

**Town of Ramseur
Ramseur, North Carolina
For the year ended
June 30, 2021**

**Independent Auditor's Reports
Basic Financial Statements
And
Information Accompanying the
Basic Financial Statements**

Town of Ramseur

Table of Contents
June 30, 2021

Independent Auditor's Report		1-2
Management's Discussion and Analysis		3-11
Basic Financial Statements:		
Government-wide Financial Statements:		
Exhibit 1	Statement of Net Position	12
Exhibit 2	Statement of Activities	13
Fund Financial Statements		
Exhibit 3	Balance Sheet – Governmental Funds	14
Exhibit 4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Exhibit 5	Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances – Budget and Actual	16
Exhibit 6	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	17
Exhibit 7	Statement of Fund Net Position – Proprietary Fund	18
Exhibit 8	Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund	19
Exhibit 9	Statement of Cash Flows – Proprietary Funds	20
Notes to the Financial Statements		21-53
Required Supplemental Financial Data:		
Local Government Employees' Retirement System Contributions and Proportionate Share of Net Pension Liability (Asset)		54
Law Enforcement Officer's Special Separation Allowance – Changes in Pension Liability and Pension Liability as a Percentage of Covered Payroll		55

Combining and Individual Funds Statements and Schedules:

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	56-59
Combining Balance Sheet – Non-major Governmental Funds	60
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Non-major Governmental Funds	61
Special Revenue Fund – Hinshaw Restricted Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	62
Special Revenue Fund – Recreation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance	63
Schedule of Revenues and Expenditures - Budget and Actual – (Non-GAAP) Water and Sewer Fund	64-65

Other Schedules:

Schedule of Ad Valorem Taxes Receivable	66
Analysis of Current Tax Levy	67
Ten Largest Taxpayers	68

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Aldermen
Town of Ramseur
Ramseur, North Carolina

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and aggregate remaining fund information of the Town of Ramseur, 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

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Town of Ramseur, North Carolina, as of June 30, 2021, and the respective changes in financial position, cash flows, where appropriate, thereof, and the respective budgetary comparison of 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, LGERS – Schedule of Contributions and Proportionate Share of Net Pension Liability (Asset) and LEO – Changes in Pension Liability and Pension Liability as a Percentage of Covered Payroll, on pages 3-11, 54 and 55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplemental and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Ramseur, North Carolina's basic financial statements. The combining schedules, 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 schedules, individual fund statements, budgetary schedules, and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, based on my audit, the 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.



Eddie Carrick, CPA
Lexington, North Carolina
January 22, 2024

Town of Ramseur

Ramseur, North Carolina

Management's Discussion and Analysis

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

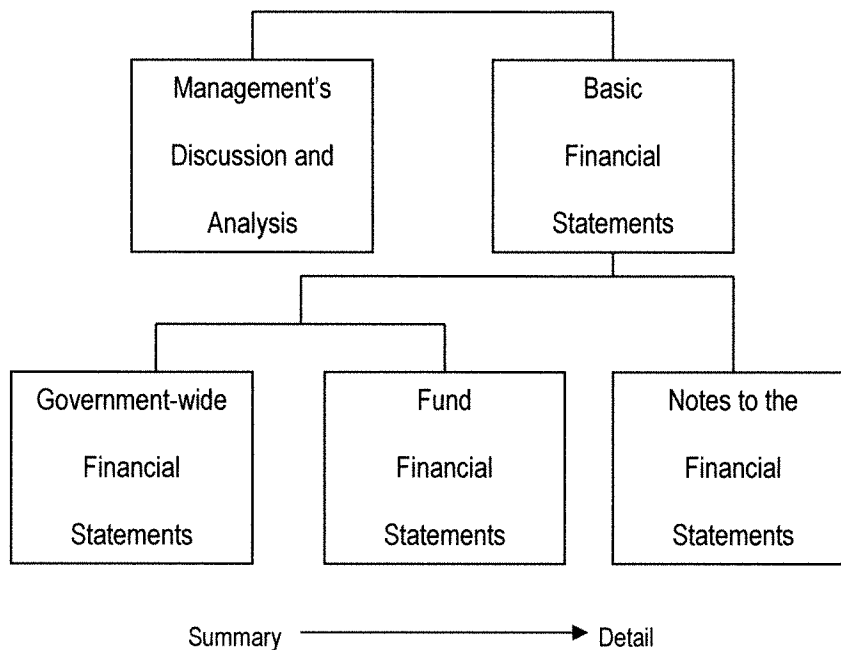
Financial highlights

- The assets and deferred outflows of resources of the Town of Ramseur exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$10,290,922 (*net position*).
- The government's total net position increased by \$179,491 due to increase in both the governmental funds and proprietary fund
- As of the close of the current fiscal year, the Town of Ramseur's governmental funds reported combined ending fund balances of \$1,551,518, with a net increase of \$160,553 in fund balance. Approximately 45% of this total amount, or \$697,548, is restricted and non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$800,483, or 37% of total general fund expenditures for the fiscal year.
- The Town of Ramseur's total debt increased by \$24,835 due to principal payments of \$635,012 applied to the bonds and installment purchase, additional financing of \$610,867, a net increase of \$1 in compensated absences and a net increase in the pension obligation of \$48,979 for LGERS and \$4,141 for LEO.

Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction to the Town of Ramseur'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 Ramseur.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibit 3 through 9) 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 fund 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 safety and security, transportation, cultural and recreation, and administration. Property tax and state shared revenues finance these activities. The business-type activities are those that the Town charges customers to provide. These include water and sewer services offered by the Town.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Ramseur, 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 General Statutes or the Town's budget ordinance. All of the funds of the Town of Ramseur can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him 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 part of the fund financial statements.

Management Discussion and Analysis Town of Ramseur

The Town of Ramseur adopts an annual budget for the 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 the 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 in 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 differences or variance between the final budget and actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

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

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain supplemental information detailing the information provided in the basic financial statements and is presented to allow the reader to gain an in-depth understanding of the financial information presented.

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

Management Discussion and Analysis
Town of Ramseur

Town of Ramseur's Net Position (Figure 2)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Current and other assets	\$ 1,586,450	\$ 1,148,932	\$ 1,817,829	\$ 1,680,945	\$ 3,404,279	\$ 2,829,877
Noncurrent other assets	1,729,503	1,941,738	6,482,660	6,713,883	8,212,163	-
Deferred outflows	196,519	134,269	8,523	8,523	205,042	142,792
Total assets and deferred outflows	3,512,472	3,224,939	8,309,012	8,403,351	11,821,484	11,628,290
Long-term liabilities	984,661	909,371	384,872	772,596	1,369,533	1,681,967
Other Liabilities	36,216	36,216	92,543	82,510	128,759	118,726
Current liabilities	11,789	42,831	3,816	5,993	15,605	48,824
Total liabilities	1,032,666	988,418	481,231	861,099	1,513,897	1,849,517
Deferred inflows	16,350	4,275	315	315	16,665	174,638
Net position:						
Net investment in capital assets	1,147,753	1,186,520	6,111,675	6,110,457	7,259,428	7,296,977
Restricted	586,712	552,977	-	-	586,712	552,977
Unrestricted	728,990	595,890	1,716,791	1,665,587	2,445,781	2,261,477
Total net position	\$ 2,463,455	\$ 2,335,387	\$ 7,828,466	\$ 7,776,045	\$ 10,291,922	\$ 10,111,432

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 exceeded liabilities and deferred inflows by \$10,291,922 as of June 30, 2021. The Town's net position increased by \$179,491 for the fiscal year ended June 30, 2021. However, the largest portion, \$7,259,428 or 71% reflects the Town's net investment in capital assets (road improvements, equipment, machinery, utility plant). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$586,712, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,444,781 is unrestricted.

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

- Conservative spending approach by management

Management Discussion and Analysis
Town of Ramseur

Town of Ramseur's Changes in Net Position (Figure 3)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Revenues						
Program revenues:						
Charges for services	\$ 191,444	\$ 149,999	\$ 1,152,256	\$ 1,153,784	\$ 1,343,700	\$ 1,303,783
Operating grants and contributions	97,922	90,860	-	-	97,922	90,860
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	837,194	820,630	-	-	837,194	820,630
Other taxes	552,224	491,757	-	-	552,224	491,757
Other	103,608	44,468	-	14,225	103,608	58,693
Total revenues	1,782,392	1,597,714	1,152,256	1,168,009	2,934,648	2,765,723
Expenses:						
General government	103,162	284,968	-	-	103,162	284,968
Public safety	809,002	687,657	-	-	809,002	687,657
Transportation	372,118	432,417	-	-	372,118	432,417
Environmental protection	149,147	144,318	-	-	149,147	144,318
Cultural and recreational	220,895	181,047	-	-	220,895	181,047
Interest on long-term debt	-	-	-	-	-	-
Water and sewer	-	-	1,100,833	1,117,953	1,100,833	1,117,953
Total expenses	1,654,324	1,730,407	1,100,833	1,117,953	2,755,157	2,848,360
Increase in net assets before transfers	128,068	(132,693)	51,422	50,056	179,490	(82,637)
Transfers	-	-	-	-	-	-
Increase in net position	128,068	(132,693)	51,422	50,056	179,490	(82,637)
Net position, July 1	2,335,387	2,468,080	7,776,044	7,725,988	10,111,431	10,194,068
Net position, June 30	\$ 2,463,455	\$ 2,335,387	\$ 7,827,466	\$ 7,776,044	\$ 10,290,922	\$ 10,111,431

Governmental activities. Governmental activities increased the Town's net position by \$128,068 thereby accounting for 71% of the total increase in net position of the Town. The increase in net position was the result of a concerted effort to control costs and manage expenditures. Management believes healthy investment in the Town will result in additional revenues, and in that vein added to the Town's net position by investing in capital assets. Increased efforts to maximize tax collections also contributed to the favorable net position. Tax revenue did not appreciably decline in the current year. Town management acknowledges that 2021 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Management Discussion and Analysis Town of Ramseur

Key elements of this increase are as follows:

- Tax revenues remained steady.
- Town council has adopted a conservative approach to general fund spending.

Business-type activities: Business-type activities increased the Town's net position by \$51,422, accounting for 29% of the total decrease in the government's net position. Key elements of this increase are as follows:

- Increased revenue collections
- Increased cost of water and sewer treatment

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town of Ramseur's fund balance available in the General Fund was \$800,483, while total fund balance reached \$1,497,507. The Town currently has an available fund balance of 37% of general fund expenditures, while total fund balance represents 69% of the same amount.

General Fund Budgetary Highlights: During the fiscal year, the Town made several revisions to the budget. 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.

Expenditures were more than anticipated primarily due to increase in costs.

Proprietary Funds: The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the Water and Sewer Fund at the end of the fiscal year amounted to \$1,715,791. The total increase in net position was \$51,422. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Management Discussion and Analysis
Town of Ramseur

Capital Asset and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$8,212,163 (net of accumulated depreciation). These assets include buildings, roads, machinery and equipment.

Major acquisitions included equipment, vehicles and infrastructure of \$260,507 in the General Fund and \$143,818 in the Proprietary Fund.

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

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2021	2020	2021	2020	2021	2020
Land and improvements	\$ 71,340	\$ 71,340	\$ 926,353	\$ 926,353	\$ 997,693	\$ 997,693
Buildings	665,341	693,643	11,534	11,350	676,875	704,993
Improvements	121,265	133,644	-	-	121,265	133,644
Infrastructure	568,224	563,094			568,224	563,094
Vehicles	211,338	113,510	16,248	-	227,586	113,510
Equipment	91,995	63,587	748,147	807,926	840,142	871,513
Furniture and fixtures	-	-	-	-	-	-
Plant and distribution	-	-	4,780,378	4,889,430	4,780,378	4,889,430
	<u>\$ 1,729,503</u>	<u>\$ 1,638,818</u>	<u>\$ 6,482,660</u>	<u>\$ 6,635,059</u>	<u>\$ 8,212,163</u>	<u>\$ 8,273,877</u>

Additional information on the Town's capital assets can be found in Note 3 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2021, the Town had General Fund obligations of 1,020,877 and Water and Sewer obligations of \$388,578.

Town of Ramseur's Outstanding Debt (Figure 5)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2021	2020	2021	2020	2021	2020
Long-term borrowings	\$ 581,750	\$ 452,298	\$ 371,005	\$ 524,402	\$ 952,755	\$ 976,700
Net pension obligation	402,911	353,932	13,887	13,887	416,798	367,819
Compensated absences	36,216	36,215	3,686	3,686	39,902	39,901
	<u>\$ 1,020,877</u>	<u>\$ 842,445</u>	<u>\$ 388,578</u>	<u>\$ 541,975</u>	<u>\$ 1,409,455</u>	<u>\$ 1,384,420</u>

Management Discussion and Analysis
Town of Ramseur

Town of Ramseur's Outstanding Debt

The Town of Ramseur's total debt increased by \$24,835 due to principal payments of \$635,012 applied to the bonds and installment purchase, additional financing of \$610,867, a net increase of \$1 in compensated absences and a net increase in the pension obligation of \$48,979 for LGERS and \$4,141 for LEO.

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 property located within that government's boundaries. The legal debt margin for the Town is \$11,080,693.

Additional information on the Town's debt can be found in Note 3 of this report.

Economic Factors and Next Year's Budgets and Rates:

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

Overall economy is weak at this time. The Town's population grew by 64% from the 2000 census.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities:

The 2021-22 budget has been prepared using very conservative estimates for both revenues and expenditures due to the overall weakness of the economy. The growth in population provides a modest increase in sales tax and Powell bill revenues. Property tax revenue remained stable. It is estimated there will be minimal growth in construction and new business.

The Town has chosen to appropriate fund balance in the fiscal year 2022 budget. Management believes that increased revenues and continued restrictions on spending will maintain the Town's financial position. As the Town considers future revenue sources, it has determined that a \$0.01 increase in the property tax rate will result in additional revenues of approximately \$12,321 at current values and collection rate. Though management believes current growth will generate enough revenue to support Town operations, a careful analysis of property tax revenue will be considered in future years' budgets.

Business-type Activities:

The Town does not expect any dramatic changes for the Water Sewer Fund for FY 2021-22.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer at PO Box 545, Ramseur, NC 27316.

Town of Ramseur, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Town of Ramseur ABC Board
ASSETS				
Current assets:				
Cash and investments - unrestricted	\$ 976,595	\$ 1,828,492	\$ 2,805,087	\$ 140,859
Cash and investments - restricted	256,496	88,857	345,353	-
Taxes Receivable (Net)	13,876	-	13,876	-
Internal Balances	175,199	(175,199)	-	-
Inventories	-	24,561	24,561	116,765
Accounts receivable (net)	9,368	51,118	60,486	-
Due from Other Governments	154,916	-	154,916	-
Total Current assets	1,586,450	1,817,829	3,404,279	257,624
Non-Current assets:				
Capital Assets (Note 1)				
Land, Non-Depreciable Improvements and construction in progress	71,340	174,616	245,956	-
Other Capital Assets				
Net of Depreciation	1,658,163	6,308,044	7,966,207	54,158
Total Non-Current assets	1,729,503	6,482,660	8,212,163	54,158
Other assets:				
Earnest deposit	-	-	-	5,000
Organizational Costs, Net of Amortization	-	-	-	911
Total Other assets	-	-	-	5,911
Total assets	3,315,953	8,300,489	11,616,442	317,693
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	196,519	8,523	205,042	-
LIABILITIES				
Current liabilities:				
Accounts payable	11,789	3,816	15,605	66,521
Taxes Payable	-	-	-	30,086
Accrued liabilities	-	-	-	11,647
Note Payable- Current	56,927	-	56,927	40,354
Credit Line Payable	-	-	-	11,616
General Obligation Bonds Payable	-	90,530	90,530	-
Non-General Obligation Bonds Payable	-	25,165	25,165	-
Compensated Absences Payable	36,216	3,686	39,902	-
Payable from restricted Assets	-	88,857	88,857	-
Total Current Liabilities	104,932	212,054	316,987	160,224
Long-term Liabilities:				
LGRS Pension Liability	182,959	13,887	196,846	-
LEO Pension Liability	219,952	-	219,952	-
Due in more than one year	524,823	255,290	780,113	-
Total Long-term liabilities	927,734	269,177	1,830,884	-
Total liabilities	1,032,666	481,231	1,513,898	160,224
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	16,350	315	16,665	-
Total deferred inflows of resources	16,350	315	16,665	-
NET POSITION				
Net investment in capital assets	1,147,753	6,111,675	7,259,428	54,158
Restricted for:				
Stabilization by State Statute	330,216	-	330,216	-
Streets	256,496	-	256,496	-
Working Capital	-	-	-	35,502
Unrestricted	728,990	1,715,791	2,444,781	67,809
Total net position	\$ 2,463,455	\$ 7,827,466	\$ 10,290,922	\$ 157,469

The accompanying notes are an integral part of the financial statements

Town of Ramseur, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

Function / Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Direct charges and Reimbursements	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 103,162	\$ 10,948	\$ -	\$ -	\$ (92,214)	\$ -	\$ (92,214)	
Public safety	809,002	-	39,731	-	(769,271)	-	(769,271)	
Transportation	372,118	-	46,191	-	(325,927)	-	(325,927)	
Environmental Protection	149,147	136,498	-	-	(12,649)	-	(12,649)	
Cultural and Recreational	220,895	43,998	12,000	-	(164,897)	-	-	
Total governmental activities	<u>1,654,323</u>	<u>191,444</u>	<u>97,922</u>	<u>-</u>	<u>(1,364,957)</u>	<u>-</u>	<u>(1,187,412)</u>	
Business-type activities								
Water and sewer	1,100,833	1,152,256	-	-	-	51,422	51,422	
Total business activities	<u>1,100,833</u>	<u>1,152,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,422</u>	<u>51,422</u>	
Total Primary government	<u>\$ 2,755,157</u>	<u>\$ 1,343,700</u>	<u>\$ 97,922</u>	<u>\$ -</u>	<u>(1,364,957)</u>	<u>51,422</u>	<u>(1,135,990)</u>	
Component Unit:								
ABC Board	\$ 1,077,912	\$ 1,188,372	\$ -	\$ -	-	-	-	110,460
Total Component Unit	<u>\$ 1,077,912</u>	<u>\$ 1,188,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,460</u>
General revenues:								
Taxes:								
Property taxes levied for general purposes					837,194	-	837,194	
Unrestricted revenues					552,224	-	552,224	
Investment earnings					21,611	-	21,611	
Other revenues					81,997	-	81,997	
Transfers					-	-	-	
Total general government revenues and transfers					<u>1,493,026</u>	<u>-</u>	<u>1,493,026</u>	
Change in net position					128,068	51,422	179,491	110,460
Net position - beginning					2,335,387	7,776,044	10,111,431	47,009
Net position, ending					<u>\$ 2,463,455</u>	<u>\$ 7,827,466</u>	<u>\$ 10,290,922</u>	<u>\$ 157,469</u>

The accompanying notes are an integral part of the financial statements

Exhibit 3

Town of Ramseur, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

	<u>Major Fund</u>		
	<u>General</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments - unrestricted	\$ 922,686	\$ 53,909	\$ 976,595
Cash and investments - restricted	256,496	-	256,496
Receivables, Net:			
Taxes	13,460	416	13,876
Sanitation receivable	9,266	-	9,266
Accounts	-	102	102
Due from Other Funds	175,199		175,199
Due from Other Governments	154,916	-	154,916
Total assets	<u>\$ 1,532,023</u>	<u>\$ 54,427</u>	<u>\$ 1,586,450</u>
LIABILITIES			
Accounts payable and Accrued Liabilities	\$ 11,789	\$ -	\$ 11,789
Due to Other Funds	-	-	-
Total Liabilities	<u>11,789</u>	<u>-</u>	<u>11,789</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax receivable	13,460	416	13,876
Sanitation Fees receivable	9,266	-	9,266
Total Deferred Inflows of Resources	<u>22,726</u>	<u>416</u>	<u>23,142</u>
FUND BALANCE			
Nonspendable:			
Library Expansion	-	422	422
Restricted:			
Stabilization by State Statute	330,114	102	330,216
Streets	256,496	-	256,496
Subsequent Year's Expenditures	110,414	-	110,414
Unassigned	800,483	53,487	853,970
Total fund balance	<u>1,497,507</u>	<u>54,011</u>	<u>1,551,518</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,532,023</u>	<u>\$ 54,427</u>	<u>\$ 1,586,450</u>

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total Fund Balance, Governmental Funds	\$ 1,551,518
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	4,693,336
Accumulated depreciation	(2,963,833)
Liabilities for earned revenues considered deferred inflows of resources in the fund statements.	23,142
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds	
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year)	(581,750)
Net Pension Liability	
LGRS	(182,959)
LEO	(219,952)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	196,519
Compensated absences	(36,216)
Pension related deferrals	(16,350)
Net position of the governmental activities	<u>\$ 2,463,455</u>

The accompanying notes are an integral part of the financial statements

Town of Ramseur, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	<u>Major Fund</u>		
	<u>General</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 811,938	\$ 25,112	\$ 837,050
Unrestricted intergovernmental revenues	552,224	-	552,224
Restricted intergovernmental revenues	97,922	-	97,922
Permits and Fees	1,285	-	1,285
Sales and Services	164,464	16,826	181,290
Investment earnings	21,611	-	21,611
Special Events	-	10,154	10,154
Miscellaneous	76,402	4,310	80,712
Total Revenues	<u>1,725,846</u>	<u>56,402</u>	<u>1,782,248</u>
EXPENDITURES			
General government	293,746	-	293,746
Public safety	1,257,650	-	1,257,650
Transportation - Streets	323,159	-	323,159
Environmental Protection	144,033	-	144,033
Cultural and Recreational	162,107	51,867	213,974
Total Expenditures	<u>2,180,694</u>	<u>51,867</u>	<u>2,232,561</u>
Excess(Deficiency) of revenues over expenditures	<u>(454,849)</u>	<u>4,535</u>	<u>(450,314)</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(454,849)</u>	<u>4,535</u>	<u>(450,314)</u>
Other Financing Sources (Uses)			
Loan proceeds	610,867	-	610,867
Sale of Assets	-	-	-
Transfer from Other funds	-	-	-
Total Other Financing Sources (uses)	<u>610,867</u>	<u>-</u>	<u>610,867</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>156,018</u>	<u>4,535</u>	<u>160,553</u>
Fund Balance Appropriated			
Net Change in Fund Balance	<u>156,018</u>	<u>4,535</u>	<u>160,553</u>
Fund Balances			
Beginning of year, July 1	<u>1,341,489</u>	<u>49,476</u>	<u>1,341,489</u>
End of year, June 30	<u>\$ 1,497,507</u>	<u>\$ 54,011</u>	<u>\$ 1,502,042</u>

The accompanying notes are an integral part of the financial statements

Town of Ramseur, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
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		\$ 160,553
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation for the current period.		
Capital outlays	\$ 260,507	
Depreciation	<u>(169,822)</u>	90,685
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		3,595
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		144
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principle payment on long-term debt	505,064	
Issueance of debt	<u>(610,867)</u>	(105,803)
Some of the expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	-	
Pension expense	<u>(21,106)</u>	<u>(21,106)</u>
Total changes in net position of governmental activities		<u><u>\$ 128,068</u></u>

Town of Ramseur, North Carolina

General Fund

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

	Budget		Actual	Variance with Final budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Ad Valorem taxes	\$ 787,000	\$ 800,000	\$ 811,938	\$ 11,938
Unrestricted intergovernmental revenues	467,890	500,000	552,224	52,224
Restricted intergovernmental revenues	39,500	39,500	97,922	58,422
Permit and Fees	500	500	1,285	785
Sales and Service	150,000	150,000	164,464	14,464
Investment earnings	2,500	25,000	21,611	(3,389)
Miscellaneous	25,000	75,000	76,402	1,402
Total Revenues	<u>1,472,390</u>	<u>1,590,000</u>	<u>1,725,846</u>	<u>135,846</u>
Expenditures:				
General government	238,569	300,000	293,746	6,254
Public safety	686,995	1,285,000	1,257,650	27,350
Transportation - Streets	296,949	335,000	323,159	11,841
Environmental Protection	126,500	150,000	144,033	5,967
Cultural and Recreational	123,377	170,000	162,107	7,893
Total Expenditures	<u>1,472,390</u>	<u>2,240,000</u>	<u>2,180,694</u>	<u>59,306</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(650,000)</u>	<u>(454,849)</u>	<u>195,151</u>
Other Financing Uses:				
Loan proceeds		650,000	610,867	(39,133)
Sale of Assets		-	-	
Transfer from Other funds		-	-	
Total Other Financing Sources (uses)	<u>-</u>	<u>650,000</u>	<u>610,867</u>	<u>(39,133)</u>
Revenues and other sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>156,018</u>	<u>\$ 156,018</u>
Fund Balance Appropriated				
Net Change in Fund Balance			156,018	
Fund Balances				
Beginning of year, July 1			<u>1,341,489</u>	
End of year, June 30			<u>\$ 1,497,507</u>	

The accompanying notes are an integral part of the financial statements

Town of Ramseur, North Carolina
Statement of Fund Net Position
Proprietary Funds
June 30, 2021

	Major Enterprise Fund	
	Water and Sewer Fund	Total
ASSETS		
Current assets:		
Cash and Cash Equivalents	\$ 1,828,492	\$ 1,828,492
Cash and Cash Equivalents restricted	88,857	88,857
Accounts receivable (Net)	51,118	51,118
Internal Balances	-	-
Inventories	24,561	24,561
Total current assets	<u>1,993,028</u>	<u>1,993,028</u>
Noncurrent assets:		
Restricted Cash and Cash Equivalents		
Capital assets:		
Land and Construction in Progress	174,616	174,616
Other Capital Assets, Net of Depreciation	6,308,044	6,308,044
Total capital assets	<u>6,482,660</u>	<u>6,482,660</u>
Total noncurrent assets	<u>6,482,660</u>	<u>6,482,660</u>
Total Assets	<u>8,475,688</u>	<u>8,475,688</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Deferrals	<u>8,523</u>	<u>8,523</u>
LIABILITIES		
Current liabilities:		
Accounts payable and Accrued Liabilities	3,816	3,816
General Obligation Bonds Payable - Current	90,530	90,530
Non-General Obligation Bonds Payable - Current	25,165	25,165
Total current liabilities	<u>119,511</u>	<u>119,511</u>
Noncurrent liabilities:		
Liabilities Payable from Restricted Assets:		
Customer Deposits	88,857	88,857
Internal Balances	175,199	175,199
Other Noncurrent Liabilities:	-	-
Compensated Absences	3,686	3,686
Net pension Liability	13,887	13,887
General Obligation Bonds Payable - Noncurrent	-	-
Non-General Obligation Bonds Payable - Noncurrent	255,290	255,290
Total noncurrent liabilities	<u>536,919</u>	<u>536,919</u>
Total liabilities	<u>656,430</u>	<u>656,430</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Deferrals	<u>315</u>	<u>315</u>
NET POSITION		
Net investment in capital assets	6,111,675	6,111,675
Unrestricted	<u>1,715,791</u>	<u>1,715,791</u>
Total net position of business-type activities	<u>\$ 7,827,466</u>	<u>\$ 7,827,466</u>

The accompanying notes are an integral part of the financial statements

Town of Ramseur, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Major Enterprise Fund	
	Water and Sewer Fund	Total
Operating revenues:		
Charges for Services	1,092,612	1,092,612
Water and Sewer Taps	1,750	1,750
Other Operating Revenues	43,958	43,958
Miscellaneous	13,936	13,936
Total Operating Revenues	1,152,256	1,152,256
Operating expenses:		
Water treatment and distribution	635,427	635,427
Waste collection and treatment	169,189	169,189
Depreciation	296,217	296,217
Total Operating Expenses	1,100,833	1,100,833
Operating Income (Loss)	51,422	51,422
Nonoperating revenue (expense):		
Interest and Other charges	-	-
Sale of Assets	-	-
Total nonoperating revenue (expense)	-	-
Income (Loss) before contributions and transfers	51,422	51,422
Transfer to Other Funds	-	-
Capital Contributions	-	-
Change in Net Position	51,422	51,422
Total net position - July 1	7,776,044	7,776,044
Total net position - June 30	\$ 7,827,466	\$ 7,827,466

Town of Ramseur, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Major Enterprise Fund	
	Water and Sewer Fund	Total
Cash flows from operating activities:		
Cash received from customers	\$ 1,237,107	\$ 1,237,107
Cash paid for Goods and Services	(593,345)	(593,345)
Cash paid to or on Behalf of Employees for Services	(213,448)	(213,448)
Net Cash Provided By Operating Activities	430,314	430,314
Cash flows from noncapital financial activities:		
(Increase) in Due from Other Funds	189,206	189,206
Transfer to Other Funds	-	-
Net Cash Provided by Noncapital Financing Activities	189,206	189,206
Cash Flows from capital and related financing activities:		
Principle paid on Bond and Note Maturities	(153,617)	(153,617)
Interest paid on Bond and Note Maturities	-	-
Acquisition and construction of Capital Assets	(143,818)	(143,818)
Net Cash Used by Capital and Related Financing Activities	(297,435)	(297,435)
Cash flows from investing activities:		
Interest and Dividends	-	-
Net Cash Provided by Investing Activities	-	-
Net Increase (Decrease) In Cash	322,085	322,085
Cash - Beginning of Year, July 1	1,595,264	1,595,264
Cash - End of Year, June 30	\$ 1,917,349	\$ 1,917,349
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	\$ 51,422	\$ 51,422
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	296,217	296,217
Changes in Assets, Deferred Outflows of Resources, and Liabilities:		
(Increase) Decrease in accounts receivable	74,819	74,819
Increase (Decrease) in Accounts payable and Accrued liabilities	(2,177)	(2,177)
Increase (Decrease) in Compensated Absences	-	-
Increase (Decrease) in customer deposits	10,033	10,033
Total Adjustments	82,675	82,675
Net Cash Provided By Operating Activities	\$ 430,314	\$ 430,314
Interest paid	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For The Fiscal Year Ended June 30, 2021

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

The Town is a municipal corporation that is governed by an elected mayor and a five-member council and has a population of approximately 2,048. The Town provides services which include general government, public safety, streets, sanitation, zoning, and recreation. The Town maintains a water and sewer system which services the Town and surrounding areas on a user-charge basis.

Town of Ramseur ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Ramseur Board of Alcoholic Beverage Control, 104 Weatherly Square, Ramseur, NC 27316.

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.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

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

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

The Town reports the following major governmental fund:

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

The Town reports the following non-major governmental funds:

Hinshaw Non-Expendable Trust Fund. This fund is used to account for perpetual care of library assets.

Special Revenue Fund. The Special Revenue Fund accounts for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Town maintains one Special Revenue Fund: the Recreation Fund.

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.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

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 non-operating items.

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

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Concluded)

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered.

The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Ramseur because the tax is levied by Randolph 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. Grant revenues which are unearned at year-end are recorded as unearned 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 are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgetary Data

The Town's budget is adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Special Revenue Fund, and the Enterprise Fund. All annual appropriations lapse at the fiscal year-end. A project ordinance is adopted for the Grant Project Special Revenue Funds and the Special Revenue Project. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. All

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Data (Concluded)

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.

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

Deposits and Investments

All deposits of the Town and the ABC Board are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and the ABC Board may designate, as an official depository, and bank or savings association whose principal office is located in North Carolina. Also, the Town and the ABC Board 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 and the ABC Board 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 and the ABC Board's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2021, The Term portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Restricted Assets

Restricted assets in the Water and Sewer Fund are composed of cash balances representing customer deposits for water and sewer services. Restricted assets in the General Fund are composed of cash balances representing a gift which may not be expended; however, the income resulting from investing this cash is to be used for revitalization of the Town, and monies restricted from a gift for use by the fire department only. Powell Bill funds are also classified as restricted cash because they can be expended only for purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

Restricted Cash

Governmental activities

General Fund

Streets -Powell Bill

\$256,496

256,496

Business-type Activities

Water and Sewer Fund

Customer Deposits

88,857

88,857

\$345,353

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowance for Doubtful Accounts

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

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Inventory

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

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

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, buildings, improvements, lines, and other plant and distribution systems, infrastructure, furniture and equipment, vehicles and motorized equipment, and computer software and equipment, \$3,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. 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 assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of 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:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	20
Buildings	50
Improvements	20
Vehicles	5-15
Furniture and Equipment	5-10
Computer Equipment	3-5
Computer Software	5

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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 several items that meet the criterion for this category – prepaid taxes, property taxes receivable and sanitation fees receivable, and pension deferrals.

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, as well as issuance costs, 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.

Compensated Absences

Employees earn from twelve days up to twenty-four days a year of vacation leave based on years of service. Carryover of up to thirty days of unused vacation days is allowed, thus the portion of that time that is estimated to be used the next fiscal year has been designated as a current liability in the government-wide financial statements.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Compensated Absences (Concluded)

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

Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represent 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 three classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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.

Hinshaw Non-Expendable Trust Fund. This fund is used to account for perpetual care of library assets.

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 - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Net Position/Fund Balances (Continued)

Fund Balances (Continued)

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 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 preceeding 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 Economic Development - portion of fund balance that is restricted by revenue source for revitalization of the Town.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for fire department debt service reserve.

Assigned Fund Balance - portion of fund balance that the Town of Ramseur intends to use for specific purposes.

Assigned for Cultural and Recreational - portion of fund balance that has been budgeted by the Board for library and recreational expenditures.

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.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 – Summary of Significant Accounting Policies (Concluded)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity (Concluded)

Net Position/Fund Balances (Concluded)

Fund Balances (Concluded)

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

The Board of Commissioners has the authority to assign fund balance to a specific purpose. The annual budget is approved by the Board and the Finance Officer has the authority to spend resources in accordance with the budget.

Defined Benefit Cost-Sharing Plans

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

Note 2 – Stewardship, Compliance, and Accountability

Significant Violations of Finance – Related Legal and Contractual Provisions

Noncompliance with North Carolina General Statutes

The Town audit report is due within four months of year end. Due to computer issues, the Town has not met this requirement.

Excess of Expenditures over Appropriations

None noted.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds

Assets

Deposits

All the deposits of the Town and the ABC Board 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 or ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the ABC Board, these deposits are considered to be held by the Town's and the ABC Board's agents in their names. 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, the ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and the ABC Board under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the Town's deposits had a carrying amount of \$3,148,143 and a bank balance of \$3,259,600. Of the bank balance, \$477,812 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the ABC Board was \$140,859 and the bank balance was \$164,319. All of the bank balance was covered by federal depository insurance. At June 30, 2021, the Town's petty cash fund totaled \$2,297.

Investments

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

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Receivable - Allowance for Doubtful Accounts

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

Fund	6/30/21
General	\$ -
Enterprise	13,646
Total	<u>\$ 13,646</u>

Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 71,340	\$ -	\$ -	\$ 71,340
Construction in progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>71,340</u>	<u>-</u>	<u>-</u>	<u>71,340</u>
Capital Assets Being Depreciated:				
Buildings	1,532,974	-	-	1,532,974
Equipment	606,656	67,809	-	674,465
Other improvements	665,563	-	-	665,563
Vehicles and motorized equipment	747,008	145,867	-	892,875
Infrastructure	787,310	46,831	-	834,141
Furniture and fixtures	21,978	-	-	21,978
Total Capital Assets Being Depreciated	<u>4,361,489</u>	<u>260,507</u>	<u>-</u>	<u>4,621,996</u>
Less Accumulated Depreciation For:				
Buildings	839,331	28,302	-	867,633
Equipment	543,069	39,401	-	582,470
Other improvements	531,919	12,379	-	544,298
Vehicles and motorized equipment	633,498	48,039	-	681,537
Infrastructure	224,216	41,701	-	265,917
Furniture and fixtures	21,978	-	-	21,978
Total Accumulated Depreciation	<u>2,794,011</u>	<u>\$ 169,822</u>	<u>\$ -</u>	<u>2,963,833</u>
Total Capital Assets Being Depreciated, Net	<u>1,567,478</u>			<u>1,658,163</u>
Governmental Activity Capital Assets, Net	<u>\$ 1,638,818</u>			<u>\$ 1,729,503</u>

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Continued)

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

General government	\$ 10,253
Transportation	98,575
Public safety	48,959
Environmental Protection	5,114
Cultural and recreational	<u>6,922</u>

Total Depreciation Expense \$ 169,822

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities:				
Water and Sewer Fund				
Capital Assets Not Being Depreciated:				
Land	\$ 926,353	\$ -	\$ -	\$ 926,353
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>926,353</u>	<u>-</u>	<u>-</u>	<u>926,353</u>
Capital Assets Being Depreciated:				
Plant and distribution systems	11,076,780	92,735	-	11,169,515
Buildings	32,238	-	-	32,238
Vehicles	79,119	20,308	-	99,427
Equipment	<u>2,012,513</u>	<u>30,775</u>	<u>-</u>	<u>2,043,288</u>
Total Capital Assets Being Depreciated	<u>13,200,650</u>	<u>143,818</u>	<u>-</u>	<u>13,344,468</u>
Less Accumulated Depreciation For:				
Plant and distribution systems	6,187,350	201,787	-	6,389,137
Buildings	19,890	814	-	20,704
Vehicles	79,117	4,062	-	83,179
Equipment	<u>1,205,587</u>	<u>89,554</u>	<u>-</u>	<u>1,295,141</u>
Total Accumulated Depreciation	<u>7,491,944</u>	<u>\$ 296,217</u>	<u>\$ -</u>	<u>7,788,161</u>
Total Capital Assets Being Depreciated, Net	<u>5,708,706</u>			<u>5,556,307</u>
Business-Type Activities Capital Assets, Net	<u>\$ 6,635,059</u>			<u>\$ 6,482,660</u>

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Continued)

Discretely Presented Component Unit

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
ABC Board				
Capital Assets Being Depreciated:				
Signage	\$ 4,927	\$ -	\$ -	\$ 4,927
Computer and office equipment	25,689	-	-	25,689
Store equipment	54,922	-	-	54,922
Leasehold improvements	4,642	-	-	4,642
Total Capital Assets Being Depreciated	90,180	-	-	90,180
Less Accumulated Depreciation For:				
Signage	1,551	328	-	1,879
Computer and office equipment	11,193	3,670	-	14,863
Store equipment	13,543	4,474	-	18,017
Leasehold improvements	953	310	-	1,263
Total Accumulated Depreciation	27,240	\$ 8,782	\$ -	36,022
Total Capital Assets Being Depreciated, Net	62,940			54,158
ABC Board Capital Assets, Net	\$ 62,940			\$ 54,158

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities

Pension Plan Obligations

Local Governmental Employees' Retirement System

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

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Ramseur employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Ramseur's contractually required contribution rate for the year ended June 30, 2021, was 8.5% of compensation for law enforcement officers and 7.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Ramseur were \$36,973 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.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (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 liability of \$196,846 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 0.00512%, which was an increase of 0.00058% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$30,936. 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
Difference between expected and actual experience	\$ 23,105	\$ -
Changes of assumptions	13,616	-
Net difference between projected and actual earnings on pension plan investments	25,747	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	12,853	4,144
Contributions, Benefit Payments, Administrative Costs	64,526	-
Total	\$ <u>139,847</u>	\$ <u>4,144</u>

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

\$64,526 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2021	\$ 20,166
2022	25,501
2023	17,890
2024	7,620
2025	-
Thereafter	-
	\$ <u>71,177</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and Productivity factor
Investment Rate of Return	7 percent, net 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 five year period ended December 31, 2019.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Concluded)

Discount rate. The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7 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 percent) or one percentage point higher (8 percent) than the current rate:

	1% Decrease (6%)	Discount Rate (7%)	1% Increase (8%)
Town's proportionate share of the net pension liability (asset)	\$ 371,205	\$ 196,846	\$ 26,514

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

Law Enforcement Officers Special Separation Allowance

Plan Description

The Town of Ramseur 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

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

Plan Description (Concluded)

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, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>6</u>
Total	<u>6</u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies

Basis of Accounting. The Town has chosen to fund the Separation Allowance when the benefit payments are due. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds 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 following criteria which are outlined in GASB Statement 73.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

Actuarial Assumptions

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

Inflation	2.5 percent
Salary increases	3.5 to 7.35 percent, including inflation and Productivity factor
Discount rate	1.93 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

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

Contributions

The Town is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. 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. The Town paid \$16,656 as benefits came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of \$219,952. 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 \$26,747.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 10,646	\$ 10,729
Changes of assumptions	46,026	1,477
Contributions, Benefit Payments, Administrative Costs	-	-
Total	\$ 56,672	\$ 12,206

\$30,480 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 an increase of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2021	\$ 7,146
2022	7,155
2023	4,664
2024	-
2025	-
Thereafter	-

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

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 196,745	\$ 184,860	\$ 173,810

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

Schedule of Changes in Total Pension Liability

Beginning balance	\$ 184,860
Service Cost	6,615
Interest on the total pension liability	5,755
Changes of benefit terms	-
 Differences between expected and actual experience in the Measurement of the total pension liability	 (12,394)
Changes of assumptions or other inputs	51,722
Benefit payments	(16,656)
Other changes	-
Ending balance of the total pension liability	<u>\$ 219,952</u>

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Concluded)

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 30,936	\$ 26,747	\$ 57,683
Pension Liability	196,846	219,952	416,798
Proportionate share of net pension liability	.00512%	n/a	
Deferred of Outflows of Resources			
Differences between expected and actual experience	23,105	10,646	33,751
Changes of assumptions	13,616	46,026	59,642
Net difference between projected and actual earnings on plan investments	25,747	-	25,747
Changes in proportion and differences between contributions and proportionate share of contributions	12,853	-	12,853
Benefit payments and administrative costs paid subsequent to the measurement date	64,526	-	42,523
Deferred of Inflows of Resources			
Differences between expected and actual experience	-	10,729	10,729
Changes of assumptions	-	1,477	1,477
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,144	-	4,144

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Pension Plan Obligations (Continued)

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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 8.5 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 \$12,115, which consisted of \$10,556 from the Town and \$1,559 from the law enforcement officers.

Deferred Outflows and Inflows of Resources

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

Deferred pension outflows of resources	<u>\$205,042</u>
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TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Deferred Outflows and Inflows of Resources (Concluded)

Deferred outflows of resources at year end is comprised of the following:

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Taxes receivable	\$ -	\$ 13,876
Sanitation fee receivable	-	9,266
Deferred pension inflow of resources	<u>16,665</u>	<u>-</u>
	<u>\$ 16,665</u>	<u>\$ 23,142</u>

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence; property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage up to a \$2 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability, and property in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

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

The Town does not carry any flood insurance through the National Flood Insurance Plan (NFIP). 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 is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$15,000.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Claims, Judgments, and Contingent Liabilities

At June 30, 2021, there was no material pending or threatened litigation, claims or assessments involving the Town of Ramseur.

Long-Term Obligations

The Town entered into a \$725,000 direct placement contract with United States Department of Agriculture to construct a new fire station. The property is pledged as collateral for the debt while the debt is outstanding. The debt was refinanced with First Bank	\$ -
The Town refinanced the debt above with First Bank on 11-30-2020 for \$465,000 at 3.875% with monthly payments of \$3,655.	449,779
The Town entered into a \$145,867 loan for the purchase of vehicles with First Bank on 12-18-20. Interest rate is 2.18% with 60 monthly payments of \$2,570.	131,971
During 2011, the Town entered into a \$115,002 direct placement contract with the North Carolina Division of Environment and Natural Resources to aid in the cost of construction for improvements to aid in the Town's water pollution control. The total commitment to the project is to be repaid in 20 annual installments, bearing no interest. This note is not secured by collateral.	51,410
During 2013, the Town entered into a \$41,735 direct placement contract with the North Carolina Division of Environment and Natural Resources to aid in the cost of construction for improvements to aid in the Town's water pollution control. The total commitment to the project is to be repaid in 19 annual installments, bearing no interest. This note is not secured by collateral.	21,986
During 2013, the Town entered into a \$145,893 direct placement contract with the North Carolina Division of Environment and Natural Resources to aid in the cost of construction for a water line replacement project. The total commitment to the project is to be repaid in 20 annual installments, bearing no interest. This note is not secured by collateral.	37,409
During 2013, the Town entered into a \$283,681 direct placement contract with the North Carolina Division of Environment and Natural Resources to aid in the cost of construction for a water line replacement project. The total commitment to the project is to be repaid in 20 annual installments, bearing no interest. This note is not secured by collateral.	169,670
Total Long-Term Obligations	\$ <u>862,225</u>

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Continued)

Long-Term Obligations (Concluded)

Maturities on long-term obligations and related interest are as follows:

Year Ending June 30	<u>General Fund</u>		<u>Proprietary Fund</u>	
	Principal	Interest	Principal	Interest
2022	\$ 56,927	19,480	\$ 25,165	-
2023	58,681	17,726	25,165	-
2024	60,493	15,914	25,165	-
2025	62,366	14,041	25,165	-
2026	48,820	12,176	25,165	-
2027-2031	188,448	39,494	125,825	-
2032-2034	106,015	17,044	28,805	-
Total	<u>\$ 581,750</u>	<u>\$ 135,875</u>	<u>\$ 280,455</u>	<u>\$ -</u>

General Obligation Indebtedness

The general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

Bonds payable at June 30, 2021 are comprised of the following individual issues:

Serviced by the Water and Sewer Fund:

On June 12, 2012, the Town was issued water bonds in the amount of \$1,237,633 to refinance a series of water bonds initially issued for the construction of facilities utilized in the processing of water. The issue is being retired by operating income of the Water and Sewer Fund and is being reported in the Water and Sewer Fund. These bonds bear interest, payable annually, at 2.49 %.

\$ 90,530

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities (Concluded)

General Obligation Indebtedness (Concluded)

Maturities on long-term debt and related interest are as follows:

	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
Water and Sewer:		
2022	\$ 90,530	2,254
Total	<u>\$ 90,530</u>	<u>\$ 2,254</u>

Interest expense for the year ended June 30, 2021 amounted to \$5,243.

At June 30, 2021, the Town had a legal debt margin of \$11,080,693.

Changes in Long-Term Liabilities

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2020</u>	<u>Current Portion of Balance</u>
Governmental Activities:					
Compensated absences	\$ 36,215	\$ 1	\$ -	\$ 36,216	\$ -
Net pension liability (LGERS)	169,072	13,887	-	182,959	-
Net pension obligation (LEO)	184,860	35,092	-	219,952	-
Direct Placement					
Installment Purchase	<u>452,298</u>	<u>610,867</u>	<u>481,415</u>	<u>581,750</u>	<u>56,927</u>
Governmental Activity					
Long-term Liabilities	<u>\$ 842,445</u>	<u>\$ 659,847</u>	<u>\$ 481,415</u>	<u>\$ 1,020,877</u>	<u>\$ 56,927</u>

Business-type Activities:

Direct Placement					
Installment Purchase	\$ 314,055	\$ -	\$ 33,580	\$ 280,475	\$ 25,165
General Obligation Bonds	210,547	-	120,017	90,530	90,530
Net pension liability (LGERS)	13,887	-	-	13,887	-
Compensated absences	<u>3,686</u>	<u>-</u>	<u>-</u>	<u>3,686</u>	<u>-</u>
Business-type Activity					
Long-term Liabilities	<u>\$ 542,175</u>	<u>\$ -</u>	<u>\$ 153,597</u>	<u>\$ 388,578</u>	<u>\$ 115,695</u>

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Concluded)

Interfund Balance and Activitiy

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

Water Sewer fund to General Fund \$ 175,199

The interfund balances resulted from the time lag between the dates that payments between funds are made.

Note 4 – Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital Assets	\$ 1,729,503	\$ 6,482,660
Less: Long-term Debt	582,350	370,985
Add: Unexpended Debt Proceeds	<u>-</u>	<u>-</u>
Net Investment in Capital Asset	<u>\$ 1,147,753</u>	<u>\$ 6,111,675</u>

Note 5 – Fund Balance

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

Total Fund Balance – General Fund	\$ 1,497,507
Less,	
Restricted by State Statute	330,216
Restricted for Powell Bill expenditures	258,496
Restricted for subsequent years expenditures	<u>110,414</u>
Unrestricted Fund Balance	<u>\$ 800,483</u>

The Town of Ramseur has not adopted a minimum fund balance policy for the general fund.

TOWN OF RAMSEUR, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 6 – Jointly Governed Organization

The Town, in conjunction with 7 counties and 42 other municipalities, established the Piedmont Triad Regional Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The Town paid membership fees of \$550 to the Council during the fiscal year ended June 30, 2021.

Note 7 – Joint Venture

Firefighter's Relief Fund

The Town and the members of the Town's fire department each appoint two members to the five-member local board of trustees for the Firefighter's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firefighter's Relief Fund is funded by a portion of the fire and lightning insurance premiums which insurers remit to the State. The State passes these monies to the local board of the Firefighter's Relief Fund. The funds are used to assist fire fighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Town's fire department by the board of trustees. During the fiscal year ended June 30, 2021, the Town did not report revenues and expenditures for the payments made through the Firefighter's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2021. The Firefighter's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firefighter's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

Note 8 – Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

Note 9 – Subsequent Events

The Town has evaluated all subsequent events through January 22, 2024, the date the financial statements were available to be issued.

**Town of Ramseur, North Carolina
Town of Ramseur'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	\$ 64,526	\$ 36,973	\$ 30,439	\$ 35,026	\$ 35,382	\$ 32,039	\$ 34,194	\$ 33,004
Contributions in relation to the contractually required contribution	\$ 64,526	\$ 36,973	\$ 30,439	\$ 35,026	\$ 35,382	\$ 32,039	\$ 34,194	\$ 33,004
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ramseur's covered-employee payroll	\$ 621,272	\$ 381,572	\$ 396,745	\$ 382,668	\$ 464,131	\$ 474,659	\$ 457,659	\$ 461,351
Contributions as a percentage of covered-employee payroll	10.39%	9.69%	7.67%	9.15%	7.62%	6.75%	7.47%	7.14%

Proportionate Share of Net Pension Liability (Asset)

	2021	2020	2019	2018	2017	2016	2015	2014
Ramseur's proportion of the net pension liability (asset) (%)	0.00931%	0.00512%	0.00514%	0.00689%	0.00700%	0.00539%	0.00588%	0.00790%
Ramseur's proportion of the net pension liability (asset) (\$)	\$ 196,846	\$ 182,959	\$ 121,938	\$ 105,260	\$ 148,563	\$ 24,190	\$ (34,677)	\$ 95,225
Ramseur's covered-employee payroll	\$ 381,572	\$ 396,745	\$ 382,668	\$ 464,131	\$ 474,659	\$ 457,659	\$ 461,351	\$ 461,351
Ramseur's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.59%	46.12%	31.87%	22.68%	31.30%	5.29%	(7.52%)	20.64%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	91.63%	91.68%	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 Ramseur, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
June 30, 2021

Schedule of Changes in Total Pension Liability

	2021	2020	2019	2018	2017
Beginning balance	\$ 184,860	\$ 158,301	\$ 158,323	\$ 151,420	\$ 153,375
Service Cost Interest on total pension liability	6,615	6,474	6,646	6,009	6,150
Interest	5,755	5,573	4,838	5,644	5,290
Differences between expected and actual experience in the measurement of the total pension liability	(12,394)	20,634	4,055	(3,822)	-
Changes of assumptions or other inputs	51,772	4,296	(5,143)	9,490	(2,977)
Benefit payments	(16,656)	(10,418)	(10,418)	(10,418)	(10,418)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	\$ 219,952	\$ 184,860	\$ 158,301	\$ 158,323	\$ 151,420

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	2021	2020	2019	2018	2017
Total pension liability	\$ 219,952	\$ 184,860	\$ 158,301	\$ 158,323	\$ 151,420
Covered payroll	240,809	221,955	239,233	229,349	228,988
Total pension liability as a percentage of covered payroll	91.34%	83.29%	66.17%	69.03%	66.13%

Notes to the schedules:

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

Town of Ramseur, North Carolina
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual - Year Ended 2020</u>
Revenues:				
Ad Valorem taxes (net of refunds):				
Taxes		\$ 805,197		\$ 781,801
Prior levies		6,741		6,483
Penalties and interest		-		2,669
Total	<u>\$ 800,000</u>	<u>811,938</u>	<u>\$ 11,938</u>	<u>790,953</u>
Unrestricted intergovernmental revenues:				
Local Option Sales Tax		485,050		427,667
Sales Tax Refund		-		-
Gas Tax Refund		3,912		216
Utilities franchise tax		48,439		50,000
Piped Natural Gas Sales Tax		6,965		5,435
Beer and wine tax		6,925		7,170
Solid Waste Disposal Refund		933		1,269
Total	<u>500,000</u>	<u>552,224</u>	<u>52,224</u>	<u>491,757</u>
Restricted intergovernmental revenues:				
Powell Bill allocation		45,919		48,851
Interest		272		9
Fire Dept Grant		-		30,000
County revenues		39,731		-
County Grant - Library		12,000		12,000
Total	<u>39,500</u>	<u>97,922</u>	<u>58,422</u>	<u>90,860</u>
Permits and Fees:				
Fines and Permits		1,285		10,312
Total	<u>500</u>	<u>1,285</u>	<u>785</u>	<u>10,312</u>
Sales and Services:				
Library Revenues		17,018		1,931
Sanitary Landfill Participation		128,761		124,237
Sale of assets		10,947		-
Sale of Cemetery Plots		7,737		550
Total	<u>150,000</u>	<u>164,464</u>	<u>14,464</u>	<u>126,718</u>
Investment Earnings	<u>25,000</u>	<u>21,611</u>	<u>(3,389)</u>	<u>1,423</u>
Miscellaneous	<u>75,000</u>	<u>76,402</u>	<u>1,402</u>	<u>1,528</u>
 Total Revenues	 <u>1,590,000</u>	 <u>1,725,846</u>	 <u>135,846</u>	 <u>1,513,551</u>
Other financing sources:				
Transfer from Special Revenue Funds	-	-	-	-
Loan proceeds	650,000	610,867	-	-
Appropriated fund balance	-	-	-	-
	<u>650,000</u>	<u>610,867</u>	<u>(39,133)</u>	<u>-</u>
Total revenues and other financing sources	<u>2,240,000</u>	<u>2,336,713</u>	<u>96,713</u>	<u>1,846,038</u>

Town of Ramseur, North Carolina
General Fund (continued)
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual - Year Ended 2020</u>
Expenditures:				
General government:				
Administration:				
Salaries and employee benefits		\$ 96,674		\$ 97,986
Professional services		37,649		21,990
Telephone and Postage		3,336		4,171
Maintenance and Repairs		3,200		9,834
Departmental Supplies		4,540		7,173
Insurance and Bonds		8,884		7,729
Miscellaneous		6,533		4,678
Capital outlay		-		5,345
Other Operating Expenditures		21,873		28,683
Utilities		80,058		8,976
Contracted Services		30,999		78,896
Total general government	<u>\$ 300,000</u>	<u>293,746</u>	<u>\$ 6,254</u>	<u>275,461</u>
Public safety:				
Police:				
Salaries and employee benefits		320,446		348,743
Capital outlay		162,431		31,398
Maintenance and Repairs		14,161		13,056
Telephone and Postage		-		2,339
Utilities		2,355		8,240
Vehicle Expense		8,941		12,439
Insurance		16,267		17,080
Other Operating Expenditures		16,044		11,398
	<u>550,000</u>	<u>540,645</u>	<u>9,355</u>	<u>444,693</u>
Fire:				
Salaries and employee benefits		119,643		78,312
Telephone and Postage		4,563		3,059
Maintenance and Repairs		7,211		28,045
Insurance		8,668		8,000
Other Operating Expenditures		23,697		10,780
Utilities		2,568		9,229
Capital outlay		38,406		68,246
Debt Service		505,064		43,863
Total public safety	<u>725,000</u>	<u>709,820</u>	<u>15,180</u>	<u>249,534</u>

Town of Ramseur, North Carolina
General Fund (continued)
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual - Year Ended 2020</u>
Emergency Medical Technicians:				
EMT Expenses		\$ 7,185		\$ 12,150
Total	<u>\$ 10,000</u>	<u>7,185</u>	<u>\$ 2,815</u>	<u>12,150</u>
Total Public Safety	<u>1,285,000</u>	<u>1,257,650</u>	<u>27,350</u>	<u>706,377</u>
Transportation - Streets:				
Streets - Powell Bill:				
Storm Clean Up		-		-
Street Improvements		<u>31,728</u>		<u>16,500</u>
Total	<u>35,000</u>	<u>31,728</u>	<u>3,272</u>	<u>16,500</u>
Streets - Municipality:				
Salaries and employee benefits		110,436		-
Utilities		32,087		36,819
Telephone		1,955		-
Departmental supplies		4,304		-
Maintenance and repairs		8,313		-
Automotive supplies		8,316		-
Other Operating Expenditures		12,543		1,027
Insurance		6,613		5,000
Capital outlay		12,839		-
Contracted Services		<u>94,025</u>		<u>327,584</u>
Total	<u>300,000</u>	<u>291,431</u>	<u>8,569</u>	<u>370,430</u>
Total Transportation - Streets	<u>335,000</u>	<u>323,159</u>	<u>11,841</u>	<u>386,930</u>
Environmental Protection:				
Sanitation:				
Other Operating Expenditures		-		1,144
Contracted Services		<u>131,960</u>		<u>126,377</u>
Total	<u>135,000</u>	<u>131,960</u>	<u>3,040</u>	<u>127,521</u>
Cemetery:				
Contracted Services		-		8,330
Other Operating Expenditures		<u>12,073</u>		<u>3,353</u>
Total	<u>15,000</u>	<u>12,073</u>	<u>2,927</u>	<u>11,683</u>
Total Environmental Protection	<u>150,000</u>	<u>144,033</u>	<u>5,967</u>	<u>139,204</u>

Town of Ramseur, North Carolina
General Fund (continued)
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual - Year Ended 2020</u>
Cultural and Recreational:				
Library:				
Salaries and employee benefits		\$ 97,195		\$ 94,274
Utilities		1,718		6,380
Insurance		6,541		2,000
Maintenance and repairs		37,975		-
Other Operating Expenditures		3,591		3,944
Capital outlay		-		5,045
Total	<u>\$ 150,000</u>	<u>147,020</u>	<u>2,980</u>	<u>111,643</u>
Cultural and Recreational:				
Museum:				
Maintenance and Repairs		-		883
Other Operating Expenditures		15,087		4,830
Total	<u>20,000</u>	<u>15,087</u>	<u>4,913</u>	<u>5,713</u>
Total Cultural and Recreation	<u>170,000</u>	<u>162,107</u>	<u>7,893</u>	<u>117,356</u>
Total expenditures	<u>2,240,000</u>	<u>2,180,694</u>	<u>59,306</u>	<u>1,625,328</u>
Revenues over expenditures	<u>-</u>	<u>156,018</u>	<u>156,018</u>	<u>(111,777)</u>
Other financing sources (uses)				
Transfers from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,896</u>
Total				<u>36,896</u>
Excess of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>156,018</u>	<u>\$ 156,018</u>	<u>(74,881)</u>
Fund Balance:				
Beginning of year, July 1		<u>1,341,489</u>		<u>1,416,370</u>
End of year, June 30		<u>\$ 1,497,507</u>		<u>\$ 1,341,489</u>

TOWN OF RAMSEUR, NORTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Hinshaw Non Expendable Trust Fund	Recreation Fund	Total Non-Major Governmental Funds
Assets:			
Cash and cash equivalents	\$ 422	\$ 53,487	\$ 53,909
Receivables (Net):			
Accounts		102	102
Taxes - Net		416	416
Total Assets	<u>\$ 422</u>	<u>\$ 54,005</u>	<u>\$ 54,427</u>
Liabilities and Fund Balance:			
Liabilities:			
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -
Due to Other funds			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:			
Property Taxes Receivable	-	416	416
Total Deferred Inflows of Resources	<u>-</u>	<u>416</u>	<u>416</u>
Fund balances:			
Non Spendable:			
Library Expansion	422	-	422
Restricted:			
Stabilization by State Statue	-	102	102
Assigned:			
Cultural and Recreation	-	53,487	53,487
Subsequent Year's Expenditures	-	-	-
Total fund balances	<u>422</u>	<u>53,589</u>	<u>54,011</u>
Total Liabilities and Fund Balances	<u>\$ 422</u>	<u>\$ 54,005</u>	<u>\$ 54,427</u>

TOWN OF RAMSEUR, NORTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Hinshaw Non Expendable Trust Fund	Recreation Fund	Total Non-Major Governmental Funds
Revenues:			
Ad Valorem Taxes	\$ -	\$ 25,112	\$ 25,112
Unrestricted Intergovernmental Revenues	-	-	-
Restricted Intergovernmental	-	-	-
Sales and Service	-	16,826	16,826
Special Events	-	10,154	10,154
Miscellaneous	-	4,310	4,310
Total Revenues	<u>-</u>	<u>56,402</u>	<u>56,402</u>
Expenditures:			
Cultural and Recreation	-	51,867	51,867
Enviroment Protection	-	-	-
Total Expenditures	<u>-</u>	<u>51,867</u>	<u>51,867</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (Under) expenditures and other uses	<u>-</u>	<u>4,535</u>	<u>4,535</u>
Fund Balance , Beginning	<u>422</u>	<u>49,054</u>	<u>49,476</u>
Fund Balance, Ending	<u><u>\$ 422</u></u>	<u><u>\$ 53,589</u></u>	<u><u>\$ 54,011</u></u>

Town of Ramseur, North Carolina
SPECIAL REVENUE FUND - HINSHAW RESTRICTED FUND
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
Revenues:				
Investment Earnings		\$ -		\$ -
Total Revenues	\$ 1,000	-	\$ (1,000)	-
Expenditures:				
Books for Library		-		-
Total Expenditures	-	-	-	-
Revenues over (under) expenditures		-		
Other Financing sources (uses)				
Transfers to other funds	1,000	-	(1,000)	(10,000)
Total Other Financing Sources (uses)				(10,000)
Revenues and other sources over (under) expenditures and other uses	-	-	-	(10,000)
Fund Balance Appropriated				-
Net Change in Fund Balance	\$ -	-	\$ -	(10,000)
Fund balance:				
Beginning of year, July 1		422		10,422
End of year, June 30		\$ 422		\$ 422

Town of Ramseur, North Carolina
SPECIAL REVENUE FUND - RECREATION FUND
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
Revenues:				
Ad Valorem taxes:				
Current Year		\$ 25,112		\$ 27,568
Prior Years				145
Total	<u>\$ 25,000</u>	<u>25,112</u>	<u>\$ 112</u>	<u>27,713</u>
 Unrestricted Intergovernmental Revenues:				
Beer and Wine Tax				-
Sales Tax Refund		-		-
Total Unrestricted Intergovernmental	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
 Restricted Intergovernmental Revenues:				
Revitalization Grants		-		-
Total Restricted Intergovernmental	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
 Sales and Service	<u>20,000</u>	<u>13,908</u>	<u>(6,092)</u>	<u>12,969</u>
Special Event	<u>10,000</u>	<u>10,154</u>	<u>154</u>	<u>9,580</u>
Miscellaneous Revenue	<u>5,000</u>	<u>4,310</u>	<u>(690)</u>	<u>4,788</u>
 Total Revenues	<u>60,000</u>	<u>53,483</u>	<u>(6,517)</u>	<u>55,050</u>
 Expenditures:				
Contracted Services		18,800		18,400
Utilities		446		4,320
Departmental Supplies		6,185		2,156
Fall Festival Supplies		18,754		7,915
Insurance		1,573		3,300
Maintenance and Repairs		994		3,574
Telephone and Postage		1,098		779
Miscellaneous		-		3,522
Senior/Kids Programs		1,097		4,317
Capital Outlay		-		17,988
Total Expenditures	<u>60,000</u>	<u>48,948</u>	<u>11,052</u>	<u>66,271</u>
 Revenues over (under) expenditures	<u>-</u>	<u>4,535</u>	<u>4,535</u>	<u>(11,221)</u>
 Fund Balance Appropriated		<u>-</u>		<u>-</u>
 Net Change in Fund Balance	<u>\$ -</u>	<u>4,535</u>	<u>\$ 4,535</u>	<u>(11,221)</u>
 Fund balance:				
Beginning of year, July 1		<u>49,054</u>		<u>60,275</u>
 End of year, June 30		<u>\$ 53,589</u>		<u>\$ 49,054</u>

Town of Ramseur, North Carolina
Water and Sewer Fund
Schedule of Revenue and Expenditures - Budget and Actual - (Non-GAAP)
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual - Year Ended 2020</u>
Revenues:				
Operating revenues:				
Water / sewer revenues		\$ 1,092,612		\$ 1,137,696
Tap/Connection Fees		1,750		6,550
Other Revenues		43,958		1,894
Penalties and Miscellaneous		13,936		13,811
	<u>\$ 1,100,000</u>	<u>1,152,256</u>	<u>\$ 52,256</u>	<u>1,159,951</u>
Nonoperating revenues:				
Interest Earned on Investment		-		-
Sales Tax Refund		-		-
Total Nonoperating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,100,000</u>	<u>1,152,256</u>	<u>52,256</u>	<u>1,159,951</u>
Expenditures:				
Water:				
Salaries and Employee Benefits		213,448		48,155
Professional Services		100		-
Analysis Contract		52,102		17,237
Telephone and Postage		5,331		6,346
Interest Expense Debts		5,230		151,856
Utilities		5,009		1,536
Insurance		2,744		4,000
Supplies		68,789		40,651
Maintenance and Repairs		146,155		-
Water Debt Principal		153,618		-
Contract Services		128,775		437,617
Capital Outlay		124,437		22,660
Other Operating Expenditures		7,744		3,857
Total	<u>800,000</u>	<u>913,482</u>	<u>113,482</u>	<u>733,915</u>
Sewer:				
Analysis Contract		10,879		786
Telephone and Postage		8,437		5,357
Supplies		9,037		86,724
Maintenance and Repairs		62,981		-
Contract Services		34,698		164,443
Utilities		6,978		19,047
Insurance		1,712		2,500
Capital Outlay		19,381		58,844
Other Operating Expenditures		34,467		13,479
Total	<u>300,000</u>	<u>188,570</u>	<u>111,430</u>	<u>351,180</u>
Total Expenditures	<u>1,100,000</u>	<u>1,102,052</u>	<u>2,052</u>	<u>1,085,095</u>
Revenues over (Under) Expenditures	<u>-</u>	<u>50,204</u>	<u>50,204</u>	<u>74,856</u>

Town of Ramseur, North Carolina
Water and Sewer Fund
Schedule of Revenue and Expenditures - Budget and Actual - (Non-GAAP)
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual - Year Ended 2020</u>
Other Financing sources (Uses):				
Sale of Assets		-		12,403
Total	-	-	-	12,403
Revenues and other sources over (under) expenditures and other uses		50,204	50,204	87,259
Fund Balance Appropriated	-			-
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	50,204	<u>\$ 50,204</u>	<u>\$ 87,259</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:				
Reconciling Items:				
Capital Outlay		143,818		
Principal Retirement		153,618		
Increase (Decrease) in Deferred Outflows of Resources - Pensions		-		
(Increase) Decrease in Net Pension Liability		-		
(Increase) in Deferred Inflows of Resources - Pensions		-		
Depreciation		(296,217)		
Total Reconciling Items		<u>1,219</u>		
Change in Net Position		<u>\$ 51,422</u>		

Town of Ramseur, North Carolina
Schedule of Changes in Ad Valorem Taxes Receivable
For the Year ended June 30, 2021

<u>Year of Levy</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Balance June 30, 2021</u>
2021	\$ -	\$ 831,052	825,475	\$ 5,577
2020	7,602		4,979	2,623
2019	1,988		796	1,192
2018	350		18	332
2017	366		18	348
2016	255		-	255
2015	978		-	978
2014	599		-	599
2013	1,333		187	1,146
2012	825		-	825
2011 and prior	743	-	743	-
	<u>\$ 15,039</u>	<u>\$ 831,052</u>	<u>\$ 832,216</u>	
Ad Valorem Taxes Receivable - Net				<u>\$ 13,875</u>
Reconcilement with Revenues:				
Ad Valorem Taxes Collected:				
General Fund				\$ 811,938
Special Revenue Fund				25,112
Reconciling Items:				
Interest Collected				
Adjustments				<u>(4,834)</u>
Total collections and credits				<u>\$ 832,216</u>

Town of Ramseur, North Carolina
Analysis of Current Tax Levy
For the Year Ended June 30, 2021

				Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Tax Levy - Town Wide	\$ 138,508,667	0.67	\$ 831,052	\$ 748,144	\$ 82,908
Discoveries	-		-	-	-
Abatements and Releases	-		-	-	-
Total for Year	<u>\$ 138,508,667</u>		831,052	748,144	82,908
Less, Uncollected Tax at June 30, 2021			<u>5,576</u>	<u>5,576</u>	<u>-</u>
Current Year's Taxes Collected			<u><u>\$ 825,476</u></u>	<u><u>\$ 742,568</u></u>	<u><u>\$ 82,908</u></u>
Percent Current Year Collected			99.33%	99.25%	100.00%

Town of Ramseur, North Carolina
Ten Largest Taxpayers
For the Year Ended June 30, 2021

Taxpayer		2021 Assessed Valuation	Percentage of Total Assessed Valuation
Duke Progress Energy, Inc	Power Company	\$ 9,559,867	6.94%
Universal Properties Ramseur LLC	Nursing Home	4,576,492	3.32%
Tower Components	Manufacturer	3,179,224	2.31%
Watkins & Rich	Rental Properties	2,010,230	1.46%
Schwarz Properties	Rental Properties	1,592,986	1.16%
Sampson Bladen Oil	Service Station	1,579,757	1.15%
Crawford Knitting	Manufacturer	1,458,497	1.06%
King Hill Limited	Housing	1,304,292	0.95%
F1 Holdings 6893 LLC	Manufacturer	1,226,400	0.89%
Randolph Hill Limited Partnership	Housing	1,162,380	0.84%
		<u>\$ 27,650,125</u>	<u>20.07%</u>