

REVIEWED

By SLGFD at 2:05 pm, Jan 03, 2022

TOWN OF LONG VIEW, NORTH CAROLINA

Financial Statements, Supplemental Schedules,
Independent Auditors' Report and Compliance Report
For the Year Ended June 30, 2021

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

TOWN OF LONG VIEW, NORTH CAROLINA

For the Year Ended June 30, 2021

Mayor: Marla Thompson

Aldermen: Randall Mays
Gary Lingerfelt
Thurman VanHorn, Jr.
David Elder
Dallas Tester

Town Administrator: David Draughn

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TOWN OF LONG VIEW, NORTH CAROLINA

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Certified Public Accountants

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Independent Auditors' Report

To the Honorable Mayor and
Members of the Board of Alderman
Town of Long View, 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 Long View, 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 Long View, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the 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.

Opinion

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 Long View, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits Schedule of Changes in Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, on pages 4-12 and 55-59, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Long View, North Carolina's basic financial statements. The individual fund financial statements, the budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated November 30, 2021, on our consideration of the Town of Long View, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 Long View, 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 Long View, North Carolina's internal control over financial reporting and compliance.

Lowfennick Church & Co., L.L.P.

Morganton, North Carolina
November 30, 2021

Management's Discussion and Analysis

As management of Town of Long View, we offer readers of Town of Long View's financial statements this narrative overview and analysis of the financial activities of Town of Long View 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.

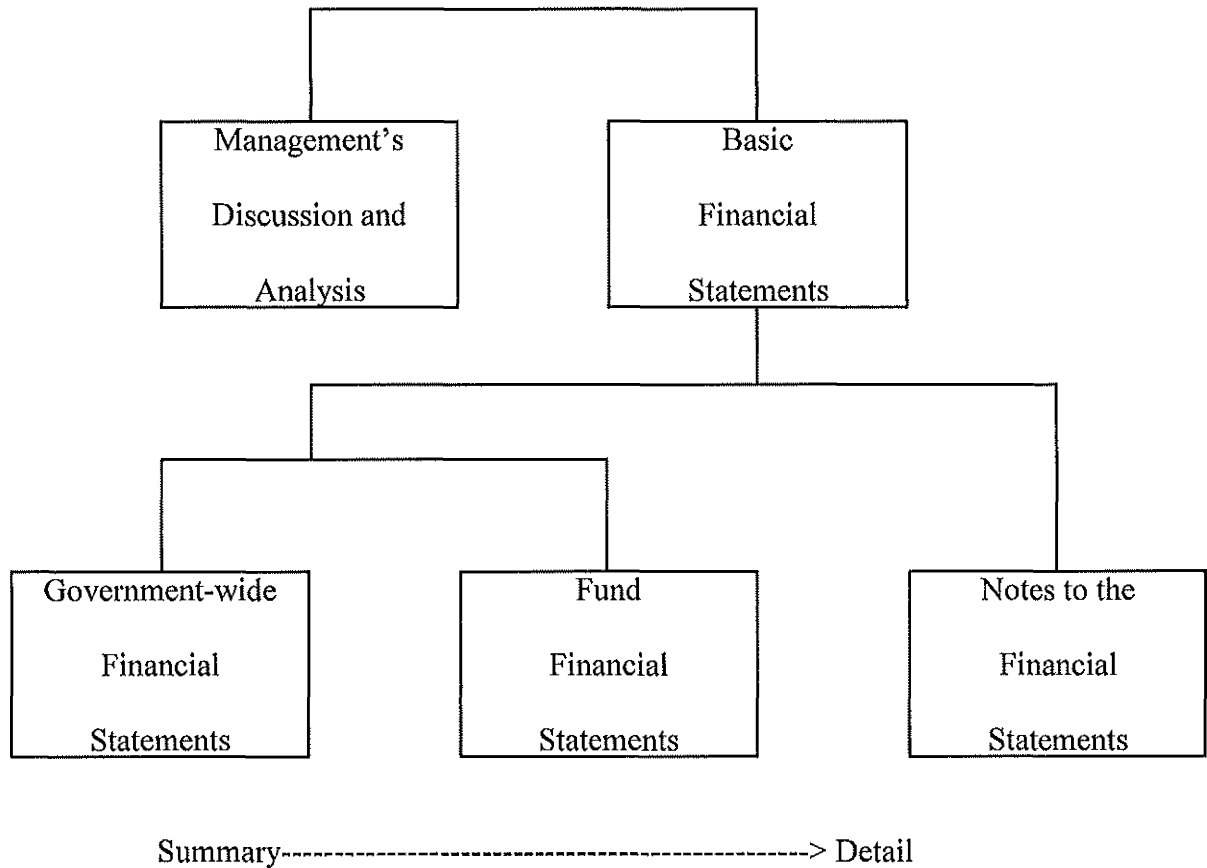
Financial Highlights

- The assets and deferred outflows of resources of Town of Long View exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$13,276,632 (net position).
- The government's total net position increased by \$71,793.
- As of the close of the current fiscal year, Town of Long View's governmental fund reported an ending fund balance of \$3,437,569, an increase of \$381,262 in comparison with the prior year. Approximately 25 percent of this total amount, or \$854,857, is restricted or non-spendable.
- At the end of the current fiscal year, available fund balance for the General Fund was \$2,571,546, or 62.40 percent, of total General Fund expenditures for the fiscal year.
- Town of Long View's total debt increased by \$6,276 (0.68%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Town of Long View'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 Town of Long View.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the Governmental Funds Statements; 2) the Budgetary Comparison Statements; and 3) the Proprietary Fund Statements.

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

Government-Wide Financial Statements

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

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the total of 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, economic and physical development, street and public works, and general administration. Property taxes and federal and State grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide services. These include the water and sewer services offered by Town of Long View.

The Government-wide Financial Statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

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

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

Proprietary Funds - Town of Long View has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Long View uses enterprise funds to account for its water and sewer operations. This fund is the same as the separate activity 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 follow Exhibit 10 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Town of Long View's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found following the notes to the financial statements 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

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 Town of Long View exceeded liabilities and deferred inflows of resources by \$13,276,632 as of June 30, 2021. The Town's net position increased by \$71,793 for the fiscal year ended June 30, 2021. The largest portion of net position (71.62%) reflects the Town's net investment in capital assets (e.g., land, buildings, and equipment). Town of Long View uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Town of Long View's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Town of Long View's net position (6.43%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,912,031 is unrestricted.

Town of Long View's Net Position

Figure 2

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets:						
Current and other assets	\$3,564,764	\$3,184,145	\$1,565,159	\$1,166,049	\$ 5,129,923	\$ 4,350,194
Capital assets, net	<u>2,641,563</u>	<u>2,722,607</u>	<u>7,790,833</u>	<u>8,130,385</u>	<u>10,432,396</u>	<u>10,852,992</u>
Total assets	<u>\$6,206,327</u>	<u>\$5,906,752</u>	<u>\$9,355,992</u>	<u>\$9,296,434</u>	<u>\$15,562,320</u>	<u>\$15,203,186</u>
 Deferred Outflows of Resources	 <u>\$ 836,138</u>	 <u>\$ 454,583</u>	 <u>\$ 121,455</u>	 <u>\$ 85,512</u>	 <u>\$ 957,593</u>	 <u>\$ 540,095</u>
 Liabilities:						
Current liabilities	\$ 93,177	\$ 63,340	\$ 109,903	\$ 100,386	\$ 203,080	\$ 163,726
Other liabilities	<u>2,482,932</u>	<u>1,991,269</u>	<u>488,121</u>	<u>324,647</u>	<u>2,971,053</u>	<u>2,315,916</u>
Total liabilities	<u>\$2,576,109</u>	<u>\$2,054,609</u>	<u>\$ 598,024</u>	<u>\$ 425,033</u>	<u>\$ 3,174,133</u>	<u>\$ 2,479,642</u>
 Deferred Inflows of Resources	 <u>\$ 57,262</u>	 <u>\$ 49,705</u>	 <u>\$ 11,886</u>	 <u>\$ 9,095</u>	 <u>\$ 69,148</u>	 <u>\$ 58,800</u>
 Net Position:						
Net investment in capital assets	\$1,973,414	\$1,960,296	\$7,536,330	\$7,976,320	\$ 9,509,744	\$ 9,936,616
Restricted	854,857	922,408	-	-	854,857	922,408
Unrestricted	<u>1,580,824</u>	<u>1,374,318</u>	<u>1,331,207</u>	<u>971,497</u>	<u>2,912,031</u>	<u>2,345,815</u>
Total net position	<u>\$4,409,095</u>	<u>\$4,257,022</u>	<u>\$8,867,537</u>	<u>\$8,947,817</u>	<u>\$13,276,632</u>	<u>\$13,204,839</u>

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

- Continued diligence in the collection of property taxes.
- Continued low cost of debt due to low interest rates.
- Diligence in maximizing interest on investments.

**Town of Long View
Changes in Net Position**

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 366,851	\$ 368,162	\$2,133,113	\$2,036,003	\$ 2,499,964	\$ 2,404,165
Operating grants and contributions	312,982	495,383	-	-	312,982	495,383
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	1,771,916	1,752,951	-	-	1,771,916	1,752,951
Other taxes	1,539,364	1,334,502	-	-	1,539,364	1,334,502
Grants and contributions net restricted to specific programs	333,371	337,003	-	-	333,371	337,003
Investment earnings, unrestricted	623	22,651	312	11,325	935	33,976
Miscellaneous	<u>86,162</u>	<u>69,091</u>	<u>-</u>	<u>1,361</u>	<u>86,162</u>	<u>70,452</u>
Total revenues	<u>4,411,269</u>	<u>4,379,743</u>	<u>2,133,425</u>	<u>2,048,689</u>	<u>6,544,694</u>	<u>6,428,432</u>
Expenses:						
General government	764,880	1,109,710	-	-	764,880	1,109,710
Public Safety	2,279,444	1,803,082	-	-	2,279,444	1,803,082
Transportation	1,167,262	1,334,437	-	-	1,167,262	1,334,437
Culture and recreation	80,478	82,230	-	-	80,478	82,230
Interest on long-term debt	27,133	25,112	-	-	27,133	25,112
Water and sewer	<u>-</u>	<u>-</u>	<u>2,153,705</u>	<u>2,077,526</u>	<u>2,153,705</u>	<u>2,077,526</u>
Total expenses	<u>4,319,197</u>	<u>4,354,571</u>	<u>2,153,705</u>	<u>2,077,526</u>	<u>6,472,902</u>	<u>6,432,097</u>
 Increase (decrease) in net position before transfer	 92,073	 25,173	 (20,280)	 (28,837)	 71,793	 (3,664)
Transfers	<u>60,000</u>	<u>60,000</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
 Increase (decrease) in net position after transfer	 152,073	 85,173	 (80,280)	 (88,837)	 71,793	 (3,664)
Net Position:						
Beginning balance - July 1	<u>4,257,022</u>	<u>4,171,849</u>	<u>8,947,817</u>	<u>9,036,654</u>	<u>13,204,838</u>	<u>13,208,503</u>
Ending balance - June 30	<u>\$4,409,095</u>	<u>\$4,257,022</u>	<u>\$8,867,537</u>	<u>\$8,947,817</u>	<u>\$13,276,631</u>	<u>\$13,204,838</u>

Governmental Activities - Governmental activities increased the Town's net position by \$152,073. Key elements of this increase are as follows:

- Increase in revenues.
- Minimizing expenses.

Business-type Activities - Business-type activities decreased Town of Long View's net position by \$80,280. The key element of this decrease is as follows:

- Increase in costs for Wastewater Treatment.
- Meter replacement program.

Financial Analysis of the Town's Funds

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

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

The General Fund is the chief operating fund of Town of Long View. At the end of the current fiscal year, available fund balance in the General Fund was \$2,571,546. As a measure of the General Fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 62 percent of total General Fund expenditures, while total fund balance represents 83 percent of that same amount.

At June 30, 2021, the governmental funds of Town of Long View reported a fund balance of \$3,437,569, a 12 percent increase from last year.

General Fund Budgetary Highlights - During the fiscal year, the Town revised the budget on a few 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. Total amendments to the General Fund increased expenditures by \$516,269. Amendments were necessary due to conservatism used in compiling the original budget.

Proprietary Funds - Town of Long View's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water and Sewer Fund totaled \$1,331,207 for the year ended June 30, 2021. The decrease in net position for the Water and Sewer Fund was \$80,280. Factors concerning the finances of the Enterprise Fund have already been addressed in the discussion of Town of Long View's business-type activities.

Capital Asset and Debt Administration

Capital Assets - Town of Long View's capital assets for its governmental and business-type activities as of June 30, 2021 total \$10,432,396 (net of accumulated depreciation). These assets include buildings, land, improvements, equipment, water and sewer system infrastructure and construction in progress.

Major capital asset transactions during the year include:

- Police Department Vehicles
- Door lock system for Town buildings

Town of Long View's Capital Assets

Figure 4

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 445,071	\$ 445,071	\$ -	\$ -	\$ 445,071	\$ 445,071
Construction in progress	-	-	541,472	541,472	541,472	541,472
Buildings	2,493,571	2,493,571	-	-	2,493,571	2,493,571
Other improvements	203,669	203,669	-	-	203,669	203,669
Water and sewer system assets	-	-	18,104,317	18,104,317	18,104,317	18,104,317
Street vehicles and equipment	1,585,447	1,541,824	-	-	1,585,447	1,541,824
Fire vehicles and equipment	2,187,197	2,142,073	-	-	2,187,197	2,142,073
Police vehicles and equipment	905,347	865,045	-	-	905,347	865,045
Admin vehicles and equipment	445,664	406,834	-	-	445,664	406,834
Ground storage and storm drains	190,173	190,173	-	-	190,173	190,173
Recreation vehicles and equipment	162,916	162,916	-	-	162,916	162,916
Accumulated depreciation	<u>(5,977,492)</u>	<u>(5,728,569)</u>	<u>(10,854,956)</u>	<u>(10,515,403)</u>	<u>(16,832,448)</u>	<u>(16,243,972)</u>
Capital assets, net	<u>\$2,641,563</u>	<u>\$2,722,607</u>	<u>\$7,790,833</u>	<u>\$8,130,385</u>	<u>\$10,432,396</u>	<u>\$10,852,992</u>

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

Long-Term Debt - As of June 30, 2021, Town of Long View had total debt outstanding from direct borrowing notes payable and water bonds of \$922,651, all of which is secured by assets of the Town.

Town of Long View's Outstanding Debt

Figure 5

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Note Payable	<u>\$668,149</u>	<u>\$762,311</u>	<u>\$254,502</u>	<u>\$154,064</u>	<u>\$922,651</u>	<u>\$916,375</u>

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Long View is \$23,849,066.

Additional information regarding Town of Long View's long-term debt can be found in Note II of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following are economic indicators affecting the Town:

- Commercial development continues to be a priority for the I-40 interchange.
- Town of Long View's industrial base has remained stable.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: General Fund revenues are expected to remain stable and comparable to 2021.

Business-Type Activities: Water and sewer revenues are expected to remain steady as compared to 2021.

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:

Town Administrator
Town of Long View
2404 First Avenue, Southwest
Hickory, N. C. 28602

TOWN OF LONG VIEW, NORTH CAROLINA

Exhibit 1

Statement of Net Position June 30, 2021

	Primary Government		
	Governmental	Business-	
<u>Assets</u>	<u>Activities</u>	<u>type</u> <u>Activities</u>	<u>Total</u>
Current assets:			
Cash and investments	\$ 2,664,723	\$ 1,118,555	\$ 3,783,278
Restricted cash	525,874	73,797	599,671
Taxes receivable, net	34,018	-	34,018
Accounts receivable, net	8,581	184,835	193,416
Internal balances	8	(8)	-
Due from other governmental agencies	320,394	6,618	327,012
Prepaid expenses	11,166	67,840	79,006
Inventories	-	113,522	113,522
Total current assets	<u>3,564,764</u>	<u>1,565,159</u>	<u>5,129,923</u>
Non-current assets:			
Land, non-depreciable assets and construction in progress	445,071	541,472	986,543
Other capital assets, net of depreciation	2,196,492	7,249,361	9,445,853
Total capital assets	<u>2,641,563</u>	<u>7,790,833</u>	<u>10,432,396</u>
Total non-current assets	<u>2,641,563</u>	<u>7,790,833</u>	<u>10,432,396</u>
Total assets	<u>\$ 6,206,328</u>	<u>\$ 9,355,992</u>	<u>\$ 15,562,320</u>
<u>Deferred Outflows of Resources</u>			
Pension deferrals	\$ 815,532	\$ 116,304	\$ 931,836
OPEB deferrals	20,606	5,151	25,757
Total deferred outflows of resources	<u>836,138</u>	<u>121,455</u>	<u>957,593</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued expenses	93,177	36,106	129,283
Payable from restricted assets	-	73,797	73,797
Long-term liabilities:			
Due within one year	96,906	81,204	178,110
Due in more than one year	2,386,026	406,917	2,792,943
Total liabilities	<u>2,576,109</u>	<u>598,024</u>	<u>3,174,133</u>
<u>Deferred Inflows of Resources</u>			
Pension deferrals	14,190	1,118	15,308
OPEB deferrals	43,072	10,768	53,840
Total deferred inflows of resources	<u>57,262</u>	<u>11,886</u>	<u>69,148</u>
<u>Net Position</u>			
Net investment in capital assets	1,973,414	7,536,330	9,509,744
Restricted for stabilization by state statute	328,983	-	328,983
Restricted for streets	465,927	-	465,927
Restricted for public safety - police department	59,947	-	59,947
Unrestricted	<u>1,580,824</u>	<u>1,331,207</u>	<u>2,912,031</u>
Total net position	<u>\$ 4,409,095</u>	<u>\$ 8,867,537</u>	<u>\$ 13,276,632</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA

Statement of Activities For the Year Ended June 30, 2021

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 764,880	\$ 366,801	\$ -	\$ -
Public safety	2,279,444	-	181,670	-
Transportation	1,167,262	-	131,312	-
Recreation	80,478	50	-	-
Interest on long-term debt	27,133	-	-	-
Total governmental activities	<u>4,319,197</u>	<u>366,851</u>	<u>312,982</u>	<u>-</u>
Business-type activities:				
Water and sewer utility	<u>2,153,705</u>	<u>2,133,113</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>2,153,705</u>	<u>2,133,113</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 6,472,902</u>	<u>\$ 2,499,964</u>	<u>\$ 312,982</u>	<u>\$ -</u>

Functions/Programs	Primary Government		
	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business- type Activities	Total
Governmental activities:			
General government	\$ (398,079)	\$ -	\$ (398,079)
Public safety	(2,097,774)	-	(2,097,774)
Transportation	(1,035,950)	-	(1,035,950)
Recreation	(80,428)	-	(80,428)
Interest on long-term debt	(27,133)	-	(27,133)
Total governmental activities	<u>(3,639,364)</u>	<u>-</u>	<u>(3,639,364)</u>
Business-type activities:			
Water and sewer utility	<u>-</u>	<u>(20,592)</u>	<u>(20,592)</u>
Total business-type activities	<u>-</u>	<u>(20,592)</u>	<u>(20,592)</u>
Total primary government	<u>(3,639,364)</u>	<u>(20,592)</u>	<u>(3,659,956)</u>
General revenues:			
Ad valorem taxes	1,771,916	-	1,771,916
Local option sales tax	1,539,056	-	1,539,056
Other taxes and licenses	308	-	308
Unrestricted intergovernmental revenues	333,371	-	333,371
Unrestricted investment and earnings	623	312	935
Miscellaneous	86,162	-	86,162
Transfers	60,000	(60,000)	-
Total general revenues and transfers	<u>3,791,436</u>	<u>(59,688)</u>	<u>3,731,748</u>
Change in net position	152,073	(80,280)	71,793
Net position - beginning, restated	<u>4,257,022</u>	<u>8,947,817</u>	<u>13,204,839</u>
Net position - ending	<u>\$ 4,409,095</u>	<u>\$ 8,867,537</u>	<u>\$ 13,276,631</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA**Exhibit 3****Balance Sheet
Governmental Funds
June 30, 2021**

	Major Funds		
	General Fund	COVID Cares Fund	Total Government Funds
<u>Assets</u>			
Cash and investments	\$ 2,664,723	\$ -	\$ 2,664,723
Restricted cash	525,874	-	525,874
Taxes receivable, net	34,018	-	34,018
Accounts receivable, net	8,581	-	8,581
Due from other funds	8	-	8
Due from other governments	320,394	-	320,394
Prepaid expenses	11,166	-	11,166
Total assets	<u>\$ 3,564,764</u>	<u>\$ -</u>	<u>\$ 3,564,764</u>
<u>Liabilities, Deferred Inflows of Resources, and Fund Balance</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 93,177	\$ -	\$ 93,177
Total liabilities	<u>93,177</u>	<u>-</u>	<u>93,177</u>
Deferred inflows of resources:			
Unavailable revenue -property taxes	<u>34,018</u>	<u>-</u>	<u>34,018</u>
Fund balance:			
Nonspendable:			
Prepaid expenses	11,166	-	11,166
Restricted:			
Stabilization by State Statute	328,983	-	328,983
Public safety	59,947	-	59,947
Streets	465,927	-	465,927
Unassigned	2,571,546	-	2,571,546
Total fund balance	<u>3,437,569</u>	<u>-</u>	<u>3,437,569</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,564,764</u>	<u>\$ -</u>	<u>\$ 3,564,764</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA**Exhibit 4****Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2021**

Total governmental fund balances	\$ 3,437,569
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	2,641,563
Net pension liability LGERS	(795,016)
Total pension liability LEOSA	(794,235)
Total OPEB liability	(105,958)
Deferred outflows of resources related to pensions are not reported in the funds	815,532
Deferred outflows of resources related to OPEB are not reported in the funds	20,606
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, not reported in the funds.	(787,722)
Deferred inflows of resources related to pensions are not reported in the funds	(14,190)
Deferred inflows of resources related to OPEB are not reported in the funds	(43,072)
Unavailable revenues in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	<u>34,018</u>
Net position of governmental activities	<u>\$ 4,409,095</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA**Exhibit 5****Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021**

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>COVID Cares Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem taxes	\$ 1,801,676	\$ -	\$ 1,801,676
Other taxes and licenses	1,539,056	-	1,539,056
Unrestricted intergovernmental revenues	333,371	-	333,371
Restricted intergovernmental revenues	207,682	105,300	312,982
Permits and fees	3,024	-	3,024
Sales and services	363,827	-	363,827
Investment earnings	623	-	623
Other revenues	192,491	-	192,491
Total revenues	<u>4,441,749</u>	<u>105,300</u>	<u>4,547,049</u>
Expenditures:			
Current:			
General government	742,479	-	742,479
Public safety	1,975,619	105,300	2,080,919
Transportation	1,201,514	-	1,201,514
Recreation	79,581	-	79,581
Debt service:			
Principal	94,162	-	94,162
Interest and other charges	27,133	-	27,133
Total expenditures	<u>4,120,487</u>	<u>105,300</u>	<u>4,225,788</u>
Revenues over (under) expenditures	<u>321,262</u>	<u>-</u>	<u>321,262</u>
Transfers from other funds	60,000	-	60,000
Total other financing sources (uses)	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Net change in fund balances	381,262	-	381,262
Fund balance, beginning	<u>3,056,307</u>	<u>-</u>	<u>3,056,307</u>
Fund balance, ending	<u>\$ 3,437,569</u>	<u>\$ -</u>	<u>\$ 3,437,569</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA**Exhibit 6****Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of the Governmental Fund to the
Statement of Activities
For the Year Ended June 30, 2021**

Amounts reported for governmental activities in the statement of activities are different due to the following items:

Net changes in fund balance - total governmental funds	\$ 381,262
Revenues in the statement of activities that do not provide current financial are not reported as revenues in the governmental fund statement.	29,760
Capital outlays are reported as expenditures in the governmental funds statement. However, in the statement of activities, capital outlay is not an expense rather it is an increase in capital assets	167,879
Depreciation expense allocates the cost of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(248,923)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	206,895
Benefit payments paid and administrative expense for the LEOSA are not included on the Statement of Activities	16,551
OPEB benefit payments and administrative cost made in the current fiscal year are	
Principal repayments are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities.	94,162
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	(11,706)
Pension expense	(463,974)
Other	(11,249)
OPEB plan expenses	<u>(8,584)</u>
Total changes in net position of governmental activities	<u>\$ 152,073</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA

Exhibit 7

General Fund and Annually Budgeted Special Revenue Fund Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2021

	General Fund				COVID Cares Fund			
	Original	Final	Actual	Variance with Final Budget - Positive (Negative)	Original	Final	Actual	Variance with Final Budget - Positive (Negative)
	<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>		<u>Budget</u>	<u>Budget</u>	<u>Amounts</u>	
Revenues:								
Ad valorem taxes	\$ 1,607,000	\$ 1,607,000	\$ 1,801,676	\$ 194,676	\$ -	\$ -	\$ -	\$ -
Other taxes and licenses	1,168,926	1,168,926	1,539,056	370,130	-	-	-	-
Unrestricted intergovernmental revenues	319,000	319,000	333,371	14,371	-	-	-	-
Restricted intergovernmental revenues	174,203	174,203	207,682	33,479	-	105,300	105,300	-
Permits and fees	2,500	2,500	3,024	524	-	-	-	-
Sales and services	357,200	357,200	363,827	6,627	-	-	-	-
Investment earnings	18,500	18,500	623	(17,877)	-	-	-	-
Other revenues	6,000	6,000	192,491	186,491	-	-	-	-
Total revenues	<u>3,653,329</u>	<u>3,653,329</u>	<u>4,441,751</u>	<u>788,421</u>	<u>-</u>	<u>105,300</u>	<u>105,300</u>	<u>-</u>
Expenditures:								
Current:								
General government	709,251	757,070	742,479	14,591	-	-	-	-
Public safety	1,759,982	1,996,807	1,975,619	21,188	-	105,300	105,300	-
Transportation	1,039,541	1,270,631	1,201,514	69,117	-	-	-	-
Recreation	83,254	83,789	79,581	4,208	-	-	-	-
Debt service:								
Principal	94,168	94,168	94,162	6	-	-	-	-
Interest and other charges	27,133	27,133	27,133	-	-	-	-	-
Total expenditures	<u>3,713,329</u>	<u>4,229,598</u>	<u>4,120,489</u>	<u>109,110</u>	<u>-</u>	<u>105,300</u>	<u>105,300</u>	<u>-</u>
Revenues over (under) expenditures	<u>(60,000)</u>	<u>(576,269)</u>	<u>321,262</u>	<u>897,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):								
Appropriated fund balance	-	516,269	-	(516,269)	-	-	-	-
Transfer from water and sewer fund	60,000	60,000	60,000	-	-	-	-	-
Total other financing sources (uses)	<u>60,000</u>	<u>576,269</u>	<u>60,000</u>	<u>(516,269)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>381,262</u>	<u>\$ 381,262</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			<u>3,056,307</u>				<u>-</u>	
Fund balance, ending			<u>\$ 3,437,569</u>				<u>\$ -</u>	

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

TOWN OF LONG VIEW, NORTH CAROLINA**Exhibit 8****Statement of Fund Net Position
Proprietary Fund
June 30, 2021**

	Enterprise Fund Utility Fund
<u>Assets</u>	
Current assets:	
Cash and investments	\$ 1,118,555
Accounts receivable, net	184,835
Intergovernmental receivable	6,618
Inventories	113,522
Prepaid expenses	67,840
Restricted cash and cash equivalents	73,797
Total current assets	<u>1,565,167</u>
Non-current assets:	
Construction in progress	541,472
Other capital assets, net of depreciation	7,249,361
Total capital assets	<u>7,790,833</u>
Total non-current assets	<u>7,790,833</u>
Total assets	\$ <u>9,356,000</u>
<u>Deferred Outflows of Resources</u>	<u>\$ 121,455</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable and accrued liabilities	36,106
Due to other funds	8
Installment notes payable - current	81,204
Liabilities payable from restricted assets - Utility deposits	73,797
Total current liabilities	<u>191,115</u>
Noncurrent liabilities:	
Installment notes payable - non-current	173,298
Other postemployment benefits liability	26,489
Net pension liability	198,754
Accrued compensated absences	8,376
Total liabilities	<u>598,032</u>
<u>Deferred Inflows of Resources</u>	<u>11,886</u>
<u>Net Position</u>	
Net investment in capital assets	7,536,330
Unrestricted	<u>1,331,207</u>
Total net position	<u>8,867,537</u>
Net position of business-type activities	<u>\$ 8,867,537</u>
<i>The notes to the financial statements are an integral part of this statement.</i>	

TOWN OF LONG VIEW, NORTH CAROLINA**Exhibit 9****Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2021**

	<u>Enterprise Fund</u> <u>Utility</u> <u>Fund</u>
Operating Revenues:	
Charges for services	\$ 2,133,113
Total operating revenues	<u>2,133,113</u>
Operating Expenses:	
Water and sewer operations	1,804,760
Depreciation	339,552
Total operating expenses	<u>2,144,312</u>
Operating income (loss)	<u>(11,199)</u>
Nonoperating Revenues (Expenses):	
Investment earnings	312
Interest and fees paid	(9,393)
Transfer from (to) other funds	<u>(60,000)</u>
Total nonoperating revenues (expenses), net	<u>(69,081)</u>
Change in net position	(80,280)
Total net position - beginning	<u>8,947,817</u>
Total net position- ending	<u>\$ 8,867,537</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA**Exhibit 10****Page 1 of 2****Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2021**

**Enterprise Fund
Utility
Fund****Cash Flows From Operating Activities:**

Cash received from customers	\$ 2,150,353
Cash paid for goods and services	(1,578,023)
Cash paid to employees for services	<u>(281,768)</u>

Net cash provided (used) by operating activities	<u>290,562</u>
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Cash Flows From Capital and Related Financing Activities:

Proceeds from long-term debt	140,286
Principal paid on long-term debt	(39,849)
Interest paid on long-term debt	(9,393)
Transfer to other funds	<u>(60,000)</u>

Net cash provided (used) for capital and related financing activities	<u>31,044</u>
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Cash Flows From Investing Activities:

Interest on investments	<u>312</u>
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Net cash provided (used) by investing activities	<u>312</u>
--	------------

Net increase (decrease) in cash and cash equivalents	321,918
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Cash and cash equivalents at beginning of year	<u>870,434</u>
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Cash and cash equivalents at end of year	<u>\$ 1,192,352</u>
	cont.

TOWN OF LONG VIEW, NORTH CAROLINA**Exhibit 10, cont.
Page 2 of 2****Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2021**

	<u>Enterprise Fund</u> <u>Utility</u> <u>Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ <u>(11,199)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	339,553
Changes in assets and liabilities:	
(Increase) decrease in receivables	16,546
(Increase) decrease in prepaid expenses	(52,142)
(Increase) decrease in inventories	(41,596)
(Increase) decrease in deferred outflows of resources - pensions	(32,085)
(Increase) decrease in deferred outflows of resources - OPEB	(3,858)
Increase (decrease) in net pension liability	61,716
Increase (decrease) in deferred inflows of resources - pensions	(466)
Increase (decrease) in deferred inflows of resources - OPEB	3,257
Increase (decrease) in accounts payable and accrued liabilities	8,822
Increase (decrease) in other postemployment benefits	1,716
Increase (decrease) in compensated absences payable	(396)
Increase (decrease) in customer deposits	694
Total adjustments	<u>301,761</u>
Net cash provided (used) by operating activities	\$ <u><u>290,562</u></u>

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

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies

The accounting policies of Town of Long View (the "Town") conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation, which is governed by an elected Mayor and a five member Council. As required by generally accepted accounting principles, these financial statements present the Town and any component units, a legally separate entity for which the Town is financially accountable. The Town has no component units.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government net position. 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 expense and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include: (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

The Town reports the following major governmental fund:

General Fund

The General Fund is the general operating fund of the Town. It is used to account 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-shared revenues and various other taxes and licenses. The primary expenditures are for public safety, streets and highways, sanitation service, parks and recreation, and general governmental services.

COVID Cares Fund

This fund is used to account for Federal grant income and expenditures relating to the COVID-19 pandemic.

The Town Reports the Following Major Enterprise Fund:

Proprietary Fund

Water and Sewer Fund

This fund is used to account for the Town's water and sewer operations. The Maple Springs Economic Development Project Fund has been consolidated with the Water and Sewer Fund for financial reporting purposes. The Town reports the Water and Sewer Fund as a major enterprise fund.

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 and 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 are transactions in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, 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, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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's 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 system. Operating expenses for the Enterprise Fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as a revenue, because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. 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. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed during this period are shown as a receivable on 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 of Longview, because the tax is levied by Burke and Catawba Counties, 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 by general revenues.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Enterprise Fund Capital Projects. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The Town Administrator is authorized to transfer appropriations between functional areas within a fund up to \$2,500; however, any revisions that alter the total expenditures of any fund, or exceed \$2,500, must be approved by the governing board. During the year, several amendments to the original budget were necessary, most of which were immaterial. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

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

The Town's investments are reported at fair value. Non-participating, interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) investment pool, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating, and is measured at fair value. As of June 30, 2020, the Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Town considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

Restricted Assets

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 it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. The Town also has forfeiture money that is restricted for use with public safety.

Restricted cash at June 30, 2021 consists of the following:

Governmental Activities:

General Fund:

Public Safety	\$ 59,947
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Powell Bill	<u>465,927</u>
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Total governmental activities	<u>\$525,874</u>
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Business-Type Activities:

Water and Sewer Utility Fund:

Utility deposits	<u>\$ 73,797</u>
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Total business-type activities	<u>\$ 73,797</u>
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Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property, other than motor vehicles, on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020.

Allowances for Doubtful Accounts

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

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Inventory and Prepaid Items

Inventories of the Town consist primarily of system materials and supplies and are valued at cost (first-in, first-out method). The cost of Enterprise Fund inventories is recorded as an expenditure when purchased, rather than when consumed.

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

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost, and an estimated useful life in excess of five years. Minimum capitalization cost is \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair market value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchases or constructed capital assets are reported at cost, or estimated historical cost, are listed at the market value at the date of donation.

Infrastructure assets exceeding the Town's capitalization threshold will be reported as capital assets in the Statement of Net Position. General governmental infrastructure assets acquired prior to July 1, 2003 were not retroactively reported; therefore, the infrastructure capital assets in the Statement of Net Position only include assets purchased after July 1, 2003. The cost of normal maintenance and repairs that do not add to the value of the assets, or materially extend assets' lives, are not capitalized.

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

<u>Assets</u>	<u>Estimated Useful Lives</u>
General governmental infrastructure - road network	45 years
General governmental infrastructure - bridges	50 years
Buildings	50 years
Other improvements	10-40 years
Equipment and vehicles	5-10 years

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Deferred Outflows/Inflows of Resources

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

Long-Term Obligations

In the government-wide financial statements, and in the 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.

In fund financial statements for governmental fund types, the face amount of debt issued is reported as another financing source.

The Town's long-term debt for water and sewer system improvements is carried within the Enterprise Fund. The debt service requirements for that debt are being met by water and sewer revenues.

Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, 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:

Non-Spendable Fund Balance

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

Prepaid Items - the portion of fund balance that is not available for appropriation, because it represents the year-end balance of prepaid expenses, which are not spendable, available resources.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Restricted Fund Balance

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

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

Restricted for Public Safety - court fees and fines related to illegal narcotics activity that are to be used by the police department, only for expenditures not generally funded by the Town [i.e., purchase of a K-9 animal or purchase of a vehicle for K-9 drug enforcement officer vehicle].

Restricted for Streets - the Powell Bill portion of fund balance that is available for appropriation, but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill Funds.

Assigned Fund Balance

Assigned fund balance is the portion of fund balance that Town of Long View intends to use for specific purposes.

Unassigned Fund Balance

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

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

Town of Long View has not adopted a fund balance policy.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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	\$3,437,569
Less:	
Prepays	11,166
Streets - Powell Bill	465,927
Public Safety reserve	59,947
Stabilization by State Statute	328,983
Total available fund balance	<u>\$2,571,546</u>

Defined Benefit Cost-Sharing Plans

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

Compensated Absences

The vacation policy of the Town provides for the accumulation of up to twenty (20) days earned vacation leave. The excess amount removed shall be converted to sick leave and added to the employee's sick leave balance. For the Town's proprietary fund, 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 time estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. For the Town, the current portion of the accumulated vacation pay is not considered to be material.

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

Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "transfers-out" in the General Fund and "transfers-in" in the receiving fund.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Accounting 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 the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

II. Detail Notes on All Funds

A. Assets

Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in its 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, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The Town has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of 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 \$989,547 and a bank balance of \$1,010,766. Of the bank balance, \$252,635 was covered by federal depository insurance, and \$758,130 was covered by collateral held under the Pooling Method. Petty cash on hand at June 30, 2021 was \$130.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Investments

At June 30, 2021, the Town had \$3,393,272 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's and AAA-mf by Moody's Investors' Services. The Town has no policy regarding credit risk.

<u>Investment by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/21</u>	<u>Maturity</u>	<u>Rating</u>
N. C. Capital Management Trust Government Portfolio	Fair Value Level 1	\$3,393,272	N/A	AAAm

Interest Rate Risk. The Town has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Receivables - Allowances for Doubtful Accounts

The receivables shown in Exhibit 1 at June 30, 2021 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 8,581	\$114,018	\$320,394	\$442,993
Allowance for doubtful accounts	-	(80,000)	-	-
Total governmental activities	<u>\$ 8,581</u>	<u>\$ 34,018</u>	<u>\$320,394</u>	<u>\$362,993</u>
Business-type Activities:				
Water and sewer	\$267,026	\$ -	\$ 6,618	\$273,644
Allowance for doubtful accounts	(82,191)	-	-	-
Total business-type activities	<u>\$184,835</u>	<u>\$ -</u>	<u>\$ 6,618</u>	<u>\$191,453</u>

Due from other governments consisted of the following:

Governmental Activities:	
Local option sales tax	\$278,158
Due from the State	5,841
Sales tax receivable	36,395
Total	<u>\$320,394</u>
Business-Type Activities:	
Sales tax receivable	\$ 6,618
Total	<u>\$ 6,618</u>

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Capital Assets

A summary of changes in the Town's governmental capital assets is as follows:

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Decreases</u>	<u>June 30, 2021</u>
By Asset Type:				
Non-Depreciable Assets:				
Land	<u>\$ 445,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,071</u>
Depreciable Assets:				
Buildings	2,493,571	-	-	2,493,571
Other improvements	203,669	-	-	203,669
Street Department vehicles and equipment	1,541,824	43,623	-	1,585,447
Fire vehicles and equipment	2,142,073	45,124	-	2,187,197
Police vehicles and equipment	865,045	40,302	-	905,347
Admin vehicles and equipment	406,834	38,830	-	445,664
Ground storage and storm drains	190,173	-	-	190,173
Recreation Department vehicles and equipment	<u>162,916</u>	<u>-</u>	<u>-</u>	<u>162,916</u>
Total depreciable assets	<u>8,006,105</u>	<u>167,879</u>	<u>-</u>	<u>8,173,984</u>
Less Accumulated Depreciation:				
Buildings	(1,290,864)	(52,576)	-	(1,343,440)
Other improvements	(158,175)	(3,776)	-	(161,951)
Street Department vehicles and equipment	(1,275,571)	(41,352)	-	(1,316,923)
Fire vehicles and equipment	(1,678,468)	(58,901)	-	(1,737,369)
Police vehicles and equipment	(690,785)	(74,908)	-	(765,693)
Admin vehicles and equipment	(384,594)	(9,687)	-	(394,281)
Ground storage and storm drains	(101,379)	(4,226)	-	(105,605)
Recreation Department vehicles and equipment	<u>(148,733)</u>	<u>(3,497)</u>	<u>-</u>	<u>(152,230)</u>
Total accumulated depreciation	<u>(5,728,569)</u>	<u>\$(248,923)</u>	<u>\$ -</u>	<u>(5,977,492)</u>
Total depreciated assets, net	<u>2,277,536</u>			<u>2,196,492</u>
Capital assets, net	<u>\$2,722,607</u>			<u>\$2,641,563</u>

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

Governmental Activities:	
General Government	\$ 70,265
Public Safety	133,809
Transportation	41,352
Cultural and Recreational	<u>3,497</u>
Total	<u>\$248,923</u>

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Business-type Activities

The capital assets of the Water and Sewer Fund of the Town at June 30, 2021 are as follows:

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Non-Depreciable Assets:				
Construction in progress	\$ 541,472	\$ -	\$ -	\$ 541,472
Depreciable Assets:				
Other improvements	23,900	-	-	23,900
Henry Fork System	3,962,852	-	-	3,962,852
Utilities administration	483,042	-	-	483,042
Water system	4,757,401	-	-	4,757,401
Sewer system	8,877,122	-	-	8,877,122
Total depreciable assets	<u>18,104,317</u>	<u>-</u>	<u>-</u>	<u>18,104,317</u>
Less Accumulated Depreciation:				
Other improvements	(7,166)	(600)	-	(7,766)
Henry Fork System	(1,904,738)	(79,206)	-	(1,983,944)
Utilities administration	(461,440)	(9,185)	-	(470,625)
Water system	(3,472,164)	(55,033)	-	(3,527,197)
Sewer system	(4,669,895)	(195,529)	-	(4,865,424)
Total accumulated depreciation	<u>(10,515,403)</u>	<u>\$(339,553)</u>	<u>\$ -</u>	<u>(10,854,956)</u>
Total depreciable assets, net	<u>7,588,913</u>			<u>7,249,361</u>
Capital assets, net	<u>\$8,130,385</u>			<u>\$7,790,833</u>

B. Liabilities

Payables

Payables at June 30, 2021 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Interest</u>	<u>Total</u>
Governmental activities:				
General Fund	<u>\$15,129</u>	<u>\$78,048</u>	<u>\$ -</u>	<u>\$93,177</u>
Business-type activities:				
Water and sewer	<u>\$ 8,386</u>	<u>\$21,509</u>	<u>\$6,211</u>	<u>\$36,106</u>

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Pension Plan and Other Post-Employment Obligations

Local Government Employees' Retirement System

Plan Description. Town of Long View 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, and one appointed by the State House of Representatives and the State Treasurer and the 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.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Long View's employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Long View's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.20% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from Town of Long View were \$206,895 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 \$993,770 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 0.02781% which was an increase of 0.00272% from its proportion measured as of June 30, 2020.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

For the year ended June 30, 2021, the Town recognized pension expense of \$351,859.
At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$125,496	\$ -
Change in assumptions	73,956	-
Net difference between projected and actual earnings on pension plan investments	139,846	-
Changes in proportion, and differences between, the Town contributions and proportionate share of contributions	35,331	5,578
Town contributions subsequent to the measurement date	<u>206,895</u>	<u>-</u>
Total	<u>\$581,524</u>	<u>\$5,578</u>

\$206,895, 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 ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2022	\$106,313
2023	137,554
2024	83,797
2025	<u>41,387</u>
	<u>\$369,051</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	<u>\$2,016,251</u>	<u>\$993,770</u>	<u>\$144,016</u>

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

Law Enforcement Officers' Special Separation Allowance

1. Plan Description

Plan Description - The Town administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

Inactive members currently receiving benefits	2
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>16</u>
Total	<u>18</u>

2. Summary of Significant Accounting Policies

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

The Separation Allowance has no assets accumulated in a trust that meet the following criteria which we outlined in GASB Statements 73:

3. Actuarial Assumptions

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

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

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality rates are based on the MP-2019 Mortality Tables with adjustments for mortality improvements.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

4. Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established, and may be amended by, the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$33,102 as benefits came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of \$794,235. The total pension liability was measured as of December 31, 2020, based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$112,115.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$173,818	\$ -
Changes of assumptions	159,943	9,730
Town benefit payments and plan administrative expense made subsequent to the measurement date	<u>16,551</u>	<u>-</u>
Total	<u>\$350,312</u>	<u>\$9,730</u>

\$16,551, reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date, will be recognized as a decrease of the total pension liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year ending June 30:

2022	\$74,973
2023	71,838
2024	62,309
2025	60,605
2026	54,306
Thereafter	-

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

\$16,551, paid as benefits came due and \$-0- of administrative expenses subsequent to the measurement date, are reported as deferred outflows of resources.

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

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	<u>\$856,066</u>	<u>\$794,235</u>	<u>\$737,057</u>

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

Beginning balance	\$473,850
Service cost	22,234
Interest on the total pension liability	14,908
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	144,540
Changes of assumptions or other inputs	171,805
Benefit payments	(33,102)
Other changes	-
Ending balance of the total pension liability	<u>\$794,235</u>

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$351,859	\$112,115	\$ 463,974
Pension liability	993,770	794,235	1,788,005
Proportionate share of the net pension liability	0.02781%	n/a	
Deferred outflows of resources			
Differences between expected and actual experience	125,496	173,818	299,314
Changes of assumptions	73,956	159,943	233,899
Net difference between projected and actual earnings on plan investments	139,846	-	139,846
Changes in proportion, and differences between, contributions and proportionate share of contributions	35,331	-	35,331
Benefit payments and administrative costs paid subsequent to the measurement date	206,895	16,551	223,446
Deferred inflows of resources			
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	9,730	9,730
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion, and differences between, contributions and proportionate share of contributions	5,578	-	5,578

Supplemental Retirement Income Plan for Law Enforcement Officers

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

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Funding Policy - Article 12E of G.S. Chapter 143 requires the Town to contribute, each month, an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$39,890, which consisted of \$37,253 from the Town and \$2,637 from the law enforcement officers.

Other Post-Employment Benefits

Healthcare Benefits - Plan Description - Under the terms of a Town resolution, the Town administers a single-employer defined benefit plan ("the Retiree Health Plan"). The plan provides post-employment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System and have at least five years of creditable service with the Town. At June 1, 2012, the Town entered into a healthcare agreement which required the Town to pay incurred out-of-pocket and co-pay expenses up to \$7,800, per covered retiree, each plan year. The plan year was effective for June 1, 2012 through May 31, 2013. Unused funds were not carried forward to the next plan year. As of June 1, 2013, the Town has entered into a new healthcare agreement. A traditional healthcare plan is in effect. The Town does not pay for the premiums of the benefits through the private insurer, but allows the retiree to stay on the healthcare plan after they retire. The retiree is responsible for paying 100% of the premium set by the insurer. The Board of Aldermen may amend the benefit provisions. A separate report was not issued for the plan.

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

	General Employees	Law Enforcement Officers	Firefighters
Retirees receiving benefits	-	-	-
Active plan members	13	15	8

Total OPEB Liability

The Town's total OPEB liability of \$132,447 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5 to 7.75 percent, including inflation
Discount rate	2.21 percent
Healthcare cost trend rates	Pre-Medicare and prescription drug - 7 percent for 2020, decreasing to an ultimate rate of 4.5 percent by 2030

The discount rate is based on the June average of the Bond Buyer 20-year General Obligation Bond Index as of the measurement date.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Changes in the Total OPEB Liability

Balance at July 1, 2019	<u>\$123,863</u>
Changes for the year	
Service Cost	5,361
Interest	4,523
Changes of benefit terms	-
Differences between expected and actual experience	(23,260)
Changes in assumptions or other inputs	21,960
Benefit payments	<u>-</u>
Net changes	<u>8,584</u>
Balance at June 30, 2020	<u>\$132,447</u>

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

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014, adopted by the LGERS Board.

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

	<u>1% Decrease (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Total OPEB liability	<u>\$152,016</u>	<u>\$132,447</u>	<u>\$115,172</u>

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$110,965</u>	<u>\$132,447</u>	<u>\$158,366</u>

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$5,577. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$48,683
Changes of assumptions	25,757	5,157
Benefit payments and administrative costs made subsequent to the measurement date	-	-
Total	<u>\$25,757</u>	<u>\$53,840</u>

Other amounts reported as deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year ending June 30:

2022	\$ (4,307)
2023	(4,307)
2024	(4,307)
2025	(4,307)
2026	(4,148)
Thereafter	(6,707)

Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("the 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.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Deferred Outflows and Inflows of Resources

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

Contributions to pension plan in current fiscal year	\$206,895
Benefit payments made and administrative expenses for LEOSA	16,551
Net difference between projected and actual earnings on pension plan investments	139,846
Differences between expected and actual experience	299,314
Change in proportion, and differences between, contributions and proportionate share of contributions	35,331
Change in assumptions	<u>259,656</u>
Total	<u>\$957,593</u>

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

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable	\$ -	\$34,018
Differences between expected and actual experience	48,683	-
Changes in proportion, and differences between, the Town contributions and proportionate share of contributions	5,578	-
Change in assumptions	<u>14,887</u>	<u>-</u>
Total	<u>\$69,148</u>	<u>\$34,018</u>

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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 a self-funded, risk financing pool administered by the North Carolina League of Municipalities. Through this pool, the Town has Workers' Compensation Coverage that provides for coverage of losses up to the statutory limits set by the Insurance Commission. The pool is reinsured through commercial companies for single occurrence claims in excess of \$300,000. The pool is 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 previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town's employees that have access to \$100 or more, at any time, of the Town's funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$20,000.

Claims, Judgments, and Contingent Liabilities

At June 30, 2021, the Town may have been a defendant to various lawsuits. In the opinion of the Town's management and the Town Attorney, any ultimate effect of those legal matters will not have material adverse affect on the Town's financial position.

Net Investment in Capital Assets

Net investment in capital assets as June 30, 2021 is computed as follows:

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation	\$2,641,563	\$7,790,833
Less: related debt	<u>(668,149)</u>	<u>(254,503)</u>
Net investment in capital assets	<u>\$1,973,414</u>	<u>\$7,536,330</u>

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Long-Term Obligations

Notes Payable

Notes payable at June 30, 2021 are comprised of the following individual agreements:

Governmental Activities:

\$61,581 direct borrowing loan issued on November 16, 2016; Agreement to purchase police vehicles; due in annual installments of \$13,164, including interest at 2.26%, through November 2021; secured by vehicles	\$ 12,873
\$535,000 direct borrowing loan issued on August 24, 2018; Agreement to purchase three fire trucks and equipment; due in annual installments of \$48,118, including interest at 4.00%, through August 2033; secured by vehicles and equipment	480,495
\$152,377 direct borrowing loan issued on August 13, 2019; Agreement to purchase a brush truck; due in annual installments of \$32,950, including interest at 2.66%, through July 2024; secured by vehicle	123,480
\$123,935 direct borrowing loan issued on September 2017; Agreement to purchase vehicles and radio equipment; due in annual installments of \$27,063, including interest at 2.83%, through September 2022; secured by vehicles and equipment	<u>51,301</u>
Total	<u>668,149</u>

Business-Type Activities:

\$436,600 Clean Water Revolving Loan direct placement issued on February 2012; payable in semi-annual installments of \$36,383, including interest at 2.455%, through May 2024; secured by Proprietary Fund revenues	102,323
\$450,000 direct borrowing loan issued on November 30, 2020; payable in semi-annual installments of \$50,359, including interest at 2.10%, through November 2030; secured with Water and Sewer equipment. The Town drew down \$140,286 during the year ended June 30, 2021, and no additional draws will be made on this financing; the bank is in the process of adjusting future payments on this loan	140,286
\$27,952 direct borrowing loan issued on September 2017; Agreement to purchase, a vehicle, due in annual installments of \$6,600, including interest at 2.83%, through September 2022; secured by a vehicle	<u>11,893</u>
Total	<u>254,502</u>
Total for all funds	<u>\$922,651</u>

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Annual debt service requirements to maturity for the Town's notes payable are as follows:

Year Ending June 30	Governmental Fund		
	Principal	Interest	Total
2022	\$ 96,906	\$ 24,257	\$ 121,163
2023	86,340	21,300	107,640
2024	62,521	18,547	81,068
2025	64,603	16,465	81,068
2026	33,807	14,311	48,118
2027-2031	190,436	50,156	240,592
2032-2034	133,536	10,822	144,358
Total governmental fund	<u>668,149</u>	<u>155,858</u>	<u>824,007</u>

Year Ending June 30	Business-Type Activities Proprietary Fund		
	Principal	Interest	Total
2022	\$ 81,204	\$ 12,324	\$ 93,528
2023	82,470	10,455	92,925
2024	75,866	8,562	84,428
2025	14,962	2,343	17,305
Total proprietary fund	<u>254,502</u>	<u>33,684</u>	<u>288,186</u>
Total notes payable	<u>\$922,651</u>	<u>\$189,542</u>	<u>\$1,112,193</u>

A summary of changes in long-term obligations follows:

	July 1, 2020	Additions	Retirements	June 30, 2021	Current Portion
Governmental activities:					
Direct borrowing notes payable	\$ 762,311	\$ -	\$94,162	\$ 668,149	\$96,906
Compensated absences	107,868	11,706	-	119,574	-
Net pension liability (LGERS)	548,150	246,866	-	795,016	-
Total pension liability (LEO)	473,850	320,385	-	794,235	-
Total OPEB liability	99,090	6,868	-	105,958	-
Total	<u>\$1,991,269</u>	<u>\$585,825</u>	<u>\$94,162</u>	<u>\$2,482,932</u>	<u>\$96,906</u>
Business-type activities:					
Direct borrowing notes payable	\$ 17,357	\$140,286	\$ 5,464	\$ 152,179	\$46,653
Direct placement water bonds	136,708	-	34,385	102,323	34,551
Compensated absences	8,771	-	395	8,376	-
Net pension liability (LGERS)	137,038	61,716	-	198,754	-
Total OPEB liability	24,773	1,716	-	26,489	-
Total	<u>\$ 324,647</u>	<u>\$203,718</u>	<u>\$40,244</u>	<u>\$ 488,121</u>	<u>\$81,204</u>

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Compensated absences and OPEB typically have been liquidated in the General Fund, and compensated absences are accounted for on an FIFO basis, assuming that employees are taking leave time as it is earned.

At June 30, 2021, Town of Long View had a legal debt margin of \$23,849,066.

III. Interfund Balances and Activities

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

Due to the General Fund from the Utility Fund	<u>\$8</u>
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The interfund balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

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

During the 2021 fiscal year, the Town made a transfer from the Water and Sewer Fund of \$60,000 to the General Fund as a repayment of funds transferred in previous years.

IV. Jointly Governed Organization

Western Piedmont Council of Governments

Western Piedmont Council of Governments (WPCOG) is a regional planning organization. It consists of twenty-four municipalities and four counties within western North Carolina. WPCOG's governing board is comprised of one elected official from each of these local governments and seven at-large citizen members. Each local government has one vote. The Town paid membership dues of \$3,895 during the fiscal year ended June 30, 2021.

V. 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.

VI. Stewardship, Compliance, and Accountability

A. Excess of Expenditures Over Appropriations

None.

TOWN OF LONG VIEW, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

VII. Subsequent Event

Management has evaluated subsequent events through November 30, 2021, the date on which the financial statements were available to be issued, and concluded that the following subsequent event has occurred that would require recognition in the financial statements or disclosure in the financial statements:

COVID-19 Pandemic

The spread of the Coronavirus Disease (COVID-19) has been deemed a worldwide pandemic. The COVID-19 pandemic has had significant effects on global economic markets, supply chains, businesses and communities. As a result, domestic and international equity markets have experienced significant fluctuations. The impact on the Town of Long View, North Carolina is not reflected in the financial statements for the year ended June 30, 2021, since the full impact of COVID-19 is unknown and cannot be reasonably estimated as of November 30, 2021.

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TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 1-1****Schedule of the Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*
Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Long View's proportion of the net pension liability (asset) (%)	0.02781%	0.02509%	0.026480%	0.025340%	0.02630%	0.02729%	0.02973%	0.03130%
Long View's proportion of the net pension liability (asset) (\$)	\$ 993,770	\$ 685,188	\$ 628,196	\$ 387,125	\$ 558,174	\$ 122,476	\$ (175,331)	\$ 377,285
Long View's covered payroll	\$ 1,848,456	\$ 1,727,606	\$ 1,623,327	\$ 1,729,126	\$ 1,666,033	\$ 1,556,049	\$ 1,442,065	\$ 1,375,474
Long View's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.76%	39.66%	38.70%	22.38%	33.50%	7.87%	(12.16%)	27.43%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 1-2****Schedule of Contributions
Required Supplementary Information
Last Eight Fiscal Years
Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 206,895	\$ 171,026	\$ 140,046	\$ 127,307	\$ 131,632	\$ 114,840	\$ 111,808	\$ 101,954
Contributions in relation to the contractually required contribution	<u>206,895</u>	<u>171,026</u>	<u>140,046</u>	<u>127,307</u>	<u>131,362</u>	<u>114,840</u>	<u>111,808</u>	<u>101,954</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	<u>\$ 1,983,377</u>	<u>\$ 1,848,456</u>	<u>\$ 1,727,606</u>	<u>\$ 1,623,327</u>	<u>\$ 1,729,126</u>	<u>\$ 1,666,033</u>	<u>\$ 1,556,049</u>	<u>\$ 1,442,065</u>
Contributions as a percentage of covered-employee payroll	10.43%	9.01%	8.11%	7.84%	7.60%	6.89%	7.07%	7.07%

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 1-3****Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Five Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 473,850	\$ 413,921	\$ 385,451	\$ 304,562	\$ 304,483
Service cost	22,234	17,402	16,917	16,026	13,607
Interest	14,908	14,759	11,936	11,274	10,562
Changes in benefit terms	-	-	-	-	-
Difference between expected and actuarial experience	144,540	30,923	30,933	53,910	-
Changes in assumptions and other inputs	171,805	13,780	(15,851)	24,682	(6,819)
Benefit payments	(33,102)	(16,935)	(15,465)	(25,003)	(17,271)
Other changes	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Ending balance of the total pension liability	<u>\$ 794,235</u>	<u>\$ 473,850</u>	<u>\$ 413,921</u>	<u>\$ 385,451</u>	<u>\$ 304,562</u>

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

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 1-4****Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Five Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 794,235	\$ 473,850	\$ 413,921	\$ 385,451	\$ 304,562
Covered payroll	726,399	670,352	618,079	687,717	531,318
Total pension liability as a percentage of covered payroll	109.33%	70.69%	66.97%	56.05%	57.32%

Notes to schedules:

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

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 1-5****Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Four Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 5,361	\$ 4,892	\$ 5,607	\$ 6,151
Interest	4,523	4,227	4,838	4,070
Changes in benefit terms	-	-	-	-
Difference between expected and actuarial experience	(23,260)	-	(38,907)	(147)
Changes in assumptions and other inputs	21,960	6,073	1,235	(9,405)
Benefit payments	-	-	-	-
Net change in total OPEB liability	8,584	15,192	(27,227)	669
Total OPEB liability, beginning	123,863	108,671	135,898	135,229
Total OPEB liability, ending	<u>\$ 132,447</u>	<u>\$ 123,863</u>	<u>\$ 108,671</u>	<u>\$ 135,898</u>
Covered payroll	1,619,653	1,474,177	1,474,177	1,553,891
Total OPEB liability as a percentage of covered payroll	8.18%	8.40%	7.37%	8.75%

Notes to Schedule

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

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

TOWN OF LONG VIEW, NORTH CAROLINA

Schedule 2
Page 1 of 4

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
With Comparative Actual Amounts For The Year Ended June 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues:				
Ad valorem taxes:				
Taxes	\$ -	\$ 1,778,931	\$ -	\$ 1,733,454
Penalties and interest	-	22,745	-	19,497
Total ad valorem taxes	<u>1,607,000</u>	<u>1,801,676</u>	<u>194,676</u>	<u>1,752,951</u>
Other taxes and licenses:				
Local option sales tax	-	1,538,749	-	1,334,149
Privilege licenses	-	308	-	353
Total other taxes and licenses	<u>1,168,926</u>	<u>1,539,056</u>	<u>370,130</u>	<u>1,334,501</u>
Unrestricted intergovernmental revenues:				
Franchise tax	-	313,052	-	316,065
Alcohol/beverage tax	-	20,319	-	20,938
Total unrestricted intergovernmental revenues	<u>319,000</u>	<u>333,371</u>	<u>14,371</u>	<u>337,003</u>
Restricted intergovernmental revenues:				
Federal and State grants	-	44,859	-	324,859
Fire tax from other local governments	-	31,511	-	30,839
"State Street - Aid" allocation	-	131,312	-	139,685
Total restricted intergovernmental revenues	<u>174,203</u>	<u>207,682</u>	<u>33,479</u>	<u>495,383</u>
Permits and fees:				
Other	<u>2,500</u>	<u>3,024</u>	<u>524</u>	<u>3,555</u>
Sales and services:				
Medical building lease	-	18,000	-	18,000
Cell phone leases	-	60,250	-	58,867
Box truck rental	-	1,125	-	1,400
Recreation department fees	-	50	-	2,500
Tipping fees	-	284,402	-	283,840
Total sales and services	<u>357,200</u>	<u>363,827</u>	<u>6,627</u>	<u>364,607</u>
Investment earnings:				
Interest on investments	<u>18,500</u>	<u>623</u>	<u>(17,877)</u>	<u>22,651</u>

cont.

TOWN OF LONG VIEW, NORTH CAROLINA

**Schedule 2
Page 2 of 4**

**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
With Comparative Actual Amounts For The Year Ended June 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Miscellaneous:				
Insurance reimbursement	\$ -	\$ 60,473	\$ -	\$ 8,394
Other	-	132,018	-	60,248
Total other revenues	<u>6,000</u>	<u>192,491</u>	<u>186,491</u>	<u>68,641</u>
 Total revenues	 <u>3,653,329</u>	 <u>4,441,751</u>	 <u>788,422</u>	 <u>4,379,292</u>
 Expenditures:				
General government:				
Governing body:				
Town council	-	20,680	-	20,680
Election fees	-	-	-	6,389
Miscellaneous	-	1,782	-	2,124
Total governing body	<u>22,463</u>	<u>22,462</u>	<u>1</u>	<u>29,194</u>
Administration:				
Salaries and employee benefits	-	377,569	-	359,740
Operating expenses	-	199,745	-	561,223
Capital outlay	-	7,000	-	-
Total administration	<u>592,830</u>	<u>584,313</u>	<u>8,517</u>	<u>920,962</u>
Planning and development:				
Salaries and employee benefits	-	86,702	-	80,743
Operating expenses	-	49,002	-	15,811
Total planning and development	<u>141,777</u>	<u>135,703</u>	<u>6,074</u>	<u>96,554</u>
 Total general government	 <u>757,070</u>	 <u>742,479</u>	 <u>14,591</u>	 <u>1,046,710</u>
 Public safety:				
Police department:				
Salaries and employee benefits	-	1,022,360	-	898,336
Operating expenses	-	179,041	-	132,150
Capital outlay	-	40,302	-	77,992
Total police department	<u>1,260,208</u>	<u>1,241,702</u>	<u>18,506</u>	<u>1,108,479</u>

cont.

TOWN OF LONG VIEW, NORTH CAROLINA

Schedule 2
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**General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
With Comparative Actual Amounts For The Year Ended June 30, 2020**

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Expenditures (Continued):				
Fire department:				
Salaries and employee benefits	\$ -	\$ 496,224	\$ -	\$ 460,321
Operating expenses	-	192,569	-	135,569
Capital outlay	-	45,124	-	10,179
Total fire department	<u>736,599</u>	<u>733,917</u>	<u>2,682</u>	<u>606,069</u>
Safety program:				
Operating expenses	-	-	-	1,682
Total public safety	<u>1,996,807</u>	<u>1,975,619</u>	<u>21,188</u>	<u>1,716,230</u>
Transportation:				
Street department:				
Salaries and employee benefits	-	363,710	-	354,166
Contracted services	-	62,694	-	56,428
Operating expenses	-	600,353	-	558,786
Capital outlay	-	43,623	-	170,827
Total street department	<u>1,135,631</u>	<u>1,070,380</u>	<u>65,251</u>	<u>1,140,207</u>
Shop:				
Operating expenses	-	131,134	-	141,490
Capital outlay	-	-	-	14,407
Total shop	<u>135,000</u>	<u>131,134</u>	<u>3,866</u>	<u>155,896</u>
Total transportation	<u>1,270,631</u>	<u>1,201,514</u>	<u>69,117</u>	<u>1,296,103</u>
Recreation:				
Recreation department:				
Salaries and employee benefits	-	51,814	-	45,738
Operating expenses	-	27,767	-	32,330
Total recreation department	<u>83,789</u>	<u>79,581</u>	<u>4,208</u>	<u>78,068</u>
Debt service:				
Principal	-	94,162	-	63,234
Interest	-	27,133	-	25,112
Total debt service	<u>121,301</u>	<u>121,296</u>	<u>5</u>	<u>88,346</u>
Total expenditures	<u>4,229,598</u>	<u>4,120,489</u>	<u>109,109</u>	<u>4,225,457</u>

cont.

TOWN OF LONG VIEW, NORTH CAROLINASchedule 2, cont.
Page 4 of 4**General Fund**
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
With Comparative Actual Amounts For The Year Ended June 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>	<u>Actual</u>
Revenues over (under) expenditures before other financing sources (uses)	<u>\$ (576,269)</u>	<u>\$ 321,262</u>	<u>\$ 897,531</u>	<u>\$ 153,835</u>
Other Financing Sources (Uses):				
Proceeds from long term debt	-	-	-	152,377
Transfers from Water and Sewer fund	60,000	60,000	-	60,000
Appropriated fund balance	<u>516,269</u>	<u>-</u>	<u>(516,269)</u>	<u>-</u>
Total other financing sources (uses)	<u>576,269</u>	<u>60,000</u>	<u>(516,269)</u>	<u>212,377</u>
Revenue and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>381,262</u>	<u>\$ 381,262</u>	<u>366,212</u>
Fund balance, July 1		<u>3,056,307</u>		<u>2,690,095</u>
Fund balance, June 30		<u>\$ 3,437,569</u>		<u>\$ 3,056,307</u>

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 3****Covid Cares Fund**
Schedule of Revenues, Expenditures and Other Financing Sources (Uses) -
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Grants	\$ 105,300	\$ 105,300	\$ -
Total revenues	<u>105,300</u>	<u>105,300</u>	<u>-</u>
Expenditures:			
Public safety	<u>105,300</u>	<u>105,300</u>	<u>-</u>
Total expenditures	<u>105,300</u>	<u>105,300</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 4**
Page 1 of 2**Water and Sewer Fund**
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	<u>2021</u>		<u>Variance</u>	<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u> <u>(Negative)</u>	<u>Actual</u>
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ -	\$ 1,146,310	\$ -	\$ 1,120,961
Sewer sales	-	854,855	-	824,766
Water and sewer taps	-	43,335	-	17,440
Other operating revenues	-	88,614	-	72,837
	<u>-</u>	<u>2,133,113</u>	<u>-</u>	<u>2,036,003</u>
Total operating revenues	-	2,133,113	-	2,036,003
Non-operating revenues:				
Interest on investments	-	312	-	11,325
Transfer from (to) other funds	-	(60,000)	-	(60,000)
Disposal of fixed assets	-	-	-	1,361
Proceeds of financing	-	140,286	-	-
	<u>-</u>	<u>80,598</u>	<u>-</u>	<u>(47,314)</u>
Total non-operating revenues	-	80,598	-	(47,314)
Total revenues	<u>2,492,785</u>	<u>2,213,711</u>	<u>(279,074)</u>	<u>1,988,689</u>
Expenditures:				
Utility Department	1,322,744	860,472	462,272	759,185
Sewer plant	565,000	564,657	343	486,331
Water distribution	377,155	340,706	36,449	389,691
Garage	124,000	8,643	115,357	26,222
Debt service	103,886	49,242	54,644	44,612
	<u>2,492,785</u>	<u>1,823,721</u>	<u>669,064</u>	<u>1,706,041</u>
Total expenditures	2,492,785	1,823,721	669,064	1,706,041

cont.

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 4, cont.
Page 2 of 2****Water and Sewer Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020**

	<u>2021</u>		<u>Variance Positive (Negative)</u>	<u>2020 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
Revenues and over (under) expenditures	<u>\$ -</u>	<u>\$ 389,989</u>	<u>\$ 389,989</u>	<u>\$ 282,648</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 389,989		\$ 282,648
Reconciling items:				
Payment on debt principal		39,849		39,865
Proceeds on financing		(140,286)		-
(Increase) decrease in other post-employment benefits		(1,716)		(2,407)
Increase (decrease) in deferred outflows of resources		35,943		(13,884)
(Increase) decrease in net pension liability		(61,716)		(11,399)
(Increase) decrease in deferred inflows of resources		(2,791)		972
Depreciation		<u>(339,552)</u>		<u>(384,632)</u>
Net income (loss)		<u>\$ (80,280)</u>		<u>\$ (88,837)</u>

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 5****Enterprise Fund Capital Project
Maple Springs Economic Development Project
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Year Ended June 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
CDBG	<u>\$ 600,000</u>	<u>\$ 367,001</u>	<u>\$ -</u>	<u>\$ 367,001</u>
Expenditures:				
Water improvements	39,108	43,490	-	43,490
Street improvements	449,186	359,951	-	359,951
Sewer improvements	81,706	45,665	-	45,665
Planning and administrative	<u>30,000</u>	<u>92,336</u>	<u>-</u>	<u>92,336</u>
Total expenditures	<u>600,000</u>	<u>541,442</u>	<u>-</u>	<u>541,442</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (174,441)</u>	<u>\$ -</u>	<u>\$ (174,441)</u>

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 6****Schedule of Ad Valorem Taxes Receivable
June 30, 2021**

<u>Fiscal Year</u>	<u>July 1, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>June 30, 2021</u>
2020 - 2021	\$ -	\$ 1,764,973	\$ 1,721,774	\$ 43,199
2019 - 2020	54,573	-	34,938	19,635
2018 - 2019	23,394	-	12,068	11,326
2017 - 2018	11,597	-	4,084	7,513
2016 - 2017	10,287	-	3,941	6,346
2015 - 2016	6,772	-	1,987	4,785
2014 - 2015	6,889	-	2,864	4,025
2013 - 2014	7,525	-	1,932	5,593
2012 - 2013	8,315	-	1,503	6,812
2011 - 2012	7,537	-	2,753	4,784
2010 - 2011	<u>7,608</u>	<u>-</u>	<u>7,608</u>	<u>-</u>
Total	<u>\$ 144,497</u>	<u>\$ 1,764,973</u>	<u>\$ 1,795,452</u>	114,018
Less allowance for uncollectibles				<u>(80,000)</u>
Balance				<u>\$ 34,018</u>
Reconcilement With Revenues:				
Ad valorem taxes - General Fund (Schedule 2)				\$ 1,801,676
Amount written off per statute of limitation				7,608
Miscellaneous adjustments and credits				<u>8,913</u>
Subtotal				1,818,197
Less penalties and interest collected				<u>(22,745)</u>
Total collections and credits				<u>\$ 1,795,452</u>

TOWN OF LONG VIEW, NORTH CAROLINA**Schedule 7****Schedule of Analysis of Current Year Tax Levy
June 30, 2021**

	<u>Town - wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxes at current year's rate	\$ 307,289,474	\$0.57	\$ 1,751,550	\$ 1,552,766	\$ 198,784
Discoveries-current year levy	2,856,491	0.57	16,282	16,282	-
Abatements-current year levy	<u>(501,579)</u>	0.57	<u>(2,859)</u>	<u>(2,859)</u>	<u>-</u>
Total			<u>1,764,973</u>	<u>1,566,189</u>	<u>198,784</u>
Total property valuation	<u>\$ 309,644,386</u>				
Net levy			1,764,973	1,566,189	198,784
Less uncollected taxes at June 30, 2021			<u>43,199</u>	<u>43,199</u>	<u>-</u>
Current year's taxes collected			<u>\$ 1,721,774</u>	<u>\$ 1,522,990</u>	<u>\$ 198,784</u>
Current levy collection percentage			<u>97.55</u>	<u>97.24</u>	<u>100.00</u>

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

121 N. Sterling Street
Morganton, North Carolina 28655
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Fax: (828) 433-1230

**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 Board of Alderman
Town of Long View, 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 Long View, 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 Long View, North Carolina's basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. See 2021-001.

Compliance and Other Matters

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

The Town of Long View, North Carolina's Response to Findings

The Town of Long View, North Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Town of Long View, North Carolina'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.



Morganton, North Carolina
November 30, 2021

TOWN OF LONG VIEW, NORTH CAROLINA

**Schedule of Findings and Responses
For the Year Ended June 30, 2021**

Section I. Financial Statement Findings

Significant Deficiencies:

Finding: 2021-001:

Condition: The size of the Town's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. The Mayor and the Board of Aldermen should be engaged in the ongoing review of the financial affairs of the Town to provide oversight.

Effect: Material misstatements could occur, whether due to fraud or error, and not be detected on a timely basis.

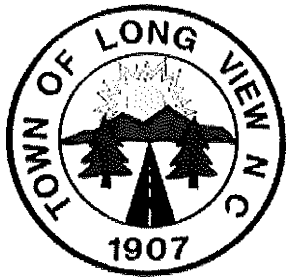
Response: Duties will be segregated as much as possible.

Section II. Federal Award Findings and Responses

None reported.

Section III. State Award Findings and Responses

None reported



TOWN OF LONG VIEW

2404 FIRST AVENUE, SOUTH WEST
HICKORY, NORTH CAROLINA 28602
PHONE (828) 322-3921 FAX (828) 322-1567

Corrective Action Plan For the Year Ended June 30, 2021

Section I. Financial Statement Findings

Finding: 2021-001

Name of contact person: David Draughn, Town Administrator

Corrective Action: The Town will continue to segregate duties as much as possible.

Proposed Completion Date: Immediately

TOWN OF LONG VIEW, NORTH CAROLINA

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021**

Finding: 2020-001: Still applicable at June 30, 2021, see Finding 2021-001.