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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the Town Council Town of Lewiston Woodville, 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 Lewiston Woodville, 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 of Lewiston Woodville, North Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

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circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit, 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 Lewiston Woodville, North Carolina, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows 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.

Emphasis of Matter

As discussed in Note I, E, 14 to the financial statements, effective July 1, 2020, the entity adopted new accounting guidance promulgated in GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, as listed in the table of contents 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 Town of Lewiston Woodville, North Carolina's basic financial statements. The combining and individual fund financial schedules, budgetary schedules and other schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2024, on our consideration of the Town of Lewiston Woodville, North Carolina'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 that 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 effectiveness of the Town of Lewiston Woodville, North Carolina's 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 the Town of Lewiston Woodville's internal control over financial reporting and compliance.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP Certified Public Accountants Oxford, NC March 4, 2024



As management of the Town of Lewiston Woodville, North Carolina (the "Town") we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town 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.

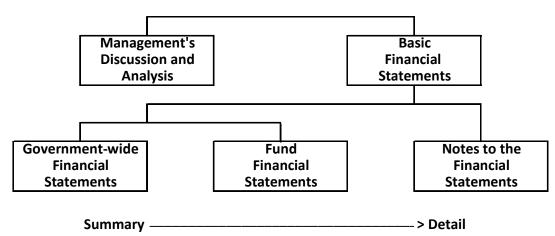
Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$3,476,585 (net position).
- The government's total net position increased by \$1,461,432, primarily due to an increase of \$1,356,068 in business-type activities net position and an increase of \$105,364 in governmental activities net position.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$706,166, an increase of \$27,117. Approximately 26.13% of this total amount, or \$184,518, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$532,440, or 215% of total general fund expenditures for the fiscal year.
- The Town's total debt, excluding compensated absences and pensions, decreased by \$17,000 (1.97%) during the current fiscal year. Sewer fund debt decreased \$17,000. The key factors in this decrease were the payments of principal on existing general obligation bonds of \$17,000.
- The Town received grant funds from the United States Department of Agriculture in the amount of \$1,381,973 for the constructions and rehabilitation of the Town's wastewater treatment facility and the payment of interest on a construction loan for this project.
- The Town refinanced revenue bond anticipation notes for sewer improvements with permanent revenue bonds payable to the United States Department of Agriculture in the amount of \$862,000. The bonds are payable in 40 annual installments of \$27,000 to \$28,000 each including interest at 1.25% through June 1, 2060.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town'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.

Figure 1
Required Components of Annual Financial Report



Basic Financial Statements

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

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

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole. The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, transportation, 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 sewer treatment services offered by the Town of Lewiston Woodville.

The government-wide financial statements are 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, 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 the Town can be divided into two categories: governmental funds and proprietary funds.

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 26 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's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 54 of this report.

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

Government-Wide Financial Analysis

Town of Lewiston Woodville's Net Position Figure 2

		mental vities		ss-Type vities	Total			
	2021	2020	2021	2020	2021	2020		
Current and other assets Capital assets Total assets	\$ 718,294 327,751 1,046,045	\$ 689,482 250,094 939,576	\$ 168,434 3,126,387 3,294,821	\$ 125,447 1,821,730 1,947,177	\$ 886,728 3,454,138 4,340,866	\$ 814,929 2,071,824 2,886,753		
Deferred outflows of resources	14,126	21,116			14,126	21,116		
Long-term liabilities outstanding Other liabilities Total liabilities	9,490 4,824 14,314	23,213 2,921 26,134	828,000 30,527 858,527	845,000 32,070 877,070	837,490 35,351 872,841	868,213 34,991 903,204		
Deferred inflows of resources	5,566	2,194			5,566	2,194		
Net Position: Net investment in capital assets Restricted Unrestricted	327,751 184,518 528,022	250,094 88,795 593,475	2,281,387 27,563 127,344	959,730 - 110,377	2,609,138 212,081 655,366	1,209,824 88,795 703,852		
Total net position	\$ 1,040,291	\$ 932,364	\$ 2,436,294	\$ 1,070,107	\$ 3,476,585	\$ 2,002,471		

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 resources of the Town exceeded liabilities and deferred inflows of resources by \$3,476,585 as of June 30, 2021. The Town's net position increased by \$1,461,432 for the fiscal year ended June 30, 2021. However, the largest portion \$2,609,138 (75.05%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Lewiston Woodville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Lewiston Woodville's net position, \$212,081 (6.10%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$655,366 (18.85%) is unrestricted.

Several particular aspects of the Town's financial operations influenced its government-wide net position components:

- Continued diligence in the collection of property taxes by increasing aggressive collection procedures through the debt setoff program, garnishments and bank account attachments. The tax collection percentage increased by 1.41% to 96.75% from 95.34% in the previous year.
- Sales tax revenues increased by \$15,020 (12.50%) over the previous year due to improvement in the State of North Carolina economy.
- Property tax revenues increased by \$13,241 (9.91%) due to an increase of 5.80% in assessed property values combined with the 1.41% increase in tax collection percentage.

Governmental activities: Governmental activities increased the Town's net position by \$105,364. The key elements of this increase are as follows:

- Increase in the tax collection percentage and assessed property values.
- Decrease in the liability for pension benefits.

Business-type activities: Business-type activities increased the Town's net position by \$1,356,068. The key element of this increase is as follows:

 United States Department of Agriculture grants for construction and rehabilitation of the Town's wastewater treatment facility and sewer lines of \$1,356,975 and \$24,998 for interest payments on general obligation bonds.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town'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 Lewiston Woodville's financing requirements.

Town of Lewiston Woodville's Changes in Net Position Figure 3

	Govern	mental	Busine	ss-Type		
	Activ	vities	Acti	vities	То	otal
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 150	\$ 2,800	\$ 104,387	\$ 142,469	\$ 104,537	\$ 145,269
Operating grants and contributions	14,056	92,440	-	-	14,056	92,440
Capital grants and contribution	58,648	-	1,381,973	699,008	1,440,621	699,008
General Revenues:						
Property taxes	146,890	133,649	-	-	146,890	133,649
Unrestricted intergovernmental	163,347	147,681	-	-	163,347	147,681
Investment earnings	86	171	3	-	89	171
Other	(38)	3,537	<u>-</u>	195	(38)	3,732
Total revenues	383,139	380,278	1,486,363	841,672	1,869,502	1,221,950
			·			
Expenses:						
General government	81,190	92,416	-	-	81,190	92,416
Public safety	40,414	31,100	-	-	40,414	31,100
Transportation	95,409	89,564	-	-	95,409	89,564
Environmental protection	45,648	42,553	-	-	45,648	42,553
Cultural and recreation	15,114	14,922	-	-	15,114	14,922
Sewer	-	-	130,295	125,993	130,295	125,993
Total expenses	277,775	270,555	130,295	125,993	408,070	396,548
·						
Increase (decrease) in						
net position before transfers	105,364	109,723	1,356,068	715,679	1,461,432	825,402
·	,	,	, ,	,	, ,	,
Transfers	-	(100)	-	100	-	_
			·			
Increase (decrease) in net position	105,364	109,623	1,356,068	715,779	1,461,432	825,402
			_,,	,	_,,	5-5, 15-
Net position, July 1 as previously reported	932,364	822,741	1,070,107	354,328	2,002,471	1,177,069
Prior period adjustment	2,563	, -	10,119	-	12,682	-
Net position, July 1 as restated	934,927	822,741	1,080,226	354,328	2,015,153	1,177,069
Net position, June 30	\$ 1,040,291	\$ 932,364	\$ 2,436,294	\$ 1,070,107	\$ 3,476,585	\$ 2,002,471

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town's unassigned fund balance in the General Fund was \$532,440, while total fund balance reached \$692,299. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 215% of total General Fund expenditures, while total fund balance represents 279% of that same amount.

At June 30, 2021, the governmental funds of the Town reported a combined fund balance of \$706,166, with a net increase in fund balance of \$27,117. The increase in fund balance was due to an excess of revenues over expenditure of \$79,557 in the General Fund and an excess of expenditures over revenues in the capital project funds of (\$52,440).

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

Revenues exceeded the budgeted amounts primarily due to the increases in ad-valorem taxes and sales tax revenues. Expenditures were held in check to allow the Town to comply with its budgetary requirements.

Total expenditures in the General Fund for fiscal year 2021 were \$247,704 compared to \$301,943 for the previous year, a decrease of \$54,239 (17.96%). Major increases and decreases in expenditures are listed below:

- General Government expenditures decreased \$48,214 due to decreases in operating expenditures.
- Public safety expenditures increased 9,314 due increases in salaries and benefits.
- Transportation expenditures decreased \$5,484 due to decreases in operating expenditures.
- Sanitation expenditures increased \$3,095 due to increases in contracted services.
- Cultural and recreational expenditures decreased \$12,950 as these expenditures are recorded in the capital project funds for the current fiscal year.

Proprietary Funds. The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Sewer Fund at the end of the fiscal year amounted to \$127,344. The total increase in net position for the fund was \$1,356,068. Factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$3,454,138 (net of accumulated depreciation). These assets include buildings, infrastructure, land, machinery and equipment, recreational facilities, and vehicles.

Additional information on the Town's capital assets can be found in Note III.A.3 of the Basic Financial Statements. Major capital asset transactions during the year include the following additions and disposals:

- Current year construction in progress of \$1,234,808 in business-type activities for the construction of the wastewater treatment plant and rehabilitation of sewer lines.
- Current year construction in progress of \$97,947 in governmental activities in the Golden Leaf and Kate B. Reynolds Capital Project Funds for the renovation of the community center building.
- Purchase of a backhoe for \$50,310 and a generator for \$49,605 for the business-type activities.
- Transfer of \$2,795,653 from construction in progress to plant and distribution systems

Town of Lewiston Woodville's Capital Assets (net of accumulated depreciation) Figure 4

	Governmental Activities				Business-Type Activities					Total			
		2021	2020			2021		2020		2021	2020		
Land and construction													
in progress	\$	109,319	\$	11,372	\$	2,951	\$	1,563,796	\$	112,270	\$	1,575,168	
Distribution and													
treatment systems		-		-		3,000,277		223,406		3,000,277		223,406	
Buildings		76,121		78,894		-		-		76,121		78,894	
Improvements		76,841		80,311		-		-		76,841		80,311	
Equipment		27,251		33,307		123,159		34,527		150,410		67,834	
Computer equipment		575		1,005		-		-		575		1,005	
Vehicles		37,644		45,206		-		-		37,644		45,206	
Total	\$	327,751	\$	250,095	\$	3,126,387	\$	1,821,729	\$	3,454,138	\$	2,071,824	

Long-Term Debt. As of June 30, 2021, the Town had debt outstanding of \$845,000 which represents revenue bonds payable to the United States Department of Agriculture in the business-type activities related to sewer improvements.

Town of Lewiston Woodville's Outstanding Debt Figure 5

		Governmental Activities			Business-Type Activities					Total			
		<u>2021</u>		2020		<u>2021</u>		2020		2021		2020	
USDA Revenue bonds Compensated absences Net pension liability - NCLGERS	\$	- 556 8,934	\$	- - 23.213	\$	845,000	\$	862,000	\$	845,000 556 8,934	\$	862,000	
·	_	,								•		23,213	
Total	\$	9,490	\$	23,213	\$	845,000	\$	862,000	\$	854,490	\$	885,213	

The Town's total debt decreased by \$17,000 (1.97%) during the current year, primarily due to principal payments on revenue bonds of \$17,000. During the current fiscal year, the Town refinanced bond anticipation notes payable to PNC Bank of \$862,000 with revenue bonds payable to the United States Department of Agriculture. The bonds are payable in 40 annual installments varying between \$27,000 and \$28,000 each including interest at 1.25% through June 1, 2060.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Lewiston Woodville is \$1,935,921.

Additional information regarding the Town's long-term debt can be found in Note III.B.7 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the general condition of the Town. The economic crisis of prior years' continues to contribute to the factors below:

- High unemployment, an aged population, no industrial development, and very little retail business
 help to create a situation where the Town's customer base is eroded. The resulting ratio of expense
 versus revenue creates a difficult situation in keeping rates and fees low while maintaining an
 adequate level of service. In addition, most residents are on fixed income.
- The local unemployment rate for Bertie County as of June 30, 2021 is 6.1% compared to the North Carolina state average rate of 4.9%. Bertie County's unemployment rate increased by 0.2% from the previous year's unemployment rate of 5.9%, while the North Carolina state average rate decreased by 3.0% from the previous year's unemployment rate of 7.9%. Unemployment rates statewide increased during 2020 due to the COVID-19 pandemic. 7

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Property taxes and revenues from unrestricted intergovernmental revenues are again expected to remain steady. Sales tax revenues are anticipated to increase slightly from last year due to the improvement in the State of North Carolina economy. The property tax will remain the same at \$0.60 per \$100 of assessed value.

Budgeted expenditures in the General Fund are \$284,800. This is a decrease of \$11,402 (3.85%) from last year's General Fund budget of \$296,202.

Business-type Activities: Total budgeted expenditures for the Sewer Fund for the upcoming year are \$120,400. This is a decrease of \$100 from the previous year's budget of \$120,500. There is no increase in the sewer fees in the fiscal year 2022 budget ordinance. The sewer rates will continue to be reevaluated annually for adequacy and possible adjustment up or down.

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 following address:

Town Clerk
Town of Lewiston Woodville
P.O. Box 340, 103 West Church Street
Lewiston Woodville, NC 27849.

One can also call (252) 348-2824, or send an email to lewistonwoodville@gmail.com for more information.

Town of Lewiston Woodville, North Carolina Town Council and Key Staff June 30, 2021

Town Council Members

James Pugh, Mayor

Dianne Bazemore

Christine Cordon

Michelle Gilliam

June Jernigan

Judy Brown

Administrative, Financial and Operational Staff

Diane Harrington, Town Clerk

Harris Williams Jr., Police

Randolph Peele, Public Works

Jonathan Edward Huddleston, Town Attorney



Town of Lewiston Woodville, North Carolina Statement of Net Position June 30, 2021 Exhibit 1

	Primary Government						
	Governmenta Activities	al Business-type Activities	Total				
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 547,26		\$ 652,977				
Restricted cash and cash equivalents	128,87		167,092				
Taxes receivables (net)	7,30		7,304				
Accounts receivable (net)	24.60	- 7,575	7,575				
Due from other governments	34,69		51,780				
Internal balances	15		-				
Total current assets	718,29	4 168,434	886,728				
Non-current assets:							
Capital assets (Note 2): Land, non-depreciable improvements, and							
construction in progress	109,31		112,270				
Other capital assets, net of depreciation	218,43		3,341,868				
Total capital assets	327,75		3,454,138				
Total non-current assets	327,75		3,454,138				
TOTAL ASSETS	1,046,04	5 3,294,821	4,340,866				
DEFERRED OUTFLOWS OF RESOURCES		_					
Pension deferrals	14,12		14,126				
TOTAL DEFERRED OUTFLOWS OF RESOURCES	14,12	-	14,126				
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	4,82		7,701				
Current portion of long-term liabilities		- 17,000	17,000				
Liabilities payable from restricted assets:		40.550	40.550				
Customer deposits		10,650	10,650				
Total current liabilities	4,82	30,527	35,351				
Long-term liabilities:							
Net pension liability - LGERS	8,93	-	8,934				
Compensated absences	55	-	556				
Due in more than one year		- 828,000	828,000				
TOTAL LIABILITIES	14,31	4 858,527	872,841				
DEFERRED INFLOWS OF RESOURCES		<u> </u>					
Pension deferrals	5,56	-	5,566				
TOTAL DEFERRED INFLOWS OF RESOURCES	5,56	-	5,566				
NET POSITION		_					
Net investment in capital assets Restricted for:	327,75	2,281,387	2,609,138				
Stabilization by State Statute	74,84	-7	74,847				
Streets	75,01		75,012				
Cultural and recreation	34,65	9 -	34,659				
USDA debt service		- 27,563	27,563				
Unrestricted	528,02	2 127,344	655,366				
TOTAL NET POSITION	\$ 1,040,29	1 \$ 2,436,294	\$ 3,476,585				

Town of Lewiston Woodville, North Carolina Statement of Activities For the Fiscal Year Ended June 30, 2021 Exhibit 2

		Program Revenu						es			
Functions/Programs		Expenses		arges for Services	Gr	perating ants and tributions	Capital Grants and Contributions				
Primary government:											
Governmental Activities:											
General government	\$	81,190	\$	-	\$	-	\$	-			
Public safety		40,414		50		-		-			
Transportation		95,409		-		13,583		-			
Economic development		-		100		-		-			
Environmental protection		45,648		-		473		-			
Cultural and recreation		15,114		-		-		58,648			
Total governmental activities		277,775		150		14,056		58,648			
Business-type activities:											
Sewer		130,295		104,387		-		1,381,973			
Total business-type activities		130,295		104,387				1,381,973			
Total primary government	\$	408,070	\$	104,537	\$	14,056	\$	1,440,621			

Town of Lewiston Woodville, North Carolina Statement of Activities For the Fiscal Year Ended June 30, 2021 Exhibit 2

	Net (Expense) Revenue and Changes in Net Position								
	Primary Government								
Functions/Programs	Gove	ernmental		siness-type		Total			
Primary government:									
Governmental Activities:									
General government	\$	(81,190)	\$	_	\$	(81,190)			
Public safety	Ÿ	(40,364)	Y	_	Ţ	(40,364)			
Transportation		(81,826)		_		(81,826)			
Environmental protection		(45,175)		-		(45,175)			
Cultural and recreation		43,534		-		43,534			
Total governmental activities		(204,921)		-		(204,921)			
Business-type activities:									
Sewer		_		1,356,065		1,356,065			
Total business-type activities				1,356,065		1,356,065			
Total advance accommod		(204 024)		1 250 005		4.454.444			
Total primary government		(204,921)		1,356,065		1,151,144			
General revenues:									
Taxes:									
Property taxes, levied for general purpose Grants and contributions not restricted		146,890		-		146,890			
to specific programs		163,347		_		163,347			
Unrestricted investment earnings		86		3		89			
Miscellaneous		(38)		-		(38)			
Total general revenues not including transfers		310,285		3		310,288			
Transfers		-		_		-			
Total general revenues and transfers		310,285		3		310,288			
Change in net position		105,364		1,356,068		1,461,432			
Net position, beginning as previously reported		932,364		1,070,107		2,002,471			
Prior period adjustments		2,563		10,119		12,682			
Net position, beginning		934,927		1,080,226		2,015,153			
Net position, ending	\$	1,040,291	\$	2,436,294	\$	3,476,585			

Town of Lewiston Woodville, North Carolina Governmental Funds Balance Sheet June 30, 2021 Exhibit 3

	Major Fund			Total		
						Total
				Non-Major		Governmental
	Ge	neral Fund		Funds		Funds
ASSETS						
Cash and cash equivalents	\$	547,264	\$	-	\$	547,264
Restricted cash and cash equivalents		75,012		53,867		128,879
Receivables, net:						
Taxes		7,304		-		7,304
Due from other funds		40,152		-		40,152
Due from other governments		34,695		-		34,695
Total assets	\$	704,427	\$	53,867	\$	758,294
LIABILITIES						
Accounts payable	\$	4,824	\$	-	\$	4,824
Due to other funds		-		40,000		40,000
Total liabilities		4,824		40,000		44,824
DEFERRED INFLOWS OF RESOURCES						
Property taxes receivable		7,304		-		7,304
Total deferred inflows of resources		7,304		-		7,304
FUND BALANCES						
Restricted						
Stabilization by State Statute		74,847		-		74,847
Streets		75,012		-		75,012
Cultural and recreation		-		34,659		34,659
Assigned						
Subsequent year's expenditures		10,000		-		10,000
Unassigned		532,440		(20,792)		511,648
Total fund balances		692,299		13,867		706,166
Total liabilities, deferred inflows of resources and fund balances	\$	704,427	\$	53,867	\$	758,294

Town of Lewiston Woodville, North Carolina Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2021 Exhibit 4

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Total Fund Balance, Governmental Funds			\$ 706,166
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Gross capital assets at historical cost Accumulated depreciation	\$	636,230 (308,479)	327,751
Deferred outflows of resources related to pensions are not report in the funds			14,126
Earned revenues considered deferred inflows of resources in fund statements			7,304
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in funds.			
Compensated absences Net pension liability - LGERS	\$ ——	(556) (8,934)	(9,490)
Deferred inflows of resources related to pensions are not reported in the funds Deferred inflows of resources related to OPEB are not			(5,566)
Net position of governmental activities			\$ 1,040,291

Town of Lewiston Woodville, North Carolina Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance For the Fiscal Year Ended June 30, 2021 Exhibit 5

	Ger	neral Fund	Total Non- Major Funds		Gov	Total vernmental Funds
Revenues:	<u>-</u>					
Ad valorem taxes	\$	149,660	\$	-	\$	149,660
Unrestricted intergovernmental		163,347		-		163,347
Restricted intergovernmental		14,056		-		14,056
Permits and fees		150		-		150
Investment earnings		86		-		86
Miscellaneous		(38)		58,648		58,610
Total revenues		327,261		58,648		385,909
Expenditures:						
Current:						
General government		77,334		-		77,334
Public safety		40,414		-		40,414
Transportation		91,870		-		91,870
Environmental protection		38,086		-		38,086
Cultural and recreation		-		111,088		111,088
Total expenditures		247,704		111,088		358,792
Excess (deficiency) of revenues						
over expenditures		79,557		(52,440)		27,117
Net change in fund balance		79,557		(52,440)		27,117
Fund balances, beginning, as previously reported		676,487		-		676,487
Prior period adjustment		(63,745)		66,307		2,562
Fund balances, beginning		612,742		66,307		679,049
Fund balances, ending	\$	692,299	\$	13,867	\$	706,166

Town of Lewiston Woodville, North Carolina Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2021 Exhibit 6

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

Net changes in fund balances - total governmental funds		\$ 27,117
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 were capitalized Depreciation expense for governmental assets	\$ 97,947 (20,291)	77,656
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		5,958
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues	 (2,770)	(2,770)
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 Pension expense - NCLGERS	 (556) (2,041)	(2,597)
Total changes in net position of governmental activities		\$ 105,364

Town of Lewiston Woodville, North Carolina General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Fiscal Year Ended June 30, 2021 Exhibit 7

	General Fund								
		Original		Budget Final	Actual Amounts		Final Bud Actual Positi		ance with Budget - ositive egative)
Revenues:	_		_						
Ad valorem taxes	\$	133,000	\$	133,000	\$	149,660	\$	16,660	
Unrestricted intergovernmental		130,250		130,250		163,347		33,097	
Restricted intergovernmental		14,000		14,000		14,056		56	
Permits and fees		-		-		150		150	
Investment earnings Miscellaneous						86 (38)		86 (5.000)	
Total revenues		5,952 283,202		5,952 283,202	-	(38) 327,261		(5,990) 44,059	
Total revenues		283,202		283,202		327,201		44,033	
Expenditures: Current:									
General government		83,425		75,925		77,334		(1,409)	
Public safety		73,929		81,429		40,414		41,015	
Transportation		101,048		101,048		91,870		9,178	
Environment protection		37,800		37,800		38,086		(286)	
Total expenditures		296,202		296,202		247,704		48,498	
Revenues over (under) expenditures		(13,000)		(13,000)		79,557		92,557	
Fund balance appropriated		13,000		13,000		-		(13,000)	
Net change in fund balance	\$	-	\$	-		79,557		79,557	
Fund balances, beginning, as previously reported Prior period adjustment Fund balances, beginning						676,487 (63,745) 612,742			
Fund balances, ending					\$	692,299			

Town of Lewiston Woodville, North Carolina Proprietary Funds Statement of Fund Net Position June 30, 2021 Exhibit 8

	Major Ente	Major Enterprise Funds			
	Sewer Fund	Total			
Assets					
Current Assets:	4				
Cash and cash equivalents	\$ 105,713	\$ 105,713			
Accounts receivable (net)	7,575	7,575			
Due from other governments Restricted cash and cash equivalents	17,085 38,213	17,085 38,213			
Total current assets		168,586			
Total current assets	168,586	108,380			
Noncurrent assets:					
Capital assets:					
Land and construction in progress	2,951	2,951			
Other capital assets, net of depreciation	3,123,436	3,123,436			
Capital assets	3,126,387	3,126,387			
Total noncurrent assets	3,126,387	3,126,387			
Total assets	3,294,973	3,294,973			
Liabilities					
Current Liabilities:					
Accounts payable	2,038	2,038			
Accrued interest	839	839			
Due to other funds	152	152			
Bonds payable - current	17,000	17,000			
Liabilities payable from restricted assets:					
Customer deposits	10,650	10,650			
Total current liabilities	30,679	30,679			
Noncurrent liabilities:					
Bonds payable	828,000	828,000			
Total noncurrent liabilities	828,000	828,000			
Total liabilities	858,679	858,679			
Net Position					
Net investment in capital assets	2,281,387	2,281,387			
Restricted USDA debt service	27,563	27,563			
Unrestricted	127,344	127,344			
Total net position	\$ 2,436,294	\$ 2,436,294			

Town of Lewiston Woodville, North Carolina Proprietary Funds Statement of Revenues, Expenses, and Changes in Fund Net Position For the Fiscal Year Ended June 30, 2021 Exhibit 9

Sewer Fund Total Operating revenues:	
Operating revenues:	27
	77
Charges for services \$ 103,887 \$ 103,88	5 /
Other operating revenues 500 50	
Total operating revenues 104,387 104,38	
Operating expenses:	
Waste collection and treatment 84,100 84,10	00
Depreciation 30,065 30,06	
Total operating expenses 114,165 114,165	
Operating income (loss) (9,778) (9,778)	78)
Non-operating revenues (expenses):	
Grant revenue 24,998 24,998	98
Investment earnings 3	3
Interest expense (16,130) (16,13	30)
Total non-operating revenues(expenses) 8,871 8,87	71
Income (loss) before contributions and transfers (907) (907)	07)
Capital contributions 1,356,975 1,356,97	75
Transfers from other funds 162 16	62
Transfers to other funds (162) (162)	62)
Total contributions and transfers 1,356,975 1,356,97	
Change in net position 1,356,068 1,356,068	58
Total net position, beginning as previously reported 1,070,107 1,070,10	07
Prior period adjustments 10,119 10,11	
Total net position, beginning as restated 1,080,226 1,080,22	
Total net position, ending \$ 2,436,294 \$ 2,436,29	94

Town of Lewiston Woodville, North Carolina Proprietary Funds Statement of Cash Flows For the Fiscal Year Ended June 30, 2021 Exhibit 10

	Major Enterprise Funds			
	Sewer Fund		Totals	
Cash flows from operating activities:				
Cash received from customers	\$	125,105	\$	125,105
Cash paid for goods and services		(86,482)		(86,482)
Net cash provided (used) by operating activities		38,623		38,623
Cash flows from non-capital financing activities:				
Increase (decrease) in due to / from other funds		152		152
Net cash provided (used) by non-capital				_
financing activities		152		152
Cash flows from capital and related				
financing activities:				
Acquisition and construction of capital assets	(2	1,334,723)		(1,334,723)
Capital contributions - Federal, state, and local grants	2	1,381,973		1,381,973
Principal payments on long term debt		(17,000)		(17,000)
Interest paid on debt		(15,291)		(15,291)
Net cash provided (used) by capital and related financing activities		14,959		14,959
Cash flows from investing activities:				
Interest income		3		3
Net cash provided (used) by investing activities		3		3
Net increase (decrease) in cash & cash equivalents		53,737		53,737
Cash balances, beginning		90,189		90,189
Cash balances, ending	\$	143,926	\$	143,926
Reconciliation of cash balances - ending				
Cash	\$	105,713	\$	105,713
Restricted cash		38,213		38,213
Total cash	\$	143,926	\$	143,926

Town of Lewiston Woodville, North Carolina Proprietary Funds Statement of Cash Flows For the Fiscal Year Ended June 30, 2021 Exhibit 10

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

	Major Enterprise Funds				
	Se	wer Fund	Totals		
Operating income (loss) Adjustments to reconcile operating income (loss)	\$	(9,778)	\$	(9,778)	
Depreciation Changes in assets, deferred outflows, liabilities and deferred inflows:		30,065		30,065	
(Increase) decrease in accounts receivable (Increase) decrease in due from other governments Increase (decrease) in accounts payable Total adjustments		27,683 (6,965) (2,382) 48,401		27,683 (6,965) (2,382) 48,401	
Net cash provided (used) by operating activities	\$	38,623	\$	38,623	



Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Lewiston Woodville, North Carolina (the "Town") 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 is a municipal corporation that is governed by an elected mayor and a five-member council.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the 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 particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

The Town reports the following non-major governmental funds:

Capital Projects Funds. These funds are used to account for two governmental capital projects that are related to renovation and improvements of the community center:

Golden Leaf Grant Capital Project Fund Kate B. Reynolds Foundation Capital Project Fund

The Town reports the following major enterprise fund:

Sewer Fund. This fund is used to account for the Town's sewer operations. The budgetary comparison for the Wastewater Treatment Plant Capital Projects Fund has been included in the supplemental information.

C. Measurement Focus and Basis of Accounting

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

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

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 fund 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 the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

capital asset acquisitions are reported as expenditures in governmental funds. 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 beer and wine 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 because the tax is levied by Bertie 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.

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 and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Golden Leaf Grant and Kate B. Reynolds Foundation Capital Projects Funds and the Wastewater Treatment Plant Capital Project Fund. 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 department level for all annually budgeted funds and at the project level for the multi-year funds. The Town Clerk is authorized to reallocate appropriations within departments and may execute interdepartmental transfers, within the same fund, not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced. The governing board must approve any budget revision that alters the total expenditures of any fund. During the year, several immaterial amendments to the original budget 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 Net Position/Fund Equity

1. Deposits and Investments

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

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

The Town's investments are generally reported at fair value. Non-participating interest earning investment contracts are accounted for at cost.

The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. All cash and cash investments with maturities of three months or less are considered cash and cash equivalents. Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of June 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Town's access to 100 percent of their account value in either external investment pool.

3. Use of Estimates

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

4. Restricted Assets

The unexpended loan proceeds of the Capital Project Funds are classified as restricted assets within the Capital Project Funds because their use is completely restricted to the purpose for which the loans were originally issued. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4. The United States Department of Agriculture loans require the Town to maintain a debt service reserve equal to one year's loan payment.

Town of Lewiston Woodville Restricted Cash					
Governmental Activities					
General Fund					
Streets	\$	75,012			
Golden Leaf Capital Project					
Cultural and recreation		19,208			
Kate B Reyonlds Capital project					
Cultural and recreation		34,659			
Total Governmental Activities	\$	128,879			
Business-type Activities					
Sewer Fund					
Customer deposits		10,650			
USDA Debt service		27,563			
Total Business-type Activities	\$	38,213			
Total Restricted Cash	\$	167,092			

5. 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.

6. 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.

7. Inventory and Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used. As of June 30, 2021, the Town does not have any inventory or prepaid expenses.

8. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. 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. 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 using the straight-line method over the following estimated useful lives:

	Estimated
Asset Class	Useful Lives
Buildings	25 - 50
Improvements	25
Sewer system infrastructure	25 - 40
Equipment	3 - 10
Vehicles	6 - 10

9. 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 one item that meets this criterion, pension deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category - property taxes receivable and pension deferrals.

10. 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 or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days (240 hours) 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 has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

12. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Inventories - portion of fund balance that is <u>not</u> an available resource because it represents the yearend balance of ending inventories, which are not spendable resources.

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

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

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

Restricted for Cultural and Recreation – Unexpended grant revenues portion of fund balance that is restricted by revenue source for renovation of community center in the Capital Projects Funds.

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

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

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

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

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

13. Defined Benefit Cost-Sharing Pension Plan

The Town participates in a cost-sharing, multiple-employer, defined benefit pension plans that is administered by the State: the Local Governmental Employees' Retirement System (LGERS); (the "state-administered defined benefit pension plan"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plan and additions to/deductions from the state-administered defined benefit pension plan's fiduciary net position have been determined on the same basis as they are reported by the state-administered defined benefit pension plan. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan.

14. New Financial Accounting Standards

GASB Statement No. 84, Fiduciary Activities

In January 2017, the GASB issued GASB Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with

whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Town's financial reporting or financial operations.

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been postponed by 18 months.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

In June 2018, the GASB issued GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, the effective date of this statement has been extended by one year. This Statement did not affect the Town's financial reporting or financial operations.

GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61

In August 2018, the GASB issued GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an

investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Town's financial reporting or financial operations.

GASB Statement No. 91, Conduit Debt Obligations

In May 2019, the GASB issued GASB Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 92, Omnibus 2020

In January 2020, the GASB issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and

application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Earlier application is encouraged and is permitted by topic. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 93, Replacement of Interbank Offered Rates

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability

of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In March 2020, the GASB issued GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchangelike transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). The Town is currently reviewing this statement to determine the effect on its financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

In May 2020, the GASB issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to

include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The Town is currently reviewing this statement to determine the effect on its financial statements.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32

In June 2020, the GASB issued GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Town does not anticipate this Statement affecting its financial reporting or financial operations.

GASB Statement No. 98, The Annual Comprehensive Financial Report

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. The Town implemented this statement for the year ended June 30, 2021.

15. Subsequent Events – Date of Management's Evaluation

Management has evaluated subsequent events through March 4, 2024, the date which the financial statements were available to be issued.

American Rescue Plan Grant

The Town received \$163,612 from the United States Department of the Treasury from the American Rescue Plan in fiscal year 2022. The Town will receive an equal additional grant in fiscal year 2023. American Rescue Plan grant funds must be obligated by December 31, 2024 and expended by December 31, 2026. Grant funds can be expended for the following purposes:

- Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- Provide premium pay for essential workers, offering additional support to those who have borne
 and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

The Town approved the ARPA Grant Project Ordinance in March 2023 for \$111,248.

In August 2023, the Town adopted a resolution to accept an additional \$335,000 in ARPA funding for a sewer renovation project.

Lewiston Vitality Center / Bertie County Hive House

The Town agreed to give the Lewiston Vitality Center funds to support their operations. The Town gave \$40,000 in May 2022, \$25,000 in February 2023, and \$25,000 in April 2023.

Purchase of Police Vehicle and Police Services

In December 2022, the Town approved the purchase of a 2023 Tahoe for the police department. In August 2023, the Town entered into a contract with the County Sherriff's Department to provide police services to the Town.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

- A. Significant Violations of Finance-Related Legal and Contractual Provisions
- 1. Noncompliance with North Carolina General Statutes

None reported

2. Contractual Violations

None reported

B. Deficit in Fund Balance or Net Position of Individual Funds

As of June 30, 2021, the Golden Leaf Grant Capital Project Fund has a deficit fund balance of \$20,792. This deficit should be eliminated in the next fiscal year as the Town receives grant funds to reimburse the Town for grant related expenditures.

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the Town expended funds in excess of the amounts appropriated in the budget ordinance and subsequent amendments made by the governing board in the following departments. Management and the Board will more closely review the budget reports to ensure compliance in future years.

Department	Budget	Expenditures	Excess
General government	\$75 <i>,</i> 925	\$77,334	\$1,409
Environmental protection	\$37,800	\$38,086	\$ 286

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 agent 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 \$820,019 and a bank balance of \$822,561. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2021, the Town's petty cash fund totaled \$50.

2. Receivables – Allowances for Doubtful Accounts

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

			Due from other					
		Accounts		Taxes	Gove	ernments		Total
Governmental Activities:								
General	\$	-	\$	9,524	\$	34,695	\$	44,219
Allowance for doubtful accounts				(2,220)				(2,220)
Total governmental activities	\$	-	\$	7,304	\$	34,695	\$	41,999
	Char	ges for Service			Due f	rom other		
		- Accounts	Αll	owance	Gove	ernments		Total
Business-Type Activities:		,				,		
Sewer	\$	25,000	\$	(17,425)	\$	17,085	\$	24,660
Total business-type activities	\$	25,000	\$	(17,425)	\$	17,085	\$	24,660

Due from other governments consists of the following:

Governmental	Activities:
--------------	--------------------

Local option sales tax	\$	23,191
Franchise tax		4,302
Solid waste tax		94
Bertie County-property taxes		7,108
Total Governmental Activities		34,695
		

Business-Type Activities:	
Sewer Collections Bertie County	\$ 10,091
Sales tax refund receivable	 6,994
Total Business-Type Activities	17,085
Total Due from Other Governments	\$ 51,780

3. Capital Assets

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

	eginning Balances	Ir	creases	Decr	eases	Tran	sfers	Ending Balances
Governmental Activities:	 	'						
Capital assets not being depreciated:								
Land	\$ 11,372	\$	-	\$	-	\$	- \$	11,372
Construction in progress	-		97,947		-		-	97,947
Total capital assets not being depreciated	11,372		97,947		-		-	109,319
Capital assets being depreciated:								
Buildings	89,581		-		-		-	89,581
Improvements	88,136		-		-		-	88,136
Equipment	114,960		-		-		-	114,960
Office and computer equipment	14,165		-		-		-	14,165
Vehicles	220,069		_		-		-	220,069
Total capital assets being depreciated	526,911		-		-		-	526,911
Less accumulated deprecation for:								
Buildings	10,687		2,773		-		-	13,460
Improvements	7,825		3,470		-		-	11,295
Equipment	81,653		6,056		-		-	87,709
Office and computer equipment	13,160		430		-		-	13,590
Vehicles	 174,863		7,562				-	182,425
Total accumulated depreciation	 288,188	\$	20,291	\$		\$	-	308,479
Total capital assets being depreciated, net	 238,723							218,432
Governmental activity capital assets, net	\$ 250,095						\$	327,751

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

General government	\$ 7,457
Transportation	3,299
Environmental protection	7,562
Cultural and recreation	1,973
Total	\$ 20,291

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-type Activities Sewer Fund Capital assets not being depreciated:					
Land	\$ 2,951	\$ -	\$ -	\$ -	\$ 2,951
Construction in progress	1,560,845	1,234,808		(2,795,653)	<u> </u>
Total capital assets not being depreciated	1,563,796	1,234,808	-	(2,795,653)	2,951
Capital assets being depreciated:					
Plant and distribution system	1,386,888	-	-	2,795,653	4,182,541
Equipment	69,656	99,915	-	-	169,571
Computer equipment	920			-	920
Total capital assets being depreciated	1,457,464	99,915	-	2,795,653	4,353,032
Less accumulated deprecation for:					
Plant and distribution system	1,163,482	18,782	-	-	1,182,264
Equipment	35,129	11,283	-	-	46,412
Computer equipment	920			_	920
Total accumulated depreciation	1,199,531	\$ 30,065	\$ -	\$ -	1,229,596
Total capital assets being depreciated, net	257,933			-	3,123,436
Business-type activities capital assets, net	\$ 1,821,729			=	\$ 3,126,387

B. Liabilities

1. Payables

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

	Gen	eral Fund	Total		
Governmental Activities:		_			
Vendors	\$	4,824	\$	4,824	
Total governmental activities	\$	\$ 4,824		4,824	
				·	
Business-Type Activities:	9	Sewer		Total	
Business-Type Activities: Vendors	\$	Sewer 2,038	\$	Total 2,038	
			\$		
Vendors		2,038	\$	2,038	

2. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Lewiston Woodville 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 (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Lewiston Woodville 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 Lewiston Woodville's contractually required contribution rate for the year ended June 30, 2021, was 11.19% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Lewiston Woodville were \$5,958 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 \$8,934 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, 2021, the Town's proportion was 0.00025%, (measured as of June 30, 2020), which was a decrease of 0.00060% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the Town recognized pension expense of (\$3,917). 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			eferred lows of
	Re	sources	Res	sources
Differences between expected and actual experience	\$	1,128	\$	-
Changes of assumptions		665		-
Net difference between projected and actual earnings on				
pension plan investments		1,257		-
Changes in proportion and differences between Town				
contributions and proportionate share of contributions		5,118		5,566
Town contributions subsequent to the measurement date		5,958		-
Total	\$	14,126	\$	5,566

\$5,958 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:

Year ended June 30:	
2022	\$ 1,268
2023	1,295
2024	(332)
2025	371
2026	-
Thereafter	 -
	\$ 2,602

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.

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:

		Long-Term Expected
Asset Class	Target Allocation	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.

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:

	-	Decrease 6.00%)	ount Rate 7.00%)	-	Increase 3.00%)
Town's proportionate share of the net pension liability (asset)	\$	18,125	\$ 8,934	\$	1,295

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

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

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

	LGERS	Total
Pension expense	\$ (3,917)	\$ (3,917)
Pension liability	8,934	8,934
Proportionate share of the net pension liability	0.00025%	
Deferred outflows of resources:		
Differences between expected and actual experience	1,128	1,128
Changes in assumptions	665	665
Net difference between projected and actual earnings		
on plan investments	1,257	1,257
Changes in proportion and differences between		
contributions and proportionate share of contributions	5,118	5,118
Benefit payments and administrative costs paid		
subsequent to the measurement period	5,958	5,958
Deferred inflows of resources:		
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Net difference between projected and actual earnings		
on plan investments	-	-
Changes in proportion and differences between		
contributions and proportionate share of contributions	5,566	5,566

3. Other Employment Benefits

The Town has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

4. Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources at year-end are comprised of the following:

Source	Α	mount
Contributions to pension plan in current fiscal year	\$	5,958
Benefit payments made and administrative expenses		
Differences between expected and actual experience Pension		1,128
Changes of assumptions		665
Net difference between projected and actual		
earnings on pension plan investments		1,257
Changes in proportion and differences between		
employer contributions and proportionate share		
of contributions		5,118
Total	\$	14,126

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

	State	ement of	Gen	eral Fund	
Source	Net Position		Balance Sheet		
Taxes receivable, net (General Fund)	\$	-	\$	7,304	
Differences between expected and actual experience		-		-	
Changes in assumptions and other inputs Pensions		-		-	
Changes in proportion and difference between					
employer contribution and proportionate share of					
contributions		5,566		-	
Total	\$	5,566	\$	7,304	
			_	•	

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 participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools the Town obtains general liability and auto liability coverage, police professional liability and public official's liability; property coverage up to the total insured values of the property policy, and workers' compensation. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance and excess insurance coverage policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

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

The Town does not carry flood insurance through the National Flood Insurance Plan (NFIP). Because the Town is not in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency.

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 officer 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.

6. Claims, Judgments and Contingent Liabilities

According to the Town Attorney, at June 30, 2021, there are no pending or threatened litigation, claims or assessments against the Town.

7. Long-Term Obligations

a. US Department of Agriculture Revenue Bonds Payable – Enterprise Fund

On October 13, 2020, the Town refinanced revenue bond anticipation notes payable with revenue bonds to finance the construction of wastewater treatment plant and sewer line improvements of \$862,000. As of June 30, 2021, the outstanding balance of these revenue bonds was \$845,000. The revenue bonds require annual installments of \$17,000 to \$27,000 each plus interest at 1.25% per annum, beginning June 1, 2021 through June 1, 2060. The future annual debt service payments as of June 30, 2021, including \$228,100 of interest, are as follows:

terest	Total
10 563	
10,563	27,563
10,350	27,350
10,137	27,137
9,925	27,925
9,700	27,700
45,113	137,113
39,212	137,212
32,925	136,925
26,238	138,238
19,087	137,087
11,488	138,488
3,362	110,362
228,100	1,073,100
	10,137 9,925 9,700 45,113 39,212 32,925 26,238 19,087 11,488 3,362

Current fiscal year interest of \$16,130 has been reported as an expense on the Statement of Activities.

b. Changes in Long-Term Liabilities

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

	eginning Balance	Increases	ı	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:						
Compensated absences	\$ -	\$ 556	\$	-	\$ 556	\$ -
Net pension liability (LGERS)	 23,213	-		14,279	8,934	-
Governmental Activities long-term liabilities	\$ 23,213	\$ 556	\$	14,279	\$ 9,490	\$ -
Business-type Activities:						
Sewer Fund						
Revenue bonds USDA	\$ -	\$ 862,000	\$	17,000	\$ 845,000	\$ 17,000
Bond anticipation note payable PNC Bank	862,000	-		862,000	-	-
Water Fund long-term liabilities	\$ 862,000	\$ 862,000	\$	879,000	\$ 845,000	\$ 17,000
Total Business-type Activities	\$ 862,000	\$ 862,000	\$	879,000	\$ 845,000	\$ 17,000

At June 30, 2021, the Town of Lewiston Woodville had a legal debt margin of \$1,935,921.

8. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2021, consist of the following:

Due To / From Other Funds

Fund	From	 То	Purpose
General Fund	\$ -	\$ 152	Expenditures paid on behalf of other funds
General Fund		40,000	Interfund loan for capital project
Golden Leaf Capital Project Fund	40,000		Interfund loan for capital project
Sewer Fund	152	-	Expenditures paid on behalf of other funds

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

Transfers to/from other funds at June 30, 2021, consist of the following:

Fund	F	rom	 То
Sewer Fund Wastewater Treatment Plant	\$	162	\$ -
Capital Project Fund		-	162
	\$	162	\$ 162

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

9. 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:	\$ 692,299
Less:	
Stabilization by State Statute	74,847
Streets - Powell Bill	75,012
Appropriated Fund Balance in 2022 Budget	10,000
Remaining Fund Balance:	\$ 532,440

IV. JOINTLY GOVERNED ORGANIZATION

The Town, in conjunction with five counties and various other municipalities, established the Mid-East Commission Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town of Lewiston Woodville paid membership fees of \$350 to the Council during the fiscal year ended June 30, 2021.

V. RELATED PARTY TRANSACTIONS

No significant or improper related party transactions.

VI. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

VII. UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, certain operations of the Town have been affected. The ability of some residents to make tax and/or utility payments has and may at times be impacted by the effects of the pandemic, as well as, state shared revenues, local, state and federal grant funding. In response to this event, the Town, through Executive Order of the Governor, suspended its cut-off policies for non-payment of utilities and/or extended due dates and payment options of utilities and property taxes for residents. Continued effects of the pandemic may result in uncertainties and a negative impact on operating activities and results of the Town. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

VIII. - RESTATEMENTS

Prior Period Adjustments

The Town has two capital project funds for the renovation of the community center which were consolidated with the General Fund in the prior year. The beginning net position of the Governmental Activities has been restated to separate these funds. Prior year receivables from Bertie County for taxes collected by the county on behalf of the Town were understated by \$2,400. Beginning net position has been restated to record an interfund receivable of \$162 in the General due from the Sewer Fund. The beginning net position of the business-type activities has been restated to record a receivable for utility fees collected by Bertie County on behalf of the Town in the amount of \$10,120 and to adjust accumulated depreciation on capital assets to actual by \$1. The table below summarizes these adjustments to beginning net position:

Prior period adjustments:		rnmental tivities	
Due from Bertie County PY tax collections General Fund - Prior year fund balance capital projects Golden Leaf Capital Project Fund Kate B Reynolds Capital project Fund Due From Sewer Fund Capital assets	\$	2,400 (66,307) 21,979 44,328 162 1	
Total prior period adjustments	\$	2,563	
Prior period adjustments:	Sew	er Fund	ness-type ctivities
Due from Bertie County PY Sewer collections Capital assets	\$	10,120 (1)	\$ 10,120 (1)
Total prior period adjustments	\$	10,119	\$ 10,119

Required Supplementary Financial Data
This Section contains additional information required by generally accepted accounting principles.
 Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees'
 Retirement System Schedule of Contributions to Local Government Employees' Retirement System

Town of Lewiston Woodville, North Carolina Schedule of the Proportionate Share of the Net Pension Liability (Asset) Required Supplementary Information Last Seven Fiscal Years*

Local Governmental Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015
Lewiston Woodville's proportion of the net pension liability (asset) (%)	0.00025%	0.00085%	0.00078%	0.00042%	0.00048%	0.00053%	0.00020%
Lewiston Woodville's proportion of the net pension liability (asset) (\$)	\$ 8,934 \$	23,213 \$	18,504 \$	6,416 \$	10,187 \$	2,379 \$	1,474
Lewiston Woodville's covered payroll	\$ 52,080 \$	94,437 \$	80,609 \$	44,937 \$	45,688 \$	55,146 \$	49,757
Lewiston Woodville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	17.15%	24.58%	22.96%	14.28%	22.30%	4.31%	2.96%
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%

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

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

Town of Lewiston Woodville, North Carolina Schedule of Town Contributions Required Supplementary Information Last Seven Fiscal Years

Local Governmental Employees' Retirement System

	2021		2020	2019		2018		2017	2016		2015
Contractually required contribution	\$	5,958 \$	5,202	\$	8,041	\$ 6,442	\$	3,707 \$	3,514	\$	3,886
Contributions in relation to the contractually required contribution		5,958	5,202		8,041	6,442		3,707	3,514		3,886
Contribution deficiency (excess)	\$	- \$	-	\$	_ (\$ -	\$	- \$	-	\$	-
Fremont's covered payroll	\$	53,240 \$	52,080	\$	94,437	\$ 80,609	\$	44,937 \$	45,688	\$	55,146
Contributions as a percentage of covered payroll		11.19%	9.99%		8.51%	7.99%		8.25%	7.69%		7.05%

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



		Budget	Variable Positive (Negative)		
Revenues:	•		 Actual		-87
Ad valorem taxes:					
Taxes	\$	133,000	\$ 147,757	\$	14,757
Interest		-	1,903		1,903
Total		133,000	149,660		16,660
Unrestricted Intergovernmental:					
Local option sales tax		104,450	135,124		30,674
Payment in lieu of taxes		, -	468		468
Utilities and telecommunications sales tax		23,000	22,821		(179)
Beer and wine tax		2,200	2,126		`(74)
Gas tax refund		600	-		(600)
Sales tax refund		-	2,808		2,808
Total		130,250	163,347		33,097
Restricted Intergovernmental:					
Powell Bill allocation		14,000	13,583		(417)
Solid waste disposal tax		_	473		473
Total		14,000	14,056		56
Permits and fees:					
Fees - Police Department		-	50		50
Planning and zoning		-	100		100
Total		-	150		150
Investment earnings			86		86
Miscellaneous:					
Other		5,952	(38)		(5,990)
Total		5,952	(38)		(5,990)
Total revenues		283,202	327,261		44,059

continued

	Budget	Actual	Variable Positive (Negative)
Expenditures:	Budget	Actual	(Negative)
General government:			
Governing body:			
Salaries and benefits	7,751	9,043	
Insurance	2,010	952	
Travel and training	1,200	246	
Telephone	320	258	
Total	11,281	10,499	782
Administration:			
Salaries and employee benefits	36,715	37,426	
Professional services	12,000	8,100	
Telephone and internet	4,000	4,076	
Travel and training	100	-	
Advertising	100	320	
Departmental supplies	1,500	1,630	
Dues and subscriptions	1,800	613	
Insurance	600	1,919	
Relay for life	250	-	
Repairs and maintenance	100	70	
Tax collection fees	-	3,446	
Other operating expenditures	800	775	
Sales tax Total	1,000_ 58,965	822 59,197	(232)
		33,137	(232)
Public Buildings:			
Utilities	5,000	6,344	
Insurance	679	170	
Other operating expenditures	 -	1,124	// 0=0
Total	5,679	7,638	(1,959)
Total general government	75,925	77,334	(1,409)
Public Safety:			
Police:			
Salaries and employee benefits	53,739	22,252	
Telephone and internet	1,800	1,573	
Travel and training	1,000	-	
Departmental supplies	4,300	1,380	
Uniforms	400	328	
Repairs and maintenance	2,200	1,435	
Other operating expenditures	1,000	28	
Insurance	5,990	3,184	
Small equipment	3,500	2,734	41.015
Total	73,929	32,914	41,015
Fire:	7 500	7.500	
Donation to Volunteer Fire Dept.	7,500	7,500	
Total	7,500	7,500	-
Total public safety	81,429	40,414	41,015

continued

			Variable Positive
	Budget	Actual	(Negative)
Transportation:			
Streets:			
Salaries and employee benefits	55,623	54,885	
Repairs and maintenance	11,000	3,663	
Contracted services	5,000	-	
Insurance	2,425	1,734	
Supplies	5,100	5,384	
Telephone	900	560	
Uniforms	2,000	2,262	
Utilities	17,000	16,981	
Other operating expenditures	1,000	3,736	
Capital outlay	1,000	2,665	0.470
Total	101,048	91,870	9,178
Environmental Protection:			
Sanitation:			
Contracted services	36,000	35,916	
Departmental supplies	400	-	
Total	36,400	35,916	484
10tai	30,400	33,310	
Cemetery:			
Gas and oil	500	_	
Repairs and maintenance	500	_	
Other operating expenditures	-	2,170	
Departmental supplies	400	-	
Total	1,400	2,170	(770)
		, -	
Total environmental protection	37,800	38,086	(286)
·			

continued

	Budget	Actual	Р	ariable ositive egative)
Total expenditures	296,202	247,704		48,498
Revenues over (under) expenditures	(13,000)	79,557		92,557
Fund balance appropriated	13,000			(13,000)
Net change in fund balance	Ş -	79,557	\$	79,557
Fund balances, beginning, as previously reported Prior period adjustment Fund balances, beginning		676,487 (63,745) 612,742		
Fund balances, ending		\$ 692,299		

Town of Lewiston Woodville, North Carolina Non-Major Governmental Funds Combining Balance Sheet June 30, 2021

		Capital P	_		
	G	olden Leaf Grant	e B. Reynolds Foundation		Total
Assets					
Restricted cash and investments	\$	19,208	\$ 34,659	\$	53,867
Total assets	\$	19,208	\$ 34,659	\$	53,867
Liabilities and Fund Balances					
Liabilities:					
Due to other funds	\$	40,000	\$ 	\$	40,000
Total liabilities		40,000	-		40,000
Fund balances:					
Restricted for cultural and recreation Unreserved:		-	34,659		34,659
Undesignated		(20,792)			(20,792)
Total fund balances		(20,792)	34,659		13,867
Total liabilities and fund balances	\$	19,208	\$ 34,659	\$	53,867

Town of Lewiston Woodville, North Carolina Non-Major Governmental Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance For the Fiscal Year Ended June 30, 2021

		Capital Pr	_		
		lden Leaf Grant	3. Reynolds undation		Total
Revenues:	'				_
Grants and Contributions	\$	58,648	\$ -	\$	58,648
Total revenues		58,648			58,648
Expenditures:					
Cultural and recreation		101,419	9,669		111,088
Total expenditures		101,419	9,669		111,088
Net change in fund balance		(42,771)	(9,669)		(52,440)
Fund balance, beginning, as previously reported		-	-		-
Prior period adjustment		21,979	 44,328		66,307
Fund balances, beginning as restated		21,979	44,328		66,307
Fund balance, ending	\$	(20,792)	\$ 34,659	\$	13,867

Town of Lewiston Woodville, North Carolina Golden Leaf Grant Capital Project Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual From Inception and for the Fiscal Year Ended June 30, 2021

								Variance			
			roject Autho				Prior	(Current	Total to	Positive
	June	30, 2020	Amendmen	ts	Jun	e 30, 2021	Years	ars Year		Date	(Negative)
Revenues:											
Grants and Contributions	•	200.000	•			222 222		_	50.640	4.106.000	¢ (60 077)
Golden Leaf Grant	\$	200,000	\$	-	\$	200,000	\$ 77,375	\$	58,648	\$ 136,023	\$ (63,977)
Total revenues		200,000		-		200,000	 77,375		58,648	136,023	(63,977)
Expenditures:											
Cultural and Recreation											
Construction		154,500		-		154,500	40,375		75,247	115,622	38,878
HVAC plumbing and electric		-		-		-	15,000		22,700	37,700	(37,700)
Director		10,000		-		10,000	21		47	68	9,932
Furniture		5,000		-		5,000	-		3,425	3,425	1,575
Travel and training		20,500		-		20,500	-		-	-	20,500
Computer		10,000		-		10,000	 -				10,000
Total expenditures		200,000		-		200,000	 55,396		101,419	156,815	43,185
Revenues over (under)											
expenditures		-		-		-	 21,979		(42,771)	(20,792)	(20,792)
Net change in fund balance	\$	-	\$	-	\$		\$ 21,979		(42,771)	\$ (20,792)	\$ (20,792)
Fund balance, beginning, as previou	sly repo	rted							-		
Prior period adjustment									21,979		
Fund balance, beginning, as restated	ł								21,979		
Fund balance, ending								\$	(20,792)		
, 0								<u> </u>	, , ,		

Town of Lewiston Woodville, North Carolina Kate B. Reynolds Foundation Capital Project Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual From Inception and for the Fiscal Year Ended June 30, 2021

								Variance			
			roject Author				Prior	(Current	Total to	Positive
	June 30, 20	020	Amendment	S	June	30, 2021	Years	Year		Date	(Negative)
Revenues:									_		
Grants and Contributions											
Kate B Reynolds Foundation		9,150	Ş	-	\$	149,150	\$ 149,150	\$	-	\$ 149,150	\$ -
Perdue Inc.		5,000		-		25,000					(25,000)
Total revenues	17	4,150		-		174,150	149,150		-	149,150	(25,000)
Expenditures:											
Cultural and Recreation											
Building land	9:	1,000		-		91,000	77,141		-	77,141	13,859
HVAC plumbing and electric	28	8,150		-		28,150	-		-	-	28,150
Interior construction	2.	5,000		-		25,000	-		_	-	25,000
Commercial kitchen	1.	5,000		-		15,000	14,767		919	15,686	(686)
Park		-		-		-	10,050		-	10,050	(10,050)
Survey		-		-		-	1,300		-	1,300	(1,300)
Project management	1	5,000		-		15,000	1,564		8,750	10,314	4,686
Total expenditures	17	4,150		-		174,150	104,822		9,669	114,491	59,659
Revenues over (under)											
expenditures		-		-			44,328		(9,669)	34,659	34,659
Net change in fund balance	\$	-	\$	-	\$		\$ 44,328	Ī	(9,669)	\$ 34,659	\$ 34,659
Fund balance, beginning, as previous	ly reported								_		
Prior period adjustment	.,								44,328		
Fund balance, beginning, as restated									44,328		
Fund balance, beginning, as restated								<u> </u>	34,659		
i una balance, enumg								<u>ې</u>	34,033		

Town of Lewiston Woodville, North Carolina Sewer Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues: Sewer charges Connection fees Other operating revenues Total operating revenues	\$ 120,000 - - 120,000	\$ 103,887 500 - 104,387	\$ (16,113) 500 - (15,613)
Non-operating revenues: Investment earnings USDA Grant Sales tax refund Total non-operating revenues	500 500	24,998 - 25,001	3 24,998 (500) 24,501
Total revenues	120,500	129,388	8,888
Expenditures: Waste Collection and Treatment: Professional fees Contract labor Contracted services Collection fees Bank service charges Utilities Repairs and maintenance Departmental supplies Insurance Dues and subscriptions Miscellaneous Small equipment Sales tax expense Total	20,000 4,500 - 28,585 10,640 4,500 3,860 860 500 - 500 73,945	1,910 20,000 2,008 2,631 31 15,367 10,941 5,905 5,569 860 471 2,140 847	(1,910) - 2,492 (2,631) (31) 13,218 (301) (1,405) (1,709) - 29 (2,140) (347) 5,265
Debt service:			
Principal retirement Interest	36,000 10,555	17,000 15,291	19,000 (4,736)
Total debt service	46,555	32,291	14,264
Total expenditures	120,500	100,971	19,529
Revenues over (under) expenditures		28,417	28,417

Town of Lewiston Woodville, North Carolina Sewer Fund Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) For the Fiscal Year Ended June 30, 2021

	Budget		 Actual		ariance Positive legative)
Other financing sources (uses): Transfers to other funds:					
Wastewater Treatment Plant Capital Project Fund Total other financing sources (uses)	\$	<u>-</u>	\$ (162) (162)	\$	(162) (162)
Revenues, other financing sources and fund balance appropriated over (under) expenditures and other uses	\$		28,255	\$	28,255
Reconciliation from budgetary basis (modified accrual) to full accrual:					
Reconciling items: Principal retirement Depreciation (Increase) decrease in accrued interest			17,000 (30,065) (839)		
Capital Project Funds Capital contributions Expenses - sludge disposal Transfer from Sewer Fund Total			1,356,975 (15,420) 162 1,327,813		
Change in net position			\$ 1,356,068		

Town of Lewiston Woodville, North Carolina Wastewater Treatment Plant Capital Project Fund Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP) From Inception and For the Fiscal Year Ended June 30, 2021

							Actual			Va	ariance		
	Project Authorization			Prior	Current		Total to	P	ositive				
	June	e 30, 2020	Ame	ndments	Jur	ne 30, 2021		Years	Year		Date	(Ne	egative)
Revenues:													
Restricted													
Intergovernmental:													
US Department of Agriculture	\$	1,774,000	\$	-	\$	1,774,000	\$	699,008	\$ 1,074,992	\$	1,774,000	\$	-
US Department of Agriculture		316,000		(9,019)		306,981		_	281,983	_	281,983		(24,998)
Total revenues		2,090,000		(9,019)		2,080,981		699,008	1,356,975	_	2,055,983		(24,998)
Expenditures:													
Engineering		290,000		20,000		310,000		290,000			290,000		20,000
RPR Services		110,800		20,000		110,800		34,206	77 126		•		(832)
Construction Jones and Smith Contractors		1,683,665		104,372		1,788,037			77,426 770,700		111,632 1,788,217		(180)
Construction Enviro Tech						562,531	•	1,017,517 205,498	376,357		581,855		
		602,191		(39,660)									(19,324)
Legal and administrative expenses		10,000		-		10,000		13,787	10,325		24,112		(14,112)
Sludge disposal		-		-		-		-	15,420		15,420		(15,420)
Equipment		15 000		-		4F 000		-	99,915		99,915		(99,915)
Land and right of ways		15,000		-		15,000		-	-		-		15,000
Interest		35,000		(02.724)		35,000		-	-		-		35,000
Contingency		205,344		(93,731)		111,613		- 1 FC1 000	4 350 443	_	-		111,613
Total expenditures		2,952,000		(9,019)		2,942,981		1,561,008	1,350,143		2,911,151		31,830
Revenues over (under)													
expenditures `		(862,000)		-		(862,000)		(862,000)	6,832		(855,168)		6,832
Other formation and a						_					_		
Other financing sources:													
Transfers to / from other funds:								400			400		100
Transfer from Other Funds		-		-		-		100	4.62		100		100
Transfer from Sewer Fund		-		-		-		-	162		162		162
Revenue bonds issued		862,000		-		862,000		862,000			862,000		_
Total other financing sources		862,000		-		862,000		862,100	162	_	862,262		262
Net change in fund balance	c		\$	_	c		Ş	100	6,994	S	7,094	Ş	7,094
Net change in fund balance	<u>ې</u>		Ą		Ą		<u>ې</u>	100	0,994	-	7,094	<u>ې </u>	7,094
Fund balance, beginning, as previously reporte	d								_				
Prior period adjustment	-								100				
Fund balance, beginning, as restated									100				
i ana balance, beginning, as restated													
Fund balance, ending									\$ 7,094				
. aa Jaianoe, enang									7 7,034				

					Other Sch	edules			
5 5	Section C	ontains ac	dditional inf	ormation	required o	n property	taxes.		
	Schedul	e of Ad Va	lorem Taxe	s Receivat	ole				
	Analysis	of Curren	t Tax Levy						

Town of Lewiston Woodville, North Carolina General Fund Schedule of Ad Valorem Taxes Receivable June 30, 2021

Fiscal Year	Bal	llected ance 30, 2020		.dditions		ollections nd Credits	E	collected Balance e 30, 2021
2020-2021 2019-2020 2018-2019 2017-2018 2016-2017 2015-2016 2014-2015 2013-2014 2012-2013 2011-2012 2010-2011 2009-2010 Total	\$	6,399 2,310 1,503 550 185 313 55 49 792 53 59	\$	145,194 - - - - - - - 145,194	\$	140,482 4,594 1,522 832 381 7 8 - - - 53 59	\$	4,712 1,805 788 671 169 178 305 55 49 792
	Gene	eral fund		ectible accoun	ts:			(2,220)
	Ad valo	orem taxes r	eceivat	ole - net			\$	7,304
Reconcilement with Revenues: Ad valorem taxes - General Fund Reconciling items:								149,660
	Ir T R	nterest colle axes writter	cted n off	s) and other ac	ljustme	nts		(1,903) 1,802 (1,680) (1,781)
	Т	otal collecti	ons and	credits			\$	147,879

Town of Lewiston Woodville, North Carolina Analysis of Current Tax Levy Town-Wide Levy For the Fiscal Year Ended June 30, 2021

			Tow	n-Wide			Total Levy					
	Property Valuation			Total Rate Levy			e R	Property excluding egistered tor Vehicles	Registered Motor Vehicles			
Original levy: Property taxed at current year's rate	\$	24,417,130	\$	0.60	\$	146,503	\$	120,804	\$	25,699		
Discoveries		56,078		0.60		337		337		-		
Releases		(274,195)		0.60		(1,646)		(1,589)		(57)		
Total property valuation	\$	24,199,013										
Net levy						145,194		119,552		25,642		
Unpaid (by taxpayer) taxes at Ju	ıne 3	0, 2021				(4,712)		(4,712)				
Current year's taxes collected					\$	140,482	\$	114,840	\$	25,642		
Current levy collection percenta	ige					96.75%		96.06%		100.00%		

Compliance Section

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants

Gary L. Williams, CPA Carleen P. Evans, CPA Jennifer T. Reese, CPA Tara H. Roberson, CPA

Curtis G. Van Horne, CPA



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lewiston Woodville, 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 of Lewiston Woodville's basic financial statements and have issued our report thereon dated March 4, 2024.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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,

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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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs 2021-002, 2021-003, and 2021-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Lewiston Woodville'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-004.

Town of Lewiston Woodville's Response to Finding

The Town of Lewiston Woodville's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Lewiston Woodville's response was not subjected 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP Certified Public Accountants Oxford, NC March 4, 2024

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants

Gary L. Williams, CPA Carleen P. Evans, CPA Jennifer T. Reese, CPA Tara H. Roberson, CPA

Curtis G. Van Horne, CPA



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL; OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

Report on Compliance for the Major Federal Program

We have audited the Town of Lewiston Woodville, North Carolina's 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 the Town of Lewiston Woodville's major federal program for the year ended June 30, 2021. The Town of Lewiston Woodville's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of the Town of Lewiston Woodville's major federal program 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, 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 Lewiston Woodville's

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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 Lewiston Woodville's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

Management of the Town of Lewiston Woodville 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 Lewiston Woodville's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Lewiston Woodville'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 a 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 exit that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-5 that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies.

The Town of Lewiston Woodville's response to the internal control over compliance finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Lewiston Woodville's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP Certified Public Accountants Oxford, NC March 4, 2024

Town of Lewiston Woodville, North Carolina Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2021

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on wheth	er the financial statements audited were prepared in
accordance to GAAP: Unmodified	
Internal control over financial reporting:	

 Material weakness(es) identifie 	d?	X_Yes	No
• Significant Deficiency(s) identifi	ed?	X Yes	No
Noncompliance material to financial staten	nents noted	X Yes	No
Federal Awards			
Internal control over major federal prograr	ns:		
 Material weakness(es) identifie 	d?	X_Yes	No
• Significant Deficiency(s) identifi	ed?	Yes	X_None
Type of auditor's report issued on complian	nce for major fed	eral programs: U	nmodified
Any audit findings disclosed that are requir reported in accordance with 2 CFR 200.51		Yes	<u>X</u> No
Identification of major federal programs:			
<u>CFDA#</u> 10.760		Program Name te Disposal Syster Communities	ms for Rural
Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$ 750</u>	,000	
Auditee qualified as low-risk auditee?		Yes	<u> X</u> No

State Awards

Identification of major State programs: There are no major State awards.

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency: 2021-001 Noncompliance with North Carolina General State Statute – Excess of Expenditures over Appropriations

Criteria: North Carolina G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year sums obligated by the transaction for the current fiscal year.

Condition: For the fiscal year ended June 30, 2021, expenditures exceeded authorized appropriations as follows:

<u>Department</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General government	\$75 <i>,</i> 925	\$77,334	\$1,409
Environmental protection	\$37,800	\$38,086	\$ 286

Effect: Moneys were spent that were not properly obligated and appropriated.

Cause: Certain expenses were more than anticipated due to year end accruals.

Recommendation: The Town should implement a higher level of detailed monthly review and make budget adjustments when necessary.

Views of responsible officials: The Town agrees with this finding and will review the budgets more timely to ensure compliance in future years.

Material Weakness: 2021-002 Segregation of Duties

Criteria: The assignment of responsibilities should be segregated so that one person is not responsible for the authorization and recording of a transaction and the custody of the related asset. There needs to be a reconciliation or control activity to provide reasonable assurance that transactions are handled appropriately.

Condition: Key duties and functions are not segregated among Town personnel. There is a limited number of personnel responsible for and performing substantially all of the bookkeeping and accounting functions. This is especially a concern in the cash management, purchasing, and payroll functions. The same individuals have the ability to record journal entries and reconcile accounts.

Town of Lewiston Woodville, North Carolina Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2021

Effect: Transaction could be mishandled, due to errors or fraud that could lead to loss of assets, or the reporting of misleading financial information.

Cause: There are a limited number of personnel for certain functions and lack of board oversight with appropriate skills, knowledge and expertise. The Town does not have the resources to employ sufficient numbers of individuals to provide adequate segregation of these functions.

Recommendation: The duties should be separated as much as possible, by possibly training and utilizing non-financial personnel and utilizing alternative controls. The governing board should provide some of these controls. An outside firm or a consultant with appropriate skills, knowledge and expertise could be contracted to provide some of the necessary oversight.

Views of responsible officials: The Town agrees with this finding and has hired an outside firm to assist with these functions starting with the financial statement close process for fiscal year 2021 and for assistance in fiscal year 2023 and forward.

Material Weakness: 2021-003 Late Audit Submission

Criteria: N.C. General Statute 159-34(a) states the Town should have its accounts audited as soon as possible after the close of each fiscal year by a certified public accountant. The deadline to submit June 30 year end audits to the Local Government Commission is October 31. The October 31 deadline includes a grace period from November 1 to December 1, in which there are no additional documents or notifications needed.

Condition: The June 30, 2021 audit which was due October 31, 2021, was submitted late in March 2023.

Effect: By submitting the audit late, the board or other agencies such as the Local Government Commission and grantor agencies do not have the opportunity to receive important, timely feedback from the independent auditor such as internal control deficiencies or financial statement trends. It could also delay the issuance of funding from lendors or grantor agencies.

Cause: The Town was notified late that their previous auditor would no longer be performing audits of State and Local Governments. Due to a shortage of availabile audit firms, there were difficulties encountered with identifying a firm that would perform the audit. The Town was also notified that the lack of skills, knowledge and expertise of its staff in financial reporting, there would need to be additional assistance in preparing the records for audit. The Town began the process of identifying a firm that could assist. The time needed for that firm to get up to speed and complete the records for audit caused a delay as well.

Recommendation: The Town should make necessary adjustments to meet the October 31 audit deadline and to get caught up on additional late filings.

Views of responsible officials: The Town agrees with this finding and has hired an outside firm to assist with the preparation of the financial statements and information needed for audit in 2023. With the assistance of hiring the outside firm and a new audit firm, the Town will work to catch up late filings and file on time going forward.

Town of Lewiston Woodville, North Carolina Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2021

Material Weakness: 2021-004 Material Noncompliance Restatement of Net Position / Fund Balance

Criteria: Two capital project funds for the renovation of the community center were consolidated with the General Fund in the prior year. The Town's receivables for the collection of taxes and utilities by the County were understated in the prior year. There was also a due to the General Fund by the Sewer Fund that was not properly recorded in the prior year.

Condition: The Town has never set a formal capital project ordinance for the renovation of the community center but the funding covered multiple years. The funds were consolidated with the General Fund. The beginning net position of the Governmental Activities has been restated to separate these funds. Prior year receivables from Bertie County for taxes collected by the County on behalf of the Town were understated by \$2,400. Beginning net position has been restated to record an interfund receivable of \$162 in the General Fund due from the Sewer Fund. The beginning net position of the business-type activities ahs been restated to record a receivable for utility fees collected by Bertie County on behalf of the Town in the amount of \$10,120.

Effect: A prior period adjustment was done to the financial statements that affected the fund balances in the Sewer Fund, the General Fund, the Golden Leaf Capital Project Fund, the Kate B. Reynolds Foundation Capital Project Fund, net position for Business-type Activities and net position for Governmental Assets.

Cause: The Town was unaware that there was supposed to be capital project budget ordinances passed and new funds created. The only budget set was that in the grant documentation. The Town also keeps their accounting in Quickbooks and it is at times difficult to determine when funds are "loaned" to another fund as was the case with the \$162 interfund receivable to the Sewer Fund. During the fiscal year close of the books, the receivables from Bertie County for funds collected on behalf of the Town for taxes and utilities was not adjusted to the accrual basis required by the respective fund.

Recommendation: The Town should ensure it has appropriate policies and procedures for grant accounting. This will ensure that required fund accounting and budget ordinances are set up and passed timely. The Town should develop a formal process of reconciling interfund receivables/payables to ensure they are properly reflected in the financial statements. A financial statement close process should be formally defined to ensure that appropriate year end adjustments are made for the accrual of receivable and payables that affect the Town's funds.

Views of Responsible officials and corrective action plans: The County agrees with this finding. Management will strive to ensure that this type error does not occur in the future.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Material Weakness: 2021-005 CFDA 10.760 Water and Waste Disposal Systems for Rural Communities – Procurement, Suspension and Debarment

Criteria: Uniform Guidance requires policies related to cash management, cost allowability, procurement, and conflict of interest provisions, along with appropriate financial management systems and internal controls over federal awards to safeguard federal funds. Specifically Uniform Guidance requires you to have

Town of Lewiston Woodville, North Carolina Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2021

documented procurement procedures that reflect your applicable local, state, and federal requirements. These procedures must also include all the federal procurement requirements (2 CFR §200.318). You must also document your procurement steps by maintaining records that adequately detail the history of the procurement.

Condition: The Town has not evaluated its policies and procedures to ensure compliance with the requirements of Uniform Guidance.

Effect: Town could become noncompliance with requirements of Uniform Guidance, resulting in future findings and questioned costs related to federal awards. Resources are also at risk of being used for activities or on vendors not allowed under the grant guidelines.

Cause: The Town did not have appropriate knowledge of the requirements under Uniform Guidance to perform an assessment of its financial management system and related internal controls over federal awards.

Questioned Costs: There were no questioned costs.

Recommendation: The Town should enhance their internal controls over grant administration and procurement policies to ensure that all policies are in place and are being followed in accordance with the requirements of Uniform Guidance. A plan should also be put in place to communicate the policies to Town employees. Procedures should be developed to periodically review and update all policies and procedures.

Views of responsible officials: The Town agrees with this finding and will look into resources to assist with getting the required policies in place.

SECTION IV – STATE PROGRAMS FINDINGS AND QUESTIONED COSTS

No major State programs.

Town of Lewiston Woodville

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Lewiston Woodville, North Carolina 27849

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lewistonwoodville@gmail.com

Council: Shela Gilbert Michelle Gilliam Linda Gilliam Gary Parker Patrick Walton

Phone (252) 348-2824

Town of Lewiston Woodville, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency: 2021-001 Noncompliance with North Carolina General State Statute – Excess of Expenditures over Appropriations

Name of contact person: Diane Harrington, Town Clerk

Corrective action: The Town is reviewing their procedures and policies to ensure a detailed monthly review of budgetary data is performed. None Reported.

Proposed completion date: The Town will implement the above procedures immediately.

Material Weakness: 2021-002 Segregation of Duties

Name of contact person: Diane Harrington, Town Clerk

Corrective action: The Town has hired an outside firm to assist with compensating controls starting with the financial statement close process for fiscal year 2021 and 2022 and for assistance in fiscal year 2023 and forward.

Proposed completion date: The Town has hired an outside firm to assist with compensating controls starting with the financial statement close process for fiscal year 2021 and 2022 and for assistance in fiscal year 2023 and forward.

Material Weakness: 2021-003 Late Audit Submission

Name of contact person: Diane Harrington, Town Clerk

Corrective action: The Town has hired an outside firm to assist with the preparation of the financial statements and information needed for audit in fiscal year 2023. With the assistance of hiring the outside firm, more formal processes will be in place to ensure appropriate adjustments are made to the financials as part of the close process. They will also advise the Town on necessary budget and fund accounting requirements.

Proposed completion date: The Town has implemented the hiring of a firm to provide oversight and assistance. The Town is implementing the changes recommended by the outside firm for budgetary requirements and financial statement.

Town of Lewiston Woodville, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2021

Material Weakness: 2021-004 Material Noncompliance Restatement of Net Position / Fund Balance

Name of contact person: Diane Harrington, Town Clerk

Corrective action: The Town has hired an outside firm to assist with the preparation of the financial statements and information needed for audit in fiscal year 2023. With the assistance of hiring the outside firm and a new audit firm, the Town will work to catch up late filings and file on time going forward.

Proposed completion date: The Town will implement the above procedures immediately.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Material Weakness: 2021-005 CFDA 10.760 Water and Waste Disposal Systems for Rural Communities – Procurement, Suspension and Debarment

Name of contact person: Diane Harrington, Town Clerk

Corrective action: The Town identify resources to assist in developing internal controls over grant administration and procurement policies to ensure that all policies are in place and are being followed in accordance with the requirements of Uniform Guidance. All new policies and procedures will be communicated to Town employees.

Proposed completion date: The Town will begin identifying necessary resources immediately to ensure policies and procedures are in place before fiscal year 2025.

SECTION IV – STATE PROGRAMS FINDINGS AND QUESTIONED COSTS

No matters were reported.

Town of Lewiston Woodville, North Carolina Summary Schedule of Prior Audit Findings For the Fiscal Year Ended June 30, 2021

As of June 30, 2021, the Town of Lewiston Woodville had no unresolved findings from prior years.

Town of Lewiston Woodville, North Carolina Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended June 30, 2021

Town of Lewiston Woodville Schedule of Expenditures of Federal and State Awards For the Year Ended June 30, 2021

	Federal	State / Pass-	Fede	eral (Direct &		
	CFDA	CFDA Through Grantor's		ss-Through)	;	State
	Number Number		Ex	penditures	Ехре	enditures
Federal Grants:						
Cash Programs:						
United States Department of Agriculture						
Water and Waste Disposal Systems for Rural Communities	10.760	38-008-8971	\$	1,358,615	\$	-
State Grants:						
Cash Assistance:						
NC Department of Transportation:						
Powell Bill		38570		-		3,475
			\$	1,358,615	\$	3,475

Town of Lewiston Woodville, North Carolina Notes to the Schedule of Expenditures of Federal and State Awards For the Fiscal Year Ended June 30, 2021

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 Lewiston Woodville (the "Town") under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this schedule is presented in accordance with the 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. Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Federal Pass-Through Funds

The Town is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

4. Contingencies

Grant monies received and disbursed by the Town are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Town does not believe that such disallowance, if any, would have a material effect on the financial position of the Town of Lewiston Woodville.

5. Noncash Assistance

The Town did not receive any federal noncash assistance for the fiscal year ended June 30, 2021.

6. Federally Funded Insurance.

The Town has no federally funded insurance.

7. Loans Outstanding

United States Department of Agriculture revenue bonds series 2020 as of June 30, 2021 - \$845,000.

8. Clusters

The following are clustered by the U.S. Department of Agriculture. *Community Facilities Loans and Grants Cluster.*