>
	FINANCIAL SECTION:	
	Independent Auditor's Report	1-2
	Management's Discussion and Analysis	3-9
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position	10
2	Statement of Activities	11-12
	Fund Financial Statements:	
3	Balance Sheet – Governmental Fund	13
3	Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	13
4	Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	14
4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	15
5	Statement of Revenues, Expenditures, and Changes in Fund Balance – Annual Budget and Actual – General Fund	16
6	Statement of Fund Net Position – Proprietary Fund	17
7	Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	18
8	Statement of Cash Flows – Proprietary Fund	19
	Notes to the Financial Statements	20-32

Individual Fund Schedules:

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	33-35
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Water and Sewer Fund	36-37
CDBG - Water Line Replacement Capital Project Fund	38
Lyon's Landing Sewer Pump Station Project Grant	39
Asset Inventory and Assessment Grant	40

Other Schedules:

Schedule of Ad Valorem Taxes Receivable	41
Analysis of Current Tax Levy – Town-Wide Levy	42

Compliance Section

Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43-44
Schedule of Findings and Responses	45-46
Corrective Action Plan	47

Financial Section



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R. Bryon Scott, CPA
Gregory S. Adams, CPA
Alan W. Thompson, CPA

Independent Auditor's Report

To the Honorable Mayor
And Members of Town Council
Dublin, 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 Town of Dublin, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 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 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 financial statement 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 on 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 Town of Dublin, 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 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 Town of Dublin, North Carolina. The combining and individual fund statements, budgetary schedules and other schedules are presented for purposed of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020 on our consideration of Town of Dublin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Town of Dublin's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA

Elizabethtown, North Carolina
December 22, 2020

Management's Discussion and Analysis
Town of Dublin

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

Financial Highlights

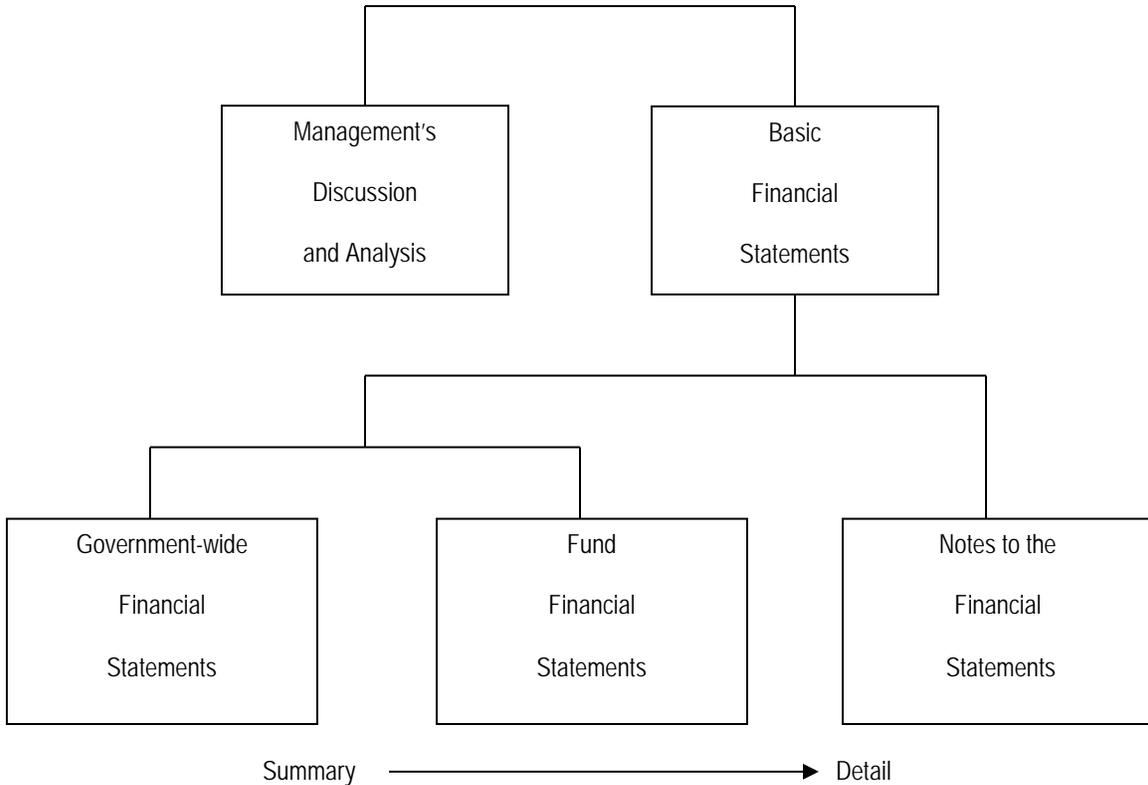
- The assets and deferred outflows of resources of the Town of Dublin exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,150,049 (*net position*).
- The government's total net position increased by \$395,768, primarily due to increases in the business-type activities.
- As of the close of the current fiscal year, the Town's governmental fund reported ending fund balances of \$963,016, a decrease of \$48,811. Approximately 21% of this amount or \$197,835 is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$609,686 or 90% of the total general fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts 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 Town'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 Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town'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 Town's financial condition.

Management's Discussion and Analysis Town of Dublin

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

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

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

Proprietary Funds – The Town of Dublin has only 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. Town of Dublin uses enterprise funds to account for its water and sewer activity. 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 are on pages 20-32 of this report.

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

Government-Wide Financial Analysis

The Town of Dublin's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 989,840	\$ 1,039,801	\$ 384,848	\$ 385,852	\$ 1,374,688	\$ 1,425,653
Capital assets	781,603	424,241	1,526,333	1,048,078	2,307,936	1,472,319
Total assets	<u>\$ 1,771,443</u>	<u>\$ 1,464,042</u>	<u>\$ 1,911,181</u>	<u>\$ 1,433,930</u>	<u>\$ 3,682,624</u>	<u>\$ 2,897,972</u>
Liabilities						
Current and other liabilities:	\$ 7,148	\$ 8,249	\$ 55,074	\$ 41,266	\$ 62,222	\$ 49,515
Long-term liabilities:						
Due within one year	30,000	-	11,453	5,886	41,453	5,886
Due in more than one year	247,500	-	181,400	88,290	428,900	88,290
Total liabilities	<u>284,648</u>	<u>8,249</u>	<u>247,927</u>	<u>135,442</u>	<u>532,575</u>	<u>143,691</u>
Net position						
Net investment in capital assets	504,103	424,241	1,333,480	953,902	1,837,583	1,378,143
Restricted for						
Stabilization by State Statute	87,756	93,214	-	-	87,756	93,214
Public Safety	29,930	27,487	-	-	29,930	27,487
Transportation	80,149	67,728	-	-	80,149	67,728
Unrestricted	784,857	843,123	329,774	344,586	1,114,631	1,187,709
Total net position	<u>\$ 1,486,795</u>	<u>\$ 1,455,793</u>	<u>\$ 1,663,254</u>	<u>\$ 1,298,488</u>	<u>\$ 3,150,049</u>	<u>\$ 2,754,281</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Dublin exceeded liabilities and deferred inflows by \$3,150,049 as of June 30, 2020. The Town's net position increased by \$395,768 for the fiscal year ended June 30, 2020. However, the largest portion \$1,837,583 (59%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Dublin uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$197,835 (6%), represents resources that are subject to external restrictions on how they may be used. The remaining portion, \$1,114,631(35%), is unrestricted.

Several particular aspects of Dublin's financial operations positively influenced the total unrestricted governmental net position, including the following:

- Increasing diligence in the collection of property taxes by maintaining a tax collection percentage of 96.52%, which is below the statewide average of 98.52%.

Town of Dublin's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for Services	\$ 144,813	\$ 73,480	\$ 211,872	\$ 221,093	\$ 356,685	\$ 294,573
Grants and Entitlements	16,071	275,811	413,778	60,979	429,849	336,790
General Revenue						
Property Taxes	93,749	90,684	-	-	93,749	90,684
Grants and contributions not restricted to specific programs	60,945	60,211	-	-	60,945	60,211
Investment Earnings	5,293	701	2,137	281	7,430	982
Other	9,320	57,458	-	-	9,320	57,458
Total Revenues	<u>330,191</u>	<u>558,345</u>	<u>627,787</u>	<u>282,353</u>	<u>957,978</u>	<u>840,698</u>
Expenses						
General Government	111,684	108,654	-	-	111,684	108,654
Public Safety	133,613	140,360	-	-	133,613	140,360
Transportation	17,672	9,971	-	-	17,672	9,971
Environmental Protection	32,625	36,386	-	-	32,625	36,386
Cultural and Recreation	3,595	4,592	-	-	3,595	4,592
Interest on Long-Term Debt	-	-	-	-	-	-
Water District	-	-	263,021	293,395	263,021	293,395
Total Expenses	<u>299,189</u>	<u>299,963</u>	<u>263,021</u>	<u>293,395</u>	<u>562,210</u>	<u>593,358</u>
Change in Net Position	31,002	258,382	364,766	(11,042)	395,768	247,340
Net Position, beginning	<u>1,455,793</u>	<u>1,197,411</u>	<u>1,298,488</u>	<u>1,309,530</u>	<u>2,754,281</u>	<u>2,506,941</u>
Net Position, ending	<u>\$ 1,486,795</u>	<u>\$ 1,455,793</u>	<u>\$ 1,663,254</u>	<u>\$ 1,298,488</u>	<u>\$ 3,150,049</u>	<u>\$ 2,754,281</u>

Governmental activities. Governmental activities increased the Town's net position by \$31,002. Key element of this increase is as follows:

- Reduced expenditures.

Business-type activities: Business-type activities increased the Town of Dublin's net position by \$364,766. Key element of this increase is as follows:

- Grant revenues increased and expenditures decreased.

Financial Analysis of the Town of Dublin's Funds

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

Governmental Funds. The focus of the Town of Dublin's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Dublin's financing requirements.

The general fund is the chief operating fund of the Town of Dublin. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$609,686 while total fund balance reached \$963,016. The Town currently has an available fund balance of 90% of the total General Fund expenditures, while total fund balance represents 142% of the same amount.

At June 30, 2020, the governmental fund of the Town reported a fund balance of \$963,016, a 5% increase over last year.

Management's Discussion and Analysis
Town of Dublin

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

Revenues were more than the budgeted amounts primarily because grant and state shared revenue came in higher than expected. As were the expenditures and the Town was able to comply with its budgetary requirements.

Proprietary Funds. The Town of Dublin's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer fund at the end of the fiscal year amounted to \$329,774. The increase in net position for this fund was \$364,766. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Dublin's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town of Dublin's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$2,307,936 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Purchase of equipment for the Fire Department utilizing grant funds and district funds.
- Purchase of fire truck.
- Capital Improvements for Lyons Landing Pump Station.

Town of Dublin's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land and Deposits	\$ 40,805	\$ 165,805	\$ 147,591	\$ 47,503	\$ 188,396	\$ 213,308
Building	218,912	147,025	24,534	26,097	65,339	191,902
Plant and Distribution	-	-	1,336,102	960,788	1,555,014	1,107,813
Equipment	141,592	111,411	18,106	13,690	159,698	125,101
Vehicles and Motor Equipment	380,294	-	-	-	380,294	-
	<u>\$ 781,603</u>	<u>\$ 424,241</u>	<u>\$ 1,526,333</u>	<u>\$ 1,048,078</u>	<u>\$ 2,307,936</u>	<u>\$ 1,472,319</u>

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

Management's Discussion and Analysis
Town of Dublin

Long-term Debt. As of June 30, 2020, the Town of Dublin had no bonded debt outstanding.

The Town of Dublin's Outstanding Debt:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Governmental Activities:					
Direct Borrowing Installment Purchases	\$ -	\$ 300,000	\$ (22,500)	\$ 277,500	\$ 30,000
Total Governmental Activities	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ (22,500)</u>	<u>\$ 277,500</u>	<u>\$ 30,000</u>

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Business-Type Activities:					
Water and Sewer Fund					
Direct Borrowing Installment Purchases	\$ 94,176	\$ 104,563	\$ (5,886)	\$ 192,853	\$ 11,453
Total Water and Sewer Fund	<u>\$ 94,176</u>	<u>\$ 104,563</u>	<u>\$ (5,886)</u>	<u>\$ 192,853</u>	<u>\$ 11,453</u>

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 Town of Dublin's legal debt margin is \$1,204,851.

Additional information regarding the Town of Dublin's long-term debt can be found in the notes beginning on page 30 of this report.

Economic Factors and Next Year's Budgets and Rates

For the upcoming year, management does not expect any surge of new development within the Town.

Due to Dublin's size, it is difficult to show any real increase in jobs within the Town's boundaries. Management reviews the County of Bladen's economic conditions to monitor for its effects on the economy of the Town.

Budget Highlights for the Fiscal Year Ending June 30, 2021.

Governmental Activities: Property taxes (benefiting from the economic growth) and sales tax revenue are expected to remain the same. The Town will continue its commitment to reducing the cost of delivering services.

Budgeted expenditures in the General Fund are expected to rise only as affected by inflation, perhaps 3-5%. The largest expenditures are in employee compensation and sanitation services, including funding compensation and benefits adjustments.

Business – type Activities: The water and sewer rates in the Town will remain the same. Personnel costs and costs of material, supplies, and other operating expenses are expected to remain steady. Capital project expenditures are expected to increase.

Requests for Information

This report is designed to provide an overview of the Town of Dublin'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 attention of Ashley Matthews, Town of Dublin, P.O. Box 36, Dublin, NC 28332.

Basic Financial Statements

Town of Dublin, North Carolina
Statement of Net Position
June 30, 2020

Exhibit 1

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash & Cash Equivalents	\$ 772,329	\$ 352,418	\$ 1,124,747
Restricted Cash	110,079	23,225	133,304
Taxes receivable (Net)	19,676	-	19,676
Accounts Receivable (Net)	16,888	35,045	51,933
Inventories	-	3,382	3,382
Restricted Accounts Receivable	-	22,702	22,702
Due from other governments	18,944	-	18,944
Internal balances	51,924	(51,924)	-
Total current assets	<u>989,840</u>	<u>384,848</u>	<u>1,374,688</u>
Noncurrent assets:			
Capital assets (Note 3):			
Land and nondepreciable improvements	40,805	147,591	188,396
Other capital assets, net of depreciation	740,798	1,378,742	2,119,540
Total capital assets	<u>781,603</u>	<u>1,526,333</u>	<u>2,307,936</u>
Total assets	<u>\$ 1,771,443</u>	<u>\$ 1,911,181</u>	<u>\$ 3,682,624</u>
Liabilities			
Current liabilities:			
Accounts Payable and Accrued Liabilities	\$ 7,148	\$ 31,849	\$ 38,997
Customer Deposits	-	23,225	23,225
Due Within One Year	30,000	11,453	41,453
Long-term Liabilities:			
Due in More Than One Year	247,500	181,400	428,900
Total liabilities	<u>284,648</u>	<u>247,927</u>	<u>532,575</u>
Net Position			
Net Investment in Capital Assets	504,103	1,333,480	1,837,583
Restricted for:			
Stabilization by State Statute	87,756	-	87,756
Public Safety	29,930	-	29,930
Transportation	80,149	-	80,149
Unrestricted	784,857	329,774	1,114,631
Total Net Assets	<u>\$ 1,486,795</u>	<u>\$ 1,663,254</u>	<u>\$ 3,150,049</u>

Town of Dublin, North Carolina
Statement of Activities
For the Year Ended June 30, 2020

Exhibit 2

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 111,684	\$ 182	\$ -	\$ -
Public Safety	133,613	102,000	2,227	13,844
Transportation	17,672	11,832	-	-
Environmental Protection	32,625	30,799	-	-
Cultural and Recreation	3,595	-	-	-
Interest on Long-Term Debt	-	-	-	-
Total Governmental Activities	<u>299,189</u>	<u>144,813</u>	<u>2,227</u>	<u>13,844</u>
Business-Type Activities:				
Water and Sewer Fund	<u>263,021</u>	<u>211,872</u>	<u>-</u>	<u>413,778</u>
Total Business-Type Activities	<u>263,021</u>	<u>211,872</u>	<u>-</u>	<u>413,778</u>
Total Primary Government	<u>\$ 562,210</u>	<u>\$ 356,685</u>	<u>\$ 2,227</u>	<u>\$ 427,622</u>

Town of Dublin, North Carolina
Statement of Activities
For the Year Ended June 30, 2020

Exhibit 2

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business Type Activities	Total
Primary Government:			
Governmental Activities:			
General Government	\$ (111,502)	\$ -	\$ (111,502)
Public Safety	(15,542)	-	(15,542)
Transportation	(5,840)	-	(5,840)
Environmental Protection	(1,826)	-	(1,826)
Cultural and Recreation	(3,595)	-	(3,595)
Interest on Long-Term Debt	-	-	-
Total Governmental Activities	(138,305)	-	(138,305)
Business-Type Activities:			
Water and Sewer Fund	-	362,629	362,629
Total Business-Type Activities	-	362,629	362,629
Total Primary Government	(138,305)	362,629	224,324
General Revenues:			
Taxes:			
Property taxes, levied for general purpose	93,749	-	93,749
Grants and contributions not restricted to specific programs	60,945	-	60,945
Investment earnings, unrestricted	5,293	2,137	7,430
Miscellaneous, unrestricted	9,320	-	9,320
Total general revenues not including transfers	169,307	2,137	171,444
Transfers	-	-	-
Total general revenues and transfers	169,307	2,137	171,444
Change in net position	31,002	364,766	395,768
Net position - Beginning	1,455,793	1,298,488	2,754,281
Net position - Ending	\$ 1,486,795	\$ 1,663,254	\$ 3,150,049

Balance Sheet
Governmental Fund
June 30, 2020

Assets	
Cash and cash equivalents	\$ 772,329
Restricted cash	110,079
Receivables (net):	
Taxes	12,883
Accounts	16,888
Due from other funds	51,924
Due from other governments	18,944
Total assets and other debits	<u>\$ 983,047</u>
 Liabilities	
Accounts payable and accrued liabilities	\$ 7,148
Total liabilities	<u>7,148</u>
 Deferred Inflows of Resources	
Property tax receivable	<u>12,883</u>
Total deferred inflows of resources	<u>12,883</u>
 Fund balances	
Restricted	
Stabilization by State Statute	87,756
Streets	80,149
Public Safety	29,930
Assigned	
Subsequent Years Expenditures	155,495
Unassigned	
Total fund balances	<u>963,016</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 983,047</u>
 Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 781,603
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.	6,793
Liabilities for earned revenue considered deferred inflows of resources in fund statements.	12,883
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:	
Gross long-term debt.	(277,500)
Other long-term liabilities, including accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	-
Net position of governmental activities	<u>\$ 1,486,795</u>

Town of Dublin, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2020

Exhibit 4

	General Fund
Revenues:	
Ad valorem taxes	\$ 93,798
Unrestricted intergovernmental	60,945
Restricted intergovernmental	27,903
Sales and services	132,981
Investment earnings	5,293
Miscellaneous	9,320
Total revenues	330,240
Expenditures:	
Current:	
General government	194,328
Public safety	411,926
Transportation	17,672
Sanitation	32,625
Debt Service	
Principle	22,500
Interest	-
Total expenditures	679,051
Excess (deficiency) of revenues over expenditures	(348,811)
Other financing sources (uses)	
Installment purchase obligations issued	300,000
Total other financing sources (uses)	300,000
Net change in fund balance	(48,811)
Fund balance, beginning	1,011,827
Fund balance, ending	\$ 963,016

Town of Dublin, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2020

Exhibit 4

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

Net changes in fund balances - total governmental funds	\$	(48,811)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized		417,052
Depreciation expense for government assets		(59,690)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. These amount is the net effect of these differences in the treatment of long-term debt and related items.

New long-term debt issued		(300,000)
Principal payments on long-term debt		22,500

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

Change in unavailable revenue for tax revenues		(49)
Total changes in net position of governmental activities	\$	31,002

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -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	\$ 76,200	\$ 76,200	\$ 93,798	\$ 17,598
Unrestricted intergovernmental	52,050	52,050	60,945	8,895
Restricted intergovernmental	68,230	20,722	27,903	7,181
Sales and services	33,150	130,380	132,981	2,601
Investment earnings	183	183	5,293	5,110
Miscellaneous	9,400	9,400	9,320	(80)
Total revenues	<u>239,213</u>	<u>288,935</u>	<u>330,240</u>	<u>41,305</u>
Expenditures:				
Current:				
General government	171,807	171,807	194,328	(22,521)
Public safety	73,068	494,158	411,926	82,232
Transportation	16,000	16,000	17,672	(1,672)
Sanitation	33,000	33,000	32,625	375
Debt Service	-	30,000	22,500	7,500
Total expenditures	<u>293,875</u>	<u>744,965</u>	<u>679,051</u>	<u>65,914</u>
Revenues over (under) expenditures	<u>(54,662)</u>	<u>(456,030)</u>	<u>(348,811)</u>	<u>107,219</u>
Other financing sources (uses):				
Debt Proceeds	-	333,000	300,000	(33,000)
Total other financing sources (uses)	<u>-</u>	<u>333,000</u>	<u>300,000</u>	<u>(33,000)</u>
Fund Balance Appropriated	54,662	123,030	-	(123,030)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(48,811)</u>	<u>\$ (48,811)</u>
Fund balance, beginning			<u>1,011,827</u>	
Fund balance, ending			<u>\$ 963,016</u>	

Town of Dublin, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2020

Exhibit 6

	Major Enterprise Fund <u>Water and Sewer Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 352,418
Restricted Cash	23,225
Accounts receivable (net) - billed	31,499
Accounts receivable (net) - unbilled	3,546
Restricted Accounts Receivable	22,702
Inventories	<u>3,382</u>
Total current assets	<u>436,772</u>
Noncurrent assets:	
Capital assets	
Land and Construction in Progress	147,591
Other capital assets - net of depreciation	<u>1,378,742</u>
Total Noncurrent assets:	<u>1,526,333</u>
Total Assets	<u>\$ 1,963,105</u>
Liabilities	
Current liabilities:	
Accounts payable and Accrued Liabilities	\$ 31,849
Due to Other Funds	51,924
Customer deposits	23,225
Notes Payable - Current	<u>11,453</u>
Total current liabilities:	<u>118,451</u>
Noncurrent liabilities:	
Notes Payable - noncurrent	<u>181,400</u>
Total noncurrent liabilities:	<u>181,400</u>
Total liabilities	<u>299,851</u>
Net position	
Net investment in capital assets	1,333,480
Unrestricted	<u>329,774</u>
Total net position	<u>\$ 1,663,254</u>

Town of Dublin, North Carolina
**Statements of Revenues, Expenses, and
 Changes in Fund Net Position**
Proprietary Fund
 For the Year Ended June 30, 2020

Exhibit 7

	Major Enterprise Fund <u>Water and Sewer Fund</u>
Operating revenues:	
Water and Sewer Charges	\$ 206,045
Other Operating Revenues	5,827
Total operating revenues:	<u>211,872</u>
Operating expenses:	
Salaries	65,305
Employee Benefits	6,327
Contracted and Professional Services	17,792
Departmental Supplies	6,802
Sewer System Lease	45,185
Repairs	42,842
Operating Expenses	30,554
Depreciation	47,960
Miscellaneous	254
Total operating expenses	<u>263,021</u>
Operating income(loss)	<u>(51,149)</u>
Nonoperating revenues (expenses):	
Investment earnings	2,137
Total nonoperating revenues(expenses)	<u>2,137</u>
Income before contributions	<u>(49,012)</u>
Capital Contributions	<u>413,778</u>
Change in net position	364,766
Total Net Position, beginning	1,298,488
Total Net Position, ending	<u>\$ 1,663,254</u>

Town of Dublin, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Year Ended June 30, 2020

Exhibit 8

	Major Enterprise Fund <u>Water and Sewer Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 199,664
Cash paid for goods and services	(143,133)
Cash paid to employees for services	(65,305)
Customer deposits received	7,185
Net cash provided by operating activities	<u>(1,589)</u>
Cash flows from noncapital financing activities:	
Garbage collections on behalf of the General Fund	<u>(5,852)</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(526,215)
Capital Contributions - Grants	412,611
Proceeds from installment purchases	104,563
Reduction in debt	(5,886)
Net cash used by capital and related financing activities	<u>(14,927)</u>
Cash flows from investing activities:	
Interest on investments	<u>2,137</u>
Net increase in cash and cash equivalents	(20,231)
Cash and cash equivalents:	
Balances, beginning	395,874
Balances, ending	<u>\$ 375,643</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ <u>(51,149)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	47,960
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(12,208)
(Increase) decrease in inventory	-
Increase (decrease) in accounts payable and accrued liabilities	6,623
Increase (decrease) in customer deposits	7,185
Total adjustments	<u>49,560</u>
Net cash provided by operating activities	<u>\$ (1,589)</u>

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity

The Town of Dublin is a municipal corporation that is governed by an elected mayor and a three-member council. As required by generally accepted accounting principles, these financial statements present the Town.

B. Basis of Presentation

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

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

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

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

The Town reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources of the general government except those 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.

The Town reports the following major enterprise fund:

Water and Sewer Fund - This fund is used to account for the Town's water and sewer operations. A Water and Sewer Capital Projects Fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Projects Fund has been included in the supplemental information.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating 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 Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, beer & wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Dublin because the tax is levied by Bladen 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 revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Grant Projects Special Revenue Fund and the Enterprise Capital Projects Fund. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for multi-year funds. The Budget Officer is authorized to transfer appropriations within a fund up to \$5,000; however, any revisions that alter the total expenditures of any fund or exceed \$5,000 must be approved by the governing board. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town has no investments. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is 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.

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and considered cash and cash equivalents.

Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Firemans' relief funds are also classified as restricted cash because it can only expended for the purposes of financially assisting firefighter and rescue personnel in the event of In-Line of Duty injury or death per G.S. 58-84-1/55.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Town of Dublin Restricted Cash	
Governmental Activities	
General Fund	
Streets	\$ 80,149
Firemen's Relief	29,930
Total Governmental Activities	<u>\$ 110,079</u>
Business Type Activities	
Water and Sewer Fund	
Customer Deposits	\$ 23,225
Total Business Type Activities	<u>\$ 23,225</u>
Total Restricted Cash	<u><u>\$ 133,304</u></u>

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance for Doubtful Accounts

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

Inventory

The inventory of the Town is valued at cost (first-in, first-out), which approximates market. The inventory of the Town's Enterprise Fund consists of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

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, \$500; Buildings, improvements, substations, lines, and other plant and distribution systems, \$500; infrastructure, \$500; furniture and equipment, \$500; and vehicles, \$500. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Motor Vehicles	5
Equipment	7
Plant Assets	50

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town does not have an item that meets this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has only one item that meet the criterion for this category - property taxes receivable.

Long-term Obligations

In the government-wide financial statements and in the 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.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

Compensated Absences

The vacation policy of the Town allows for one week per year for the first year of employment and two weeks per year for over one year of employment. There are only two full time employees that receive this benefit and no liability existed at year end.

The sick leave policy of the Town provides for an unlimited accumulation of earned sick leave. Sick leave does not vest. Since the Town has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

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

The governmental fund types classify fund balances as follows:

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

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

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

Restricted for Stabilization by State statute - 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 non-spendable. 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 fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Public Safety – Fireman's Relief Fund portion of fund balance that is restricted by revenue for financially assisting firefighter and rescue personnel in the event of In-Line of Duty injury or death.

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

Assigned fund balance – portion of fund balance that Town of Dublin intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation and any modifications to the original budget.

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

The Town of Dublin adheres to the North Carolina Local Government Commission's recommendation of a minimum fund balance for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance does not go below eight percent of budgeted expenditures. Any portion of the general fund balance in excess of 8% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

Significant Taxpayers and Water/Sewer Customers - The Town of Dublin current year tax collections were \$87,890 for June 30, 2020. Of this amount, Southern Peanut/Peanut Processors paid \$16,100. This is 19% of the Town's total current year tax revenue and is considered a significant portion to the Town's tax revenue. The Town of Dublin water and sewer sales were \$197,436 for June 30, 2020. Of this amount, Bladen Community College paid \$8,823 and West Bladen High School paid \$11,542. These are 5% and 6%, respectively, of the Town's total water and sewer revenue and are considered a significant portion to the Town's water and sewer revenue.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 2: Stewardship, Compliance and Accountability

Material Violations of Finance-Related Legal and Contractual Provisions

None

Noncompliance with North Carolina General Statutes

None

Excess of Expenditures over Appropriations

For the fiscal year ending June 30, 2020, the expenditures made in the Town's General Fund exceeded authorized appropriations made by the governing board for general government activities in the general government and transportation departments by \$22,521 and \$1,672 respectively. These over-expenditures occurred because of unplanned operating expenditures. Management and the Board will more closely review the budget reports to ensure compliance in future years.

NOTE 3: Detail Notes on All Funds

A. Assets

Deposits

All deposits of the Town's are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Town's agent(s) in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by their agents in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Board has no formal policy regarding custodial credit risk.

At June 30, 2020, the Town's deposits had a carrying amount of \$1,258,001 and a bank balance of \$1,321,932. Of the bank balance, \$250,000 was covered by federal depository insurance; the remaining \$1,007,953 was covered by collateral and held under the Pooling Method. The Town has \$50 in cash on hand.

Investments

The Town did not have any investments at June 30, 2020.

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2020 are net of the following allowances for doubtful accounts:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 16,888	\$ 24,126	\$ 18,944	\$ 59,958
Total Receivables	16,888	24,126	18,944	59,958
Allowance for Doubtful Accounts	-	(4,450)	-	(4,450)
Total Governmental Activities	<u>\$ 16,888</u>	<u>\$ 19,676</u>	<u>\$ 18,944</u>	<u>\$ 55,508</u>
Business-type Activities				
Water and Sewer Fund	\$ 35,045	-	\$ 22,702	\$ 57,747
Total Receivables	35,045	-	22,702	57,747
Allowance for Doubtful Accounts	-	-	-	-
Total Business-type Activities	<u>\$ 35,045</u>	<u>\$ -</u>	<u>\$ 22,702</u>	<u>\$ 57,747</u>

The due from other governments that is owed to the Town consist of the following:

Bladen County	\$ 4,735
Grants from Federal and State Governments	22,702
Local Option Sales & Franchise Taxes	14,209
	<u>\$ 41,646</u>

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 40,805	\$ -	\$ -	\$ 40,805
Construction in Progress	125,000	-	125,000	-
Total Capital Assets not Being Depreciated:	<u>165,805</u>	<u>-</u>	<u>-</u>	<u>40,805</u>
Capital Assets Being Depreciated:				
Buildings	328,163	81,827	-	409,990
Equipment	871,884	52,722	-	924,606
Vehicles and Motor Equipment	565,391	407,503	-	972,894
Total Capital Assets Being Depreciated:	<u>1,765,438</u>	<u>542,052</u>	<u>-</u>	<u>2,307,490</u>
Less Accumulated Depreciation				
Buildings	181,138	9,940	-	191,078
Equipment	760,473	22,541	-	783,014
Vehicles and Motor Equipment	565,391	27,209	-	592,600
Total Accumulated Depreciation	<u>1,507,002</u>	<u>\$ 59,690</u>	<u>\$ -</u>	<u>1,566,692</u>
Total Capital Assets Being Depreciated, net	<u>258,436</u>			<u>740,798</u>
Governmental Activity Capital Assets, net	<u>\$ 424,241</u>			<u>\$ 781,603</u>

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

General Government	\$ 10,976
Recreation	3,595
Public Safety	45,119
Total Depreciation Expense	<u>\$ 59,690</u>

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
Water and Sewer Fund				
Capital Assets not Being Depreciated:				
Land	\$ 17,441	\$ -	\$ -	\$ 17,441
Construction in Progress	30,062	100,088	-	130,150
Total Capital Assets not Being Depreciated:	<u>47,503</u>	<u>100,088</u>	<u>-</u>	<u>147,591</u>
Capital Assets Being Depreciated:				
Buildings	77,024	-	-	77,024
Plant and Distribution	2,008,461	410,245	-	2,418,706
Equipment	140,232	15,882	-	156,114
Vehicles and Motor Equipment	12,560	-	-	12,560
Total Capital Assets Being Depreciated:	<u>2,238,277</u>	<u>426,127</u>	<u>-</u>	<u>2,664,404</u>
Less Accumulated Depreciation				
Buildings	50,927	1,563	-	52,490
Plant and Distribution	1,047,673	34,931	-	1,082,604
Equipment	126,542	11,466	-	138,008
Vehicles and Motor Equipment	12,560	-	-	12,560
Total Accumulated Depreciation	<u>1,237,702</u>	<u>\$ 47,960</u>	<u>\$ -</u>	<u>1,285,662</u>
Total Capital Assets Being Depreciated, net	<u>1,000,575</u>			<u>1,378,742</u>
Water and Sewer Fund Capital Assets, Net	<u>\$ 1,048,078</u>			<u>\$ 1,526,333</u>

B. Liabilities

Pension Plan Obligations

The employees of the Town are not covered by a retirement plan.

Deferred Inflows of Resources

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

	<u>General Fund Balance Sheet</u>
Taxes Receivables, less penalties (General Fund)	<u>\$ 12,833</u>

Risk Management

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

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

The Town does not carry additional flood insurance due to not being located in a flood plain.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year.

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

Claims, Judgments and Contingent Liabilities

There are no pending monetary suits against the Town as of June 30, 2020.

Long-Term Obligations

Installment Purchase- Four County Electric Membership Corporation dated September 7, 2019 for the direct borrowing contract to purchase a fire truck that is payable in forty quarterly payments of \$7,500 with interest at 0%. Principal balance at year-end was \$277,500. The property is pledged as collateral for the debt while the debt is outstanding. Final payment is expected September 2029.

Water Fund

Notes Payable – NCDENR is direct borrowing for the purchase of new water meters due in 20 annual installments of \$5,886 at 0% interest, with final payment May 2035. Outstanding balance at year end is \$88,290.

Notes Payable – NCDEQ is direct borrowing for the purchase for a sewer project due in 20 annual installments of \$5,567 at 0% interest, with final payment May 2040. Outstanding balance at year end is \$104,563. Originally loan is for \$111,344, but as of June 30, 2020, \$6,781 of the proceeds had not been received.

At June 30, 2020, Town of Dublin had a legal debt margin of \$1,204,851.

Annual debt service requirements of the installment purchases as of June 30, 2020 are as follows:

Year Ending 30-Jun	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2021	30,000	-	\$ 11,453	\$ -
2022	30,000	-	11,453	-
2023	30,000	-	11,453	-
2024	30,000	-	11,453	-
2025	30,000	-	11,453	-
2026-2030	127,500	-	57,265	-
2031-2035	-	-	57,265	-
2036-2040	-	-	21,058	-
Total	\$ 277,500	\$ -	\$ 192,853	\$ -

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

Changes in Long-term Liabilities

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Governmental Activities:					
Direct Borrowing Installment Purchases	\$ -	\$ 300,000	\$ (22,500)	\$ 277,500	\$ 30,000
Total Governmental Activities	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ (22,500)</u>	<u>\$ 277,500</u>	<u>\$ 30,000</u>

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion
Business-Type Activities:					
Water and Sewer Fund					
Direct Borrowing Installment Purchases	\$ 94,176	\$ 104,563	\$ (5,886)	\$ 192,853	\$ 11,453
Total Water and Sewer Fund	<u>\$ 94,176</u>	<u>\$ 104,563</u>	<u>\$ (5,886)</u>	<u>\$ 192,853</u>	<u>\$ 11,453</u>

C. The composition of interfund balances as of June 30, 2020 are as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer Fund	\$ 51,924
	Total	<u>\$ 51,924</u>

The Town uses 2 separate bank accounts (GF & WSF) and during the year amounts may be paid or collected in one bank account for the other fund. Also, the interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

D. Fund Balance

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

Total fund balance-General Fund	\$ 963,016
Less:	
Stabilization by State Statute	87,756
Streets - Powell Bill	80,149
Public Safety – Fireman’s Relief	29,930
Appropriated Fund Balance in 2021 Budget	155,495
Remaining Fund Balance	<u>609,686</u>

TOWN OF DUBLIN, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 5: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE 6: Subsequent Events

Management has evaluated subsequent events through December 22, 2020, the date which the financial statements were available for issue.

Supplementary Statements

The section contains additional statements required by the Local Government Commission
in North Carolina.

Town of Dublin, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current Year		\$ 87,890	
Prior Year		3,928	
Penalties and interest		1,980	
Total	<u>\$ 76,200</u>	<u>93,798</u>	<u>\$ 17,598</u>
Unrestricted intergovernmental:			
Local option sales taxes		29,183	
Video Franchise Fee		3,064	
Utility sales tax		23,312	
Solid Waste Disposal		266	
Gasoline Tax Refund		918	
Beer and Wine Tax		1,501	
Telecom Sales Tax		2,701	
Total	<u>52,050</u>	<u>60,945</u>	<u>8,895</u>
Restricted intergovernmental:			
Powell Bill Allocation		11,832	
Fire Relief Fund		2,227	
Grant		13,844	
Total	<u>20,722</u>	<u>27,903</u>	<u>7,181</u>
Sales and services:			
Sanitation Fees		30,799	
Business Registration Fee		182	
Fire Protection Fees		102,000	
Total Sales and Services	<u>130,380</u>	<u>132,981</u>	<u>2,601</u>
Investment earnings:			
Regular		4,524	
Fire Dept		179	
Powell Bill		590	
Total Other Revenues	<u>183</u>	<u>5,293</u>	<u>5,110</u>

Town of Dublin, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Other Revenues:			
Donations		8,478	
Miscellaneous		842	
Total Other Revenues	<u>9,400</u>	<u>9,320</u>	<u>(80)</u>
 Total Revenues	 <u>288,935</u>	 <u>330,240</u>	 <u>41,305</u>
 Expenditures:			
General government:			
Administration:			
Board Per Diem		4,100	
Salaries		56,055	
Professional Services		7,696	
Employee Benefits		5,452	
Operating Expenses		25,386	
Park Expense		2,019	
Capital Outlay		93,620	
Total General Government	<u>171,807</u>	<u>194,328</u>	<u>(22,521)</u>
 Public safety:			
Fire:			
Operating Expenses		73,682	
Insurance		14,812	
Capital outlay		323,432	
Total Public Safety	<u>494,158</u>	<u>411,926</u>	<u>82,232</u>
 Transportation:			
Streets:			
Utilities		7,136	
Maintenance and Repairs		9,646	
Miscellaneous		890	
Capital Outlay		-	
Total Streets	<u>16,000</u>	<u>17,672</u>	<u>(1,672)</u>
 Powell Bill:			
Maintenance and Repairs		-	
Total Powell Bill	<u>-</u>	<u>-</u>	<u>-</u>
 Total Transportation	 <u>16,000</u>	 <u>17,672</u>	 <u>(1,672)</u>

Town of Dublin, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Environmental Protection:			
Sanitation:			
Contracted Services		32,625	
Total Sanitation	<u>33,000</u>	<u>32,625</u>	<u>375</u>
Debt Service:			
Principle		22,500	
Interest		-	
Total Debt Service	<u>30,000</u>	<u>22,500</u>	<u>7,500</u>
Total Expenditures	<u>744,965</u>	<u>679,051</u>	<u>65,914</u>
Revenues over (under) expenditures	<u>(456,030)</u>	<u>(348,811)</u>	<u>107,219</u>
Other Financing Sources (Uses):			
Note Proceeds	333,000	300,000	(33,000)
Total Other Financing Sources(Uses)	<u>333,000</u>	<u>300,000</u>	<u>(33,000)</u>
Fund Balance Appropriated	123,030	-	(123,030)
Net Change in Fund Balance	<u>\$ -</u>	<u>(48,811)</u>	<u>\$ (48,811)</u>
Fund Balances, Beginning		<u>1,011,827</u>	
Fund Balances, Ending		<u>\$ 963,016</u>	

Town of Dublin, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Charges for services:			
Water and Sewer Charges		\$ 197,436	
Taps and Connection Fees		1,302	
Penalties		7,307	
Miscellaneous		5,827	
Total	\$ <u>237,736</u>	<u>211,872</u>	\$ <u>(25,864)</u>
Nonoperating Revenues			
Interest Earned on Investment		<u>2,137</u>	
Total	<u>100</u>	<u>2,137</u>	<u>2,037</u>
Total revenues	<u>237,836</u>	<u>214,009</u>	<u>(23,827)</u>
Expenditures:			
Operating Expenses			
Salaries		65,305	
Employee Benefits		6,327	
Contracted and Professional Services		17,792	
Departmental Supplies		6,802	
Cost of Sewer		45,185	
Repairs		42,842	
Operating Expenses		30,554	
Miscellaneous		254	
Total	<u>357,286</u>	<u>215,061</u>	<u>142,225</u>
Debt Service			
Principle	-	5,886	
Interest	-	-	
Total Debt Service	<u>7,500</u>	<u>5,886</u>	<u>1,614</u>

Town of Dublin, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Capital outlay:			
Equipment		-	
Water/Sewer System		-	
Total capital outlay	<u>445,376</u>	<u>-</u>	<u>445,376</u>
Total expenditures	<u>810,162</u>	<u>220,947</u>	<u>589,215</u>
Capital Contributions	<u>570,376</u>	<u>-</u>	<u>(570,376)</u>
Other financing sources (uses):			
Loan Proceeds	-	104,563	104,563
Fund Balance Appropriated	<u>1,950</u>	<u>-</u>	<u>(1,950)</u>
Total other financing sources (uses)	<u>1,950</u>	<u>104,563</u>	<u>102,613</u>
Revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>97,625</u>	\$ <u>97,625</u>
 Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over expenditures		\$ <u>97,625</u>	
Reconciling items:			
Principle retirement		5,886	
Grant from capital projects		413,778	
Capital outlay		-	
Loan Proceeds		(104,563)	
Depreciation		<u>(47,960)</u>	
Total reconciling items		<u>267,141</u>	
Change in Net Position		\$ <u>364,766</u>	

Town of Dublin, North Carolina
 CDBG - Water Line Replacement
 Schedule of Revenues and Expenditures -
 Budget and Actual (Non - GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2020

	Project Author- ization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental Revenue					
CDBG - 17-I-2959	\$ 640,500	\$ 30,062	\$ 97,838	\$ 127,900	\$ (512,600)
Total Revenues	640,500	30,062	97,838	127,900	(512,600)
Expenditures:					
Miscellaneous	-	-	-	-	-
Construction	640,500	30,062	97,838	127,900	512,600
Total Expenditures	640,500	30,062	97,838	127,900	512,600
Revenue over (under) Expenditures	-	-	-	-	-
Revenue and Other Sources					
Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Town of Dublin, North Carolina
 Lyon's Landing Sewer Pump Station Project Grant
 Schedule of Revenues and Expenditures
 Budget and Actual (Non-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2020

	Project Author- ization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues					
Project E-SRP-17-0039	\$ 438,140	\$ -	\$ 313,690	\$ 313,690	\$ (124,450)
Total Revenues	<u>438,140</u>	<u>-</u>	<u>313,690</u>	<u>313,690</u>	<u>(124,450)</u>
Expenditures					
Miscellaneous	-	-	-	-	-
Construction	438,140	8,008	426,127	434,135	(4,005)
Total Expenditures	<u>438,140</u>	<u>8,008</u>	<u>426,127</u>	<u>434,135</u>	<u>(4,005)</u>
Revenues over(under) Expenditures	<u>-</u>	<u>(8,008)</u>	<u>(112,437)</u>	<u>(120,445)</u>	<u>(120,445)</u>
Revenues and other sources					
Over/(Under) Expenditures	\$ <u>-</u>	\$ <u>(8,008)</u>	\$ <u>(112,437)</u>	\$ <u>(120,445)</u>	\$ <u>(120,445)</u>

Town of Dublin, North Carolina
Asset Inventory and Assessment Grant
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2020

	Project Author- ization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Restricted intergovernmental revenues					
Project H-AIA-D-20-0190	\$ 150,000	\$ -	\$ 2,250	\$ 2,250	\$ (147,750)
Total Revenues	150,000	-	2,250	2,250	(147,750)
Expenditures					
Miscellaneous	-	-	-	-	-
Construction	150,000	-	2,250	2,250	(147,750)
Total Expenditures	150,000	-	2,250	2,250	(147,750)
Revenues over(under) Expenditures	-	-	-	-	-
Revenues and other sources					
Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

OTHER SCHEDULES

This section includes additional information on property taxes

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

Town of Dublin, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019 - 2020	\$	\$ 91,062	\$ 87,890	\$ 3,172
2018 - 2019	6,917	-	3,728	3,189
2017 - 2018	2,109	-	-	2,109
2016 - 2017	1,954	-	29	1,925
2015 - 2016	2,772	-	-	2,772
2014 - 2015	1,875	-	-	1,875
2013 - 2014	669	-	7	662
2012 - 2013	844	-	-	844
2011 - 2012	611	-	150	461
2010 - 2011	150	-	11	139
2009 - 2010	188	-	3	185
	<u>\$ 18,089</u>	<u>\$ 91,062</u>	<u>\$ 91,818</u>	<u>\$ 17,333</u>
			Allowance for Doubtful Accounts	4,450
			Ad valorem taxes receivable - net	<u>\$ 12,883</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 93,798
Reconciling items:	
Interest collected	(1,980)
Discounts	-
Releases	-
Subtotal	<u>(1,980)</u>
Total collections and credits	<u>\$ 91,818</u>

Town of Dublin, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2020

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 18,642,653	0.49	\$ 91,349	\$ 79,664	\$ 11,685
Penalties			268	268	-
Total	18,642,653		91,617	79,932	11,685
Discoveries:					
Current year taxes	-	0.49	-	-	-
Total	-		-	-	-
Abatements	(113,265)	0.49	(555)	(555)	-
Total property valuation	\$ 18,529,388				
Net levy			91,062	79,377	11,685
Uncollected taxes at June 30, 2020			3,172	3,172	-
Current year's taxes collected			\$ 87,890	\$ 76,205	\$ 11,685
Current levy collection percentage			96.52%	96.00%	100.00%

COMPLIANCE SECTION



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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 Auditors' Report

To the Honorable Mayor and
Members of the Town Council
Town of Dublin, 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, business-type activities, each major fund and the aggregate remaining fund information of the Town of Dublin, North Carolina, as of and for the year ended June 30, 2020, which collectively comprises the Town of Dublin's basic financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Dublin'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 Town of Dublin's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 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. We consider the deficiencies described in the accompanying schedule of findings and responses as item 2020-001 to be a material weakness

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. We consider the deficiency described in the accompanying schedule of findings and responses 2020-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Dublin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2020-002.

Town of Dublin's Response to Finding

The Town's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., PA

Elizabethtown, North Carolina

December 22, 2020

Town of Dublin, North Carolina
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2020

Section II – Financial Statement Findings

Finding 2020 – 001

Material Weakness

Segregation of Duties

Criteria: Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

Condition: There is a lack of segregation of duties among Town personnel.

Effect: Transactions could be mishandled.

Cause: There are a limited number of personnel for certain functions.

Recommendation: The duties should be separated as much as possible. Alternative controls should be used to compensate for lack of separation. The governing board should provide some of these controls.

Views of responsible officials and planned corrective actions: Management is aware of the deficiency, but the cost-benefit analysis indicates that hiring more personnel to mitigate the issue is not feasible. Management will request board members' continued involvement by providing additional oversight.

Finding 2020 – 002

Material Noncompliance/Significant Deficiency

Criteria: G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transactions for the current year.

Condition: Town of Dublin exceeded \$22,521 more for general government and \$1,672 more for transportation than appropriated in the annual budget ordinance.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: The Town expended purchases for capital assets that had not been budgeted for in the budget ordinance and a budget amendment was not adopted.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

View of responsible officials and planned corrective actions: The Town agrees with this finding. Budget amendments will be adopted prior to making expenditures that exceed budgeted amounts. Please refer to the corrective action plan on page 47.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.

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Corrective Action Plan
June 30, 2020

Section II – Financial Statement Findings

Finding 2020–001 Segregation of Duties

Material Weakness

Name of contact person: Darryl Dowless, Mayor

Corrective Action: The duties will be separated as much as possible and alternative controls will be used to compensate for lack of separation. The governing board will become more involved in providing some of these controls.

Proposed Completion Date: The Board will implement the above procedure immediately.

Finding 2020–002 Budget Violation

Material Noncompliance/Significant Deficiency

Name of contact person: Darryl Dowless, Mayor

Corrective Action: The finance officer will review procedures on how potential expenditures, such as capital assets, will be included in the budget ordinance. If any unexpected expenditure is to incur, the finance officer will inform the board. The finance officer will review the budget-to-actual report monthly and make any recommendations necessary.

Proposed Completion Date: The Board will implement the above procedures immediately.