

REVIEWED

By SLGFD at 2:06 pm, Feb 17, 2022

TOWN OF FARMVILLE
Farmville, North Carolina

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

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FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

Prepared By
BARROW, PARRIS & DAVENPORT, P.A.
Certified Public Accountants
Kinston, North Carolina

TOWN OF FARMVILLE

John Moore
Mayor

BOARD OF COMMISSIONERS

Jamin Dixon

Brenda Elks

Bert Smith

David Shackelford

Alma Hobbs

TOWN ADMINISTRATION

David Hodgkins
Town Manager

Jeffrey Spencer
Police Chief

Amy B. Johnson
Finance Director/Town Clerk

Tommy Brady
Fire Chief

Diane White
Recreation Director

David R. Miller
Library Director

Justin Oakes
Planning Director

Brian Shackelford
Utility Director

Wesley Thomas
Public Works

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL SECTION

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INDIVIDUAL FUND STATEMENTS AND SCHEDULES

COMPLIANCE SECTION

GENERAL FUND

The General 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.

Resources are provided primarily through taxes and intergovernmental revenue and are expended for services deemed not susceptible to a user charge financing method.

The Fund is accounted for on the modified accrual basis of accounting.

OTHER GOVERNMENTAL FUNDS

The following comprise the Town's Other Governmental Funds:

NON-MAJOR FUNDS

Cemeteries Perpetual Care Fund – This fund is used to account for the ongoing care of the municipal cemeteries.

Subdivision Participation Project Fund – This fund is used to account for Subdivision Participation moneys.

Dogwood Festival Fund – This fund is used to account for the annual Dogwood Festival.

Library (Trust) Fund – This fund is used to account for contributions restricted for the library.

May Museum and Park (Trust) Fund – This fund is used to account for contributions restricted for the May Museum and Park.

2018 CDBG Neighborhood Revitalization Fund – This fund is used to account for the 2018 CDBG Neighborhood Revitalization Project.

Wallace Street Drainage Improvements Project Fund – This fund is used to account for The Wallace Street Drainage Improvements Project.

Walnut Street Depot Parking Lot Project Fund – This fund is used to account for the Walnut Street Depot Parking Lot Project.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

The following comprise the Town's Enterprise Funds:

Electric Fund - This fund is used to account for the Town's electric operations.

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

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

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Schedule of Changes in the Total OPEB Liability and Related Ratios

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TOWN OF FARMVILLE, NORTH CAROLINA
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and Members of the Board of Commissioners
Town of Farmville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Farmville, 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 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 of material misstatement.

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

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

Opinions

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

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 13, the Other Postemployment Benefits' Schedule of Changes in the Total OPEB liability and Related Ratios on page 68, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 64 and 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 pages 66 and 67 respectively, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

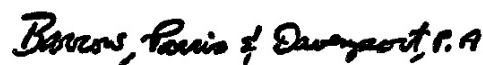
Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2022 on our consideration of Town of Farmville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Farmville's internal control over financial reporting and compliance.



BARROW, PARRIS & DAVENPORT, P.A.
KINSTON, NC

January 28, 2022

Management's Discussion and Analysis

As management of the Town of Farmville (the "Town"), we offer readers of the Town of Farmville's financial statements this narrative overview and analysis of the financial activities of the Town of Farmville 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 assets of the Town of Farmville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$44,834,487 (*net position*).
- The government's total net position increased by \$498,924 due to an increase in both the governmental activities and business-type activities net position. This compares to a decrease of \$544,659 in 2020.
- As of the close of the current fiscal year, the Town of Farmville's governmental funds reported combined ending fund balances of \$3,797,912 with a net decrease of \$2,623,313 in fund balance. Approximately 36.89% of this total amount, or \$1,401,305 is available for spending at the government's discretion (unassigned fund balance). In 2020, the unassigned fund balance was \$2,117,733, or 32.98% of combined governmental fund balance.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,401,305 or approximately 23.75% of total general fund expenditures for the fiscal year. In 2020, unassigned fund balance in the General Fund was \$2,117,733, or 46.26% of total general fund expenditures.
- The Town of Farmville's total debt decreased by a net of \$1,022,697 (6.21%) during the current fiscal year due to debt payments.

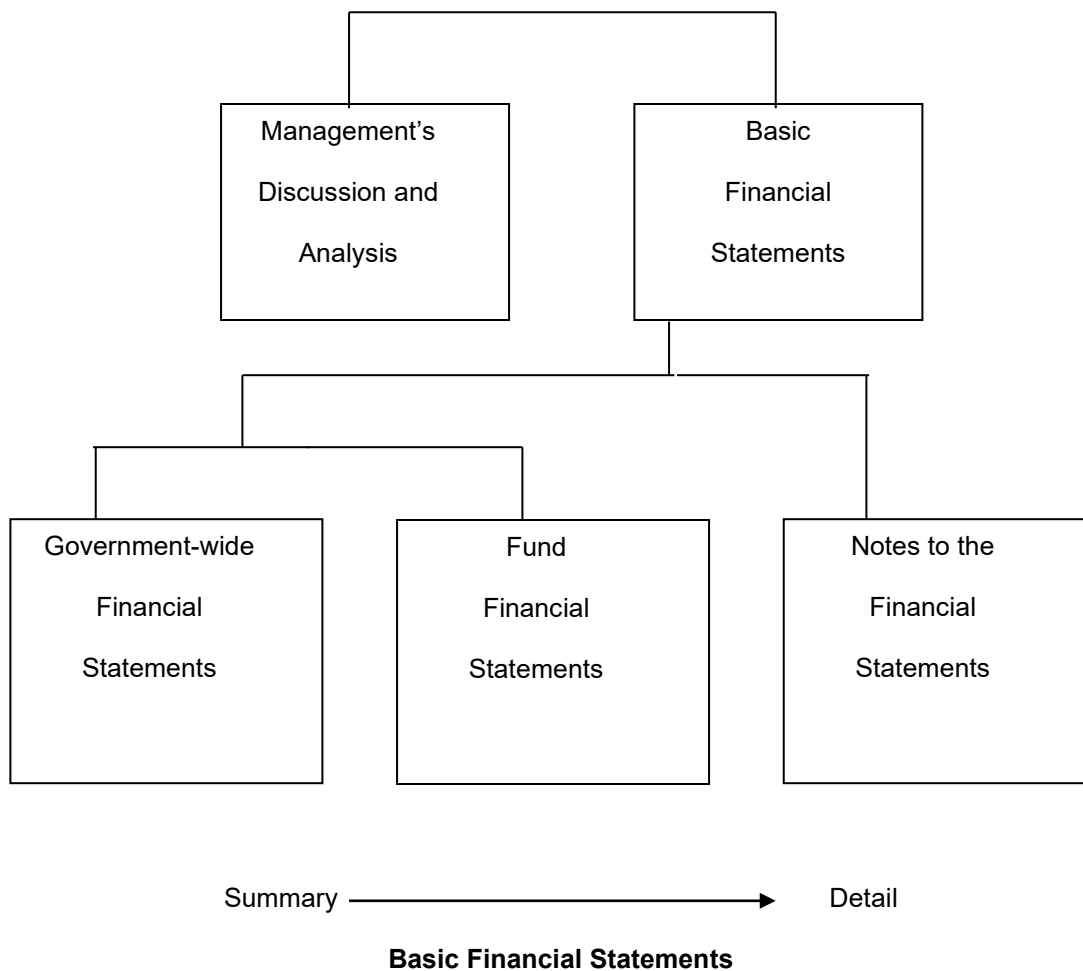
Overview of the Financial Statements

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

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Required Components of Annual Financial Report

Figure 1



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 10) 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 four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the 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.

Management's Discussion and Analysis (Continued)

Town of Farmville

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

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

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

Fund Financial Statements

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

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, 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 Farmville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

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

Fiduciary Funds – Fiduciary funds are used to account for the resources held for the benefit of parties outside the government. The Town of Farmville has one fiduciary fund.

Management's Discussion and Analysis (Continued)
Town of Farmville

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 27 of this report.

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

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

Government-Wide Financial Analysis
Town of Farmville's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$4,733,680	\$7,001,464	\$6,250,481	\$6,586,272	\$10,984,161	\$13,587,736
Capital assets	11,992,277	8,923,764	43,665,258	43,868,395	55,657,535	52,792,159
Deferred outflows of resources	1,495,781	1,047,363	344,648	296,179	1,840,429	1,343,542
Total assets and deferred outflows of resources	\$18,221,738	\$16,972,591	\$50,260,387	\$50,750,846	\$68,482,125	\$67,723,437
Current liabilities	\$1,147,553	\$766,937	\$1,783,147	\$2,165,777	\$2,930,700	\$2,932,714
Long-term liabilities	9,054,429	8,556,021	11,478,505	11,728,672	20,532,934	20,284,693
Deferred inflows of resources	155,329	134,302	28,675	36,165	184,004	170,467
Total liabilities and deferred inflows of resources	\$10,357,311	\$9,457,260	\$13,290,327	\$13,930,614	\$23,647,638	\$23,387,874
Net position:						
Net Investment in capital assets	\$7,313,794	\$5,904,998	\$32,904,703	\$32,432,821	\$40,218,497	\$38,337,819
Restricted	1,132,774	1,158,014			1,132,774	1,158,014
Unrestricted	(582,141)	452,319	4,065,357	4,387,411	3,483,216	4,839,730
Total net position	\$7,864,427	\$7,515,331	\$36,970,060	\$36,820,232	\$44,834,487	\$44,335,563

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Farmville exceeded liabilities and deferred inflows by \$44,834,487 as of June 30, 2021. As of June 30, 2020, the net position of The Town of Farmville stood at \$44,335,563. The Town's net position increased by \$498,924 for the current fiscal year. The Town's net position decreased by \$544,659 for 2020. However, the largest portion \$40,218,497 (89.70%) reflects the Town's net investment in capital assets (e.g. land, buildings, water and sewer distribution lines, machinery, and equipment). The Town of Farmville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Farmville's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Farmville's net position \$1,132,774 (2.53%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,483,216 (7.77%) is unrestricted. In 2020, the net investment in capital assets was \$38,337,819. An additional portion of the Town of Farmville's net position \$1,158,014 represented resources that were subject to external restrictions on how they may be used. The remaining \$4,839,730 was unrestricted net position for the 2020 year.

Management's Discussion and Analysis (Continued)
Town of Farmville

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

- Continued diligence in the collection of property taxes by collecting 98.63%.
- Continued low cost of debt due to the Town's high bond rating.

Town of Farmville Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$917,937	\$853,549	\$10,511,223	\$10,121,956	\$11,429,160	\$10,975,505
Operating grants and contributions	179,715	179,752			179,715	179,752
Capital grants and contributions	1,101,724	319,902	820,127	2,446,067	1,921,851	2,765,969
General revenues:						
Property taxes	1,834,826	1,610,409			1,834,826	1,610,409
Other taxes	1,237,541	1,053,377			1,237,541	1,053,377
Grants and contributions not restricted to specific programs	417,905	417,661			417,905	417,661
Other	164,418	276,086	303,434	225,698	467,852	501,784
Loss on Sale of Fixed Asset			(12,536)		(12,536)	
Extraordinary Item				(1,619,739)		(1,619,739)
Special Item	(448,375)				(448,375)	
Total revenues	\$5,405,691	\$4,710,736	\$11,622,248	\$11,173,982	\$17,027,939	\$15,884,718
Expenses:						
General Government	\$533,297	\$997,444			\$533,297	\$997,444
Public Safety	2,600,019	2,436,624			2,600,019	2,436,624
Transportation	84,632	86,520			84,632	86,520
Economic and Physical Development	594,894	268,246			594,894	268,246
Environmental Protection/Public Works	902,611	705,535			902,611	705,535
Public Services/Cultural and Recreation	798,608	795,779			798,608	795,779
Interest on long-term debt	138,777	136,117			138,777	136,117
Electric			\$6,030,714	\$6,122,455	6,030,714	6,122,455
Water			3,011,228	2,967,695	3,011,228	2,967,695
Sewer			1,834,235	1,912,962	1,834,235	1,912,962
Total expenses	\$5,652,838	\$5,426,265	\$10,876,177	\$11,003,112	\$16,529,015	\$16,429,377
Increase (Decrease) in net position before transfers:	(\$247,147)	(\$715,529)	\$746,071	\$170,870	\$498,924	(\$544,659)
Transfers	596,243	441,317	(596,243)	(441,317)		
Increase (Decrease) in net position	\$349,096	(\$274,212)	\$149,828	(\$270,447)	\$498,924	(\$544,659)
Net position, July 1	7,515,331	7,789,543	36,820,232	37,090,679	44,335,563	44,880,222
Net position, June 30	\$7,864,427	\$7,515,331	\$36,970,060	\$36,820,232	\$44,834,487	\$44,335,563

Management's Discussion and Analysis (Continued)
Town of Farmville

Governmental activities. Governmental activities increased the Town's net position by \$349,096 thereby accounting for 69.97% of the total change in net position. Key elements of this increase are as follows:

- Contributions and grants related to the Library Renovation Project increased approximately \$720,792 from the prior year.
- The Town received \$67,527 in CARES Act funds in the current year.
- The Town received \$47,541 in CDBG Funds for the Neighborhood Revitalization Project.

Business-type activities: Business-type activities increased the Town of Farmville's net position by \$149,828 accounting for 30.03% of the total increase in the government's net position. The key element of this increase are as follows:

- Increased revenues and decreased expenses in all three enterprise funds.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Farmville. At the end of the current fiscal year, Town of Farmville's fund balance available in the General Fund was \$1,401,305 while total fund balance increased to \$2,935,861.

At June 30, 2021, the total governmental funds of the Town of Farmville reported a combined fund balance of \$3,797,912 an approximate 40.85% decrease from last year; with a net decrease in fund balance of \$2,623,313.

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

The actual revenue amounts exceeded the original budgeted amounts primarily due to an increase in Local Option Sales Tax. Expenditures were held in check to try and comply with its budgetary requirements.

Proprietary Funds. The Town of Farmville's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Electric Fund at the end of the fiscal year amounted to \$811,723, the Water Fund amounted to \$2,567,869; and the Sewer Fund amounted to \$685,765. The total change in net position for the Electric, Water and Sewer Funds were (\$68,225), (\$405,341), and \$623,394, respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town of Farmville's business-type activities.

Management's Discussion and Analysis (Continued)
Town of Farmville

Capital Asset and Debt Administration

Capital assets. The Town of Farmville's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$55,657,535 (net of accumulated depreciation). These assets include buildings and substations, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following major additions:

Governmental-type Activities:

- Police department renovations for \$72,266
- Town Hall Bio-Security Renovations for \$99,452
- Library Renovations for \$5,294,342
- Kenwood Radios for the Police Department for \$104,744
- A splash pad for \$117,798
- Library Furniture & Equipment for \$484,525
- Walnut Street Depot Parking Lot & Lighting for \$328,507
- A Chevrolet Silverado for \$40,833
- Construction in Progress related to the Fire Department for \$145,035

Business-type Activities:

- Water Meters for \$43,564
- SCADA System Upgrade for \$41,250
- Construction in Progress related to Dalton's Cove for \$248,355
- Construction in Progress related to 2018 CDBG Sewer Infrastructure project for \$820,127
- Electric Meters for \$8,667

Town of Farmville's Capital Assets
(Net of depreciation)
Figure 4

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$1,757,394	\$1,757,394	\$310,647	\$310,648	\$2,068,041	\$2,068,042
Buildings and Systems	7,424,190	2,532,979	41,014,759	42,130,733	48,438,949	44,663,712
Equipment	1,278,626	594,747	313,185	379,861	1,591,811	974,608
Vehicles/Motorized Equipment	358,585	429,233	722,495	811,461	1,081,080	1,240,694
Infrastructure	1,024,225	597,705			1,024,225	597,705
Construction in progress	149,257	3,011,706	1,304,172	235,692	1,453,429	3,247,398
Total	\$11,992,277	\$8,923,764	\$43,665,258	\$43,868,395	\$55,657,535	\$52,792,159

Additional information on the Town's capital assets can be found in Note III. A. 4 beginning on page 40 of the notes to the Financial Statements.

Management's Discussion and Analysis (Continued)
Town of Farmville

Long-term Debt. As of June 30, 2021, the Town of Farmville had total debt outstanding of \$15,439,038 (not including compensated absences and other postemployment benefits). All of the above debt is backed by the full faith and credit of the Town.

Town of Farmville's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Installment Agreements	\$4,678,483	\$5,026,161	\$2,022,555	\$2,531,574	\$6,701,038	\$7,557,735
Revenue Bonds			8,738,000	8,904,000	8,738,000	8,904,000
Total	\$4,678,483	\$5,026,161	\$10,760,555	\$11,435,574	\$15,439,038	\$16,461,735

The Town of Farmville's total debt decreased by \$1,022,697 (6.21%) during the past fiscal year.

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 Farmville is \$29,587,559 of which \$14,148,521 is available. The Town has \$0 in bonds authorized but un-issued at June 30, 2021.

Additional information regarding the Town of Farmville's long-term debt can be found in Note III. B. 7. beginning on page 56 of this report in the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators impact the potential growth and prosperity of the Town:

- The Farmville Downtown area remains strong and viable. The mix of tenants in Downtown Farmville includes a variety of locally owned retail establishments as well as restaurants, service businesses, professional offices, governmental offices, and second floor residential apartments and is anchored by Farmville Furniture, which is more than 100 years old, as well as other larger merchants and service businesses that draw customers from throughout the region. A new real estate agency, a new cellular phone store, a new hair salon, and several other small businesses have opened in the downtown area in the past year as well.
- The Town adopted several new policies in recent years targeted at under-used properties. The most popular one is the Building Improvement Incentive Grant Program for Rehabilitation of Vacant Buildings which serves as an incentive to property owners who improve the interior or exterior of a commercial building while making every effort to maintain the property's historic character. It provides matching funds of up to 2% of the permitted and documented construction cost of a building improvements project totaling at least \$5,000. As a catalyst for the recruitment of new business to existing vacant buildings, eligibility is granted to new business projects in any commercial building that has been vacant for three (3) consecutive months and has life safety structural deficiencies, handicapped accessibility issues, or major mechanical deficiencies. The Building Renovation Incentive Grant Program and the long-established Façade Grant Program continue to be effective catalysts to encourage renovation of several downtown storefronts and building interiors each year which has leveraged significant amounts of new private investment for downtown. Several long-time vacant buildings have been sold in past years and have been or are currently being renovated for new retail and office tenants.

Management's Discussion and Analysis (Continued)
Town of Farmville

- The North Carolina Furniture School is located in a renovated former auto parts warehouse in the downtown area and is North Carolina's home for classes in furniture making, woodturning, and DIY woodworking classes for all skill levels from beginner to advanced and attracts students from throughout North Carolina and from adjacent states.
- The Lanoca Coffee Institute located in the downtown area in a newly renovated space that used to be a night club. Lanoca is an artisanal coffee micro-roaster specializing in single-origin coffees for restaurants, shops, and individuals and also offers a growing selection of loose leaf teas. The Lanoca Coffee Institute offers classes and workshops to the public on bean selection, brewing techniques, and other topics of interest to coffee connoisseurs.
- The Town completed a new 17,000 square foot, state of the art, public library in 2021 on the edge of the Central Business District. This facility provides expanded reading areas for patrons of all ages, separate rooms for special programs, genealogy study, maker space, a multi-media lab, and public meeting rooms. This facility has allowed the establishment of partnerships with East Carolina University, Pitt Community College, and local public schools and has been a magnet for attracting more visitors to the downtown area.
- These projects, as well as existing antique, artwork, dance studio, and fine furniture businesses, have transformed downtown Farmville into a mini fine arts and education district.
- Several apartment units have been established on the second floor of newly renovated downtown buildings in the recent years bringing residents downtown to patronize businesses during daytime and nighttime hours, thereby making this area more vibrant and alive during traditionally off-peak times.
- The Town of Farmville is in the process of planning and designing a new 20,000 square foot, four bay Fire Department Headquarters building on a Town owned site. When completed, this facility will be equipped to serve our growing area for many decades to come.
- The former US 264, which passes through the northern edge of Farmville, is a 4 lane, limited access highway that provides easy access from Raleigh to Eastern North Carolina. In 2021, the Federal Highway Administration designated this roadway as Interstate 587 (I-587). The Federal Highway Administration's designation means the region will receive prioritized road funding and properties in and around Farmville will have convenient interstate access. A shopping center, several fast food establishments, a discount retail store, and a convenience and travel center have been built in recent years on this road. More business ventures, including a hotel, are anticipated in this area due to easy access to major transportation arteries as well as several nearby shovel ready tracts available for immediate development.
- The Farmville Community Arts Council and the May Museum and Park are both located in the Central Business District and continue to provide diverse cultural programs and activities that draw visitors from throughout the region.
- The single family and multi-family housing market is extremely strong in Farmville. Existing homes that come on the market are routinely purchased usually within a week to ten days. A new fifty-six unit apartment complex opened last year to strong demand that has provided much needed rental homes. A new forty-three lot upscale single-family subdivision is under construction on the edge of town as well as a twelve lot subdivision adjacent to the Farmville Country Club. Several smaller, infill residential projects are being planned for single-family homes and many of the homes under construction are pre-sold.
- An older, existing shopping center on the southern edge of town is seeing an uptick in commercial activity with construction on out parcels as well as upfit of existing spaces in the shopping center.
- DR Burton, a medical device manufacturer, purchased an existing 29,000 square foot shell building in the Farmville Corporate Park several years ago. The company employs approximately 80 individuals. The company is also contemplating constructing a 130,000-square foot addition which would employ another 200 plus individuals when completed.

Management's Discussion and Analysis (Continued)
Town of Farmville

- Carolina Poultry Power, a leader in agricultural waste to energy technologies, has constructed a \$30,000,000 production facility in Farmville and is looking for additional expansion opportunities. Poultry litter generated by agricultural operations in eastern North Carolina is converted to high quality fuel through a strictly regulated gasification system that converts the poultry litter into electricity and steam energy to be used by local industry and utilities.

Governmental Activities

- The tax rate for the Town remains at \$.49 per \$100 of assessed valuation and the collection rate remains high.
- Generally, revenue levels are stable. Some increases in revenue have occurred due to growth but also because of occasional rate and fee increases. The local economy continues to be strong and growing despite any continued effects from the pandemic.
- The Town has been very successful in seeking out grant funds for capital improvements. In the past year, the Town has received grants for storm water projects, water and sewer improvements, law enforcement equipment, and economic development efforts.
- The Town continues to pursue an aggressive program to address substandard structures in our jurisdiction. In the last year, several such structures have been condemned and either demolished or renovated. This has had a positive effect on the Town's appearance and has spurred increased interest in investment in the community by private entities.

Business – Type Activities

- The Town's projected revenues from water and sewer appear on track to meet current revenue projections. The Town initiated a water rate increase effective last July to meet operational and capital needs in this fund and to provide sufficient reserves for future needs.
- The North Carolina Eastern Municipal Power Agency (NCEMPA), of which the Town of Farmville is a member, sold its generating assets to Duke Progress Energy in July 2015. The sale relieved Farmville of the vast majority of its electrical debt and enabled the Town of Farmville to reduce its retail electric rates by an average of 6.4%, effective November 1, 2015. The Town instituted another rate reduction in the amount of 4.1%, effective July 1, 2021 to mirror a wholesale rate reduction from NCEMPA. This relief from ongoing electrical debt will enable electric rates to remain unchanged for the foreseeable future, provide for an electrical rate stabilization fund, and make the Town's electric rates more competitive for potential new business and industry to locate in Farmville.
- The Town has completed construction on a major water project that replaced substandard and undersized water lines which addressed water volume and pressure issues in the southern portion of the Farmville Water System. This will assist the Town in lowering utility maintenance costs as new water mains require significantly less maintenance than older lines. The project was funded through a combination of NC Clean Water Bonds and a federal CDBG grant.
- The Town has completed construction on a major sanitary sewer project that replaced substandard sanitary sewer lines in the southern portion of the Farmville Sanitary Sewer System. This will assist the Town in lowering utility maintenance costs as new sanitary sewer lines require significantly less maintenance than older lines. The project was entirely funded through a federal CDBG grant.

Management's Discussion and Analysis (Continued)
Town of Farmville

- The Town received the first of two installments of funding through the Coronavirus State and Local Recovery Fund program of the American Rescue Plan Act of 2021. These funds are designed to mitigate the adverse effects of the COVID pandemic on communities such as Farmville. Funds may be used to address the COVID-19 public health emergency and its negative economic impacts, premium pay for eligible workers performing essential work during the pandemic, necessary water, wastewater, and broadband infrastructure, and revenue replacement for lost revenue growth. Because this will likely be a once in a generation infusion of funds into our town, lots of thought will be given to spending these funds on projects that will have a lasting positive impact on the community for years to come.

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 Director of Finance; Town of Farmville; P.O. Box 86; Farmville, N.C. 27828. You can also call (252) 753-6715, visit our website www.farmvillenc.gov or send an email to ajohnson@farmvillenc.gov for more information.

TOWN OF FARMVILLE, NORTH CAROLINA

STATEMENT OF NET POSITION

June 30, 2021

ASSETS	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
Assets:			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$2,924,015	\$3,068,826	\$5,992,841
Taxes Receivables (Net)	224,478		224,478
Accrued Interest Receivable	74,640	45	74,685
Accounts Receivable (Net)	197,313	1,649,621	1,846,934
Due From Other Governments	445,027	16,627	461,654
Internal Balances	(91,125)	91,125	
Inventories	15,849	244,034	259,883
Restricted Cash and Cash Equivalents	943,483	1,180,203	2,123,686
Total Current Assets	\$4,733,680	\$6,250,481	\$10,984,161
<i>Capital Assets (Note 4):</i>			
Land, Non-depreciable Improvements, and Construction in Progress	\$1,906,651	\$1,614,819	\$3,521,470
Other Capital Assets, Net of Depreciation	10,085,626	42,050,439	52,136,065
Total Capital Assets	\$11,992,277	\$43,665,258	\$55,657,535
Total Assets	\$16,725,957	\$49,915,739	\$66,641,696
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferrals	\$964,707	\$139,936	\$1,104,643
OPEB Deferrals	531,074	204,712	735,786
	\$1,495,781	\$344,648	\$1,840,429
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable and Accrued Liabilities	\$581,353	\$743,906	\$1,325,259
Accrued Interest Payable	126,300	37,720	164,020
Customer Deposits		288,366	288,366
Current Portion of Long-Term Liabilities	439,900	713,155	1,153,055
Total Current Liabilities	\$1,147,553	\$1,783,147	\$2,930,700
<i>Long-term Liabilities:</i>			
Total Pension Liability	\$870,754		\$870,754
Net Pension Liability	1,257,263	\$257,512	1,514,775
OPEB Liability	2,441,900	741,633	3,183,533
Infrastructure Guarantee Deposit		383,000	383,000
Due In More Than One Year	4,484,512	10,096,360	14,580,872
Total Liabilities	\$10,201,982	\$13,261,652	\$23,463,634
DEFERRED INFLOWS OF RESOURCES			
Pension Deferrals	\$81,074	\$6,494	\$87,568
OPEB Deferrals	74,255	22,181	96,436
	\$155,329	\$28,675	\$184,004
NET POSITION			
Net Investment in Capital Assets	\$7,313,794	\$32,904,703	\$40,218,497
Restricted for:			
Stabilization by State Statute	481,844		481,844
Streets - Powell Bill	491,082		491,082
Fire - Capital Outlay	126,703		126,703
Police Drug Funds	33,145		33,145
Unrestricted	(582,141)	4,065,357	3,483,216
Total Net Position	\$7,864,427	\$36,970,060	\$44,834,487

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

TOWN OF FARMVILLE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Program Revenues					et (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	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	\$533,297	\$74,736		\$67,527	(\$391,034)		(\$391,034)
Public Safety	2,600,019	42,969	\$877	24,106	(2,532,067)		(2,532,067)
Transportation	84,632		127,828		43,196		43,196
Economic and Physical Development	594,894		47,541		(547,353)		(547,353)
Environmental Protection/Public Works	902,611	651,522	3,469	5,000	(242,620)		(242,620)
Public Services/Cultural and Recreation	798,608	148,710		1,005,091	355,193		355,193
Interest on Long-Term Debt	138,777				(138,777)		(138,777)
Total Governmental Activities (See Note 1)	\$5,652,838	\$917,937	\$179,715	\$1,101,724	(\$3,453,462)	\$0	(\$3,453,462)
Business-type Activities:							
Electric	\$6,030,714	\$6,220,482				\$189,768	\$189,768
Water	3,011,228	2,656,229				(354,999)	(354,999)
Sewer	1,834,235	1,634,512		\$820,127		620,404	620,404
Total Business-type Activities	\$10,876,177	\$10,511,223	\$0	\$820,127	\$0	\$455,173	\$455,173
<i>General Revenues:</i>							
Taxes:							
Property Taxes, Levied for General Purpose					\$1,834,826		\$1,834,826
Other Taxes and Licenses					1,237,541		1,237,541
Grants and Contributions Not Restricted to Specific Programs					417,905		417,905
Investment Earnings, Unrestricted					1,716	\$4,547	6,263
Miscellaneous, Unrestricted					162,702	298,887	461,589
Loss from Sale of Fixed Asset						(12,536)	(12,536)
Special Item (See Note III.D)					(448,375)		(448,375)
Total General Revenues excluding Transfers					\$3,206,315	\$290,898	\$3,497,213
Transfers					596,243	(596,243)	
Total General Revenues and Transfers					\$3,802,558	(\$305,345)	\$3,497,213
Change in Net Position					349,096	149,828	498,924
Net Position, Beginning					7,515,331	36,820,232	44,335,563
NET POSITION, ENDING					\$7,864,427	\$36,970,060	\$44,834,487

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

TOWN OF FARMVILLE, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	Major Fund		Total	Total
	General	Library Building Renovation	Non-Major Funds	Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$2,247,988		\$676,027	\$2,924,015
Restricted Cash	650,930	\$292,553		943,483
Receivables, Net:				
Taxes	224,478			224,478
Accounts	81,703	80,300	35,310	197,313
Due From Other Governments	389,476	45,155	2,078	436,709
Due From Other Funds	2,078			2,078
Inventories	15,849			15,849
TOTAL ASSETS	\$3,612,502	\$418,008	\$713,415	\$4,743,925
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable and Accrued Liabilities	\$369,356	\$176,953	\$35,041	\$581,350
Deferred Revenue		55,300		55,300
Due to Other Funds	91,125		2,078	93,203
Total Liabilities	\$460,481	\$232,253	\$37,119	\$729,853
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Receivable	\$216,160			\$216,160
Total Deferred Inflows of Resources	\$216,160	\$0	\$0	\$216,160
<i>Fund Balances:</i>				
Non Spendable:				
Inventories	\$15,849			\$15,849
Restricted:				
Stabilization by State Statute	481,575		\$269	481,844
Streets	491,082			491,082
Fire - Capital Outlay	126,703			126,703
Police Drug Funds	33,145			33,145
Assigned:				
Cemetery Maintenance			180,360	180,360
Subdivision Participation			59,031	59,031
Dogwood Festival			172,621	172,621
Library and May Museum			264,015	264,015
Library Renovation Project		\$185,755		185,755
Subsequent Year's Expenditures	386,202			386,202
Unassigned, General Fund	1,401,305			1,401,305
Total Fund Balances	\$2,935,861	\$185,755	\$676,296	\$3,797,912
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$3,612,502	\$418,008	\$713,415	

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

TOWN OF FARMVILLE, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

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

Total Fund Balance, Governmental Funds	\$3,797,912
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	11,992,277
Deferred outflows of resources related to pensions are not reported in the funds	964,707
Deferred outflows of resources related to OPEB are not reported in the funds	531,074
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds	74,640
Earned revenues considered deferred inflows of resources in fund statements.	224,478
Pledged revenues considered deferred inflows of resources in fund statements	55,300
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:	
Installment financing	(4,678,483)
Compensated absences	(245,929)
Net Pension Liability	(1,257,263)
Total Pension Liability	(870,754)
Total OPEB Liability	(2,441,900)
Deferred inflows of resources related to pensions are not reported in the funds	(81,074)
Deferred inflows of resources related to OPEB are not reported in the funds	(74,255)
Other long term liabilities (accrued interest) are not due and payable in the current period and therefore are not reported in the funds	(126,303)
Net Position of Governmental Activities	\$7,864,427

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

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

	Major Funds		Total	Total
	General Fund	Library Buliding Renovation	Non-Major Funds	Governmental Funds
REVENUES:				
Ad Valorem Taxes	\$1,851,940			\$1,851,940
Unrestricted Intergovernmental	1,655,446			1,655,446
Restricted Intergovernmental	279,679	\$350,000	\$47,541	677,220
Licenses & Permits	33,980			33,980
Sales & Services	832,028		39,834	871,862
Investment Earnings	1,146	92	478	1,716
Other Revenues	35,640	531,710	657	568,007
Miscellaneous Revenues	155,709			155,709
TOTAL REVENUES	\$4,845,568	\$881,802	\$88,510	\$5,815,880
EXPENDITURES:				
<i>Current:</i>				
General Government	\$405,285			\$405,285
Public Safety	2,632,579			2,632,579
Transportation	71,855			71,855
Economic and Physical Development	184,952		\$376,334	561,286
Environmental Protection/Public Works	1,173,236			1,173,236
Public Services	925,329			925,329
Capital Outlay		\$2,773,956		2,773,956
<i>Debt Service:</i>				
Principal Retirement	359,494			359,494
Interest and Other Charges	147,798			147,798
TOTAL EXPENDITURES	\$5,900,528	\$2,773,956	\$376,334	\$9,050,818
Excess (Deficiency) of Revenues Over Expenditures	(\$1,054,960)	(\$1,892,154)	(\$287,824)	(\$3,234,938)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	\$1,011,579		\$350,684	\$1,362,263
Transfers to Other Funds	(350,684)	(\$375,930)	(39,406)	(766,020)
Lease Proceeds	15,382			15,382
TOTAL OTHER FINANCING SOURCES (USES)	\$676,277	(\$375,930)	\$311,278	\$611,625
Net Change in Fund Balance	(\$378,683)	(\$2,268,084)	\$23,454	(\$2,623,313)
<i>Fund Balances, Beginning</i>	<i>3,314,544</i>	<i>2,453,839</i>	<i>652,842</i>	<i>6,421,225</i>
FUND BALANCES, ENDING	\$2,935,861	\$185,755	\$676,296	\$3,797,912

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

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

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

Net changes in fund balances - total governmental funds	(\$2,623,313)
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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 depreciation exceeded capital outlays in the current period.

Capital Outlay expenditures which are capitalized	\$3,922,945	
Depreciation expense for government assets	(406,057)	3,516,888

Cost of disposed capital assets not recorded in fund statements	(448,375)
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	249,541
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Benefit payments paid and administrative expense for LEOSSA are not included on the statement of activities	42,956
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OPEB benefit payments and administrative costs made in the current fiscal year are not included on the statement of activities	73,861
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenue	(45,482)	
Change in unavailable revenue for tax revenues	(17,114)	

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

New long-term debt issued	(\$15,382)	
Principal payments on long-term debt	363,060	
Decrease in accrued interest payable	9,021	356,699

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	\$3,640	
Pension Expense	(423,877)	
LEOSSA Expense	(96,068)	
OPEB Plan Expense	(240,260)	(756,565)

Total Changes in Net Position of Governmental Activities	\$349,096
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The accompanying notes are an integral part of the financial statements.

TOWN OF FARMVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Favorable (Unfavorable)
Revenues:				
Ad Valorem Taxes	\$1,758,906	\$1,805,406	\$1,851,940	\$46,534
Unrestricted Intergovernmental	1,535,200	1,540,200	1,655,446	115,246
Restricted Intergovernmental	183,789	272,883	279,679	6,796
Licenses & Permits	28,300	32,600	33,980	1,380
Sales & Services	884,789	856,789	832,028	(24,761)
Investment Earnings	9,025	8,425	1,146	(7,279)
Other Revenues	27,200	25,800	35,640	9,840
Miscellaneous Revenues	178,134	175,634	155,709	(19,925)
Total Revenues	\$4,605,343	\$4,717,737	\$4,845,568	\$127,831
Expenditures:				
<i>Current:</i>				
General Government	\$494,253	\$500,710	\$405,285	\$95,425
Public Safety	2,355,668	2,757,540	2,632,579	124,961
Transportation	75,750	96,250	71,855	24,395
Economic and Physical Development	165,000	186,280	184,952	1,328
Environmental Protection/Public Works	1,067,646	1,274,147	1,173,236	100,911
Public Services	906,522	1,020,361	925,329	95,032
<i>Debt Service:</i>				
Principal Retirement	365,394	365,395	359,494	5,901
Interest and Other Charges	147,799	147,799	147,798	1
Total Expenditures	\$5,578,032	\$6,348,482	\$5,900,528	\$447,954
Revenues Over (Under) Expenditures	(\$972,689)	(\$1,630,745)	(\$1,054,960)	\$575,785
Other Financing Sources (Uses):				
Transfers (to)/from Other Funds	\$950,939	\$660,895	\$660,895	
Lease Proceeds			15,382	\$15,382
Fund Balance Appropriated	21,750	969,850		(969,850)
Total Other Financing Sources (Uses)	\$972,689	\$1,630,745	\$676,277	(\$954,468)
Net Change in Fund Balance	\$0	\$0	(\$378,683)	(\$378,683)
<i>Fund Balances, Beginning</i>			3,314,544	
Fund Balance, Ending			\$2,935,861	

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

TOWN OF FARMVILLE, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2021

<u>Assets</u>	<u>Major Enterprise Funds</u>			
	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Current Assets:				
Cash and Cash Equivalents	\$208,340	\$2,058,671	\$801,815	\$3,068,826
Accounts Receivable (Net)	860,757	280,565	508,299	1,649,621
Interest Receivable	15	15	15	45
Due from Other Governments		6,646	9,981	16,627
Due From Other Funds	290,000	30,563		320,563
Inventories	189,215	51,396	3,423	244,034
Restricted Cash and Cash Equivalents	199,482	597,721	383,000	1,180,203
Total Current Assets	\$1,747,809	\$3,025,577	\$1,706,533	\$6,479,919
Noncurrent Assets:				
Capital Assets:				
Land and Construction in Progress	\$58,900	\$130,440	\$1,425,479	\$1,614,819
Other Capital Assets, Net of Depreciation	3,777,201	19,057,655	19,215,583	42,050,439
Total Capital Assets	\$3,836,101	\$19,188,095	\$20,641,062	\$43,665,258
Total Noncurrent Assets	\$3,836,101	\$19,188,095	\$20,641,062	\$43,665,258
Total Assets	\$5,583,910	\$22,213,672	\$22,347,595	\$50,145,177
<u>Deferred Outflows of Resources</u>				
Pension Deferrals	\$74,084	\$32,926	\$32,926	\$139,936
OPEB Deferrals	79,683	119,091	5,938	204,712
Total Deferred Outflows of Resources	\$153,767	\$152,017	\$38,864	\$344,648
<u>Liabilities</u>				
Current Liabilities:				
Accounts Payable and				
Accrued Liabilities	\$400,874	\$7,738	\$335,294	\$743,906
Accrued Interest Payable	9,659	22,044	6,017	37,720
Due to Other Funds			229,438	229,438
Long-Term Debt, Current Portion	256,815	231,975	202,365	691,155
Current Portion Compensated Absences	16,000	3,000	3,000	22,000
Liabilities Payable from Restricted Assets:				
Infrastructure Guarantee Deposit			383,000	383,000
Customer Deposits	199,482	88,884		288,366
Total Current Liabilities	\$882,830	\$353,641	\$1,159,114	\$2,395,585
Noncurrent Liabilities:				
Net Pension Liability	\$136,330	\$60,591	\$60,591	\$257,512
Compensated Absences Payable	19,914	3,523	3,523	26,960
Total OPEB Liability	295,477	409,881	36,275	741,633
Long-Term Debt, Non-Current Portion		8,064,575	2,004,825	10,069,400
Total Noncurrent Liabilities	\$451,721	\$8,538,570	\$2,105,214	\$11,095,505
Total Liabilities	\$1,334,551	\$8,892,211	\$3,264,328	\$13,491,090
<u>Deferred Inflows of Resources</u>				
Pension Deferrals	\$3,438	\$1,528	\$1,528	\$6,494
OPEB Deferrals	8,679	12,536	966	22,181
Total Deferred Inflows of Resources	\$12,117	\$14,064	\$2,494	\$28,675
<u>Net Position</u>				
Net Investment in Capital Assets	\$3,579,286	\$10,891,545	\$18,433,872	\$32,904,703
Unrestricted	811,723	2,567,869	685,765	4,065,357
Total Net Position	\$4,391,009	\$13,459,414	\$19,119,637	\$36,970,060

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

TOWN OF FARMVILLE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Total
OPERATING REVENUES:				
Charges for Services	\$6,220,482	\$2,647,849	\$1,607,684	\$10,476,015
Water and Sewer Tap Fees		8,380	26,828	35,208
Other Operating Revenues	91,493	144,350		235,843
Total Operating Revenues	\$6,311,975	\$2,800,579	\$1,634,512	\$10,747,066
OPERATING EXPENSES:				
Administration	\$649,056	\$415,187	\$256,044	\$1,320,287
Electric Operations	957,617			957,617
Electric Power Purchases	4,203,989			4,203,989
Water Treatment and Distribution		1,699,271		1,699,271
Waste Collection and Treatment			963,582	963,582
Depreciation	208,636	614,551	553,385	1,376,572
Total Operating Expenses	\$6,019,298	\$2,729,009	\$1,773,011	\$10,521,318
Operating Income	\$292,677	\$71,570	(\$138,499)	\$225,748
NONOPERATING REVENUES (EXPENSES):				
Investment Earnings	\$1,023	\$2,643	\$881	\$4,547
Miscellaneous Non Operating Revenues	54,094	841	8,109	63,044
Interest and Other Charges	(11,416)	(282,219)	(61,224)	(354,859)
Loss from Sale of Fixed Asset		(12,536)		(12,536)
Total Nonoperating Revenues (Expenses)	\$43,701	(\$291,271)	(\$52,234)	(\$299,804)
Income (Loss) Before Contributions and Transfers	\$336,378	(\$219,701)	(\$190,733)	(\$74,056)
Capital Grant & Developer Contributions			\$820,127	\$820,127
Transfers (To) Other Funds	(\$404,603)	(\$185,640)	(6,000)	(596,243)
Change in Net Position	(\$68,225)	(\$405,341)	\$623,394	\$149,828
Total Net Position, Beginning	4,459,234	13,864,755	18,496,243	36,820,232
Total Net Position, Ending	\$4,391,009	\$13,459,414	\$19,119,637	\$36,970,060

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

TOWN OF FARMVILLE, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers	\$6,231,470	\$2,674,621	\$1,647,134	\$10,553,225
Cash Paid for Goods and Services	(5,477,152)	(1,950,796)	(687,422)	(8,115,370)
Cash Paid to or on Behalf of Employees for Services	(466,545)	(213,232)	(170,843)	(850,620)
Customer Deposits Received	29,335	12,130		41,465
Customer Deposits Returned	(32,885)	(11,175)		(44,060)
Other Operating Revenues	91,493	144,350		235,843
Net Cash Provided (Used) by Operating Activities	\$375,716	\$655,898	\$788,869	\$1,820,483
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Net Transfers (To) From Other Funds	(\$404,603)	(\$185,640)	(\$6,000)	(\$596,243)
Cash Flows (To) From Noncapital Financing Activities	(\$404,603)	(\$185,640)	(\$6,000)	(\$596,243)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction of Capital Assets	(\$8,667)	(\$96,819)	(\$1,265,315)	(\$1,370,801)
Principal Paid on Long - Term Debt	(246,678)	(226,975)	(201,365)	(675,018)
Interest Paid on Long - Term Debt	(20,693)	(282,630)	(61,953)	(365,276)
Sale of Materials	52,507	841	8,109	61,457
Insurance Refund	1,586			1,586
Capital Contributions - State Grants & Developers			930,772	930,772
Net Cash Provided (Used) by Capital and Related Financing Activities	(\$221,945)	(\$605,583)	(\$589,752)	(\$1,417,280)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments	\$1,023	\$2,643	\$881	\$4,547
Net Increase (Decrease) in Cash and Cash Equivalents	(\$249,809)	(\$132,682)	\$193,998	(\$188,493)
Cash and Cash Equivalents, July 1	657,631	2,789,074	990,817	4,437,522
Cash and Cash Equivalents, June 30	\$407,822	\$2,656,392	\$1,184,815	\$4,249,029
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:				
Cash consists of the following:				
Unrestricted Cash and Cash Equivalents	\$208,340	\$2,058,671	\$801,815	\$3,068,826
Restricted Cash and Cash Equivalents - Customer Deposits	199,482	88,884		288,366
Restricted Cash and Cash Equivalents - Debt Service Reserve		508,837	383,000	891,837
Cash and Cash Equivalents - June 30, 2021	\$407,822	\$2,656,392	\$1,184,815	\$4,249,029

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

TOWN OF FARMVILLE, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Major Enterprise Funds			
	Electric Fund	Water Fund	Sewer Fund	Total
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</i>				
Operating Income	\$292,677	\$71,570	(\$138,499)	\$225,748
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>				
Depreciation	\$208,636	\$614,551	\$553,385	\$1,376,572
<i>Changes in Assets, Deferred Outflows of Resources and Liabilities:</i>				
Decrease (Increase) in Accounts Receivable	10,988	18,392	12,622	42,002
Decrease (Increase) in Due From Other Governments		2,577	(765)	1,812
Decrease (Increase) in Due From Other Funds		147,746		147,746
Decrease (Increase) in Inventory	(10,670)	3,629	(119)	(7,160)
Decrease (Increase) in Deferred Outflows of Resources - Pensions	(7,490)	(3,420)	(3,420)	(14,330)
Decrease (Increase) in Deferred Outflows of Resources - OPEB	(13,648)	(20,146)	(345)	(34,139)
Increase (Decrease) in Due To Other Funds	(109,231)		(38,516)	(147,747)
Increase (Decrease) in Net Pension Liability	21,517	9,720	9,720	40,957
Increase (Decrease) in Deferred Inflows of Resources - Pensions	979	439	439	1,857
Increase (Decrease) in Accounts Payable & Accrued Liabilities	(39,573)	(182,949)	18,596	(203,926)
Increase (Decrease) in Infrastructure Guarantee Deposit			383,000	383,000
Increase (Decrease) in Compensated Absences	5,559	(1,200)	(1,200)	3,159
Increase (Decrease) in Customer Deposits	(3,550)	955		(2,595)
Increase (Decrease) in Deferred Inflows of Resources - OPEB	(3,185)	(5,328)	(834)	(9,347)
Increase (Decrease) in OPEB Liability	22,707	(638)	(5,195)	16,874
Total Adjustments	\$83,039	\$584,328	\$927,368	\$1,594,735
Net Cash Provided (Used) by Operating Activities	\$375,716	\$655,898	\$788,869	\$1,820,483

Supplemental Disclosure of Noncash Activities

During the year, the Water Fund disposed of assets with a Net Book Value of \$12,536. The Sewer Fund had CIP that were payables at year end in the amount of \$312,089 and included in acquisition are \$496,918 of assets added last year but paid in current year.

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

TOWN OF FARMVILLE, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2021

	2021
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$25,636
Total Assets	\$25,636
Liabilities and Net Assets:	
<i>Current Liabilities:</i>	
Accounts Payable and Accrued Liabilities	
Total Liabilities	\$0
Net Position:	
<i>Unrestricted:</i>	
Assets held in trust for benefit payments	\$25,636
Total Liabilities and Net Position	\$25,636

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

TOWN OF FARMVILLE, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2021

	2021
Additions:	
Investment Earnings	\$19
Total Revenues	\$19
Deductions:	
Claims	
Total Expenditures	\$0
Change in Net Position	\$19
<i>Net Position Beginning of Year</i>	25,617
Net Position End of Year	\$25,636

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Farmville 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 Farmville (the "Town") is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town. The Town of Farmville is located in Pitt County, in the eastern part of North Carolina, and has a population of approximately 4,800 persons within the Town limits. The Town maintains its own police department, and provides substantial financial support, equipment, and supervision to its principal volunteer fire department and rescue squad.

In addition, the Town operates electric, water, and sewer service utilities for paying customers within the Town limits and certain immediate surrounding areas.

B. BASIS OF PRESENTATION

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

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including the fiduciary fund. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – 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.

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

The Town reports the following major governmental funds:

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

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

B. BASIS OF PRESENTATION (CONTINUED)

Library Building Renovation Project Fund. This fund is used to account for the Library Renovation Project moneys.

The Town reports the following non-major governmental funds:

Cemeteries Perpetual Care Fund. This fund is used to account for the ongoing care of the municipal cemeteries.

Subdivision Participation Project Fund. This fund is used to account for Subdivision Participation Project moneys.

Dogwood Festival Fund. This fund is used to account for the annual Dogwood Festival.

Library (Trust) Fund. This fund is used to account for contributions restricted for the Library.

May Museum and Park (Trust) Fund. This fund is used to account for contributions restricted for the May Museum and Park.

2018 CDBG Neighborhood Revitalization Fund. This fund is used to account for the 2018 CDBG Neighborhood Revitalization Project.

Wallace Street Drainage Improvements Project Fund. This fund is used to account for the Wallace Street Drainage Improvements Project.

Walnut Street Depot Parking Lot Project Fund. This fund is used to account for the Walnut Street Depot Parking Lot Project.

The Town reports the following major enterprise funds:

Electric Fund. This fund is used to account for the Town's electric fund operations.

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

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

The Town reports the following fiduciary fund, which is a private purpose trust fund:

Fire Supplemental Hospitalization Insurance Fund. This fund is used to hold moneys restricted for supplemental hospitalization benefits for Firefighters.

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

Sales taxes and certain intergovernmental revenues, such as 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 Farmville because the tax is levied by Pitt County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because, generally, they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

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

D. BUDGETARY DATA

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

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND FUND EQUITY

1. Deposit and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

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

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents. The Town 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

The unexpended funds in the water and sewer capital project funds are classified as restricted assets in the enterprise funds because their use is completely restricted to the purpose for which the funds were borrowed or received. Customer Deposits held by the Town before any services were supplied are restricted to the service for which the deposit was collected. Powell Bill funds are classified as restricted cash because they can be expended only for purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. The Fire Department funds are restricted cash because it can be expended only for purposes of the Fire Department. The Police Department has funds for drug money that is also restricted cash because it can only be expended for purposes of the Police Department, as it relates to undercover drug activity.

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

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND FUND EQUITY
(CONTINUED)

During the year, a local developer gave the Sewer Fund an Infrastructure Guarantee Deposit for Dalton's Cove Subdivision. The deposit will be paid back to the developer as construction at the subdivision is completed.

Town of Farmville Restricted Cash	
Governmental Activities	
General Fund	
Streets	\$491,082
Fire Department	126,703
Public Safety	33,145
Library Building Renovation Project Fund	292,553
Total Governmental Activities	\$943,483
Business-type Activities	
Electric Fund	
Customer Deposits	\$199,482
Water Fund	
Customer Deposits	\$88,884
Debt Service	508,837
	\$597,721
Sewer Fund	
Sewer Infrastructure Deposit - Developer	\$383,000
	\$383,000
Total Business-type Activities	\$1,180,203
Total Restricted Cash	\$2,123,686

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 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, 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.

5. Allowances for Doubtful Accounts

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

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

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND FUND EQUITY
(CONTINUED)

6. Inventory and Prepaid Items

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

The inventories of the Town's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization cost for all assets is \$5,000. Donated capital assets received prior to June 30, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	<u>Estimated Useful Lives</u>
Infrastructure	25 - 50
Buildings	50
Improvements	25
Vehicles	5
Furniture and Equipment	10
Computer Equipment	3
Computer Software	5

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, pension and OPEB deferrals for the 2021 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category – property taxes receivable, pension deferrals and OPEB deferrals.

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

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND FUND EQUITY
(CONTINUED)

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The 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 Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for accumulated sick leave until it is taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed of four 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:

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

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

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

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND FUND EQUITY
(CONTINUED)

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

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

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

Restricted for Fire – Capital Outlay – portion of fund balance that is restricted for fire department capital outlay purchases.

Restricted for Police Drug Funds – portion of fund balance that is restricted for the use of undercover drug activities by the police department.

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

Cemetery Maintenance – portion of fund balance that has been assigned for cemetery expenses.

Subdivision Participation – portion of fund balance that has been assigned for subdivision participation.

Dogwood Festival – portion of fund balance that has been assigned for Dogwood Festival expenses.

Library and May Museum – portion of fund balance that has been assigned for contributor related expenses.

Library Renovation Project – portion of fund balance that has been assigned for library renovations.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

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

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

E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND FUND EQUITY
(CONTINUED)

The Town of Farmville has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director 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 Finance Director has the authority to deviate from this policy if it is in the best interest of the Town.

The Town of Farmville currently does not have an adopted minimum fund balance policy.

12. Defined Benefit Cost-Sharing Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Farmville's employer contributions are recognized when due and the Town of Farmville 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.

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

F. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$4,066,515 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$17,947,600
Less Accumulated Depreciation	<u>(5,955,323)</u>
Net Capital Assets	\$11,992,277
Net Pension Liability	(1,257,263)
Total Pension Liability	(870,754)
Pension assets used in governmental activities are not financial resources do not require current resources to pay and are therefore not reported in the fund statements:	
Contributions to Pension Plan	964,707
OPEB Deferrals	531,074
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are not available and therefore deferred in the fund statements	74,640
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide statement:	
Unearned revenues	279,778
Pension related	(81,074)
OPEB Related	(74,255)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Installment financing	(4,678,483)
Compensated absences	(245,929)
Other Postemployment Benefits	(2,441,900)
Accrued interest payable	(126,303)
Total Adjustment	<u>\$4,066,515</u>

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

F. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in net position includes a reconciliation between net changes in fund balance – total governmental funds and changes in net position – governmental activities as reported in the government-wide statement of activities. The total adjustment of \$2,972,409 is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$3,922,945
Cost of disposed capital assets not recorded in fund statements	(448,375)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(406,057)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statement of net position	363,060
Long-term debt issued is recorded as an other financing source on the fund statements but again affect only the statement of net position in the government-wide statement of net position	(15,382)
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	9,024
Deferral of current year pension contributions	249,541
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	3,640
Benefit Payments and administrative costs for LEOSSA are deferred outflows of resources on the statement of net position	42,956
Benefit Payments and administrative costs for OPEB are deferred outflows of resources on the statement of net position	73,861
Pension expenses are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(519,948)
OPEB expenses are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(240,260)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements	
Deferred Revenue	(45,482)
Reversal of deferred tax revenue recorded at 7/1/20	(242,692)
Recording of tax receipts deferred in the fund statements as of 6/30/21	224,478
Increase in accrued taxes receivable for year ended 6/30/21	1,100
Total Adjustment	\$2,972,409

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

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. SIGNIFICANT VIOLATIONS OF FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

1. Noncompliance with North Carolina General Statute

The Town's electric fund transfers are not in accordance with State law [G.S 159B-39]. State law authorizes a municipality to transfer to other funds a sum that reflects a rate of return on the investment in the electric system to the extent that it does not exceed the greater of 3% of gross capital assets of the electric fund from the prior year audited financial statements or 5% of gross electric fund revenue from the prior year audited financial statements. State law requires that a municipality shall not otherwise transfer revenue from an electric utility to any other fund of the municipality for any other purpose not authorized by law. The Town has exceeded the allowable amount of transfers by \$54,794 in the current year.

B. DEFICIT IN FUND BALANCE OF INDIVIDUAL FUNDS NOT APPROPRIATED IN SUBSEQUENT YEAR'S BUDGET ORDINANCE

None noted.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

None noted.

III. *DETAIL NOTES ON ALL FUNDS*

A. ASSETS

1. Deposits

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

At June 30, 2021, the Town's deposits had a carrying amount of \$5,967,175 and a bank balance of \$6,109,939. Of this balance, \$500,000 was covered by federal depository insurance and \$5,609,939 was covered by collateral held under the Pooling method. At June 30, 2021, the petty cash funds totaled \$1,055.

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

2. Investments

At June 30, 2021, the Town of Farmville had \$2,173,933 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

3. Receivables – Allowances for Doubtful Accounts

Receivables at the Government-wide level at June 30, 2021, were as follows:

	Taxes and Related Interest	Other	Accounts	Due from Other Governments	Total
Governmental Activities:					
General	\$290,942	\$74,640	\$81,703	\$397,794	\$845,079
Other Governmental			115,610	47,233	162,843
Total Receivables	\$290,942	\$74,640	\$197,313	\$445,027	\$1,007,922
Allowance for Doubtful Accounts	66,464				66,464
Total Governmental Activities	\$224,478	\$74,640	\$197,313	\$445,027	\$941,458
Business Type Activities:					
Electric Fund		\$15	\$919,757		\$919,772
Water Fund		15	310,565	\$6,646	317,226
Sewer Fund		15	520,299	9,981	530,295
Total Receivables		\$45	\$1,750,621	\$16,627	\$1,767,293
Allowance for Doubtful Accounts			101,000		101,000
Total Business Type Activities	\$0	\$45	\$1,649,621	\$16,627	\$1,666,293

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

Local Option Sales Tax	\$207,128
Sales Tax	122,112
Franchise Tax	84,000
Solid Waste Disposal Tax	860
DMV - Tags & Titles	5,217
Vehicle Taxes - Pitt County	17,392
Property Taxes - Pitt County	8,318
Total General Fund	\$445,027
1/2 Water Project - Greene Co.	\$6,646
Sales Tax	9,981
Total Enterprise Funds	\$16,627
Total Due	\$461,654

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

3. Receivables – Allowances for Doubtful Accounts (Continued)

Pledges related to library construction in progress by the Town, consisted of the following at June 30, 2021:

	2021
Unconditional Pledges for Library Construction	\$55,300
Gross Unconditional Pledges	\$55,300
Less: Present Value Discount	\$2,633
Net Unconditional Pledges	\$52,667
 <i>Net Amounts Due in:</i>	
Less Than One Year	\$26,952
One to Five Years	25,715
Total Amounts Due	\$52,667

4. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$1,757,394			\$1,757,394
Construction in Progress	3,011,706	\$149,257	\$3,011,706	149,257
Total Capital Assets Not Being Depreciated	\$4,769,100	\$149,257	\$3,011,706	\$1,906,651
Capital Assets Being Depreciated:				
Buildings	\$5,583,826	\$5,496,293	\$1,077,131	\$10,002,988
Equipment	1,401,249	786,660	36,334	2,151,575
Vehicles and Motorized Equipment	2,065,402	40,833	21,195	2,085,040
Infrastructure	1,339,738	461,608		1,801,346
Total Capital Assets Being Depreciated	\$10,390,215	\$6,785,394	\$1,134,660	\$16,040,949
Less Accumulated Depreciation for:				
Buildings	\$3,050,847	\$156,707	\$628,756	\$2,578,798
Equipment	806,502	102,781	36,334	872,949
Vehicles and Motorized Equipment	1,636,169	111,481	21,195	1,726,455
Infrastructure	742,033	35,088		777,121
Total Accumulated Depreciation	\$6,235,551	\$406,057	\$686,285	\$5,955,323
<i>Total Capital Assets Being Depreciated, Net</i>	4,154,664			10,085,626
Governmental Activity Capital Assets, Net	\$8,923,764			\$11,992,277

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

General Government	\$157,186
Public Safety	128,653
Public Works	27,844
Public Service	92,374
Total Depreciation Expense	\$406,057

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

4. Capital Assets (Continued)

Capital asset activity for the Enterprise Funds for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activity:				
Electric Fund:				
Capital assets not being depreciated:				
Land	\$58,900			\$58,900
<i>Total Capital Assets Not Being Depreciated</i>	\$58,900	\$0	\$0	\$58,900
Capital Assets Being Depreciated:				
Substations, Lines and Related	\$6,799,865	\$8,667		\$6,808,532
Furniture and Equipment	1,689,384		\$6,614	1,682,770
Vehicles	733,723			733,723
<i>Total Assets Being Depreciated</i>	\$9,222,972	\$8,667	\$6,614	\$9,225,025
Less Accumulated Depreciation for:				
Substations, Lines and Related	\$3,217,335	\$131,351		\$3,348,686
Furniture and Equipment	1,309,592	66,607	\$6,614	1,369,585
Vehicles	718,875	10,678		729,553
Total Accumulated Depreciation	\$5,245,802	\$208,636	\$6,614	\$5,447,824
<i>Total Capital Assets Being Depreciated, Net</i>	3,977,170			3,777,201
Electric Fund Capital Assets, Net	\$4,036,070			\$3,836,101
Water Fund:				
Capital assets not being depreciated:				
Land	\$130,440			\$130,440
<i>Total Capital Assets Not Being Depreciated</i>	\$130,440	\$0	\$0	\$130,440
Capital Assets Being Depreciated:				
Plant and Distribution Systems	\$26,622,010	\$43,564	\$48,335	\$26,617,239
Vehicles and Construction Equipment	1,171,222	53,255		1,224,477
<i>Total Assets Being Depreciated</i>	\$27,793,232	\$96,819	\$48,335	\$27,841,716
Less Accumulated Depreciation for:				
Plant and Distribution Systems	\$7,447,609	\$513,208	\$35,799	\$7,925,018
Vehicles and Construction Equipment	757,700	101,343		859,043
Total Accumulated Depreciation	\$8,205,309	\$614,551	\$35,799	\$8,784,061
<i>Total Capital Assets Being Depreciated, Net</i>	19,587,923			19,057,655
Water Fund Capital Assets, Net	\$19,718,363			\$19,188,095

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

4. Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Sewer Fund:				
Capital assets not being depreciated:				
Land	\$121,307			\$121,307
Construction in Progress	235,692	\$1,068,480		1,304,172
<i>Total Capital Assets Not Being Depreciated</i>	\$356,999	\$1,068,480	\$0	\$1,425,479
Capital Assets Being Depreciated:				
Plant and Distribution Systems	\$28,565,182			\$28,565,182
Vehicles and Construction Equipment	1,153,489	\$12,006		1,165,495
<i>Total Assets Being Depreciated</i>	\$29,718,671	\$12,006	\$0	\$29,730,677
Less Accumulated Depreciation for:				
Plant and Distribution Systems	\$9,191,311	\$511,179		\$9,702,490
Vehicles and Construction Equipment	770,398	42,206		812,604
Total Accumulated Depreciation	\$9,961,709	\$553,385	\$0	\$10,515,094
<i>Total Capital Assets Being Depreciated, Net</i>	19,756,962			19,215,583
Sewer Fund Capital Assets, Net	\$20,113,961			\$20,641,062
 Business-type Activities Capital Assets, Net	 \$43,868,394			 \$43,665,258

Construction Commitments

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

Project	Spent-to-Date	Remaining Commitment
Governmental Project:		
2018 CDBG Neighborhood Revitalization	\$48,226	\$709,774
Sewer Projects:		
2018 CDBG Sewer Infrastructure	973,273	651,727
Total	\$1,021,499	\$1,361,501

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

B. LIABILITIES

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows:

	<u>Vendors</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental Activities:			
General	\$581,353	\$126,300	\$707,653
Total Governmental Activities	<u>\$581,353</u>	<u>\$126,300</u>	<u>\$707,653</u>
Business Type Activities:			
Electric Fund	\$400,874	\$9,659	\$410,533
Water Fund	7,738	22,044	29,782
Sewer Fund	335,294	6,017	341,311
Total Business Type Activities	<u>\$743,906</u>	<u>\$37,720</u>	<u>\$781,626</u>

2. Pension Plan and Post Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Farmville is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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.

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.

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

2. Pension Plan and Post Employment Obligations (Continued)

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of 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. Town of Farmville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Farmville's contractually required contribution rate for the year ended June 30, 2021, was 10.90% of compensation for law enforcement officers and 10.15% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Farmville were \$300,652 for the year ended June 30, 2021.

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

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

At June 30, 2021, the Town reported a liability of \$1,514,775 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability 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 Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020 (measurement date), the Town's proportion was .04239%, which was a decrease of .00073% from the proportion measured as of June 30, 2019.

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

2. Pension Plan and Post Employment Obligations (Continued)

For the year ended June 30, 2021, the Town recognized pension expense of \$510,699. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$191,290	
Changes of assumptions	112,729	
Net difference between projected and actual earnings on pension plan investments	213,164	
Changes in proportion and differences between Town contributions and proportionate share of contributions	5,318	\$38,193
Town contributions subsequent to the measurement date	300,652	
Total	\$823,153	\$38,193

\$300,652 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ended June 30:

2022	\$136,856
2023	183,079
2024	101,288
2025	63,085
2026	
Thereafter	
	\$484,308

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 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.

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

2. Pension Plan and Post Employment Obligations (Continued)

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020, are summarized in the following table:

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

The information above is based on 30-year expectations developed with the consulting actuary for the 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 3.00%. 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.

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

2. Pension Plan and Post Employment Obligations (Continued)

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability	\$3,073,314	\$1,514,775	\$219,520

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

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

The Town of Farmville administers a public employee retirement system (the "Separation Allowance"), a single employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees Receiving Benefits	2
Terminated Plan Members entitled to but not yet Receiving Benefits	0
Active Plan Members	18
Total	20

2. Summary of Significant Accounting Policies

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

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

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

2. Pension Plan and Post Employment Obligations (Continued)

3. 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 assumption, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.2 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.

4. Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$43,342 as benefits came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of \$870,754. 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 Town recognized pension expense of \$96,068.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$51,910	\$33,431
Changes of assumptions	199,662	15,944
Benefit payments and administrative expenses made subsequent to the measurement date	29,918	
Total	\$281,490	\$49,375

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

2. Pension Plan and Post Employment Obligations (Continued)

\$29,918 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ended June 30:

2022	\$45,627
2023	46,636
2024	42,159
2025	34,847
2026	28,123
Thereafter	4,805
	<u>\$202,197</u>

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (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	\$946,574	\$870,754	\$801,664

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

	<u>2021</u>
Beginning balance of the total pension liability	\$680,508
Changes for the year:	
Service Cost at end of year	28,666
Interest	21,775
Charges of benefit terms	
Differences between expected and actual experience	(39,885)
Changes of assumptions and other inputs	204,800
Benefit payments	(25,110)
Other	
Net Changes	<u>190,246</u>
Ending balance of the total pension liability	<u>\$870,754</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.

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

2. Pension Plan and Post Employment Obligations (Continued)

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

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

	LGERS	LEOSSA	TOTAL
Pension Expense	\$510,699	\$96,068	\$606,767
Pension Liability	1,514,775	870,754	\$2,385,529
Proportionate Share of the Net Pension Liability	0.04239%	N/A	

Deferred Outflows of Resources

Differences between expected and actual experience	191,290	51,910	\$243,200
Changes of assumptions	112,729	199,662	\$312,391
Net difference between projected and actual earnings on plan investments	213,164		\$213,164
Changes in proportion and differences between contributions and proportionate share of contributions	5,318		\$5,318
Benefit payments and administrative costs paid subsequent to the measurement date	300,652	29,918	\$330,570

Deferred Inflows of Resources

Changes of assumptions		15,944	\$15,944
Differences between expected and actual experience		33,431	\$33,431
Changes in proportion and differences between contributions and proportionate share of contributions	38,193		\$38,193

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 5.00% of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021, were \$49,438 which consisted of \$43,508 from the Town and \$5,930 from the law enforcement officers.

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

2. Pension Plan and Post Employment Obligations (Continued)

d. Supplemental Retirement Income Plan for Employees not Engaged in Law Enforcement

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to the general employees not engaged in law enforcement.

Funding Policy. The Town has elected to contribute each month an amount equal to 2.75% of each employee's salary. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021, were \$125,788, which consisted of \$55,900 from the Town and \$69,888 from the employees not engaged in law enforcement.

e. Other Postemployment Benefit (OPEB)

1. Healthcare Benefits

Plan Description. Under the terms of a Town resolution, the Town administers a single employer defined Healthcare Benefits Plan (the HCB plan). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. As of September 5, 1995, this plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the Local Government Employees' Retirement System (System) and have at least twenty (20) years of creditable service with the Town (fifteen (15) years for retirees due to disability). Prior to September 5, 1995, employees qualified for similar level benefits after at least ten (10) years of creditable service with the Town (five (5) years for retirees due to disability). The Town pays the full cost of coverage for these benefits through private insurers. The Town's retirees cannot purchase additional coverage for their dependents at the Town's group rates. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and Dependents Receiving Benefits	11	
Active Plan Members	25	
Total	36	0

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

2. Pension Plan and Post Employment Obligations (Continued)

Total OPEB Liability

The Town's total OPEB liability of \$3,183,533 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	2.50%
Real Wage Growth	1.00%
Wage Inflation	3.50%
Salary Increases, including wage inflation	
General Employees	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.50%
Measurement Date	2.21%
Health Care Cost Trend Rates	
Pre-Medicare Medical and	7.00% for 2019 decreasing to
Prescription Drug	an ultimate rate of 4.5% by 2026

The Town selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2020	\$2,831,915
Changes for the Year	
Service Cost	73,047
Interest	98,891
Changes of Benefit terms	
Differences between expected and actual experience	(4,418)
Changes in assumptions or other inputs	344,489
Benefit Payments	(160,391)
Net Changes	<u>\$351,618</u>
Balance at June 30, 2021	<u><u>\$3,183,533</u></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.

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

2. Pension Plan and Post Employment Obligations (Continued)

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 1, 2010 through December 31, 2014, adopted by the LGERS Board.

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 performed 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 Town, as well as what the Town'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:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$3,481,871	\$3,183,533	\$2,912,676

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town'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:

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$2,823,457	\$3,183,533	\$3,605,586

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$274,565. At June 30, 2021, the Town 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	\$264,971	\$3,688
Changes of assumptions or other inputs	328,812	92,748
Benefit Payments made subsequent to the measurement date	142,003	
Total	\$735,786	\$96,436

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

2. Pension Plan and Post Employment Obligations (Continued)

\$142,003 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30:

2022	\$102,627
2023	102,627
2024	107,730
2025	121,731
2026	59,821
Thereafter	2,811
	<u>\$497,347</u>

3. Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Government Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest 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. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Town considers these contributions to be immaterial.

4. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position is comprised of the following:

<u>Source</u>	<u>Amount</u>
Contributions to pension plan in current fiscal year	\$300,652
Benefit payments and administrative expenses for LEOSA made subsequent to measurement date	29,918
Benefit payments and administrative expenses for OPEB made subsequent to measurement date	142,003
Differences between expected and actual experience	508,171
Changes of assumptions	641,203
Net difference between projected and actual	213,164
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,318
Total	<u><u>\$1,840,429</u></u>

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

4. Deferred Outflows and Inflows of Resources (Continued)

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

	Statement of Net Position	General Fund Balance Sheet
Taxes Receivable, less penalties (general fund)		\$216,160
Changes in assumptions	\$108,692	
Differences between expected and actual experience	37,119	
Changes in proportion and differences between employer contributions and proportionate share of contributions	38,193	
	\$184,004	\$216,160

5. 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 carries commercial insurance for general liability of \$1 million per occurrence and \$3 million aggregate and auto liability of \$1 million 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 up to an unlimited limit.

The Town also carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town carries flood insurance for coverage up to \$1 million per occurrence.

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

6. Claims, Judgements and Contingent Liabilities

On March 22, 2011, the Town was notified by the North Carolina Department of Environmental Quality Control (DEQ) of a potential issue associated with soil contamination that was discovered during installation of a waterline along a Town street. As of report date, it has not been determined who is at fault for the contamination. The Town does not feel that it is responsible for the contamination and plans to defend itself against the issue raised by DEQ. The Town's council is unable to predict an outcome in this matter.

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

7. Long-Term Obligations

a. Capital Leases

The Town has entered into an agreement to lease certain equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception.

The agreement was executed on December 30, 2020, to lease a recording machine for the Police Department and requires 5 annual payments. Title passes to the Town at the end of the lease term.

The following is an analysis of the asset recorded under a capital lease at June 30, 2021:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$15,382	\$769	\$14,613

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Year Ending June 30,	
2022	\$3,567
2023	3,567
2024	3,567
2025	3,567
Total Minimum Lease Payments	\$14,268
Less: amount representing Interest	2,452
Present Value of the Minimum Lease Payments	<u>\$11,816</u>

b. Installment Purchases

Serviced by the Town's General Fund

On November 19, 2015, the Town entered into an installment purchase contract with Branch Banking & Trust Company for the purchase of new vehicles. The terms of this agreement called for 5 annual payments in the amount of \$32,859 beginning on November 19, 2017. The agreement carries an interest rate of 2.49%. The asset and related liability were recorded in the General Fund. The balance was paid off during the current fiscal year.

On July 29, 2019, the Town entered into an installment purchase contract with Branch Banking & Trust Company for the construction of the new Library Building. The terms of this agreement called for 15 annual principal payments in the amount of \$327,433 with an interest rate of 2.94% beginning on July 29, 2020. The balance at June 30, 2021 was \$4,666,667.

Total Long-Term Obligations Serviced by the General Fund at June 30, 2021 was \$4,666,667.

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

7. Long-Term Obligations (Continued)

Serviced by the Town's Electric Fund

On August 1, 2006, the Town entered into an installment purchase contract with Branch Banking & Trust Company for the purpose of constructing a point-of-delivery electric substation and electric transmission line. The terms of this agreement call for 15 annual payments in the amount of \$267,371 that began on August 1, 2007 and continue through August 1, 2021. The agreement carries an interest rate of 4.11%. The asset and the related liability have been recorded in the Electric Fund. The balance at June 30, 2021, was \$256,815.

Total Long-Term Obligations Serviced by the Electric Fund at June 30, 2021 was \$256,815.

Serviced by the Town's Water Fund

On May 14, 2009, the Town entered into a financing agreement with NC Department of Environment & Natural Resources – Division of Environmental Health to complete a construction project designed to provide an alternative water source to local area residents. The financing contract is part of the American Recovery Reinvestment Act of 2009 (ARRA) and totals \$3,000,000, with a forgiveness principal amount of \$1,500,000. The loan requires 20 annual principal payments in the amount of \$75,000 that began in June 2017. The agreement carries an interest rate of 0%. The project assets and the related liability have been recorded in the Water Fund. The total at June 30, 2021, was \$1,500,000, with ½ to be forgiven of \$750,000, leaving a balance of \$750,000.

On September 9, 2019, the Town entered into a financing agreement with NCDEQ – DWI Drinking Water for the 2017 Water Improvements Project. The terms of the agreement call for 20 annual principal payments in the amount of \$15,975 that began on May 1, 2020. The agreement carries an interest rate of 0%. The asset and related liability were recorded in the Water Fund. The balance at June 30, 2021 was \$287,550.

Total Long-Term Obligations Serviced by the Water Fund at June 30, 2021 was \$1,037,550.

Serviced by the Town's Sewer Fund

On December 3, 2003, the Town entered into a financing agreement with NC Department of Environment, Health, and Natural Resources to aide in the construction of a sanitary sewer project. The financing contract requires 20 annual principal payments in the amount of \$100,000 beginning May 2005, with an interest rate of 2.36%. The project assets and the related liability have been recorded in the Sewer Fund. The balance at June 30, 2021, was \$300,000.

On March 27, 2006, the Town entered into a financing agreement with NC Department of Environment & Natural Resources – Division of Water Quality to aide in the purchase of a sewer sludge drying unit. The financing contract requires 20 annual principal payments in the amount of \$72,650 beginning November 2007, and semi-annual interest payments due May 1 and November 1 each year. The agreement carries an interest rate of 2.205%. The project assets and the related liability have been recorded in the Sewer Fund. The balance at June 30, 2021, was \$428,190.

Total Long-Term Obligations Serviced by the Sewer Fund at June 30, 2021 was \$728,190.

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

7. Long-Term Obligations (Continued)

The future minimum payments of the installment purchases are as follows:

Year Ending June 30,	Governmental Activity		Business-Type Activity					
	General Fund		Electric Fund		Water Fund		Sewer Fund	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$333,333	\$137,200	\$256,815	\$10,554	\$90,975		\$171,365	\$16,522
2023	333,333	127,400			90,975		171,365	12,587
2024	333,333	117,600			90,975		171,365	8,654
2025	333,333	107,800			90,975		71,365	472
2026	333,333	98,000			90,975		71,365	315
2027-2031	1,666,667	343,000			454,875		71,365	1,574
2030-2036	1,333,335	245,000			127,800			
	\$4,666,667	\$1,176,000	\$256,815	\$10,554	\$1,037,550	\$0	\$728,190	\$40,124

c. Revenue Bonds

Serviced by the Town's Water Fund:

\$3,802,000 Water Revenue Bonds, Series 2010, issued for water system improvements. Annual installments are due June 1 at an annual interest rate of 4.00% \$3,333,000

\$2,000,000 Water Revenue Bonds, Series 2010, issued for water system improvements. Annual installments are due June 1 at an annual interest rate of 4.00% 1,721,000

\$2,514,000 Water Revenue Bonds, Series 2010, issued for water system improvements. Annual installments are due June 1 at an annual interest rate of 4.00% 2,205,000

Total **\$7,259,000**

The future payments of the revenue bonds for the years ending June 30, are as follows:

<u>During the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$141,000	\$277,453	\$418,453
2023	147,000	272,083	419,083
2024	152,000	266,488	418,488
2025	158,000	260,700	418,700
2026	164,000	254,680	418,680
2027-2031	886,000	1,208,323	2,094,323
2032-2036	920,000	1,174,540	2,094,540
2037-2041	1,287,000	530,513	1,817,513
2042-2046	1,551,000	495,640	2,046,640
2047-2051	1,853,000	147,478	2,000,478
	\$7,259,000	\$4,887,898	\$12,146,898

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

7. Long-Term Obligations (Continued)

The Town has been in compliance with the covenants as to rates, fees, rentals and charges in Section 5.01 of the Bond Orders, authorizing the issuance of the Water Revenue Bonds, Series 2010-A, 2010-B and 2010-C, since their adoption in 2010, 2010 and 2010. Section 5.01-C of the Bond Orders requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Operating Revenues	\$2,800,579
Operating Expenses*	2,114,458
Operating Income	<u>\$686,121</u>
Nonoperating Revenues (Expenses)**	<u>(9,052)</u>
Income Available for Debt Service	\$677,069
Debt Service, Principal and Interest	
Paid (Revenue Bonds Only)	\$418,630
Debt Service Coverage Ratio	162%

* Per rate covenants, this does not include the depreciation expense of \$614,551.

** Per rate covenants, this does not include revenue bond interest paid of \$282,219.

Serviced by the Town's Sewer Fund:

\$1,672,000 Water and Sewer Revenue Bonds, Series 2012, issued for water and sewer system improvements. Annual installments are due June 1 at an annual interest rate of 2.75%. \$1,479,000

The future payments of the revenue bonds for the years ending June 30, are as follows:

During the Year Ending June 30,	Principal	Interest	Total
2022	\$31,000	\$40,673	\$71,673
2023	32,000	39,820	71,820
2024	33,000	38,940	71,940
2025	33,000	38,033	71,033
2026	34,000	37,125	71,125
2027-2031	185,000	171,050	356,050
2032-2036	213,000	144,157	357,157
2037-2041	244,000	113,218	357,218
2042-2046	279,000	77,744	356,744
2047-2051	324,000	37,071	361,071
2052	71,000	1,953	72,953
	<u>\$1,479,000</u>	<u>\$739,784</u>	<u>\$2,218,784</u>

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

7. Long-Term Obligations (Continued)

The Town has been in compliance with the covenants as to rates, fees, rentals and charges in Section 5.01 of the Bond Order, authorizing the issuance of the Water and Sewer Revenue Bond, Series 2012, since their adoption in 2012. Section 5.01-C of the Bond Orders requires the debt service coverage ratio to be no less than 110%. The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Operating Revenues	\$1,634,512
Operating Expenses*	<u>1,219,626</u>
Operating Income	\$414,886
Nonoperating Revenues (Expenses)**	<u>(10,736)</u>
Income Available for Debt Service	\$404,150
Debt Service, Principal and Interest Paid (Revenue Bonds Only)	\$71,498
Debt Service Coverage Ratio	565%

* Per rate covenants, this does not include the depreciation expense of \$553,385.

** Per rate covenants, this does not include revenue bond interest paid of \$41,498

8. Changes in Long-Term Liabilities

Compensated absences for governmental activities typically have been liquidated in the General Fund.

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
Installment Purchases	\$5,026,161		\$359,494	\$4,666,667	\$333,333
Capitalized Leases		\$15,382	3,566	11,816	3,567
Compensated Absences	249,569	103,562	107,202	245,929	103,000
Total OPEB Liability	2,107,156	334,744		2,441,900	
Total Pension Liability (LEOSSA)	680,508	190,246		870,754	
Net Pension Liability (LGRS)	961,018	296,246		1,257,264	
Governmental Activity Long-Term Liabilities	<u>\$9,024,412</u>	<u>\$940,180</u>	<u>\$470,262</u>	<u>\$9,494,330</u>	<u>\$439,900</u>

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Business-type Activities:					
Installment Purchases	\$2,531,574		\$509,019	\$2,022,555	\$519,155
Revenue Bonds	8,904,000		166,000	8,738,000	172,000
Compensated Absences	45,801	\$21,655	18,496	48,960	22,000
Total OPEB Liability	724,759	22,707	5,833	741,633	
Net Pension Liability (LGRS)	216,555	40,957		257,512	
Business-type Activity Long-Term Liabilities	<u>\$12,422,689</u>	<u>\$85,319</u>	<u>\$699,348</u>	<u>\$11,808,660</u>	<u>\$713,155</u>

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

C. INTERFUND BALANCES AND ACTIVITY

Transfers to/from Other Funds:

Transfers to/from other funds for the year ended June 30, 2021, consisted of the following:

<u>GENERAL</u>	<u>FROM</u>	<u>TO</u>
From the Electric Fund to the General Fund	\$301,273	
From the Electric Fund to the General Fund - Payment In Lieu of Taxes	20,830	
From the Electric Fund to the General - Fund Economic Development	82,500	
From the Water Fund to the General Fund	97,140	
From the Water Fund to the General Fund-Streets	6,000	
From the Water Fund to the General Fund Economic Development	82,500	
From the Sewer Fund to the General Fund-Streets	6,000	
	<u>\$596,243</u>	<u>\$0</u>

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

D. SPECIAL ITEM

As part of the library construction project, the Town demolished the old library and related assets that had a cost of \$1,077,131. These items had a net book value of \$448,375, resulting in a loss on disposal of assets for that amount.

E. 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	\$2,935,861
Less:	
Inventories	15,849
Stabilization by State Statue	481,575
Streets-Powell Bill	491,082
Appropriated in 2022 Budget	386,202
Fire - Capital Outlay	126,703
Police Drug Funds	33,145
Remaining Fund Balance	<u>1,401,305</u>

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

F. NET INVESTMENT IN CAPITAL ASSETS

	Governmental Activities	Business-type Activities
Capital Assets	\$11,992,277	\$43,665,258
Less: Long-Term Debt	(4,678,483)	(10,760,555)
Net Investment in Capital Assets	\$7,313,794	\$32,904,703

IV. JOINTLY GOVERNED ORGANIZATION

The Town is a member of the North Carolina Eastern Municipal Power Agency (the "Agency"). The Agency was formed to enable municipalities and town electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities. The Town receives power from the Agency and is contractually allocated a 1.29% interest in the Agency, with the balance being shared by the 31 other local governments. Each participating government appoints one commissioner to the Agency's governing board. The Town is billed monthly for 1.29% of the Agency's operating expenditures (including debt service) of the Agency and is obligated to purchase all of its power supply requirements from the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The Town's purchases of power for the fiscal year ended June 30, 2021, were \$4,203,989.

On July 31, 2015, the NCEMPA completed the sale of most of its electricity generating assets to Duke Energy. These proceeds were used to defease the NCEMPA's outstanding revenue bonds. The NCEMPA entered into contractual arrangements with its member cities and Duke Energy. Under these arrangements, the NCEMPA will supply wholesale power to its members and will purchase this power from Duke Energy. In addition to payments made for electric power, NCEMPA members will make payments for their share of the debt service on the NCEMPA's new revenue bonds.

V. RELATED ORGANIZATION

The mayor of the Town of Farmville appoints the five-member board of the Town of Farmville Housing Authority. The Town is accountable for the Housing Authority because it appoints the governing board; however, the Town is not financially accountable for the Housing Authority. The Town of Farmville is also disclosed as a related organization in the notes to the financial statements for the Town of Farmville Housing Authority.

VI. FARMVILLE HOUSING DEVELOPMENT CORPORATION

The Farmville Housing Development Corporation is a nonprofit organization qualifying as exempt under Section 501(c)(3) of the United States Internal Revenue Code. The Corporation was specifically organized and has been operated exclusively for the purpose of promoting opportunities available to the residents of the Farmville area and groups to obtain adequate low-cost housing accommodations by constructing, rehabilitating, and providing decent, safe, and sanitary housing in Farmville for persons and families of low to moderate income who otherwise would not be able to find or afford a suitable place to live. The Town of Farmville acts as agent in handling moneys for the Corporation.

VII. RELATED PARTY TRANSACTIONS

The Town leases approximately 4,300 square feet of commercial space from a real estate company that is partially owned by a Town Commissioner. The property location is 3822 South Main Street and it is used as a police substation. The annual rent is \$3,600.

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

VIII. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

IX. MAJOR ENTERPRISE CUSTOMER

The Town's Electric Fund has one industrial customer who provides a substantial amount of the fund's sales. Billings to this customer comprised 6.09% of total billings.

X. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through January 28, 2022, the date on which the financial statements were available to be issued. As a result of the continued spread of the COVID-19 coronavirus, economic uncertainties have arisen. The extent of the impact of COVID-19 on the Town's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Town's financial condition is uncertain.

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
For the Last Eight Fiscal Years

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset) (%)	0.04239%	0.04312%	0.04474%	0.04289%	0.04112%	0.04114%	0.04595%	0.04930%
Town's proportion of the net pension liability (asset) (\$)	\$1,514,775	\$1,177,573	\$1,061,386	\$655,241	\$872,703	\$253,606	(\$594,254)	\$270,988
Town's covered - employee payroll	2,743,986	2,912,950	2,821,800	2,587,255	2,400,777	2,620,146	2,678,378	2,516,930
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	55.20%	40.43%	37.61%	25.33%	36.35%	9.68%	(22.19%)	10.77%
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 amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

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

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF CONTRIBUTIONS TO LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
For the Last Eight Fiscal Years

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$300,652	\$251,742	\$239,329	\$217,844	\$193,651	\$163,482	\$180,510	\$181,890
Contributions in relation to the contractually required contrib	300,652	251,742	239,329	217,844	193,651	163,482	180,510	181,890
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Town's covered-employee payroll	\$2,902,957	\$2,743,986	\$2,912,950	\$2,821,800	\$2,587,255	\$2,400,777	\$2,620,146	\$2,678,378
Contributions as a percentage of covered-employee payroll	10.36%	9.17%	8.22%	7.72%	7.48%	6.81%	6.89%	6.79%

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
Last Four Fiscal Years

	2021	2020	2019	2018
Beginning balance of the total pension liability	\$680,508	\$609,707	\$568,362	\$480,953
Changes for the year:				
Service Cost at end of year	28,666	27,347	25,746	22,691
Interest	21,775	21,736	17,564	18,265
Charges of benefit terms				
Differences between expected and actual experience	(39,885)	25,168	48,316	26,694
Changes of assumptions and other inputs	204,800	21,660	(25,171)	35,291
Benefit payments	(25,110)	(25,110)	(25,110)	(15,532)
Other				
Net Changes	190,246	70,801	41,345	87,409
Ending balance of the total pension liability	\$870,754	\$680,508	\$609,707	\$568,362

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

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
Last Four Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability	\$870,754	\$680,508	\$609,707	\$568,362
Covered payroll	908,330	923,556	814,951	853,101
Total pension liability as a percentage of covered payroll	<u>95.86%</u>	<u>73.68%</u>	<u>74.82%</u>	<u>66.62%</u>

Notes to the schedules:

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

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Total OPEB Liability	2021	2020	2019	2018
Service Cost	\$73,047	\$85,581	\$88,494	\$97,205
Interest	98,891	88,882	81,903	70,839
Changes of Benefit terms				
Differences between expected and actual experience	(4,418)	375,442	8,303	22,601
Changes in assumptions	344,489	61,639	(74,325)	(129,113)
Benefit Payments	(160,391)	(127,827)	(112,642)	(116,160)
Net Change in total OPEB liability	\$351,618	\$483,717	(\$8,267)	(\$54,628)
Total OPEB Liability - beginning	\$2,831,915	\$2,348,198	\$2,356,465	\$2,411,093
Total OPEB Liability - ending	\$3,183,533	\$2,831,915	\$2,348,198	\$2,356,465

Covered Payroll	\$1,348,368	\$1,348,368	\$1,656,746	\$1,656,746
Total OPEB Liability as a percentage of covered payroll	236.10%	210.03%	141.74%	142.23%

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>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

TOWN OF FARMVILLE, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Ad Valorem Taxes:			
Current Year	\$1,752,906	\$1,796,105	\$43,199
Prior Years	37,500	30,466	(7,034)
Penalties and Interest	15,000	25,369	10,369
Total Ad Valorem Taxes	\$1,805,406	\$1,851,940	\$46,534
Unrestricted Intergovernmental Revenues:			
Local Option Sales Tax	\$1,100,000	\$1,237,541	\$137,541
Payments in Lieu of Taxes		117	117
Piped Natural Gas Sales Tax	22,075	20,973	(1,102)
Utility Sales Tax	315,613	299,859	(15,754)
Telecommunications Tax	33,876	32,185	(1,691)
Vehicle Tag Fees	19,200	18,401	(799)
Video Franchise Fee	28,436	27,016	(1,420)
Beer & Wine Tax	21,000	19,354	(1,646)
Total Unrestricted Intergovernmental Revenues	\$1,540,200	\$1,655,446	\$115,246
Restricted Intergovernmental Revenues:			
Powell Bill Allocation	\$128,000	\$127,828	(\$172)
Library State Aid	3,601	3,580	(21)
LSTA Library Grants	30,376	31,318	942
Library - American Library Association Grant	1,900		(1,900)
Fire Department State Grant	24,106	24,106	
Controlled Substance Tax		877	877
Solid Waste Disposal Tax	3,400	3,469	69
System Betterment Grant	5,000	5,000	
Municipal Support Grant - Greenville ENC Alliance		4,474	4,474
Municipal Support Grant - Pitt County Development	5,000	5,000	
American Humane Society Grant	1,000	1,000	
Petfinder Foundation Grant	500	500	
Petco Love Grant	5,000	5,000	
CARES Act - Pitt County	65,000	67,527	2,527
Total Restricted Intergovernmental Revenues	\$272,883	\$279,679	\$6,796
Licenses & Permits:			
Building Permits	\$11,000	\$9,585	(\$1,415)
Plumbing Permits	2,500	2,385	(115)
Electrical Permits	12,000	13,140	1,140
Other Applications & Permits	7,100	8,870	1,770
Total Licenses & Permits	\$32,600	\$33,980	\$1,380

TOWN OF FARMVILLE, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Sales & Services:			
Garbage Collection	\$589,000	\$558,273	(\$30,727)
Sale of Yard Waste Carts	200		(200)
Fire Protection	92,989	93,249	260
Recreation Concessions	2,000	1,198	(802)
Recreation Participation	57,500	56,103	(1,397)
Recreation Other	7,200	8,601	1,401
Cemetery Service Fees	37,000	37,302	302
Sale of Baled Materials	1,000	416	(584)
Materials and Services	2,000		(2,000)
Community Center Use Fees	2,500	2,150	(350)
DMV Fees	65,400	74,736	9,336
Total Sales & Services	\$856,789	\$832,028	(\$24,761)
Investment Earnings	\$8,425	\$1,146	(\$7,279)
Other Revenues:			
Library Fees	\$3,500	\$3,522	\$22
Library Donations	16,600	17,209	609
Court and Arrest Fees	5,700	8,989	3,289
Insurance Settlement		5,920	5,920
Total Other Revenues	\$25,800	\$35,640	\$9,840
Miscellaneous Income:			
Sundry	\$33,000	\$380	(\$32,620)
Solar Farm - Police Services	6,500	6,500	
Industrial Park Land Lease	1,134	1,134	
SRO- Officer Reimbursement	135,000	147,695	12,695
Total Miscellaneous Income	\$175,634	\$155,709	(\$19,925)
TOTAL REVENUES	\$4,717,737	\$4,845,568	\$127,831

TOWN OF FARMVILLE, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
General Government:			
Legislative:			
Personnel Expenses	\$46,030	\$44,430	\$1,600
Operating Expenses	137,985	124,039	13,946
Professional Services	18,000	16,056	1,944
Reimbursement - Proprietary Funds	(45,593)	(45,593)	
Total Legislative	\$156,422	\$138,932	\$17,490
Administrative:			
Personnel Expenses	\$239,668	\$234,959	\$4,709
Operating Expenses	22,325	16,699	5,626
Professional Services	1,000	172	828
Reimbursement - Proprietary Funds	(158,689)	(158,689)	
Total Administrative	\$104,304	\$93,141	\$11,163
Finance:			
Personnel Expenses	\$408,642	\$388,737	\$19,905
Operating Expenses	92,200	67,658	24,542
Professional Services	45,000	46,327	(1,327)
Contracted Services	36,500	32,580	3,920
Reimbursement - Proprietary Funds	(421,490)	(421,490)	
Total Finance	\$160,852	\$113,812	\$47,040
Information Technology:			
Personnel Expenses	\$94,094	\$92,099	\$1,995
Operating Expenses	67,700	56,739	10,961
Capital Outlay (Under Threshold)	30,000	23,224	6,776
Reimbursement - Proprietary Funds	(112,662)	(112,662)	
Total Information Technology	\$79,132	\$59,400	\$19,732
Total General Government	\$500,710	\$405,285	\$95,425
Public Safety:			
Police Department:			
Personnel Expenses	\$1,729,009	\$1,690,516	\$38,493
Operating Expenses	188,465	151,587	36,878
Professional Services	500	90	410
Contracted Services	14,500	14,224	276
Capital Outlay (Under Threshold)	24,010	24,010	
Capital Outlay	145,990	150,126	(4,136)
Reimbursement - Proprietary Funds	(34,061)	(34,061)	
Total Police Department	\$2,068,413	\$1,996,492	\$71,921

TOWN OF FARMVILLE, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Fire Department:			
Personnel Expenses	\$10,548	\$9,143	\$1,405
Operating Expenses	192,568	180,474	12,094
Capital Outlay (Under Threshold)	12,500	4,926	7,574
Capital Outlay	233,392	233,346	46
Reimbursement - Proprietary Funds	(3,478)	(3,478)	
Total Fire Department	\$445,530	\$424,411	\$21,119
Code Enforcement:			
Personnel Expenses	\$228,997	\$223,188	\$5,809
Operating Expenses	38,600	15,628	22,972
Professional Services	18,000	15,782	2,218
Contracted Services	3,000	2,078	922
Reimbursement - Proprietary Funds	(45,000)	(45,000)	
Total Code Enforcement	\$243,597	\$211,676	\$31,921
Total Public Safety	\$2,757,540	\$2,632,579	\$124,961
Transportation:			
Streets-Powell Bill:			
Operating Expenses	\$85,750	\$65,540	\$20,210
Professional Services	500	110	390
Capital Outlay	10,000	6,205	3,795
Total Streets-Powell Bill	\$96,250	\$71,855	\$24,395
Total Transportation	\$96,250	\$71,855	\$24,395
Economic and Physical Development:			
Personnel Expenses	\$156,280	\$154,952	\$1,328
Chamber of Commere	30,000	30,000	
Total Economic and Physical Development	\$186,280	\$184,952	\$1,328
Environmental Protection/Public Works:			
Public Works:			
Personnel Expenses	\$701,850	\$683,310	\$18,540
Operating Expenses	277,000	252,326	24,674
Professional Services	5,850	5,814	36
Contracted Services	26,500	26,472	28
Capital Outlay (Under Threshold)	5,000	3,620	1,380
Capital Outlay	358,134	313,052	45,082
Reimbursement - Proprietary Funds	(95,283)	(95,283)	
Total Public Works	\$1,279,051	\$1,189,311	\$89,740

TOWN OF FARMVILLE, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Sanitation:			
Contracted Services	\$567,000	\$555,829	\$11,171
Reimbursement - Proprietary Funds	(571,904)	(571,904)	
Total Sanitation	(\$4,904)	(\$16,075)	\$11,171
Total Environmental Protection/Public Works	\$1,274,147	\$1,173,236	\$100,911
Public Services:			
Recreation & Parks:			
Personnel Expenses	\$195,228	\$179,866	\$15,362
Operating Expenses	168,845	156,352	12,493
Professional Services	45	45	
Capital Outlay (Under Threshold)	8,000	7,285	715
Contracted Services	42,720	38,774	3,946
Capital Outlay	129,490	99,548	29,942
Total Recreation & Parks	\$544,328	\$481,870	\$62,458
Library:			
Personnel Expenses	\$298,503	\$286,613	\$11,890
Operating Expenses	126,547	122,325	4,222
Professional Services	5,900	5,900	
Capital Outlay (Under Threshold)	3,600		3,600
Capital Outlay	18,206	18,206	
Total Library	\$452,756	\$433,044	\$19,712
May Museum:			
Personnel Expenses	\$2,377	\$1,078	\$1,299
Operating Expenses	17,900	8,843	9,057
Total May Museum	\$20,277	\$9,921	\$10,356

TOWN OF FARMVILLE, NORTH CAROLINA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
Dogwood Festival	\$3,000	\$494	\$2,506
Total Public Services	\$1,020,361	\$925,329	\$95,032
Debt Service:			
Principal Retirement	\$365,395	\$359,494	\$5,901
Interest and Other Charges	147,799	147,798	1
Total Debt Service	\$513,194	\$507,292	\$5,902
TOTAL EXPENDITURES	\$6,348,482	\$5,900,528	\$447,954
Revenues Over (Under) Expenditures	(\$1,630,745)	(\$1,054,960)	\$575,785
Other Financing Sources (Uses):			
<i>Operating Transfers-In (Out):</i>			
Transfer from Library	\$11,006	\$11,006	
Cemetery Fund	28,400	28,400	
Electric Fund	404,603	404,603	
Water Fund	185,640	185,640	
Sewer Fund	6,000	6,000	
Library Construction Project	375,930	375,930	
Wallace Street Drainage Improvement Project	(22,177)	(22,177)	
Walnut Street Depot Parking Lot Project	(328,507)	(328,507)	
Lease Proceeds		15,382	\$15,382
Fund Balance Appropriated	969,850		(969,850)
Total Other Financing Sources (Uses)	1,630,745	676,277	(\$954,468)
Net Change in Fund Balance	\$0	(\$378,683)	(\$378,683)
<i>Fund Balance, Beginning</i>		3,314,544	
Fund Balance, June 30		\$2,935,861	

TOWN OF FARMVILLE, NORTH CAROLINA

MAJOR CAPITAL OUTLAY FUND – LIBRARY RENOVATION PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
From Inception and For the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Favorable (Unfavorable)
Revenues:					
Private Contributions	\$1,000,000	\$446,033	\$531,710	\$977,743	(\$22,257)
Community Facilities Grant	400,000		350,000	350,000	(50,000)
Investment Earnings	500	411	92	503	3
Total Revenues	\$1,400,500	\$446,444	\$881,802	\$1,328,246	(\$72,254)
Expenditures:					
Capital Outlay:					
Building Construction/Demolition	\$4,795,000	\$2,479,305	\$2,266,368	\$4,745,673	\$49,327
Design & Construction Management	555,025	491,777	41,269	533,046	21,979
Printing	3,745	767		767	2,978
Furnishings & Technology	500,000		466,319	466,319	33,681
Site Improvements	150,000				150,000
Survey & Testing	12,700	12,680		12,680	20
Advertisement Fees	700	672		672	28
Administration	1,500	1,504		1,504	(4)
Total Expenditures	\$6,018,670	\$2,986,705	\$2,773,956	\$5,760,661	\$258,009
Revenues Over (Under)					
Expenditures	(\$4,618,170)	(\$2,540,261)	(\$1,892,154)	(\$4,432,415)	\$185,755
Other Financing Sources (Uses):					
Proceeds from Issuance of Long Term Debt	\$4,994,100	\$4,994,100		\$4,994,100	
Transfer to General Fund	(375,930)		(\$375,930)	(375,930)	
Total Other Financing Sources (Uses)	\$4,618,170	\$4,994,100	(\$375,930)	\$4,618,170	\$0
Revenues and Other Financing Sources Over (Under)					
Expenditures	\$0	\$2,453,839	(\$2,268,084)	\$185,755	\$185,755
<i>Beginning Fund Balance, July 1</i>			2,453,839		
Ending Fund Balance, June 30			\$185,755		

TOWN OF FARMVILLE, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue Funds					Total	Non-Major Capital Outlay Funds		Total	Total
	Cemeteries	Subdivision		May Museum	2018 CDBG	Non-major	Wallace Street	Walnut Street	Non-Major	Total
	Perpetual	Participation	Dogwood	Library	and Park	Special	Drainage	Depot	Capital	Non-major
	Care	Project	Festival	(Trust)	(Trust)	Revenue	Improvements	Parking Lot	Outlay	Governmental
	Fund	Fund	Fund	Fund	Fund	Funds	Project	Project	Funds	Funds
ASSETS										
<i>Current Assets:</i>										
Cash and Investments	\$180,360	\$59,031	\$172,621	\$229,373	\$34,642	\$676,027				\$676,027
Due from other Governments								\$2,078	\$2,078	2,078
Accounts Receivable	269				\$35,041	35,310				35,310
TOTAL ASSETS	\$180,629	\$59,031	\$172,621	\$229,373	\$34,642	\$711,337	\$0	\$2,078	\$2,078	\$713,415
LIABILITIES AND FUND BALANCE										
<i>Other Liabilities:</i>										
Accounts Payable					\$35,041	\$35,041				\$35,041
Due to General Fund								\$2,078	\$2,078	2,078
Total Current Liabilities	\$0	\$0	\$0	\$0	\$35,041	\$35,041	\$0	\$2,078	\$2,078	\$37,119
Total Liabilities	\$0	\$0	\$0	\$0	\$35,041	\$35,041	\$0	\$2,078	\$2,078	\$37,119
<i>Fund Balance:</i>										
Stabilization by State Statute	\$269					\$269				\$269
Assigned	180,360	\$59,031	\$172,621	\$229,373	\$34,642	676,027				676,027
Total Fund Balances	\$180,629	\$59,031	\$172,621	\$229,373	\$34,642	\$0	\$0	\$0	\$0	\$676,296
TOTAL LIABILITIES AND FUND BALANCE	\$180,629	\$59,031	\$172,621	\$229,373	\$34,642	\$35,041	\$0	\$2,078	\$2,078	\$713,415

STATEMENT 9

TOWN OF FARMVILLE, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds					Total	Non-Major Capital Outlay Funds		Total	
	Cemeteries	Subdivision		May Museum	2018 CDBG	Non-major	Wallace Street	Walnut Street	Non-Major	Total
	Perpetual	Participation	Dogwood	Library	and Park	Special	Drainage	Depot Parking	Capital	Non-major
	Care	Project	Festival	(Trust)	(Trust)	Revenue	Improvements	Lot	Outlay	Governmental
	Fund	Fund	Fund	Fund	Fund	Funds	Project	Project	Funds	Funds
Revenues:										
Restricted Intergovernmental						\$47,541				\$47,541
Investment Earnings	\$141		\$130	\$181	\$26	478				478
Sales and Services	38,620		1,214			39,834				39,834
Other Revenues	32	\$45	500	80		657				657
Total Revenues	\$38,793	\$45	\$1,844	\$261	\$26	\$47,541	\$0	\$0	\$0	\$88,510
Expenditures:										
Economic and Physical Development			\$286			\$47,541		\$328,507	\$328,507	\$376,334
Total Expenditures	\$0	\$0	\$286	\$0	\$0	\$47,827	\$0	\$328,507	\$328,507	\$376,334
Revenues Over (Under) Expenditures	\$38,793	\$45	\$1,558	\$261	\$26	\$0	\$0	(\$328,507)	(\$328,507)	(\$287,824)
Other Financing Sources (Uses)										
Transfers In (Out)	(\$28,400)			(\$11,006)		(\$39,406)	\$22,177	\$328,507	\$350,684	\$311,278
Total Other Financing Sources (Uses)	(\$28,400)	\$0	\$0	(\$11,006)	\$0	(\$39,406)	\$22,177	\$328,507	\$350,684	\$311,278
Revenues Over (Under) Expenditures and Other Financing Sources	\$10,393	\$45	\$1,558	(\$10,745)	\$26	\$0	\$22,177	\$0	\$22,177	\$23,454
Fund Balances:										
Beginning of year, July 1	\$170,236	\$58,986	\$171,063	\$240,118	\$34,616	\$675,019	(\$22,177)		(\$22,177)	\$652,842
End of year, June 30	\$180,629	\$59,031	\$172,621	\$229,373	\$34,642	\$676,296	\$0	\$0	\$0	\$676,296

TOWN OF FARMVILLE, NORTH CAROLINA
SPECIAL REVENUE FUND – CEMETERIES PERPETUAL CARE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Annual Budget	2021 Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$800	\$141	(\$659)
Cemetery Sales	29,000	38,620	9,620
Penalties & Interest	600	32	(568)
Total Revenues	\$30,400	\$38,793	\$8,393
Expenditures:			
Bad Debt Old A/R Write Off	\$2,000		\$2,000
Total Expenditures	\$2,000	\$0	\$2,000
 Revenues Over (Under) Expenditures	 \$28,400	 \$38,793	 \$10,393
Other Financing Sources (Uses):			
Transfer to General	(\$28,400)	(\$28,400)	
Total Other Financing Sources (Uses)	(\$28,400)	(\$28,400)	\$0
 Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	 \$0	 \$10,393	 \$10,393
 <i>Beginning Fund Balance, July 1</i>		 170,236	
 Ending Fund Balance, June 30		 \$180,629	

TOWN OF FARMVILLE, NORTH CAROLINA
SPECIAL REVENUE FUND – SUBDIVISION PARTICIPATION PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
From Inception and For the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Favorable (Unfavorable)
Revenues:					
Pitt County Board of Education	\$17,000	\$17,000		\$17,000	
Owner Contributions - Evans	250	250		250	
Owner Contributions - Arrowhead	137,265	119,440		119,440	(\$17,825)
Owner Contributions - Other	230,768	154,112		154,112	(76,656)
Investment Earnings	47,000	14,475	\$45	14,520	(32,480)
Total Revenues	\$432,283	\$305,277	\$45	\$305,322	(\$126,961)
Expenditures:					
Professional Services	\$83,809	\$76,089		\$76,089	\$7,720
Construction Streets	262,341	351,706		351,706	(89,365)
Construction Water and Sewer	285,254	134,453		134,453	150,801
Construction Electric	26,279	26,279		26,279	
Contingency	74,154				74,154
Total Expenditures	\$731,837	\$588,527	\$0	\$588,527	\$143,310
Revenues Over (Under) Expenditures	(\$299,554)	(\$283,250)	\$45	(\$283,205)	\$16,349
Other Financing Sources (Uses):					
Transfer from General Fund	\$19,352	\$19,352		\$19,352	
Transfer from Heritage Farmville		14,508		14,508	\$14,508
Transfer to SARF Fund		(63,624)		(63,624)	(63,624)
Transfer from Electric Fund	104,140	99,000		99,000	(5,140)
Transfer from Water Fund	91,022	143,000		143,000	51,978
Transfer from Sewer Fund	85,040	130,000		130,000	44,960
Total Other Financing Sources (Uses)	\$299,554	\$342,236	\$0	\$342,236	\$42,682
Revenues and Other Financing Sources (Uses)					
Over (Under) Expenditures	\$0	\$58,986	\$45	\$59,031	\$59,031
<i>Beginning Fund Balance, July 1</i>			58,986		
Ending Fund Balance , June 30			\$59,031		

TOWN OF FARMVILLE, NORTH CAROLINA
SPECIAL REVENUE FUND – DOGWOOD FESTIVAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	Annual Budget	2021 Actual	Variance Favorable (Unfavorable)
Revenues:			
Investment Earnings	\$700	\$130	(\$570)
Festival Revenues	9,450	1,214	(8,236)
Donations	500	500	
Total Revenues	\$10,650	\$1,844	(\$8,806)
Expenditures:			
Dues & Subscriptions	\$1,000	\$245	\$755
Telephone & Postage	150	41	109
Miscellaneous Expenses	8,000		8,000
Printing	1,500		1,500
Total Expenditures	\$10,650	\$286	\$10,364
Revenues Over (Under) Expenditures	\$0	\$1,558	\$1,558
<i>Beginning Fund Balance, July 1</i>		171,063	
Ending Fund Balance, June 30		\$172,621	

TOWN OF FARMVILLE, NORTH CAROLINA
SPECIAL REVENUE FUND - LIBRARY (TRUST) FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	2021
Revenues:	
Investment Earnings	\$181
Contributions	80
Total Revenues	\$261
Expenditures:	
Public Services:	
Devisconti Trust Expenditures	\$11,006
Total Expenditures	\$11,006
Revenues Over (Under) Expenditures	(\$10,745)
<i>Beginning Fund Balance, July 1</i>	240,118
Ending Fund Balance, June 30	\$229,373

TOWN OF FARMVILLE, NORTH CAROLINA
SPECIAL REVENUE FUND - MAY MUSEUM AND PARK (TRUST) FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	2021
Revenues:	
Investment Earnings	\$26
<i>Total Revenues</i>	\$26
Expenditures:	
<i>Total Expenditures</i>	\$0
Revenues Over (Under) Expenditures	\$26
<i>Beginning Fund Balance, July 1</i>	34,616
Ending Fund Balance, June 30	\$34,642

TOWN OF FARMVILLE, NORTH CAROLINA
SPECIAL REVENUE FUND – 2018 CDBG NEIGHBORHOOD REVITALIZATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Favorable (Unfavorable)
Revenues:					
Community Development Block Grant	\$750,000	\$685	\$47,541	\$48,226	\$701,774
Town Revenues	8,000				8,000
Total Revenues	\$758,000	\$685	\$47,541	\$48,226	\$709,774
Expenditures:					
Architectural Barrier Removal	\$180,000		\$36,191	\$36,191	\$143,809
Private Housing Rehabilitation	528,000		1,350	1,350	526,650
Administration	50,000	\$685	10,000	10,685	39,315
Total Expenditures	\$758,000	\$685	\$47,541	\$48,226	\$709,774
Revenues Over (Under) Expenditures	\$0	\$0	\$0	\$0	\$0
<i>Beginning Fund Balance, July 1</i>					
Ending Fund Balance , June 30					
			\$0		

TOWN OF FARMVILLE, NORTH CAROLINA

NON- MAJOR CAPITAL OUTLAY FUND – WALLACE STREET DRAINAGE IMPROVEMENTS PROJECT FUND
 STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
 For the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Favorable (Unfavorable)
Revenues:					
Golden Leaf Disaster Recovery Grant	\$75,000	\$75,000		\$75,000	
Town of Farmville Contribution	22,535		\$22,177	22,177	(\$358)
Total Revenues	\$97,535	\$75,000	\$22,177	\$97,177	(\$358)
Expenditures:					
Legal		\$108		\$108	(\$108)
Engineering	\$11,429	15,742		15,742	(4,313)
Inspection	4,314				4,314
Construction	81,792	81,327		81,327	465
Total Expenditures	\$97,535	\$97,177	\$0	\$97,177	\$358
Revenues Over (Under) Expenditures	\$0	(\$22,177)	\$22,177	\$0	\$0
<i>Beginning Fund Balance, July 1</i>			(22,177)		
Ending Fund Balance , June 30			\$0		

TOWN OF FARMVILLE, NORTH CAROLINA
NON- MAJOR CAPITAL OUTLAY FUND – WALNUT STREET DEPOT PARKING LOT
STATEMENT OF REVENUES AND EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Favorable (Unfavorable)
Revenues:					
Town of Farmville	\$300,657		\$328,507	\$328,507	\$27,850
Contribution to Town of Farmville	40,000				(40,000)
Total Revenues	\$340,657	\$0	\$328,507	\$328,507	(\$12,150)
Expenditures:					
Legal	\$1,000				\$1,000
Decorative Lighting Material	66,500		\$62,169	\$62,169	4,331
Engineering	20,575		21,012	21,012	(437)
CN 1 - Parking Lot Addition	224,242		227,438	227,438	(3,196)
Construction Observation	16,091		16,457	16,457	(366)
AS - Drainage Easement Survey Map	750		1,375	1,375	(625)
Other - Reimbursables	287		56	56	231
Contingency	11,212				11,212
Total Expenditures	\$340,657	\$0	\$328,507	\$328,507	\$12,150
Revenues Over (Under) Expenditures	\$0	\$0	\$0	\$0	\$0
<i>Beginning Fund Balance, July 1</i>					
Ending Fund Balance , June 30					
			\$0		

TOWN OF FARMVILLE, NORTH CAROLINA

ELECTRIC FUND

SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)

For the Fiscal Year Ended June 30, 2021

	Budget	2021 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Operating Revenues:			
Electric Sales	\$6,336,531	\$6,220,482	(\$116,049)
HOPE Grant		20,440	20,440
Other Operating Revenues	71,400	71,053	(347)
Total Operating Revenues	\$6,407,931	\$6,311,975	(\$95,956)
Non-Operating Revenues:			
Investment Earnings	\$1,750	\$1,023	(\$727)
Miscellaneous Non-Operating Revenue	50,721	54,094	3,373
Total Non-Operating Revenues	\$52,471	\$55,117	\$2,646
TOTAL REVENUES	\$6,460,402	\$6,367,092	(\$93,310)
EXPENDITURES:			
Administrative:			
Personnel Expenses	\$84,474	\$81,219	\$3,255
Operating Expenses	94,750	74,737	20,013
Utility Service Fee	484,050	484,050	
Capital Outlay (Under Threshold)	1,000	993	7
Total Administrative	\$664,274	\$640,999	\$23,275
Electric Distribution:			
Personnel Expenses	\$389,760	\$381,215	\$8,545
Operating Expenses	209,500	211,915	(2,415)
Maintenance	50,500	36,703	13,797
Contracted Services	132,221	131,908	313
Utility Service Fee	188,164	188,164	
Electricity Purchased	4,200,000	4,203,989	(3,989)
Total Electric Distribution	\$5,170,145	\$5,153,894	\$16,251
Debt Service Expenditures:			
Interest and Other Charges	\$20,694	\$20,693	\$1
Debt Principal	246,678	246,678	
Total Debt Service Expenditures	\$267,372	\$267,371	\$1

TOWN OF FARMVILLE, NORTH CAROLINA
ELECTRIC FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	Budget	2021 Actual	Variance Favorable (Unfavorable)
Capital Outlay:			
Equipment	\$15,308	\$8,667	\$6,641
Total Capital Outlay	\$15,308	\$8,667	\$6,641
TOTAL EXPENDITURES	\$6,117,099	\$6,070,931	\$46,168
Revenues Over (Under) Expenditures	\$343,303	\$296,161	(\$47,142)
Other Financing Sources (Uses):			
Operating Transfers In (Out):			
General Fund	(\$301,273)	(\$301,273)	
General Fund (Payment in Lieu of Taxes)	(20,830)	(20,830)	
General Fund (Economic Development)	(82,500)	(82,500)	
Fund Balance Appropriated	61,300		(\$61,300)
Total Other Financing Sources (Uses)	(\$343,303)	(\$404,603)	(\$61,300)
Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$0	(\$108,442)	(\$108,442)
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues Over (Under) Expenditures and Other Financing Uses		(\$108,442)	
Reconciling Items:			
Capital Debt Principal Payments		\$246,678	
Capital Outlay		8,667	
Depreciation Expense		(208,636)	
Increase/(Decrease) in Inventory		10,670	
(Increase)/Decrease in Compensated Absences Payable		(5,559)	
(Increase)/Decrease in Accrued Interest		9,277	
Increase/(Decrease) in Deferred Outflows - Pension		7,490	
(Increase)/Decrease in Net Pension Liability		(21,517)	
(Increase)/Decrease in Deferred Inflows - Pension		(979)	
Increase/(Decrease) in Deferred Outflows - OPEB		13,648	
(Increase)/Decrease in Deferred Inflows - OPEB		3,185	
(Increase)/Decrease in OPEB Liability		(22,707)	
Total		40,217	
Change in Net Position		(\$68,225)	

TOWN OF FARMVILLE, NORTH CAROLINA

WATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)

For the Fiscal Year Ended June 30, 2021

	Budget	2021 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Operating Revenues:			
Water Sales	\$2,655,000	\$2,647,849	(\$7,151)
Tap on Fees	7,600	8,380	780
Other Operating Revenues	153,211	144,350	(8,861)
Total Operating Revenues	\$2,815,811	\$2,800,579	(\$15,232)
Non-Operating Revenues:			
Investment Earnings	\$5,700	\$2,643	(\$3,057)
Miscellaneous Non-Operating Revenues	1,500	841	(659)
Total Non-Operating Revenues	\$7,200	\$3,484	(\$3,716)
TOTAL REVENUES	\$2,823,011	\$2,804,063	(\$18,948)
EXPENDITURES:			
Administrative:			
Personnel Expenses	\$39,065	\$36,672	\$2,393
Operating Expenses	65,900	57,937	7,963
Professional Services	3,500	2,500	1,000
Utility Service Fee	316,924	316,924	
Capital Outlay (Under Threshold)	1,000	993	7
Total Administrative	\$426,389	\$415,026	\$11,363
Water Supply:			
Personnel Expenses	\$23,500	\$20,362	\$3,138
Operating Expenses	1,165,500	1,149,733	15,767
Maintenance	7,000	1,417	5,583
Utility Service Fee	211,283	211,283	
Contracted Services	109,100	108,411	689
Total Water Supply	\$1,516,383	\$1,491,206	\$25,177
Water Distribution:			
Personnel Expenses	\$159,333	\$154,204	\$5,129
Operating Expenses	91,000	64,753	26,247
Maintenance	12,000	6,213	5,787
Total Water Distribution	\$262,333	\$225,170	\$37,163

TOWN OF FARMVILLE, NORTH CAROLINA

WATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)

For the Fiscal Year Ended June 30, 2021

	Budget	2021 Actual	Variance Favorable (Unfavorable)
Debt Service Expenditures:			
Bond Interest & Fees	\$282,630	\$282,630	
Bond Principal Payments	226,975	226,975	
Total Debt Service Expenditures	\$509,605	\$509,605	\$0
Capital Outlay:			
Equipment & Improvements	\$112,000	\$96,819	\$15,181
Total Capital Outlay	\$112,000	\$96,819	\$15,181
 TOTAL EXPENDITURES	 \$2,826,710	 \$2,737,826	 \$88,884
 Revenues Over (Under) Expenditures	 (\$3,699)	 \$66,237	 \$69,936
Other Financing Sources (Uses) :			
Operating Transfers In (Out):			
General Fund	(\$103,448)	(\$103,140)	\$308
General Fund (Economic Development)	(82,500)	(82,500)	
Fund 86 - 2016 Water System Improvement Fund	(450,216)	(450,216)	
Reserve GUC Waterline Phase 1A - Primary	(19,676)		19,676
Reserve GUC Waterline Phase 1A - Secondary	(9,207)		9,207
Reserve GUC Waterline Phase 1B	(12,980)		12,980
Reserve GUC Waterline Phase 1D	(7,500)		7,500
Reserve 2019 State Bond Loan	(1,598)		1,598
Fund Balance Appropriated	690,824		(690,824)
Total Other Financing Sources (Uses)	\$3,699	(\$635,856)	(\$639,555)
 Revenues Over (Under) Expenditures and Other Financing Uses	 \$0	 (\$569,619)	 (\$569,619)

TOWN OF FARMVILLE, NORTH CAROLINA
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>2021 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:			
Revenues Over (Under) Expenditures and Other Financing Uses		(\$569,619)	
Reconciling Items:			
Capital Debt Principal Payments		\$226,975	
Loss on Sale of Asset		(12,536)	
Capital Outlay		96,819	
Depreciation Expense		(614,551)	
Increase/(Decrease) in Inventory		(3,629)	
(Increase)/Decrease in Compensated Absences Payable		1,200	
(Increase)/Decrease in Accrued Interest		411	
Increase/(Decrease) in Deferred Outflows - Pension		3,420	
(Increase)/Decrease in Net Pension Liability		(9,720)	
(Increase)/Decrease in Deferred Inflows - Pension		(439)	
Increase/(Decrease) in Deferred Outflows - OPEB		20,146	
(Increase)/Decrease in Deferred Inflows - OPEB		5,328	
(Increase)/Decrease in OPEB Liability		638	
Transfer to Fund 86 - 2016 Water System Improvements Fund		450,216	
Total		\$164,278	
Change in Net Position		(\$405,341)	

TOWN OF FARMVILLE, NORTH CAROLINA
2016 WATER SYSTEM IMPROVEMENTS PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Favorable (Unfavorable)
Revenues:					
Town of Farmville	\$630,000				(\$630,000)
TOTAL REVENUES	\$630,000	\$0	\$0	\$0	(\$630,000)
Expenditures:					
Construction	\$406,837	\$373,699		\$373,699	\$33,138
Contingency	144,434	10,652		10,652	133,782
Engineering	34,478	32,685		32,685	1,793
Inspection	28,451	22,225		22,225	6,226
GIS Update	12,500	10,191		10,191	2,309
Advertisement	1,500	162		162	1,338
Legal	1,000	602		602	398
Permit Fees	800				800
TOTAL EXPENDITURES	\$630,000	\$450,216	\$0	\$450,216	\$179,784
Revenues Over (Under) Expenditures	\$0	(\$450,216)	\$0	(\$450,216)	(\$450,216)
Other Financing Sources (Uses):					
Transfer from Water Fund			\$450,216	\$450,216	\$450,216
TOTAL OTHER FINANCING SOURCES (USES):	\$0	\$0	\$450,216	\$450,216	\$450,216
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	\$0	(\$450,216)	\$450,216	\$0	\$0
<i>Beginning Fund Balance, July 1</i>			(450,216)		
Ending Fund Balance, June 30			\$0		

TOWN OF FARMVILLE, NORTH CAROLINA

SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

For the Fiscal Year Ended June 30, 2021

	Budget	2021 Actual	Variance Favorable (Unfavorable)
REVENUES:			
Operating Revenues:			
Sewer Sales	\$1,620,000	\$1,607,684	(\$12,316)
Tap Ons	20,500	26,828	6,328
Total Operating Revenues	\$1,640,500	\$1,634,512	(\$5,988)
Non-Operating Revenues:			
Investment Earnings	\$1,650	\$881	(\$769)
Miscellaneous Non-Operating Revenues	5,750	8,109	2,359
Total Non-Operating Revenues	\$7,400	\$8,990	\$1,590
TOTAL REVENUES	\$1,647,900	\$1,643,502	(\$4,398)
EXPENDITURES:			
Administrative:			
Personnel Expenses	\$29,409	\$27,868	\$1,541
Operating Expenses	66,900	57,479	9,421
Professional Services	4,300	4,266	34
Utility Service Fee	172,643	172,643	
Total Administrative	\$273,252	\$262,256	\$10,996
Wastewater Collections:			
Personnel Expenses	\$163,583	\$140,971	\$22,612
Operating Expenses	94,000	76,288	17,712
Maintenance	46,000	39,466	6,534
Professional Services	1,500	942	558
Total Wastewater Collections	\$305,083	\$257,667	\$47,416

TOWN OF FARMVILLE, NORTH CAROLINA

SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)

For the Fiscal Year Ended June 30, 2021

	Budget	2021 Actual	Variance Favorable (Unfavorable)
Wastewater Treatment:			
Operating Expenses	\$203,650	\$167,008	\$36,642
Maintenance	54,500	47,514	6,986
Professional Services	2,000		2,000
Utility Service Fee	115,096	115,096	
Contracted Services	380,000	371,038	8,962
Total Wastewater Treatment	\$755,246	\$700,656	\$54,590
Debt Service:			
Interest & Fees	\$61,954	\$61,952	\$2
Principal Payments	201,365	201,365	
Total Debt Service	\$263,319	\$263,317	\$2
Capital Outlay:			
Equipment & Improvements	\$45,000	\$12,005	\$32,995
Total Capital Outlay	\$45,000	\$12,005	\$32,995
TOTAL EXPENDITURES	\$1,641,900	\$1,495,901	\$145,999
Revenues Over (Under) Expenditures	\$6,000	\$147,601	\$141,601
Other Financing Sources (Uses):			
Operating Transfers In (Out):			
General Fund - Street Cuts	(\$6,000)	(\$6,000)	
Total Other Financing Sources (Uses)	(\$6,000)	(\$6,000)	\$0
Revenues Over (Under) Expenditures and Other Financing Uses	\$0	\$141,601	\$141,601

TOWN OF FARMVILLE, NORTH CAROLINA
SEWER FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>2021 Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Reconciliation From Budgetary Basis (Modified Accrual) To Full Accrual:			
Revenues Over (Under) Expenditures and Other Financing Uses		\$141,601	
Reconciling Items:			
Capital Debt Principal Payments		\$201,365	
Capital Outlay		12,005	
Depreciation Expense		(553,385)	
Increase/(Decrease) in Inventory		118	
(Increase)/Decrease in Compensated Absences Payable		1,200	
(Increase)/Decrease in Accrued Interest		728	
Increase/(Decrease) in Deferred Outflows - Pension		3,420	
(Increase)/Decrease in Pension Liability		(9,720)	
(Increase)/Decrease in Deferred Inflows - Pension		(439)	
Increase/(Decrease) in Deferred Outflows - OPEB		345	
(Increase)/Decrease in Deferred Inflows - OPEB		834	
(Increase)/Decrease in OPEB Liability		5,195	
Contributed Capital - 2018 CDBG Sewer Infrastructure		820,127	
		\$481,793	
Change in Net Position		\$623,394	

TOWN OF FARMVILLE, NORTH CAROLINA
2009 CDBG – DALTON'S COVE SUBDIVISION PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Favorable (Unfavorable)
Revenues:					
Town of Farmville	\$243,280				(\$243,280)
TOTAL REVENUES	\$243,280	\$0	\$0	\$0	(\$243,280)
Expenditures:					
Construction					
CN 1 - Sanitary Sewer Improvements	\$235,226		\$234,493	\$234,493	\$733
Inspection	10,712		10,712	10,712	
AS - Coordination with Dalton's Cove	3,150		3,150	3,150	
Administration	2,317	\$2,317		\$2,317	
Professional Services	35,374	35,374		35,374	
TOTAL EXPENDITURES	\$286,779	\$37,691	\$248,355	\$286,046	\$733
Revenues Over (Under) Expenditures	(\$43,499)	(\$37,691)	(\$248,355)	(\$286,046)	(\$242,547)
Other Financing Sources (Uses):					
Transfer from Sewer Fund	\$43,499				(\$43,499)
TOTAL OTHER FINANCING SOURCES (USES)	\$43,499	\$0	\$0	\$0	(\$43,499)
Revenues and Other Sources (Uses) Over (Under)					
Expenditures	\$0	(\$37,691)	(\$248,355)	(\$286,046)	(\$286,046)
<i>Beginning Fund Balance, July 1</i>			(37,691)		
Ending Fund Balance, June 30			(\$286,046)		

	Actual Prior Year	Actual Current Year	Actual Total To Date
<u>Supplementary Information</u>			
Fund Allocation of Project Expenditures:			
General Fund - Streets			
Water Fund			
Sewer Fund	\$37,691	\$248,355	\$286,046
	\$37,691	\$248,355	\$286,046

TOWN OF FARMVILLE, NORTH CAROLINA
2018 CDBG SEWER INFRASTRUCTURE PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES-BUDGET AND ACTUAL (NON-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total To Date	Variance Favorable (Unfavorable)
Revenues:					
Community Development Funds	\$1,625,000	\$153,146	\$820,127	\$973,273	(\$651,727)
TOTAL REVENUES	\$1,625,000	\$153,146	\$820,127	\$973,273	(\$651,727)
Expenditures:					
Sewer Improvements	\$1,463,000		\$759,577	\$759,577	\$703,423
Administration	162,000	\$153,146	60,550	213,696	(51,696)
TOTAL EXPENDITURES	\$1,625,000	\$153,146	\$820,127	\$973,273	\$651,727
Revenues Over (Under) Expenditures	\$0	\$0	\$0	\$0	\$0
<i>Beginning Fund Balance, July 1</i>					
Ending Fund Balance, June 30			\$0		

TOWN OF FARMVILLE, NORTH CAROLINA
TRUST FUND – FIRE SUPPLEMENTAL HOSPITALIZATION INSURANCE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

Revenues:

Investment Earnings

\$19

Total Revenues**\$19****Expenditures:**

Claims

Total Expenditures**\$0****Revenues Over (Under) Expenditures****\$19***Beginning Fund Balance, July 1*

25,617

Ending Fund Balance, June 30**\$25,636**

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
For the Fiscal Year Ended June 30, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-21		\$1,812,238	\$1,787,367	\$24,871
2019-20	\$66,462		9,047	57,415
2018-19	39,484		6,592	32,892
2017-18	53,272		6,078	47,194
2016-17	27,116		2,746	24,370
2015-16	23,323		6,509	16,814
2014-15	18,016		1,924	16,092
2013-14	15,974		1,628	14,346
2012-13	37,128		2,803	34,325
2011-12	16,182		1,877	14,305
	\$296,957	\$1,812,238	\$1,826,571	\$282,624
<i>Less: Allowance for Uncollected Ad Valorem Taxes Receivable</i>				(66,464)
Ad Valorem Taxes Receivable-Net				\$216,160
<u>Reconciliation With Revenues:</u>				
<i>Taxes-Ad Valorem-General Fund</i>				\$1,851,940
<i>Reconciling Items:</i>				
Interest Collected				(25,369)
Total Collections and Credits				\$1,826,571

TOWN OF FARMVILLE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
For the Fiscal Year Ended June 30, 2021

	Town-Wide		Total Levy	
	Property Valuation	Rate	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:				
Property Taxed at Current Year's Rate	\$366,965,306	0.4900	\$1,798,130	\$1,590,133
Total	\$366,965,306		\$1,798,130	\$1,590,133
Discoveries:				
Current Year Taxes	\$4,633,673	0.4900	\$22,705	\$22,705
Releases:				
Current Year Taxes	(\$1,754,490)	0.4900	(\$8,597)	(\$8,597)
Total	\$2,879,183		\$14,108	\$14,108
Total Property Valuation	\$369,844,489			
Net Levy			\$1,812,238	\$1,604,241
Uncollected Taxes at June 30, 2021			24,871	24,871
Current Year's Taxes Collected			\$1,787,367	\$1,579,370
Current Levy Collection Percentage			98.63%	98.45%

TOWN OF FARMVILLE, NORTH CAROLINA
TAXABLE PROPERTY VALUATION LAST TEN YEARS
For the Fiscal Year Ended June 30, 2021

Fiscal Year	Real Property	Personal Property	Public Services Companies	Total Valuation
2020-21	\$262,498,767	\$98,735,926	\$8,609,796	\$369,844,489
2019-20	234,449,947	91,197,853	8,726,067	334,373,867
2018-19	233,774,222	89,722,248	8,909,395	332,405,865
2017-18	232,072,806	98,053,945	8,583,166	338,709,917
2016-17	232,848,256	95,290,379	8,188,916	336,327,551
2015-16	227,126,505	86,399,006	7,978,775	321,504,286
2014-15	225,363,125	63,328,418	7,225,600	295,917,143
2013-14	221,218,688	74,503,887	7,412,730	303,135,305
2012-13	221,947,314	66,207,992	7,385,306	295,540,612
2011-12	240,914,463	65,047,782	6,981,224	312,943,469

TOWN OF FARMVILLE, NORTH CAROLINA
SPECIAL REVENUE FUND - LIBRARY (TRUST) FUND
CHANGES IN FUND BALANCE IN DETAIL
For the Fiscal Year Ended June 30, 2021

	Beginning Balances	Revenues	Expenditures	Ending Balances
Arndt Trust	\$8,555	\$6		\$8,561
Barker Trust	78,437	59		78,496
Cockrell Trust	4,811	4		4,815
Davis Trust	29,765	23		29,788
DeVisconti Trust	89,466	67	\$11,006	78,527
Library Friends	14,817	91		14,908
Monk Trust	4,088	3		4,091
Veterans Memorial	10,179	8		10,187
<i>Totals</i>	\$240,118	\$261	\$11,006	\$229,373



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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Commissioners
Town of Farmville, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 aggregated remaining fund information of Town of Farmville, North Carolina as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Town of Farmville's basic financial statements, and have issued our report thereon dated January 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Farmville's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Town of Farmville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-1 that we consider to be a significant deficiency.

Compliance and Other Matters

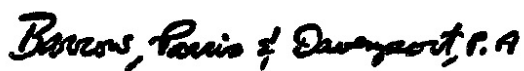
As part of obtaining reasonable assurance about whether the Town of Farmville's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-1.

Town of Farmville's Response to Finding

The Town of Farmville's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



BARROW, PARRIS & DAVENPORT, P.A.
Kinston, NC

January 28, 2022



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Commissioners
Town of Farmville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the Town of Farmville, North Carolina, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Farmville's major federal programs for the year ended June 30, 2021. The Town of Farmville's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town of Farmville's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Farmville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

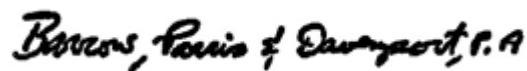
Report on Internal Control Over Compliance

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

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

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

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



BARROW, PARRIS & DAVENPORT, P.A.
Kinston, NC

January 28, 2022

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

	YES	NO
<u>Financial Statements</u>		
Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified		
Internal control over financial reporting:		
• Material weakness(es) identified	_____	_____X_____
• Significant deficiency(s)	_____X_____	_____
Noncompliance material to financial statements noted?	_____	_____X_____
<u>Federal Awards</u>		
Internal control over major Federal programs:		
• Material weakness(es) identified	_____	_____X_____
• Significant deficiency(s) identified	_____	_____X_____
Type of auditors' report issued on compliance for major Federal programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR200.516(a)	_____	_____X_____
Identification of major Federal program:		
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	
14.228	Community Development Block Grant	
Dollar threshold used to distinguish between Type A and Type B Programs	_____ \$750,000 _____	
Auditee qualified as low-risk auditee?	_____ Yes	_____X_____ No

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS

Finding 2021-1 – Noncompliance with North Carolina General Statute – Transfer from Electric Fund

SIGNIFICANT DEFICIENCY IMMATERIAL NONCOMPLIANCE

Criteria: State law authorizes a municipality to transfer to other funds a sum that reflects a rate of return on the investment in the electric system to the extent that it does not exceed the greater of 3% of gross capital assets of the electric fund from the prior year audited financial statements or 5% of gross electric fund revenue from the prior year audited financial statements. State law requires that a municipality shall not otherwise transfer revenue from an electric utility to any other fund of the municipality for any other purpose not authorized by law.

Condition: The Town has exceeded the allowable amount of transfers by \$54,794.

Effect: Funds were transferred to the General Fund in excess of authorized amounts. Electric Fund revenues should be used in the Electric Fund to lower rates or finance improvements to the electric system.

Cause: The Town transferred \$359,122 (total transfers out (\$404,603) less allowable transfer for payment in lieu of taxes (\$45,481)) out of the Electric Fund and the maximum eligible amount was only \$304,328.

Recommendation: The Town should calculate the allowable transfers for the year prior to making a transfer. The Town should monitor the transfers during the year to ensure they do not exceed authorized amounts.

Views of Responsible Officials and Planned Corrective Actions: The Town agrees with this finding. Transfers will be monitored going forward. Please refer to the corrective action plan on page 109.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted.

TOWN OF FARMVILLE, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2021

FINDING: **20-1 Reporting**

STATUS: Corrected.

TOWN OF FARMVILLE, NORTH CAROLINA
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2021

Town of Farmville
Office of Finance Director



3672 North Main Street
P.O. Box 86
Farmville, NC 27828

Phone: (252) 753-6715
Fax: (252) 753-2963

January 27, 2022

Corrective Action Plan
For the Fiscal Year Ended June 30, 2021

Section II- Financial Statement Findings

Finding 2021-1

Noncompliance with North Carolina General Statute- Transfer from Electric Fund

Significant Deficiency- Immaterial Noncompliance

Name of Contact Person: Amy B. Johnson, Finance Director

Corrective Action: The Town did calculate the 3% of gross capital assets of the electric fund from prior year when budgeting for the allowable transfer of electric funds to the general fund. The Town was unaware the economic development contribution of \$82,500 was to be included within that same computation, and therefore we exceeded the allowable amount of transfers by \$54,794. We acknowledge that economic development contributions must be calculated as a part of the allowable transfer of electric funds and will plan accordingly in the next budget year. In addition, the Town will monitor cash flow during the year before making budgeted transfers to ensure there are enough funds to support those transfers.

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

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
FEDERAL GRANTS					
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT:					
Passed Through NC Department of Commerce:					
Division of Community Assistance					
Community Development Block Grants:					
2018 CDBG-I Grant	14.228		\$820,127		
2018 CDBG-NR Grant	14.228		47,541		
Total U.S. Department of Housing & Urban Development			\$867,668	\$0	\$0
U.S. DEPARTMENT OF AGRICULTURE					
Community Facilities Grant	10.766		\$350,000		
Total U.S. Department of Agriculture			\$350,000	\$0	\$0
U.S. Department of Treasury					
Passed Through the Office of State Budget and Management:					
NC Pandemic-Recovery Office:					
Passed Through Pitt County:					
Coronavirus Relief Fund	21.019		\$67,527	\$0	\$0
U.S. INSTITUTE OF MUSEUM & LIBRARY SERVICES					
Passed Through NC Department of Cultural and Natural Resources:					
Division of the State Library:					
Administered by Town Finance Department:					
LSTA - EZ Library Grant	45.310		\$22,787		
LSTA - EZ CARES - Library Grant	45.310		7,035		
LSTA - Library Grant - COVID 19	45.310		1,496		
Total Division of the State Library			\$31,318	\$0	\$0
U.S. DEPARTMENT OF DEFENSE					
Passed Through NC Department of Public Safety:					
National Guard Military Operations and Maintenance Projects -					
National Guard Army - HOPE Grant	12.401		\$3,809	\$3,809	
Total U.S. Department of Defense			\$3,809	\$3,809	\$0
TOTAL FEDERAL ASSISTANCE			\$1,320,322	\$3,809	\$0

TOWN OF FARMVILLE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL AWARDS
For the Fiscal Year Ended June 30, 2021

Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grantor's Number	Expenditures		
			Federal	State	Local
STATE PROGRAMS					
NC DEPARTMENT OF TRANSPORTATION					
Powell Bill	N/A			\$208,884	
Total NC Department of Transportation			\$0	\$208,884	\$0
STATE OF NORTH CAROLINA					
Fire Department - State Grant	N/A			\$24,106	
Total State of North Carolina			\$0	\$24,106	\$0
NC DEPARTMENT OF PUBLIC SAFETY					
CDBG-CV - HOPE Grant	N/A			\$16,871	
COVID-19 Relief Fund - HOPE Grant	N/A			1,587	
Total State of North Carolina			\$0	\$18,458	\$0
NC DEPARTMENT OF CULTURAL AND NATURAL RESOURCES					
Library State Aid	N/A			\$3,580	
Total NC Department of Cultural and Natural Resources			\$0	\$3,580	\$0
NC OFFICE OF STATE CONTROLLER					
Controlled Substance Tax	N/A			\$877	
Total NC Office of State Controller			\$0	\$877	\$0
TOTAL STATE ASSISTANCE			\$0	\$255,905	\$0
TOTAL FEDERAL & STATE ASSISTANCE			\$1,320,322	\$259,714	\$0

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Town of Farmville under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the Town of Farmville, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Town of Farmville.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. INDIRECT COST RATE

The Town of Farmville has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.