

REVIEWED

By SLGFD at 8:03 am, Jan 12, 2022

TOWN OF PINEBLUFF, NORTH CAROLINA

Report of Audit

For the Fiscal Year Ended June 30, 2021



	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	6
Management's Discussion and Analysis	8

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Position	18
Statement of Activities.....	20

Fund Financial Statements:

Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	26
Statement of Fund Net Position – Proprietary Fund	28
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	31
Statement of Cash Flows – Proprietary Fund.....	32
Notes to the Financial Statements	34

Required Supplementary Financial Data

Proportionate Share of Net Pension Liability (Asset) - LGERS	64
Town's Contributions - LGERS.....	65
Schedule of Changes in Total Pension Liability – Law Enforcement Officers' Special Separation Allowance.....	66
Schedule of Total Pension Liability as a Percentage of Covered Payroll	67

Major Governmental Funds – General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	70
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TOWN OF PINEBLUFF, NORTH CAROLINA

Table of Contents (Continued)

Special Revenue Funds Consolidated with General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Fund – Capital Reserve Fund	74
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Fund – Cemetery Fund	75

Enterprise Funds

Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water and Sewer Fund	78
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Other Schedules

Schedule of Ad Valorem Taxes Receivable – General Fund	82
Analysis of Current Tax Levy	83

FINANCIAL SECTION

Independent Auditor's Report

To the Honorable Mayor
And the Board of Commissioners
Pinebluff, 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 Pinebluff, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

W Greene, PLLC

Whiteville, North Carolina
November 30, 2021

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

Financial Highlights

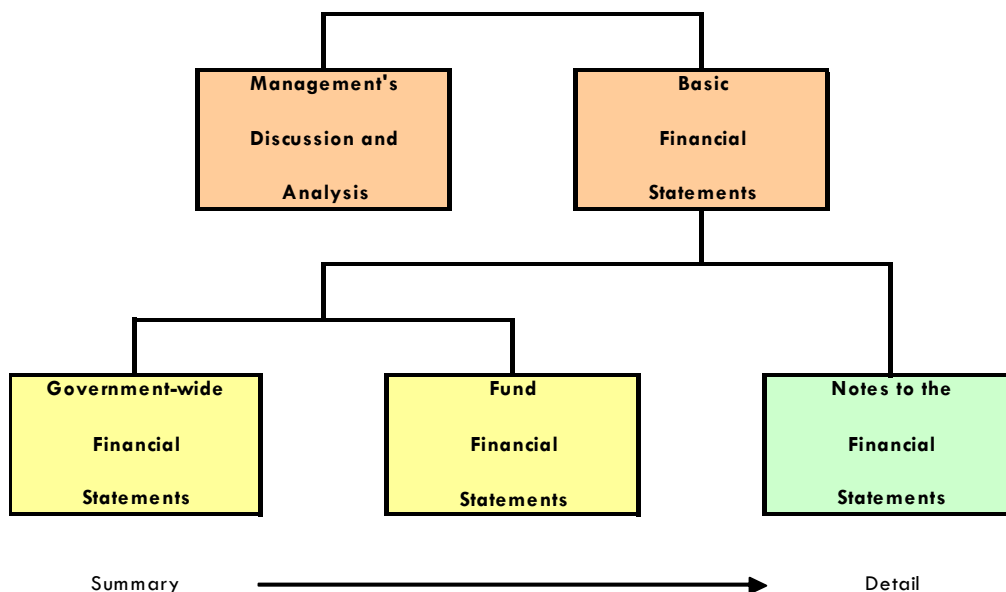
- The assets and deferred outflows of resources of the Town of Pinebluff exceeded its liabilities and deferred inflows at the close of the fiscal year by \$5,324,503 (net position).
- The government's total net position increased by \$361,565, primarily due to an increase in various tax revenues within the governmental activities.
- As of the close of the current fiscal year, the Town of Pinebluff's governmental funds reported combined ending fund balances of \$2,623,545 with a net increase of \$403,077 in fund balance. Approximately 17.83 percent of this total amount, or \$467,713, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,881,472, or 132.05 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (pages 18 through 21) 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 (pages 22 through 33) 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 it has changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

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

The government-wide financial statements are on pages 18 through 21 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Pinebluff, 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 Pinebluff 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* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

Proprietary Funds – Town of Pinebluff has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Pinebluff uses enterprise funds to account for its water and sewer activity. This fund is the same as those functions shown in 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 are on pages 34 through 62 of this report.

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

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

Government-Wide Financial Analysis

Town of Pinebluff's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 2,628,477	\$ 2,224,244	\$ 1,148,570	\$ 1,053,646	\$ 3,777,047	\$ 3,277,890
Capital assets	2,920,452	3,084,788	526,420	564,947	3,446,872	3,649,735
Deferred outflows of resources	151,738	80,957	11,776	9,464	163,514	90,421
Total assets and deferred outflows of resources	5,700,667	5,389,989	1,686,766	1,628,057	7,387,433	7,018,046
Long-term liabilities outstanding	1,830,996	1,822,661	20,914	16,252	1,851,910	1,838,913
Other liabilities	107,062	115,327	95,453	88,854	202,515	204,181
Deferred inflows of resources	7,862	10,926	643	1,088	8,505	12,014
Total liabilities and deferred inflows of resources	1,945,920	1,948,914	117,010	106,194	2,062,930	2,055,108
Net position:						
Net investment in capital assets	1,304,598	1,353,607	526,420	564,947	1,831,018	1,918,554
Restricted	467,713	337,726	-	-	467,713	337,726
Unrestricted	1,982,436	1,749,742	1,043,336	956,916	3,025,772	2,706,658
Total net position	\$ 3,754,747	\$ 3,441,075	\$ 1,569,756	\$ 1,521,863	\$ 5,324,503	\$ 4,962,938

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Pinebluff exceeded liabilities and deferred inflows by \$5,324,503 as of June 30, 2021. The Town's net position increased by \$361,565 for the fiscal year ended June 30, 2021. However, a large portion (34.39%) reflects the Town's net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Town of Pinebluff uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Pinebluff's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Pinebluff's net position, \$467,713, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,025,772 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.36%. The statewide average in fiscal year 2021 was 98.96%.

Management's Discussion and Analysis (Continued)

The Town of Pinebluff's Changes in Net Position

Figure 3

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 31,364	\$ 18,001	\$ 434,413	\$ 450,207	\$ 465,777	\$ 468,208
Operating grants and contributions	254,695	295,070	-	-	254,695	295,070
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property taxes	553,674	519,242	-	-	553,674	519,242
Other taxes	924,875	789,352	-	-	924,875	789,352
Other	64,448	26,591	1,587	1,650	66,035	28,241
Total revenues	1,829,056	1,648,256	436,000	451,857	2,265,056	2,100,113
Expenses:						
Governing body	50,290	54,854	-	-	50,290	54,854
Administration	123,661	124,190	-	-	123,661	124,190
Police Department	326,437	333,186	-	-	326,437	333,186
Fire Department	388,366	410,819	-	-	388,366	410,819
Planning and Inspections	35,512	24,019	-	-	35,512	24,019
Street Department	240,556	209,360	-	-	240,556	209,360
Powell Bill Funds	5,970	15,060	-	-	5,970	15,060
Garbage Collection	117,780	112,286	-	-	117,780	112,286
Lakes, Parks, Cemetery	150,691	56,050	-	-	150,691	56,050
Library	8,355	16,216	-	-	8,355	16,216
COVID-19	6,372	-	-	-	6,372	-
Interest on long-term debt	61,394	62,882	-	-	61,394	62,882
Water and Sewer	-	-	388,107	344,668	388,107	344,668
Total expenses	1,515,384	1,418,922	388,107	344,668	1,903,491	1,763,590
Increase(Decrease) in net position before transfers	313,672	229,334	47,893	107,189	361,565	336,523
Transfers	-	-	-	-	-	-
Change in net position	313,672	229,334	47,893	107,189	361,565	336,523
Net position, July 1 (consolidated)	3,441,075	3,211,741	1,521,863	1,414,674	4,962,938	4,626,415
Restatement	-	-	-	-	-	-
Net Position, July 1- Restated	3,441,075	3,211,741	1,521,863	1,414,674	4,962,938	4,626,415
Net position, June 30	\$ 3,754,747	\$ 3,441,075	\$ 1,569,756	\$ 1,521,863	\$ 5,324,503	\$ 4,962,938

Governmental activities. Governmental activities increased the Town's net position by \$313,672, thereby accounting for 87% of the total increase in the net position of the Town of Pinebluff. Key element of this increase is as follows:

- Net increase in property taxes and various other taxes and permits.

Business-type activities. Business-type activities increased the Town of Pinebluff's net position by \$47,893, thereby accounting for 13% of the total increase in the net position of the Town.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Pinebluff's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Pinebluff's financing requirements.

The general fund is the chief operating fund of the Town of Pinebluff. At the end of the current fiscal year, Town of Pinebluff's fund balance available in the General fund was \$2,377,262, while total fund balance reached \$2,623,545. The Town currently has an available fund balance of 166.85% of general fund expenditures, while the total balance represents 184.13% of the same amount.

At June 30, 2021, the governmental funds of Town of Pinebluff reported a combined fund balance of \$2,623,545 with a net increase in fund balance of \$403,077.

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

Revenues were more than the budgeted amounts primarily because of an increase in State shared revenues and taxes that the Town originally had expected to receive. Total expenditures were held below budgeted amounts.

Proprietary Funds. The Town of Pinebluff's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,043,336. The total change in net position for the water and sewer fund was an increase of \$47,893.

Capital Asset and Debt Administration

Capital assets. The Town of Pinebluff's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$3,446,872 (net of accumulated depreciation). These assets include buildings, land, vehicles, infrastructure, and equipment.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Equipment purchased in Governmental Activities for \$8,807 and Business-type Activities for \$2,936.

The Town of Pinebluff's Capital Assets
(net of depreciation)
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 411,953	\$ 411,953	\$ 12,100	\$ 12,100	\$ 424,053	\$ 424,053
Buildings	1,966,026	2,024,120	13,005	15,329	1,979,031	2,039,449
Vehicles	501,506	612,524	1,879	10,899	503,385	623,423
Plant and Distribution	-	-	461,009	485,838	461,009	485,838
Equipment	40,967	36,191	38,427	40,781	79,394	76,972
Total	\$ 2,920,452	\$ 3,084,788	\$ 526,420	\$ 564,947	\$ 3,446,872	\$ 3,649,735

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

Long-term Debt. As of June 30, 2021, the Town of Pinebluff had total debt outstanding of \$1,958,972. Of this, \$0- is debt backed by the full faith and credit of the Town of Pinebluff.

The Town of Pinebluff's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Installment purchase debt	\$ 1,615,854	\$ 1,731,181	\$ -	\$ -	\$ 1,615,854	\$ 1,731,181
Compensated absences	8,471	6,671	1,523	1,438	9,994	8,109
Pension related debt (LGERS)	149,632	97,427	19,391	14,814	169,023	112,241
Pension related debt (LEO)	164,101	102,709	-	-	164,101	102,709
Total	\$ 1,938,058	\$ 1,937,988	\$ 20,914	\$ 16,252	\$ 1,958,972	\$ 1,954,240

Town of Pinebluff Outstanding Debt

The Town of Pinebluff's total debt increased by \$4,732 during the fiscal year, primarily due to increases in pension related debt.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Pinebluff is \$11,064,166. The Town of Pinebluff does not have any authorized but un-issued debt at June 30, 2021.

Additional information regarding the Town of Pinebluff's long-term debt can be found beginning on page 60 in the Notes to the Financial Statements.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Budgeted expenditures in the General Fund are expected to increase. The tax rate is expected to remain the same in the upcoming year.

Business-type Activities. Utility rates in the Town will increase by 10% for the next year. Fund balance has been appropriated in the amount of \$155,000.

Requests for Information

This report is designed to provide an overview of the Town 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:

**Deborah Caulk
Finance Officer
Town of Pinebluff
325 East Baltimore Ave.
Pinebluff, NC 28373**



Basic Financial Statements

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 2,155,832	\$ 1,054,128	\$ 3,209,960
Receivables (net):			
Ad Valorem Taxes	4,514	-	4,514
Interest	418	-	418
Accounts	2,076	10,045	12,121
Due from Other Governments	244,207	-	244,207
Restricted Cash and Cash Equivalents	221,430	84,397	305,827
Total Current Assets	2,628,477	1,148,570	3,777,047
Noncurrent Assets:			
Capital Assets			
Land, Nondepreciable Improvements, and Construction in Progress	411,953	12,100	424,053
Other Capital Assets, Net of Depreciation	2,508,499	514,320	3,022,819
Total Noncurrent Assets	2,920,452	526,420	3,446,872
Total Assets	5,548,929	1,674,990	7,223,919
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferrals	151,738	11,776	163,514
Total Deferred Outflows of Resources	\$ 151,738	\$ 11,776	\$ 163,514

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Net Position (Continued)

June 30, 2021

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable and			
Accrued Liabilities	\$ -	\$ -	\$ -
Customer Deposits	-	84,397	84,397
Prepaid Water Billings	-	11,056	11,056
Current Portion of Long-Term Liabilities	107,062	-	107,062
Total Current Liabilities	107,062	95,453	202,515
Long-Term Liabilities:			
Net Pension Liability	149,632	19,391	169,023
Total Pension Liability	164,101	-	164,101
Due in More Than One year	1,517,263	1,523	1,518,786
Total Liabilities	1,938,058	116,367	2,054,425
DEFERRED INFLOWS OF RESOURCES			
Pension Deferrals	7,862	643	8,505
Prepaid Taxes	-	-	-
Total Deferred Inflows of Resources	7,862	643	8,505
NET POSITION			
Net Investment in Capital Assets	1,304,598	526,420	1,831,018
Restricted for:			
Transportation	163,038	-	163,038
Stabilization by State Statute	246,283	-	246,283
Pursuant to Loan Requirements	58,392	-	58,392
Unrestricted	1,982,436	1,043,336	3,025,772
Total Net Position	\$ 3,754,747	\$ 1,569,756	\$ 5,324,503

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Governing Body	\$ 50,290	\$ -	\$ -	\$ -
Administration	123,661	-	-	-
Police Department	326,437	-	4,006	-
Fire Department	388,366	-	-	-
Planning and Inspections	35,512	23,052	-	-
Street Department	240,556	-	-	-
Powell Bill Funds	5,970	-	51,658	-
Sanitation	117,780	-	156,926	-
Lakes, Parks, and Cemetery	150,691	8,312	-	-
Library	8,355	-	-	-
COVID-19	6,372	-	42,105	-
Interest on long-term debt	61,394	-	-	-
Total Governmental Activities	1,515,384	31,364	254,695	-
Business-Type Activities:				
Water and Sewer	388,107	434,413	-	-
Total Business-Type Activities	388,107	434,413	-	-
Total Primary Government	\$ 1,903,491	\$ 465,777	\$ 254,695	\$ -

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Activities (Continued)

For the Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Primary Government:			
Governmental Activities:			
Governing Body	\$ (50,290)	\$ -	\$ (50,290)
Administration	(123,661)	-	(123,661)
Police Department	(322,431)	-	(322,431)
Fire Department	(388,366)	-	(388,366)
Planning and Inspections	(12,460)	-	(12,460)
Street Department	(240,556)	-	(240,556)
Powell Bill Funds	45,688	-	45,688
Sanitation	39,146	-	39,146
Lakes, Parks, and Cemetery	(142,379)	-	(142,379)
Library	(8,355)	-	(8,355)
COVID-19	35,733	-	35,733
Interest on long-term debt	(61,394)	-	(61,394)
Total Governmental Activities	(1,229,325)	-	(1,229,325)
Business-Type Activities:			
Water and Sewer	-	46,306	46,306
Total Business-Type Activities	-	46,306	46,306
Total Primary Government	(1,229,325)	46,306	(1,183,019)
General Revenues:			
Property Taxes, Levied for General Purpose	553,674	-	553,674
Other Taxes and Licenses	924,875	-	924,875
Investment Earnings	1,645	553	2,198
Miscellaneous	62,803	1,034	63,837
Transfers	-	-	-
Total General Revenues and Transfers	1,542,997	1,587	1,544,584
Change in Net Position	313,672	47,893	361,565
Net Position - Beginning	3,441,075	1,521,863	4,962,938
Net Position - End of Year	\$ 3,754,747	\$ 1,569,756	\$ 5,324,503

TOWN OF PINEBLUFF, NORTH CAROLINA

Balance Sheet

Governmental Funds

June 30, 2021

	Major Fund		Total
	General	Fund	Governmental
			Funds
ASSETS			
Cash and Cash Equivalents	\$	2,155,832	\$ 2,155,832
Restricted Cash		221,430	221,430
Receivables (net):			
Ad Valorem Taxes		4,514	4,514
Fire District Taxes		-	-
Sanitation		2,076	2,076
Due from Other Governments		244,207	244,207
Total Assets		2,628,059	2,628,059
LIABILITIES			
Accounts Payable and			
Accrued Liabilities		-	-
Total Liabilities		-	-
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Receivable		4,514	4,514
Total Deferred Inflows of Resources		4,514	4,514
FUND BALANCES			
Restricted			
Stabilization by State Statute		246,283	246,283
Streets		163,038	163,038
Pursuant to Loan Requirements		58,392	58,392
Committed			
Future Capital Outlay		5,000	5,000
Perpetual Care		14,499	14,499
Assigned			
Subsequent Year's Expenditures:		254,861	254,861
Public Safety		-	-
Unassigned		1,881,472	1,881,472
Total Fund Balances		2,623,545	2,623,545
Total Liabilities, Deferred Inflows of			
Resources, and Fund Balances	\$	2,628,059	\$ 2,628,059

TOWN OF PINEBLUFF, NORTH CAROLINA

Balance Sheet (Continued)

Governmental Funds

June 30, 2021

		Total Governmental Funds
<hr/>		
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Governmental Fund Balance		\$ 2,623,545
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	\$ 5,555,884	
Accumulated depreciation	<u>(2,635,432)</u>	2,920,452
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	<u>32,074</u>	32,074
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred		
Accrued interest - taxes	<u>418</u>	418
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Ad valorem taxes	<u>4,514</u>	4,514
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Installment purchases	(1,615,854)	
Compensated absences	(8,471)	
Total pension liability	(164,101)	
Net pension liability	<u>(149,632)</u>	(1,938,058)
Pension related deferrals		<u>111,802</u>
Net position of governmental activities		<u><u>\$ 3,754,747</u></u>

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2021

	Major Fund		Total	
	General		Governmental	
	Fund		Funds	
Revenues				
Ad Valorem Taxes	\$	552,518	\$	552,518
Other Taxes and Licenses		203		203
Unrestricted Intergovernmental		924,672		924,672
Restricted Intergovernmental		254,695		254,695
Permits and Fees		23,052		23,052
Sales and Services		8,312		8,312
Investment Earnings		1,645		1,645
Miscellaneous		62,803		62,803
Total Revenues		1,827,900		1,827,900
Expenditures				
Current				
Governing Body		50,290		50,290
Administration		92,601		92,601
Police Department		263,546		263,546
Fire Department		309,021		309,021
Planning and Inspections		28,381		28,381
Street Department		208,705		208,705
Powell Bill Funds		4,838		4,838
Sanitation		117,780		117,780
Lakes, Parks, and Cemetery		149,406		149,406
Library		8,355		8,355
COVID-19		6,372		6,372
Debt Service				
Principal		115,327		115,327
Interest and Other charges		61,394		61,394
Capital Outlay				
Police Department		-		-
Fire Department		-		-
Street Department		8,807		8,807
Total Expenditures		1,424,823		1,424,823
Excess (Deficiency) of Revenues Over Expenditures		403,077		403,077
Other Financing Sources (Uses)				
Transfers from Other Funds		-		-
Transfers to Other Funds		-		-
Installment Purchase Obligations Issued		-		-
Sale of Capital Assets		-		-
Total Other Financing Sources (Uses)		-		-
Net Change in Fund Balance		403,077		403,077
Fund Balance - Beginning of Year		2,220,468		2,220,468
Fund Balance - End of Year	\$	2,623,545	\$	2,623,545

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Governmental Funds

For the Year Ended June 30, 2021

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

Net changes in fund balances - total governmental funds	\$	403,077
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures which were capitalized	8,807	
Depreciation expense	<u>(173,143)</u>	(164,336)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		32,074
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Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		-
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Change in unavailable revenue for tax revenues	1,241	
Interest earned on ad valorem taxes	<u>(85)</u>	1,156

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

Debt issuance	-	
Debt retirement	<u>115,327</u>	115,327

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:

Pension Expense	(71,826)	
Compensated absences	<u>(1,800)</u>	(73,626)

Total changes in net position of governmental activities	\$	<u>313,672</u>
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TOWN OF PINEBLUFF, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2021

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad Valorem Taxes	\$ 528,244	\$ 528,244	\$ 552,518	\$ 24,274
Other Taxes and Licenses	-	500	203	(297)
Unrestricted Intergovernmental	677,568	677,568	924,672	247,104
Restricted Intergovernmental	203,306	243,931	254,695	10,764
Permits and Fees	21,350	19,800	23,052	3,252
Investment Earnings	530	530	1,645	1,115
Miscellaneous	36,644	59,588	62,803	3,215
Total Revenues	1,467,642	1,530,161	1,819,588	289,427
Expenditures				
Governing Body	62,170	62,170	50,290	11,880
Administration	99,118	186,897	92,601	94,296
Police Department	311,860	319,966	263,546	56,420
Fire Department	358,291	367,643	309,021	58,622
Planning and Inspections	38,072	35,338	28,381	6,957
Street Department	219,940	231,763	217,512	14,251
Powell Bill Funds	170,631	170,631	4,838	165,793
Sanitation	116,633	117,780	117,780	-
Lakes, Parks, and Cemetery	253,159	257,594	148,820	108,774
Library	10,350	10,350	8,355	1,995
COVID-19	-	42,105	6,372	35,733
Debt Service	176,722	176,723	176,721	2
Contingency	95,000	-	-	-
Total Expenditures	1,911,946	1,978,960	1,424,237	554,723
Revenues Over (Under) Expenditures	(444,304)	(448,799)	395,351	844,150
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	-	-
Sale of Capital Assets	-	-	-	-
Installment Purchase Obligations Issued	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(444,304)	(448,799)	395,351	844,150
Appropriated Fund Balance	444,304	448,799	-	(448,799)
Net Change in Fund Balance	\$ -	\$ -	395,351	\$ 395,351
Fund Balance - Beginning of Year			2,208,695	
Fund Balance - End of Year			\$ 2,604,046	

TOWN OF PINEBLUFF, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the Year Ended June 30, 2021

Fund Balance - End of Year	<u>\$ 2,604,046</u>
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A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:

Transfer to the General Fund	-
Fund Balance - Beginning	<u>5,000</u>
	<u>5,000</u>

A legally budgeted Cemetery Fund is consolidated into the General Fund for reporting purposes:

Sales and Services	8,312
Cemetery Expenditures	(586)
Fund Balance - Beginning	<u>6,773</u>
	<u>14,499</u>

Fund Balance - End of Year (Consolidated)	<u><u>\$ 2,623,545</u></u>
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TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Fund Net Position
Proprietary Fund
June 30, 2021

	Water and Sewer Fund
<hr/>	
ASSETS	
Current Assets	
Cash and Investments	\$ 1,054,128
Accounts Receivable (net)	10,045
Due from Other Governments	-
Restricted Cash and Investments	84,397
Total Current Assets	<u>1,148,570</u>
Noncurrent Assets	
Capital Assets	
Land, Nondepreciable Improvements, and Construction in Progress	12,100
Other Capital Assets, Net of Depreciation	514,320
Total Noncurrent Assets	<u>526,420</u>
Total Assets	<u>1,674,990</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Deferrals	11,776
Total Deferred Outflows of Resources	<u>\$ 11,776</u>

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Fund Net Position

Proprietary Fund

June 30, 2021

	Water and Sewer Fund
	<hr/>
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	\$ -
Customer Deposits	84,397
Unearned Revenue	11,056
Notes Payable	-
Total Current Liabilities	<hr/> 95,453 <hr/>
Noncurrent Liabilities	
Notes Payable	-
Compensated Absences Payable	1,523
Net Pension Liability	19,391
Total Noncurrent Liabilities	<hr/> 20,914 <hr/>
Total Liabilities	<hr/> 116,367 <hr/>
DEFERRED INFLOWS OF RESOURCES	
Pension Deferrals	<hr/> 643 <hr/>
Total Deferred Inflows of Resources	<hr/> 643 <hr/>
NET POSITION	
Net Investment in Capital Assets	526,420
Unrestricted	<hr/> 1,043,336 <hr/>
Total Net Position	<hr/> \$ 1,569,756 <hr/>



TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Fund

For the Year Ended June 30, 2021

	Water and Sewer Fund
Operating Revenues	
Water Charges	\$ 384,430
Sewer Charges	49,983
Total Operating Revenues	<u>434,413</u>
Operating Expenses	
Water and Sewer Operations	346,644
Depreciation	41,463
Total Operating Expenses	<u>388,107</u>
Operating Income (Loss)	<u>46,306</u>
Nonoperating Revenues (Expenses)	
Investment Earnings	553
Miscellaneous Income	1,034
Interest Expense	-
Total Nonoperating Revenues (Expenses)	<u>1,587</u>
Total Income (Loss) Before Transfers	47,893
Transfers from Other Funds	<u>-</u>
Change in Net Position	<u>47,893</u>
Total Net Position - Beginning of Year	<u>1,521,863</u>
Total Net Position - End of Year	<u><u>\$ 1,569,756</u></u>

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Water and Sewer Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Users	\$ 442,266
Cash Paid for Goods and Services	(271,304)
Cash Paid to Employees for Services	(73,435)
Customer Deposits Received	15,391
Customer Deposits Returned	(11,031)
Other Revenues	1,034
Net Cash Provided(Used) by Operating Activities	<u>102,921</u>
Cash Flows from Noncapital Financing Activities	
Transfers in	-
Net Cash Provided(Used) by Noncapital Financing Activities	<u>-</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(2,936)
Installment Obligation Issued	-
Interest Paid on Bond Maturities and Equipment Contracts	-
Principal Paid on Bond Maturities and Equipment Contracts	-
Net Cash Provided(Used) by Capital and Related Financing Activities	<u>(2,936)</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>553</u>
Net Increase(Decrease) in Cash and Cash Equivalents	100,538
Cash and Cash Equivalents - Beginning of Year	<u>1,037,987</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,138,525</u></u>

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Cash Flows (Continued)
Proprietary Fund
For the Year Ended June 30, 2021

	Water and Sewer Fund
<hr/>	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	\$ 46,306
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation	41,463
Miscellaneous Income (Expense)	1,034
Changes in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	5,614
(Increase) Decrease in Due From Other Governments	-
(Increase) Decrease in Deferred Outflows of Resources - Pensions	(2,312)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	-
Increase (Decrease) in Unearned Revenue	2,239
Increase (Decrease) in Customer Deposits	4,360
Increase (Decrease) in Net Pension Liability	4,577
Increase (Decrease) in Deferred Inflows of Resources - Pensions	(445)
Increase (Decrease) in Compensated Absences Payable	85
Total Adjustments	56,615
Net Cash Provided(Used) by Operating Activities	\$ 102,921

TOWN OF PINEBLUFF, NORTH CAROLINA

Notes to the Financial Statements

For the Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Pinebluff conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Pinebluff is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town.

B. Basis of Presentation

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Fund Accounting (Continued)

The Town reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services. Additionally, the Town has legally adopted a Capital Reserve Fund and the Cemetery Fund. Under GASB 54 guidance these funds are consolidated in the General Fund. The budgetary comparisons for these funds have been included in the supplemental information.

The Town reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

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

Amounts reported as program revenues include 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses,

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The 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. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 project level for the multi-year funds. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

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

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 values as determined by quoted market prices.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they 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. Money pursuant to loan requirements are classified as restricted because of the requirements set forth by the USDA in the loan contract. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

Town of Pinebluff Restricted Cash	
Governmental Activities	
General Fund	
Streets	\$ 163,038
Pursuant to Loan Requirements	58,392
Total Governmental Activities	221,430
Business-type Activities	
Water and Sewer Fund	
Customer Deposits	84,397
Total Restricted Cash	<u>\$ 305,827</u>

4. Ad Valorem Taxes Receivable

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

5. Allowances for Doubtful Accounts

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

6. Inventory

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Capital Assets

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

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

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Improvements	25
Vehicles	6
Furniture and Fixtures	10
Equipment	10
Computer Equipment	3
Software	3

8. Deferred Outflows/Inflows of Resources

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time.

The Town's sick leave policy provides for an unlimited accumulation of the number of days 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted for Loan Requirements – portion of fund balance that is restricted due to the requirements in the loan contract with the USDA.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Assets/Fund Balances (Continued)

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

Committed for Future Capital Outlay- portion of fund balance committed by the Board for future capital outlays.

Committed for Veterans Memorial – portion of fund balance committed by the Board for the Town's veteran's memorial.

Committed for Perpetual Care – portion of the fund balance that has been budgeted by the Board to be retained in perpetuity for maintenance of the Town cemetery.

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriation by resource or appropriation within funds up to 10% of the departmental appropriation.

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

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

12. Defined Benefit Cost-Sharing Plans

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

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in this unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's 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 formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Town's deposits had a carrying amount of \$3,515,787 and a bank balance of \$3,564,411. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2021 are net of the following allowances for doubtful accounts:

Fund	06/30/2021
General Fund:	
Taxes receivable	\$ 500
Total General Fund	500
Enterprise Fund:	
Utilities receivable	4,300
Total Enterprise Fund	4,300
Total	\$ 4,800

II. DETAIL NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 411,953	\$ -	\$ -	\$ 411,953
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	411,953	-	-	411,953
Capital assets being depreciated:				
Buildings and Improvements	2,645,431	-	-	2,645,431
Equipment	371,105	8,807	-	379,912
Vehicles	2,118,588	-	-	2,118,588
Infrastructure	-	-	-	-
Total capital assets being depreciated	5,135,124	8,807	-	5,143,931
Less accumulated depreciation for:				
Buildings and Improvements	621,311	58,094	-	679,405
Equipment and Vehicles	1,840,978	115,049	-	1,956,027
Infrastructure	-	-	-	-
Total accumulated depreciation	2,462,289	173,143	-	2,635,432
Total capital assets being depreciated, net	2,672,835			2,508,499
Governmental activity capital assets, net	\$ 3,084,788			\$ 2,920,452

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

General Government	\$ 28,495
Police Department	31,476
Fire Department	79,345
Lakes, Parks and Cemetery	1,285
Streets & Powell Bill	32,542
Total	<u>\$ 173,143</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
<i>Water and Sewer Fund</i>				
Capital assets not being depreciated:				
Land	\$ 12,100	\$ -	\$ -	\$ 12,100
Total capital assets not being depreciated	12,100	-	-	12,100
Capital assets being depreciated:				
Buildings	92,954	-	-	92,954
Equipment	292,659	2,936	-	295,595
Vehicles	63,141	-	-	63,141
Plant and distribution systems	1,224,602	-	-	1,224,602
Total capital assets being depreciated	1,673,356	2,936	-	1,676,292
Less accumulated depreciation for:				
Buildings	77,625	2,324	-	79,949
Equipment and Vehicles	304,120	14,310	-	318,430
Plant and distribution systems	738,764	24,829	-	763,593
Total accumulated depreciation	1,120,509	41,463	-	1,161,972
Total capital assets being depreciated, net	552,847			514,320
Water and Sewer fund capital assets, net	\$ 564,947			\$ 526,420

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Pinebluff 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 government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serves as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Pinebluff 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 Pinebluff's contractually required contribution rate for the year ended June 30, 2021, was 10.90% of compensation for law enforcement officers and 10.15% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Pinebluff were \$36,231 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 \$169,023 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020 (measurement date), the Town's proportion was 0.00473%, which was an increase of 0.00062% from its proportion measured as of June 30, 2019.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

For the year ended June 30, 2021, the Town recognized pension expense of \$59,428. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,345	\$ -
Changes of assumptions	12,579	-
Net difference between projected and actual earnings on pension plan investments	23,785	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	8,705	5,604
Town contributions subsequent to the measurement date	36,231	-
Total	<u>\$ 102,645</u>	<u>\$ 5,604</u>

\$36,231 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 16,542
2023	22,717
2024	14,511
2025	7,040
2026	-
Thereafter	-
	<u>\$ 60,810</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 342,929	\$ 169,023	\$ 24,495

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 for the State of North Carolina.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

The Town of Pinebluff 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 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Inactive members currently receiving benefits	-
Active plan members	<u>3</u>
Total	<u><u>3</u></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 meets the criteria which are outlined in GASB Statement 73.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

3. Actuarial Assumptions

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

Inflation	2.50 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	1.93 percent

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

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

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 \$-0- as benefits came due for the reporting period.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Contributions (Continued)

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 \$164,101. 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 \$18,376.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,355	\$ -
Changes of assumptions	50,514	2,901
Town benefit payments and plan administrative expense subsequent to the measurement date	-	-
Total	<u>\$ 60,869</u>	<u>\$ 2,901</u>

\$-0- reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ 9,544
2023	9,611
2024	9,738
2025	8,595
2026	8,967
Thereafter	11,513
	<u>\$ 57,968</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Contributions (Continued)

Sensitivity of the Town's total pension liability to changes in the discount rate.

The following presents the Town's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (.93%) or 1-percentage-point higher (2.93%) than the current rate:

	1% Decrease (.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	\$ 179,734	\$ 164,101	\$ 149,595

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

	2021
Beginning balance	\$ 102,709
Service Cost	5,484
Interest on the total pension liability	3,348
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	320
Changes of assumptions or other inputs	52,240
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	\$ 164,101

The plan currently uses mortality tables that vary by age, 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 five-year period ending December 31, 2019.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 59,428	\$ 18,376	\$ 77,804
Pension Liability	169,023	164,101	333,124
Proportionate share of the net pension liability	0.00473%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	21,345	10,355	31,700
Changes of assumptions	12,579	50,514	63,093
Net difference between projected and actual earnings on plan investments	23,785	-	23,785
Changes in proportion and differences between contributions and proportionate share of contributions	8,705	-	8,705
Benefit payments and administrative costs paid subsequent to the measurement date	36,231	-	36,231
Deferred Inflows of Resources			
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	2,901	2,901
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,604	-	5,604

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to 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 \$7,251 which consisted of \$7,251 from the Town and \$0- from the law enforcement officers. No amounts were forfeited.

The Town has also elected for all employees not engaged in law enforcement to be covered under the Supplemental Retirement Income Plan. The Town contributes three percent of the employee's monthly compensation to the plan, and the employees may make voluntary contributions. Total contributions for the year ended June 30, 2021 were \$7,866, which consisted of \$4,802 from the Town and \$3,064 from the employees.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Other Employment Benefit

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

3. 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	\$	36,231
Benefit payments made and administrative expenses for LEOSSA		-
Differences between expected and actual experience		31,700
Changes of assumptions		63,093
Net difference between projected and actual		23,785
Changes in proportion and differences between employer contributions and proportionate share of contributions		8,705
Charge on refunding		-
Total	\$	<u>163,514</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

3. Deferred Outflows and Inflows of Resources (Continued)

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ -	\$ -
Taxes Receivable (General Fund)	-	4,514
Changes in assumptions	2,901	-
Difference between expected and actual experience	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,604	-
Total	\$ 8,505	\$ 4,514

4. 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 has obtained commercial general liability, auto liability, public officials' liability, law enforcement liability coverage of \$1 million per occurrence, property coverage up to \$2,337,325, and workers' compensation coverage up to \$1,000,000.

The Town carries commercial coverage for all other risks of loss. Settled claims have not exceeded coverage in any of the past three fiscal years.

Because the Town is in an area of the State that has not been mapped and designated an "A" area by the Federal Emergency Management Agency, the Town has not purchased any flood insurance coverage.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer and tax collector are each individually bonded for \$50,000 and \$10,000, respectfully. The remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

5. Claims, Judgements and Contingent Liabilities

At June 30, 2021, the Town did not have any litigation pending.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations

a. Installment Purchases

The Town entered into a \$1,200,000 installment contract with USDA for the financing of a police and public safety building. The financing contract requires payments beginning 2016 with an interest rate of 3.75%. Maturity is March 2055. The outstanding principal balance at June 30, 2021 was \$1,111,727.

The Town has entered into a \$555,000 installment contract to purchase a water pumper truck. The financing contract requires payments beginning March 2019 with an interest rate of 3.40%. Maturity is March 2028. The truck is security for the loan. The outstanding principal balance at June 30, 2021 was \$407,767.

The Town has entered into a \$33,650 installment contract to purchase a fire work vehicle. The financing contract requires payments beginning July 2018 with an interest rate of 2.75%. Maturity is July 2020. This loan was paid off during the current fiscal year.

The Town has entered into a \$151,500 installment contract to purchase a boom truck. The financing contract requires payments beginning January 2020 with an interest rate of 2.34%. Maturity is December 2023. The truck is security for the debt. The outstanding principal balance at June 30, 2021 was \$96,360.

Year Ending June 30	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 107,062	\$ 57,624	-	-
2023	110,407	54,279	-	-
2024	93,891	50,926	-	-
2025	76,772	48,177	-	-
2026	79,474	45,474	-	-
2027-2031	234,739	190,334	-	-
2032-2036	130,075	161,885	-	-
2037-2041	156,361	135,599	-	-
2042-2046	187,963	103,997	-	-
2047-2051	225,950	66,010	-	-
2052-2056	213,160	20,349	-	-
2057-2061	-	-	-	-
Total	\$ 1,615,854	\$ 934,654	\$ -	\$ -

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

b. Changes in Long-Term Liabilities

	Balance 07/01/20	Increases	Decrease	Balance 06/30/21	Current Portion of Balance
Governmental activities:					
Installment purchases	\$ 1,731,181	\$ -	\$ 115,327	\$ 1,615,854	\$ 107,062
Net pension liability (LGERS)	97,427	52,205	-	149,632	-
Total pension liability (LEO)	102,709	61,392	-	164,101	-
Compensated absences	6,671	1,800	-	8,471	-
Governmental activity long-term liabilities	<u>\$ 1,937,988</u>	<u>\$ 115,397</u>	<u>\$ 115,327</u>	<u>\$ 1,938,058</u>	<u>\$ 107,062</u>
Business-type activities:					
Installment purchases	\$ -	\$ -	\$ -	\$ -	-
Net Pension Liability (LGERS)	14,814	4,577	-	19,391	-
Compensated absences	1,438	85	-	1,523	-
Business-type activity long-term liabilities	<u>\$ 16,252</u>	<u>\$ 4,662</u>	<u>\$ -</u>	<u>\$ 20,914</u>	<u>\$ -</u>

Compensated absences typically have been liquidated in the General Fund.

C. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 2,920,452	\$ 526,420
less: long-term debt	1,615,854	-
Add: unexpended debt proceeds	-	-
Net Investment in Capital Assets	<u>\$ 1,304,598</u>	<u>\$ 526,420</u>

II. DETAIL NOTES ON ALL FUNDS (Continued)

D. Fund Balance

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

<i>Total fund balance – General Fund</i>	\$	2,623,545
Less:		
Stabilization by State Statute		246,283
Streets		163,038
Pursuant to Loan Requirements		58,392
Future Capital Outlay		5,000
Veterans Memorial		-
Perpetual Care		14,499
Appropriated Fund Balance in 2021-2022 budget		254,861
Remaining Fund Balance		1,881,472

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contract that remain unperformed at year-end.

<i>Encumbrances</i>		General Fund		Non-Major Funds
-	\$	-	\$	-

III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

IV. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 30, 2021, which is the date the financial statements were available to be issued.

***Required Supplementary
Financial Data***

TOWN OF PINEBLUFF, NORTH CAROLINA
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years'

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Pinebluff's proportion of the net pension liability (asset) (%)	0.00473%	0.00411%	0.00494%	0.00557%	0.00589%	0.00490%	0.00495%	0.00460%
Pinebluff's proportion of the net pension liability (asset) (\$)	\$ 169,023	\$ 112,241	\$ 117,194	\$ 85,094	\$ 125,006	\$ 21,991	\$ (29,192)	\$ 55,448
Pinebluff's covered-employee payroll	\$ 325,861	\$ 309,052	\$ 335,468	\$ 322,706	\$ 315,416	\$ 271,015	\$ 285,785	\$ 278,807
Pinebluff's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.87%	36.32%	34.93%	26.37%	39.63%	8.11%	(10.21%)	19.89%
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 PINEBLUFF, NORTH CAROLINA

Town of Pinebluff's Contributions

Required Supplementary Information

Last Eight Fiscal Years

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 36,231	\$ 30,738	\$ 25,508	\$ 26,676	\$ 24,807	\$ 22,000	\$ 19,757	\$ 20,790
Contributions in relation to the contractually required contribution	36,231	30,738	25,508	26,676	24,807	22,000	19,757	20,790
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Pinebluff's covered employee payroll	\$ 342,550	\$ 325,861	\$ 309,052	\$ 335,468	\$ 322,706	\$ 315,416	\$ 271,015	\$ 285,785
Contributions as a percentage of covered-employee payroll	10.58%	9.43%	8.25%	7.95%	7.69%	6.97%	7.29%	7.27%

TOWN OF PINEBLUFF, NORTH CAROLINA
Schedule of Changes in Total Pension Liability
June 30, 2021

Law Enforcement Officers' Special Separation Allowance					
	2021	2020	2019	2018	2017
Beginning balance	\$ 102,709	\$ 79,391	\$ 75,532	\$ 60,112	\$ 55,642
Service cost	5,484	5,035	4,820	4,433	4,552
Interest on the total pension liability	3,348	2,890	2,387	2,320	1,986
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	320	11,590	696	2,878	-
Changes of assumptions or other inputs	52,240	3,803	(4,044)	5,789	(2,068)
Benefit payments	-	-	-	-	-
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 164,101</u>	<u>\$ 102,709</u>	<u>\$ 79,391</u>	<u>\$ 75,532</u>	<u>\$ 60,112</u>

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

TOWN OF PINEBLUFF, NORTH CAROLINA

Schedule of Total Pension Liability as a Percentage of Covered Payroll

June 30, 2021

Law Enforcement Officers' Special Separation Allowance

	2021	2020	2019	2018	2017
Total pension liability	\$ 164,101	\$ 102,709	\$ 79,391	\$ 75,532	\$ 60,112
Covered payroll	184,207	180,459	161,372	156,249	151,594
Total pension liability as a percentage of covered payroll	89.09%	56.92%	49.20%	48.34%	39.65%

Notes to the schedules:

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



Major Governmental Funds

General Fund

TOWN OF PINEBLUFF, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes			
Taxes		\$ 551,894	
Penalties and Interest		624	
Total Ad Valorem Taxes	\$ 528,244	552,518	\$ 24,274
Other Taxes and Licenses			
Privilege Licenses		203	
Total Other Taxes and Licenses	500	203	(297)
Unrestricted Intergovernmental			
Local Option Sales Tax		479,521	
Utility Sales Tax		65,188	
Telecommunications Tax		4,545	
Video Franchise Tax		13,905	
Fire District Tax		355,023	
Beer and Wine Tax		6,490	
Total Unrestricted Intergovernmental	677,568	924,672	247,104
Restricted Intergovernmental			
Powell Bill Allocation		51,658	
Federal Grants		4,006	
State and Local Grants		42,105	
EMS Stipend		-	
Landfill		155,778	
Solid Waste Disposal Tax		1,148	
Total Restricted Intergovernmental	243,931	254,695	10,764
Permits and Fees			
Inspection Fees		21,817	
Zoning Permits		1,235	
Total Permits and Fees	19,800	23,052	3,252
Investment Earnings			
General		1,565	
Powell Bill		80	
Total Investment Earnings	530	1,645	1,115
Miscellaneous			
Other		62,803	
Total Miscellaneous	59,588	62,803	3,215
Total Revenues	1,530,161	1,819,588	289,427

TOWN OF PINEBLUFF, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Governing Body			
Other Expenditures		50,290	
Total Governing Body	62,170	50,290	11,880
Administration			
Salaries and Employee Benefits		65,730	
Other Expenditures		26,871	
Total Administration	186,897	92,601	94,296
Police Department			
Salaries and Employee Benefits		218,812	
Other Expenditures		44,734	
Capital Outlay		-	
Total Police	319,966	263,546	56,420
Fire Department			
Salaries and Employee Benefits		239,809	
Other Expenditures		69,212	
Capital Outlay		-	
Total Fire Department	367,643	309,021	58,622
Planning and Inspections			
Salaries and Employee Benefits		25,609	
Other Expenditures		2,772	
Total Planning and Zoning	35,338	28,381	6,957
Street Department			
Salaries and Employee Benefits		131,443	
Other Expenditures		77,262	
Capital Outlay		8,807	
Total Street Department	231,763	217,512	14,251
Powell Bill Funds			
Other Expenditures		4,838	
Total Powell Bill Funds	170,631	4,838	165,793
Sanitation			
Other Expenditures		117,780	
Total Sanitation	117,780	117,780	-

TOWN OF PINEBLUFF, NORTH CAROLINA

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)

Budget and Actual

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Lakes, Parks, and Cemetery			
Salaries and Employee Benefits		8,648	
Other Expenditures		140,172	
Total Lakes, Parks, and Cemetery	<u>257,594</u>	<u>148,820</u>	<u>108,774</u>
Library			
Other Expenditures		8,355	
Total Library	<u>10,350</u>	<u>8,355</u>	<u>1,995</u>
COVID-19			
Salaries and Employee Benefits		5,185	
Other Expenditures		1,187	
Total COVID-19	<u>42,105</u>	<u>6,372</u>	<u>35,733</u>
Debt Service			
Principal Retirement		115,327	
Interest and Other Charges		61,394	
Total Debt Service	<u>176,723</u>	<u>176,721</u>	<u>2</u>
Total Expenditures	<u>1,978,960</u>	<u>1,424,237</u>	<u>554,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(448,799)</u>	<u>395,351</u>	<u>844,150</u>
Other Financing Sources (Uses)			
Transfers In:			
Capital Reserve Fund	-	-	-
Transfers Out:			
Capital Reserve Fund	-	-	-
Sale of Capital Assets	-	-	-
Installment Purchase Obligations Issued	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance Appropriated	<u>448,799</u>	<u>-</u>	<u>(448,799)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>395,351</u>	<u>\$ 395,351</u>
Fund Balance - Beginning of Year		<u>2,208,695</u>	
Fund Balance - End of Year		<u>\$ 2,604,046</u>	

Special Revenue Funds
Consolidated With General Fund

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

Nonmajor Special Revenue Fund - Capital Reserve Fund

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous			
Other		\$ -	\$ -
Other Financing Sources (Uses)			
Transfers in:			
General Fund	-	-	-
Transfers out:			
General Fund	(5,000)	-	5,000
Total Other Financing Sources (Uses)	(5,000)	-	5,000
Appropriated Fund Balance	5,000	-	(5,000)
Net Change in Fund Balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year		<u>5,000</u>	
Fund Balance - End of Year		<u>\$ 5,000</u>	

TOWN OF PINEBLUFF, NORTH CAROLINA

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

Nonmajor Special Revenue Fund - Cemetery Fund

For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sales and Services			
Cemetery Fees	\$ -	\$ 8,312	\$ 8,312
Expenditures			
Cemetery			
Other Operating Expenditures		586	
Total Cemetery	6,031	586	5,445
Excess (Deficiency) of Revenues Over Expenditures	(6,031)	7,726	13,757
Other Financing Sources			
Transfers in:			
General Fund	-	-	-
Total Other Financing Sources	-	-	-
Appropriated Fund Balance	6,031	-	(6,031)
Net Change in Fund Balance	\$ -	7,726	\$ 7,726
Fund Balance - Beginning of Year		6,773	
Fund Balance - End of Year		\$ 14,499	



Enterprise Funds

TOWN OF PINEBLUFF, NORTH CAROLINA

Water and Sewer Fund

Schedule of Revenues and Expenditures

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Water Charges	\$ 414,122	\$ 384,430	\$ (29,692)
Sewer Charges	47,500	49,983	2,483
Investment Earnings	250	553	303
Miscellaneous	500	1,034	534
Total Revenues	462,372	436,000	(26,372)
Expenditures			
Water and Sewer Operations			
Salaries and Employee Benefits		73,435	
Repairs and Maintenance		32,129	
Other Expenditures		239,175	
Capital Outlay		2,936	
Debt Service			
Principal Retirement		-	
Interest Expense		-	
Total Water and Sewer Operations	642,372	347,675	294,697
Total Expenditures	642,372	347,675	294,697
Revenues Over (Under) Expenditures	(180,000)	88,325	268,325
Other Financing Sources (Uses)			
Installment Purchase Obligation Issued	-	-	-
Transfers In:			
General Fund	-	-	-
Water Capital Reserve Fund	-	-	-
Transfer Out:			
Water Capital Reserve Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Appropriated Fund Balance	180,000	-	(180,000)
Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ 88,325	\$ 88,325

TOWN OF PINEBLUFF, NORTH CAROLINA

Water and Sewer Fund

Schedule of Revenues and Expenditures (Continued)

Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<hr/>			
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and Other Sources Over Expenditures and Other Uses		<u>\$ 88,325</u>	
Reconciling Items:			
Depreciation Expense		(41,463)	
Increase(Decrease) in Deferred Outflows of Resources - Pensions		2,312	
(Increase)Decrease in Net Pension Liability		(4,577)	
(Increase)Decrease in Deferred Inflows of Resources - Pensions		445	
Compensated Absences Payable		(85)	
Capital Outlay		2,936	
Principal Retirement		-	
Installment Loan Proceeds		-	
Transfers In:		-	
Water Capital Reserve Fund		-	
Total Reconciling Items		<u>(40,432)</u>	
Change in Net Position		<u><u>\$ 47,893</u></u>	



Other Schedules

TOWN OF PINEBLUFF, NORTH CAROLINA

General Fund

Schedule of Ad Valorem Taxes Receivable

June 30, 2021

Fiscal Year	Uncollected Balance 7-1-20	Additions and Adjustments	Collections and Credits	Uncollected Balance 6-30-21
2020-21	\$ -	\$ 553,393	\$ 549,829	\$ 3,564
2019-20	1,754	-	1,131	623
2018-19	632	-	416	216
2017-18	408	-	382	26
2016-17	136	-	136	-
2015-16	-	-	-	-
2014-15	-	-	-	-
2013-14	-	-	-	-
2012-13	246	-	-	246
2011-12	339	-	-	339
2010-11	158	-	158	-
	<u>\$ 3,673</u>	<u>\$ 553,393</u>	<u>\$ 552,052</u>	5,014

Less: Allowance for Uncollectible Accounts:

General Fund

500

Ad Valorem Taxes Receivable - Net

\$ 4,514Reconcilement with Revenues

Ad Valorem Taxes - General Fund

552,518

Reconciling Items:

Interest and Penalties Collected

(624)

Taxes Written Off

158

Total Collections and Credits

\$ 552,052

TOWN OF PINEBLUFF, NORTH CAROLINA

Analysis of Current Tax Levy

Town-Wide Levy

June 30, 2021

	Town-Wide		Total Levy		
			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
	Property Valuation	Rate Per \$100	Amount of Levy		
Original Levy:					
Property Taxed at					
Current Year's Rate	\$ 138,302,069	0.40	\$ 553,208	\$ 487,370	\$ 65,838
Penalties	-		185	185	-
	<u>138,302,069</u>		<u>553,393</u>	<u>487,555</u>	<u>65,838</u>
Discoveries:					
Current Year Taxes	-	0.40	-	-	-
Penalties	-		-	-	-
	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Abatements:					
Property Taxes -					
Current Year's Rate	-	0.40	\$ -	-	-
	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total Property Valuations	<u>\$ 138,302,069</u>				
Net Levy			553,393	487,555	65,838
Uncollected Taxes at June 30, 2021			3,564	3,564	-
Current Year's Taxes Collected			<u>\$ 549,829</u>	<u>\$ 483,991</u>	<u>\$ 65,838</u>
Current Levy Collection Percentage			<u>99.36%</u>	<u>99.27%</u>	<u>100.00%</u>

