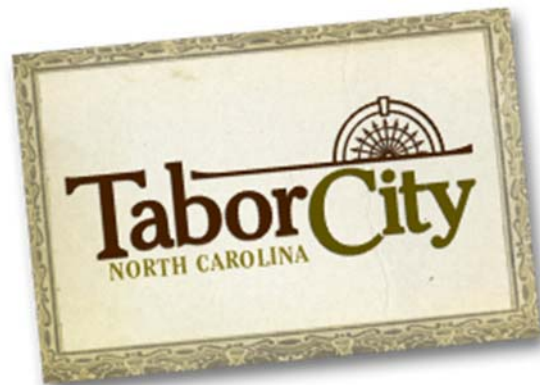


**TOWN OF TABOR CITY, NORTH CAROLINA**

Report of Audit

For the Fiscal Year Ended June 30, 2020



	<u>Page</u>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	8
Management's Discussion and Analysis .....	11
<b><i>Basic Financial Statements</i></b>	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position .....	22
Statement of Activities.....	24
<i>Fund Financial Statements:</i>	
Balance Sheet – Governmental Funds .....	26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	30
Statement of Fund Net Position – Proprietary Fund .....	32
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund .....	35
Statement of Cash Flows – Proprietary Fund.....	36
Notes to the Financial Statements .....	38
<b><i>Required Supplementary Financial Data</i></b>	
Proportionate Share of Net Pension Liability (Asset) - LGERS .....	72
Town's Contributions - LGERS.....	73
Schedule of Changes in Total Pension Liability – Law Enforcement Officers' Special Separation Allowance.....	74
Schedule of Total Pension Liability as a Percentage of Covered Payroll .....	75
<b><i>Major Governmental Funds – General Fund</i></b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	78

***Special Revenue Funds Consolidated with General Fund***

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Ritz Center Fund .....	82
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***Capital Project Funds – Grant Projects***

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Lake Tabor Dam Project.....	84
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – CDBG NR Grant Project.....	85
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Building Grant Project.....	86
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – EDA Incubator Project.....	87

***Enterprise Funds***

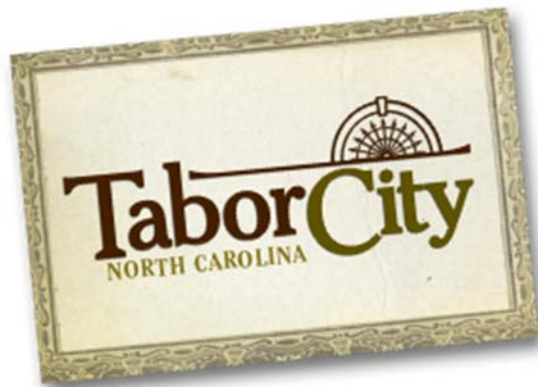
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Fund .....	90
Reconciliation of Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Fund.....	91
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Utility Capital Reserve Fund .....	92
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Sewer Fund .....	94
Reconciliation of Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Sewer Fund.....	95
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Utility Impact Fund .....	96
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Sewerline Project Fund.....	98
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Waste Water Treatment Plant Project Fund.....	99
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Sanitation Fund .....	100
Reconciliation of Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Sanitation Fund .....	101

***Other Schedules***

Schedule of Ad Valorem Taxes Receivable – General Fund .....	104
Analysis of Current Tax Levy .....	105

***Compliance Section***

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	108
Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; In Accordance with OMB Uniform Guidance; and the State Single Audit Implementation Act .....	110
Schedule of Findings and Questioned Costs.....	112
Corrective Action Plan.....	116
Summary Schedule of Prior Audit Findings .....	117
Schedule of Expenditures of Federal and State Awards .....	118
Notes to Schedule of Expenditures of Federal and State Awards .....	119



## ***Financial Section***

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## Independent Auditor's Report

To the Honorable Mayor  
And the Town Council  
Tabor City, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Tabor City, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Tabor City ABC Board, which represents 100 percent of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Tabor City ABC Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Town of Tabor City ABC Board were not audited in accordance with *Government Auditing Standards*.

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



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

## **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Tabor City, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability 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. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

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

The combining and individual fund 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 us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund statements, budgetary schedules, Schedule of Expenditures of Federal and State Awards, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020 on our consideration of Town of Tabor City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Tabor City's internal control over financial reporting and compliance.

*W Greene, PLLC*

Whiteville, North Carolina  
December 23, 2020

As management of the Town of Tabor City, we offer readers of the Town of Tabor City's financial statements this narrative overview and analysis of the financial activities of the Town of Tabor City 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

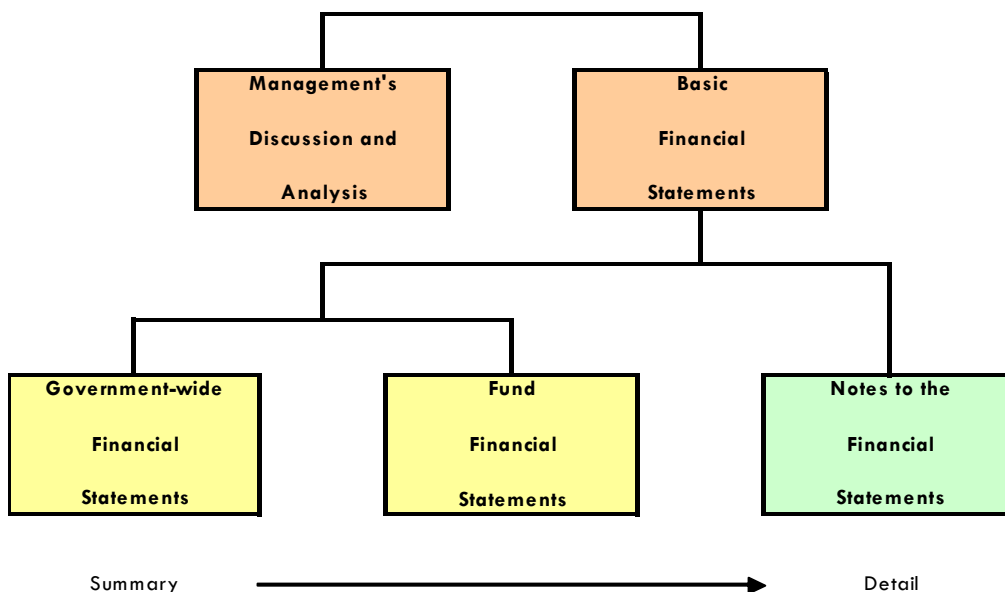
- The assets and deferred outflows of resources of the Town of Tabor City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$19,035,321 (net position).
- The government's total net position increased by \$999,425, primarily due to an increase in the business-type activities net position.
- As of the close of the current fiscal year, the Town of Tabor City's governmental funds reported combined ending fund balances of \$3,052,668 with a net increase of \$546,485 in fund balance. Approximately 36.91 percent of this total amount, or \$1,126,746, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,348,947, or 52.34 percent of total general fund expenditures for the fiscal year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Tabor City'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 Tabor City.

#### Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

The first two statements (pages 22 through 25) 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 (pages 26 through 37) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

### Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer and sanitation services offered by the Town of Tabor City. The final category is the component unit. Although legally separate from the Town, the ABC Board is important to the Town. The Town exercises control over the Board by appointing its members and the Board is required to distribute its profits to the Town.

The government-wide financial statements are on pages 22 through 25 of this report.

### Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Tabor City, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Tabor City can be divided into two categories: governmental funds and proprietary funds.

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

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

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 38 through 70 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 Tabor City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 72 of this report.

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

Town of Tabor City's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 3,226,904	\$ 2,599,382	\$ 3,266,000	\$ 2,769,886	\$ 6,492,904	\$ 5,369,268
Capital assets	4,337,710	4,537,765	10,298,472	9,960,170	14,636,182	14,497,935
Deferred outflows of resources	224,556	258,798	34,704	44,927	259,260	303,725
Total assets and deferred outflows of resources	7,789,170	7,395,945	13,599,176	12,774,983	21,388,346	20,170,928
Long-term liabilities outstanding	700,765	718,739	1,019,682	1,171,621	1,720,447	1,890,360
Other liabilities	65,750	63,946	175,518	171,402	241,268	235,348
Deferred inflows of resources	92,906	9,182	298,404	142	391,310	9,324
Total liabilities and deferred inflows of resources	859,421	791,867	1,493,604	1,343,165	2,353,025	2,135,032
Net position:						
Net investment in capital assets	4,136,261	4,272,370	9,160,745	8,682,664	13,297,006	12,955,034
Restricted	1,126,746	265,719	-	-	1,126,746	265,719
Unrestricted	1,666,742	2,065,989	2,944,827	2,749,154	4,611,569	4,815,143
Total net position	\$ 6,929,749	\$ 6,604,078	\$ 12,105,572	\$ 11,431,818	\$ 19,035,321	\$ 18,035,896

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 Tabor City exceeded liabilities and deferred inflows by \$19,035,321 as of June 30, 2020. The Town's net position increased by \$999,425 for the fiscal year ended June 30, 2020. However, the largest portion (69.85%) 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 of Tabor City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Tabor City's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Tabor City's net position, \$1,126,746, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,611,569 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 98.29%

## Management's Discussion and Analysis (Continued)

### The Town of Tabor City's Changes in Net Position

Figure 3

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 62,255	\$ 37,635	\$ 1,848,776	\$ 1,963,837	\$ 1,911,031	\$ 2,001,472
Operating grants and contributions	485,196	407,495	-	92,670	485,196	500,165
Capital grants and contributions	-	-	842,183	1,769,000	842,183	1,769,000
General Revenues						
Property taxes	1,058,171	1,037,185	-	-	1,058,171	1,037,185
Other taxes	1,552,452	1,387,908	-	-	1,552,452	1,387,908
Other	164,314	121,139	32,430	22,851	196,744	143,990
Total revenues	3,322,388	2,991,362	2,723,389	3,848,358	6,045,777	6,839,720
Expenses:						
Governing Body	31,525	45,800	-	-	31,525	45,800
Administration	406,891	367,447	-	-	406,891	367,447
Elections	-	-	-	-	-	-
Legal	4,036	4,712	-	-	4,036	4,712
Public Works	137,941	108,596	-	-	137,941	108,596
Police Department	916,925	900,280	-	-	916,925	900,280
Fire Department	279,107	270,112	-	-	279,107	270,112
Economic and Physical Development	327,858	180,677	-	-	327,858	180,677
Street Department	436,418	408,625	-	-	436,418	408,625
Powell Bill Funds	9,424	158,733	-	-	9,424	158,733
Cultural and Recreation	246,434	239,718	-	-	246,434	239,718
Non-Departmental	193,266	106,230	-	-	193,266	106,230
Interest on long-term debt	6,892	3,279	-	-	6,892	3,279
Water	-	-	467,728	446,360	467,728	446,360
Sewer	-	-	1,294,041	1,253,375	1,294,041	1,253,375
Sanitation	-	-	287,866	420,001	287,866	420,001
Total expenses	2,996,717	2,794,209	2,049,635	2,119,736	5,046,352	4,913,945
Increase(Decrease) in net position before transfers	325,671	197,153	673,754	1,728,622	999,425	1,925,775
Transfers	-	(16,000)	-	16,000	-	-
Change in net position	325,671	181,153	673,754	1,744,622	999,425	1,925,775
Beginning net position	6,604,078	6,422,925	11,431,818	9,687,196	18,035,896	16,110,121
Net position, beginning, restated	6,604,078	6,422,925	11,431,818	9,687,196	18,035,896	16,110,121
Net position, June 30	\$ 6,929,749	\$ 6,604,078	\$ 12,105,572	\$ 11,431,818	\$ 19,035,321	\$ 18,035,896

**Governmental activities.** Governmental activities increased the Town's net position by \$325,671. Key elements of this increase are as follows:

- Increase in property and other taxes.

**Business-type activities.** Business-type activities increased the Town of Tabor City's net position by \$673,754. Key elements of this increase are as follows:

- Decrease in expenditures.

### Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Tabor City. At the end of the current fiscal year, Town of Tabor City's fund balance available in the General fund was \$1,858,757 while total fund balance reached \$2,985,503. The Town currently has an available fund balance of 72.12% of general fund expenditures, while the total balance represents 115.83% of the same amount.

At June 30, 2020, the governmental funds of Town of Tabor City reported a combined fund balance of \$3,052,668 with a net increase in fund balance of \$546,485. Included in this change in fund balance is an increase in fund balance in the General fund.

**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.

Revenues exceeded the budgeted amounts primarily because of an increase in intergovernmental revenues. Total expenditures were held below budget.

**Proprietary Funds.** The Town of Tabor City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water Fund at the end of the fiscal year amounted to \$1,878,462, for the Sewer Fund, \$411,076, and for the Sanitation Fund, \$655,289. The total change in net position for the Water, Sewer, and Sanitation Funds was an increase of \$217,436, increase of \$321,498, and increase of \$134,820, respectively.



# Capital Asset and Debt Administration

**Capital assets.** The Town of Tabor City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$14,636,182 (net of accumulated depreciation). These assets include land, buildings, construction in progress, furniture and equipment, vehicles, and water and sewer.

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

- Equipment acquisition of \$27,456 in governmental-type activities.
- Vehicle acquisitions of \$34,908 in governmental-type activities.
- Water and Sewer Improvements and Construction in business-type activities.

## The Town of Tabor City's Capital Assets

Figure 4

(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 687,693	\$ 637,179	\$ 33,225	\$ 33,225	\$ 720,918	\$ 670,404
Construction in Progress	168,907	155,524	210,596	-	379,503	155,524
Buildings	2,102,856	2,194,313	-	-	2,102,856	2,194,313
Library	-	-	-	-	-	-
Vehicles	183,673	60,282	-	-	183,673	60,282
Plant and Distribution	-	-	10,020,037	8,251,231	10,020,037	8,251,231
Equipment	1,194,581	1,484,446	34,614	62,578	1,229,195	1,547,024
Total	\$ 4,337,710	\$ 4,531,744	\$ 10,298,472	\$ 8,347,034	\$ 14,636,182	\$ 12,878,778

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

**Long-term Debt.** As of June 30, 2020, the Town of Tabor City had total long-term debt outstanding of \$1,930,387. Of this, \$1,094,137 is debt backed by the full faith and credit of the Town of Tabor City.

**The Town of Tabor City's Outstanding Debt**  
**Outstanding Liabilities**

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$ -	\$ -	\$ 1,094,137	\$ 1,215,450	\$ 1,094,137	\$ 1,215,450
Capital Leases	-	-	-	-	-	-
Installment purchases	201,449	265,395	43,590	62,056	245,039	327,451
Compensated absences	188,177	175,101	2,576	6,378	190,753	181,479
Pension related debt (LGERS)	288,575	272,585	23,569	27,516	312,144	300,101
Pension related debt (LEO)	88,314	69,604	-	-	88,314	69,604
Total	\$ 766,515	\$ 782,685	\$ 1,163,872	\$ 1,311,400	\$ 1,930,387	\$ 2,094,085

The Town of Tabor City's total debt decreased by \$163,698 during the fiscal year, primarily due to scheduled payments on the debt.

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 Tabor City is \$12,822,042. The Town does not have any authorized but un-issued debt at June 30, 2020.

Additional information regarding the Town of Tabor City's long-term debt can be found beginning on page 66 in the Notes to the Financial Statements.

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

The following key economic indicators reflect the growth and prosperity of the Town.

- **Population Growth.** The Town's stagnant population growth is primarily due to lack of industry to support jobs.

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

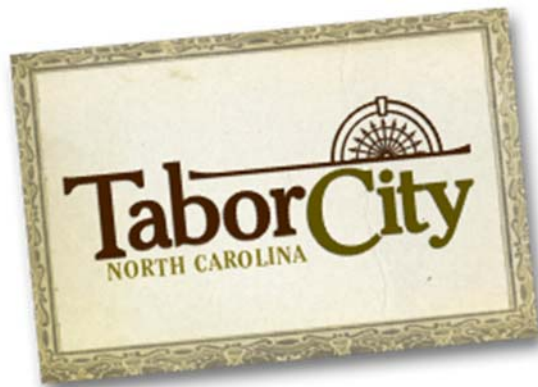
**Governmental Activities:** The property tax rate will remain the same for the upcoming year. Budgeted revenues and expenditures are expected to decrease.

**Business-type Activities.** There are no fee increases contained in the budget for the Town's enterprise funds.

**Requests for Information**

This report is designed to provide an overview of the Town 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 following:

Al J. Leonard, Jr.  
Finance Officer  
Town of Tabor City  
PO Box 655  
Tabor City, North Carolina 28463



## ***Basic Financial Statements***

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**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Net Position

June 30, 2020

	<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Tabor City ABC Board</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 1,946,272	\$ 2,836,989	\$ 4,783,261	\$ 232,234
Receivables (net):				
Ad Valorem Taxes	65,679	-	65,679	-
Interest	21,042	-	21,042	-
Accounts	-	98,664	98,664	-
Inventory	-	-	-	159,205
Prepaid Items	-	-	-	-
Internal Balances	400,000	(400,000)	-	-
Due from Other Governments	248,846	9,000	257,846	-
Due from Component Unit	77,900	-	77,900	-
Restricted Cash and Cash Equivalents	467,165	721,347	1,188,512	-
Total Current Assets	3,226,904	3,266,000	6,492,904	391,439
Noncurrent Assets:				
Capital Assets				
Land, Nondepreciable Improvements, and Construction in Progress	856,600	243,821	1,100,421	23,018
Other Capital Assets, Net of Depreciation	3,481,110	10,054,651	13,535,761	23,446
Total Noncurrent Assets	4,337,710	10,298,472	14,636,182	46,464
<b>Total Assets</b>	<b>7,564,614</b>	<b>13,564,472</b>	<b>21,129,086</b>	<b>437,903</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Deferrals	224,556	17,530	242,086	-
Deferred Bond Issuance Costs	-	17,174	17,174	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 224,556</b>	<b>\$ 34,704</b>	<b>\$ 259,260</b>	<b>\$ -</b>

**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Net Position (Continued)

June 30, 2020

	<b>Primary Government</b>			
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>	<b>Tabor City</b>
	<b>Activities</b>	<b>Activities</b>		<b>ABC Board</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable and				
Accrued Liabilities	\$ -	\$ -	\$ -	\$ 33,828
Due to Primary Government	-	-	-	77,900
Due to Other Governments	-	-	-	61,139
Customer Deposits	-	31,328	31,328	-
Current Portion of Long-Term Liabilities	65,750	144,190	209,940	-
Total Current Liabilities	65,750	175,518	241,268	172,867
Long-Term Liabilities:				
Net Pension Liability	288,575	23,569	312,144	-
Total Pension Liability	88,314	-	88,314	-
Due in More Than One year	323,876	996,113	1,319,989	-
Total Long-Term Liabilities	700,765	1,019,682	1,720,447	-
<b>Total Liabilities</b>	<b>766,515</b>	<b>1,195,200</b>	<b>1,961,715</b>	<b>172,867</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Deferrals	5,391	-	5,391	-
Deferred Grants	87,515	298,404	385,919	-
Prepaid Taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>92,906</b>	<b>298,404</b>	<b>391,310</b>	<b>-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,136,261	9,160,745	13,297,006	46,464
Restricted for:				
Stabilization by State Statute	1,126,746	-	1,126,746	-
Transportation	-	-	-	-
Working Capital	-	-	-	31,451
Unrestricted	1,666,742	2,944,827	4,611,569	187,121
<b>Total Net Position</b>	<b>\$ 6,929,749</b>	<b>\$ 12,105,572</b>	<b>\$ 19,035,321</b>	<b>\$ 265,036</b>

# TOWN OF TABOR CITY, NORTH CAROLINA

## Statement of Activities

For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Governing Body	\$ 31,525	\$ -	\$ -	\$ -
Administration	406,891	-	-	-
Elections	-	-	-	-
Legal	4,036	711	-	-
Public Works	137,941	3,236	-	-
Police Department	916,925	-	4,732	-
Fire Department	279,107	-	4,249	-
Economic and Physical Development	327,858	58,308	202,170	-
Street Department	436,418	-	157,538	-
Powell Bill Funds	9,424	-	114,985	-
Cultural and Recreation	246,434	-	-	-
Non-Departmental	193,266	-	1,522	-
Interest Expense	6,892	-	-	-
Total Governmental Activities	2,996,717	62,255	485,196	-
Business-Type Activities:				
Water	467,728	356,614	-	301,620
Sewer	1,294,041	1,069,476	-	540,563
Sanitation	287,866	422,686	-	-
Total Business-Type Activities	2,049,635	1,848,776	-	842,183
Total Primary Government	5,046,352	1,911,031	485,196	842,183
Component Unit:				
ABC Board	1,086,851	1,055,588	-	-
Total Component Unit	\$ 1,086,851	\$ 1,055,588	\$ -	\$ -



**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Activities (Continued)

For the Year Ended June 30, 2020

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			
Functions/Programs	Governmental Activities	Business-Type Activities	Totals	Tabor City ABC Board
Primary Government:				
Governmental Activities:				
Governing Body	\$ (31,525)	\$ -	\$ (31,525)	\$ -
Administration	(406,891)	-	(406,891)	-
Elections	-	-	-	-
Legal	(3,325)	-	(3,325)	-
Public Works	(134,705)	-	(134,705)	-
Police Department	(912,193)	-	(912,193)	-
Fire Department	(274,858)	-	(274,858)	-
Economic and Physical Development	(67,380)	-	(67,380)	-
Street Department	(278,880)	-	(278,880)	-
Powell Bill Funds	105,561	-	105,561	-
Cultural and Recreation	(246,434)	-	(246,434)	-
Non-Departmental	(191,744)	-	(191,744)	-
Interest Expense	(6,892)	-	(6,892)	-
Total Governmental Activities	(2,449,266)	-	(2,449,266)	-
Business-Type Activities:				
Water	-	190,506	190,506	-
Sewer	-	315,998	315,998	-
Sanitation	-	134,820	134,820	-
Total Business-Type Activities	-	641,324	641,324	-
Total Primary Government	(2,449,266)	641,324	(1,807,942)	-
Component Unit:				
ABC Board	-	-	-	(31,263)
Total Component Unit	-	-	-	(31,263)
General Revenues:				
Property Taxes, Levied for General Purpose	1,058,171	-	1,058,171	-
Other Taxes and Licenses	1,552,452	-	1,552,452	-
Investment Earnings	18	31	49	153
Miscellaneous	164,296	32,399	196,695	-
Transfers	-	-	-	-
Total General Revenues and Transfers	2,774,937	32,430	2,807,367	153
Change in Net Position	325,671	673,754	999,425	(31,110)
Net Position, beginning	6,604,078	11,431,818	18,035,896	296,146
Net Position - End of Year	\$ 6,929,749	\$ 12,105,572	\$ 19,035,321	\$ 265,036

**TOWN OF TABOR CITY, NORTH CAROLINA**

Balance Sheet

Governmental Funds

June 30, 2020

	<b>Major Fund</b>		
	<b>General Fund</b>	<b>Total Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,946,272	\$ -	\$ 1,946,272
Restricted Cash	-	467,165	467,165
Receivables (net):			
Ad Valorem Taxes	65,679	-	65,679
Other	-	-	-
Due from Other Governments	248,846	-	248,846
Due from Other Funds	800,000	-	800,000
Due from Component Unit	77,900	-	77,900
<b>Total Assets</b>	<b>3,138,697</b>	<b>467,165</b>	<b>3,605,862</b>
<b>LIABILITIES</b>			
Accounts Payable and			
Accrued Liabilities	-	-	-
Due to Other Funds	-	400,000	400,000
<b>Total Liabilities</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid Taxes	-	-	-
Deferred Grants	87,515	-	87,515
Property Taxes Receivable	65,679	-	65,679
<b>Total Deferred Inflows of Resources</b>	<b>153,194</b>	<b>-</b>	<b>153,194</b>
<b>FUND BALANCES</b>			
Restricted			
Stabilization by State Statute	1,126,746	-	1,126,746
Streets	-	-	-
Assigned			
Subsequent Year's Expenditures:	509,810	-	509,810
Economic and Physical Development	-	67,165	67,165
Unassigned	1,348,947	-	1,348,947
<b>Total Fund Balances</b>	<b>2,985,503</b>	<b>67,165</b>	<b>3,052,668</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,138,697</b>	<b>\$ 467,165</b>	<b>\$ 3,605,862</b>

**TOWN OF TABOR CITY, NORTH CAROLINA**

Balance Sheet (Continued)

Governmental Funds

June 30, 2020

		<b>Total Governmental Funds</b>
<hr/>		
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Governmental Fund Balance	\$	3,052,668
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	8,047,046	
Accumulated depreciation	<u>(3,709,336)</u>	4,337,710
Deferred outflows of resources related to pensions are not reported in the funds	<u>224,556</u>	224,556
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred		
Accrued interest - taxes	<u>21,042</u>	21,042
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Ad valorem taxes	<u>65,679</u>	65,679
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Installment purchase obligations	(201,449)	
Capital lease obligations	-	
Compensated absences	(188,177)	
Total Pension Liability	(88,314)	
Net Pension Liability	<u>(288,575)</u>	(766,515)
Pension related deferrals	<u>(5,391)</u>	(5,391)
<b>Net position of governmental activities.</b>	<u><u>\$</u></u>	<u><u>6,929,749</u></u>

**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Revenues, Expenditures, and Changes in Fund Balances

## Governmental Funds

For the Year Ended June 30, 2020

	<b>Major Fund</b>		
	<b>General Fund</b>	<b>Total Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Ad Valorem Taxes	\$ 1,064,649	\$ -	\$ 1,064,649
Other Taxes and Licenses	147,900	-	147,900
Unrestricted Intergovernmental	1,404,552	-	1,404,552
Restricted Intergovernmental	356,855	131,577	488,432
Permits and Fees	59,019	-	59,019
Investment Earnings	6	12	18
Miscellaneous	116,242	40,204	156,446
<b>Total Revenues</b>	<b>3,149,223</b>	<b>171,793</b>	<b>3,321,016</b>
<b>Expenditures</b>			
Current			
Governing Body	31,525	-	31,525
Administration	342,640	-	342,640
Elections	-	-	-
Legal	4,036	-	4,036
Public Works	131,149	-	131,149
Police Department	805,365	-	805,365
Fire Department	233,158	-	233,158
Economic and Physical Development	122,848	191,581	314,429
Street Department	403,140	-	403,140
Powell Bill Funds	9,424	-	9,424
Cultural and Recreation	173,695	-	173,695
Non-Departmental	187,235	-	187,235
Debt Service			
Principal	63,946	-	63,946
Interest and Other charges	6,892	-	6,892
Capital Outlay			
Police Department	34,908	-	34,908
Street Department	27,456	-	27,456
Economic and Physical Development	-	13,383	13,383
Cultural and Recreation	-	-	-
<b>Total Expenditures</b>	<b>2,577,417</b>	<b>204,964</b>	<b>2,782,381</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>571,806</b>	<b>(33,171)</b>	<b>538,635</b>
<b>Other Financing Sources (Uses)</b>			
Transfers to Other Funds	(76,866)	-	(76,866)
Transfers from Other Funds	-	76,866	76,866
Sale of Assets	7,850	-	7,850
Installment Loan Obligations Issued	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(69,016)</b>	<b>76,866</b>	<b>7,850</b>
<b>Net Change in Fund Balance</b>	<b>502,790</b>	<b>43,695</b>	<b>546,485</b>
<b>Fund Balance - Beginning of Year</b>	<b>2,482,713</b>	<b>23,470</b>	<b>2,506,183</b>
<b>Fund Balance - End of Year</b>	<b>\$ 2,985,503</b>	<b>\$ 67,165</b>	<b>\$ 3,052,668</b>

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

**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

## 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		\$ 546,485
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay expenditures which were capitalized	75,747	
Depreciation expense	<u>(275,802)</u>	(200,055)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	<u>87,821</u>	87,821
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities	<u>-</u>	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Change in unavailable revenue for tax revenues	(8,846)	
Interest earned on ad valorem taxes	<u>2,368</u>	(6,478)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issuance	-	
Debt retirement	<u>63,946</u>	63,946
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	(13,076)	
Pension Expense	<u>(152,972)</u>	(166,048)
Total changes in net position of governmental activities		<u>\$ 325,671</u>

**TOWN OF TABOR CITY, 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)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues</b>				
Ad Valorem Taxes	\$ 974,344	\$ 1,142,735	\$ 1,064,649	\$ (78,086)
Other Taxes and Licenses	128,890	124,910	147,900	22,990
Unrestricted Intergovernmental	1,272,095	1,311,053	1,404,552	93,499
Restricted Intergovernmental	257,642	275,212	356,855	81,643
Permits and Fees	41,745	54,160	59,019	4,859
Sales and Services	100	-	-	-
Investment Earnings	1	6	6	-
Miscellaneous	19,000	82,225	108,398	26,173
<b>Total Revenues</b>	<b>2,693,817</b>	<b>2,990,301</b>	<b>3,141,379</b>	<b>151,078</b>
<b>Expenditures</b>				
Governing Body	48,611	40,811	31,525	9,286
Administration	334,180	361,780	342,640	19,140
Elections	4,700	5,000	-	5,000
Legal	8,038	8,038	4,036	4,002
Public Works	141,349	154,632	131,149	23,483
Police Department	889,393	964,347	879,452	84,895
Fire Department	315,699	324,195	264,817	59,378
Economic and Physical Development	126,881	129,081	115,041	14,040
Street Department	452,131	470,320	430,596	39,724
Powell Bill	112,830	11,000	9,424	1,576
Cultural and Recreation	162,400	204,100	173,695	30,405
Non-Departmental	342,241	532,000	187,235	344,765
<b>Total Expenditures</b>	<b>2,938,453</b>	<b>3,205,304</b>	<b>2,569,610</b>	<b>635,694</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(244,636)</b>	<b>(215,003)</b>	<b>571,769</b>	<b>786,772</b>
<b>Other Financing Sources (Uses)</b>				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	(800,000)	(76,866)	723,134
Sale of Assets	4,646	7,800	7,850	50
Installment Purchase Obligations Issued	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,646</b>	<b>(792,200)</b>	<b>(69,016)</b>	<b>723,184</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(239,990)</b>	<b>(1,007,203)</b>	<b>502,753</b>	<b>1,509,956</b>
<b>Appropriated Fund Balance</b>	<b>239,990</b>	<b>1,007,203</b>	<b>-</b>	<b>(1,007,203)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>502,753</b>	<b>\$ 502,753</b>
<b>Fund Balance - Beginning of Year</b>			<b>2,464,687</b>	
<b>Fund Balance - End of Year</b>			<b>\$ 2,967,440</b>	

**TOWN OF TABOR CITY, NORTH CAROLINA**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)

Budget and Actual

For the Year Ended June 30, 2020

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<b>Fund Balance - End of Year</b>	<u>\$ 2,967,440</u>
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A legally budgeted Ritz Center Fund is consolidated into the General Fund for reporting purposes:

Miscellaneous Income	7,844
Economic and Physical Development Expenditures	(7,807)
Transfer from the Water Fund	-
Transfer from the Ritz Capital Project Fund	-
Fund Balance Beginning	<u>18,026</u>
	<u>18,063</u>

<b>Fund Balance - End of Year (Consolidated)</b>	<u><u>\$ 2,985,503</u></u>
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**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Fund Net Position

## Proprietary Fund

June 30, 2020

	Major Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
ASSETS				
Current Assets				
Cash and Investments	\$ 1,864,009	\$ 348,591	\$ 624,389	\$ 2,836,989
Accounts Receivable (net)	17,728	47,785	33,151	98,664
Due from Other Governments	-	9,000	-	9,000
Prepaid Items	-	-	-	-
Restricted Cash and Investments	31,328	690,019	-	721,347
Total Current Assets	1,913,065	1,095,395	657,540	3,666,000
Noncurrent Assets				
Capital Assets				
Land, Nondepreciable Improvements, and Construction in Progress	31,225	210,596	2,000	243,821
Other Capital Assets, Net of Depreciation	2,242,546	7,812,105	-	10,054,651
Total Noncurrent Assets	2,273,771	8,022,701	2,000	10,298,472
Total Assets	4,186,836	9,118,096	659,540	13,964,472
DEFERRED OUTFLOWS OF RESOURCES				
Pension Deferrals	6,193	4,805	6,532	17,530
Deferred Bond Issuance Costs	-	17,174	-	17,174
Total Deferred Outflows of Resources	\$ 6,193	\$ 21,979	\$ 6,532	\$ 34,704



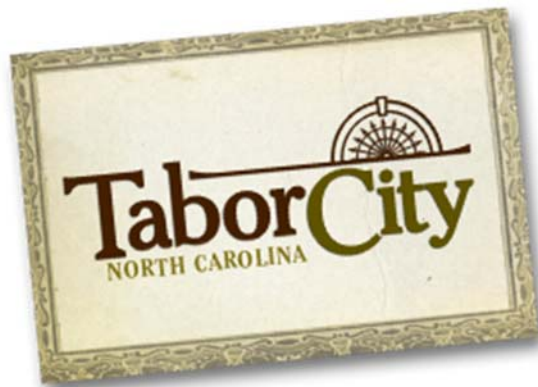
**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Fund Net Position

## Proprietary Fund

June 30, 2020

	Major Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation Fund	Total Enterprise Funds
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	-	-	-	-
Due to Other Funds	-	400,000	-	400,000
Customer Deposits	31,328	-	-	31,328
Installment Notes Payable	19,296	-	-	19,296
General Obligation Bonds	62,447	62,447	-	124,894
Total Current Liabilities	113,071	462,447	-	575,518
Noncurrent Liabilities				
Net Pension Liability	8,326	6,460	8,783	23,569
Installment Notes Payable	24,294	-	-	24,294
General Obligation Bonds	484,621	484,622	-	969,243
Compensated Absences Payable	1,142	1,434	-	2,576
Total Noncurrent Liabilities	518,383	492,516	8,783	1,019,682
Total Liabilities	631,454	954,963	8,783	1,595,200
DEFERRED INFLOWS OF RESOURCES				
Deferred Grant	-	298,404	-	298,404
Pension Deferrals	-	-	-	-
Total Deferred Inflows of Resources	-	298,404	-	298,404
NET POSITION				
Net Investment in Capital Assets	1,683,113	7,475,632	2,000	9,160,745
Unrestricted	1,878,462	411,076	655,289	2,944,827
Total Net Position	\$ 3,561,575	\$ 7,886,708	\$ 657,289	\$ 12,105,572



**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Revenues, Expenses, and Changes in Fund Net Position

## Proprietary Fund

For the Year Ended June 30, 2020

	Major Enterprise Funds			Total Enterprise Funds
	Water Fund	Sewer Fund	Sanitation Fund	
<b>Operating Revenues</b>				
Water Charges	\$ 336,121	\$ -	\$ -	\$ 336,121
Sewer Charges	-	1,063,646	-	1,063,646
Solid Waste Fees	-	-	422,686	422,686
Penalties and Interest	18,693	-	-	18,693
Tap Fees	1,800	5,830	-	7,630
Impact Fees	-	-	-	-
<b>Total Operating Revenues</b>	<b>356,614</b>	<b>1,069,476</b>	<b>422,686</b>	<b>1,848,776</b>
<b>Operating Expenses</b>				
Water Operations	366,049	-	-	366,049
Sewer Operations	-	1,028,493	-	1,028,493
Sanitation	-	-	287,866	287,866
Depreciation	79,811	249,733	-	329,544
Amortization	-	1,982	-	1,982
<b>Total Operating Expenses</b>	<b>445,860</b>	<b>1,280,208</b>	<b>287,866</b>	<b>2,013,934</b>
<b>Operating Income (Loss)</b>	<b>(89,246)</b>	<b>(210,732)</b>	<b>134,820</b>	<b>(165,158)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Investment Earnings	8	23	-	31
Miscellaneous Income	26,922	5,477	-	32,399
Interest Expense	(21,868)	(13,833)	-	(35,701)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>5,062</b>	<b>(8,333)</b>	<b>-</b>	<b>(3,271)</b>
<b>Total Income (Loss) Before Contributions and Transfers</b>	<b>(84,184)</b>	<b>(219,065)</b>	<b>134,820</b>	<b>(168,429)</b>
Capital Contributions	301,620	540,563	-	842,183
Transfers from Other Funds	-	615	-	615
Transfers to Other Funds	-	(615)	-	(615)
<b>Change in Net Position</b>	<b>217,436</b>	<b>321,498</b>	<b>134,820</b>	<b>673,754</b>
<b>Total Net Position - Beginning of Year</b>	<b>3,344,139</b>	<b>7,565,210</b>	<b>522,469</b>	<b>11,431,818</b>
<b>Total Net Position - End of Year</b>	<b>\$ 3,561,575</b>	<b>\$ 7,886,708</b>	<b>\$ 657,289</b>	<b>\$ 12,105,572</b>

**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Cash Flows

## Proprietary Fund

For the Year Ended June 30, 2020

	<b>Major Enterprise Funds</b>			
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Sanitation Fund</b>	<b>Total Enterprise Funds</b>
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers and Users	\$ 384,719	\$ 1,108,445	\$ 422,049	\$ 1,915,213
Cash Paid for Goods and Services	(246,128)	(966,720)	(263,475)	(1,476,323)
Cash Paid to Employees for Services	(122,740)	(69,413)	(22,582)	(214,735)
Customer Deposits Received	5,325	-	-	5,325
Customer Deposits Returned	(5,620)	-	-	(5,620)
Miscellaneous Income	26,922	5,477	-	32,399
<b>Net Cash Provided(Used) by Operating Activities</b>	<b>42,478</b>	<b>77,789</b>	<b>135,992</b>	<b>256,259</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfer from Other Funds	-	-	-	-
Transfer to Other Funds	-	-	-	-
Due To/From Other Funds	-	400,000	-	400,000
<b>Net Cash Provided(Used) by Noncapital Financing Activities</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>400,000</b>
<b>Cash Flows from Capital Financing Activities</b>				
Installment Purchase Obligations Issued	-	-	-	-
Acquisition of Capital Assets	(174,132)	(493,714)	-	(667,846)
Interest Paid on Bond Maturities and Equipment Contracts	(21,868)	(13,833)	-	(35,701)
Principal Paid on Bond Maturities and Equipment Contracts	(79,123)	(60,656)	-	(139,779)
Capital Contributions	301,620	838,967	-	1,140,587
<b>Net Cash Provided(Used) by Capital Financing Activities</b>	<b>26,497</b>	<b>270,764</b>	<b>-</b>	<b>297,261</b>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	8	23	-	31
<b>Net Increase(Decrease) in Cash and Cash Equivalents</b>	<b>68,983</b>	<b>748,576</b>	<b>135,992</b>	<b>953,551</b>
<b>Cash and Cash Equivalents: Beginning of Year</b>	<b>1,826,354</b>	<b>290,034</b>	<b>488,397</b>	<b>2,604,785</b>
<b>End of Year</b>	<b>\$ 1,895,337</b>	<b>\$ 1,038,610</b>	<b>\$ 624,389</b>	<b>\$ 3,558,336</b>

**TOWN OF TABOR CITY, NORTH CAROLINA**

Statement of Cash Flows (Continued)

Proprietary Fund

For the Year Ended June 30, 2020

	<b>Major Enterprise Funds</b>			<b>Total Enterprise Funds</b>
	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Sanitation Fund</b>	
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
<b>Operating Income (Loss)</b>	<b>\$ (89,246)</b>	<b>\$ (210,732)</b>	<b>\$ 134,820</b>	<b>\$ (165,158)</b>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
Depreciation	79,811	249,733	-	329,544
Amortization	-	1,982	-	1,982
Miscellaneous Income (Expense)	26,922	5,477	-	32,399
Changes in Assets and Liabilities				
(Increase) Decrease in -				
Accounts Receivable	28,105	38,969	(637)	66,437
Due from Other Governments	-	(9,000)	-	(9,000)
Deferred Outflows of Resources - Pensions	7,559	1,180	(498)	8,241
Increase (Decrease) in -				
Accounts Payable	-	-	-	-
Customer Deposits	(295)	-	-	(295)
Compensated Absences Payable	(3,945)	143	-	(3,802)
Net Pension Liability	(6,357)	70	2,340	(3,947)
Deferred Inflows of Resources	(76)	(33)	(33)	(142)
<b>Total Adjustments</b>	<b>131,724</b>	<b>288,521</b>	<b>1,172</b>	<b>421,417</b>
<b>Net Cash Provided(Used) by Operating Activities</b>	<b>\$ 42,478</b>	<b>\$ 77,789</b>	<b>\$ 135,992</b>	<b>\$ 256,259</b>

## TOWN OF TABOR CITY, NORTH CAROLINA

Notes to the Financial Statements

For the Year Ended June 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Tabor City and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

#### A. Reporting Entity

The Town of Tabor City is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

##### Town of Tabor City ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Tabor City ABC Board, 701 Bypass, Post Office Box 496, Tabor City, NC 28463.

#### B. Basis of Presentation

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

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

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

## TOWN OF TABOR CITY, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### B. Basis of Presentation – Fund Accounting (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, 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 public safety and street maintenance and construction. Additionally, the Town has legally adopted a Ritz Center Fund. Under GASB 54 guidance this fund is consolidated in the General Fund. The budgetary comparison for this fund has been included in the supplemental information.

The Town reports the following non-major governmental funds:

**Capital Project Funds.** These funds are used to account for the grant funds in the particular projects. These are the Lake Tabor Dam Project, CDBG NR Project, Community Building Project and the EDA Incubator Capital Project.

The Town reports the following major enterprise funds:

**Sanitation Fund.** This fund is used to account for the Town's solid waste operations.

**Water Fund.** This fund is used to account for the Town's water operations.

**Sewer Fund.** This fund is used to account for the Town's sewer operations.

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

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

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

## TOWN OF TABOR CITY, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C. Measurement Focus and Basis of Accounting (Continued)

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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



## **TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **C. Measurement Focus and Basis of Accounting (Continued)**

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 Tabor City because the tax is levied by Columbus County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. 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 is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

#### **D. Budgetary Data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Water Fund, Sewer Fund, Sanitation Fund, Utility Capital Reserve Fund, and the Utility Impact Fund. Project ordinances are adopted for the Grant Projects Fund and the Enterprise Capital Projects Fund. All annual appropriations lapse at the fiscal-year end. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

##### **1. Deposits and Investments**

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

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)****1. Deposits and Investments (Continued)**

State law [G.S. 159-30(c)] authorizes the Town and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's and the ABC Board's investments are generally reported at fair value. The NCCMT – Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT – Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair values as determined by quoted market prices.

**2. Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)****3. Restricted Assets**

Powell Bill funds are classified as restricted cash because they 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. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Grant funds are restricted for project expenditures.

Town of Tabor City Restricted Cash	
Governmental Activities	
General Fund	
Streets	\$ -
Grant Project Fund – Lake Tabor Dam	29,636
Grant Project Fund – CDBG NR	967
Grant Project Fund – Community Bldg.	49,933
Capital Project Fund – EDA Incubator	386,629
Total Governmental Activities	<u>467,165</u>
Business-type Activities	
Water and Sewer Fund	
Customer Deposits	31,328
Wastewater Treatment Project	690,019
Total Business-type Activities	<u>721,347</u>
Total Restricted Cash	<u>\$ 1,188,512</u>

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019. 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.

**5. 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.

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)****6. Inventory and Prepaid Items**

The inventories of the Town, and the ABC Board are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased.

The inventory of the Town's enterprise funds as well as those of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the Town's enterprise funds and that of the ABC Board is recorded as an expense as it is consumed or sold.

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

**7. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Due to very limited capital asset acquisition, minimum capitalization costs are \$1,000 for all items. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. There were no general infrastructure assets acquired prior to July 1, 2003. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Lives
Infrastructure	25
Buildings	50
Improvements	25
Furniture and Equipment	10
Vehicles	6
Computer Equipment	3

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Asset Class	Estimated Useful Lives
Buildings and Improvements	10-40
Equipment	7-10

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**8. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meets this criterion, pension deferrals for the 2020 fiscal year and deferred bond issuance costs. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category – property taxes receivable, deferred grants, and pension deferrals.

**9. Long-Term Obligations**

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

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

**10. Compensated Absences**

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave for employees, and unlimited for the Town Manager, while ABC Board employees may accumulate up to one week earned vacation, with such leave being fully vested when earned. 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 current portion of the accumulated vacation pay for the ABC Board is not considered to be material and, therefore, has not been included in the financial statements.

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

## TOWN OF TABOR CITY, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### 11. Net Position/Fund Balances

###### Net Position

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

###### Fund Balances

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

The governmental fund types classify fund balances as follows:

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

**Inventories** – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

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

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

**Restricted for Streets** – Powell Bill portion of 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.

## **TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Continued)**

##### **11. Net Position/Fund Balances (Continued)**

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

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

Assigned for Economic and Physical Development – portion of fund balance that is restricted by revenue source for various economic and physical development projects [G.S. Chapter 159, Article 3, Part 2].

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

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

The Town of Tabor City has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-Town funds, Town funds. For purposes of fund balance classification expenditures are to be spent from the 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.

##### **12. Defined Benefit Cost-Sharing Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government 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 Tabor City's employer contributions are recognized when due and the Town of Tabor City 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.

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**II. DETAIL NOTES ON ALL FUNDS****A. Assets****1. Deposits**

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

At June 30, 2020, the Town's deposits had a carrying amount of \$5,961,708 and a bank balance of \$6,013,367. Of the bank balance, \$597,632 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the ABC Board was \$231,190 and the bank balance was \$292,523. All of the bank balance was covered by the federal depository insurance. At June 30, 2020, the Town's petty cash fund totaled \$300.

**2. Investments**

At June 30, 2020, the Town of Tabor City had \$9,765 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Town has no policy regarding credit risk.



**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****A. Assets (Continued)****3. Receivables - Allowances for Doubtful Accounts**

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

Fund	06/30/2020
General Fund:	
Taxes Receivable	\$ 44,000
Total General Fund	44,000
Enterprise Funds:	
Water Receivable	2,000
Sewer Receivable	5,300
Sanitation Receivable	3,700
Total Enterprise Funds	11,000
Total	\$ 55,000

**4. Capital Assets****Primary Government**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 687,693	\$ -	\$ -	\$ 687,693
Construction in Progress	155,524	13,383	-	168,907
Total capital assets not being depreciated	843,217	13,383	-	856,600
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	3,453,755	-	-	3,453,755
Equipment	2,648,979	27,456	-	2,676,435
Vehicles	1,228,782	34,908	203,434	1,060,256
Infrastructure	-	-	-	-
Total capital assets being depreciated	7,331,516	62,364	203,434	7,190,446
<b>Less accumulated depreciation for:</b>				
Buildings and Improvements	1,283,598	67,301	-	1,350,899
Equipment	1,336,839	145,015	-	1,481,854
Vehicles	1,016,531	63,486	203,434	876,583
Infrastructure	-	-	-	-
Total accumulated depreciation	3,636,968	275,802	203,434	3,709,336
Total capital assets being depreciated, net	3,694,548			3,481,110
<b>Governmental activity capital assets, net</b>	<b>\$ 4,537,765</b>			<b>\$ 4,337,710</b>

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****A. Assets (Continued)****4. Capital Assets (Continued)**

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

General Government	\$ 58,562
Public Safety	112,105
Economic and Physical Development	10,116
Cultural and Recreation	72,739
Transportation	22,280
Total	<u>\$ 275,802</u>

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b><i>Water Fund</i></b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 31,225	\$ -	\$ -	\$ 31,225
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>31,225</u>	<u>-</u>	<u>-</u>	<u>31,225</u>
<b>Capital assets being depreciated:</b>				
Plant and Distribution System	3,911,080	174,132	-	4,085,212
Equipment	91,111	-	-	91,111
Total capital assets being depreciated	<u>4,002,191</u>	<u>174,132</u>	<u>-</u>	<u>4,176,323</u>
<b>Less accumulated depreciation for:</b>				
Plant and Distribution System	1,809,163	68,117	-	1,877,280
Equipment	44,803	11,694	-	56,497
Total accumulated depreciation	<u>1,853,966</u>	<u>79,811</u>	<u>-</u>	<u>1,933,777</u>
Total capital assets being depreciated, net	<u>2,148,225</u>			<u>2,242,546</u>
<b>Water Fund capital assets, net</b>	<u>\$ 2,179,450</u>			<u>\$ 2,273,771</u>

**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**A. Assets (Continued)**

**4. Capital Assets (Continued)**

<b><i>Sewer Fund</i></b>	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ -	\$ -	\$ -	-
Construction in Progress	1,636,122	210,596	1,636,122	210,596
Total capital assets not being depreciated	1,636,122	210,596	1,636,122	210,596
<b>Capital assets being depreciated:</b>				
Plant and Distribution System	9,426,154	1,919,240	-	11,345,394
Equipment	23,083	-	-	23,083
Total capital assets being depreciated	9,449,237	1,919,240	-	11,368,477
<b>Less accumulated depreciation for:</b>				
Plant and Distribution System	3,283,556	249,733	-	3,533,289
Equipment	23,083	-	-	23,083
Total accumulated depreciation	3,306,639	249,733	-	3,556,372
Total capital assets being depreciated, net	6,142,598			7,812,105
<b>Sewer Fund capital assets, net</b>	<b>\$ 7,778,720</b>			<b>\$ 8,022,701</b>

<b><i>Sanitation Fund</i></b>	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,000	\$ -	\$ -	2,000
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	2,000	-	-	2,000
<b>Capital assets being depreciated:</b>				
Plant and Distribution System	-	-	-	-
Equipment	61,546	-	-	61,546
Total capital assets being depreciated	61,546	-	-	61,546
<b>Less accumulated depreciation for:</b>				
Plant and Distribution System	-	-	-	-
Equipment	61,546	-	-	61,546
Total accumulated depreciation	61,546	-	-	61,546
Total capital assets being depreciated, net	-			-
<b>Sanitation Fund capital assets, net</b>	<b>\$ 2,000</b>			<b>\$ 2,000</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 9,960,170</b>			<b>\$ 10,298,472</b>

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****A. Assets (Continued)****4. Capital Assets (Continued)****Discretely Presented Component Unit**

Activity for the ABC Board for the year ended June 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 23,018	\$ -	\$ -	\$ 23,018
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	23,018	-	-	23,018
<b>Capital assets being depreciated:</b>				
Buildings and Improvements	90,674	-	-	90,674
Equipment	99,990	2,570	-	102,560
Total capital assets being depreciated	190,664	2,570	-	193,234
<b>Less accumulated depreciation for:</b>				
Buildings and Improvements	86,077	3,179	-	89,256
Equipment	76,169	4,363	-	80,532
Total accumulated depreciation	162,246	7,542	-	169,788
Total capital assets being depreciated, net	28,418			23,446
<b>ABC Board capital assets, net</b>	<b>\$ 51,436</b>			<b>\$ 46,464</b>

## TOWN OF TABOR CITY, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### II. DETAIL NOTES ON ALL FUNDS (Continued)

#### B. Liabilities

##### 1. Pension Plan Obligations

###### a. Local Governmental Employees' Retirement System

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

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

## II. DETAIL NOTES ON ALL FUNDS (Continued)

### B. Liabilities (Continued)

#### 1. Pension Plan Obligations (Continued)

##### a. Local Governmental Employees' Retirement System (Continued)

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of creditable service as an LEO and have reached age 50, or have completed five years of creditable service as an LEO and have reached age 55, or have completed 15 years of creditable service as an 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 Tabor City employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Tabor City's 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, actuarially determined as an amount that, when combined with employee contributions, is expected to finance costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Tabor City were \$94,994 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 members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

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

At June 30, 2020, the Town reported a liability of \$312,144 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 liability 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 liability 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 .01143%, which was a decrease of 0.00122% from its proportion measured as of June 30, 2018.

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)****a. Local Governmental Employees' Retirement System (Continued)**

For the year ended June 30, 2020, the Town recognized pension expense of \$154,396. 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	\$ 53,447	\$ -
Changes of assumptions	50,874	-
Net difference between projected and actual earnings on pension plan investments	7,613	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	25,219	-
Town contributions subsequent to the measurement date	94,994	-
Total	<u>\$ 232,147</u>	<u>\$ -</u>

\$94,994 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2021	\$ 67,254
2022	23,500
2023	35,427
2024	10,972
2025	-
Thereafter	-
	<u>\$ 137,153</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 Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)****a. Local Governmental Employees' Retirement System (Continued)**

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.

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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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 TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)****a. Local Governmental Employees' Retirement System (Continued)**

**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 liability to changes in the discount rate.** The following presents the Town's proportionate share of the net pension liability 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:

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Town's proportionate share of the net pension liability (asset)	\$ 713,931	\$ 312,144	\$ (21,822)

**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.

## **II. DETAIL NOTES ON ALL FUNDS (Continued)**

### **B. Liabilities (Continued)**

#### **1. Pension Plan Obligations (Continued)**

##### **b. Law Enforcement Officers Special Separation Allowance**

###### **1. Plan Description**

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

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

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	10
Total	<u>10</u>

###### **2. Summary of Significant Accounting Policies:**

***Basis of Accounting.*** The Town has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits 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.

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)****b. Law Enforcement Officers Special Separation Allowance (Continued)****3. 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

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.

**4. 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 earnings. The Town paid \$-0- as benefits came due for the reporting period.

**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

**1. Pension Plan Obligations (Continued)**

**b. Law Enforcement Officers Special Separation Allowance (Continued)**

**4. Contributions (Continued)**

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

At June 30, 2020, the Town reported a total pension liability of \$88,314. 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 \$9,901.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,653	\$ 2,990
Changes of assumptions	4,286	2,401
Town benefit payments and plan administrative expense subsequent to the measurement date	-	-
Total	<u>\$ 9,939</u>	<u>\$ 5,391</u>

\$-0- reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	
2021	\$ 1,413
2022	1,157
2023	1,707
2024	271
2025	-
Thereafter	-
	<u>\$ 4,548</u>

**II. DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

**1. Pension Plan Obligations (Continued)**

**b. Law Enforcement Officers Special Separation Allowance (Continued)**

**4. Contributions (Continued)**

***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 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current rate:

	<b>1% Decrease (2.26%)</b>	<b>Discount Rate (3.26%)</b>	<b>1% Increase (4.26%)</b>
Total Pension Liability	\$ 96,000	\$ 88,314	\$ 81,185

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

	<b>2020</b>
Beginning balance	\$ 69,604
Service Cost	5,954
Interest on the total pension liability	2,534
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	7,448
Changes of assumptions or other inputs	2,774
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 88,314</u>

The plan currently uses mortality tables that vary by age, 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 TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities (Continued)****1. Pension Plan Obligations (Continued)*****Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions***

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 154,396	\$ 9,901	\$ 164,297
Pension Liability	312,144	88,314	400,458
Proportionate share of the net pension liability	0.01143%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	53,447	5,653	59,100
Changes of assumptions	50,874	4,286	55,160
Net difference between projected and actual earnings on plan investments	7,613	-	7,613
Changes in proportion and differences between contributions and proportionate share of contributions	25,219	-	25,219
Benefit payments and administrative costs paid subsequent to the measurement date	94,994	-	94,994
Deferred Inflows of Resources			
Differences between expected and actual experience	-	2,990	2,990
Changes of assumptions	-	2,401	2,401
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-	-

## TOWN OF TABOR CITY, NORTH CAROLINA

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### II. DETAIL NOTES ON ALL FUNDS (Continued)

#### B. Liabilities (Continued)

##### 1. Pension Plan Obligations (Continued)

###### c. 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 Board 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 Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The Town Council has also elected to contribute to the plan for all non-law enforcement employees. The Town makes monthly contributions equal to five percent of each employee's salary and all amounts are vested immediately. Those non-law enforcement Town employees may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 from the Town were \$50,849 which consisted of \$20,709 for law enforcement officers and \$30,140 for non-law enforcement. No amounts were forfeited.

###### d. Other Postemployment Benefit

Town employees are allowed to purchase health insurance under COBRA upon retirement. The Town provides no other postemployment health benefit.

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities (Continued)****2. Deferred Outflows and Inflows of Resources**

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

Contributions to Pension Plan in Current Fiscal Year	\$	94,994
Differences between expected and actual experience		59,100
Changes of assumptions		55,160
Net difference between projected and actual		7,613
Changes in proportion and differences between employer contributions and proportionate share of contributions		25,219
Deferred Bond Issuance Costs		17,174
Total	\$	<u>259,260</u>

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ -	\$ -
Taxes receivable (General Fund)	-	65,679
Deferred Grants	385,919	87,515
Changes in assumptions	2,401	-
Differences between expected and actual experience	2,990	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Total	\$ <u>391,310</u>	\$ <u>153,194</u>



## **TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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### **II. DETAIL NOTES ON ALL FUNDS (Continued)**

#### **B. Liabilities (Continued)**

##### **3. 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. Through various commercial coverage policies, the Town has obtained general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to \$1 million per employee/incident and \$5 million policy limits, and employee health coverage up to a \$1 million lifetime limit. Claims have not exceeded coverage in any of the past three fiscal years.

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 have flood insurance.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Water Bill Clerk, Town Manager, and Finance Officer are bonded for \$5,000, \$80,000 and \$80,000, respectively.

##### **4. Claims, Judgements and Contingent Liabilities**

At June 30, 2020, the Town did not have any litigation pending.

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities (Continued)****5. Long-Term Obligations****a. Installment Purchases**

Serviced by the General Fund:

In September 2017, the Town entered into an installment purchase contract with First Bank. The loan amount of \$150,000 was secured to purchase a fire truck within the fire department. The financing contract requires monthly payments which include principal plus interest at a rate of 2.11%. Principal balance at June 30, 2020 was \$69,396.

In October 2018, the Town entered into an installment purchase contract with First Bank. The loan amount of \$177,285 was secured to purchase four vehicles within the police department. The financing contract requires monthly payments which include principal plus interest at a rate of 3.33%. Principal balance at June 30, 2020 was 132,053.

Serviced by the Water Fund:

In June 2003, the Town entered into an installment purchase contract with the Rural Development Division of the United States Department of Agriculture. A loan package of \$276,500, in addition to a \$200,000 grant from USDA Rural Development, was secured to finance a public works facility for the Town and has been fully utilized. The financing contract requires principal payments which began in June 2004, with an interest rate of 4.50%. Principal balance at June 30, 2020 was \$43,590.

Annual debt service payments of the installment purchases as of June 30, 2020, including \$13,111 of interest, are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 65,750	\$ 5,088	\$ 19,296	\$ 1,962
2022	67,609	3,229	24,294	1,092
2023	45,492	1,484	-	-
2024	22,598	256	-	-
2025	-	-	-	-
Total	\$ 201,449	\$ 10,057	\$ 43,590	\$ 3,054

## II. DETAIL NOTES ON ALL FUNDS (Continued)

### B. Liabilities (Continued)

#### 5. Long-Term Obligations (Continued)

##### b. General Obligation Indebtedness

The Town's general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer funds. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 2020 are comprised of the following individual issues:

General Obligation Bonds

Serviced by the Water and Sewer Funds

\$1,813,726, 2014 Refunding Water and Sewer, Series 2014

Bonds due in varying installments from June 1, 2014 to

September 1, 2028; interest at 2.92%

\$ 1,094,137

Annual debt service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2021	\$ 124,894	\$ 31,015
2022	128,581	27,328
2023	132,377	23,532
2024	136,286	19,624
2025	140,309	15,601
2026-2029	431,690	36,040
Total	<u>\$ 1,094,137</u>	<u>\$ 153,140</u>

At June 30, 2020 , the Town of Tabor City had a legal debt margin of \$12,822,042.

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****B. Liabilities (Continued)****5. Long-Term Obligations (Continued)****c. Changes in Long-Term Liabilities**

	Balance 07/01/19	Increases	Decrease	Balance 06/30/20	Current Portion of Balance
Governmental activities:					
Installment Purchases	\$ 265,395	\$ -	\$ 63,946	\$ 201,449	\$ 65,750
Lease Purchase	-	-	-	-	-
Compensated absences	175,101	13,076	-	188,177	-
Total Pension Liability (LEO)	69,604	18,710	-	88,314	-
Net Pension Liability (LGERS)	272,585	15,990	-	288,575	-
Governmental activity long-term liabilities	<u>\$ 782,685</u>	<u>\$ 47,776</u>	<u>\$ 63,946</u>	<u>\$ 766,515</u>	<u>\$ 65,750</u>
Business-type activities:					
Installment Purchases	\$ 62,056	\$ -	\$ 18,466	\$ 43,590	\$ 19,296
General Obligation Bonds	1,215,450	-	121,313	1,094,137	124,894
Compensated absences	6,378	-	3,802	2,576	-
Net Pension Liability (LGERS)	27,516	-	3,947	23,569	-
Business-type activity long-term liabilities	<u>\$ 1,311,400</u>	<u>\$ -</u>	<u>\$ 147,528</u>	<u>\$ 1,163,872</u>	<u>\$ 144,190</u>

Compensated absences typically have been liquidated in the General Fund.

**C. Net Investment in Capital Assets**

	Governmental	Business-type
Capital Assets	\$ 4,337,710	\$ 10,298,472
less: long-term debt	201,449	1,137,727
Add: unexpended debt proceeds	-	-
Net Investment in Capital Assets	<u>\$ 4,136,261</u>	<u>\$ 9,160,745</u>

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

**II. DETAIL NOTES ON ALL FUNDS (Continued)****D. Interfund Balances and Activity**

Balances due to/from other funds at June 30, 2020, consist of the following:

Due to the General Fund from the Wastewater Treatment Project Fund for assistance in paying expenditures.	\$ 400,000
Due to the General Fund from the EDA Incubator Capital Project Fund for assistance in paying expenditures.	400,000
Total	<u>\$ 800,000</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers to/from other funds at June 30, 2020, consist of the following:

From the Sewer Fund to the Wastewater Treatment Project Fund for assistance in paying for expenditures.	\$ 615
From the General Fund to the Lake Tabor Dam Project Fund for assistance in paying for expenditures.	25,866
From the General Fund to the CDBG NR Grant Project Fund for assistance in paying for expenditures.	1,000
From the General Fund to the Community Building Grant Project Fund for the Town's share of expenditures.	50,000
Total	<u>\$ 77,481</u>

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

**E. Fund Balance**

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

<i>Total fund balance – General Fund</i>	\$ 2,985,503
Less:	
Stabilization by State Statute	1,126,746
Streets	-
Appropriated Fund Balance in 2020-2021 budget	509,810
Remaining Fund Balance	<u>1,348,947</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<i>Encumbrances</i>	General Fund	Non-Major Funds
-	\$ -	\$ -

**TOWN OF TABOR CITY, NORTH CAROLINA**

Notes to the Financial Statements (Continued)

For the Year Ended June 30, 2020

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**III. 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 moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

**IV. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 23, 2020, which is the date the financial statements were available to be issued.

***Required Supplementary  
Financial Data***

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**TOWN OF TABOR CITY, NORTH CAROLINA**  
Proportionate Share of Net Pension Liability (Asset)  
Required Supplementary Information  
Last Seven Fiscal Years\*

	<b>Local Government Employees' Retirement System</b>						
	2020	2019	2018	2017	2016	2015	2014
Tabor City's proportion of the net pension liability (asset) (%)	0.01143%	0.01265%	0.01307%	0.01456%	0.01132%	0.01172%	0.01190%
Tabor City's proportion of the net pension liability (asset) (\$)	\$ 312,144	\$ 300,101	\$ 199,673	\$309,012	\$ 50,803	\$ (69,118)	\$143,441
Tabor City's covered-employee payroll	\$ 1,063,320	\$ 1,031,947	\$ 1,041,221	\$989,841	\$882,482	\$ 839,301	\$803,627
Tabor City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	29.36%	29.08%	19.18%	31.22%	5.76%	-8.24%	17.85%
Plan fiduciary net position as a of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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



**TOWN OF TABOR CITY, NORTH CAROLINA**

Town of Tabor City's Contributions  
Required Supplementary Information  
Last Seven Fiscal Years

	<b>Local Government Employees' Retirement System</b>						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 94,994	\$ 85,657	\$ 80,501	\$ 78,628	\$ 67,939	\$ 63,690	\$ 60,065
Contributions in relation to the contractually required contribution	94,994	85,657	80,501	78,628	67,939	63,690	60,065
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tabor City's covered employee payroll	\$ 1,028,043	\$ 1,063,320	\$ 1,031,947	\$ 1,041,221	\$ 989,841	\$ 882,482	\$ 839,301
Contributions as a percentage of covered-employee payroll	9.24%	8.06%	7.80%	7.55%	6.86%	7.22%	7.16%

**TOWN OF TABOR CITY, NORTH CAROLINA**

## Schedule of Changes in Total Pension Liability

June 30, 2020

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**Law Enforcement Officers' Special Separation Allowance**

	2020	2019	2018	2017
<b>Beginning balance</b>	\$ 69,604	\$ 68,240	\$ 57,305	\$ 48,950
Service cost	5,954	5,848	5,399	8,358
Interest on the total pension liability	2,534	2,156	2,212	1,748
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	7,448	(3,684)	(2,843)	-
Changes of assumptions or other inputs	2,774	(2,956)	6,167	(1,751)
Benefit payments	-	-	-	-
Other changes	-	-	-	-
<b>Ending balance of the total pension liability</b>	<u>\$ 88,314</u>	<u>\$ 69,604</u>	<u>\$ 68,240</u>	<u>\$ 57,305</u>

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

**TOWN OF TABOR CITY, NORTH CAROLINA**

## Schedule of Total Pension Liability as a Percentage of Covered Payroll

June 30, 2020

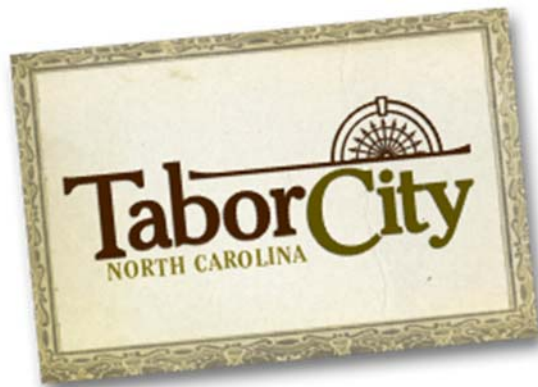
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**Law Enforcement Officers' Special Separation Allowance**

	2020	2019	2018	2017
Total pension liability	\$ 88,314	\$ 69,604	\$ 68,240	\$ 57,305
Covered payroll	439,225	414,270	416,956	373,302
Total pension liability as a percentage of covered payroll	20.11%	16.80%	16.37%	15.35%

Notes to the schedules:

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



***Major Governmental Funds***

***General Fund***

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**TOWN OF TABOR CITY, NORTH CAROLINA**

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2020

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
<b>Ad Valorem Taxes</b>			
Taxes		\$ 1,060,475	
Penalties and Interest		4,174	
<b>Total Ad Valorem Taxes</b>	\$ 1,142,735	1,064,649	\$ (78,086)
<b>Other Taxes and Licenses</b>			
Privilege Licenses		20	
Fire District Taxes		147,880	
<b>Total Other Taxes and Licenses</b>	124,910	147,900	22,990
<b>Unrestricted Intergovernmental</b>			
Local Option Sales Tax		1,081,504	
Telecommunications Tax		13,265	
Video Franchise Tax		13,164	
Utility Sales Tax		174,113	
Beer and Wine Tax		18,460	
ABC Profit Distribution		77,503	
Fire Department Allocations		26,543	
<b>Total Unrestricted Intergovernmental</b>	1,311,053	1,404,552	93,499
<b>Restricted Intergovernmental</b>			
Powell Bill Allocation		114,985	
Police Grants		284	
ABC Revenue for Law Enforcement		4,448	
Solid Waste Disposal Tax		3,236	
Firemen's Fund		4,249	
Federal and State Grants		228,131	
Miscellaneous		1,522	
<b>Total Restricted Intergovernmental</b>	275,212	356,855	81,643
<b>Permits and Fees</b>			
Building Permits		57,778	
Zoning		530	
Court Fees		711	
<b>Total Permits and Fees</b>	54,160	59,019	4,859
<b>Sales and Services</b>			
Recreation Department Fees		-	
<b>Total Sales and Services</b>	-	-	-
<b>Investment Earnings</b>			
General		6	
<b>Total Investment Earnings</b>	6	6	-
<b>Miscellaneous</b>			
Other		108,398	
<b>Total Miscellaneous</b>	82,225	108,398	26,173
<b>Total Revenues</b>	\$ 2,990,301	\$ 3,141,379	\$ 151,078

**TOWN OF TABOR CITY, NORTH CAROLINA**

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2020

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures</b>			
<b>Governing Body</b>			
Salaries and Employee Benefits		\$ 28,635	
Other Expenditures		2,890	
<b>Total Governing Body</b>	\$ 40,811	31,525	\$ 9,286
<b>Administration</b>			
Salaries and Employee Benefits		219,886	
Other Expenditures		122,754	
Capital Outlay		-	
<b>Total Administration</b>	361,780	342,640	19,140
<b>Elections</b>			
Salaries and Employee Benefits		-	
Other Expenditures		-	
<b>Total Elections</b>	5,000	-	5,000
<b>Legal</b>			
Other Expenditures		4,036	
<b>Total Legal</b>	8,038	4,036	4,002
<b>Public Works</b>			
Salaries and Employee Benefits		94,749	
Other Expenditures		36,400	
Capital Outlay		-	
<b>Total Public Works</b>	154,632	131,149	23,483
<b>Police Department</b>			
Salaries and Employee Benefits		627,568	
Other Expenditures		177,797	
Capital Outlay		34,908	
Debt Service			
Principal Retirement		34,093	
Interest Expense		5,086	
<b>Total Police Department</b>	964,347	879,452	84,895
<b>Fire Department</b>			
Salaries and Employee Benefits		97,894	
Other Expenditures		135,264	
Capital Outlay		-	
Debt Service			
Principal Retirement		29,853	
Interest Expense		1,806	
<b>Total Fire Department</b>	\$ 324,195	\$ 264,817	\$ 59,378

**TOWN OF TABOR CITY, NORTH CAROLINA**

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2020

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Economic and Physical Development</b>			
Salaries and Employee Benefits		\$ 97,401	
Other Expenditures		17,640	
Capital Outlay		-	
<b>Total Economic and Physical Development</b>	<b>129,081</b>	<b>115,041</b>	<b>\$ 14,040</b>
<b>Street Department</b>			
Salaries and Employee Benefits		233,878	
Other Expenditures		169,262	
Capital Outlay		27,456	
<b>Total Street Department</b>	<b>470,320</b>	<b>430,596</b>	<b>39,724</b>
<b>Powell Bill Funds</b>			
Salaries and Employee Benefits		-	
Other Expenditures		9,424	
<b>Total Powell Bill Funds</b>	<b>11,000</b>	<b>9,424</b>	<b>1,576</b>
<b>Cultural and Recreation</b>			
Salaries and Employee Benefits		-	
Other Expenditures		173,695	
Capital Outlay		-	
<b>Total Cultural and Recreation</b>	<b>204,100</b>	<b>173,695</b>	<b>30,405</b>
<b>Non-Departmental</b>			
Other Expenditures		187,235	
Capital Outlay		-	
<b>Total Non- Departmental</b>	<b>532,000</b>	<b>187,235</b>	<b>344,765</b>
<b>Total Expenditures</b>	<b>3,205,304</b>	<b>2,569,610</b>	<b>635,694</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(215,003)</b>	<b>571,769</b>	<b>786,772</b>
<b>Other Financing Sources (Uses)</b>			
Transfers Out:			
Lake Tabor Dam Project		(25,866)	
CDBG NR Project		(1,000)	
Community Building Project		(50,000)	
Sale of Assets		7,850	
Installment Purchase Obligations Issued		-	
<b>Total Other Financing Sources (Uses)</b>	<b>(792,200)</b>	<b>(69,016)</b>	<b>723,184</b>
<b>Fund Balance Appropriated</b>	<b>1,007,203</b>	<b>-</b>	<b>(1,007,203)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>502,753</b>	<b>\$ 502,753</b>
<b>Fund Balance - Beginning of Year</b>		<b>2,464,687</b>	
<b>Fund Balance - End of Year</b>		<b>\$ 2,967,440</b>	



***Special Revenue Funds***  
***Consolidated With General Fund***

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**TOWN OF TABOR CITY, NORTH CAROLINA**

## Statement of Revenues, Expenditures, and Changes in Fund Balance

## Budget and Actual

## Nonmajor Special Revenue Fund - Ritz Center Fund

For the Fiscal Year Ended June 30, 2020

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
<b>Miscellaneous</b>			
Other	\$ 7,550	\$ 7,844	\$ 294
<b>Expenditures</b>			
<b>Economic and Physical Development</b>			
Other Expenditures		7,807	
<b>Total Economic and Physical Development</b>	9,400	7,807	1,593
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(1,850)	37	1,887
<b>Other Financing Sources</b>			
Transfers In:			
Water Fund		-	
Ritz Capital Project Fund		-	
<b>Total Other Financing Sources</b>	-	-	-
<b>Appropriated Fund Balance</b>	1,850	-	(1,850)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	37	<u>\$ 37</u>
<b>Fund Balance - Beginning of Year</b>		18,026	
<b>Fund Balance - End of Year</b>		<u>\$ 18,063</u>	

## ***Nonmajor Governmental Funds***

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**TOWN OF TABOR CITY, NORTH CAROLINA**

Lake Tabor Dam Project

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

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

	Actual				
	Project	Prior	Current	Totals	Variance
	Authorization	Year	Year	to	Positive
				Date	(Negative)
<b>Revenues</b>					
Restricted Intergovernmental					
Federal and State Grant Revenue	\$ 786,727	\$ 74,718	\$ 13,854	\$ 88,572	\$ (698,155)
Other Revenues	100	-	40,204	40,204	40,104
<b>Total Revenues</b>	<u>786,827</u>	<u>74,718</u>	<u>54,058</u>	<u>128,776</u>	<u>(658,051)</u>
<b>Expenditures</b>					
Economic & Physical Development					
Other Expenditures	786,827	51,248	73,758	125,006	661,821
<b>Total Expenditures</b>	<u>786,827</u>	<u>51,248</u>	<u>73,758</u>	<u>125,006</u>	<u>661,821</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	<u>-</u>	<u>23,470</u>	<u>(19,700)</u>	<u>3,770</u>	<u>3,770</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In:					
General Fund	-	-	25,866	25,866	25,866
<b>Total Other Financing</b>					
<b>Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>25,866</u>	<u>25,866</u>	<u>25,866</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 23,470</u>	<u>6,166</u>	<u>\$ 29,636</u>	<u>\$ 29,636</u>
<b>Fund Balance - Beginning</b>			<u>23,470</u>		
<b>Fund Balance - Ending</b>			<u>\$ 29,636</u>		

**TOWN OF TABOR CITY, NORTH CAROLINA**  
CDBG NR Grant Project Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
From Inception and For the Fiscal Year Ended June 30, 2020

	Actual			
	Project	Prior	Current	Totals
	Authorization	Year	Year	to
				Date
				Variance
				Positive
				(Negative)
<b>Revenues</b>				
Restricted Intergovernmental				
Federal Grant Revenue	\$ 750,000	\$ -	\$ 117,723	\$ 117,723
Other Revenues	-	-	-	-
<b>Total Revenues</b>	<u>750,000</u>	<u>-</u>	<u>117,723</u>	<u>117,723</u>
				<u>(632,277)</u>
<b>Expenditures</b>				
Economic & Physical Development				
Other Expenditures	750,000	-	117,756	117,756
<b>Total Expenditures</b>	<u>750,000</u>	<u>-</u>	<u>117,756</u>	<u>117,756</u>
				<u>632,244</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>(33)</u>	<u>(33)</u>
				<u>(33)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
General Fund	-	-	1,000	1,000
<b>Total Other Financing</b>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<b>Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
				<u>1,000</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>967</u>	<u>\$ 967</u>
				<u>\$ 967</u>
<b>Fund Balance - Beginning</b>			<u>-</u>	
<b>Fund Balance - Ending</b>			<u>\$ 967</u>	

**TOWN OF TABOR CITY, NORTH CAROLINA**

Community Building Grant Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

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

	<u>Actual</u>		<u>Totals</u>	<u>Variance</u>
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>to</u>
	<u>Authorization</u>	<u>Year</u>	<u>Year</u>	<u>Date</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Restricted Intergovernmental				
Federal, State & Local Grant Revenue	\$ 500,000	\$ -	\$ -	\$ -
Other Revenues	600,000	-	-	(600,000)
<b>Total Revenues</b>	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>(1,100,000)</u>
<b>Expenditures</b>				
Economic & Physical Development				
Other Expenditures	-	-	67	67
Capital Outlay	1,400,000	-	-	1,400,000
<b>Total Expenditures</b>	<u>1,400,000</u>	<u>-</u>	<u>67</u>	<u>1,399,933</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(300,000)</u>	<u>-</u>	<u>(67)</u>	<u>299,933</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
General Fund	300,000	-	50,000	50,000
<b>Total Other Financing</b>				
<b>Sources (Uses)</b>	<u>300,000</u>	<u>-</u>	<u>50,000</u>	<u>(250,000)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>49,933</u>	<u>\$ 49,933</u>
<b>Fund Balance - Beginning</b>			<u>-</u>	
<b>Fund Balance - Ending</b>			<u>\$ 49,933</u>	

**TOWN OF TABOR CITY, NORTH CAROLINA**

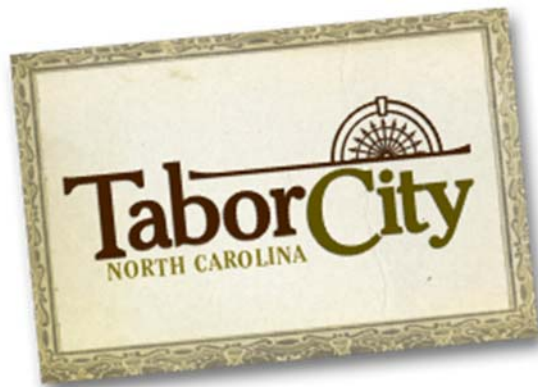
EDA Incubator Capital Project Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

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

	Actual				
	Project	Prior	Current	Totals	Variance
	Authorization	Year	Year	to	Positive
				Date	(Negative)
<b>Revenues</b>					
Restricted Intergovernmental					
Federal Grant Revenue	\$ 800,000	\$ -	\$ -	\$ -	\$ (800,000)
Interest Income	-	-	12	12	12
<b>Total Revenues</b>	<b>800,000</b>	<b>-</b>	<b>12</b>	<b>12</b>	<b>(799,988)</b>
<b>Expenditures</b>					
Economic & Physical Development					
Other Expenditures	-	-	-	-	-
Capital Outlay	1,000,000	-	13,383	13,383	986,617
<b>Total Expenditures</b>	<b>1,000,000</b>	<b>-</b>	<b>13,383</b>	<b>13,383</b>	<b>986,617</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	<b>(200,000)</b>	<b>-</b>	<b>(13,371)</b>	<b>(13,371)</b>	<b>186,629</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In:					
General Fund	200,000	-	-	-	(200,000)
<b>Total Other Financing</b>					
<b>Sources (Uses)</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(200,000)</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(13,371)</b>	<b>\$ (13,371)</b>	<b>\$ (13,371)</b>
<b>Fund Balance - Beginning</b>			<b>-</b>		
<b>Fund Balance - Ending</b>			<b>\$ (13,371)</b>		





## ***Enterprise Funds***

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**TOWN OF TABOR CITY, NORTH CAROLINA**

Water Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Operating Revenues</b>			
Water Charges		\$ 336,121	
Tap Fees		1,800	
Penalties and Interest		18,693	
<b>Total Operating Revenues</b>	\$ 359,095	356,614	\$ (2,481)
<b>Investment Earnings</b>			
Investment Earnings		-	
<b>Total Investment Earnings</b>	1	-	(1)
<b>Miscellaneous</b>			
Grants		301,620	
Other		26,922	
<b>Total Miscellaneous</b>	311,585	328,542	16,957
<b>Total Revenues</b>	670,681	685,156	14,475
<b>Expenditures</b>			
<b>Water Operations</b>			
Salaries and Employee Benefits		119,921	
Repairs and Maintenance		23,050	
Other Expenditures		225,897	
Capital Outlay		174,132	
Debt Service			
Principal Retirement		79,123	
Interest Expense and Other Charges		21,868	
<b>Total Water Operations</b>	671,681	643,991	27,690
<b>Contingency</b>	1,000	-	1,000
<b>Total Expenditures</b>	672,681	643,991	28,690
<b>Revenues Over (Under) Expenditures</b>	(2,000)	41,165	43,165
<b>Other Financing Sources (Uses)</b>			
Transfers In:			
Sewer Fund	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-
<b>Appropriated Fund Balance</b>	2,000	-	(2,000)
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ -	\$ 41,165	\$ 41,165

**TOWN OF TABOR CITY, NORTH CAROLINA**

Water Fund

Schedule of Revenues and Expenditures (Continued)

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and Other Sources Over Expenditures and Other Uses		<u>\$ 41,165</u>	
Reconciling Items:			
Depreciation Expense		(79,811)	
Compensated Absences Payable		3,945	
Increase(Decrease) in Deferred Outflows of Resources - Pensions		(7,559)	
(Increase)Decrease in Net Pension Liability		6,357	
(Increase)Decrease in Deferred Inflows of Resources - Pensions		76	
Capital Outlay		174,132	
Principal Retirement		79,123	
Transfer to Utility Capital Reserve Fund		-	
Investment Earnings from Utility Capital Reserve Fund		8	
Operating Expenses from Utility Capital Reserve Fund		-	
Total Reconciling Items		<u>176,271</u>	
<b>Change in Net Position</b>		<u><u>\$ 217,436</u></u>	

**TOWN OF TABOR CITY, NORTH CAROLINA**

Utility Capital Reserve Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Investment Earnings</b>			
Investment Earnings		\$ 8	
<b>Total Operating Revenues</b>	\$ -	8	\$ 8
<b>Total Revenues</b>	-	8	8
<b>Expenditures</b>			
<b>Water Operations</b>			
Other Expenditures		-	
Capital Outlay		-	
<b>Total Water Operations</b>	-	-	-
<b>Total Expenditures</b>	-	-	-
<b>Revenues Over (Under) Expenditures</b>	-	8	8
<b>Other Financing Sources (Uses)</b>			
Transfers In:			
Sewer Fund		-	
<b>Total Other Financing Sources (Uses)</b>	-	-	-
<b>Appropriated Fund Balance</b>	-	-	-
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ -	\$ 8	\$ 8

**TOWN OF TABOR CITY, NORTH CAROLINA**  
Utility Capital Reserve Fund  
Schedule of Revenues and Expenditures (Continued)  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

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	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and Other Sources Over Expenditures and Other Uses		\$ 8	
Reconciling Items:			
Depreciation Expense		-	
Capital Outlay		-	
Transfers in:			
Water Fund		-	
Total Reconciling Items		-	
<b>Change in Net Position</b>		\$ 8	

**TOWN OF TABOR CITY, NORTH CAROLINA**

Sewer Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Operating Revenues</b>			
Sewer Charges		\$ 1,063,646	
Tap Fees		5,830	
Impact Fees		-	
<b>Total Operating Revenues</b>	\$ 1,118,000	1,069,476	\$ (48,524)
<b>Nonoperating Revenues</b>			
Federal and State Grants		46,849	
Investment Earnings		-	
<b>Total Nonoperating Revenues</b>	1	46,849	46,848
<b>Miscellaneous</b>			
Other		5,477	
<b>Total Miscellaneous</b>	45,481	5,477	(40,004)
<b>Total Revenues</b>	1,163,482	1,121,802	(41,680)
<b>Expenditures</b>			
<b>Sewer Operations</b>			
Salaries and Employee Benefits		70,773	
Repairs and Maintenance		111,701	
Other Expenditures		844,659	
Capital Outlay		-	
Debt Service			
Principal Retirement		60,656	
Interest Expense and Other Charges		13,833	
<b>Total Sewer Operations</b>	1,206,982	1,101,622	105,360
<b>Contingency</b>	1,000	-	1,000
<b>Total Expenditures</b>	1,207,982	1,101,622	106,360
<b>Revenues Over (Under) Expenditures</b>	(44,500)	20,180	64,680
<b>Other Financing Sources (Uses)</b>			
Transfer In:			
CDBG Sewerline Project		-	
Transfer Out:			
Waste Water Treatment Project		(615)	
<b>Total Other Financing Sources (Uses)</b>	-	(615)	(615)
<b>Appropriated Fund Balance</b>	44,500	-	(44,500)
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ -	\$ 19,565	\$ 19,565

**TOWN OF TABOR CITY, NORTH CAROLINA**  
Sewer Fund  
Schedule of Revenues and Expenditures (Continued)  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and Other Sources Over Expenditures and Other Uses		<u>\$ 19,565</u>	
Reconciling Items:			
Depreciation Expense		(249,733)	
Amortization Expense		(1,982)	
Compensated Absences Payable		(143)	
Increase(Decrease) in Deferred Outflows of Resources - Pensions		(1,180)	
(Increase)Decrease in Net Pension Liability		(70)	
(Increase)Decrease in Deferred Inflows of Resources - Pensions		33	
Capital Outlay		-	
Principal Retirement		60,656	
Capital Contributions		493,714	
Transfer from Sewer Fund to Waste Water Treatment Project		615	
Impact Fees from Utility Impact Fund		-	
Investment Earnings from Utility Impact Fund		23	
Operating Expenses from Utility Impact Fund		-	
Total Reconciling Items		<u>301,933</u>	
<b>Change in Net Position</b>		<u><u>\$ 321,498</u></u>	

**TOWN OF TABOR CITY, NORTH CAROLINA**

Utility Impact Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Operating Revenues</b>			
Impact Fees	\$	-	
<b>Total Operating Revenues</b>	\$ -	-	\$ -
<b>Investment Earnings</b>			
Investment Earnings		23	
<b>Total Operating Revenues</b>	-	23	23
<b>Total Revenues</b>	-	23	23
<b>Expenditures</b>			
<b>Sewer Operations</b>			
Other Expenditures		-	
<b>Total Sewer Operations</b>	-	-	-
<b>Total Expenditures</b>	-	-	-
<b>Revenues Over (Under) Expenditures</b>	-	23	23
<b>Other Financing Sources (Uses)</b>			
Transfers In:			
Sewer Fund		-	
<b>Total Other Financing Sources (Uses)</b>	-	-	-
<b>Appropriated Fund Balance</b>	-	-	-
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ -	\$ 23	\$ 23



**TOWN OF TABOR CITY, NORTH CAROLINA**

Utility Impact Fund

Schedule of Revenues and Expenditures (Continued)

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

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	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<hr/>			
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and Other Sources Over Expenditures and Other Uses		<u>\$ 23</u>	
Reconciling Items:			
Depreciation Expense		<u>-</u>	
Total Reconciling Items		<u>-</u>	
<b>Change in Net Position</b>		<u><u>\$ 23</u></u>	

**TOWN OF TABOR CITY, NORTH CAROLINA**  
CDBG Sewerline Project  
Schedule of Revenues and Expenditures  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

		Actual			
	Project Authorization	Prior Year	Current Year	Totals to Date	Variance Positive (Negative)
<b>Revenues</b>					
<b>Restricted Intergovernmental</b>					
Community Development Grant	\$ 2,000,000	\$ 1,716,882	\$ 283,118	\$ 2,000,000	\$ -
<b>Total</b>	<b>2,000,000</b>	<b>1,716,882</b>	<b>283,118</b>	<b>2,000,000</b>	<b>-</b>
<b>Investment Earnings</b>					
Investment Earnings		-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>2,000,000</b>	<b>1,716,882</b>	<b>283,118</b>	<b>2,000,000</b>	<b>-</b>
<b>Expenditures</b>					
<b>Sewer Project</b>					
Sewer Improvements	1,850,000	1,766,882	273,118	2,040,000	(190,000)
Administration	200,000	-	10,000	10,000	190,000
<b>Total Expenditures</b>	<b>2,050,000</b>	<b>1,766,882</b>	<b>283,118</b>	<b>2,050,000</b>	<b>-</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>-</b>	<b>(50,000)</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In:					
General Fund	50,000	33,000	-	33,000	(17,000)
<b>Total Other Financing Sources (Uses)</b>	<b>50,000</b>	<b>33,000</b>	<b>-</b>	<b>33,000</b>	<b>(17,000)</b>
<b>Appropriated Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ (17,000)</b>	<b>\$ -</b>	<b>\$ (17,000)</b>	<b>\$ (17,000)</b>

**TOWN OF TABOR CITY, NORTH CAROLINA**

Waste Water Treatment Project

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

	Actual		Totals	Variance
	Project	Prior	to	Positive
	Authorization	Year	Date	(Negative)
<b>Revenues</b>				
<b>Restricted Intergovernmental</b>				
Federal and State Grants	\$ 1,010,000	\$ -	\$ 210,596	\$ 210,596
<b>Total</b>	1,010,000	-	210,596	(799,404)
<b>Investment Earnings</b>				
Investment Earnings		-	-	-
<b>Total</b>	-	-	-	-
<b>Total Revenues</b>	1,010,000	-	210,596	(799,404)
<b>Expenditures</b>				
<b>Waste Water Treatment</b>				
Waste Water Improvements	2,960,029	-	210,596	210,596
<b>Total Expenditures</b>	2,960,029	-	210,596	2,749,433
<b>Revenues Over (Under) Expenditures</b>	(1,950,029)	-	-	1,950,029
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
Sewer Fund		-	615	615
Loan Proceeds & Loan Forgiveness	1,950,029	-	-	(1,950,029)
<b>Total Other Financing Sources (Uses)</b>	1,950,029	-	615	(1,949,414)
<b>Appropriated Fund Balance</b>	-	-	-	-
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ -	\$ -	\$ 615	\$ 615

**TOWN OF TABOR CITY, NORTH CAROLINA**

Sanitation Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

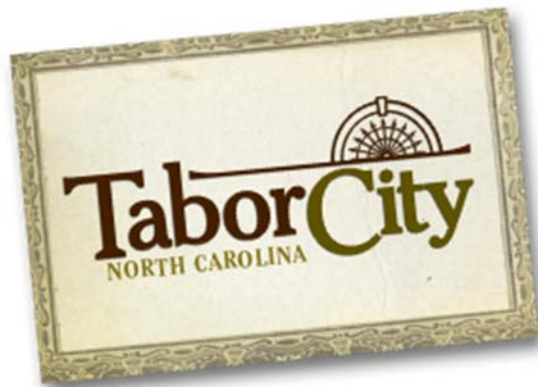
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
<b>Operating Revenues</b>			
Solid Waste Fees		\$ 422,686	
<b>Total Operating Revenues</b>	\$ 422,000	422,686	\$ 686
<b>Miscellaneous</b>			
Other		-	
<b>Total Miscellaneous</b>	100	-	(100)
<b>Total Revenues</b>	422,100	422,686	586
<b>Expenditures</b>			
<b>Sanitation</b>			
Salaries and Employee Benefits		24,391	
Other Expenditures		261,666	
<b>Total Sanitation</b>	422,100	286,057	136,043
<b>Total Expenditures</b>	422,100	286,057	136,043
<b>Revenues Over (Under) Expenditures</b>	-	136,629	136,629
<b>Other Financing Sources (Uses)</b>			
Transfers		-	
<b>Total Other Financing Sources (Uses)</b>	-	-	-
<b>Appropriated Fund Balance</b>	-	-	-
<b>Revenues and Other Sources Over Expenditures and Other Uses</b>	\$ -	\$ 136,629	\$ 136,629

**TOWN OF TABOR CITY, NORTH CAROLINA**  
Sanitation Fund  
Schedule of Revenues and Expenditures (Continued)  
Budget and Actual (Non-GAAP)  
For the Fiscal Year Ended June 30, 2020

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	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Revenues and Other Sources Over Expenditures and Other Uses		<u>\$ 136,629</u>	
Reconciling Items:			
Depreciation Expense		-	
Increase(Decrease) in Deferred Outflows of Resources - Pensions		498	
(Increase)Decrease in Net Pension Liability		(2,340)	
(Increase)Decrease in Deferred Inflows of Resources - Pensions		33	
Total Reconciling Items		<u>(1,809)</u>	
<b>Change in Net Position</b>		<u><u>\$ 134,820</u></u>	



## ***Other Schedules***

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**TOWN OF TABOR CITY, NORTH CAROLINA**

## Schedule of Ad Valorem Taxes Receivable

June 30, 2020

<b>Fiscal Year</b>	<b>Uncollected Balance 7-1-19</b>	<b>Additions and Adjustments</b>	<b>Collections and Credits</b>	<b>Uncollected Balance 6-30-20</b>
2019-20	\$ -	\$ 1,051,427	\$ 1,033,443	\$ 17,984
2018-19	40,331	-	12,928	27,403
2017-18	10,558	-	6,408	4,150
2016-17	12,779	-	2,571	10,208
2015-16	5,010	-	2,809	2,201
2014-15	4,369	-	1,523	2,846
2013-14	7,840	-	413	7,427
2012-13	12,402	-	193	12,209
2011-12	10,387	-	187	10,200
2010-11	15,051	-	-	15,051
2009-10	4,798	-	4,798	-
	<u>\$ 123,525</u>	<u>\$ 1,051,427</u>	<u>\$ 1,065,273</u>	109,679

Less: Allowance for Uncollectible Accounts:

General Fund

44,000

Ad Valorem Taxes Receivable - Net

\$ 65,679Reconciliation with Revenues

Ad Valorem Taxes - General Fund

1,064,649

Reconciling Items:

Interest and Penalties Collected

(4,174)

Taxes Released

-

Taxes Written Off

4,798

Total Collections and Credits

\$ 1,065,273



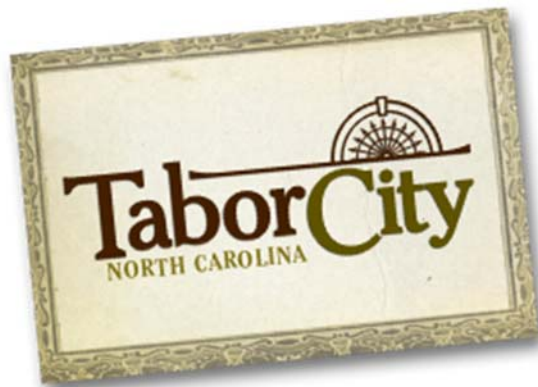
**TOWN OF TABOR CITY, NORTH CAROLINA**

## Analysis of Current Tax Levy

## Town-Wide Levy

June 30, 2020

	Town-Wide		Total Levy	
	Property Valuation	Rate Per \$100	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>				
Property Taxed at				
Current Year's Rate	\$ 160,275,531	0.67	\$ 1,050,734	\$ 953,005
Penalties	-		693	693
	<u>160,275,531</u>		<u>1,051,427</u>	<u>953,698</u>
<b>Discoveries:</b>				
Current Year Taxes	-	0.67	-	-
Penalties	-		-	-
	<u>-</u>		<u>-</u>	<u>-</u>
<b>Abatements:</b>				
Property Taxes -				
Current Year's Rate	-	0.67	-	-
	<u>-</u>		<u>-</u>	<u>-</u>
<b>Total Property Valuations</b>	<u><u>\$ 160,275,531</u></u>			
<b>Net Levy</b>			1,051,427	953,698
<b>Uncollected Taxes at June 30, 2020</b>			17,984	17,984
<b>Current Year's Taxes Collected</b>			<u>\$ 1,033,443</u>	<u>\$ 935,714</u>
<b>Current Levy Collection Percentage</b>			<u>98.29%</u>	<u>98.11%</u>



## ***Compliance Section***

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

**Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Tabor City, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises the Town of Tabor City's basic financial statements, and have issued our report thereon dated December 23, 2020. Our report includes a reference to other auditors who audited the financial statements of the Town of Tabor City ABC Board, as described in our report on the Town of Tabor City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Town of Tabor City ABC Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Tabor City's 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Tabor City's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*W Greene, PLLC*

Whiteville, North Carolina  
December 23, 2020

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

**Independent Auditor's Report**

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

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## **Opinion on Each Major State Program**

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

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

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

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

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

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

*W Greene PLLC*

Whiteville, North Carolina  
December 23, 2020

**TOWN OF TABOR CITY, NORTH CAROLINA**

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2020

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<b>SECTION I. SUMMARY OF AUDITOR'S RESULTS</b>
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**Financial Statements**

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes        X   No

Significant deficiency(s)

\_\_\_\_\_ Yes        X   None  
Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes        X   No



**TOWN OF TABOR CITY, NORTH CAROLINA**

## Schedule of Findings and Questioned Costs (Continued)

For the Fiscal Year Ended June 30, 2020

**SECTION I. SUMMARY OF AUDITOR'S RESULTS (Continued)****State Awards**

Internal control over major state programs:

Material weakness(es) identified? ☐ Yes ☒ NoSignificant deficiency(s) identified ☐ Yes ☒ None Reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act ☐ Yes ☒ No

Identification of major state programs:

Program Name

Visitor Center Grant

North Carolina Office of Recovery and Resiliency Grant

Disaster Recovery Grant

**TOWN OF TABOR CITY, NORTH CAROLINA**

Schedule of Findings and Questioned Costs (Continued)

For the Fiscal Year Ended June 30, 2020

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<b>SECTION II. FINANCIAL STATEMENT FINDINGS</b>
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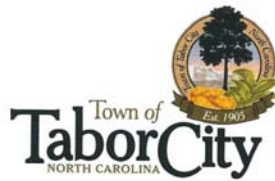
*None Reported*

**TOWN OF TABOR CITY, NORTH CAROLINA**  
Schedule of Findings and Questioned Costs (Continued)  
For the Fiscal Year Ended June 30, 2020

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<b>SECTION III. STATE AWARD FINDINGS AND QUESTIONED COSTS</b>
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*None Reported.*



*Home Of The North Carolina Yam Festival*

TOWN OF TABOR CITY

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DIANE B. WARD  
CLERK-TREAS.

KEVIN BULLARD  
TOWN ATTORNEY

A.J. LEONARD, JR.  
TOWN MANAGER

ROYCE HARPER  
MAYOR

LAMONT GRATE  
MAYOR PRO TEM

NELSON LEE  
SAM ROGERS  
DAVID MINCEY

Corrective Action Plan  
For the Fiscal Year Ended June 30, 2020

**SECTION II. FINANCIAL STATEMENT FINDINGS**

*None Reported*

**SECTION III. STATE AWARD FINDINGS AND QUESTIONED COSTS**

*None Reported*

**TOWN OF TABOR CITY, NORTH CAROLINA**

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2020

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***Finding 2019-1***

Corrected.

**TOWN OF TABOR CITY, 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 Grantors Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Grants:</b>					
<u>U.S. Department of Homeland Security</u>					
Passed-through NC Department of Public Safety					
Disaster Grants - Public Assistance	97.036	-	\$ 78,839	\$ 26,280	\$ -
Hazard Mitigation Grant	97.039	-	6,750	2,250	-
<b>Total U.S. Department of Homeland Security</b>			<b>85,589</b>	<b>28,530</b>	<b>-</b>
<u>U.S. Department of Housing and Urban Development</u>					
Passed-through NC Department of Environmental Quality					
Community Development Block Grant	14.228	-	283,118	-	-
Passed-through NC Department of Commerce					
Community Development Block Grant	14.228		117,723	-	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>400,841</b>	<b>-</b>	<b>-</b>
<b>Total Assistance - Federal Programs</b>			<b>486,430</b>	<b>28,530</b>	<b>-</b>
<b>State Grants:</b>					
Cash Assistance					
<u>N.C. Department of Transportation</u>					
Powell Bill	-	DOT-4	-	114,985	-
Visitor Center Grant	-	DOT-13	-	92,857	-
<u>N.C. Department of Environmental Quality</u>					
Water Asset Inventory & Assessment Grant	-		-	70,509	-
<u>N.C. Department of Commerce</u>					
DMA Holdings LLC - Water System Improvements	-		-	229,005	-
<u>N.C. Department of Public Safety</u>					
North Carolina Office of Recovery and Resiliency Grant			-	201,596	-
<u>Golden Leaf Foundation</u>					
Disaster Recovery Grant Program			-	81,399	-
<b>Total Assistance - State Programs</b>			<b>-</b>	<b>790,351</b>	<b>-</b>
<b>Total Federal and State Assistance</b>			<b>\$ 486,430</b>	<b>\$ 818,881</b>	<b>\$ -</b>

## **TOWN OF TABOR CITY, NORTH CAROLINA**

### **Notes to Schedule of Expenditures of Federal and State Financial Awards For the Year Ended June 30, 2020**

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#### **I. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Town of Tabor City 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 Town of Tabor City, it is not intended to and does not present the financial position, changes in net position or cash flows of Town of Tabor City.

#### **II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND INDIRECT COST RATE**

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. Town of Tabor City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **III. CORONAVIRUS RELIEF FUNDS**

Town of Tabor City, North Carolina received \$87,515 of funding from the Coronavirus Relief Fund (21.019) from Columbus County. Town of Tabor City has a plan to spend these funds approved by OSBM. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under the state statute, municipalities are not liable to the County for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.

