

REVIEWED

By SLGFD at 9:38 am, Dec 03, 2021

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA

FINANCIAL STATEMENTS

For the fiscal year ended June 30, 2021

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA

TOWN OFFICIALS

JUNE 30, 2021

MAYOR

ANTONIO BLUE

TOWN COUNCIL

TYRE. HOLLOWAY – MAYOR PRO-TEM

MARY ANN GIBSON

ANGELINE DAVID

REVONNA MAGEE

OTHER OFFICIALS

REGINA HAMILTON

TOWN CLERK

REBA DILLE

TAX COLLECTOR

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
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June 30, 2021

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FINANCIAL SECTION

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Seven Lakes, North Carolina
Gastonia, North Carolina
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Dobbins Heights, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Dobbins Heights, North Carolina as of June 30, 2021, and the respective changes in financial position, and where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 3 through 7, 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 Town of Dobbins Heights, North Carolina. The individual fund statements and budgetary schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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



Rockingham, NC
November 18, 2021

Management's Discussion and Analysis

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

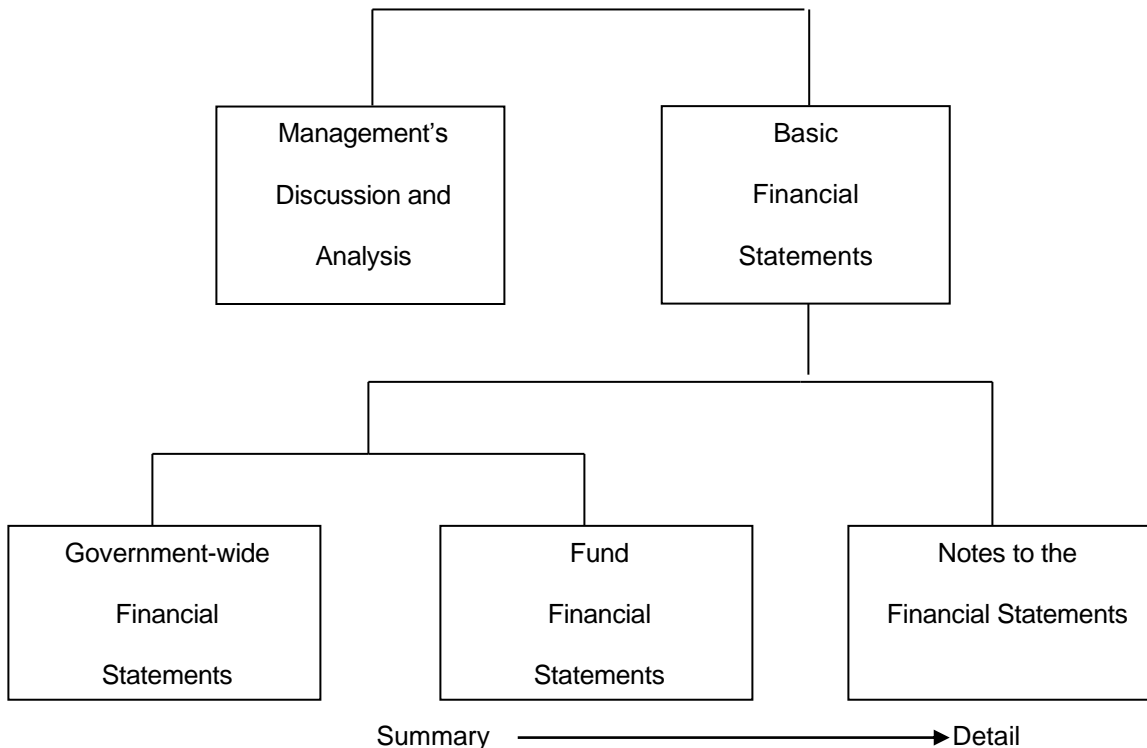
Financial Highlights

- The net position of the Town of Dobbins Heights exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$786,347 (*net position*).
- The government's total net position increased by \$69,635, due to revenues exceeding expenditures in the governmental type activities.
- As of the close of the current fiscal year, the Town of Dobbins Heights's governmental fund reported an ending fund balance of \$444,419, an increase of \$85,519 in comparison with the prior year. Approximately 94.8 percent of fund balance, or \$421,234, is available for spending at the government's discretion (unassigned fund balance).

Overview of the Financial Statements

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

Required Components of Annual Financial Report



Basic Financial Statements

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

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

Government-wide Financial Statements

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

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

The government-wide statements are governmental activities. The governmental activities include most of the Town's basic services such as general government and transportation. Other taxes finance most of these activities.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Dobbins Heights, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in one governmental fund, the General Fund. This fund focuses 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 Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 14-21 of this report.

Government-Wide Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole.

The following table provides a summary of the Town's net position:

The Town of Dobbins Heights's Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 524,794	\$ 433,949
Capital assets	<u>283,434</u>	<u>318,756</u>
Total assets	<u>808,228</u>	<u>752,705</u>
Long-term liabilities	567	-
Current liabilities	<u>21,119</u>	<u>35,993</u>
Deferred inflows of resources	<u>195</u>	<u>-</u>
Net position		
Net investment in capital assets	278,434	293,756
Restricted	22,023	33,148
Unrestricted	<u>485,890</u>	<u>389,808</u>
Total net position	<u>\$ 786,347</u>	<u>\$ 716,712</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the Town of Dobbins Heights exceeded liabilities and deferred inflows by \$786,347 as of June 30, 2021. The Town's net position increased by \$69,635 for the fiscal year ended June 30, 2021. A portion of net position (35.4%) reflects the Town's net investment in capital assets (e.g., land, buildings and improvements). The Town of Dobbins Heights uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining portions of net position are restricted (2.8%) and unrestricted (61.8%).

Town of Dobbins Heights Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 10,558	\$ 3,484
Operating grants and contributions	112,703	29,713
General revenues:		
Property taxes	141,199	102,079
Other taxes	87,121	219,956
Other	<u>89,452</u>	<u>76,080</u>
Total revenues	<u>441,033</u>	<u>431,312</u>
Expenses:		
General government	205,759	209,699
Public safety	30,000	30,000
Transportation	55,747	79,028
Economic Development	47,256	45,209
Culture and recreation	32,231	52,172
Interest	<u>405</u>	<u>914</u>
Total expenses	<u>371,398</u>	<u>417,022</u>
Increase (decrease) in net position	69,635	14,290
Net position, July 1	<u>716,712</u>	<u>702,422</u>
Net position, June 30	<u>\$ 786,347</u>	<u>\$ 716,712</u>

Governmental activities. Governmental activities increased the Town's net position by \$69,635.

The Town received a contribution of \$76,103 from the county due to a change in the local option sales tax allocation method during the previous year. These revenues served to counteract the loss in local option sales tax revenue due to the change in the tax allocation method by the county. The Town also received Covid Relief monies from the county of \$8,722 and an insurance reimbursement of \$71,966 during the year.

General Fund budgetary highlights: Insurance proceeds budget increased by \$42,425 during the year as this was unexpected during the normal budgetary process timeframe. Also, General Governmental budget and Environmental budget increased approximately \$35,000 and \$25,000, respectively. The General Government increase was due to insurance repairs and the Environmental expenditures increase was due to the Town entering into a contractual agreement to have their garbage serviced by an outside garbage collection firm.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Dobbins Heights's governmental fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Dobbins Heights'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 only fund of the Town of Dobbins Heights. At the end of the current fiscal year, unassigned fund balance of the general fund was \$421,234, while the total fund balance reached \$444,419. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 118.5 percent of total expenditures, while total fund balance represents 125.1 percent of that same amount.

Capital Asset and Debt Administration

Capital assets. The Town of Dobbins Heights's capital assets, at cost, for its governmental activities as of June 30, 2021, totals \$283,434 (net of accumulated depreciation). These assets include land, buildings and improvements, equipment, vehicles, and infrastructure.

There were no capital asset additions and no disposals during the fiscal year.

Town of Dobbins Heights's Capital Assets

Net of Accumulated Depreciation

	Governmental Activities	
	2021	2020
Non-depreciable assets		
Land	\$ 48,987	\$ 48,987
Depreciable assets		
Buildings and improvements	191,998	207,380
Equipment	11,182	12,492
Vehicles and motorized equipment	7,092	20,834
Infrastructure	24,175	29,063
Total	<u>\$ 283,434</u>	<u>\$ 318,756</u>

Additional information on the Town's capital assets can be found in NOTE 2. A. the Basic Financial Statements.

Long-term debt. North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Dobbins Heights is \$1,644,213.

Economic Factors and Next Year's Budgets and Rates

Impact of Coronavirus on Town

On January 30, 2020, the World Health Organization declared the coronavirus "COVID-19" outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines, or "stay-at-home" restrictions in certain areas and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets globally, including that of the Town. While it is unknown how long these conditions will last and what the complete financial impact will be, the Town is closely monitoring the impact of the COVID-19 pandemic on all aspects of their operations and are unable at this time to predict the continued impact that COVID-19 will have on their services, financial position, and operating results in future periods due to numerous uncertainties.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: The governmental funds' primary revenue resources are local option sales taxes, property taxes, and other taxes. For the fiscal year ending June 30, 2022, the budget will decrease approximately 5.1% compared with the prior year mainly due to a decrease in insurance proceeds.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Clerk, Town of Dobbins Heights, P.O. Box 151, Hamlet, North Carolina 28345.

BASIC FINANCIAL STATEMENTS

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2021

Exhibit 1

	Primary Government Governmental Activities
ASSETS	
Current assets	
Cash and cash equivalents	\$ 437,041
Taxes receivable	64,628
Accounts receivable	10,117
Due from other governments	11,906
Restricted cash and cash equivalents	1,102
Total current assets	<u>524,794</u>
Non-current assets:	
Capital assets	
Land	48,987
Other capital assets, net of depreciation	234,447
Total capital assets	<u>283,434</u>
Total assets	<u>\$ 808,228</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	15,552
Compensated absences-current	567
Notes payable-current	5,000
Total current liabilities	21,119
Long-term liabilities:	
Compensated absences-noncurrent	567
Total liabilities	<u>21,686</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	195
Total deferred inflows of resources	<u>195</u>
NET POSITION	
Net investment in capital assets	\$ 278,434
Restricted for:	
Stabilization by State Statute	22,023
Unrestricted	485,890
Total net position	<u>786,347</u>

TOWN OF DOBBINS HEIGHTS, 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	Primary Government Governmental Activities
Primary government				
Governmental activities				
General government	\$ 205,759	\$ -	\$ 84,825	\$ (120,934)
Public safety	30,000	-	-	(30,000)
Transportation	55,747	-	27,878	(27,869)
Environmental protection	47,256	-	-	(47,256)
Cultural and Recreation	32,231	10,558	-	(21,673)
Interest on long-term debt	405	-	-	(405)
Total primary governmental activities	<u>\$ 371,398</u>	<u>\$ 10,558</u>	<u>\$ 112,703</u>	<u>\$ (248,137)</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				141,199
Other taxes				87,121
Unrestricted investment earnings				286
Other revenues				<u>89,166</u>
Total general revenues				<u>317,772</u>
Change in net position				<u>69,635</u>
Net position - beginning				716,712
Net position - ending				<u>\$ 786,347</u>

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

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TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2021

Exhibit 3

	<u>Major Fund</u>
	<u>General</u>
ASSETS	
Cash and cash equivalents	\$ 437,041
Restricted cash and cash equivalents	1,102
Receivables, net	
Taxes	64,628
Accounts	10,117
Due from other governments	<u>11,906</u>
Total assets	<u>\$ 524,794</u>
LIABILITIES	
Accounts payable and accrued liabilities	<u>\$ 15,552</u>
Total liabilities	<u>15,552</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	195
Tax receivable	<u>64,628</u>
Total deferred inflows of resources	<u>64,823</u>
FUND BALANCES	
Restricted for:	
Stabilization by State Statute	22,023
Assigned	
Subsequent year's expenditures	1,162
Committed	
Public improvements	1,102
Unassigned	<u>420,132</u>
Total fund balances	<u>444,419</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 524,794</u>
Reconciliation of fund balance as reported in the balance sheet - governmental funds with net position - governmental activities	
Fund balance as reported in the balance sheet - governmental funds	\$ 444,419
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	283,434
Liabilities for earned but deferred revenues in fund statements	64,628
Long-term liabilities, principally installment purchases and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds	(5,000)
Compensated absence not expected to be materially liquidated with expendable resources	<u>(1,134)</u>
Net position of governmental activities	<u>\$ 786,347</u>

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended June 30, 2021

Exhibit 4

	<u>Major Fund</u>
	<u>General</u>
REVENUES	
Ad valorem taxes	\$ 141,068
Unrestricted intergovernmental	87,121
Restricted intergovernmental	112,703
Sales and service	10,558
Investment earnings	286
Miscellaneous	<u>17,200</u>
Total revenues	<u>368,936</u>
EXPENDITURES	
Current	
General government	196,500
Public safety	30,000
Transportation	41,495
Environmental protection	42,368
Recreation	24,615
Debt service	
Principal retirement	20,000
Interest	<u>405</u>
Total expenditures	<u>355,383</u>
Revenues over expenditures	<u>13,553</u>
Other financing resources	
Insurance proceeds	<u>71,966</u>
Total other financing sources	<u>71,966</u>
Net change in fund balance	85,519
Fund balance - beginning	<u>358,900</u>
Fund balance - ending	<u>\$ 444,419</u>

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the year ended June 30, 2021

Exhibit 5

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

Net change in fund balance - governmental fund	\$ 85,519
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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 outlay exceeded depreciation expense in the current period

Capital outlay	-
Depreciation	(35,322)

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

Change in deferred tax revenue	131
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(693)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payment	<u>20,000</u>
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Total change in net position of governmental activities	<u>\$ 69,635</u>
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TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2021

Exhibit 6

	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 124,907	\$ 133,088	\$ 141,068	\$ 7,980
Unrestricted intergovernmental	123,230	123,230	87,121	(36,109)
Restricted intergovernmental	23,035	33,757	112,703	78,946
Sales and services	25,000	25,000	10,558	(14,442)
Investment earnings	2,536	2,536	286	(2,250)
Miscellaneous	8,611	12,744	17,200	4,456
Total revenues	307,319	330,355	368,936	38,581
EXPENDITURES				
Current				
General government	162,524	197,143	196,500	643
Public safety	30,000	30,000	30,000	-
Transportation	37,174	42,301	41,495	806
Environmental protection	21,006	46,721	42,368	4,353
Recreation	44,829	44,829	24,615	20,214
Debt service		-		
Principal retirement	20,000	20,000	20,000	-
Interest	405	405	405	-
Total expenditures	315,938	381,399	355,383	26,016
Revenues over (under) expenditures	(8,619)	(51,044)	13,553	64,597
Other financing sources				
Insurance proceeds	-	42,425	71,966	29,541
Fund balance appropriated	8,619	8,619	-	(8,619)
Total other financing	8,619	51,044	71,966	20,922
Net change in fund balance	\$ -	\$ -	\$ 85,519	\$ 85,519
Fund balance - beginning			358,900	
Fund balance - ending			\$ 444,419	

NOTES TO THE FINANCIAL STATEMENTS

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statement themselves. The notes supplement the financial statements, and are an integral part thereof, and are intended to be read in conjunction with the financial statements.

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town of Dobbins Heights, North Carolina, is a municipal corporation that is governed by an elected mayor and a five-member council.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Town. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Revenues, that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. The Town maintains only one fund, a governmental fund, which is described as follows:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, various other taxes, grants, and investment earnings. The primary expenditures are for general government and transportation.

C. Measurement Focus and Basis of Accounting

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

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

Amounts reported as program revenues include operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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. General capital asset acquisitions are reported as expenditures in governmental funds.

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue because the amount is not susceptible to accrual.

At June 30, taxes receivable is materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Richmond County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the Town of Dobbins Heights. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the Town's vehicle taxes for vehicles registered in Richmond County from March 2020 through February 2021 apply to the fiscal year ended June 30, 2021. Uncollected taxes that were billed during this period are shown as a receivable in these financial statements and are offset by deferred revenues.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax collected and held by the State at year-end on behalf of the Town, are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Dobbins Heights because the tax is levied by Richmond 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.

D. Budgetary Data

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

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and Cash Equivalents

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

Restricted Assets

Money held separately for future public improvements of \$1,102 is classified as restricted cash and cash equivalents.

Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General fund, ad valorem tax revenues are reported net of such discounts.

Allowance for Uncollectible Accounts

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

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 have not been approved. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2016 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2016 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Other improvements	15-40
Equipment	7-15
Vehicles and motorized equipment	10
Infrastructure	25

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has no item that meets this criterion. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has only two items that meet the criterion for this category - prepaid taxes and property taxes receivable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

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

The Town's sick leave policies 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 Village has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position

Net position in government-wide financial statements is 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 government or imposed by law through state statute.

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

Committed for Public Improvements – portion of fund balance that is limited to expenditures for public improvements

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

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

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

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

F. Other

The Town of Dobbins Heights has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Town Clerk will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Town Clerk has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has not adopted a minimum fund balance policy for the General Fund

Use of Estimates

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits

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

At June 30, 2021, the Town's deposits had a carrying amount of \$437,953 and a bank balance of \$361,904. Of the bank balance, \$250,000 was covered by federal depository insurance. The Town had petty cash of \$190.

Receivable – Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position are net of the following allowances for doubtful accounts:

	<u>June 30, 2021</u>
General Fund: Taxes receivable	\$50,000

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities				
Capital assets not being depreciated				
Land	\$ 48,987	\$ -	\$ -	\$ 48,987
Total capital assets not being depreciated	48,987	-	-	48,987
Capital assets being depreciated				
Building	296,738	-	-	296,738
Other improvements	178,448	-	-	178,448
Equipment	78,013	-	-	78,013
Vehicles and motorized equipment	186,648	-	-	186,648
Infrastructure	102,833	-	-	102,833
Total capital assets being depreciated	842,680	-	-	842,680
Less accumulated depreciation for				
Building	189,601	7,438	-	197,039
Other improvements	78,205	7,944	-	86,149
Equipment	65,521	1,310	-	66,831
Vehicles and motorized equipment	165,814	13,742	-	179,556
Infrastructure	73,440	4,888	-	78,658
Total accumulated depreciation	572,911	35,322	-	608,233
Total capital assets being depreciated, net	269,769	-	-	234,447
Governmental activity capital assets, net	\$ 318,756	\$ -	\$ -	\$ 283,434

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

General government	\$ 8,566
Transportation	14,252
Environmental protection	4,888
Culture and recreation	7,616
Total depreciation expense	\$ 35,322

B. Liabilities

Deferred Outflows and Inflows of Resources

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

	Unavailable Revenue	Unearned Revenue
Taxes receivable (General Fund)	\$ 64,628	\$ -
Prepaid taxes (General Fund)	195	-
Total	\$ 64,823	\$ -

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

Risk Management

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

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

In accordance with G.S. 159-29, Town employees who have access to \$100 or more of the Town's funds at any given time are performance bonded through a commercial surety bond. The tax collector and the finance officer are individually bonded for \$25,000 and \$100,000, respectively. The Town also carries a blanket bond for employee dishonesty.

Long-Term Obligations

Notes Payable

Served by
Governmental Activities

In September 2015, the Town entered into an installment loan with PNC Bank to finance the Town Park renovations. Due in 72 monthly principal payments of \$1,666.67 at an interest rate of 2.54%.

	\$ 5,000
Less Current Portion	<u>5,000</u>
	\$ -

Changes in General Long-Term Liabilities

The following is a summary of changes in the Town's long-term debt for the year ended June 30, 2021:

	Balances July 1, 2020	Additions	Decreases	Balances June 30, 2021	Due within One Year
<u>Governmental activities</u>					
Notes payable	\$ 25,000	\$ -	\$ 20,000	\$ 5,000	\$ 5,000
Compensated absences	441	1,073	380	1,134	567
	<u>\$ 25,441</u>	<u>\$ 1,073</u>	<u>\$ 20,380</u>	<u>\$ 6,134</u>	<u>\$ 5,567</u>

At June 30, 2021, the Town had a legal debt margin of \$1,644,213.

Maturities of Long-Term Obligations

The annual requirements to retire all debt outstanding, other than compensated absences, at June 30, 2021, including interest, are as follows:

	Principal	Notes Payable Interest	Total
<u>Governmental activities</u>			
2022	\$ 5,000	\$ 21	\$ 5,021
2023	-	-	-
	<u>\$ 5,000</u>	<u>\$ 21</u>	<u>\$ 5,021</u>

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
For the Fiscal Year Ended June 30, 2021

NOTE 3 – FUND BALANCE

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

Total fund balance – General Fund	<u>\$444,419</u>
Stabilization by State Statute	22,023
Appropriated Fund Balance in 2022 budget	1,162
Remaining Fund Balance	421,234

NOTE 4 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus “COVID-19” outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines, or “stay-at-home” restrictions in certain areas and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets globally, including that of the Town. While it is unknown how long these conditions will last and what the complete financial impact will be, the Town is closely monitoring the impact of the COVID-19 pandemic on all aspects of their operations and are unable at this time to predict the continued impact that COVID-19 will have on their services, financial position, and operating results in future periods due to numerous uncertainties.

NOTE 5 – SUBSEQUENT EVENT

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) was signed into law. The law appropriates \$1.9 trillion of federal funding for COVID-19 relief and economic recovery including provisions directly benefiting state and local governments. North Carolina is expecting to receive over \$8.6 billion for state and local government relief, \$3.2 billion of which is to be distributed to local governments via federal formulas. ARPA funds are restricted to use within broad categories outlined in the Act, though within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. State and local governments must obligate ARPA funds by December 31, 2024, and spend them by December 31, 2026. Subsequent to June 30, 2021, the Town received ARPA allocations of \$118,476. The Town is currently collaborating on a plan to utilize the funds received.

**INDIVIDUAL FUND
FINANCIAL STATEMENTS**

MAJOR GOVERNMENTAL FUNDS

General Fund – This fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

Exhibit A-1
Page 1 of 2

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes			
Current year	\$ -	\$ 100,555	\$ -
Prior year	-	28,978	-
Penalties and interest	-	11,535	-
Total	133,088	141,068	7,980
Unrestricted intergovernmental revenues			
Local option sales tax	-	42,967	-
Hold harmless	-	14,138	-
Telecommunications tax	-	1,420	-
Video programming tax	-	3,848	-
Utility franchise tax	-	19,452	-
Beer and wine tax	-	3,433	-
Sales tax refund	-	1,248	-
Solid waste disposal tax	-	615	-
Total	123,230	87,121	(36,109)
Restricted intergovernmental revenue			
Powell Bill allocation	-	27,878	-
County grant	-	76,103	-
Federal grant	-	8,722	-
Total	33,757	112,703	78,946
Sales and services			
Rents and concessions	25,000	10,558	(14,442)
Investment earnings	2,536	286	(2,250)
Other Revenues			
Miscellaneous revenue	-	17,200	-
Total	12,744	17,200	4,456
Total revenues	330,355	368,936	38,581
Expenditures			
General government			
Governing body			
Salaries and employee benefits	-	21,593	-
Operating expenses	-	1,938	-
Total	23,900	23,531	369
Administration			
Salaries and employee benefits	-	74,859	-
Operating expenses	-	72,480	-
FEMA grant expenditures	-	1,255	-
Professional services	-	24,375	-
Total	173,243	172,969	274
Total general government	197,143	196,500	643

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

Exhibit A-1
Page 2 of 2

	Budget	Actual	Variance Positive (Negative)
Public safety			
Fire department			
Contract Services	-	30,000	-
Total public safety	30,000	30,000	-
Transportation			
Street and highways			
Salaries and employee benefits	-	5,730	-
Operating expenses	-	35,765	-
Total transportation	42,301	41,495	806
Environmental Protection			
Sanitation			
Salaries and employee benefits	-	15,345	-
Operating expenditures	-	27,023	-
Total environmental protection	46,721	42,368	4,353
Cultural and Recreational			
Parks and recreation			
Salaries and employee benefits	-	3,244	-
Operating expenditures	-	21,371	-
Total recreation	44,829	24,615	20,214
Debt service			
Principal retirement	20,000	20,000	-
Interest and fees	405	405	-
Total debt service	20,405	20,405	-
Total expenditures	381,399	355,383	26,016
Revenues over (under) expenditures	(51,044)	13,553	64,597
Other financing sources			
Insurance proceeds	42,425	71,966	29,541
Fund balance appropriated	8,619	-	(8,619)
Total other financing sources	51,044	71,966	20,922
Net change in fund balance	\$ -	85,519	\$ 85,519
Fund balance - beginning		358,900	
Fund balance - ending		\$ 444,419	

Other Schedules

This section includes additional information on property taxes.

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

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2021

Exhibit B-1

<u>Fiscal Year</u>	<u>Uncollected Balance 7/1/2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance 6/30/2021</u>
2020-2021	\$ -	\$ 123,691	\$ 100,555	\$ 23,136
2019-2020	19,338	-	5,174	14,164
2018-2019	16,274	-	3,992	12,282
2017-2018	13,621	-	3,284	10,337
2016-2017	12,364	-	2,878	9,486
2015-2016	13,359	-	3,035	10,324
2014-2015	12,314	-	2,838	9,476
2013-2014	11,620	-	2,561	9,059
2012-2013	11,487	-	2,979	8,508
2011-2012	10,093	-	2,237	7,856
2010-2011	9,027	-	9,027	-
	<u>\$ 129,497</u>	<u>\$ 123,691</u>	<u>\$ 138,560</u>	114,628
Less: Allowance for uncollectible accounts: General Fund				<u>(50,000)</u>
Ad valorem taxes receivable - net				<u>\$ 64,628</u>
Reconcilement with revenue: Taxes - ad valorem - General Fund				<u>\$ 141,068</u>
Reconciling items:				
Interest collected				(11,535)
Taxes written off				<u>9,027</u>
		Subtotal		<u>(2,508)</u>
Total collections and credits				<u>\$ 138,560</u>

TOWN OF DOBBINS HEIGHTS, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
TOWN-WIDE LEVY
For the Fiscal Year Ended June 30, 2021

Exhibit B-2

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxes at current year's rate	<u>\$ 20,615,167</u>	0.60	<u>\$ 123,691</u>	<u>\$ 102,737</u>	<u>\$ 20,954</u>
Abatelements:	<u>-</u>	0.60	<u>-</u>	<u>-</u>	<u>-</u>
Total property valuation	<u>\$ 20,615,167</u>				
Net levy			123,691	102,737	20,954
Uncollected taxes at June 30, 2021			<u>23,136</u>	<u>23,136</u>	<u>-</u>
Current year's taxes collected			<u>\$ 100,555</u>	<u>\$ 79,601</u>	<u>\$ 20,954</u>
Current levy collection percentage			<u>81.30%</u>	<u>77.48%</u>	<u>100.00%</u>