

REVIEWED

By SLGFD at 9:03 am, Dec 17, 2021

**CITY OF CREEDMOOR
NORTH CAROLINA**

Financial Statements and
Supplementary Information

Year Ended June 30, 2021

Board of Commissioners

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

Administrative and Financial Staff

Gerald Smith, Sr., City Manager
Sonal Mehta, Finance Director

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2021

Board of Commissioners

Robert V. Wheeler, Mayor
Neena Nowell, Mayor Pro Tem
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Prepared by:

Finance Department,
City of Creedmoor

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INTRODUCTORY INFORMATION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Creedmoor, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Creedmoor'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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Creedmoor as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 12 through 22, the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios on page 68, respectively, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of Net Pension Liability (Asset) and Contributions on pages 64 through 65, 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 on page 66 and 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Creedmoor. The combining and individual fund statements, budgetary schedules and other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 on our consideration of City of Creedmoor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports 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 the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Creedmoor's internal control over financial reporting and compliance.

Sharpe Patel PLLC

Raleigh, North Carolina
November 19, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Creedmoor, we offer the readers of the City of Creedmoor's financial statements this narrative overview and analysis of the financial activities of the City of Creedmoor for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

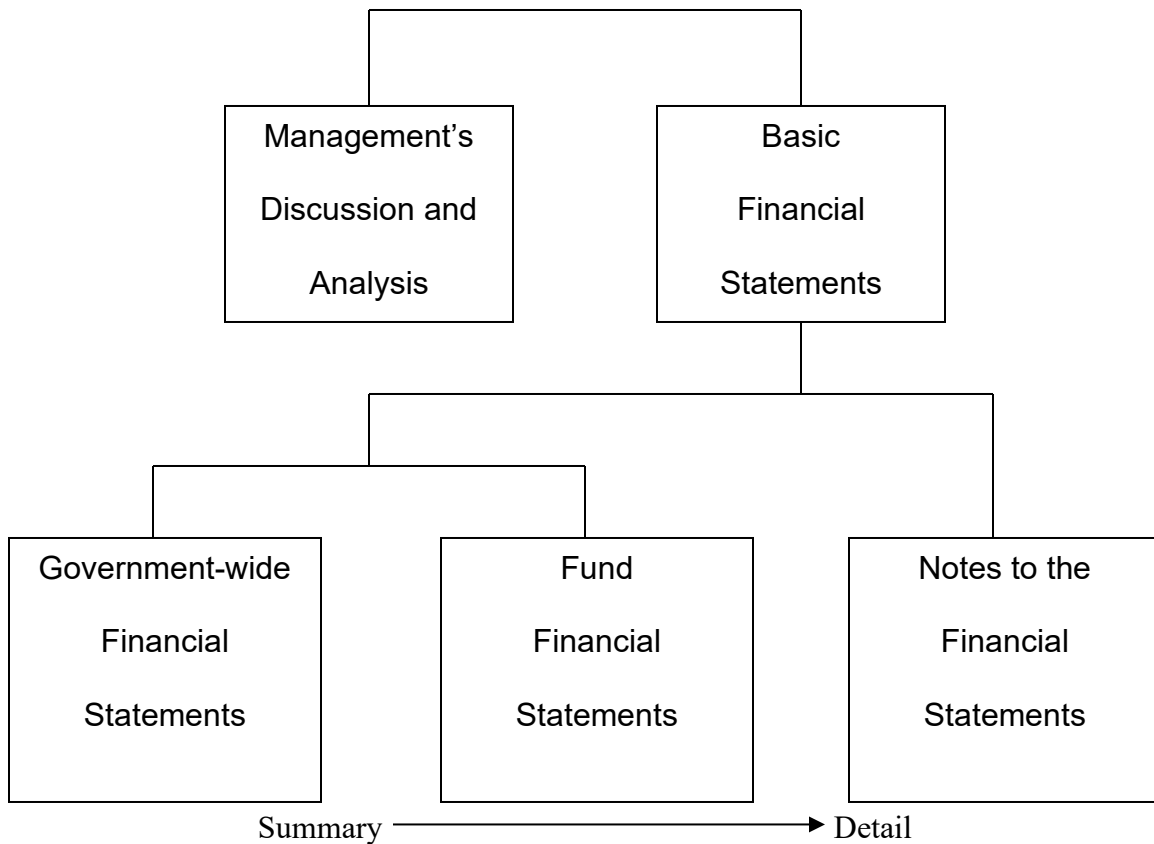
- The assets and deferred outflows of the City of Creedmoor exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$30,220,492 (*net position*).
- The government's total net position increased by \$138,057.
- As of the close of the fiscal year, the City of Creedmoor's governmental funds reported combined ending fund balances of \$10,473,020, a decrease of \$710,529 in comparison with the prior year. Of the fund balance total, approximately 75% or \$7,883,504 is unassigned.
- At the end of the current fiscal year, fund balance available for appropriation in the General Fund was \$8,738,565, or approximately 197% of total general fund expenditures for the fiscal year. This amount includes resources available for appropriation, but legally limited to certain purposes. The latest group average for municipalities of a similar size is 77.89% of General Fund spending. See Table 9 in the Statistical Section for additional discussion and detail.
- The City of Creedmoor's General Fund reported revenues over expenditures by \$269,369, before other financing sources. The General Fund had \$308,700 in income from other financing sources.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 8) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

Government-Wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, public works, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. The stormwater management operations are the City of Creedmoor's only business-type activity.

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

Fund Financial Statements

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

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 33 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Creedmoor’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 64 of this report.

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

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Government-Wide Financial Analysis

City of Creedmoor's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$10,678,176	\$11,799,916	\$ 672,565	\$ 558,357	\$11,350,741	\$12,358,273
Capital assets	22,850,854	21,689,393	-	-	22,850,854	21,689,393
Total assets	<u>33,529,030</u>	<u>33,489,309</u>	<u>672,565</u>	<u>558,357</u>	<u>34,201,595</u>	<u>34,047,666</u>
Deferred Outflows of Resources	<u>1,074,014</u>	<u>602,843</u>	<u>41,348</u>	<u>23,755</u>	<u>1,115,362</u>	<u>626,598</u>
Other liabilities	234,815	1,090,327	24,960	9,910	259,775	1,100,237
Long-term liabilities	<u>4,509,995</u>	<u>3,120,597</u>	<u>186,775</u>	<u>133,250</u>	<u>4,696,770</u>	<u>3,253,847</u>
Total liabilities	<u>4,744,810</u>	<u>4,210,924</u>	<u>211,735</u>	<u>143,160</u>	<u>4,956,545</u>	<u>4,354,084</u>
Deferred Inflows of Resources	<u>136,091</u>	<u>231,037</u>	<u>3,829</u>	<u>6,708</u>	<u>139,920</u>	<u>237,745</u>
Net position						
Net investment in capital assets	22,850,854	21,689,393	-	-	22,850,854	21,689,393
Restricted	860,628	874,315	498,349	432,244	1,358,977	1,306,559
Unrestricted	<u>6,010,661</u>	<u>7,086,483</u>	<u>-</u>	<u>-</u>	<u>6,010,661</u>	<u>7,086,483</u>
Total net position	<u>\$29,722,143</u>	<u>\$29,650,191</u>	<u>\$ 498,349</u>	<u>\$ 432,244</u>	<u>\$30,220,492</u>	<u>\$30,082,435</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the City of Creedmoor exceeded liabilities and deferred outflows by \$30,220,492 as of June 30, 2021. The City's net position increased by \$138,057 for the fiscal year ended June 30, 2021. The City's net investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items represents 75.6% of the net position. The City of Creedmoor uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Creedmoor's net investment in capital assets is reported net of any outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Creedmoor's net position (4.50%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,010,661 is unrestricted.

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

- The City continues to budget revenues and expenditures conservatively. Actual revenues were slightly higher than the budget. Most revenue categories had positive variances. Two revenue categories that saw significant revenues over budgeted amounts were Local Option Sales Tax and Restricted Intergovernmental revenues.
- At year end, actual operating expenditures were under the budgeted amounts by \$133,082 in the General Fund. This was in large part due to the ongoing effort to minimize administrative spending wherever possible, several vacant positions, and few purchase orders that were open due to closing of capital projects.

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

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City of Creedmoor Changes in Net position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 162,312	\$ 217,927	\$ 302,898	\$ 301,673	\$ 465,210	\$ 519,600
Operating grants and contributions	326,508	143,451	-	-	326,508	143,451
Capital grants and contributions	10,000	4,215,850	-	-	10,000	4,215,850
General revenues:					-	-
Property taxes	2,132,807	2,043,856	-	-	2,132,807	2,043,856
Other taxes	1,329,669	1,162,138	-	-	1,329,669	1,162,138
Other	579,852	670,481	141	7,561	579,993	678,042
Total revenues	<u>4,541,148</u>	<u>8,453,703</u>	<u>303,039</u>	<u>309,234</u>	<u>4,844,187</u>	<u>8,762,937</u>
Expenses:						
General government	1,977,910	1,308,964	-	-	1,977,910	1,308,964
Public safety	1,867,545	2,273,108	-	-	1,867,545	2,273,108
Transportation and public works	434,914	571,596	-	-	434,914	571,596
Economic and physical development	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-
Cultural and recreation	188,827	202,617	-	-	188,827	202,617
Stormwater management	-	-	236,934	128,987	236,934	128,987
Total expenses	<u>4,469,196</u>	<u>4,356,285</u>	<u>236,934</u>	<u>128,987</u>	<u>4,706,130</u>	<u>4,485,272</u>
Excess (deficiency) before transfers, gains on sale, and special items	71,952	4,097,418	66,105	180,247	138,057	4,277,665
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net position	71,952	4,097,418	66,105	180,247	138,057	4,277,665
Net position, beginning	<u>29,650,191</u>	<u>25,552,773</u>	<u>432,244</u>	<u>251,997</u>	<u>30,082,435</u>	<u>25,804,770</u>
Net position - June 30	<u>\$ 29,722,143</u>	<u>\$ 29,650,191</u>	<u>\$ 498,349</u>	<u>\$ 432,244</u>	<u>\$ 30,220,492</u>	<u>\$ 30,082,435</u>

Governmental Activities: Governmental activities increased the City's net position by \$71,952. The ending net position for the governmental activities was \$29,722,143.

Business-Type Activities: Business-type activities increased Creedmoor's net position by \$66,105. Investment in the stormwater system in prior years is proving beneficial, decreasing the necessary maintenance costs.

Financial Analysis of the City's Funds

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

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

The general fund is the chief operating fund of the City of Creedmoor. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,883,504, while total fund balance increased to \$9,242,233. The increased fund balance in the general fund is a result of a continued effort to spend conservatively on City-wide operating expenditures. Revenues exceeded expenditures in the General Fund before other financing sources (use) by \$340,132. As a measure of the General Fund's solvency, fund balance available for appropriation is calculated in accordance with North Carolina General Statute 159-8(a). The fund balance legally available is compared to the total expenditures and transfers out from the General Fund. This calculation is promulgated by the staff of the Local Government Commission and is a generally accepted benchmark in the state. The City of Creedmoor's legal, calculated fund balance available is \$8,738,565 in the General Fund, which is 197% of the annual spending and transfers out from the fund. The latest group average for similar municipalities in the state is 77.89%. A *very general* interpretation of this percentage is that if it had to, the City could continue to function at its current level for about 2 years on the cash and investments available. The cash reserves are due to the sale of the City's water and sewer system. These funds are intended to help the City to continue operating at similar service levels without the benefit of utility revenues. See Table 9 for more details on the statutory calculation of fund balance available for appropriation.

The General Capital Project Fund reported a net increase in fund balance of \$70.

At June 30, 2021, the governmental funds of City of Creedmoor reported a combined fund balance of \$10,473,020, a decrease over last year.

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

Revenues were higher than the budgeted amount by \$668,650 and expenditures for operational functions were under budget by \$133,082. The policy of taking a very conservative approach to budgeting has continued to prove its worth. The Local Option Sales Tax alone had actual revenue \$304,543 higher than budgeted, in the face of the emergence of the COVID-19 pandemic. Investments have continued to perform well. General Fund expenditures were under budget, partly due to open positions in the Police

Department, general government projects not completed before June 30, 2021 and unused Powell Bill allocations.

Proprietary Funds. The City of Creedmoor has one proprietary fund, the Stormwater Fund. As of June 30, 2021, revenues in the fund exceeded expenditures by \$66,105. There were no transfers in or out of the Stormwater Fund during the year. At June 30, 2021, net position was \$498,349.

Capital Asset and Debt Administration

Capital Assets. The City of Creedmoor's investment in capital assets for its governmental activities as of June 30, 2021, totaled \$22,850,854 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, park facilities, and vehicles.

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

- The majority of the decrease to construction in progress is due to the completion of the Lake Rogers Park Improvement Project and Creedmoor Community Center.

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

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,978,539	\$ 5,060,862	\$ -	\$ -	\$ 4,978,539	\$ 5,060,862
Construction in progress	7,103,390	12,074,425	-	-	7,103,390	12,074,425
Buildings and system	7,107,124	827,664	-	-	7,107,124	827,664
Machinery and equipment	306,684	258,486	-	-	306,684	258,486
Vehicles and motorized equipment	135,903	155,688	-	-	135,903	155,688
Infrastructure	3,219,214	3,312,268	-	-	3,219,214	3,312,268
Total capital assets, net	\$22,850,854	\$21,689,393	\$ -	\$ -	\$22,850,854	\$21,689,393

Additional information on the City's capital assets can be found in Note III.A.4 of the Basic Financial Statements, beginning on page 45 of this document.

Long-Term Debt. As of June 30, 2021, the City of Creedmoor had no bonded debt outstanding.

City of Creedmoor's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Notes payable	\$ 447,500	\$ 497,500	\$ -	\$ -	\$ 447,500	\$ 497,500
Accrued vacation	108,863	126,663	5,228	3,608	114,091	130,271
Net pension liability - LGERS	933,782	581,544	33,187	33,187	966,969	614,731
Total pension liability - LEO	495,366	306,456	-	-	495,366	306,456
Other post employment benefits	2,606,893	2,146,658	153,588	100,063	2,760,481	2,246,721
Total outstanding						
long-term liabilities	<u>\$ 4,592,404</u>	<u>\$ 3,658,821</u>	<u>\$ 192,003</u>	<u>\$ 136,858</u>	<u>\$ 4,784,407</u>	<u>\$ 3,795,679</u>

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

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Creedmoor is \$28,598,168.

Additional information regarding the City of Creedmoor's long-term debt can be found in Note III.B.10 beginning on page 60 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- The City of Creedmoor is located in the southern part of Granville County, within commuting distance of the Raleigh and Durham metropolitan centers. The new subdivision is now complete and available for residents to move in.
- The Local Option Sales Tax is the City's second biggest revenue stream and can be a measurement of economic recovery in Granville County and statewide. The City of Creedmoor had an increase in Local Option Sales Tax Collections of 14.42% from Fiscal Year 2020 to Fiscal Year 2021.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: The tax rate in Creedmoor remained at 61.5¢ per \$100 of assessed value. Recreation opportunities continue to grow and develop. The City currently has several recreation projects nearing completion, including capital improvements at Lake Rogers Park and the Creedmoor Community Center, which includes renovations to the Creedmoor Gym and Senior Center, as well as the construction of a new gymnasium. This project is awaiting annual inspection. The Cross City Trail, which is a network of sidewalks and greenways connecting different areas of the City, is also awaiting annual inspection. The City decided to close the 109 Park Avenue project and move funding to the City Hall Expansion project. The City Hall project is under feasibility testing related to the building and parking expansion. The Lake Rogers Improvement project was closed out in the beginning of Fiscal Year 2022.

Revenues are expected to decrease in Fiscal Year 2022 as a result of the COVID-19 pandemic. Local Option Sales Tax, which has steadily increased the past several years, is expected to continue to grow. Interest earnings are expected to drop considerably due to the closing of the long-term portfolio by NCCMT and decreasing cash balances. Additionally, ad valorem tax collection rates are expected to be affected as well, but it is unclear if the City will experience a significant decrease.

Business - Type Activities: Fiscal Year 2022 will be the eleventh year of operation for the Stormwater Management Fund. Because of the interlocal agreement with Stem, Butner, Granville County and Person County, the Creedmoor stormwater fees are collected by the Granville County tax collector and remitted monthly to the City. Creedmoor contracts with an independent third-party for stormwater consulting on statewide permitting matters. City-wide work on identified stormwater issues continues. The Creedmoor staff are working to correct these problems “beginning upstream and going down.” Correction of problems where the stormwater begins to flow continues to reduce problems later in the water’s flow to Falls Lake. Operations are expected to continue at this level for the foreseeable future. FY21 was the second year of a three year system-wide stormwater mapping effort with the City’s contract engineering firm. GIS will be used to effectively map and identify the highest risk stormwater outfalls and monitor them during high rainfall periods and during dry weather for illicit discharges. Also, Community Development has completed a draft of our Storm Water Management Plan Program in advance of the anticipated NPDES MS4 FY22 audit from NCDEQ Energy, Mineral, and Land Resources Division. Drainage maintenance activities continue throughout the jurisdiction with a few potentially large-scale repairs of public infrastructure looming under city-maintained streets.

Requests for Information

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

FINANCIAL SECTION

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Net Position
June 30, 2021

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,605,662	\$ 669,588	\$ 9,275,250
Restricted cash	1,521,954	-	1,521,954
Taxes receivables (net)	34,443	-	34,443
Accounts receivable (net)	1,366	-	1,366
Due from other governments	500,131	2,977	503,108
Prepaid items	14,620	-	14,620
Total current assets	10,678,176	672,565	11,350,741
Non-current assets:			
Capital assets:			
Land and construction in progress	12,118,568	-	12,118,568
Other capital assets, net of depreciation	10,732,286	-	10,732,286
Total capital assets	22,850,854	-	22,850,854
Total assets	33,529,030	672,565	34,201,595
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	718,444	41,348	759,792
OPEB deferrals	355,570	-	355,570
Total deferred outflows of resources	1,074,014	41,348	1,115,362
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	122,872	19,732	142,604
Current portion of long-term liabilities	50,000	-	50,000
Accrued salaries	29,284	-	29,284
Accrued vacation	32,659	5,228	37,887
Total current liabilities	234,815	24,960	259,775
Long-term liabilities:			
Accrued vacation	76,204	-	76,204
Long-term debt	397,750	-	397,750
Net pension liability - LGERS	933,782	33,187	966,969
Total pension liability - LEO	495,366	-	495,366
Other postemployment benefits	2,606,893	153,588	2,760,481
Total long-term liabilities	4,509,995	186,775	4,696,770
Total liabilities	4,744,810	211,735	4,956,545
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	18,557	-	18,557
Pension deferrals	85,040	3,829	88,869
OPEB deferrals	32,494	-	32,494
Total deferred inflows of resources	136,091	3,829	139,920
NET POSITION			
Net investment in capital assets	22,850,854	-	22,850,854
Restricted for:			
Public safety	2,262	-	2,262
Streets	369,318	-	369,318
Stabilization by State Statue	489,048	-	489,048
Stormwater	-	498,349	498,349
Unrestricted	6,010,661	-	6,010,661
Total net position	\$ 29,722,143	\$ 498,349	\$ 30,220,492

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Activities
For the year ended June 30, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,977,910	\$ 19,876	\$ 198,803	\$ -	\$ (1,759,231)	\$ -	\$ (1,759,231)
Public safety	1,867,545	-	-	-	(1,867,545)	-	(1,867,545)
Transportation	434,914	-	113,642	10,000	(311,272)	-	(311,272)
Environmental protection	-	-	-	-	-	-	-
Cultural and recreation	188,827	142,436	14,063	-	(32,328)	-	(32,328)
Total governmental activities	<u>4,469,196</u>	<u>162,312</u>	<u>326,508</u>	<u>10,000</u>	<u>(3,970,376)</u>	<u>-</u>	<u>(3,970,376)</u>
Business-type activities:							
Stormwater management	<u>236,934</u>	<u>302,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,964</u>	<u>65,964</u>
Total primary government	<u>\$ 4,706,130</u>	<u>\$ 465,210</u>	<u>\$ 326,508</u>	<u>\$ 10,000</u>	<u>(3,970,376)</u>	<u>65,964</u>	<u>(3,904,412)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,132,807	-	2,132,807
Sales taxes					1,329,669	-	1,329,669
Unrestricted intergovernmental					352,133	-	352,133
Unrestricted investment earnings					2,524	141	2,665
Gain (loss) on sale of assets					158,674	-	158,674
Miscellaneous					66,521	-	66,521
Transfers					-	-	-
Total general revenues and transfers					<u>4,042,328</u>	<u>141</u>	<u>4,042,469</u>
Change in net position					71,952	66,105	138,057
Net position, beginning					<u>29,650,191</u>	<u>432,244</u>	<u>30,082,435</u>
Net position, ending					<u>\$ 29,722,143</u>	<u>\$ 498,349</u>	<u>\$ 30,220,492</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA

Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2021

	Major Fund				
	General	Capital Projects Fund	Capital Reserve Fund	Total Non-Major Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 8,510,898	\$ 94,764	\$ -	\$ -	\$ 8,605,662
Restricted cash	371,580	-	238,229	912,145	1,521,954
Receivables, net:					-
Taxes	34,443	-	-	-	34,443
Accounts	1,366	-	-	-	1,366
Due from other governments	487,682	12,449	-	-	500,131
Prepaid assets	14,620	-	-	-	14,620
Total assets	<u>\$ 9,420,589</u>	<u>\$ 107,213</u>	<u>\$ 238,229</u>	<u>\$ 912,145</u>	<u>\$ 10,678,176</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 96,072	\$ 26,800	\$ -	\$ -	\$ 122,872
Accrued salaries and fringe benefits	29,284	-	-	-	29,284
Total liabilities	<u>125,356</u>	<u>26,800</u>	<u>-</u>	<u>-</u>	<u>152,156</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	34,443	-	-	-	34,443
Other deferred inflows	18,557	-	-	-	18,557
Total deferred inflows of resources	<u>53,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,000</u>
FUND BALANCES					
Nonspendable:					
Prepaid assets	14,620	-	-	-	14,620
Restricted:					
Public safety	2,262	-	-	-	2,262
Stabilization by State Statute	489,048	-	-	-	489,048
Streets	369,318	-	-	-	369,318
Committed:					
Capital projects	-	-	238,229	-	238,229
Economic development	-	-	-	912,145	912,145
Assigned:					
Subsequent year's expenditures	147,373	-	-	-	147,373
Public safety	11,889	-	-	-	11,889
Recreation	324,219	-	-	-	324,219
Capital projects	-	80,413	-	-	80,413
Unassigned	7,883,504	-	-	-	7,883,504
Total fund balances	<u>9,242,233</u>	<u>80,413</u>	<u>238,229</u>	<u>912,145</u>	<u>10,473,020</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,420,589</u>	<u>\$ 107,213</u>	<u>\$ 238,229</u>	<u>\$ 912,145</u>	<u>\$ 10,678,176</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2021

Exhibit 3

Amounts reported for governmental activities in the Statement of Net Position (exhibit 1) are different because:

Total Fund Balance, Governmental Funds	\$ 10,473,020
--	---------------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Gross capital assets at historical cost	\$ 25,775,760	
Accumulated depreciation	<u>(2,924,906)</u>	22,850,854

Deferred inflows of resources related to pensions are not reported in the funds	(85,040)
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Deferred inflows of resources related to OPEB are not reported in the funds	(32,494)
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Deferred outflows of resources related to pensions are not reported in the funds	718,444
--	---------

Deferred outflows of resources related to OPEB are not reported in the funds	355,570
--	---------

Earned revenues considered deferred inflows of resources in fund statements	34,443
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Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and therefore not recorded in the fund statements

Long-term debt included as net position (includes the addition of long-term debt and principal payments during the year)	(447,750)	
Compensated absences	(108,863)	
Net pension liability - LGERS	(933,782)	
Total pension liability - LEO	(495,366)	
OPEB liability	<u>(2,606,893)</u>	

Net position of governmental activities	<u><u>\$ 29,722,143</u></u>
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The accompanying notes to the financial statements are an integral part of these statements

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

Exhibit 4

	Major Funds			Total Non-	Total
	General	General	Capital	Major	Governmental
	Fund	Capital	Reserve	Funds	Funds
		Projects Fund	Fund		
REVENUES					
Ad valorem taxes	\$2,153,166	\$ -	\$ -	\$ -	\$ 2,153,166
Other taxes and licenses	1,329,669	-	-	-	1,329,669
Unrestricted intergovernmental revenues	352,133	-	-	-	352,133
Restricted intergovernmental revenues	326,508	10,000	-	-	336,508
Permits and fees	53,143	-	-	-	53,143
Sales and services	162,312	-	-	-	162,312
Investment earnings	2,070	2	237	215	2,524
Miscellaneous	12,071	-	-	-	12,071
Total revenues	<u>4,391,072</u>	<u>10,002</u>	<u>237</u>	<u>215</u>	<u>4,401,526</u>
EXPENDITURES					
Current:					
General government	1,569,231	-	-	-	1,569,231
Public safety	1,758,088	-	-	-	1,758,088
Transportation and public works	430,212	-	-	-	430,212
Cultural and recreational	188,827	-	-	-	188,827
Capital outlay	54,832	1,369,815	-	-	1,424,647
Debt Service:					
Principal	49,750	-	-	-	49,750
Total expenditures	<u>4,050,940</u>	<u>1,369,815</u>	<u>-</u>	<u>-</u>	<u>5,420,755</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>340,132</u>	<u>(1,359,813)</u>	<u>237</u>	<u>215</u>	<u>(1,019,229)</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	-	-	-	-	-
Transfers from (to) other funds	(379,463)	1,359,883	(980,420)	-	-
Sales of capital assets	308,700	-	-	-	308,700
Total other financing sources (uses)	<u>(70,763)</u>	<u>1,359,883</u>	<u>(980,420)</u>	<u>-</u>	<u>308,700</u>
Net change in fund balance	<u>269,369</u>	<u>70</u>	<u>(980,183)</u>	<u>215</u>	<u>(710,529)</u>
Beginning fund balances, previously stated	8,475,364	80,343	1,218,412	911,930	10,686,049
Restatement	497,500	-	-	-	497,500
Beginning fund balances, as restated	8,972,864	80,343	1,218,412	911,930	11,183,549
Fund balances, ending	<u>\$9,242,233</u>	<u>\$ 80,413</u>	<u>\$ 238,229</u>	<u>\$912,145</u>	<u>\$ 10,473,020</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund balance
Governmental Funds
For the Year Ended June 30, 2021

Exhibit 4

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

Net changes in fund balances- total governmental funds (Exhibit 4)	\$	(710,529)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$ 1,605,204		
Depreciation expense for governmental assets	<u>(293,717)</u>		1,311,487

Cost of capital assets disposed of during the year, not recognized on modified accrual basis			(150,026)
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities			190,662
--	--	--	---------

Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities			(10,648)
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Benefit payments paid and administrative expense for the retirees are not included on the Statement of Activities			(72,892)
---	--	--	----------

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

Changed in earned revenues considered deferred inflows of resources			(9,221)
Decrease in accrued taxes receivable	<u>(11,138)</u>		(11,138)

The issuance of long-term debt provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governments 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.			49,750
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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	17,800		
Pension obligations - LEO	(33,095)		
Pension obligations - LGERS	(320,782)		
OPEB plan expense	<u>(179,416)</u>		(515,493)

Total changes in net position of governmental activities	\$		<u>71,952</u>
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The accompanying notes to the financial statements are an integral part of these statements.

CITY OF CREEDMOOR, NORTH CAROLINA

Exhibit 5

General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budget		Actual Amounts	
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 2,004,500	\$ 2,004,500	\$ 2,153,166	\$ 148,666
Other taxes and licenses	1,025,000	1,025,126	1,329,669	304,543
Unrestricted intergovernmental revenues	371,000	395,766	352,133	(43,633)
Restricted intergovernmental revenues	70,900	70,900	326,508	255,608
Permits and fees	43,080	43,080	53,143	10,063
Sales and services	169,250	169,250	162,312	(6,938)
Investment earnings	6,300	6,300	2,070	(4,230)
Miscellaneous	7,500	7,500	12,071	4,571
Total revenues	3,697,530	3,722,422	4,391,072	668,650
Expenditures:				
Current:				
General government	1,152,580	1,630,269	1,569,231	61,038
Public safety	1,932,906	1,848,513	1,758,088	90,425
Transportation and public works	464,524	489,290	430,212	59,078
Cultural and recreational	194,141	205,950	188,827	17,123
Capital outlay	-	10,000	54,832	(44,832)
Debt Service	-	-	49,750	(49,750)
Total expenditures	3,744,151	4,184,022	4,050,940	133,082
Revenues over (under) expenditures	(46,621)	(461,600)	340,132	801,732
Other financing sources (uses):				
Transfers to other funds	-	-	(379,463)	(379,463)
Sale of capital assets	-	-	308,700	308,700
Appropriated fund balance	46,621	461,600	-	(461,600)
Total other financing sources (uses)	46,621	461,600	(70,763)	(532,363)
Net change in fund balance	\$ -	\$ -	269,369	\$ 269,369
Fund balance, beginning (as restated)			8,972,864	
Fund balance, ending			\$ 9,242,233	

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Net Position
Proprietary Funds
June 30, 2021

Exhibit 6

	<u>Stormwater Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 669,588
Due from other governments	2,977
Total current assets	<u>672,565</u>
DEFERRED OUTFLOWS OF RESOURCES	
Contributions to pension plan	21,565
OPEB deferrals	19,783
Total deferred outflows of resources	<u>41,348</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	19,732
Current portion of accrued vacation	5,228
Total current liabilities	<u>24,960</u>
Noncurrent liabilities:	
Net pension liability	33,187
Total OPEB liability	153,588
Total noncurrent liabilities	<u>186,775</u>
Total liabilities	<u>211,735</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	2,021
OPEB deferrals	1,808
Total deferred inflows of resources	<u>3,829</u>
NET POSITION	
Restricted:	
Stormwater	498,349
Unrestricted	-
Total net position	<u><u>\$ 498,349</u></u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Revenues, Expenses, and Change in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

Exhibit 7

	<u>Stormwater Fund</u>
OPERATING REVENUES	
Charges for services	\$ 302,898
Total operating revenues	<u>302,898</u>
OPERATING EXPENSES	
Stormwater management	<u>236,934</u>
Total operating expenses	<u>236,934</u>
Operating income (loss)	<u>65,964</u>
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	<u>141</u>
Total nonoperating revenues (expenses)	<u>141</u>
Change in net position	66,105
Total net position, beginning	<u>432,244</u>
Total net position, ending	<u><u>\$ 498,349</u></u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

Exhibit 8

	<u>Major Enterprise Fund</u>
	<u>Stormwater Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 302,898
Cash paid for goods and services	(168,544)
Cash paid to or on behalf of employees for services	(20,867)
Net cash provided (used) by operating activities	<u>113,487</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>141</u>
Net cash provided (used) by investing activities	141
Net increase (decrease) in cash and cash equivalents	113,628
Balances, beginning	<u>555,960</u>
Balances, ending	<u><u>\$ 669,588</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	<u>\$ 65,964</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease (increase) in due from other governments	(579)
Decrease (increase) in taxes receivable	(1)
Decrease (increase) in deferred outflows of resources - OPEB	(17,593)
Increase (decrease) in net OPEB liability	53,525
Increase (decrease) in deferred inflows of resources - OPEB	(2,879)
Increase (decrease) in accounts payable and accrued liabilities	13,430
Increase (decrease) in accrued vacation	1,620
Total adjustments	<u>47,523</u>
Net cash provided by operating activities	<u><u>\$ 113,487</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The City of Creedmoor is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The City as of June 30, 2021 had no component units.

B. Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the City’s funds. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The City has no fiduciary funds to report.

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.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The City reports the following major governmental fund:

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

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

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

The City reports the following non-major governmental funds:

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

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

The City reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund 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.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Non-exchange transactions, in which the City 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 in which all eligibility requirements have been satisfied.

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

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

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as 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 for the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Creedmoor because the tax is levied by Granville County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenue rather than program revenue. Any grant revenues which are unearned at year-end are recorded as deferred inflows of resources. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the General Capital Projects Fund, the Capital Reserve, the Water Economic Development Fund, and the Sewer Economic Development Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual budget ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the City to invest in obligations of the United State 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 City's investments are generally reported at fair value.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT- Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2021, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

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

City of Creedmoor Restricted Cash

Governmental Activities:	
Capital Reserve Fund	\$ 238,229
Water Economic Development	381,853
Sewer Economic Development	530,292
Streets (Powell Bill)	369,318
Public Safety (Police Dept.)	2,262
Total Governmental Activities	<u>1,521,954</u>
Business-Type Activities:	
Stormwater Fund	<u>669,588</u>
Total Business-Type Activities	<u>669,588</u>
Total Restricted Cash	<u><u>\$ 2,191,542</u></u>

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

4. Ad Valorem Taxes Receivable

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

5. Prepaid Items

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

6. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: Land, buildings, improvements, furniture, equipment, vehicles and other plant and distribution systems, \$5,000; infrastructure, \$50,000. Donated capital assets received prior to June 15, 2016 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

7. Deferred Outflows/Inflows of Resources

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

8. Long-Term Obligations

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

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

9. Compensated Absences

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

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

10. Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance 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.

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

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

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

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

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

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

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies (Continued)

The City of Creedmoor will use resources in the following hierarchy; as such funds may be available: debt proceeds, federal funds, State funds, local non-city funds, and city funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and finally unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is determined to be in the best interest of the City.

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

Once the forty percent (40%) goal is realized, all revenue in excess of expenditures realized at the end of any given fiscal year will be credited as capital reserves.

11. Defined Benefit Cost-Sharing Plans

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

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the City did not have any functions with expenditures greater than the budgeted amount.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the City are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the City'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 City, these deposits are considered to be held by the City's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits.

Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no 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 City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the City's deposits had a bank balance of \$3,292,881 and a book balance (reconciled balance) of \$2,920,054. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2021, the City's petty cash fund totaled \$716.

2. Investments

At June 30, 2021, the City of Creedmoor's investment balances were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/21</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust Fund - Government Portfolio	Fair Value Level 1	<u>\$7,876,434</u>	N/A	AAAm
Total		<u><u>\$7,876,434</u></u>		

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

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

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

Credit Risk. The City has no formal policy regarding credit risk but has internal management procedures that limits the City's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in the Federal Home Loan Bank is rated AAA by Standard and Poor's and AAA by Moody's Investors Service. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM

3. Receivables

Receivables presented in the Balance Sheet and the Statement of Net Position at June 30, 2021, were as follows:

Governmental Funds:

General Fund

Property Taxes Receivable	\$ 34,443
Franchise Tax Receivable	71,326
Sales Tax Receivable	372,483
Solid Waste Tax Receivable	873
Due from Other Governments	43,000
Accounts Receivable	1,366
Total General Fund	<u>523,491</u>

General Capital Projects Fund

Due From Other Governments	<u>12,449</u>
Total General Capital Projects	<u>12,449</u>

Total Governmental Funds	<u>\$ 535,940</u>
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Enterprise Funds:

Stormwater Fees Receivable	<u>\$ 2,977</u>
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Total Enterprise Funds	<u>2,977</u>
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CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
<u>Capital assets not being depreciated:</u>				
Land	\$ 5,060,862	\$ 67,703	\$ 150,026	\$ 4,978,539
Construction in progress	12,074,425	1,369,815	6,340,850	7,103,390
Total capital assets not being depreciated:	17,135,287	1,437,518	6,490,876	12,081,929
 <u>Capital assets being depreciated:</u>				
Buildings	1,443,332	6,340,850	-	7,784,182
Other improvements	36,639	-	-	36,639
Equipment	836,792	127,372	9,865	954,299
Vehicles and motorized equipment	726,636	40,314	35,794	731,156
Infrastructure	4,187,555	-	-	4,187,555
Total capital assets being depreciated:	7,230,954	6,508,536	45,659	13,693,831
 <u>Less accumulated depreciation for:</u>				
Buildings	642,707	60,659	-	703,366
Other improvements	9,600	731	-	10,331
Equipment	578,306	79,174	9,865	647,615
Vehicles and motorized equipment	570,948	60,099	35,794	595,253
Infrastructure	875,287	93,054	-	968,341
Total accumulated depreciation	2,676,848	293,717	45,659	2,924,906
 Total capital assets being depreciated, net	4,554,106			10,768,925
 Governmental activities capital assets, net	\$ 21,689,393			\$ 22,850,854

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

General government	\$ 30,598
Public safety	61,652
Transportation	121,429
Cultural and recreation	80,038
	<u>\$ 293,717</u>

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

5. Construction Commitments

The City has active construction commitments as of June 30, 2021. At year-end, the City of Creedmoor's commitments with contractors are as follows:

<u>Project</u>	<u>Spent to date</u>	<u>Remaining Commitment</u>
CMAQ Cross Town Trail - A	\$ 2,997,352	\$ 342
CMAQ Cross Town Trail - B	1,887,992	-
US 15 Sidewalk Project	1,070,350	-
Lake Rogers Improvements	704,043	-
Creedmoor Community Center	6,340,850	43,282
120 Sanderford Street	-	-
122 Pecan Street	-	-
109 Park Avenue	372,295	-
	<u>\$ 13,372,882</u>	<u>\$ 43,624</u>

B. Liabilities

1. Pension Plan and Postemployment Obligations

Local Governmental Employees' Retirement System

Plan Description. The 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 or Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

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.

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 service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Creedmoor employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Creedmoor's contractually required contribution rate for the year ended June 30, 2021, was 10.9% of compensation for law enforcement officers and 10.15% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of Creedmoor were \$201,895 for the year ended June 30, 2021.

Refunds of Contributions – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state 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.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

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

At June 30, 2021, the City reported a liability of \$966,969 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the City's proportion was 0.02706%, which was an increase of 0.00455% from its proportion as of June 30, 2020.

For the year ended June 30, 2021, the City recognized pension expense of \$339,681. At June 30, 2021, the City 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	\$ 122,111	\$ -
Changes of assumptions	71,961	-
Net difference between projected and actual earnings on pension plan investments	136,075	-
Changes in proportion and differences between City contributions and proportionate share of contributions	53,869	30,660
City contributions subsequent to the measurement date	201,895	-
Total	<u>\$ 585,911</u>	<u>\$ 30,660</u>

\$201,895 was reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 101,631
2023	130,556
2024	80,899
2025	40,271
2026	-
Thereafter	-

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2019 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

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

The actuarial assumptions used in the December 31, 2019 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, 2021 are summarized in the following table:

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 1,961,875	\$ 966,969	\$ 140,132

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

2. Law Enforcement Officers Special Separation Allowance

a. Plan Description

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

All full-time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	14
Total	<hr/> 15

b. Summary of Significant Accounting Policies

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

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

c. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 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, 2019.

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

d. Contributions

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen 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. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$10,648 as benefits came due for the reporting period.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

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

At June 30, 2021, the City reported a total pension liability of \$495,366. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$43,743.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,176	\$ 50,118
Changes of assumptions and other inputs	134,705	8,091
Benefit payments and administrative expenses subsequent to the measurement date	-	-
Total	<u>\$ 173,881</u>	<u>\$ 58,209</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:

Year ended June 30:

2022	\$ 12,695
2023	13,074
2024	23,845
2025	24,557
2026	24,306
Thereafter	17,195

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 1.93 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	\$ 536,021	\$ 495,366	\$ 457,884

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

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

Beginning balance	\$	306,456
Service Cost		20,854
Interest on the total pension liability		9,817
Changes of benefit terms		-
Differences between expected and actual experience in the measurement of the total pension liability		24,122
Changes of assumptions or other inputs		144,765
Benefit payments		(10,648)
Other changes		-
Total	<u>\$</u>	<u>495,366</u>

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

	LGERS	LEOSSA	Total
Pension Expense	\$ 331,681	\$ 43,743	\$ 375,424
Pension Liability	966,969	495,366	1,462,335
Proportionate share of the net pension liability	0.02706%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	122,111	39,176	161,287
Changes of assumptions	71,961	134,705	206,666
Net difference between projected and actual earnings on plan investments	136,075	-	136,075
Changes in proportion and differences between City contributions and proportionate share of contributions	53,869	-	53,869
City benefit payments and plan administrative expense made subsequent to the measurement date	201,895	-	201,895
Deferred Inflows of Resources			
Differences between expected and actual experience	-	50,118	50,118
Changes of assumptions	-	8,091	8,091
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	30,660	-	30,660

3. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The City of Creedmoor voluntarily contributes an amount equal to six percent of each officer's salary. Also, the law enforcement officers may make voluntary contributions to the Plan. The City made contributions of \$62,410 for the year ended June 30, 2021. No amounts were forfeited.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

4. Supplemental Retirement Income Plan for General Employees

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. The City of Creedmoor voluntarily contributes an amount equal to six percent of each employee's salary. Also, the employees may make voluntary contributions to the Plan. The City made contributions of \$41,124 for the year ended June 30, 2021. No amounts were forfeited.

5. Other Postemployment Benefits

Healthcare Benefits

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

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

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

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

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

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

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

As of June 30, 2020 (latest available information), membership in the plan consisted of:

	General Employees:	Law Enforcement Officers:
Retirees and dependents receiving benefits	6	6
Active plan members	5	4
Total	11	10

Total OPEB Liability

The City's total OPEB liability of \$2,760,481 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5 – 7.75 percent, average, including inflation – General Employees 3.5 – 7.35 percent, average, including inflation – Law Enforcement Officers
Discount rate	2.21 percent
Healthcare cost trend rates	Pre-Medicare – 7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026 Medicare – 5.00% for 2019 decreasing to an ultimate rate of 4.50% by 2021.

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

Changes in the Total OPEB Liability

Beginning balance	\$ 2,246,721
Service Cost	41,275
Interest	78,741
Changes of benefit terms	-
Differences between expected and actual experience	(5,069)
Changes of assumptions or other inputs	475,999
Benefit payments	(77,186)
Total	<u>\$ 2,760,481</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014 adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(1.21%)</u>	<u>Discount Rate</u> <u>(2.21%)</u>	<u>1% Increase</u> <u>(3.21%)</u>
Total OPEB Liability	\$ 3,240,283	\$ 2,760,481	\$ 2,379,957

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,333,342	\$ 2,760,481	\$ 3,305,931

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$211,797. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,583	\$ 3,514
Changes of assumptions and other inputs	329,987	28,980
Benefit payments and administrative expenses subsequent to the measurement date	-	-
Total	<u>\$ 355,570</u>	<u>\$ 32,494</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:

Year ended June 30:

2022	\$ 136,820
2023	148,697
2024	37,559
2025	-
2026	-
Thereafter	-

Other Employment Benefits

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

For the fiscal year ended June 30, 2021, the City made contributions to the State for death benefits of \$1,254. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.14% of covered payroll, respectively.

6. Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2021, the City had several deferred outflows of resources:

Source

Contributions to pension plan in current fiscal year	\$ 201,895
Benefit payments made and administrative expenses for LEOSSA	
Differences between expected and actual experience	186,870
Changes of assumptions	536,653
Net difference between projected and actual earnings	136,075
Changes in proportion and differences between City contributions and proportionate share of contributions	53,869
Total Deferred Outflows of Resources	<u><u>\$ 1,115,362</u></u>

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

Source	Statement of Net Position	General Fund Balance Sheet
Deferred revenue	\$ 18,557	\$ 18,557
Differences between expected and actual experience	53,632	-
Changes of assumptions	37,071	-
Changes in proportion and differences between City contributions and proportionate share of contributions	30,660	-
Property taxes receivable	-	34,443
Total	<u><u>\$ 139,920</u></u>	<u><u>\$ 53,000</u></u>

7. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the City obtains general liability and auto liability coverage of \$1,000,000 per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and audited financial statements are available to the City upon request.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

The City carried builders risk insurance, through a commercial agent, as part of the USDA water and sewer rehabilitation project. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The project is complete.

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

8. Claims, Judgments and Contingent Liabilities

During the year ended June 30, 2021, the City consulted attorneys on various legal matter. In the opinion of the City's management and City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

9. Commitments

The City has one commitment to the Creedmoor Volunteer Fire Department Inc. The commitment is for fire protection for fiscal year 2022 in the amount of \$153,060.

10. Long-Term Obligations

a. Installment agreement

On April 20, 2020 The City entered in an agreement with the Creedmoor Volunteer Fire Department to pay for half of the total cost of a new fire truck, up to a maximum of \$500,000. The final agreed upon amount to be paid by the City was \$497,500. Beginning July 31, 2020, the City is to make 10 annual payments to the Fire Department with the final payment due July 31, 2029. They balance at June 30, 2021 was \$447,500. Future payments under the agreement are as follows:

For the year ended June 30, 2022	\$ 50,000
For the year ended June 30, 2023	50,000
For the year ended June 30, 2024	50,000
For the year ended June 30, 2025	50,000
For the year ended June 30, 2026	50,000
Thereafter	200,000
Total payments	<u>\$ 450,000</u>

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

b. Changes in General Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
<i>Governmental activities:</i>					
<u>General Fund</u>	<i>as restated</i>				
Total pension liability (LEO)	\$ 306,456	\$ 188,910	\$ -	\$ 495,366	\$ -
Net pension liability (LGERS)	581,544	352,238	-	933,782	-
Total OPEB liability	2,146,658	460,235	-	2,606,893	-
Installment agreement	497,500	-	50,000	447,500	50,000
Compensated absences	126,663	-	17,800	108,863	32,659
Governmental activity long-term liabilities	<u>\$ 3,658,821</u>	<u>\$ 1,001,383</u>	<u>\$ 67,800</u>	<u>\$ 4,592,404</u>	<u>\$ 82,659</u>
<i>Business-type activities:</i>					
<u>Stormwater Fund</u>					
Net pension liability (LGERS)	\$ 33,187	\$ -	\$ -	\$ 33,187	\$ -
Total OPEB liability	100,063	53,525	-	153,588	-
Compensated absences	3,608	1,620	-	5,228	5,228
Business activity long-term liabilities	<u>\$ 136,858</u>	<u>\$ 55,145</u>	<u>\$ -</u>	<u>\$ 192,003</u>	<u>\$ 5,228</u>

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

b. Fund Balance

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

Total Fund Balance - General Fund	<u>\$ 9,242,233</u>
Less:	
Prepaid assets	14,620
Stabilization by State Statute	489,048
Appropriated in subsequent year	147,373
Streets - Powell Bill *	369,318
Public safety *	14,151
Recreation *	<u>324,219</u>
Undesignated Fund Balance	<u>\$ 7,883,504</u>

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

III. Detail Notes on All Funds (Continued)

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

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

Encumbrances

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

<u>General Fund</u>	\$ 66,012
<u>General Capital Projects</u>	\$ 128,770
<u>Stormwater Fund</u>	\$ 57,985

Net Investment in Capital Assets

Net Investment in Capital Assets	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Capital Assets	\$ 22,850,854	\$ -
Less:		
Long-term debt associated with capital assets	-	-
	<u>\$ 22,850,854</u>	<u>\$ -</u>

IV. Transfers to/from Other Funds

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

From	To	Amount	Reason
Capital Reserve	General Capital Projects	\$ 980,420	To fund various capital projects
General Fund	General Capital Projects	\$ 378,156	To fund various capital projects

V. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2021

VI. Significant Effects of Subsequent Events

Subsequent events have been evaluated through November 19, 2021, the date which the financial statements were available to be issued. There were no recognized events meriting disclosure.

As of the date of issuance of the City's audit, there is a pandemic situation regarding the COVID-19 virus. The City is monitoring the effect of this pandemic on its financial operations. At this time, management has evaluated the situation and has concluded no additional disclosures are warranted.

VII. Prior Period Adjustment

During the year ended June 30, 2021, the City reevaluated the installment agreement with the Creedmoor Volunteer Fire Department as described on page 52 and decided it should have been shown as long-term debt. This restatement resulted in fund balance being increased by \$497,500.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

CITY OF CREEDMOOR, NORTH CAROLINA
City of Creedmoor's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*
Local Government Employees' Retirement System

Schedule 1

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Creedmoor's proportion of the net pension liability (asset) (%)	0.02706%	0.02551%	0.02826%	0.02902%	0.02714%	0.02813%	-0.02660%	0.02570%
Creedmoor's proportion of the net pension liability (asset) (\$)	\$ 966,969	\$ 614,731	\$ 670,424	\$ 443,345	\$ 576,002	\$ 126,246	\$ (156,872)	\$ 309,784
Creedmoor's covered-employee payroll	\$1,715,542	\$1,669,721	\$1,778,460	\$1,694,817	\$1,615,520	\$1,612,971	\$1,492,642	\$1,364,249
Creedmoor's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.37%	36.82%	37.70%	26.16%	35.65%	7.83%	-10.51%	22.71%
Plan fiduciary net position as a percentage of the total pension liability **	91.63%	94.18%	91.47%	98.09%	99.07	102.64%	94.35%	96.45%

* The amount 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.

CITY OF CREEDMOOR, NORTH CAROLINA
City of Creedmoor's Contributions
Required Supplementary Information
Last Eight Fiscal Years

Schedule 2

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 201,895	\$ 159,488	\$ 135,180	\$ 138,629	\$ 128,012	\$ 110,879	\$ 109,786	\$ 106,883
Contributions in relation to the contractually required contribution	<u>201,895</u>	<u>159,488</u>	<u>135,180</u>	<u>138,629</u>	<u>128,012</u>	<u>110,879</u>	<u>116,141</u>	<u>106,883</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,355</u>	<u>\$ -</u>
Clinton's covered-employee payroll	\$ 1,906,486	\$ 1,715,542	\$ 1,669,721	\$ 1,778,460	\$ 1,694,817	\$ 1,615,520	\$ 1,612,971	\$ 1,492,642
Contribution as a percentage of covered-employee payroll	10.59%	9.30%	8.10%	7.79%	7.55%	6.86%	7.20%	7.16%

CITY OF CREEDMOOR, NORTH CAROLINA
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2021
Law Enforcement Officers' Special Separation Allowance

Schedule 3

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 306,456	\$ 301,018	\$ 259,981	\$ 324,532	\$ 309,056
Service Cost	20,854	18,503	19,829	15,655	23,176
Interest on the total pension liability	9,817	10,763	8,047	12,321	10,843
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	24,122	(22,257)	35,381	(96,747)	-
Changes of assumptions or other inputs	144,765	9,077	(11,572)	14,868	(7,895)
Benefit payments	(10,648)	(10,648)	(10,648)	(10,648)	(10,648)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 495,366</u>	<u>\$ 306,456</u>	<u>\$ 301,018</u>	<u>\$ 259,981</u>	<u>\$ 324,532</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2021

Schedule 4

Law Enforcement Officers' Special Separation Allowance

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 495,366	\$ 306,456	\$ 301,018	\$ 259,981	\$ 324,532
Covered payroll	823,407	809,400	745,707	648,786	918,561
Total pension liability as a percentage of covered payroll	60.16%	37.86%	40.37%	40.07%	35.33%

Notes to the schedules:

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

CITY OF CREEDMOOR, NORTH CAROLINA
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2021

Schedule 5

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 41,275	\$ 50,250	\$ 52,896	\$ 59,116
Interest	78,741	81,636	76,056	67,780
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(5,069)	62,531	5,980	12,158
Changes of assumptions	475,999	(9,364)	(107,164)	(194,879)
Benefit payments	(77,186)	(73,195)	(58,111)	(61,134)
Net change in total OPEB liability	<u>513,760</u>	<u>111,858</u>	<u>(30,343)</u>	<u>(116,959)</u>
Total OPEB liability - beginning	<u>2,246,721</u>	<u>2,134,863</u>	<u>2,165,206</u>	<u>2,282,165</u>
Total OPEB liability - ending	<u><u>\$ 2,760,481</u></u>	<u><u>\$ 2,246,721</u></u>	<u><u>\$ 2,134,863</u></u>	<u><u>\$ 2,165,206</u></u>
Covered payroll	* n/a	n/a	578,578	578,578
Total OPEB liability as a percentage of covered payroll	* n/a	n/a	368.98%	374.23%

Notes to Schedule

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

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%

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

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 6

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Ad valorem taxes:			
Taxes		\$ 2,144,608	
Interest and penalties		8,558	
Total	<u>\$ 2,004,500</u>	<u>2,153,166</u>	<u>\$ 148,666</u>
Other taxes and licenses:			
Local option sales tax		1,329,669	
Total	<u>1,025,126</u>	<u>1,329,669</u>	<u>304,543</u>
Unrestricted intergovernmental:			
Utility franchise tax		332,491	
Beer and wine tax		19,642	
Total	<u>395,766</u>	<u>352,133</u>	<u>(43,633)</u>
Restricted intergovernmental:			
"State Street Aid" grant		113,642	
South Granville SRO		69,344	
Solid waste disposal tax		3,520	
CARES Act Funding		125,939	
Granville County recreation grant		14,063	
Total	<u>70,900</u>	<u>326,508</u>	<u>255,608</u>
Permits and fees:			
City tags		41,843	
Zoning & plan reviews		11,135	
Beer and wine permits		165	
Total	<u>43,080</u>	<u>53,143</u>	<u>10,063</u>
Sales and services:			
Cable franchise		-	
Local ABC revenues		12,384	
Garbage fees		-	
Police officer fees		7,492	
Rent - gym		5,330	
Rent - ball field			
Concessions and boat rental		10,844	
Participant registration fees		138	
Cell tower lease		126,124	
Total	<u>169,250</u>	<u>162,312</u>	<u>(6,938)</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 6

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2021

(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Investment earnings:			
General fund		\$ 1,926	
Powell bill		61	
Recreation fund		83	
Total	\$ 6,300	2,070	\$ (4,230)
Miscellaneous:			
Music festival		-	
Miscellaneous		12,071	
Total	7,500	12,071	4,571
Total revenues	3,722,422	4,391,072	668,650
Expenditures:			
General government:			
Business development:			
Other operating expenditures		176,009	
Capital outlay		10,000	
Total		186,009	(186,009)
Governing body:			
Salaries and benefits		42,129	
Other operating expenditures		25,871	
Total		68,000	(68,000)
City manager:			
Salaries and benefits		263,324	
Other operating expenditures		14,897	
Total		278,221	(278,221)
City clerk:			
Salaries and benefits		86,638	
Other operating expenditures		12,748	
Total		99,386	(99,386)
Administrative:			
Salaries and benefits		135,841	
Other operating expenditures		355,227	
Capital outlay		-	
Total		491,068	(491,068)
Legal services:			
Other operating expenditures		71,347	
Total		71,347	(71,347)
Financing:			
Salaries and benefits		152,120	
Other operating expenditures		45,116	
Total		197,236	(197,236)

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 6

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2021

(Continued)

	Budget	Actual	Variance Favorable (Unfavorable)
Planning and development:			
Salaries and benefits		177,446	
Other operating expenditures		10,518	
Capital outlay		-	
Total		187,964	\$ (187,964)
Total general government	1,640,269	1,579,231	61,038
Public safety:			
Police:			
Salaries and benefits		1,474,512	
Vehicle maintenance		22,620	
Other operating expenditures		103,706	
Public safety - fire		207,000	
Capital outlay		40,130	
Total public safety	1,848,513	1,847,968	545
Transportation and public works:			
Inspections:			
Salaries and benefits		-	
Other operating expenditures		-	
Total		-	-
Public works:			
Salaries and benefits		227,889	
Street & sidewalk, construction and maintenance		897	
Vehicle maintenance		4,782	
Refuse collection		4,910	
Other operating expenditures		156,659	
Capital outlay		4,702	
Total		399,839	(399,839)
Powell bill:			
Salaries and benefits		32,333	
Other operating expenditures		2,742	
Total		35,075	(35,075)
Total transportation and public works	489,290	434,914	54,376
Cultural and recreational:			
Parks and recreation:			
Salaries and benefits		126,205	
Programming		18,531	
Site specific operations		15,275	
Capital outlay		28,816	
Total cultural and recreational	205,950	188,827	17,123

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 6

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021
(Continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total expenditures	<u>4,184,022</u>	<u>4,050,940</u>	<u>133,082</u>
Revenues over (under) expenditures	(461,600)	340,132	801,732
Other financing sources (uses):			
Transfers to other funds:			
Capital projects	-	(379,463)	(379,463)
Sale of equipment	-	308,700	308,700
Fund balance appropriated	<u>461,600</u>	<u>-</u>	<u>(461,600)</u>
Total other financing sources	<u>461,600</u>	<u>(70,763)</u>	<u>(532,363)</u>
Net change in fund balance	<u>\$ -</u>	269,369	<u>\$ 269,369</u>
Fund balance, beginning (as restated)		<u>8,972,864</u>	
Fund balance, ending		<u>\$ 9,242,233</u>	

General Capital Projects Fund

Statement of Revenues, Expenditures, and Budget and Actual (Non-GAAP)

From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues - General Government Projects:					
Restricted Intergovernmental					
Federal grant - CMAQ 2, C-5166A	\$ 907,200	\$ 907,200	\$ -	\$ 907,200	\$ -
Federal grant - CMAQ 3, C-5166B	765,600	765,600	-	765,600	-
Federal grant - US 15 sidewalk	560,000	560,000	-	560,000	-
Federal grant - Campo	2,320,531	2,052,955	-	2,052,955	(267,576)
State grant - US 15 sidewalk	140,000	140,001	-	140,001	1
State grant - Gym and senior center	500,000	450,000	-	450,000	(50,000)
Local grants - Lake Rogers improve	110,725	110,725	-	110,725	-
Local grant - Creedmoor Community C	360,000	350,000	10,000	360,000	-
Donations	2,100	2,100	-	2,100	-
Investment earnings	43,840	45,992	2	45,994	2,154
Total revenues	5,709,996	5,384,573	10,002	5,394,575	(315,421)
Expenditures - General Government Projects:					
CMAQ 2, C-5166	3,039,336	2,974,949	22,403	2,997,352	41,984
CMAQ 3, C-5166B	1,980,988	1,863,061	24,931	1,887,992	92,996
US 15 sidewalk	1,193,162	1,045,628	24,722	1,070,350	122,812
Lake Rogers improvements	721,405	680,799	23,244	704,043	17,362
109 Park Avenue	377,392	292,832	79,463	372,295	5,097
City Hall Expansion	300,000	-	15,696	15,696	284,304
Creedmoor Community Center	6,397,401	5,161,494	1,179,356	6,340,850	56,551
Total expenditures	14,009,684	12,018,763	1,369,815	13,388,578	621,106
Revenues over (under) expenditures	(8,299,688)	(6,634,190)	(1,359,813)	(7,994,003)	(936,527)
Other Financing Sources (Uses)					
Transfer from General Fund	1,374,092	961,033	407,963	1,368,996	5,096
Transfer from Capital Reserve	6,925,596	5,725,000	951,920	6,676,920	248,676
Transfer from Water Ops	-	14,250	-	14,250	(14,250)
Transfer from Sewer Ops	-	14,250	-	14,250	(14,250)
Total other financing sources (uses)	8,299,688	6,714,533	1,359,883	8,074,416	225,272
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 80,343</u>	<u>\$ 70</u>	<u>\$ 80,413</u>	<u>\$ 80,413</u>

Capital Reserve Fund

Statement of Revenues and Expenditures Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project	Actual			Variance
	Authorization	Prior	Current	Total to	Favorable
		Years	Year	Date	(Unfavorable)
Revenues - Capital Reserve Fund:					
Investment earnings	\$ 340,139	\$ 339,604	\$ 237	\$ 339,841	\$ (298)
Expenditures - Capital Reserve Fund:					
Economic development facilities	18,351	-	-	-	(18,351)
Revenues over (under) expenditures	321,788	339,604	237	339,841	18,053
Other Financing Sources (Uses)					
Transfer from Water Operations	3,698,305	4,800,000		4,800,000	1,101,695
Transfer from Sewer Operations	2,465,537	3,200,000		3,200,000	734,463
Transfer from General Capital Projects	439,966	439,966		439,966	-
Transfer to General Capital Projects	(6,925,596)	(7,561,158)	(980,420)	(8,541,578)	(1,615,982)
Total other financing sources (uses)	(321,788)	878,808	(980,420)	(101,612)	220,176
Revenues and other financing sources (uses)	\$ -	\$1,218,412	\$ (980,183)	\$ 238,229	\$ 238,229

CITY OF CREEDMOOR, NORTH CAROLINA
Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended June 30, 2021

Schedule 9

	Water Economic Development Fund	Sewer Economic Development Fund	Total Non-Major Governmental Funds
ASSETS			
Restricted cash and cash equivalents	\$ 381,853	\$ 530,292	\$ 912,145
Total assets	<u>\$ 381,853</u>	<u>\$ 530,292</u>	<u>\$ 912,145</u>
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Economic Development	<u>381,853</u>	<u>530,292</u>	<u>912,145</u>
Total fund balances	<u>381,853</u>	<u>530,292</u>	<u>912,145</u>
Total liabilities and fund balance	<u><u>\$ 381,853</u></u>	<u><u>\$ 530,292</u></u>	<u><u>\$ 912,145</u></u>

CITY OF CREEDMOOR, NORTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended June 30, 2021

Schedule 10

	Water Economic Development Fund	Sewer Economic Development Fund	Total Non-Major Governmental Funds
REVENUES			
Investment earnings	\$ 90	\$ 125	\$ 215
Total revenues	90	125	215
OTHER FINANCING SOURCES (USES)			
Transfer to General Capital Projects Fund	-	-	-
Net change in fund balance	90	125	215
Fund balances, beginning	381,763	530,167	911,930
Fund balances, ending	\$ 381,853	\$ 530,292	\$ 912,145

CITY OF CREEDMOOR, NORTH CAROLINA
Water Economic Development Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

Schedule 11

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues - Water Project:					
Restricted Intergovernmental					
Water economic development	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Investment earnings	-	21,763	90	21,853	21,853
	<u>500,000</u>	<u>21,763</u>	<u>90</u>	<u>21,853</u>	<u>(478,147)</u>
Other Financing Sources (Uses)					
Transfer to General Capital Projects	<u>(500,000)</u>	<u>(140,000)</u>	<u>-</u>	<u>(140,000)</u>	<u>360,000</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Appropriated Fund Balance, and other financing sources (uses)	<u>\$ -</u>	<u>\$ (118,237)</u>	<u>\$ 90</u>	<u>\$ (118,147)</u>	<u>\$ (118,147)</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 12

Sewer Economic Development Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

From Inception and For the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues - Sewer Project:					
Restricted Intergovernmental					
Sewer economic development	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Investment earnings	-	30,167	125	30,292	30,292
	<u>500,000</u>	<u>30,167</u>	<u>125</u>	<u>30,292</u>	<u>(469,708)</u>
Expenditures - Sewer Project:					
Capital Outlay	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Other Financing Sources (Uses)					
Transfer from Sewer Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Appropriated Fund Balance, and other financing sources (uses)	<u>\$ -</u>	<u>\$ 30,167</u>	<u>\$ 125</u>	<u>\$ 30,292</u>	<u>\$ 30,292</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 13

Stormwater Management Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Operating revenues:			
Stormwater assessments	\$ 281,300	\$ 296,854	\$ 15,554
Prior year stormwater assessments		4,377	4,377
Penalties & interest		1,417	1,417
Review fees		250	250
Total operating revenues	<u>281,300</u>	<u>302,898</u>	<u>21,598</u>
Nonoperating revenues:			
Interest earnings	360	141	(219)
Total revenues	<u>281,660</u>	<u>303,039</u>	<u>21,379</u>
Expenditures:			
Operating expenditures:			
Stormwater administration			
Salaries & employee benefits		20,867	
Other operating expenditures		64,159	
Total stormwater administration	<u>69,134</u>	<u>85,026</u>	<u>(15,892)</u>
Stormwater repair and maintenance			
Salaries & employee benefits		68,720	
Drainage maintenance		1,214	
Other operating expenditures		10,242	
Total stormwater repair and maintenance	<u>203,724</u>	<u>80,176</u>	<u>123,548</u>
Stormwater common operating expenditures			
Other operating expenditures	40,700	38,679	
Total stormwater common operating expenditures	<u>40,700</u>	<u>38,679</u>	<u>2,021</u>
Total operating expenditures	<u>313,558</u>	<u>203,881</u>	<u>109,677</u>
Revenues over (under) expenditures	(31,898)	99,158	131,056
Other financing sources (uses):			
Fund balance appropriated	31,898	-	(31,898)
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	99,158	<u>\$ 99,158</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Increase in deferred outflows of resources - OPEB		17,593	
Increase in OPEB liability		(53,525)	
Decrease in deferred inflows of resources - OPEB		2,879	
Total reconciling items		<u>(33,053)</u>	
Change in net position		<u>\$ 66,105</u>	

OTHER SCHEDULES

CITY OF CREEDMOOR, NORTH CAROLINA
Supplementary Information
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

Schedule 14

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 2,198,107	\$ 2,186,474	\$ 11,633
2019-2020	23,275	-	17,080	6,195
2018-2019	6,983	-	2,738	4,245
2017-2018	3,314	-	87	3,227
2016-2017	1,026		244	782
2015-2016	1,223		127	1,096
2014-2015	592		116	476
2013-2014	2,446	-	108	2,338
2012-2013	2,636	-	233	2,403
2011-2012	2,169	-	121	2,048
	<u>\$ 43,664</u>	<u>\$ 2,198,107</u>	<u>\$ 2,207,328</u>	<u>\$ 34,443</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 2,153,166
Discounts allowed	21,053
Taxes written off and other adjustments	32,446
Subtotal	<u>2,206,665</u>
Less interest and penalties collected	<u>(8,558)</u>
Total collections and credits	<u>\$ 2,198,107</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 15

Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2021

	City-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 295,177,724	0.615	\$ 1,815,343	\$ 1,815,343	-
Registered motor vehicles taxed at current year's rate	<u>45,642,465</u>	0.615	<u>\$ 280,324</u>	<u>-</u>	<u>\$ 280,324</u>
Total levy	340,820,189		2,095,667	1,815,343	280,324
Abatements and discoveries	<u>\$ 16,656,911</u>	0.615	<u>102,440</u>	<u>102,440</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 357,477,099</u></u>		2,198,107	1,917,783	280,324
Uncollected taxes at June 30, 2021			<u>(11,633)</u>	<u>(8,931)</u>	<u>(2,702)</u>
Current year's taxes collected			<u><u>\$ 2,186,474</u></u>	<u><u>\$ 1,908,852</u></u>	<u><u>\$ 277,622</u></u>
Current levy collection percentage			<u><u>99.47%</u></u>	<u><u>99.53%</u></u>	<u><u>99.04%</u></u>

STATISTICAL INFORMATION

STATISTICAL SECTION

The unaudited statistical section presents comparative statistical data and other pertinent information for the City. Due to various circumstances, certain data is not available. This section may be further divided as follows:

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

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

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

STATISTICAL SECTION

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

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

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

Table 1

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
Net investment in capital assets	\$ 3,816,883	\$ 4,397,870	\$ 4,585,965	\$ 7,919,141	\$ 8,210,882	\$ 10,525,310	\$ 10,890,129	\$ 12,077,746	\$ 21,689,393	\$ 22,850,854
Restricted	517,547	575,496	596,197	8,673,716	7,407,260	6,805,838	6,815,150	796,290	874,315	860,628
Unrestricted	2,274,297	2,735,686	2,990,879	7,381,804	9,841,979	8,079,408	6,741,362	12,678,737	7,086,483	6,010,661
Total governmental activities net position	<u>\$ 6,608,727</u>	<u>\$ 7,709,052</u>	<u>\$ 8,173,041</u>	<u>\$ 23,974,661</u>	<u>\$ 25,460,121</u>	<u>\$ 25,410,556</u>	<u>\$ 24,446,641</u>	<u>\$ 25,552,773</u>	<u>\$ 29,650,191</u>	<u>\$ 29,722,143</u>
Business-type Activities										
Net investment in capital assets	\$ 6,257,388	\$ 7,796,988	\$ 8,068,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	232,745	232,610	109,607	171,305	159,710	142,217	251,997	432,244	498,349
Unrestricted	2,643,259	2,705,075	2,855,744	1,000,094	-	-	-	-	-	-
Total business-type activities net position	<u>\$ 8,900,647</u>	<u>\$ 10,734,808</u>	<u>\$ 11,157,147</u>	<u>\$ 1,109,701</u>	<u>\$ 171,305</u>	<u>\$ 159,710</u>	<u>\$ 142,217</u>	<u>\$ 251,997</u>	<u>\$ 432,244</u>	<u>\$ 498,349</u>
Primary Government										
Net investment in capital assets	\$10,074,271	\$ 12,194,858	\$ 12,654,758	\$ 7,919,141	\$ 8,210,882	\$ 10,525,310	\$ 10,890,129	\$ 12,077,746	\$ 21,689,393	\$ 22,850,854
Restricted	517,547	808,241	828,807	8,783,323	7,578,565	6,965,548	6,957,367	1,048,287	1,306,559	1,358,977
Unrestricted	4,917,556	5,440,761	5,846,623	8,381,898	9,841,979	8,079,408	6,741,362	12,678,737	7,086,483	6,010,661
Total primary government net position	<u>\$15,509,374</u>	<u>\$ 18,443,860</u>	<u>\$ 19,330,188</u>	<u>\$ 25,084,362</u>	<u>\$ 25,631,426</u>	<u>\$ 25,570,266</u>	<u>\$ 24,588,858</u>	<u>\$ 25,804,770</u>	<u>\$ 30,082,435</u>	<u>\$ 30,220,492</u>

Note:

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

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

Table 2

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	\$ 1,051,839	\$ 1,022,837	\$ 1,206,037	\$ 1,200,962	\$ 1,176,457	\$ 1,234,843	\$ 1,295,994	\$ 1,347,193	\$ 1,308,964	\$ 1,977,910
Public Safety	1,371,705	1,278,179	1,381,334	1,565,786	1,527,302	1,562,651	1,560,820	1,669,492	2,273,108	1,867,545
Transportation and Public Works	754,452	785,295	747,318	692,788	588,099	629,857	659,022	570,293	571,596	434,914
Economic Development	550	20,195	7,455	9,226	107,260	13,515	14,377	-	-	-
Cultural and Recreation	117,418	103,598	180,976	364,657	295,899	254,625	232,419	248,575	202,617	188,827
Environmental Protection	-	-	-	15,600	-	-	-	-	-	-
Interest on long-term debt	8,163	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	\$ 3,304,127	\$ 3,210,104	\$ 3,523,120	\$ 3,849,019	\$ 3,695,017	\$ 3,695,491	\$ 3,762,632	\$ 3,835,553	\$ 4,356,285	\$ 4,469,196
Business-type Activities										
Water	\$ 1,108,679	\$ 1,324,572	\$ 1,392,565	\$ 1,425,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	1,275,255	1,594,291	1,615,703	1,520,237	-	-	-	-	-	-
Stormwater	74,289	131,114	218,457	298,298	228,334	419,313	210,481	181,801	128,987	236,934
Total business-type activities expenses	\$ 2,458,223	\$ 3,049,977	\$ 3,226,725	\$ 3,244,470	\$ 228,334	\$ 419,313	\$ 210,481	\$ 181,801	\$ 128,987	\$ 236,934
Total Primary Government expenses	\$ 5,762,350	\$ 6,260,081	\$ 6,749,845	\$ 7,093,489	\$ 3,923,351	\$ 4,114,804	\$ 3,973,113	\$ 4,017,354	\$ 4,485,272	\$ 4,706,130
Program Revenues										
Governmental Activities:										
Charges for service:										
General Government	\$ 50,721	\$ -	\$ 73,319	\$ 92,040	\$ 99,118	\$ 58,302	\$ 79,560	\$ 7,160	\$ 18,722	\$ 19,876
Public Safety	57,674	59,937	63,764	60,021	60,021	61,795	62,269	63,489	67,876	-
Transportation and Public Works	325,356	343,442	391,929	120,342	-	-	-	-	-	-
Cultural and Recreation	106,434	111,982	110,429	97,342	105,721	125,000	132,957	132,389	127,778	142,436
Environmental Protection	-	-	-	-	3,241	3,329	3,031	3,417	3,551	-
Operating grants and contributions	137,851	134,578	201,584	281,303	323,724	134,667	142,204	152,057	143,451	326,508
Capital grants and contributions	2,024,115	517,881	13,000	15,000	250,000	17,860	40,000	614,994	4,215,850	10,000
Total governmental activities program revenue	\$ 2,702,151	\$ 1,167,820	\$ 854,025	\$ 666,048	\$ 841,825	\$ 400,953	\$ 460,021	\$ 973,506	\$ 4,577,228	\$ 498,820
Business-type Activities										
Charges for service:										
Water	\$ 1,355,705	\$ 1,497,238	\$ 1,460,290	\$ 1,265,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	1,503,883	1,658,062	1,611,220	1,400,833	-	-	-	-	-	-
Stormwater	-	281,553	294,118	287,263	288,873	285,272	285,188	283,947	301,673	302,898
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,481,152	1,818,297	280,228	461,663	-	-	-	-	-	-
Total business-type activities program revenue	\$ 4,340,740	\$ 5,255,150	\$ 3,645,856	\$ 3,414,807	\$ 288,873	\$ 285,272	\$ 285,188	\$ 283,947	\$ 301,673	\$ 302,898
Net (expense)/revenue:										
Governmental activities	\$ (601,976)	\$ (2,042,284)	\$ (2,669,095)	\$ (3,182,971)	\$ (2,853,192)	\$ (3,294,538)	\$ (3,302,611)	\$ (2,862,047)	\$ 220,943	\$ (3,970,376)
Business-type activities	1,882,517	2,205,173	419,131	170,337	60,539	(134,041)	74,707	102,146	172,686	65,964
Total primary government net revenue/(expense)	\$ 1,280,541	\$ 162,889	\$ (2,249,964)	\$ (3,012,634)	\$ (2,792,653)	\$ (3,428,579)	\$ (3,227,904)	\$ (2,759,901)	\$ 393,629	\$ (3,904,412)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Revenues and Other Changes to Net Position										
Governmental Activities:										
Taxes:										
Property taxes, general	1,911,636	1,988,986	2,073,246	2,021,066	1,958,169	1,995,394	1,969,219	2,055,914	2,043,856	2,132,807
Other taxes	1,028,433	1,088,367	1,045,352	1,201,829	1,260,267	1,349,576	1,407,742	1,474,251	1,523,046	1,681,802
Unrestricted investment earnings	3,696	4,147	3,314	3,766	47,319	118,076	208,763	348,046	207,280	2,524
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	158,674
Miscellaneous	36,402	35,078	11,172	302,957	72,803	82,940	165,978	94,163	102,293	66,521
Transfers	-	26,031	-	15,636,373	-	(120,000)	-	-	-	-
Total governmental activities	<u>2,980,167</u>	<u>3,142,609</u>	<u>3,133,084</u>	<u>19,165,991</u>	<u>3,338,558</u>	<u>3,425,986</u>	<u>3,751,702</u>	<u>3,972,374</u>	<u>3,876,475</u>	<u>4,042,328</u>
Business-type activities:										
Unrestricted investment earnings	4,653	4,027	3,208	5,509	1,159	2,446	4,178	8,323	7,561	141
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	(26,031)	-	(15,636,373)	-	120,000	-	-	-	-
Special item gain (loss)	-	(349,008)	-	5,431,677	-	-	-	-	-	-
Total business-type activities	<u>4,653</u>	<u>(371,012)</u>	<u>3,208</u>	<u>(10,199,187)</u>	<u>1,159</u>	<u>122,446</u>	<u>4,178</u>	<u>8,323</u>	<u>7,561</u>	<u>141</u>
Total primary government	<u>\$ 2,984,820</u>	<u>\$ 2,771,597</u>	<u>\$ 3,136,292</u>	<u>\$ 8,966,804</u>	<u>\$ 3,339,717</u>	<u>\$ 3,548,432</u>	<u>\$ 3,755,880</u>	<u>\$ 3,980,697</u>	<u>\$ 3,884,036</u>	<u>\$ 4,042,469</u>
Change in Net Position:										
Governmental Activities	\$ 2,378,191	\$ 1,100,325	\$ 463,989	\$ 15,983,020	\$ 485,366	\$ 131,448	\$ 449,091	\$ 1,110,327	\$ 4,097,418	\$ 71,952
Business-type activities:	1,887,170	1,834,161	422,339	(10,028,850)	61,698	(11,595)	78,885	110,469	180,247	66,105
Total primary government	<u>\$ 4,265,361</u>	<u>\$ 2,934,486</u>	<u>\$ 886,328</u>	<u>\$ 5,954,170</u>	<u>\$ 547,064</u>	<u>\$ 119,853</u>	<u>\$ 527,976</u>	<u>\$ 1,220,796</u>	<u>\$ 4,277,665</u>	<u>\$ 138,057</u>

Note:

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

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

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

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

Table 3

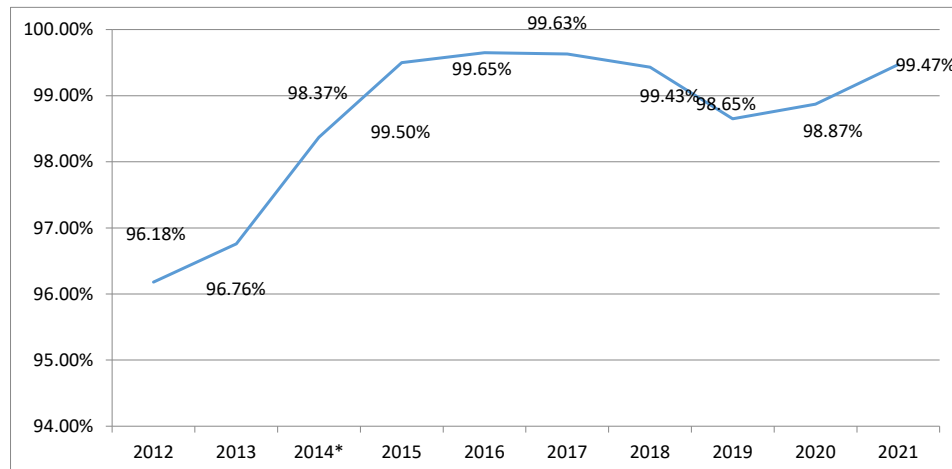
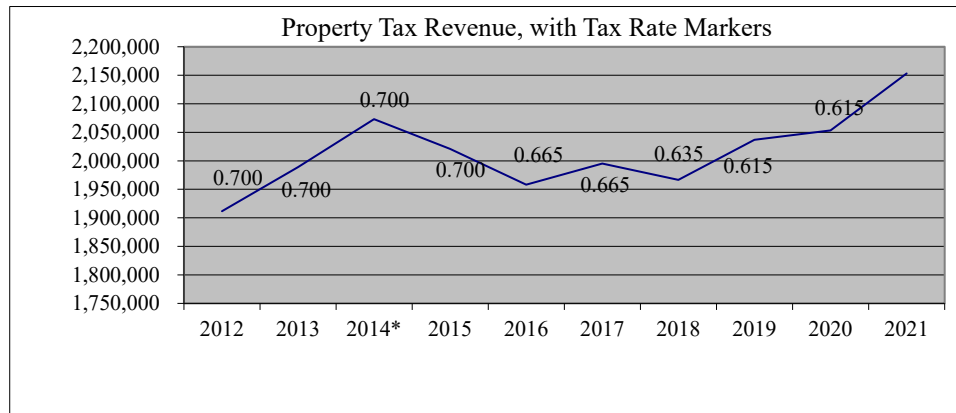
	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad valorem taxes	\$ 1,997,414	\$ 2,019,824	\$ 2,101,734	\$ 2,047,425	\$ 1,974,347	\$ 1,996,408	\$ 1,966,473	\$ 2,036,694	\$ 2,053,393	\$ 2,153,166
Other taxes and licenses	667,370	682,741	717,193	787,411	842,863	963,820	1,025,838	1,096,278	1,162,138	1,329,669
Unrestricted intergovernmental revenue	319,058	320,876	328,160	414,418	417,404	385,756	381,904	377,973	360,908	352,133
Restricted intergovernmental revenue	190,259	708,748	246,763	458,568	383,467	213,930	196,141	814,652	4,420,170	336,508
Permits and fees	81,854	84,750	118,369	129,136	135,709	95,840	116,633	45,108	57,704	53,143
Sales and service	447,868	455,186	459,864	350,772	370,642	143,005	157,417	157,491	149,000	162,312
Investment earnings	3,701	4,213	3,332	3,803	47,319	118,076	105,100	348,046	207,280	2,524
Miscellaneous	22,170	54,639	41,517	28,370	23,492	21,864	27,231	42,741	52,306	12,071
Total revenues	3,729,694	4,330,977	4,016,932	4,219,903	4,195,243	3,938,699	3,976,737	4,918,983	8,462,899	4,401,526
Expenditures										
General Government	1,004,283	971,795	1,091,276	1,153,785	1,211,024	1,140,848	1,240,637	1,278,802	1,343,093	1,569,231
Public Safety	1,296,155	1,229,338	1,292,624	1,402,298	1,404,074	1,445,315	1,479,080	1,574,718	2,132,767	1,758,088
Transportation and public works	728,264	761,791	739,558	778,220	568,772	566,249	564,954	437,572	427,925	430,212
Economic and physical dev.	550	19,689	7,455	24,825	107,260	13,515	14,377	-	-	-
Cultural and recreation	96,752	105,701	157,780	164,308	155,090	201,439	175,058	187,358	142,286	188,827
Capital outlay	2,175,253	685,369	366,696	642,284	464,170	2,526,551	163,461	1,490,021	9,844,388	1,424,647
Debt service:										
Principal	337,183 *	-	-	-	-	-	-	-	-	49,750
Interest	22,410	-	-	-	-	-	-	-	-	-
	5,323,667	4,110,866	3,655,389	4,165,720	3,910,390	5,893,917	3,637,567	4,968,471	13,890,459	5,420,755
Excess of revenues over / (under) expenditures	(1,593,973)	220,111	361,543	54,183	284,853	(1,955,218)	339,170	(49,488)	(5,427,560)	(1,019,229)
Other financing sources / (uses)										
Transfers in	-	292,150	147,300	12,892,203	489,035	-	-	-	-	-
Transfers out	-	(266,119)	(147,300)	(114,750)	(489,035)	(120,000)	-	-	-	-
Sale of capital assets	-	-	-	2,131	9,393	14,396	88,577	13,677	9,946	308,700
Proceeds of debt issuance	-	-	-	-	-	-	-	-	-	-
Total other financing sources or (uses)	-	26,031	-	12,779,584	9,393	(105,604)	88,577	13,677	9,946	308,700
Net change in fund balance	\$ (1,593,973)	\$ 246,142	\$ 361,543	\$ 12,833,767	\$ 294,246	\$ (2,060,822)	\$ 427,747	\$ (35,811)	\$ (5,417,614)	\$ (710,529)
Debt service as a percentage of noncapital expenditures	10.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.26%

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

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

Table 4

Fiscal Year	Tax Rate	Property Tax	Tax Base	Collection Rate Current Fiscal Year
2012	0.700	1,911,636	272,071,628	96.18%
2013	0.700	1,988,986	285,134,429	96.76%
2014*	0.700	2,073,246	296,899,857	98.37%
2015	0.700	2,021,066	290,091,850	99.50%
2016	0.665	1,958,169	296,689,924	99.65%
2017	0.665	1,995,394	302,637,895	99.63%
2018	0.635	1,966,473	312,606,457	99.43%
2019	0.615	2,036,694	336,420,651	98.65%
2020	0.615	2,053,393	334,848,618	98.87%
2021	0.615	2,153,166	357,477,099	99.47%

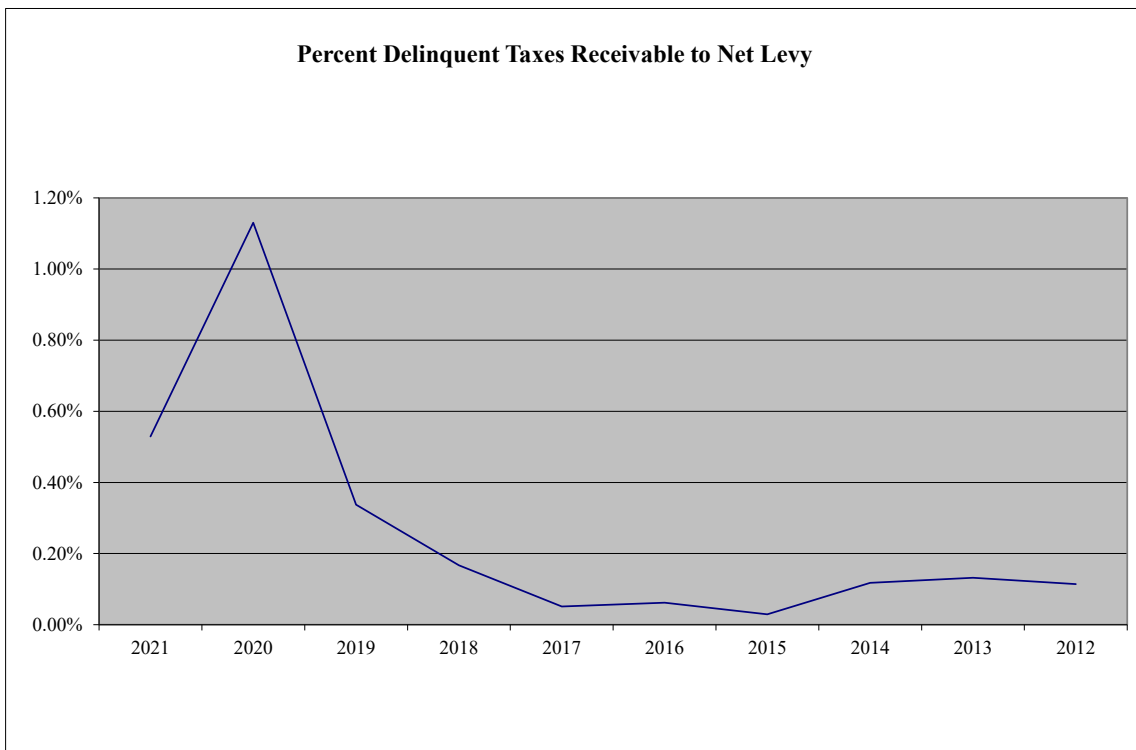


Note:

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

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

Fiscal Year	Net Levy	Current Year's Taxes Collected	Percent of Net Levy Collected	Collections -- Prior Years	Total Collections and Credits	Percent of Total Tax Collections to Net Levy	Ad Valorem Taxes Receivable Balance as of June 30, 2021	Percent Delinquent Taxes to Net Levy
2021	\$ 2,198,107	\$ 2,186,474	99.47%	-	\$ 2,186,474	99.47%	\$ 11,633	0.53%
2020	2,059,319	2,036,044	98.87%	-	2,036,044	98.87%	23,275	1.13%
2019	2,068,987	2,041,004	98.65%	21,000	2,062,004	99.66%	6,983	0.34%
2018	1,985,051	1,981,101	99.80%	636	1,981,737	99.83%	3,314	0.17%
2017	2,012,542	2,009,782	99.86%	1,734	2,011,516	99.95%	1,026	0.05%
2016	1,972,988	1,971,083	99.90%	682	1,971,765	99.94%	1,223	0.06%
2015	2,030,716	2,029,398	99.94%	726	2,030,124	99.97%	592	0.03%
2014	2,078,299	2,075,094	99.85%	759	2,075,853	99.88%	2,446	0.12%
2013	1,995,941	1,992,285	99.82%	1,020	1,993,305	99.87%	2,636	0.13%
2012	1,904,501	1,901,286	99.83%	1,046	1,902,332	99.89%	2,169	0.11%



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

Fiscal Year	Assessed Value (1)					Ratio of Assessed Value to Actual Value	Property Tax Rate (per \$100 Assessed Value)
	Real Property	Personal Property (2)	Public Service Property	Abatements and Adjustments	Total		
2021	\$ 295,177,724	\$ 45,642,465	\$ -	\$ 16,656,910	\$ 357,477,099	100%	0.615
2020	287,982,455	39,231,870	8,181,447	(547,154)	334,848,618	100%	0.615
2019	290,133,900	38,240,976	8,268,864	(223,089)	336,420,651	100%	0.615
2018 (3)	266,894,170	37,202,677	8,553,232	(43,622)	312,606,457	100%	0.635
2017	259,021,298	35,360,602	8,275,243	(19,248)	302,637,895	100%	0.665
2016	255,353,677	32,829,474	8,612,638	(105,865)	296,689,924	100%	0.665
2015	251,727,143	30,221,429	8,143,977	(99,919)	289,992,630	100%	0.700
2014	261,462,375	28,246,714	7,910,197	(719,429)	296,899,857	100%	0.700
2013	249,758,049	27,607,287	8,420,379	(651,286)	285,134,429	100%	0.700
2012	234,986,964	33,343,009	6,617,941	(2,876,286)	272,071,628	100%	0.700

Note:

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

(2) Personal property includes motor vehicle values.

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

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

Fiscal Year	City of Creedmoor Tax Rate	Granville County Tax Rate	Combined Tax Rate Per \$100 of Assessed Valuation
2021	\$ 0.615	\$ 0.840	\$ 1.455
2020	0.615	0.840	1.455
2019	0.615	0.840	1.455
2018 (3)	0.635	0.880	1.515
2017	0.665	0.880	1.545
2016	0.665	0.830	1.495
2015	0.700	0.830	1.530
2014	0.700	0.830	1.530
2013	0.700	0.795	1.495
2012	0.700	0.795	1.495

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

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

CITY OF CREEDMOOR, NORTH CAROLINA

Fund Balance of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Table 8

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Fund Balance:										
Nonspendable	\$ 2,551	\$ 18,292	\$ 24,410	\$ 30,220	\$ 44,083	\$ 43,356	\$ 52,872	\$ 49,256	\$ 94,278	\$ 14,620
Restricted	517,547	575,496	596,197	672,957	614,314	576,434	664,543	795,173	820,602	860,628
Committed	-	99,272	254,907	304,536	333,041	-	-	-	-	-
Assigned	244,356	305,251	294,688	414,359	425,903	442,388	448,984	483,394	564,716	483,481
Unassigned	2,165,366	2,346,597	2,568,474	6,214,349	6,204,349	6,773,955	7,094,581	7,497,470	6,995,768	7,883,504
Total General Fund	\$ 2,929,820	\$ 3,344,908	\$ 3,738,676	\$ 7,636,421	\$ 7,621,690	\$ 7,836,133	\$ 8,260,980	\$ 8,825,293	\$ 8,475,364	\$ 9,242,233
All Other Governmental Funds										
Fund Balance:										
Restricted	\$ -	\$ -	\$ -	\$ 8,000,759	\$ 7,655,331	\$ 7,097,730	\$ 3,607	\$ 1,117	\$ 53,713	\$ -
Committed	-	-	-	-	-	-	7,030,291	6,642,311	2,130,342	1,150,374
Assigned	81,131	249,368	217,143	1,152,406	2,806,905	1,089,241	844,596	634,942	26,630	80,413
Total All Other Governmental Funds	\$ 81,131	\$ 249,368	\$ 217,143	\$ 9,153,165	\$ 10,462,236	\$ 8,186,971	\$ 7,878,494	\$ 7,278,370	\$ 2,210,685	\$ 1,230,787

CITY OF CREEDMOOR, NORTH CAROLINA

Statutory Calculation of Fund Balance

Available for Appropriation, in Accordance with State Statute

Table 9

Fiscal Year Ended
6/30/2021

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

	Total
Unrestricted Cash and Investments	\$ 8,510,898
Restricted cash and investments (This would normally include Powell Bill, Bond Proceeds, consolidated funds such as capital reserve funds or tax revaluation funds)	371,580
Liabilities excluding those to be paid from restricted cash	143,913
Liabilities to be paid from restricted cash not included above	---
Encumbrances at June 30 (listed in the notes).....	---
Deferred or Unearned Revenues Arising from Cash Receipts	---
Fund Balance Available for Appropriation	\$ 8,738,565

Total Fund Balance (From Audited Financial Statements)	9,242,233
--	-----------

Total Restricted by State Statute.....	\$ 503,668
--	------------

Restricted by State Statute Presented on Financial Statements

<u>Less</u> Non Spendable - Inventory	---
Non Spendable - Prepays	14,620
Other Non Spendable amounts	---
Restricted - Stabilization by State Statute (LGC calculation)	\$ 489,048

Restricted - Stabilization by State Statute (From Audited Financial Statements)	\$ 489,048
--	------------

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

Total Expenditures - General Fund	\$ 4,050,940
<u>Adjustments</u>	
Transfers Out	379,463
Issuance of Capital Leases & Installment Purchases	---
Total Expenditures (As Adjusted)	\$ 4,430,403

Fund Balance Available as % of Expenditures	<u>197.24 %</u>
--	------------------------

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

Fiscal Year									
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
69.87%	83.99%	92.47%	179.77%	174.64%	201.66%	214.23%	232.20%	173.31%	197.24%
69.14%	71.30%	72.50%	73.14%	72.91%	75.93%	81.60%	77.89%	Not Available	Not Available

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

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

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

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

Table 10

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Limit	\$ 21,765,730	\$ 22,810,754	\$ 23,751,989	\$ 23,207,348	\$ 23,735,194	\$ 24,211,032	\$ 25,008,517	\$ 26,913,652	\$ 26,787,889	\$ 28,598,168
Total debt applicable to limit	<u>5,723,097</u>	<u>5,622,981</u>	<u>5,519,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 16,042,633</u>	<u>\$ 17,187,773</u>	<u>\$ 18,232,125</u>	<u>\$ 23,207,348</u>	<u>\$ 23,735,194</u>	<u>\$ 24,211,032</u>	<u>\$ 25,008,517</u>	<u>\$ 26,913,652</u>	<u>\$ 26,787,889</u>	<u>\$ 28,598,168</u>
Total net debt applicable to the limit, as a percentage of the total debt limit.	26.29%	24.65%	23.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Assessed Value --- June 30, 2021 \$ 357,477,099

Debt Limit --- 8 percent of total assessed value 28,598,168

Total Debt Applicable to Limitation:
Bonded Debt Outstanding:

-

Total Debt Applicable to Limitation

-

Legal Debt Margin

\$ 28,598,168

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

CITY OF CREEDMOOR, NORTH CAROLINA

Ratio of Net Bonded Debt to

Assessed Value and Governmental Bonded Debt per Capita

Last Ten Fiscal Years

Table 11

Fiscal Year	Governmental Activities												
	Governmental Activities	Business-Type Activities					Total Primary Government	Debt as a Percentage of Assessed Valuation	Assessed Valuation	Governmental Activities		(1) Per Capita Income	Debt, as a percentage of estimated personal income
	Installment Purchases	General Obligation Bonds	Installment Purchases *	Revenue Bond Anticip. Note	Revenue Bond *	Debt per Capita				(1) Population			
2021	\$ 447,500	\$ -	\$ -	\$ -	\$ -	\$ 447,500	0.13%	\$ 357,477,099	\$ 92	\$ 4,866	\$ 35,672	0.00%	
2020	-	-	-	-	-	-	0.00%	334,848,618	-	(2)	(2)	0.00%	
2019	-	-	-	-	-	-	0.00%	336,420,651	-	(2)	(2)	0.00%	
2018	-	-	-	-	-	-	0.00%	312,606,457	-	4,429	\$ 29,071	0.00%	
2017	-	-	-	-	-	-	0.00%	302,637,895	-	4,372	\$ 29,096	0.00%	
2016	-	-	-	-	-	-	0.00%	296,689,924	-	4,353	\$ 25,204	0.00%	
2015	-	-	-	-	-	-	0.00%	290,091,850	-	4,289	\$ 23,933	0.00%	
2014	-	-	673,864	-	4,846,000	5,519,864	0.00%	296,899,857	-	4,228	\$ 20,399	0.00%	
2013	-	-	715,981	-	4,907,000	5,622,981	0.00%	285,134,429	-	4,173	\$ 22,295	0.00%	
2012	-	-	758,214	4,965,000	-	5,723,214	0.00%	272,071,628	-	4,070	\$ 22,144	0.00%	

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

(2) Information not available

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

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

CITY OF CREEDMOOR
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

Table 12

Governmental Unit	General Obligation Debt Outstanding (1)	Estimated Percentage Applicable to the City (2)	Estimated Share of Overlapping Debt
Debt repaid with property taxes, Granville County	\$ 51,737,000	6.99%	\$ 3,615,151
Subtotal, overlapping debt portion			3,615,151
City of Creedmoor direct debt			---
Total, direct and overlapping debt			\$ 3,615,151

Prior Years Fiscal Years Ending June 30	Percentage Reported	Creedmoor Debt	Estimated Share of Overlapping Debt
2020	6.55%		\$ 1,533,287
2019	6.93%	-	3,809,560
2018	6.79%	-	1,591,386
2017	6.73%	-	1,771,668
2016	6.46%	-	1,905,312
2015	6.76%	-	2,195,986
2014	6.91%	-	2,465,143
2013	6.99%	-	2,717,712
2012 (3)	6.81%	-	2,920,469

Notes:

- (1) Amount for Fiscal Year 2020 not available at the time the financial statements were issued.
The amount shown is from Fiscal Year 2019
- (2) The percentage of overlapping debt applicable to the city is estimated using assessed property values.
The applicable percentage represents the city's total assessed value divided by Granville County's total assessed value. For Fiscal Year 2021, Granville County's 2020 assessed value was used.
- (3) During Fiscal Year 2012, Creedmoor retired the installment purchase debt for the City Hall approximately 3 years early, at an approximate savings of \$22,800.

CITY OF CREEDMOOR
Demographic Statistics
Last Ten Fiscal Years

Table 13

Fiscal Year	Population	(1) Personal Income (thousands of dollars)	(4) Creedmoor Personal Income, Imputed	As a % of County Personal Income	(1) Per Capita Income	(2) Unemployment Rate, as a percentage
2021	4,866	\$ 2,589,195	(3)	0.00%	\$ 42,807	5.1%
2020	4,666	(3)	(3)	0.00%	(3)	6.2%
2019	4,600	(3)	(3)	0.00%	(3)	3.9%
2018	4,518	\$ 2,323,593	\$ 174,629,736	7.52%	\$ 38,652	3.2%
2017	4,498	\$ 2,188,055	\$ 165,760,296	7.58%	\$ 36,852	3.6%
2016	4,425	\$ 2,099,824	\$ 158,295,525	7.54%	\$ 35,773	4.5%
2015	4,325	\$ 2,007,609	\$ 149,238,450	7.43%	\$ 34,506	5.5%
2014	4,289	\$ 1,935,051	\$ 143,098,196	7.40%	\$ 33,364	6.8%
2013	4,223	\$ 1,874,450	\$ 137,049,019	7.31%	\$ 32,453	9.4%
2012	4,168	\$ 1,850,573	\$ 134,026,208	7.24%	\$ 32,156	10.1%
2011	4,124	\$ 1,799,289	\$ 129,072,952	7.17%	\$ 31,298	10.5%

Notes:

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

(1) Information from federal Bureau of Economic Analysis

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

(3) Information not available

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

CITY OF CREEDMOOR
Principal Taxpayers
for the year ended June 30, 2021

		2021			2012		
		Percentage of Total Assessed		Rank	Percentage of Total Assessed		Rank
Taxpayer (1)	Type of Enterprise	Assessed Valuation	Valuation		Assessed Valuation	Valuation	
D R Horton INC	Real Estate	\$ 5,574,800	1.56%	1	---	---	
Creedmoor Crossing LLC	Real Estate	5,296,989	1.48%	2	4,927,371	1.81%	1
PC Highland LLC	Real Estate	4,920,376	1.38%	3	---	---	
Duke Energy Carolinas LLC	Energy	3,799,819	1.06%	4	3,580,946	1.32%	3
Wilton Place LP	Real Estate	2,512,366	0.70%	5	---	---	
AW North Carolina INC	Manufacturing	2,429,496	0.68%	6	---	---	
Remed LSC Realty LLC	Real Estate	2,351,385	0.66%	7	---	---	
Time Warner Cable Southeast LLC	Telecommunications	2,330,554	0.65%	8	2,780,706	1.02%	4
TRM Warehouse Group LLC	Warehouse	2,072,601	0.58%	9	---	---	
Walgreen Co	Pharmacy	1,838,255	0.51%	10	---	---	
Strongwater LLC	Real Estate	---	---		1,798,635	0.66%	6
Linda Vista Farms Assoc Inc (Dollar Tree)	Retail	---	---		---	---	
TAU NC1 LP (CVS)	Retail	---	---		---	---	
Public Service Co of NC Inc	Energy	---	---		1,229,389	0.45%	8
Creedmoor Business Park LLC	Real Estate	---	---		1,388,311	0.51%	7
RWG Limited Partnership	Real Estate	---	---		1,099,292	0.40%	10
Driftwood Apartments LLC	Real Estate	---	---		---	---	
Baymor Associates	Real Estate	---	---		---	---	
Watson Martin Properties, LLC	Real Estate	---	---		4,460,859	1.64%	2
Verizon South, Inc.	Telecommunications	---	---		2,294,964	0.85%	5
Lake Glad Road Commercial (Millridge)	Real Estate	---	---		---	---	
Wake Electric Membership Corp.	Energy	---	---		1,108,251	0.41%	9
Wellons, Inc	Real Estate	---	---		---	---	
BDG Fontaine Associates (2)	Real Estate	718,912	---		---	---	
Hardison Limited Partnership (2)	Real Estate	689,705	---		---	---	
Total, Top 10 taxpayers		\$ 33,126,641	9.27%		\$ 24,668,724	9.09%	
Total Assessed Value		\$ 357,477,099			\$ 271,501,322		

Notes:

- (1) Data obtained from the Granville County Tax Department, unless otherwise noted.
(2) Data from review of Granville County GIS System.

CITY OF CREEDMOOR
Principal Employers
Current Year and Ten Years Ago

Table 15 Employer	2021			2012		
	Reported Employees (1)	Percentage of Total Area Employment	Rank	Reported Employees (1)	Percentage of Total Area Employment	Rank
Granville County Board of Education*	969	60.45%	1	163	5.50%	1
City of Creedmoor **	42	2.62%	2	31	1.05%	6
Christian Faith Center	30	1.87%	6 tie	36	1.22%	4
Learning Services	31	1.93%	5	35	1.18%	5
Builder Services	21	1.31%	9	---	---	
Endure Productive	20	1.25%	10	---	---	
First Baptist Academy	40	2.50%	3	24	0.81%	7
Rountree Chevrolet (Formerly Ellington-Brim Chevrolet)	33	2.06%	4	16	0.54%	9 tie
RHA Group Homes	30	1.87%	6 tie	79	2.67%	2
Food Lion	23	1.43%	8	66	2.23%	3
Creedmoor Fuel Service	15	0.94%		---	---	0
Southern States	7	0.44%		17	0.57%	8
CVS Drug Store	---	---		16	0.54%	9 tie
Total Employees	1,261	78.67%		483	16.31%	
Total estimated area employees (2)	1,603			2,962		

Notes:

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

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

*** Prior to FY 2021, the number of employees listed for RHA Group Homes included multiple sites that were not in the city limits of Creedmoor

--- Information not available or not applicable

- (1) Information obtained from survey calls to area businesses. Number of Full Time employees requested.
If employer is unresponsive, prior year information is used unless known major changes exist.
- (2) Information provided through US Census Bureau web site. From the 2020 Census, information is available and identified as "Creedmoor City, North Carolina" in the Census web pages. Most recent labor force statistic available on Census website from 2016 used for estimated area employees.

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

Table 16

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenditures										
General Administration	\$ 0.319	\$ 0.406	\$ 0.386	\$ 0.305	\$ 0.330	\$ 0.315	\$ 0.332	\$ 0.446	\$ 0.293	\$ 0.429
Public Safety	0.514	\$ 0.537	0.497	0.477	0.516	0.459	0.461	\$ 0.588	\$ 0.573	\$ 0.487
<i>Police and Fire Protection Contract</i>										
Transportation	0.118	+	0.061	0.095	0.160	0.148	0.152	\$ (0.097) √	\$ 0.089 √	\$ 0.054
<i>Street Maintenance</i>										
Professional Services and Governing										
Body	0.046	\$ 0.048	0.049	0.049	0.057	0.053	0.056	\$ 0.058	\$ 0.046	\$ 0.044
Debt Service	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Economic Development ⁽¹⁾	\$\$	0.009	0.003	0.003	(0.020)	0.004	0.005	\$ 0.003	\$ -	\$ -
Parks and Recreation	#	+	0.00	0.066	(0.040)	0.021	(0.004)	\$ 0.003 √	\$ 0.000 √	\$ (0.014)
Environmental Protection	N/A	N/A	N/A	0.005	(0.002)	(0.001)	(0.001)	\$ (0.001)	\$ (0.001)	\$ -
	<u>\$ 1.00</u>	<u>1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>

Note: Some amounts may have been rounded for presentation purposes

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

= Parks and Recreation was supported by donations and rental fees from cellular telephone providers.
The City has leased antenna space on its water towers to three cell phone service providers.
An expanded Parks and Recreation department began operations in FY13, supported in part by tax revenue.

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

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

√ = Did not include Capital Grants & Contributions for Fiscal Year 2020 and 2021.
Including these amounts would skew all of the other departments.

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

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

CITY OF CREEDMOOR
City Employee Statistics
as of Fiscal Year End

Table 17

Fiscal Year	Administrative Team (1)	City Clerk (2)	Police	Maintenance	Inspections (3)	Planning	Business Dev./ Transportation	Finance	Recreation	Total per Fiscal Year
2021	4.00	1.00	21.00	5.00	-	3.50	-	2.50	5.00	42.00
2020	4.00	1.00	19.00	5.00	-	2.50	-	2.00	1.00	34.50
2019	4.00	1.00	18.00	5.00	-	2.50	-	2.00	1.00	33.50
2018	3.75	1.00	19.00	5.00	2.00	3.00	-	2.00	1.00	36.75
2017	3.75	1.00	19.00	5.00	2.00	2.00	-	2.00	1.00	35.75
2016	3.75	1.00	19.00	4.00	2.00	2.00	-	2.00	1.00	34.75
2015	3.75	1.00	19.00	4.00	1.75	2.00	1.00	2.00	1.00	35.50
2014	2.50	1.00	18.00	5.00	1.75	2.30	1.00	3.75	1.00	36.30
2013	3.00	-	17.00	6.00	1.00	4.00	1.00	3.75	-	35.75
2012	3.00	-	17.00	5.00	1.00	4.00	1.00	3.75	-	34.75

Notes:

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

(2) In Fiscal Years 2012 through 2013, the City Clerk duties were fulfilled by a member of the Administrative Services Dept. or the Finance Dept.

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

Employees included on this chart are regularly employed by the City, unless otherwise noted.

"Regularly employed" in this context means working more than 1,000 hours per year for the City.

Recreation staffing is provided through part-time staff and seasonal labor provided through a staffing agency.

With seasonal demand and participation variations, no FTE amount is a better estimate than another.

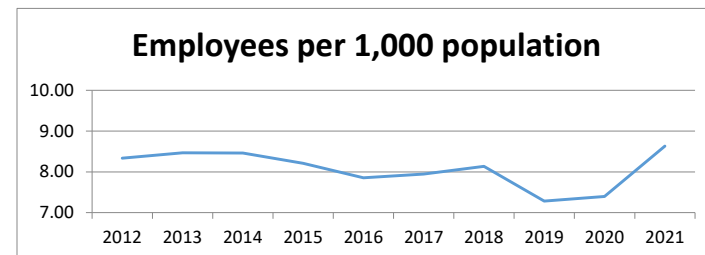
A full time position was included in Fiscal Year 2014.

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

Estimated Population
For Fiscal Year

Employees per
1,000 population

2012	4,168	8.34
2013	4,223	8.47
2014	4,289	8.46
2015	4,325	8.21
2016	4,425	7.85
2017	4,498	7.95
2018	4,518	8.13
2019	4,600	7.28
2020	4,666	7.39
2021	4,866	8.63



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

Table 18

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administrative (1)										
City Hall	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Safety (1)										
Police Stations	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Police Vehicles (2)	<i>11.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>
Fire Stations (3)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation										
Street Mileage	16.64	16.62	17.88	17.84	17.84	17.84	17.95	17.95	17.88	17.88
Other City vehicles	---	---	---	10.00	10.00	10.00	10.00	9.00	8.00	8.00
Culture and Recreation										
Parks	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Ballfields (4)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	-	-	-
Community Center (5)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	1.00
Community Gym (5)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	1.00
Cross-City Trails Mileage (6)	NA	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Hiking Trails Mileage (7)	NA	NA	NA	NA	1.10	1.10	1.10	1.10	1.57	1.57
Public Utilities (8)										
Water	1.00	1.00	1.00							
Water Line Mileage	41.00	41.00	41.00							
Sewer	1.00	1.00	1.00							
Sewer Line Mileage	43.50	44.10	44.10							

Notes:

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

(1) The Police Department and City Administration staff (City Manager, Finance, HR, City Clerk, etc.) have shared space in City Hall. This is best represented by showing one half of the building as designated for the respective functions.

(2) Years in italics indicate years with vehicle(s) on loan from Law Enforcement Support

(3) The Fire Station is the property of the Creedmoor Volunteer Fire Department. Because the City provides significant funding for the Department, it is included here to provide a more complete picture of public safety in Creedmoor.

(4) As a part of the construction of the Creedmoor Community Center, the ballfields are being repurposed into a single multi-purpose field as of the end of Fiscal Year 2019.

(5) The Gym & Senior Center were closed for renovation & new construction as of the end of Fiscal Year 2019. Will include again once the project is complete and buildings reopen for business.

(6) The Cross City Trails are those additions installed as part of a multi-phase plan. This does not include pre-existing downtown sidewalks. This data is intended to help show Creedmoor's growing commitment to recreation opportunities.

(7) Hiking Trails include Gaudette's Gauntlet and the Lake Rogers Park Trails

(8) Assets of the Water and Sewer Funds were sold to the South Granville Water and Sewer Authority in March 2015. This section will be deleted in future years.

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

Table 19

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Finance Department										
Audited Financial Stmtts. delivered to NC Local Govt. Commission.	10/31/12	10/31/13	12/8/14	11/25/15	12/22/16	11/29/17	11/21/18	11/8/19	11/20/20	12/1/21
Due Oct. 31st each year (3)	10/31/12	10/31/13	10/31/14	10/31/15	10/31/16	10/31/17	10/31/18	10/31/19	1/31/21	10/31/21
Days (Early)/Past Due Date	0	0	38	25	52	29	21	8	(72)	31
CAFR delivered to GFOA	12/21/12	11/15/13	12/22/14	12/21/15	12/30/16	12/15/17	12/28/18	12/4/19	12/31/20	12/31/21
Due 12/31 for NC governments	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
Days (Early)/Past Due Date	(10)	(46)	(9)	(10)	(1)	(16)	(3)	(27)	0	0
Debt Set Off (Collection Efforts)										
Total Debt Submitted	\$ 35,729	\$ 42,649	\$ 52,925	\$ 46,002	\$ 38,822	\$ 33,408	\$ 31,783	\$ 33,807	\$ 31,121	\$ 31,121
Successful Collections	26	26	32	11	17	14	9	4	-	5
Amount Received	\$ 4,367	\$ 4,865	\$ 4,284	\$ 1,927	\$ 2,046	\$ 1,469	\$ 1,431	\$ 686	\$ -	\$ 989
% of submitted	12.22%	11.41%	8.09%	4.19%	5.27%	4.40%	4.50%	2.03%	0.00%	3.18%
Average per Collection	\$ 167.96	\$ 187.12	\$ 133.88	\$ 175.20	\$ 120.36	\$ 104.91	\$ 159.00	\$ 171.41	\$ -	\$ -
Planning, Zoning, and Inspections (4)										
Permits Issued										
Residential Zoning Permits	29	27	32	72	89	57	29	74	85	82
Residential Construction Permits	294	278	221	366	360	317	21	N/A	N/A	N/A
Commercial Zoning Permits	9	6	14	16	18	20	11	23	21	20
Commercial Construction Permits	57	62	77	54	60	61	1	N/A	N/A	N/A
Builders' Est. Cost-Residential	\$ 2,339,162	\$ 2,808,993	\$ 1,457,695	\$ 5,229,876	\$ 6,837,022	\$ 3,604,317	\$ 1,903,220	N/A	N/A	N/A
Builders' Est. Cost-Commercial	\$ 776,215	\$ 265,058	\$ 3,993,226	\$ 1,422,521	\$ 2,304,229	\$ 260,404	\$ 8,500	N/A	N/A	N/A
Permit Revenue	\$ 49,892	\$ 52,022	\$ 73,319	\$ 91,841	\$ 99,076	\$ 58,276	\$ 79,560	\$ 5,240	\$ 13,230	\$ 9,985
Police Department										
Total calls to Police Dept.	6,600	6,574	5,961	11,489	17,036	22,288	21,588	24,407	23,050	24,934
Calls generating open cases	298	327	347	377	369	505	398	450	326	297
Cases Closed or Determined Unfounded	215	230	231	268	231	339	254	353	252	250
Percent of cases closed	72.1%	70.3%	66.6%	71.1%	62.6%	67.1%	63.8%	78.4%	77.3%	84.2%
Patrol miles driven	118,908	125,108	81,113	130,187	126,295	129,754	135,339	157,423	163,075	160,864
Solid Waste and Recycling Efforts (1)										
(Tons collected)										
Municipal Solid Waste	N/A	1,317.68	1,305.05	1,291.02	1,318.28	1,329.20	1,299.26	1,276.13	1,356.39	1,476.13
Residential Recycling (tons)										
Plastic	6.97	18.77	16.68	17.10	22.93	23.95	24.52	21.94	21.48	21.28
Paper	46.44	125.12	111.22	114.08	152.87	159.63	163.43	146.28	143.23	141.86
Glass	15.48	41.72	37.07	38.03	50.96	53.21	54.48	48.76	47.74	47.29
Aluminum	4.64	12.50	11.12	11.40	15.29	15.96	16.34	14.63	14.32	14.19
Metal Cans	3.87	10.44	9.27	9.50	12.74	13.30	13.62	12.19	11.94	11.82
Total Recycle Tonnage	77.40	208.55	185.36	190.11	254.79	266.05	272.39	243.80	238.72	236.44
Administrative Services										
Web Site Development/Management (2)										
Users	N/A	9,801	23,329	27,255	31,699	45,105	42,568	40,652	41,219	40,181
New Visitors (As a % of all users)	N/A	50.3%	44.2%	44.3%	46.3%	66.6%	83.4%	83.2%	84.0%	83.5%
Page Views	N/A	89,118	182,909	176,811	222,316	187,248	178,150	158,265	147,332	139,502

Notes:

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

COMPLIANCE SECTION



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

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

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sharpe Patel PLLC

Raleigh, North Carolina
November 19, 2021

CITY OF CREEDMOOR, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Identification of major Federal programs:

There are no major Federal awards.

State Awards

Identification of major State programs:

There are no major State awards.

CITY OF CREEDMOOR, NORTH CAROLINA
Summary Schedule of Prior Year Audit Finding
For the Year Ended June 30, 2021

No findings noted in the prior year.