

REVIEWED

By SLGFD at 11:48 am, Dec 17, 2021

TOWN OF ROBBINS

FINANCIAL STATEMENTS

June 30, 2020

TOWN OF ROBBINS, NORTH CAROLINA

MAYOR

Lonnie B. English

TOWN COUNCIL

Nicki Green, Mayor Pro-Tem

Joey Boswell

Terri Holt

Brandon Phillips

Kevin Stewart

OFFICIALS

Finance Officer

Hannah Hungerford

Town Manager

Jon Barlow

TOWN OF ROBBINS, NORTH CAROLINA

CONTENTS

Financial Section:

Exhibit

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	1
---------------------------	---

Statement of Activities	2
-------------------------	---

Fund Financial Statements:

Balance Sheet - Governmental Funds	3
------------------------------------	---

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3
--	---

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4
---	---

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
---	---

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	6
--	---

Statement of Fund Net Position - Proprietary Fund	7
---	---

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	8
---	---

Statement of Cash Flows - Proprietary Fund	9
--	---

Notes to the Financial Statements

Required Supplemental Financial Data:

Schedule of Proportionate Share of the Net Pension Liability - Local
Government Employees' Retirement System

Schedule of Contributions - Local Government Employees' Retirement
System

TOWN OF ROBBINS, NORTH CAROLINA

CONTENTS

Required Supplemental Financial Data (Concluded):

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll -
Law Enforcement Officers' Special Separation Allowance

Individual Fund Statements and Schedules:

Schedule

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	1
Combining Balance Sheet - Non-Major Governmental Funds	2
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Non-Major Governmental Funds	3
Schedule of Revenues and Expenditures - Budget and Actual - (Non-GAAP) - Water and Sewer Fund	4
Schedule of Revenues and Expenditures - Budget and Actual - (Non-GAAP) - Water and Sewer Capital Projects Fund	5
Schedule of Revenues and Expenditures - Budget and Actual - (Non-GAAP) - Water and Sewer Capital Projects Fund	6
Schedule of Revenues and Expenditures - Budget and Actual - (Non-GAAP) - Water and Sewer Capital Projects Fund	7

TOWN OF ROBBINS, NORTH CAROLINA

CONTENTS

Other Schedules:	Schedule
Schedule of Ad Valorem Taxes Receivable	8
Analysis of Current Tax Levy - Town-Wide Levy	9
 Compliance Section:	
Report on Compliance and Other Matters and on Internal Controls Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	
Schedule of Findings and Questioned Costs	
Corrective Action Plan	
Schedule of Expenditures of Federal and State Awards	
Notes to the Schedule of Expenditures of Federal and State Awards	



WILLIAM R. HUNEYCUTT

CERTIFIED PUBLIC ACCOUNTANT PLLC

216 West North Street
Albemarle, NC 28001
Phone: (704) 983-5012
Fax: (704) 983-5109

379 South Cox Street
Asheboro, NC 27203
Phone: (336) 626-9970
Fax: (336) 626-5981

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, North Carolina as of and for the year ended June 30, 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

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Town of Robbins, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated November 19, 2021 on my consideration of Town of Robbins' internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Town of Robbins' internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "William R. Huneycutt, CPA, PLLC". The signature is written in a cursive style with a large initial "W".

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

November 19, 2021

Management's Discussion and Analysis

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

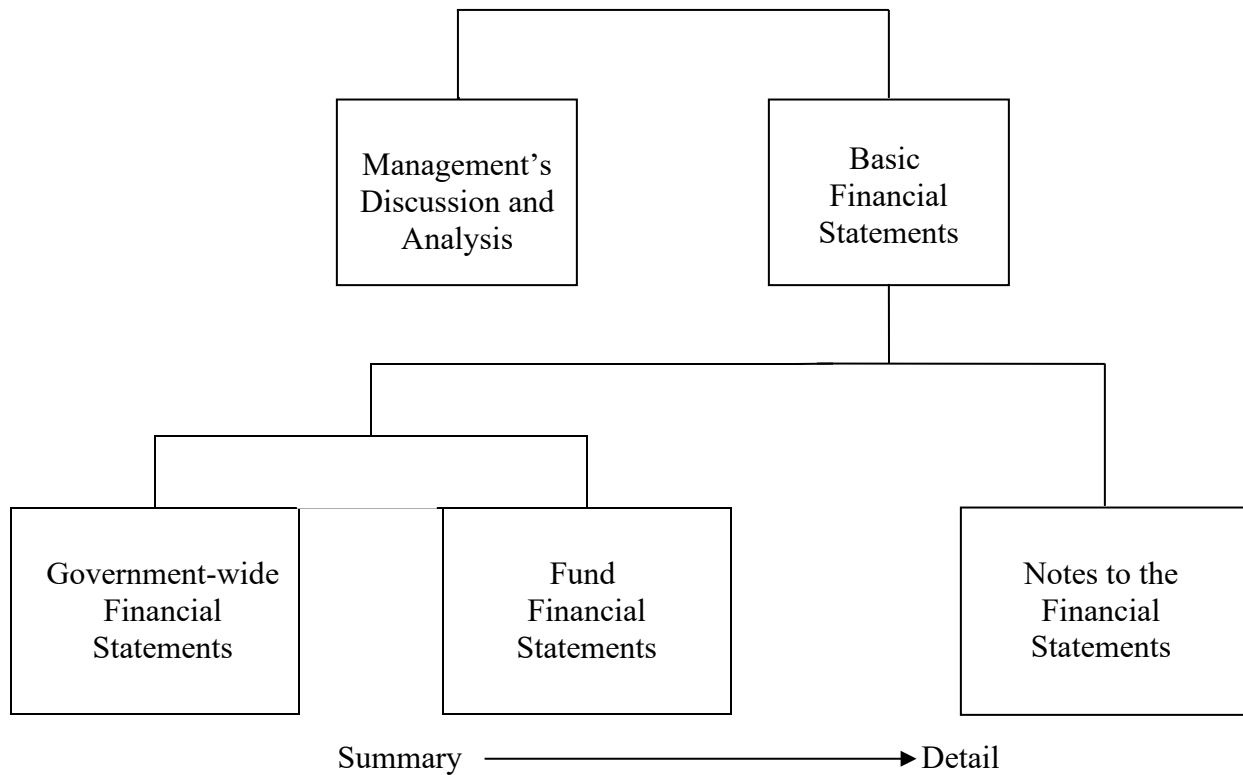
- The assets and deferred outflows of resources of the Town of Robbins exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$8,190,284 (net position).
- The government's total net position increased by \$1,332,561 primarily due to capital grants received during the fiscal year.
- As of the close of the current fiscal year, the Town of Robbins's governmental funds reported combined ending fund balance of \$1,051,675. Approximately 60 percent of this total amount, or \$630,172 is available for spending at the government's discretion.
- At the end of the current year, unassigned fund balance for the General Fund was \$630,172.
- The Town of Robbins's total debt decreased by \$179,600 during the current fiscal year. The key factor in this decrease was annual principal reductions on debt as scheduled.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

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

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

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	1,078,869	1,179,248	2,092,915	2,303,258	3,171,784	3,482,506
Capital assets	2,901,387	2,894,980	6,056,659	4,613,904	8,958,046	7,508,884
Deferred outflows of resources	115,323	149,845	30,573	45,902	145,896	195,747
Total assets and deferred outflows of resources	4,095,579	4,224,073	8,180,147	6,963,064	12,275,726	11,187,137
Long-term liabilities outstanding	1,430,731	1,479,446	2,178,110	2,258,942	3,608,841	3,738,388
Other liabilities	97,482	135,930	343,020	442,287	440,502	578,217
Deferred inflows of resources	32,005	10,890	4,094	1,919	36,099	12,809
Total liabilities and deferred inflows of resources	1,560,218	1,626,266	2,525,224	2,703,148	4,085,442	4,329,414
Net Position:						
Invested in capital assets, net of related debt	1,751,031	1,718,499	3,856,262	3,929,142	5,607,293	5,647,641
Restricted	474,896	672,649	24,338	24,338	499,234	696,987
Unrestricted	309,434	206,659	1,774,323	306,436	2,083,757	513,095
Total net position	2,535,361	2,597,807	5,654,923	3,935,989	8,190,284	6,857,723

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Robbins exceeded liabilities and deferred inflows by \$8,190,284 as of June 30, 2020. However, the largest portion (68%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town's net position increased by \$1,332,561 for the fiscal year ended June 30, 2020. The Town of Robbins uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Robbins's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Towns of Robbins's net position, \$499,234, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,083,757 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.40%.

Town of Robbins Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 84,827	\$ 112,928	\$ 806,038	\$ 750,781	\$ 890,865	\$ 863,709
Operating grants and contributions	40,939	58,246	-	-	40,939	58,246
Capital grants and contributions	34,794	543,243	1,478,461	425,647	1,513,255	968,890
General Revenues:						
Property Taxes	481,805	433,482	-	-	481,805	433,482
Other taxes	477,424	386,661	-	-	477,424	386,661
Grants and contributions not Restricted to specific programs	231,648	316,701	-	-	231,648	316,701
Other	87,409	75,236	20,971	36,507	87,409	111,743
Total Revenues	1,438,846	1,926,497	2,305,470	1,212,935	3,723,345	3,139,432
Expenses						
General government	306,162	336,898	-	-	306,162	336,898
Public Safety	791,324	757,357	-	-	791,324	757,357
Transportation	157,749	122,112	-	-	157,749	122,112
Economic and physical development	-	-	-	-	-	-
Environmental protection	60,672	55,316	-	-	60,672	55,316
Cultural and recreational	70,365	54,766	-	-	70,365	54,766
Capital outlay	78,048	136,796	-	-	78,048	136,796
Interest on long-term debt	36,972	37,796	-	-	36,972	37,796
Water and sewer	-	-	910,463	889,008	910,463	889,008
Total Expenses	1,501,292	1,501,041	910,463	889,008	2,411,755	2,390,049
Transfers	-	(1,540)	-	-	-	(1,540)
Change in Net Position	(62,446)	423,916	1,395,007	323,927	1,395,007	747,843
Net position, July 1 as previously reported	2,597,807	2,173,891	4,259,916	3,935,989	6,857,723	6,109,880
Net position, June 30	2,535,361	\$ 2,597,801	5,654,923	4,259,916	8,190,284	6,857,723

Governmental Activities - Governmental activities decreased the Town's net position by \$62,446.

Business-Type Activities - Business-type activities increased the Town of Robbins's net position by \$1,395,007.

Financial Analysis of the Town's Funds

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

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

The General fund is the chief operating fund of the Town of Robbins. At the end of the current fiscal year, the Town of Robbins's fund balance available in the General Fund was \$630,172, while total fund balance reached \$1,051,675.

At June 30, 2020, the governmental funds of Town of Robbins reported a combined fund balance of \$1,051,675 with a net decrease in fund balance of \$69,227. Included in this change in fund balance is an increase in the general fund balance of \$159,618 from the previous year and a decrease in project fund balance of \$228,845 from the previous year.

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

The original General Fund budget for 2019-2020 was adopted at \$1,314,282. Due to unexpected operational costs throughout the year, the budget was increased to \$1,459,218. After this increase, expenditures were held in check to minimize the overall effect on the budget and to protect the Town of Robbins's fund balance as much as possible.

Proprietary Fund: The Town of Robbins's proprietary/enterprise fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,774,323. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Robbins's business-type activities.

Capital Asset and Debt Administration

Capital assets: The Town of Robbins's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$6,056,659 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Town of Robbins's Capital Assets, Net
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and Construction in Progress	337,253	337,253	2,303,414	702,309	2,640,667	1,039,562
Buildings and Land Improvements	2,018,543	1,952,278	-	-	2,018,543	1,952,278
Machinery and Equipment	90,769	96,424	63,327	77,566	154,096	173,990
Infrastructure	-	-	3,689,918	3,834,029	3,689,918	3,834,029
Vehicles and motorized equipment	454,822	509,025	-	-	454,822	509,025
Total	2,901,387	2,894,980	6,056,659	4,613,904	8,958,046	7,508,884

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

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Robbins is \$2,963,989.

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

Economic Factors and Next Year's Budgets and Rates

- Growth of the tax base in Robbins has been hurt over the past couple of decades due to losing manufacturing jobs and the non-existence of new housing construction within the town limits. We currently have officials looking for ways to attract developers to build middle-income housing.

Governmental Activities:

The FY 2019-2020 tax rates were maintained at a rate of \$0.75 per \$100.00 valuation. This is no increase from the previous year. Tax revenue increases due to a property tax revaluation are expected to continue.

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

Requests for Information

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

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

June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 809,025	\$ 400,830	\$ 1,209,855
Taxes receivable (net)	3,699	-	3,699
Accounts receivable (net)	17,268	74,783	92,051
Sales tax refund receivable	-	14,119	14,119
Grants receivable	-	258,395	258,395
Due from other governments	72,411	-	72,411
Restricted cash and cash equivalents	176,466	1,344,788	1,521,254
Total Current Assets	<u>1,078,869</u>	<u>2,092,915</u>	<u>3,171,784</u>
Non-Current Assets:			
Capital Assets:			
Land, non-depreciable improvements, and construction in progress	337,253	2,303,414	2,640,667
Other capital assets, net of depreciation	2,564,134	3,753,245	6,317,379
Total Capital Assets	<u>2,901,387</u>	<u>6,056,659</u>	<u>8,958,046</u>
Total Non-Current Assets	<u>2,901,387</u>	<u>6,056,659</u>	<u>8,958,046</u>
Total Assets	\$ <u>3,980,256</u>	\$ <u>8,149,574</u>	\$ <u>12,129,830</u>
Deferred Outflows of Resources:			
Pension deferrals (LGRS)	90,335	30,573	120,908
Pension deferrals (LEO)	24,988	-	24,988
Total deferred outflows of resources	<u>115,323</u>	<u>30,573</u>	<u>145,896</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 23,495	\$ 6,873	\$ 30,368
Customer deposits	-	41,934	41,934
Compensated absences	20,594	7,827	28,421
Current portion of long-term liabilities	53,393	75,869	129,262
Payable from restricted assets	-	210,517	210,517
Total Current Liabilities	<u>97,482</u>	<u>343,020</u>	<u>440,502</u>
Non-current Liabilities:			
Net pension liability	159,976	53,582	213,558
Total pension liability	173,792	-	173,792
Installment notes payable	1,096,963	2,124,528	3,221,491
Total Non-current Liabilities	<u>1,430,731</u>	<u>2,178,110</u>	<u>3,608,841</u>
Total Liabilities	<u>1,528,213</u>	<u>2,521,130</u>	<u>4,049,343</u>
Deferred Inflows of Resources:			
Pension deferrals (LGRS)	12,222	4,094	16,316
Pension deferrals (LEO)	19,783	-	19,783
Total deferred inflows of resources	<u>32,005</u>	<u>4,094</u>	<u>36,099</u>
Net Position:			
Net investment in capital assets	1,751,031	3,856,262	5,607,293
Restricted for:			
Stabilization by State Statute	83,410	-	83,410
Public safety	98,052	-	98,052
Transportation	78,414	-	78,414
Economic development	27,269	-	27,269
Capital projects	134,358	1,344,788	1,479,146
Debt service	53,393	24,338	77,731
Unrestricted	309,434	429,535	738,969
Total Net Position	\$ <u>2,535,361</u>	\$ <u>5,654,923</u>	\$ <u>8,190,284</u>

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

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

For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 306,162	\$ -	\$ -	\$ -	\$ (306,162)	\$ -	\$ (306,162)
Public safety	791,324	555	40,939	-	(749,830)	-	(749,830)
Transportation	157,749	-	-	34,794	(122,955)	-	(122,955)
Environmental protection	60,672	84,272	-	-	23,600	-	23,600
Economic development	-	-	-	-	-	-	-
Cultural and recreational	70,365	-	-	-	(70,365)	-	(70,365)
Capital outlay	78,048	-	-	-	(78,048)	-	(78,048)
Interest on long-term debt	36,972	-	-	-	(36,972)	-	(36,972)
Total government activities (See Note 1)	<u>1,501,292</u>	<u>\$ 84,827</u>	<u>\$ 40,939</u>	<u>\$ 34,794</u>	<u>(1,340,732)</u>	<u>-</u>	<u>(1,340,732)</u>
Business-type activities:							
Water and sewer	910,463	806,038	-	1,478,461	-	1,374,036	1,374,036
Total business-type activities	<u>910,463</u>	<u>806,038</u>	<u>-</u>	<u>1,478,461</u>	<u>-</u>	<u>1,374,036</u>	<u>1,374,036</u>
Total primary government	<u>\$ 2,411,755</u>	<u>\$ 890,865</u>	<u>\$ 40,939</u>	<u>\$ 1,513,255</u>	<u>\$ (1,340,732)</u>	<u>\$ 1,374,036</u>	<u>\$ 33,304</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					481,805	-	481,805
Other taxes					477,424	-	477,424
Grants and contributions, not restricted to specific programs					231,648	-	231,648
Unrestricted investment earnings					25,083	231	25,314
Miscellaneous					62,326	20,740	83,066
Total General Revenues not Including Transfers					<u>1,278,286</u>	<u>20,971</u>	<u>1,299,257</u>
Transfers					<u>-</u>	<u>-</u>	<u>-</u>
Total General Revenues and Transfers					<u>1,278,286</u>	<u>20,971</u>	<u>1,299,257</u>
Change in Net Position					<u>(62,446)</u>	<u>1,395,007</u>	<u>1,332,561</u>
Net Position, Beginning of Year					<u>2,597,807</u>	<u>4,259,916</u>	<u>6,857,723</u>
Net Position, End of Year					<u>\$ 2,535,361</u>	<u>\$ 5,654,923</u>	<u>\$ 8,190,284</u>

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

TOWN OF ROBBINS, NORTH CAROLINA**BALANCE SHEET**
GOVERNMENTAL FUNDS

June 30, 2020

	Major Fund General Fund	Total Non-Major Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 644,381	\$ 156,565	\$ 800,946
Restricted cash	176,466	-	176,466
Receivables, net			-
Taxes	3,699	-	3,699
Accounts	9,189	8,079	17,268
Due from other governments	72,411	-	72,411
Total Assets	906,146	164,644	1,070,790
Liabilities:			
Accounts payable	9,813	3,017	12,830
Cash overdraft	-	-	-
Payroll liabilities	2,586	-	2,586
Total Liabilities	12,399	3,017	15,416
Deferred Inflows of Resources:			
Property taxes receivable	3,699		3,699
Total Deferred Inflows of Resources	3,699	-	3,699
Fund Balances:			
Restricted			
Stabilization by State Statute	83,410	-	83,410
Streets	78,414	-	78,414
Committed			
Fire department	98,052	-	98,052
Economic development	-	27,269	27,269
Assigned			
Capital improvements	-	134,358	134,358
Subsequent year's expenditures	-	-	-
Unassigned	630,172	-	630,172
Total Fund Balances	890,048	161,627	1,051,675
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 906,146	\$ 164,644	\$ 1,070,790
 Total fund balance, governmental funds			\$ 1,051,675
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			2,901,387
Net and Total pension liability (LGERS & LEO)			(333,768)
Deferred outflows of resources related to pensions are not reported in the funds			115,323
Compensated absences not expected to be materially liquidated with expendable available resources			(20,594)
Liabilities for earned but unavailable revenues in fund statements			3,699
Long-term liabilities, principally installment purchases and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds			(1,150,356)
Pension related deferrals (LGERS & LEO)			(32,005)
Net position of governmental activities			\$ 2,535,361

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

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

For the Year Ended June 30, 2020

	Major Funds General Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 483,211	\$ -	\$ 483,211
Unrestricted intergovernmental	382,445	-	382,445
Restricted intergovernmental	400,081	-	400,081
Sales and services	110,133	-	110,133
Investment earnings	25,083	-	25,083
Miscellaneous	50,087	2,279	52,366
Total Revenues	1,451,040	2,279	1,453,319
Expenditures:			
General government	295,794	-	295,794
Public safety	663,094	2,279	665,373
Transportation	175,654	-	175,654
Environmental protection	60,672	-	60,672
Economic development	-	-	-
Cultural and recreational	33,111	228,845	261,956
Debt service:			
Principal retirement	52,317	-	52,317
Interest and other charges	36,972	-	36,972
Capital outlay	-	-	-
Total Expenditures	1,317,614	231,124	1,548,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	133,426	(228,845)	(95,419)
Other Financing Sources (Uses)			
Loan proceeds	26,192	-	26,192
Total other financing sources (uses)	26,192	-	26,192
Net Change in Fund Balance	159,618	(228,845)	(69,227)
Fund Balances, Beginning of Year	730,430	390,472	1,120,902
Fund Balances, End of Year	\$ 890,048	\$ 161,627	\$ 1,051,675

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

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

For the Year Ended June 30, 2020

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

Net changes in fund balances - total governmental funds	\$ (69,227)
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	232,261
Depreciation expense for governmental assets	(225,854)
Contributions to the pension plan in the current fiscal years are not included on the Statement of Activities (LGERS & LEO)	31,042
Benefit payments paid for the LEOSSA are not included on the Statement of Activities	16,893
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenue for tax revenues	1,406
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Compensated absences	(9,771)
Pension expense LGERS & LEO	(65,321)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
	<u>26,125</u>
Total changes in net position of governmental activities	\$ <u><u>(62,446)</u></u>

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

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	General Fund			Variance with Final Budget- Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues:				
Ad valorem taxes	\$ 473,099	\$ 473,099	\$ 483,211	\$ 10,112
Unrestricted intergovernmental	387,400	361,000	382,445	21,445
Restricted intergovernmental	369,783	389,961	400,081	10,120
Sales and services	77,000	101,561	110,133	8,572
Investment earnings	7,000	13,500	25,083	11,583
Miscellaneous	-	9,055	50,087	41,032
Total Revenues	<u>1,314,282</u>	<u>1,348,176</u>	<u>1,451,040</u>	<u>102,864</u>
Expenditures:				
General government	275,770	325,663	295,794	29,869
Public safety	626,897	703,797	663,094	40,703
Transportation	221,735	236,923	175,654	61,269
Environmental protection	65,000	65,000	60,672	4,328
Cultural and recreational	35,525	38,480	33,111	5,369
Debt service				
Principal retirement	52,317	52,317	52,317	-
Interest and other charges	37,038	37,038	36,972	66
Total Expenditures	<u>1,314,282</u>	<u>1,459,218</u>	<u>1,317,614</u>	<u>141,604</u>
Revenues Over (Under)				
Expenditures	<u>-</u>	<u>(111,042)</u>	<u>133,426</u>	<u>244,468</u>
Other financing sources (uses)				
Transfer from economic development fund	-	26,192	26,192	-
Transfer to FEMA fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>26,192</u>	<u>26,192</u>	<u>-</u>
Fund Balance Appropriated	<u>-</u>	<u>84,850</u>	<u>-</u>	<u>84,850</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>159,618</u>	<u>\$ 159,618</u>
Fund Balance, Beginning of Year			<u>730,430</u>	
Fund Balance, End of Year			<u>\$ 890,048</u>	

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

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

June 30, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Assets:	
Current Assets:	
Cash and cash equivalents	\$ 400,830
Accounts receivable (net)	74,783
Sales tax refund receivable	14,119
Grants receivable	258,395
Restricted cash and cash equivalents	1,344,788
Total Current Assets	<u>2,092,915</u>
Non-Current Assets:	
Capital Assets:	
Land, non-depreciable improvements, and construction in progress	2,303,414
Other capital assets, net of depreciation	3,753,245
Total Capital Assets	<u>6,056,659</u>
Total Non-Current Assets	<u>6,056,659</u>
Total Assets	<u>8,149,574</u>
Deferred Outflows of Resources:	
Pension deferrals	<u>30,573</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 8,180,147</u>
Liabilities:	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 6,873
Customer deposits	41,934
Net pension liability	53,582
Compensated absences	7,827
Current portion of long-term liabilities	75,869
Liabilities payable from restricted assets:	
Accounts payable	210,517
Total Current Liabilities	<u>396,602</u>
Non-current Liabilities:	
Notes payable	<u>2,124,528</u>
Total Non-current Liabilities	<u>2,124,528</u>
Total Liabilities	<u>2,521,130</u>
Deferred Inflows of Resources:	
Pension deferrals	<u>4,094</u>
Net Position:	
Net investment in capital assets	3,856,262
Restricted - USDA debt service reserve	24,338
Restricted - capital projects	1,344,788
Unrestricted	429,535
Total Net Position	<u>5,654,923</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 8,180,147</u>

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

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

For the Year Ended June 30, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Operating Revenues:	
Charges for services	\$ 804,590
Water and sewer taps	1,020
Other operating revenues	428
Total Operating Revenues	<u>806,038</u>
Operating Expenses:	
Water and sewer operations	728,307
Depreciation	158,350
Total Operating Expenses	<u>886,657</u>
Operating (loss)	<u>(80,619)</u>
Nonoperating Revenues (Expenses)	
Late fees	15,657
Sales tax refund	5,083
Investment earnings	231
Interest expense	(23,806)
Total Nonoperating Revenues (Expenses)	<u>(2,835)</u>
Income (Loss) Before Contributions and Transfers	(83,454)
Capital contributions	<u>1,478,461</u>
Change in Net Position	<u>1,395,007</u>
Net Position, Beginning of Year	<u>4,259,916</u>
Net Position, End of Year	<u>\$ 5,654,923</u>

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

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

For the Year Ended June 30, 2020

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 840,421
Cash paid for goods and services	(703,054)
Cash paid to or on behalf of employees for services	(120,884)
Customer deposits	2,409
Other operating revenues	15,657
Net Cash Provided by Operating Activities	<u>34,549</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(1,388,788)
Interest paid on notes payable	(23,806)
Principal paid on notes payable	(84,365)
Capital contributions	1,370,863
Net Cash (Used) by Capital and Related Financing Activities	<u>(126,096)</u>
Cash Flows from Investing Activities	
Interest and dividends	231
Net Cash Provided by Investing Activities	<u>231</u>
Net (Decrease) in Cash and Cash Equivalents	<u>(91,316)</u>
Balances, Beginning	<u>1,987,731</u>
Balances, Ending	<u>\$ 1,896,415</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating (loss)	\$ <u>(80,619)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	158,350
Other income	-
Changes in assets and liabilities:	
Decrease in accounts receivable	181
Increase in other assets	(25,625)
Increase in accounts payable and accrued liabilities	117
Decrease in accrued interest	(2,147)
Increase in customer deposits	2,409
Decrease in deferred outflows of resources for pensions	(15,329)
Decrease in net pension liability	(4,963)
Increase in deferred inflows of resources for pensions	2,175
Total adjustments	<u>115,168</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 34,549</u>

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2020

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

The Town of Robbins is a municipal corporation which is governed by an elected mayor and a five-member Board of Commissioners. The Town operates under a Commissioner-Manager form of government. As required by generally accepted accounting principles, the Town would include any component unit for which it is financially accountable. For the year ended June 30, 2020, no component units were included in the basic financial statements.

Basis of Presentation

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

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

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

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

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

The Town reports the following major governmental funds:

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

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

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

The Town reports the following major enterprise fund:

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

Measurement Focus and Basis of Accounting

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

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Robbins because the tax is levied by Moore County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Concluded)

Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data

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

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Cash and Cash Equivalents

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

Restricted Assets

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

Town of Robbins' Restricted Cash – Governmental Activities

Governmental Activities

General Fund

Streets	\$	78,414
Fire Department		98,052

Total Restricted Cash	\$	<u>176,466</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 September 1st (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowances for Doubtful Accounts

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Capital Assets

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

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

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

Deferred Outflows/Inflows of Resources

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Deferred Outflows/Inflows of Resources (Concluded)

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

Claims, Judgments, and Contingent Liabilities

At June 30, 2020, the Town was not involved in any lawsuits.

Long-Term Obligations

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

Compensated Absences

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Net Position/Fund Balances (Continued)

Fund Balances (Concluded)

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

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

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

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

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

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

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

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

The Town of Robbins has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-Town funds,

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Net Position/Fund Balances (Concluded)

Fund Balances (Concluded)

Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

Pensions

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

Use of Estimates

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Stewardship, Compliance, and Accountability

Noncompliance with North Carolina General Statutes

Expenditures Not Preaudited

Pursuant to NC General Statute 159-28(a) of the Local Government Budget and Fiscal Control Act; no obligation may be incurred in a program, function or activity accounted for in a fund included in the budget ordinance unless a certificate stating that the obligation has been preaudited to assure compliance with subsection (a) of this section has been signed by the Finance Officer. All disbursements in the Water System Improvements Grant Project Fund did not include the preaudit certificate signed by the Finance Officer. The Town will properly document the preaudit requirement in subsequent years.

Contract Not Preaudited

Pursuant to NC General Statute 159-28(a1) of the Local Government Budget and Fiscal Control Act; if an obligation is reduced to written contract or written agreement requiring the payment of money, or is evidenced by a written purchase order for supplies and materials, the written contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with subsection (a) of this section. A contract in a project fund did not have documentation of being preaudited. The Town will properly document the preaudit requirement in contracts in subsequent years.

No Preaudit Certificate on Checks

Pursuant to NC General Statute 159-28(d1) of the Local Government Budget and Fiscal Control Act; each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or a deputy finance officer approved for this purpose by the governing board. The certificate shall take substantially the following form: "This disbursement has been approved as required by the Local Government and Fiscal Control Act." Checks used to pay vendors did not have the required language as required by the Local Government and Fiscal Control Act. The Town will properly include the language on the face of checks in subsequent years.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Stewardship, Compliance, and Accountability (Concluded)

Noncompliance with North Carolina General Statutes (Concluded)

Deficit Fund Balance

Sufficient resources should be available before obligations are incurred in the funds. During the year ended June 30, 2020, the Chlorine Booster Water Improvement Grant Project had a deficit fund balance as of June 30, 2020 due to obligations being incurred before sufficient resources were available. The Town will ensure no future obligations are made before sufficient resources are available, and will ensure no funds have deficit fund balances in subsequent years.

Audit Submission

Pursuant to NC G.S. 159-25(a)(1), the Town must keep the accounts of the local government in accordance with generally accepted accounting principles of governmental accounting and the rules and regulations of the Commission. The Town was not able to prepare the books for audit in a timely manner allowing for timely audit submission to the Local Government Commission as required by general statutes. Town staff are working diligently to correct this violation in future years.

Note 3 – Detail Notes on All Funds

Assets

Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for noninterest bearing deposits and the actual current balance for the interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their information with the Town or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Deposits (Concluded)

increase in periods of high cash flows. However, the State treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit needs for deposits but relies on the State Treasurer to enforce standards in minimum capitalization in all pooling method financial institutions and to monitor them for compliance. The Town complies with provisions of G.S. 159-31 when designated official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$351,510 and a bank balance of \$426,099. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

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

Investments

At June 30, 2020, the Town of Robbins had \$2,872,913 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAA by Standard and Poor's. The Town has no policy regarding credit risk.

Receivables – Allowance for Doubtful Accounts

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

Governmental Activities

General Fund: Taxes Receivable	\$1,000
--------------------------------	---------

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Due from Other Governmental Agencies

At June 30, 2020, funds due from other governmental agencies consisted of the following:

	Primary Government	
	General	Business-Type
Local Option Sales Tax	\$ 48,176	\$ -
Utility Franchise Tax	12,276	-
Solid Waste	211	-
Sales Tax Refund	11,748	-
Total	\$ 72,411	\$ -

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets

Primary Government

Capital assets for the Primary Government for the year ended for the year 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	\$ 337,253	-	-	\$ 337,253
Total capital assets not being depreciated	<u>\$ 337,253</u>	<u>-</u>	<u>-</u>	<u>\$ 337,253</u>
Capital assets being depreciated:				
Land improvements	\$ 343,331	150,797	-	494,128
Buildings	2,395,934	-	-	2,395,934
Vehicles and motorized equipment	1,771,069	40,696	-	1,811,765
Other equipment	<u>619,762</u>	<u>40,768</u>	<u>-</u>	<u>660,530</u>
Total capital assets being depreciated	<u>\$ 5,130,096</u>	<u>232,261</u>	<u>-</u>	<u>\$ 5,362,357</u>
Less accumulated depreciation				
Land improvements	\$ 266,443	28,038	-	294,481
Buildings	520,544	56,494	-	577,038
Vehicles and motorized equipment	1,262,044	94,899	-	1,356,943
Other equipment	<u>523,338</u>	<u>46,423</u>	<u>-</u>	<u>569,761</u>
Total accumulated depreciation	<u>2,572,369</u>	<u>225,854</u>	<u>-</u>	<u>2,798,223</u>
Total capital assets being depreciated, net	<u>2,557,727</u>			<u>2,564,134</u>
Governmental activity capital assets, net	<u>\$ 2,894,980</u>			<u>\$ 2,901,387</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Concluded)

Primary Government (Continued)

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

General government	\$	6,554
Public safety		168,359
Transportation		15,966
Cultural and recreational		34,975
Total depreciation expense	\$	<u>225,854</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Concluded)

Primary Government (Concluded)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 702,309	-	-	\$ 702,309
Construction in progress	-	1,601,105	-	1,601,105
Total capital assets not being depreciated	<u>\$ 702,309</u>	<u>1,601,105</u>	<u>-</u>	<u>\$ 2,303,414</u>
Capital assets being depreciated:				
Plant and distribution system	\$ 10,323,586	-	-	\$10,323,586
Vehicles and motorized equipment	133,862	-	-	133,862
Other equipment	<u>243,114</u>	<u>-</u>	<u>-</u>	<u>243,114</u>
Total capital assets being depreciated	<u>\$ 10,700,562</u>	<u>-</u>	<u>-</u>	<u>\$10,700,562</u>
Less accumulated depreciation				
Plant and distribution system	\$ 6,489,557	144,111	-	\$ 6,633,668
Vehicles and motorized equipment	133,862	-	-	133,862
Other equipment	<u>165,548</u>	<u>14,239</u>	<u>-</u>	<u>179,787</u>
Total accumulated depreciation	<u>\$ 6,788,967</u>	<u>158,350</u>	<u>-</u>	<u>\$ 6,947,317</u>
Total capital assets bring depreciated, net	<u>3,911,595</u>			<u>3,753,245</u>
Business-type activity capital assets, net	<u>\$ 4,613,904</u>			<u>\$ 6,056,659</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities

Pension Plan Obligations

Local Government Employee's Retirement System

Plan description. The Town of Robbins is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consist of 13 member – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years or creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or who have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

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

LGERS plan members who are LEOs are eligible to retire with full benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Robbins employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Robbins' contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Robbins were \$42,509 for the year ended June 30, 2020.

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

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

At June 30, 2020, the Town reported a liability of \$213,558 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019 (measurement date), the Town's proportion was 0.00782%, which is an decrease of 0.00132% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$94,640. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,567	\$ -
Changes of assumptions	34,806	-
Net difference between projected and actual earnings on pension plan investments	5,209	-
Changes in proportion and differences between town contributions and proportionate share of contributions	2,758	16,316
Town contributions subsequent to the measurement date	42,509	-
Total	\$ 121,849	\$ 16,316

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

\$42,509 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2021	\$	34,257
2022		7,517
2023		18,416
2024		2,834
2025		-
Thereafter		-
	\$	<u>63,024</u>

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

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

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

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Concluded)

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 488,446	\$ 213,558	\$ (14,930)

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

Law Enforcement Officers Special Separation Allowance

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

	General Employees:
Retirees and dependents receiving benefits	1
Active plan members	4
Total	<u>5</u>

Summary of Significant Accounting Policies

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

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

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

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Concluded)

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

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

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

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

At June 30, 2020, the Town reported a total pension liability of \$173,792. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the Town recognized pension expense of \$8,518.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,020	\$ 16,238
Changes of assumptions	5,075	3,545
Town benefit payments and plan administrative expense made subsequent to the measurement date	16,893	-
Total	\$ 24,988	\$ 19,783

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

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

\$16,893 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (1,859)
2022	(3,605)
2023	(3,421)
2024	(2,803)
2025	-
Thereafter	-
	\$ <u>(11,688)</u>

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

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

	<u>1% Decrease (2.26%)</u>	<u>Discount Rate (3.26%)</u>	<u>1% Increase (4.26%)</u>
Total pension liability	\$ 184,946	\$ 173,792	\$ 163,527

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

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

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

	2020
Beginning balance	\$ 197,003
Service cost	3,306
Interest on the total pension liability	6,863
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(20,489)
Changes of assumptions or other inputs	4,002
Benefit payments	(16,893)
Other changes	-
Ending balance of the total pension liability	\$ <u>173,792</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disable and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Supplemental Retirement Income Plan for Law Enforcement Officers

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Supplemental Retirement Income Plan for Law Enforcement Officers (Concluded)

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$7,660.

Other Employee Benefits

The Town has also elected to provide death benefits to law enforcement employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Town considers the contributions to be immaterial.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Concluded)

Risk Management

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

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

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

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

Deferred Outflows and Inflows of Resources

The Town has deferred outflows and inflows of resources.

Source	Amount
Deferred outflows of resources:	
Pension deferrals (LGERS)	\$ 136,237
Pension deferrals (LEO)	24,988
	<hr/>
	\$ 161,225
Deferred inflows of resources:	
Pension deferrals (LGERS)	\$ 14,141
Pension deferrals (LEO)	19,783
	<hr/>
	\$ 33,924

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Long-Term Obligations

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
In June 2017, the Town entered into an installment loan for the purchase of a vehicle. Due in five annual payments of \$5,176 including interest at 3.0%, secured by vehicle.	\$ 9,899	\$ -
In June 2017, the Town entered into an installment loan for the purchase of a fire truck. Due in ten annual payments of \$36,000 including interest at 1.0%, secured by truck.	261,825	-
In October 2002, the Town entered into a loan agreement with the NC Dept. of Commerce to partially finance an emergency water interconnection with Montgomery County, non-interest bearing.	-	136,620
On April 18, 2002, the Town executed a promissory note payable to the NC Dept. of Environment, Health, and Natural Resources to finance sewer improvements. Bears interest at 2.5%	-	463,777
In September 2010, the Town entered into a loan agreement with the U.S. Dept. of Agriculture for the New Fire Department construction. Upon completion of the building, the loan will be paid in forty annual payments of \$32,362, including interest at 3.5%.	628,623	-
In September 2012, the Town entered into a Federal Revolving Loan agreement, due in monthly principal installments of \$8,496, non-interest bearing.	-	-
In May 2012, the Town entered into a loan agreement with the U.S. Dept. of Agriculture for the New Fire Department construction. Upon completion of the building, the loan will be paid in forty annual payment of \$11,318, including interest at 3.375%.	223,817	-
In April 2019, the Town entered into a loan agreement with the NC Office of Recovery and Resiliency for emergency funding for disaster relief and recovery. The loan is principal only with no interest or administrative fees. Repayments are made upon receipt of reimbursement from federal government.	-	1,600,000
Total outstanding	\$ 1,124,164	\$ 2,200,397
Less: current portion	<u>53,393</u>	<u>91,475</u>
	<u>\$ 1,070,771</u>	<u>\$ 2,108,922</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Long-Term Obligations (Continued)

At June 30, 2020, the Town of Robbins had a legal debt margin of \$2,963,989.

Changes in long-term liabilities: The following is a summary of changes in the Town's long-term obligations for the year ended June 30, 2020:

	Balances July 1, 2019	Increases	Decreases	Balances June 30, 2020	Current Portion of Balance
Governmental activities:					
Installment debt					
Vehicle	\$ 14,629	\$ -	\$ 4,730	\$ 9,899	\$ 4,880
Truck	294,876	-	33,051	261,825	33,382
FD Cons. (2010)	639,239	-	10,616	628,623	11,055
FD Cons. (2012)	227,737	-	3,920	223,817	4,076
Net Pension Liability (LGERS)	158,287	1,689	-	159,976	-
Total Pension Liability (LEO)	197,003	-	23,211	173,792	-
Compensated Absences	30,365	-	9,771	20,594	20,594
Governmental activity					
long-term liabilities	\$ <u>1,562,136</u>	\$ <u>1,689</u>	\$ <u>85,299</u>	\$ <u>1,478,526</u>	\$ <u>73,987</u>
Business-type activities:					
Promissory note					
Sewer Improvements	\$ 515,308	\$ -	\$ 51,531	\$ 463,777	\$ 51,531
Loan agreement					
Water Interconnection	160,958	-	24,338	136,620	24,338
Revolving Loan	8,496	-	8,496	-	-
NCORR	1,600,000	-	-	1,600,000	-
Net Pension Liability (LGERS)	58,545	-	4,963	53,582	-
Compensated Absences	14,489	-	6,662	7,827	7,827
Business-type activity					
long-term liabilities	\$ <u>2,357,796</u>	\$ <u>-</u>	\$ <u>95,990</u>	\$ <u>2,261,806</u>	\$ <u>83,696</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Long-Term Obligations (Continued)

Maturities of Long-Term Obligations

The annual requirements to retire all debt outstanding, other than compensated absences, at June 30, 2020, including interest, are as follows:

Governmental Activities: Principal	Notes Payable				
	Vehicle	Truck	FD Cons. (2010)	FD Cons. (2012)	Total
2021	4,880	33,382	11,055	4,076	53,393
2022	4,843	33,716	11,447	4,215	54,221
2023	-	34,053	11,853	4,360	50,266
2024	-	34,393	12,216	4,489	51,098
2025	-	34,737	12,707	4,662	52,106
2026-2030	-	91,544	70,573	25,797	187,914
Thereafter	-	-	498,772	177,814	676,586
	\$ 9,723	\$ 261,824	\$ 628,623	\$ 225,413	\$ 1,125,583
Interest					
2021	296	2,618	22,310	7,738	32,962
2022	150	2,284	21,918	7,599	31,951
2023	-	1,947	21,512	7,454	30,913
2024	-	1,607	21,149	7,325	30,081
2025	-	1,263	20,658	7,152	29,073
2026-2030	-	1,690	96,252	33,273	131,215
Thereafter	-	-	219,796	74,732	294,528
	\$ 446	\$ 11,410	\$ 423,595	\$ 145,273	\$ 580,724

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Concluded)

Long-Term Obligations (Concluded)

Business-Type Activities: Principal	Notes Payable		
	Water Inter.	Sewer Impr.	Total
2021	24,338	51,531	75,869
2022	24,338	51,531	75,869
2023	24,338	51,531	75,869
2024	24,338	51,531	75,869
2025	24,438	51,531	75,969
2026-2030	14,930	206,123	221,053
Thereafter	-	-	-
	\$ 136,720	\$ 463,777	\$ 600,497
Interest			
2021	-	11,594	11,594
2022	-	10,306	10,306
2023	-	9,018	9,018
2024	-	7,730	7,730
2025	-	6,441	6,441
2026-2030	-	12,883	12,883
Thereafter	-	-	-
	\$ -	\$ 57,973	\$ 57,973

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 4 – Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

Note 5 – Fund Balance

Fund Balance

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

Total fund balance - General Fund	\$ 890,048
Stabilization by State Statute	83,410
Streets - Powell Bill	78,414
Committed - Fire Department	98,052
Appropriated Fund Balance in 2020 budget	-
Remaining Fund Balance	630,172

Note 6 – Significant Effects of Subsequent Events

The Town has evaluated all subsequent events through November 19, 2021, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

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

TOWN OF ROBBINS, NORTH CAROLINA

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

Local Government Employee's Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Robbins's proportion of the net pension liability (asset) (%)	0.00782%	0.00914%	0.00838%	0.00916%	0.00008%	0.00920%	0.00622%
Robbins's proportion of the net pension liability (asset) (\$)	\$ 213,558	\$ 180,051	\$ 128,023	\$ 194,406	\$ 36,263	\$ (36,682)	\$ 110,895
Robbins's covered-employee payroll	\$ 538,000	\$ 566,306	\$ 505,470	\$ 477,135	\$ 518,096	\$ 268,573	\$ 265,853
Robbins's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	39.69%	31.79%	25.33%	40.74%	7.00%	-13.66%	41.71%
Plan fiduciary net position as percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

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

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

TOWN OF ROBBINS, NORTH CAROLINA

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

Local Government Employee's Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 42,509	\$ 41,905	\$ 35,036	\$ 36,539	\$ 32,761	\$ 36,512	\$ 16,177
Contributions in relation to the contractually required contribution	<u>42,509</u>	<u>41,905</u>	<u>35,036</u>	<u>36,539</u>	<u>32,761</u>	<u>36,512</u>	<u>16,177</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Robbins's covered-employee payroll	546,965	538,000	566,306	505,470	477,135	518,096	268,573
Contributions as a percentage of covered-employee payroll	7.77%	7.79%	6.19%	7.23%	6.87%	7.05%	6.02%

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 197,003	\$ 203,016	\$ 219,790	\$ 234,054
Service Cost	3,306	4,839	2,339	7,304
Interest on the Total Pension Liability	6,863	6,148	7,769	7,903
Changes of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience in the Measurement of the Total Pension Liability	(20,489)	5,214	2,043	-
Changes of Assumptions or Other Inputs	4,002	(5,321)	8,113	(4,128)
Benefit Payments	(16,893)	(16,893)	(37,038)	(25,343)
Other Changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Balances of the Total Pension Liability	\$ <u>173,792</u>	\$ <u>197,003</u>	\$ <u>203,016</u>	\$ <u>219,790</u>

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

TOWN OF ROBBINS, NORTH CAROLINA

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

June 30, 2020

	<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
Total Pension Liability	\$ 173,792	\$	197,003	\$	203,016	\$	219,790
Covered Payroll	179,686		178,620		116,147		234,054
Total Pension Liability as a Percentage of Covered Payroll	96.72%		110.29%		174.79%		93.91%

Notes to the Schedules:

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

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ -	\$ 485,377	\$ -
Prior Years Taxes	-	891	-
Penalties and Interest	-	1,739	-
Discounts	-	(4,796)	-
Total	<u>473,099</u>	<u>483,211</u>	<u>10,112</u>
Unrestricted Intergovernmental:			
Local Option Sales Tax	-	319,353	-
Utility Franchise Tax	-	58,081	-
Beer and Wine Tax	-	5,011	-
Total	<u>361,000</u>	<u>382,445</u>	<u>21,445</u>
Restricted Intergovernmental:			
Powell Bill Allocation	-	34,794	-
FEMA grants	-	40,939	-
Moore County fire district	-	322,539	-
County rescue funding	-	927	-
Solid Waste Disposal Tax	-	882	-
Total	<u>389,961</u>	<u>400,081</u>	<u>10,120</u>
Sales and Services:			
Refuse Collection Fees	-	84,272	-
Cemetery revenues	-	18,275	-
Rentals	-	1,850	-
Officer Fees	-	555	-
Zoning permits	-	720	-
Other sales and services	-	4,461	-
Total	<u>101,561</u>	<u>110,133</u>	<u>8,572</u>
Investment Earnings	<u>13,500</u>	<u>25,083</u>	<u>11,583</u>
Other General Revenues:			
Donations	-	2,955	-
Insurance proceeds	-	4,176	-
Miscellaneous	-	42,956	-
Total	<u>9,055</u>	<u>50,087</u>	<u>41,032</u>
Total Revenues	\$ <u>1,348,176</u>	\$ <u>1,451,040</u>	\$ <u>102,864</u>

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and Employee Benefits	\$	\$ 15,888	\$
Operating Expenditures		1,215	
Total	<u>18,062</u>	<u>17,103</u>	<u>959</u>
Administration:			
Salaries and Employee Benefits		131,990	
Operating Expenditures		89,683	
Total	<u>249,601</u>	<u>221,673</u>	<u>27,928</u>
Legal:			
Operating Expenditures	<u>58,000</u>	<u>57,018</u>	
Total General Government	<u>325,663</u>	<u>295,794</u>	<u>29,869</u>
Public Safety:			
Police Department:			
Salaries and Employee Benefits		246,354	
Operating Expenditures		86,995	
Capital Outlay		40,696	
Total	<u>389,097</u>	<u>374,045</u>	<u>15,052</u>
Fire Department:			
Salaries and Employee Benefits		134,082	
Operating Expenditures		149,957	
Capital Outlay		5,010	
Total	<u>314,700</u>	<u>289,049</u>	<u>25,651</u>
Total Public Safety	<u>703,797</u>	<u>663,094</u>	<u>40,703</u>
Transportation:			
Street Department:			
Salaries and Employee Benefits		54,423	
Operating Expenditures		80,950	
Capital Outlay		35,758	
Total	<u>203,623</u>	<u>171,131</u>	<u>32,492</u>
Powell Bill:			
Street Maintenance and Repair:	<u>33,300</u>	<u>4,523</u>	<u>28,777</u>
Total Transportation	<u>236,923</u>	<u>175,654</u>	<u>61,269</u>

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (concluded):			
Environmental Protection:			
Sanitation:			
Operating Expenditures	\$	\$ 60,672	\$
Total Environmental Protection	<u>65,000</u>	<u>60,672</u>	<u>4,328</u>
Cultural and Recreational:			
Library:			
Operating Expenditures		18,398	
Other recreational		<u>14,713</u>	
Total Cultural and Recreational	<u>38,480</u>	<u>33,111</u>	<u>5,369</u>
Debt Service:			
Principal Retirement		52,317	
Interest and Fees		<u>36,972</u>	
Total Debt Service	<u>89,355</u>	<u>89,289</u>	<u>66</u>
Total Expenditures	<u>1,459,218</u>	<u>1,317,614</u>	<u>141,604</u>
Revenues Over (Under) Expenditures	<u>(111,042)</u>	<u>133,426</u>	<u>(244,468)</u>
Other Financing Sources (Uses):			
Loan proceeds	26,192	26,192	-
Transfer to FEMA fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>26,192</u>	<u>26,192</u>	<u>-</u>
Fund Balance Appropriated	<u>84,850</u>	<u>-</u>	<u>(84,850)</u>
Net Change in Fund Balance	\$ <u>-</u>	159,618	\$ <u>159,618</u>
Fund Balances, Beginning		<u>730,430</u>	
Fund Balances, Ending		\$ <u>890,048</u>	

TOWN OF ROBBINS, NORTH CAROLINA

BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2020

	<u>Economic Development Fund</u>	<u>Brownfield Robbins Mill Smokestack</u>	<u>Brownfield Assessment Project Fund</u>	<u>ORR Stimulus Grant Project</u>	<u>Total Non-Major Governmental Fund</u>
Assets:					
Cash and Cash Equivalents	\$ 27,269	\$ (158,876)	\$ -	\$ 288,172	\$ 156,565
Grants receivable	<u>-</u>	<u>8,079</u>	<u>-</u>	<u>-</u>	<u>8,079</u>
Total Assets	<u><u>27,269</u></u>	<u><u>(150,797)</u></u>	<u><u>-</u></u>	<u><u>288,172</u></u>	<u><u>164,644</u></u>
Liabilities and Fund Balance:					
Liabilities:					
Accounts Payable and Accrued Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,017</u>	<u>3,017</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,017</u>	<u>3,017</u>
Fund Balances:					
Unreserved, Reported in Special Revenue Fund	<u>27,269</u>	<u>(150,797)</u>	<u>-</u>	<u>285,155</u>	<u>161,627</u>
Total Fund Balances	<u>27,269</u>	<u>(150,797)</u>	<u>-</u>	<u>285,155</u>	<u>161,627</u>
Total Liabilities and Fund Balances	<u><u>\$ 27,269</u></u>	<u><u>\$ (150,797)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 288,172</u></u>	<u><u>\$ 164,644</u></u>

TOWN OF ROBBINS, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2020

	<u>Economic Development Fund</u>	<u>Brownfield Robbins Mill Smokestack</u>	<u>Brownfield Assessment Project Fund</u>	<u>ORR Stimulus Grant Project</u>	<u>Total Non-Major Governmental Fund</u>
Revenues:					
Grant revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Donation revenue	-	-	2,279	-	2,279
Total Revenues	<u>-</u>	<u>-</u>	<u>2,279</u>	<u>-</u>	<u>2,279</u>
Expenditures:					
Operating expenditures	-	-	2,279	-	2,279
Grant expenditures	-	150,797	-	78,048	228,845
Total Expenditures	<u>-</u>	<u>150,797</u>	<u>2,279</u>	<u>78,048</u>	<u>231,124</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(150,797)</u>	<u>-</u>	<u>(78,048)</u>	<u>(228,845)</u>
Other Financing Sources/(Uses)					
Transfer from general fund	-	-	-	-	-
Net Change in Fund Balance	<u>-</u>	<u>(150,797)</u>	<u>-</u>	<u>(78,048)</u>	<u>(228,845)</u>
Fund Balance, Beginning	<u>27,269</u>	<u>-</u>	<u>-</u>	<u>363,203</u>	<u>390,472</u>
Fund Balance, Ending	\$ <u><u>27,269</u></u>	\$ <u><u>(150,797)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>285,155</u></u>	\$ <u><u>161,627</u></u>

TOWN OF ROBBINS, NORTH CAROLINA
WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Charges	\$	\$ 482,680	\$
Sewer Charges		321,911	
Tap and Connection Fees		1,020	
Other Operating Revenues		427	
	<u>836,000</u>	<u>806,038</u>	<u>(29,962)</u>
Total Operating Revenues			
Nonoperating Revenues:			
Investment Earnings		231	
Sales and use tax refund		5,083	
Late Fees		15,657	
	<u>37,000</u>	<u>20,971</u>	<u>(16,029)</u>
Total Nonoperating Revenues			
Total Revenues	<u>873,000</u>	<u>827,009</u>	<u>(45,991)</u>
Expenditures:			
Water Treatment and Distribution:			
Salaries and Employee Benefits		86,047	
Water purchases		219,095	
Operating Expenses		116,636	
Capital Outlay		3,746	
Total	<u>502,545</u>	<u>425,524</u>	<u>77,021</u>
Water Collection and Treatment:			
Salaries and Employee Benefits		84,228	
Operating Expenses		202,547	
Capital Outlay		3,466	
Total	<u>339,312</u>	<u>290,241</u>	<u>49,071</u>
Debt Service:			
Principal		84,365	
Interest		23,806	
Total	<u>114,143</u>	<u>108,171</u>	<u>5,972</u>
Total Expenditures	<u>\$ 956,000</u>	<u>\$ 823,936</u>	<u>\$ 132,064</u>

TOWN OF ROBBINS, NORTH CAROLINA

WATER AND SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues Over (Under) Expenditures	<u>(83,000)</u>	<u>3,073</u>	<u>86,073</u>
Fund Balance Appropriated	<u>83,000</u>	<u>-</u>	<u>(83,000)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Financing Uses	\$ <u>-</u>	<u>3,073</u>	\$ <u>3,073</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling Items:			
Principal Retirement		84,364	
Capital Contributions		1,478,461	
Depreciation		(158,350)	
Decrease in Outflows of Resources- Pension		(15,329)	
Increase in Inflows of Resources- Pension		(2,175)	
Decrease in Net Pension Liability		4,963	
Total Reconciling Items		<u>1,391,934</u>	
Change in Net Position		\$ <u>1,395,007</u>	

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

From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorizaion	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
CDBG Grant	\$ 2,000,000	\$ 450,214	\$ 1,315,818	\$ 1,766,032	\$ (233,968)
Total Revenues	<u>2,000,000</u>	<u>450,214</u>	<u>1,315,818</u>	<u>1,766,032</u>	<u>(233,968)</u>
Expenditures:					
Engineering fees		-	151,914	151,914	(151,914)
Public water improvements	1,779,953	251,437	1,115,766	1,367,203	412,750
Administration	220,047	198,777	48,138	246,915	(26,868)
Total Expenditures	<u>2,000,000</u>	<u>450,214</u>	<u>1,315,818</u>	<u>1,766,032</u>	<u>233,968</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorizaion	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant proceeds	\$ 624,240	\$ -	\$ 152,009	\$ 152,009	\$ (472,231)
Total Revenues	<u>624,240</u>	<u>-</u>	<u>152,009</u>	<u>152,009</u>	<u>(472,231)</u>
Expenditures:					
Construction costs	533,900	-	90,941	90,941	442,959
Engineering costs	50,000	36,829	21,164	57,993	(7,993)
Administration costs	40,340	1,575	1,500	3,075	37,265
Total Expenditures	<u>624,240</u>	<u>38,404</u>	<u>113,605</u>	<u>152,009</u>	<u>472,231</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(38,404)</u>	<u>38,404</u>	<u>-</u>	<u>-</u>

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

From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorizaion	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant proceeds	\$ -	\$ 61,841	\$ 140,373	\$ 202,214	\$ 202,214
Total Revenues	<u>-</u>	<u>61,841</u>	<u>140,373</u>	<u>202,214</u>	<u>202,214</u>
Expenditures:					
Emergency needs	-	27,113	750	27,863	(27,863)
Road/bridge repair	-	-	7,500	7,500	(7,500)
Water control	-	-	-	-	-
Buildings/equipment repair and replacement	-	7,200	-	7,200	(7,200)
Utility repair	-	52,847	(3,457)	49,390	(49,390)
Engineering costs	-	27,017	166,872	193,889	(193,889)
Miscellaneous	-	-	18	18	(18)
Total Expenditures	<u>1,600,000</u>	<u>114,177</u>	<u>171,683</u>	<u>285,860</u>	<u>1,314,140</u>
Revenues Over (Under) Expenditures	<u>(1,600,000)</u>	<u>(52,336)</u>	<u>(31,310)</u>	<u>(83,646)</u>	<u>1,516,354</u>
Other Financing Sources/(Uses):					
Loan proceeds	1,600,000	1,600,000	-	1,600,000	-
Interest income	-	6,050	21,058	27,108	(27,108)
Total Other Financing Sources	<u>1,600,000</u>	<u>1,606,050</u>	<u>21,058</u>	<u>1,627,108</u>	<u>(27,108)</u>
Revenues and Other Sources Over (Under) Expenditures	\$ <u>-</u>	\$ <u>1,553,714</u>	\$ <u>(10,252)</u>	\$ <u>1,543,462</u>	\$ <u>1,543,462</u>

TOWN OF ROBBINS, 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	\$ -	\$ 503,084	\$ 500,066	\$ 3,018
2018-2019	943	-	357	586
2017-2018	362	-	36	326
2016-2017	376	-	-	376
2015-2016	184	-	9	175
2014-2015	94	-	-	94
2013-2014	417	-	390	27
2012-2013	188	-	171	17
2011-2012	653	-	580	73
2010-2011	260	-	253	7
2009-2010	<u>2,628</u>	<u>-</u>	<u>2,628</u>	<u>-</u>
	\$ <u><u>6,105</u></u>	\$ <u><u>503,084</u></u>	\$ <u><u>504,490</u></u>	4,699
Less: Allowance for Uncollectible Ad Valorem Taxes Receivable				<u>(1,000)</u>
Ad Valorem Taxes Receivable - Net				\$ <u><u>3,699</u></u>
Reconcilement with Revenues:				
Ad Valorem Taxes Collected:				
General Fund			\$	483,211
Reconciling Items:				
Interest Collected				1,911
Taxes Written Off				2,628
Discoveries, releases and adjustments				<u>16,740</u>
Total Collections and Credits			\$	<u><u>504,490</u></u>

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

For the Year Ended June 30, 2020

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 67,302,933	0.75	\$ 504,772	\$ 408,146	\$ 96,626
Penalties	-		-	-	-
Total	<u>67,302,933</u>		<u>504,772</u>	<u>408,146</u>	<u>96,626</u>
Abatements	<u>(225,067)</u>	0.75	<u>(1,688)</u>	<u>(1,146)</u>	<u>(542)</u>
Total Property Valuation	<u>\$ 67,077,867</u>				
Net levy			<u>503,084</u>	<u>407,000</u>	<u>96,084</u>
Uncollected taxes at June 30, 2020			<u>3,018</u>	<u>3,018</u>	<u>-</u>
Current year's taxes collected			<u>\$ 500,066</u>	<u>\$ 403,982</u>	<u>\$ 96,084</u>
Current levy collection percentage			<u>99.40%</u>	<u>99.26%</u>	<u>100.00%</u>



WILLIAM R. HUNEYCUTT

CERTIFIED PUBLIC ACCOUNTANT PLLC

216 West North Street
Albemarle, NC 28001
Phone: (704) 983-5012
Fax: (704) 983-5109

379 South Cox Street
Asheboro, NC 27203
Phone: (336) 626-9970
Fax: (336) 626-5981

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

INDEPENDENT AUDITOR'S REPORT

The Mayor and the Town Council
Town of Robbins
Robbins, North Carolina

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Robbins' basic financial statements, and have issued my report thereon dated November 19, 2021.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the Town of Robbins' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed 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 questioned costs as items 2020-1, 2020-2, and 2020-3.

Internal Control Over Financial Reporting. In planning and performing my audit of the financial statements, I considered the Town of Robbins' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Robbins' internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Robbins' internal control.

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

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore significant deficiencies or material weaknesses may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-1, 2020-2, 2020-4, and 2020-5 that I consider to be significant deficiencies.

Town of Robbin's Responses to Findings. The Town of Robbins' response to the finding identified in my audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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

November 19, 2021



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



WILLIAM R. HUNEYCUTT

CERTIFIED PUBLIC ACCOUNTANT PLLC

216 West North Street
Albemarle, NC 28001
Phone: (704) 983-5012
Fax: (704) 983-5109

379 South Cox Street
Asheboro, NC 27203
Phone: (336) 626-9970
Fax: (336) 626-5981

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance in Accordance
With OMB Uniform Guidance and the State Single Audit Implementation Act**

INDEPENDENT AUDITOR'S REPORT

The Mayor and the Town Council
Town of Robbins
Robbins, North Carolina

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

The Town of Robbins' management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination on the Town of Robbins' compliance with those requirements.

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance in Accordance
With OMB Uniform Guidance; and the State Single Audit Implementation Act
(Continued)

Opinions on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, I did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-6 that I consider to be a significant deficiency.

The Town of Robbins' response to the internal control over compliance finding identified in my audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on it.

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance in Accordance
With OMB Uniform Guidance; and the State Single Audit Implementation Act
(Concluded)

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

November 19, 2021

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

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

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____	yes	<u> X </u>	no
Significant deficiency(s) identified that are not considered to be material weaknesses	<u> X </u>	yes	_____	none reported
Noncompliance material to federal awards	_____	yes	<u> X </u>	no

Type of auditor's report issued on compliance for major federal programs: Unmodified.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<u> X </u>	yes	_____	no
--------------	-----	-------	----

Identification of major federal programs:

CFDA Numbers

Names of Federal Programs or Cluster

14.228

CDBG - Infrastructure Fund

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee?	_____	yes	<u> X </u>	no
--	-------	-----	--------------	----

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2020

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

Significant Deficiencies:

Finding 2020-1: Expenditures Not Preaudited

Criteria : Pursuant to General Statute 159-28(a) of the Local Government Budget and Fiscal Control Act; "no obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless a certificate stating that the obligation has been preaudited to assure compliance with subsection (a) of this section has been signed by the finance officer".

Condition : All disbursements selected for testing in the Water System Improvements Grant Project Fund were found to not have the preaudit certificate signed by the finance officer.

Effect : Obligations could be incurred without a sufficient budget remaining.

Cause : Staff in charge of assuring the preaudit certificate is signed by the finance officer did not fully understand their responsibilities.

Recommendation : Management should train staff on understanding the importance of adhering to this section of the Local Government Fiscal Control Act.

Management Response : The Town of Robbins agrees with this finding.

Finding 2020-2: Contract Not Preaudited

Criteria : Pursuant to General Statute 159-28(a1) of the Local Government Budget and Fiscal Control Act; "If an obligation is reduced to written contract or written agreement requiring the payment of money, or is evidenced by a written purchase order for supplies and materials, the written contract, agreement or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with subsection (a) of this section."

Condition : A contract for the general contractor in the Water System Improvements Grant Project Fund did not have documentation of being preaudited on its face.

Effect : Obligations could be incurred without authorization.

Cause : Staff in charge of assuring the preaudit certificate is signed by the finance officer did not fully understand their responsibilities.

Recommendation : Management should train staff on understanding the importance of adhering to this section of the Local Government Fiscal Control Act.

Management Response : The Town of Robbins agrees with this finding.

Finding 2020-3: No Preaudit Certificate on Checks

Criteria : Pursuant to General Statute 159-28(d1) of the Local Government Budget and Fiscal Control Act; "each check or draft on an official depository shall bear on its face a certificate signed by the finance officer or a deputy finance officer approved for this purpose by the governing board. The certificate shall take substantially the following form "This disbursement has been approved as required by the Local Government and Fiscal Control Act."

Condition: Checks used to pay vendors did not have the verbage required by the Local Government Fiscal Control Act.

Effect : Obligations could be incurred without a sufficient budget remaining.

Cause: Staff did not know the requirement.

Recommendation : Management should train staff on understanding the importance of adhering to this section of the Local Government Fiscal Control Act.

Management Response : The Town of Robbins agrees with this finding.

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Concluded)

For the Year Ended June 30, 2020

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

Significant Deficiencies:

Finding 2020-4: Deficit Fund Balance

Criteria: Sufficient resources should be available before obligations are incurred.

Condition: The Chlorine Booster Water Improvement Grant Project Fund had a deficit fund balance at 6/30/20.

Effect: Obligations incurred for eligible expenditures without sufficient resources available.

Cause: Obligations incurred without sufficient resources available.

Recommendation: Transfers of resources on a short-term basis should be made as a transfer from/transfer to so sufficient resources are available for obligations incurred.

Management Response: The Town of Robbins agrees with this finding.

Finding 2020-5: Invoices Not Approved/Cancelled

Criteria: Pursuant to the Town of Robbins' own purchasing policies the Town manager initials each invoice for approval and the finance officer cancels each invoice by writing the check number, date and account number on the invoice.

Condition: All disbursements selected for testing in the Water System Improvements Grant Project Fund were neither approved or cancelled prior to payment.

Effect: Disbursements could be made for ineligible expenditures.

Cause: Staff responsible for ensuring approval and cancellation of invoices remiss in their duties.

Recommendation: Staff needs to be informed of the importance of adhering to the Town's own procurement policies.

Management Response: The Town of Robbins agrees with this finding.

Section III. Findings and Questioned Costs Related
to the Audit of Federal Awards

U. S. Department of Housing and Urban Development:

Passed through N.C. Department of Environmental Quality

Program Name: CDBG Water Infrastructure

CFDA Number: 14.228

Grant Number: 16-I-2922

Significant Deficiency:

Finding 2020-6: Contractor Contract not Containing Required Elements

Criteria: Pursuant to Section 200.326 of the OMB Uniform Guidance; "the non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200 - Contract Provisions for non-Federal Entity Contracts Under federal Awards".

Condition: Contract with the general contractor did not contain the required provisions pursuant to Uniform Guidance.

Effect: Ineligible expenditures could be made to vendors reimbursed by Federal awards.

Cause: Management failed to include requirements in contract.

Recommendation: Management will include required provisions in the future to ensure compliance.

Management Response: The Town of Robbins agrees with this finding.



TOWN OF ROBBINS, NORTH CAROLINA

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2020

Finding 2020-1: Expenditures Not Preaudited

- A Name of Contact Person: Clint E. Mack, Town Manager
- B. Corrective Action: Capital project fund expenditures will be preaudited and certified by the finance officer. The Town manager will review disbursements after preaudit certification is in place. Additionally, the current finance officer is attending the UNC School of Government Finance Officer Certification course to understand the responsibilities as the Town finance officer.
- C. Proposed Completion Date: Immediately.

Finding 2020-2: Contract Not Preaudited

- A Name of Contact Person: Clint E. Mack, Town Manager
- B. Corrective Action: Contracts will contain the preaudit certificate signed by the finance officer. The contracts will then be submitted to the Town manager for approval.
- C. Proposed Completion Date: Immediately.

Finding 2020-3: No Preaudit Certificate on Checks

- A Name of Contact Person: Clint E. Mack, Town Manager
- B. Corrective Action: Checks used to pay obligations of the Town will have the preaudit approval required on the face of the check.
- C. Proposed Completion Date: Immediately.



TOWN OF ROBBINS, NORTH CAROLINA

CORRECTIVE ACTION PLAN (CONCLUDED)

For the Year Ended June 30, 2020

Finding 2020-4: Deficit Fund Balance

- A Name of Contact Person: Clint E. Mack, Town Manager
- B. Corrective Action: Management will ensure that funds are readily available before obligating expenditures by assessing, if needed, the transfer of funds on a short-term basis.
- C. Proposed Completion Date: Immediately.

Finding 2020-5: Invoices Not Approved/Cancelled

- A Name of Contact Person: Clint E. Mack, Town Manager
- B. Corrective Action: Management and staff have been made well aware of their duties pursuant to the Town's purchasing policies, which include all disbursements being preaudited and certified by the Town's finance officer and all disbursements being approved by the Town manager.
- C. Proposed Completion Date: Immediately.

Finding 2020-6: Contractor Contract not Containing Required Elements

- A Name of Contact Person: Clint E. Mack, Town Manager
- B. Corrective Action: All future contracts paid with federal awards funding will contain the required elements pursuant to the federal Uniform Guidance.
- C. Proposed Completion Date: Immediately.

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2020

Grantor Pass-through Grantor Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
FEDERAL AWARDS:					
Cash Programs:					
U. S. Department of Housing and Urban Development: Passed through N.C. Department of Environmental Quality: CDBG - Infrastructure Fund	14.228	16-I-2922	\$ 1,315,818	\$ -	\$ -
U.S. Department of Homeland Security: Passed through the N.C. Department of Public Safety: Public Assistance Program	97.036	4393-DR-NC	105,280	35,093	-
Direct Programs:					
U.S. Department of Justice: Bullet Proof Vest Program	16.607		556	-	-
U.S. Department of Homeland Security: SAFER Grant	97.083	EMW-2017-FF-00101	25,950	-	-
U.S. Environmental Protection Agency: Brownsfield Assessment and Cleanup Agreement	66.818	D72518	108,688	-	-
Brownsfield Assessment and Cleanup Agreement	66.818	D47516	26,714	-	-
Total assistance - Federal programs			<u>1,583,006</u>	<u>35,093</u>	<u>-</u>
STATE AWARDS:					
Cash Programs:					
N.C. Department of Transportation: Powell Bill	N/A	32570		4,523	-
Total assistance - State programs			<u>-</u>	<u>4,523</u>	<u>-</u>
Total assistance			<u>\$ 1,583,006</u>	<u>\$ 39,616</u>	<u>\$ -</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

For the Year Ended June 30, 2020

Note 1: Basis of Presentation

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

Note 2: Summary of Significant Accounting Policies

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

Note 3: Town of Robbins has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.