

TOWN OF ROBBINS

FINANCIAL STATEMENTS

June 30, 2021

TOWN OF ROBBINS, NORTH CAROLINA

MAYOR

Cameron Dockery

TOWN COUNCIL

Nicki Bradshaw, Mayor Pro-Tem

Joey Boswell

Jody Britt

Lonnie English

Kevin Stewart

OFFICIALS

Finance Officer

Stephanie Maness

Town Manager

Clint Mack

TOWN OF ROBBINS, NORTH CAROLINA

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WILLIAM R. HUNEYCUTT

CERTIFIED PUBLIC ACCOUNTANT PLLC

216 West North Street
Albemarle, NC 28001
Phone: (704) 983-5012
Fax: (704) 983-5109

379 South Cox Street
Asheboro, NC 27203
Phone: (336) 626-9970
Fax: (336) 626-5981

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 13, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued my report dated September 30, 2022 on my consideration of Town of Robbins' internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Town of Robbins' internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "William R. Huneycutt, CPA, PLLC". The signature is written in a cursive style with a large initial 'W'.

William R. Huneycutt, CPA, PLLC
Asheboro, North Carolina

September 30, 2022

Management's Discussion and Analysis

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

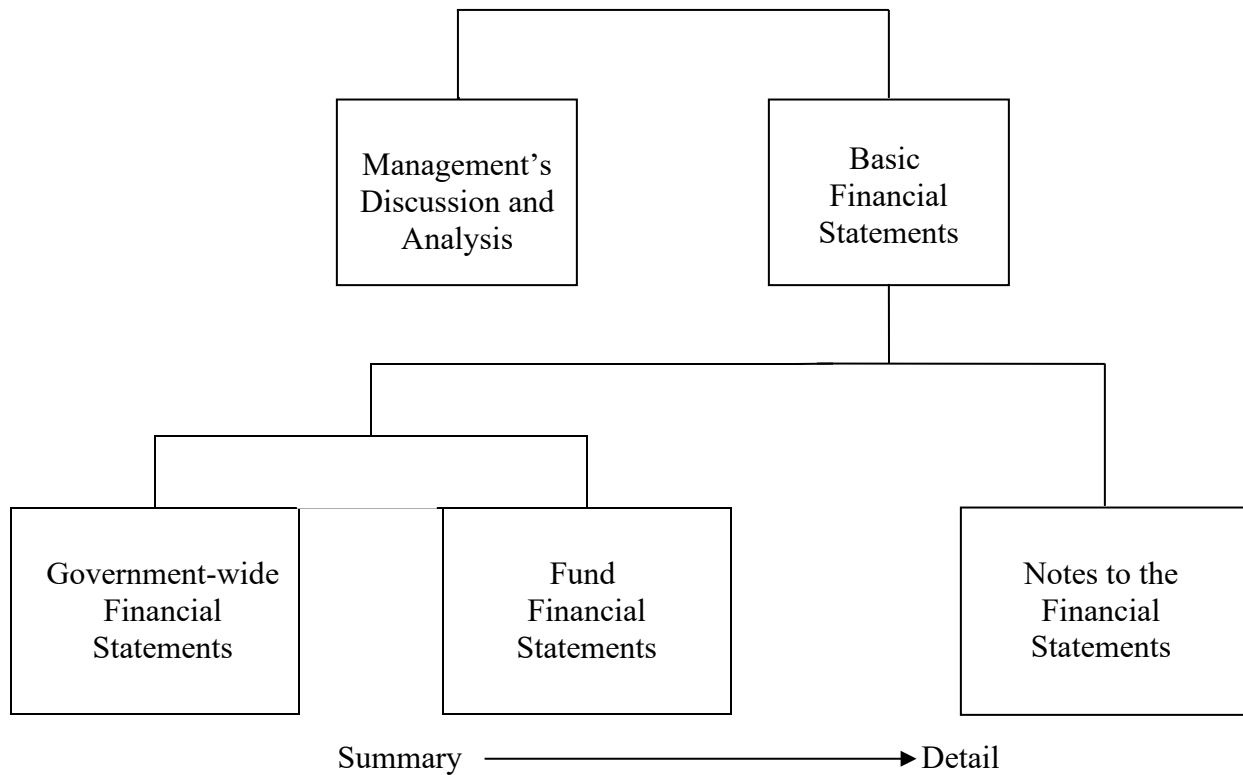
- The assets and deferred outflows of resources of the Town of Robbins exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$8,891,594 (net position).
- The government's total net position increased by \$853,319 primarily due to capital grants received during the fiscal year.
- As of the close of the current fiscal year, the Town of Robbins's governmental funds reported combined ending fund balance of \$1,192,788. Approximately 70 percent of this total amount, or \$832,871 is available for spending at the government's discretion.
- At the end of the current year, unassigned fund balance for the General Fund was \$832,871.
- The Town of Robbins's total debt decreased by \$118,733 during the current fiscal year. The key factor in this decrease was annual principal reductions on debt as scheduled.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 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 of the Fund Financial Statements: (1) the governmental funds statements; (2) the budgetary comparison statements; and (3) the proprietary fund statements.

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: (1) governmental activities and (2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, transportation, and general administration. Property taxes and other intergovernmental revenues finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town of Robbins.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Robbins, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance or noncompliance with finance-related legal requirements, such as the General Statutes of the Town's budget ordinance. All the funds of the Town of Robbins can be divided into four categories: governmental funds, special revenue funds, debt service 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 services are accounted for in governmental funds. These funds focus on how position can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The Town of Robbins adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decision of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund

demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: (1) the original budget as adopted by the Board; (2) the final budget as amended by the Board; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and 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 Robbins has one proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of Robbins uses enterprise funds to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Robbins's progress in funding its obligation to provide pension benefits to its employees.

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

Government-Wide Financial Analysis of the Town of Robbins
Town of Robbins's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	1,270,445	1,078,869	1,739,058	1,940,906	3,009,503	3,019,775
Capital assets	2,758,029	2,901,387	7,276,273	6,056,659	10,034,302	8,958,046
Deferred outflows of resources	130,882	115,323	27,457	30,573	158,339	145,896
Total assets and deferred outflows of resources	4,159,356	4,095,579	9,042,788	8,028,138	13,202,144	12,123,717
Long-term liabilities outstanding	1,325,977	1,430,731	2,419,682	2,178,110	3,745,659	3,608,841
Other liabilities	184,627	97,482	305,594	343,020	490,221	440,502
Deferred inflows of resources	67,882	32,005	6,788	4,094	74,670	36,099
Total liabilities and deferred inflows of resources	1,578,486	1,560,218	2,732,064	2,525,224	4,310,550	4,085,442
Net Position:						
Invested in capital assets, net of related debt	1,681,332	1,751,031	4,510,276	3,856,262	6,191,608	5,607,293
Restricted	421,519	474,896	1,070,729	24,338	1,492,248	499,234
Unrestricted	478,019	309,434	729,719	1,622,314	1,207,738	1,931,748
Total net position	2,580,870	2,535,361	6,310,724	5,502,914	8,891,594	8,038,275

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Robbins exceeded liabilities and deferred inflows by \$8,891,594 as of June 30, 2021. However, the largest portion (70%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The Town's net position increased by \$853,319 for the fiscal year ended June 30, 2021. The Town of Robbins uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Robbins's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Towns of Robbins's net position, \$1,492,248, represents resources that are subject to external restrictions on how they may be used. The remaining balance of 1,207,738 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.65%.

Town of Robbins Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 85,968	\$ 84,827	\$ 812,277	\$ 806,038	\$ 898,245	\$ 890,865
Operating grants and contributions	43,587	40,939	-	-	43,587	40,939
Capital grants and contributions	32,980	34,794	929,865	1,326,452	962,845	1,361,246
General Revenues:						
Property Taxes	546,025	481,805	-	-	546,025	481,805
Other taxes	810,797	477,424	-	-	810,797	477,424
Grants and contributions not Restricted to specific programs	47,838	231,648	-	-	47,838	231,648
Other	165,633	87,409	18,726	20,971	184,359	87,409
Total Revenues	1,732,828	1,438,846	1,760,868	2,153,461	3,493,696	3,571,336
Expenses						
General government	290,985	306,162	-	-	290,985	306,162
Public Safety	957,162	791,324	-	-	957,162	791,324
Transportation	122,619	157,749	-	-	122,619	157,749
Economic and physical development	161,157	-	-	-	161,157	-
Environmental protection	64,532	60,672	-	-	64,532	60,672
Cultural and recreational	55,044	70,365	-	-	55,044	70,365
Capital outlay	-	78,048	-	-	-	78,048
Interest on long-term debt	35,820	36,972	-	-	35,820	36,972
Water and sewer	-	-	953,058	910,463	953,058	910,463
Total Expenses	1,687,319	1,501,292	953,058	910,463	2,640,377	2,411,755
Transfers	-	-	-	-	-	-
Change in Net Position	45,509	(62,446)	807,810	1,242,998	853,319	1,180,552
Net position, July 1 as previously reported	2,535,361	2,597,807	5,502,914	4,259,916	8,038,275	6,857,723
Net position, June 30	2,580,870	\$ 2,535,361	6,310,724	5,502,914	8,891,594	8,038,275

Governmental Activities - Governmental activities increased the Town's net position by \$45,509.

Business-Type Activities - Business-type activities increased the Town of Robbins's net position by \$807,810.

Financial Analysis of the Town's Funds

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

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

The General fund is the chief operating fund of the Town of Robbins. At the end of the current fiscal year, the Town of Robbins's fund balance available in the General Fund was \$832,871, while total fund balance reached \$1,130,066.

At June 30, 2021, the governmental funds of Town of Robbins reported a combined fund balance of \$1,192,788 with a net decrease in fund balance of \$9,684. Included in this change in fund balance is an increase in the general fund balance of \$240,018 from the previous year and a decrease in project fund balance of \$249,702 from the previous year.

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

Proprietary Fund: The Town of Robbins's proprietary/enterprise fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$729,719. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town of Robbins's business-type activities.

Capital Asset and Debt Administration

Capital assets: The Town of Robbins's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$6,191,608 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Town of Robbins's Capital Assets, Net
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and Construction in Progress	337,253	337,253	3,621,739	2,303,414	3,958,992	2,640,667
Buildings and Land Improvements	1,954,009	2,018,543	-	-	1,954,009	2,018,543
Machinery and Equipment	51,247	90,769	49,088	63,327	100,335	154,096
Infrastructure	-	-	3,554,464	3,689,918	3,554,464	3,689,918
Vehicles and motorized equipment	415,520	454,822	50,982	-	466,502	454,822
Total	2,758,029	2,901,387	7,276,273	6,056,659	10,034,302	8,958,046

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

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Robbins is \$2,138,562.

Additional information regarding the Town of Robbins's long-term debt can be found in Note 3 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- Growth of the tax base in Robbins has been hurt over the past couple of decades due to losing manufacturing jobs and the non-existence of new housing construction within the town limits. We currently have officials looking for ways to attract developers to build middle-income housing.

Governmental Activities:

The FY 2020-2021 tax rates were approved at a rate of \$0.74 per \$100.00 valuation. This is no increase from the previous year. Tax revenue increases due to a property tax revaluation are expected to continue.

In addition to the above tax revenue, the Town of Robbins receives a Fire District tax revenue, State shared sales revenues and investment returns and grant funding which compiles the balance of our revenue.

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 Town Manager, Town of Robbins, P.O. Box 296, Robbins, North Carolina 27325.

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF NET POSITION**

June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 935,379	\$ 537,566	\$ 1,472,945
Taxes receivable (net)	6,598	-	6,598
Accounts receivable (net)	31,696	73,873	105,569
Sales tax refund receivable	-	1,161	1,161
Grants receivable	-	80,067	80,067
Due from other governments	103,962	-	103,962
Restricted cash and cash equivalents	192,810	1,046,391	1,239,201
Total Current Assets	<u>1,270,445</u>	<u>1,739,058</u>	<u>3,009,503</u>
Non-Current Assets:			
Capital Assets:			
Land, non-depreciable improvements, and construction in progress	337,253	2,919,430	3,256,683
Other capital assets, net of depreciation	2,420,776	4,356,843	6,777,619
Total Capital Assets	<u>2,758,029</u>	<u>7,276,273</u>	<u>10,034,302</u>
Total Non-Current Assets	<u>2,758,029</u>	<u>7,276,273</u>	<u>10,034,302</u>
Total Assets	\$ 4,028,474	\$ 9,015,331	\$ 13,043,805
Deferred Outflows of Resources:			
Pension deferrals (LGRS)	111,244	27,457	138,701
Pension deferrals (LEO)	19,638	-	19,638
Total deferred outflows of resources	<u>130,882</u>	<u>27,457</u>	<u>158,339</u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 66,235	\$ 6,390	\$ 72,625
Customer deposits	-	43,085	43,085
Compensated absences	53,272	13,932	67,204
Current portion of long-term liabilities	65,120	80,560	145,680
Payable from restricted assets	-	161,627	161,627
Total Current Liabilities	<u>184,627</u>	<u>305,594</u>	<u>490,221</u>
Non-current Liabilities:			
Net pension liability	166,611	46,365	212,976
Total pension liability	147,789	-	147,789
Installment notes payable	1,011,577	2,373,317	3,384,894
Total Non-current Liabilities	<u>1,325,977</u>	<u>2,419,682</u>	<u>3,745,659</u>
Total Liabilities	1,510,604	2,725,276	4,235,880
Deferred Inflows of Resources:			
Pension deferrals (LGRS)	24,392	6,788	31,180
Pension deferrals (LEO)	43,490	-	43,490
Total deferred inflows of resources	<u>67,882</u>	<u>6,788</u>	<u>74,670</u>
Net Position:			
Net investment in capital assets	1,681,332	4,510,276	6,191,608
Restricted for:			
Stabilization by State Statute	104,385	-	104,385
Public safety	81,835	-	81,835
Transportation	110,975	-	110,975
Economic development	62,722	-	62,722
Capital projects	-	1,046,391	1,046,391
Debt service	61,602	24,338	85,940
Unrestricted	478,019	729,719	1,207,738
Total Net Position	\$ 2,580,870	\$ 6,310,724	\$ 8,891,594

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 290,985	\$ -	\$ -	\$ -	\$ (290,985)	\$ -	\$ (290,985)
Public safety	957,162	-	43,587	-	(913,575)	-	(913,575)
Transportation	122,619	-	-	32,980	(89,639)	-	(89,639)
Environmental protection	64,532	85,968	-	-	21,436	-	21,436
Economic development	161,157	-	-	-	(161,157)	-	(161,157)
Cultural and recreational	55,044	-	-	-	(55,044)	-	(55,044)
Capital outlay	-	-	-	-	-	-	-
Interest on long-term debt	35,820	-	-	-	(35,820)	-	(35,820)
Total government activities							
(See Note 1)	1,687,319	\$ 85,968	\$ 43,587	\$ 32,980	(1,524,784)	-	(1,524,784)
Business-type activities:							
Water and sewer	953,058	812,277	-	929,865	-	789,084	789,084
Total business-type activities	953,058	812,277	-	929,865	-	789,084	789,084
Total primary government	\$ 2,640,377	\$ 898,245	\$ 43,587	\$ 962,845	\$ (1,524,784)	\$ 789,084	\$ (735,700)
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					546,025	-	546,025
Other taxes					810,797	-	810,797
Grants and contributions, not restricted to specific programs					47,838	-	47,838
Unrestricted investment earnings					1,356	391	1,747
Miscellaneous					164,277	18,335	182,612
Total General Revenues not Including Transfers					1,570,293	18,726	1,589,019
Transfers					-	-	-
Total General Revenues and Transfers					1,570,293	18,726	1,589,019
Change in Net Position					45,509	807,810	853,319
Net Position, Beginning of Year					2,535,361	5,502,914	8,038,275
Net Position, End of Year					\$ 2,580,870	\$ 6,310,724	\$ 8,891,594

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

TOWN OF ROBBINS, NORTH CAROLINA**BALANCE SHEET**
GOVERNMENTAL FUNDS

June 30, 2021

	Major Fund General Fund	Total Non-Major Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 898,683	\$ 36,696	\$ 935,379
Restricted cash	192,810	-	192,810
Receivables, net			-
Taxes	3,244	3,354	6,598
Accounts	8,601	23,095	31,696
Due from other governments	103,962	-	103,962
Total Assets	1,207,300	63,145	1,270,445
Liabilities:			
Accounts payable	17,787	423	18,210
Accrued interest	25,704	-	25,704
Payroll liabilities	21,181	-	21,181
Total Liabilities	64,672	423	65,095
Deferred Inflows of Resources:			
Property taxes receivable	11,422	-	11,422
Total Deferred Inflows of Resources	11,422	-	11,422
Fund Balances:			
Restricted			
Stabilization by State Statute	104,385	-	104,385
Streets	110,975	-	110,975
Committed			
Fire department	81,835	-	81,835
Economic development	-	27,269	27,269
Assigned			
Capital improvements	-	35,453	35,453
Subsequent year's expenditures	-	-	-
Unassigned	834,011	-	834,011
Total Fund Balances	1,131,206	62,722	1,193,928
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,207,300	\$ 63,145	\$ 1,270,445
 Total fund balance, governmental funds			\$ 1,193,928
 Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			2,758,029
Net and Total pension liability (LGERS & LEO)			(314,400)
Deferred outflows of resources related to pensions are not reported in the funds			130,882
Compensated absences not expected to be materially liquidated with expendable available resources			(53,272)
Liabilities for earned but unavailable revenues in fund statements			6,598
Long-term liabilities, principally installment purchases and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds			(1,076,697)
Pension related deferrals (LGERS & LEO)			(64,198)
 Net position of governmental activities			\$ 2,580,870

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2021

	<u>Major Funds</u> <u>General</u> <u>Fund</u>	<u>Non-major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Ad valorem taxes	\$ 543,126	\$ -	\$ 543,126
Unrestricted intergovernmental	455,965	-	455,965
Restricted intergovernmental	398,970	32,429	431,399
Sales and services	133,806	-	133,806
Investment earnings	1,356	-	1,356
Miscellaneous	83,181	-	83,181
Total Revenues	<u>1,616,404</u>	<u>32,429</u>	<u>1,648,833</u>
Expenditures:			
General government	285,271	-	285,271
Public safety	828,260	-	828,260
Transportation	127,444	-	127,444
Environmental protection	64,532	-	64,532
Economic development	-	-	-
Cultural and recreational	41,478	161,157	202,635
Debt service:			-
Principal retirement	58,581	-	58,581
Interest and other charges	35,820	-	35,820
Capital outlay	-	-	-
Total Expenditures	<u>1,441,386</u>	<u>161,157</u>	<u>1,602,543</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>175,018</u>	<u>(128,728)</u>	<u>46,290</u>
Other Financing Sources (Uses)			
Loan proceeds	65,000	(120,974)	(55,974)
Total other financing sources (uses)	<u>65,000</u>	<u>(120,974)</u>	<u>(55,974)</u>
Net Change in Fund Balance	<u>240,018</u>	<u>(249,702)</u>	<u>(9,684)</u>
Fund Balances, Beginning of Year	<u>890,048</u>	<u>312,424</u>	<u>1,202,472</u>
Fund Balances, End of Year	<u>\$ 1,130,066</u>	<u>\$ 62,722</u>	<u>\$ 1,192,788</u>

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
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	\$ (9,684)
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 in the current period.	
Capital outlay expenditures which were capitalized	45,500
Depreciation expense for governmental assets	(188,858)
Contributions to the pension plan in the current fiscal years are not included on the Statement of Activities (LGERS & LEO)	53,117
Benefit payments paid for the LEOSSA are not included on the Statement of Activities	-
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in unavailable revenue for tax revenues	3,244
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Compensated absences	32,768
Pension expense LGERS & LEO	47,820
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
	<u>61,602</u>
Total changes in net position of governmental activities	\$ <u><u>45,509</u></u>

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

TOWN OF ROBBINS, NORTH CAROLINA**GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended June 30, 2021

	General Fund			Variance with Final Budget- Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 477,500	\$ 477,500	\$ 543,126	\$ 65,626
Unrestricted intergovernmental	325,000	381,000	455,965	74,965
Restricted intergovernmental	390,250	451,270	398,970	(52,300)
Sales and services	95,450	111,300	133,806	22,506
Investment earnings	7,000	7,000	1,356	(5,644)
Miscellaneous	1,000	43,382	83,181	39,799
Total Revenues	<u>1,296,200</u>	<u>1,471,452</u>	<u>1,616,404</u>	<u>144,952</u>
Expenditures:				
General government	284,497	297,337	285,271	12,066
Public safety	658,519	848,718	828,260	20,458
Transportation	180,743	213,276	127,444	85,832
Environmental protection	66,283	66,283	64,532	1,751
Cultural and recreational	16,300	41,480	41,478	2
Debt service				
Principal retirement	89,858	89,858	58,581	31,277
Interest and other charges	-	-	35,820	(35,820)
Total Expenditures	<u>1,296,200</u>	<u>1,556,952</u>	<u>1,441,386</u>	<u>115,566</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(85,500)</u>	<u>175,018</u>	<u>260,518</u>
Other financing sources (uses)				
Transfer from economic development fund	-	65,000	65,000	-
Transfer to FEMA fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Fund Balance Appropriated	<u>-</u>	<u>20,500</u>	<u>-</u>	<u>20,500</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>240,018</u>	<u>\$ 240,018</u>
Fund Balance, Beginning of Year			<u>890,048</u>	
Fund Balance, End of Year			<u>\$ 1,130,066</u>	

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF NET POSITION - PROPRIETARY FUND**

June 30, 2021

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Assets:	
Current Assets:	
Cash and cash equivalents	\$ 537,566
Accounts receivable (net)	73,873
Sales tax refund receivable	1,161
Grants receivable	80,067
Restricted cash and cash equivalents	1,046,391
Total Current Assets	<u>1,739,058</u>
Non-Current Assets:	
Capital Assets:	
Land, non-depreciable improvements, and construction in progress	2,919,430
Other capital assets, net of depreciation	4,356,843
Total Capital Assets	<u>7,276,273</u>
Total Non-Current Assets	<u>7,276,273</u>
Total Assets	<u>9,015,331</u>
Deferred Outflows of Resources:	
Pension deferrals	<u>27,457</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,042,788</u>
Liabilities:	
Current Liabilities:	
Accounts payable and accrued liabilities	\$ 6,390
Customer deposits	43,085
Net pension liability	46,365
Compensated absences	13,932
Current portion of long-term liabilities	80,560
Liabilities payable from restricted assets:	
Accounts payable	161,627
Total Current Liabilities	<u>351,959</u>
Non-current Liabilities:	
Notes payable	<u>2,373,317</u>
Total Non-current Liabilities	<u>2,373,317</u>
Total Liabilities	<u>2,725,276</u>
Deferred Inflows of Resources:	
Pension deferrals	<u>6,788</u>
Net Position:	
Net investment in capital assets	4,510,276
Restricted - USDA debt service reserve	24,338
Restricted - capital projects	1,046,391
Unrestricted	729,719
Total Net Position	<u>6,310,724</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 9,042,788</u>

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
PROPRIETARY FUND**

For the Year Ended June 30, 2021

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Operating Revenues:	
Charges for services	\$ 807,809
Water and sewer taps	4,025
Other operating revenues	443
Total Operating Revenues	<u>812,277</u>
Operating Expenses:	
Water and sewer operations	779,025
Depreciation	162,439
Total Operating Expenses	<u>941,464</u>
Operating (loss)	<u>(129,187)</u>
Nonoperating Revenues (Expenses)	
Late fees	18,335
Investment earnings	391
Interest expense	(11,594)
Total Nonoperating Revenues (Expenses)	<u>7,132</u>
Income (Loss) Before Contributions and Transfers	(122,055)
Capital contributions	<u>929,865</u>
Change in Net Position	<u>807,810</u>
Net Position, Beginning of Year	<u>5,502,914</u>
Net Position, End of Year	<u>\$ 6,310,724</u>

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

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**

For the Year Ended June 30, 2021

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer Fund</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 799,969
Cash paid for goods and services	(667,687)
Cash paid to or on behalf of employees for services	(111,896)
Customer deposits	1,151
Other operating revenues	<u>23,763</u>
Net Cash Provided by Operating Activities	<u>45,300</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(1,759,455)
Interest paid on notes payable	(11,594)
Principal paid on notes payable	(67,137)
Proceeds from debt	312,120
Capital contributions	<u>1,167,917</u>
Net Cash (Used) by Capital and Related Financing Activities	<u>(358,149)</u>
Cash Flows from Investing Activities	
Interest and dividends	<u>391</u>
Net Cash Provided by Investing Activities	<u>391</u>
Net (Decrease) in Cash and Cash Equivalents	<u>(312,458)</u>
Balances, Beginning	<u>1,896,415</u>
Balances, Ending	\$ <u><u>1,583,957</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating (loss)	\$ <u>(129,187)</u>
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	162,439
Changes in assets and liabilities:	
Decrease in accounts receivable	910
Decrease in sales tax receivable	12,958
Decrease in grants receivable	26,319
Increase in other assets	(21,168)
Decrease in accounts payable and accrued liabilities	(483)
Increase in customer deposits	1,151
Decrease in deferred outflows of resources for pensions	(3,116)
Decrease in net pension liability	(7,217)
Increase in deferred inflows of resources for pensions	<u>2,694</u>
Total adjustments	<u>174,487</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>45,300</u></u>

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

TOWN OF ROBBINS, 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 Robbins 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 of Robbins is a municipal corporation which is governed by an elected mayor and a five-member Board of Commissioners. The Town operates under a Commissioner-Manager form of government. As required by generally accepted accounting principles, the Town would include any component unit for which it is financially accountable. For the year ended June 30, 2021, no component units were included in the basic financial statements.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Town. These statements include the financial activities of the overall government. 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 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. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Concluded)

revenues, such as subsidies result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

The Town reports the following major governmental funds:

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

Brownfield Assessment Project Fund. The fund is used to account for grant monies for the study of brownfields.

ORR Stimulus Project Fund. The fund is used to account for stimulus funds from the Office of Recovery and Resiliency.

The Town reports the following major enterprise fund:

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

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

donations are 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.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as 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 during this period are shown as a receivable in these financial statements and are offset by unavailable revenues.

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 Robbins because the tax is levied by Moore County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Concluded)

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 positions 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 budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general and enterprise funds. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value.

TOWN OF ROBBINS, 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)

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.

Restricted Assets

Powell Bill funds are classified as restricted cash and cash equivalents because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

Town of Robbins' Restricted Cash – Governmental Activities

Governmental Activities

General Fund

Streets	\$	110,975
Fire Department		81,835

Total Restricted Cash	\$	<u>192,810</u>
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Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due September 1st (lien date); however, penalties and interest do not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

Allowances for Doubtful Accounts

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

TOWN OF ROBBINS, 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)

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, infrastructure, furniture and equipment, and vehicles, \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2017 are recorded at their estimated fair value at the date of the donation. Donated capital assets received after June 15, 2017 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of road network 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	30
Buildings	50
Improvements	20
Furniture and equipment	10
Vehicles	4
Computer equipment	3

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion: pension deferrals related to LGERS and LEO Separation Allowance.

TOWN OF ROBBINS, 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 (Concluded)

In addition to liabilities, the statements 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 and property taxes receivable and deferrals of pension expense that result from the implementation of GASB Statement 68.

Claims, Judgments, and Contingent Liabilities

At June 30, 2021, the Town was not involved in any lawsuits.

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 un the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. Accumulated earned vacation in excess of thirty days at December 31 may be transferred to sick leave. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

TOWN OF ROBBINS, 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

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 represents constraints on resource 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, the 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:

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

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

TOWN OF ROBBINS, 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 (Concluded)

Restricted for Streets – The 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.

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

Fire Department – portion of fund balance committed for use in fire protection and capital outlay for fire department needs.

Economic Development – portion of fund balance committed for use in economic development.

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

Capital improvements – portion of fund balance that is assigned for use in making capital improvement or capital 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. The governing body approves the appropriation.

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

The Town of Robbins has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-Town funds,

TOWN OF ROBBINS, 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 (Concluded)

Fund Balances (Concluded)

Town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Town.

Pensions

For purposes of measuring the net pension asset, 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 Robbins' employer contributions are recognized when due and the Town of Robbins 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.

Use of Estimates

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 – Stewardship, Compliance, and Accountability

Noncompliance with North Carolina General Statutes

Audit Submission

Pursuant to NC G.S. 159-25(a)(1), the Town must keep the accounts of the local government in accordance with generally accepted accounting principles of governmental accounting and the rules and regulations of the Commission. The Town was not able to prepare the books for audit in a timely manner allowing for timely audit submission to the Local Government Commission as required by general statutes. Town staff are working diligently to correct this violation in future years.

Expenditures Not Preaudited

Pursuant to NC General Statute 159-28(a) of the Local Government Budget and Fiscal Control Act; no obligation may be incurred in a program, function or activity accounted for in a fund included in the budget ordinance unless a certificate stating that the obligation has been preaudited to assure compliance with subsection (a) of this section has been signed by the Finance Officer. Some disbursements in the Water System Improvements Grant Project Fund did not include the preaudit certificate signed by the Finance Officer. The Town will properly document the preaudit requirement in subsequent years.

Contract Not Preaudited

Pursuant to NC General Statute 159-28(a1) of the Local Government Budget and Fiscal Control Act; if an obligation is reduced to written contract or written agreement requiring the payment of money, or is evidenced by a written purchase order for supplies and materials, the written contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with subsection (a) of this section. A contract in a project fund did not have documentation of being preaudited. The Town will properly document the preaudit requirement in contracts in subsequent years.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds

Assets

Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in 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 these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for noninterest bearing deposits and the actual current balance for the interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their information with the Town or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit needs for deposits but relies on the State Treasurer to enforce standards in minimum capitalization in all pooling method financial institutions and to monitor them for compliance. The Town complies with provisions of G.S. 159-31 when designated official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Town's deposits had a carrying amount of \$416,275 and a bank balance of \$416,275. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

Restricted Assets: Powell Bill funds are also classified as restricted cash because they can be expended only for the purpose of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41-1 through 136-41-4.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Investments

At June 30, 2021, the Town of Robbins had \$2,229,395 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAA by Standard and Poor's. The Town has no policy regarding credit risk.

Receivables – Allowance for Doubtful Accounts

The amounts presented in the balance sheet and the statement of net position and are net of the following allowances for doubtful accounts:

Governmental Activities

General Fund: Taxes Receivable \$1,000

Due from Other Governmental Agencies

At June 30, 2021, funds due from other governmental agencies consisted of the following:

	Primary Government	
	General	Business-Type
Local Option Sales Tax	\$ 66,832	\$ -
Utility Franchise Tax	12,200	-
Solid Waste	218	-
Sales Tax Refund	2,326	
Property Taxes	22,386	-
Total	\$ 103,962	\$ -

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets

Primary Government

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 337,253	-	-	\$ 337,253
Total capital assets not being depreciated	<u>\$ 337,253</u>	<u>-</u>	<u>-</u>	<u>\$ 337,253</u>
Capital assets being depreciated:				
Land improvements	\$ 494,128	-	-	494,128
Buildings	2,395,934	-	-	2,395,934
Vehicles and motorized equipment	1,811,765	45,500	-	1,857,265
Other equipment	<u>660,530</u>	<u>-</u>	<u>-</u>	<u>660,530</u>
Total capital assets being depreciated	<u>\$ 5,362,357</u>	<u>-</u>	<u>-</u>	<u>\$ 5,407,857</u>
Less accumulated depreciation				
Land improvements	\$ 294,481	8,040	-	302,521
Buildings	577,038	56,494	-	633,532
Vehicles and motorized equipment	1,356,943	84,802	-	1,441,745
Other equipment	<u>569,761</u>	<u>39,522</u>	<u>-</u>	<u>609,283</u>
Total accumulated depreciation	<u>2,798,223</u>	<u>188,858</u>	<u>-</u>	<u>2,987,081</u>
Total capital assets being depreciated, net	<u>2,564,134</u>			<u>2,420,776</u>
Governmental activity capital assets, net	<u>\$ 2,901,387</u>			<u>\$ 2,758,029</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Concluded)

Primary Government (Continued)

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

General government	\$	5,715
Public safety		162,902
Transportation		6,675
Cultural and recreational		13,566
Total depreciation expense	\$	<u>188,858</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Assets (Continued)

Capital Assets (Concluded)

Primary Government (Concluded)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 702,309	-	-	\$ 702,309
Construction in progress	1,601,105	1,318,325	-	2,919,430
Total capital assets not being depreciated	<u>\$ 2,303,414</u>	<u>1,318,325</u>	<u>-</u>	<u>\$ 3,621,739</u>
Capital assets being depreciated:				
Plant and distribution system	\$ 10,323,586	-	-	\$10,323,586
Vehicles and motorized equipment	133,862	63,728	-	197,590
Other equipment	243,114	-	-	243,114
Total capital assets being depreciated	<u>\$ 10,700,562</u>	<u>63,728</u>	<u>-</u>	<u>10,764,290</u>
Less accumulated depreciation				
Plant and distribution system	\$ 6,633,668	135,454	-	\$ 6,769,122
Vehicles and motorized equipment	133,862	12,746	-	146,608
Other equipment	179,787	14,239	-	194,026
Total accumulated depreciation	<u>\$ 6,947,317</u>	<u>162,439</u>	<u>-</u>	<u>7,109,756</u>
Total capital assets bring depreciated, net	<u>3,753,245</u>			<u>3,654,534</u>
Business-type activity capital assets, net	<u>\$ 6,056,659</u>			<u>\$ 7,276,273</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Liabilities

Pension Plan Obligations

Local Government Employee's Retirement System

Plan description. The Town of Robbins is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consist of 13 member – 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. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Government 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, North Carolina 27699-1410, or by calling (919) 981-5454.

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 or creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or who have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increase. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full 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 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 Robbins 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 Robbins' contractually required contribution rate for the year ended June 30, 2021, was 9.70% of compensation for law enforcement officers and 8.95% 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 Robbins were \$53,117 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 member 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 ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

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

At June 30, 2021, the Town reported a liability of \$194,154 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 asset 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 asset 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 0.00596%, which is a decrease of 0.00186% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$65,744. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,098	\$ 42,103
Changes of assumptions	34,285	1,387
Net difference between projected and actual earnings on pension plan investments	29,971	-
Changes in proportion and differences between town contributions and proportionate share of contributions	1,588	31,180
Town contributions subsequent to the measurement date	64,397	-
Total	\$ 158,339	\$ 74,670

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Continued)

\$64,397 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 asset 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:	
2022	\$ 9,585
2023	18,367
2024	6,301
2025	8,870
2026	-
Thereafter	-
	\$ <u><u>43,123</u></u>

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

Inflation	3.0 percent
Salary increase	3.50 to 8.10 percent, including inflation and productivity
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's 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, 2020 are summarized in the following table:

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

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Local Government Employee's Retirement System (Concluded)

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 432,105	\$ 212,976	\$ 30,864

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

The Town of Robbins administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Continued)

The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

	General Employees:
Retirees and dependents receiving benefits	1
Active plan members	4
Total	<u>5</u>

Summary of Significant Accounting Policies

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

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

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

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Law Enforcement Officers Special Separation Allowance (Concluded)

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

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

Contributions. The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earning. The Town paid \$16,893 as benefits came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of \$166,611. 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 \$3,054.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,203	\$ 42,103
Changes of assumptions	18,435	1,387
Total	\$ 24,988	\$ 43,490

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

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

\$16,893 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (6,742)
2023	(6,558)
2024	(5,940)
2025	(3,137)
2026	(1,475)
Thereafter	-
	\$ <u>(23,852)</u>

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

	<u>1% Decrease (0.93%)</u>	<u>Discount Rate (1.93%)</u>	<u>1% Increase (2.93%)</u>
Total pension liability	\$ 156,049	\$ 147,789	\$ 140,182

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

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

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

	2021
Beginning balance	\$ 173,792
Service cost	2,660
Interest on the total pension liability	5,390
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(36,853)
Changes of assumptions or other inputs	19,693
Benefit payments	(16,893)
Other changes	-
Ending balance of the total pension liability	\$ <u>147,789</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disable 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, 2011 through December 31, 2015.

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 Town Council 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 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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Continued)

Supplemental Retirement Income Plan for Law Enforcement Officers (Concluded)

Section 401(K) plan that includes the Supplemental Retirement Income Plan for law enforcement officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of law enforcement 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 \$10,471.

Other Employee Benefits

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

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Pension Plan Obligations (Concluded)

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 \$2 million per occurrence, employee benefits, police professional and public official's liability coverage of \$1 million, property coverage up to \$16,804,163, and workers' compensation coverage up to \$1 million. 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 flood insurance as none of their buildings are located in flood prone areas.

In accordance with G.S. 159-29, the Town employees that have access to \$100 or more at any given time to the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$20,000.

Deferred Outflows and Inflows of Resources

The Town has deferred outflows and inflows of resources.

<u>Source</u>	<u>Amount</u>
Deferred outflows of resources:	
Pension deferrals (LGERS)	\$ 138,701
Pension deferrals (LEO)	19,638
	<u>\$ 158,339</u>
Deferred inflows of resources:	
Pension deferrals (LGERS)	\$ 31,180
Pension deferrals (LEO)	43,490
	<u>\$ 74,670</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Long-Term Obligations

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
In June 2017, the Town entered into an installment loan for the purchase of a vehicle. Due in five annual payments of \$5,176 including interest at 3.0%, secured by vehicle.	\$ 5,024	\$ -
In June 2017, the Town entered into an installment loan for the purchase of a fire truck. Due in ten annual payments of \$36,000 including interest at 1.0%, secured by truck.	237,166	-
In October 2002, the Town entered into a loan agreement with the NC Dept. of Commerce to partially finance an emergency water interconnection with Montgomery County, non-interest bearing.	-	136,620
On April 18, 2002, the Town executed a promissory note payable to the NC Dept. of Environment, Health, and Natural Resources to finance sewer improvements. Bears interest at 2.5%	-	412,247
In September 2010, the Town entered into a loan agreement with the U.S. Dept. of Agriculture for the New Fire Department construction. Upon completion of the building, the loan will be paid in forty annual payments of \$32,362, including interest at 3.5%.	615,795	-
In May 2020, the Town entered into a loan agreement with NCDEQ for sewer improvements. The loan is principal only payments and payable annually.	-	296,514
In May 2012, the Town entered into a loan agreement with the U.S. Dept. of Agriculture for the New Fire Department construction. Upon completion of the building, the loan will be paid in forty annual payment of \$11,318, including interest at 3.375%.	218,712	-
In April 2019, the Town entered into a loan agreement with the NC Office of Recovery and Resiliency for emergency funding for disaster relief and recovery. The loan is principal only with no interest or administrative fees. Repayments are made upon receipt of reimbursement from federal government.	-	1,600,000
Total outstanding	\$ 1,076,697	\$ 2,445,381
Less: current portion	<u>65,120</u>	<u>80,560</u>
	<u>\$ 1,011,577</u>	<u>\$ 2,364,821</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Long-Term Obligations (Continued)

At June 30, 2021, the Town of Robbins had a legal debt margin of \$2,138,562.

Changes in long-term liabilities: The following is a summary of changes in the Town's long-term obligations for the year ended June 30, 2021:

	Balances July 1, 2020	Increases	Decreases	Balances June 30, 2021	Current Portion of Balance
Governmental activities:					
Installment debt					
Vehicle	\$ 9,899	\$ -	\$ 4,875	\$ 5,024	\$ -
Truck	252,000	-	36,000	216,000	-
FD Cons. (2010)	628,623	-	12,828	615,795	-
FD Cons. (2012)	223,817	-	5,105	218,712	-
Truck	26,192	-	5,026	21,166	-
Net Pension Liability (LGERS)	159,976	6,635	-	166,611	-
Total Pension Liability (LEO)	173,792	-	26,003	147,789	-
Compensated Absences	20,594	32,678	-	53,272	-
Governmental activity					
long-term liabilities	\$ 1,494,893	\$ 39,313	\$ 89,837	\$ 1,444,369	\$ -
Business-type activities:					
Promissory note					
Sewer Improvements	\$ 463,777	\$ -	\$ 51,531	\$ 412,246	\$ -
Loan agreement					
Water Interconnection	136,620	-	-	136,620	-
Sewer	312,120	-	15,606	296,514	-
NCORR	1,600,000	-	-	1,600,000	-
Net Pension Liability (LGERS)	53,582	-	7,217	46,365	-
Compensated Absences	7,827	6,105	-	13,932	-
Business-type activity					
long-term liabilities	\$ 2,573,926	\$ 6,105	\$ 74,354	\$ 2,505,677	\$ -

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Continued)

Long-Term Obligations (Continued)

Maturities of Long-Term Obligations

The annual requirements to retire all debt outstanding, other than compensated absences, at June 30, 2021, including interest, are as follows:

Governmental Activities: Principal	Notes Payable				
	Vehicle	Truck	FD Cons. (2010)	FD Cons. (2012)	Total
2022	10,119	33,716	11,447	4,215	59,497
2023	16,070	34,053	11,853	4,360	66,336
2024	-	34,393	12,216	4,489	51,098
2025	-	34,737	12,707	4,662	52,106
2026	-	35,602	13,560	4,901	54,063
2027-2031	-	43,499	72,558	27,986	144,043
Thereafter	-	-	481,454	168,099	649,553
	<u>\$ 26,189</u>	<u>\$ 216,000</u>	<u>\$ 615,795</u>	<u>\$ 218,712</u>	<u>\$ 1,076,696</u>
Interest					
2022	308	2,284	21,918	7,599	32,109
2023	-	1,947	21,512	7,454	30,913
2024	-	1,607	21,149	7,325	30,081
2025	-	1,263	20,658	7,152	29,073
2026	-	1,690	20,340	6,850	28,880
2027-2031	-	-	94,523	31,206	125,729
Thereafter	-	-	201,185	69,949	271,134
	<u>\$ 308</u>	<u>\$ 8,791</u>	<u>\$ 401,285</u>	<u>\$ 137,535</u>	<u>\$ 547,919</u>

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 – Detail Notes on All Funds (Concluded)

Long-Term Obligations (Concluded)

Business-Type Activities: Principal	Notes Payable		
	Water Inter.	Sewer Impr.	Total
2022	24,338	51,531	75,869
2023	24,338	51,531	75,869
2024	24,338	51,531	75,869
2025	24,338	51,531	75,869
2026	14,930	51,531	66,461
2027-2031	-	154,592	154,592
Thereafter	-	-	-
	\$ <u>112,282</u>	\$ <u>412,246</u>	\$ <u>524,528</u>
Interest			
2022	-	10,306	10,306
2023	-	9,018	9,018
2024	-	7,730	7,730
2025	-	6,441	6,441
2026	-	6,251	6,251
2027-2031	-	18,227	18,227
Thereafter	-	-	-
	\$ <u>-</u>	\$ <u>57,973</u>	\$ <u>57,973</u>

The note payable to NCORR is not reflected in the above schedule. Repayment dates are determined by dates of reimbursement from federal government and therefore, are not readily determinable. The full loan is expected to be repaid from reimbursement within three years from the loan date.

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 4 – Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

Note 5 – Fund Balance

Fund Balance

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

Total fund balance - General Fund	\$ <u>1,130,066</u>
Stabilization by State Statute	104,385
Streets - Powell Bill	110,975
Committed - Fire Department	81,835
Appropriated Fund Balance in 2022 budget	-
Remaining Fund Balance	832,871

Note 6 – Significant Effects of Subsequent Events

The Town has evaluated all subsequent events through September 30, 2022, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

This section contains additional information required by
generally accepted accounting principles.

- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability
- Schedule of Total Pension Liability as a Percentage of Covered Payroll

TOWN OF ROBBINS. NORTH CAROLINA

PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS

Local Government Employee's Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Robbins's proportion of the net pension liability (asset) (%)	0.00596%	0.00782%	0.00914%	0.00838%	0.00916%	0.00008%	0.00920%
Robbins's proportion of the net pension liability (asset) (\$)	\$ 212,976	\$ 213,558	\$ 180,051	\$ 128,023	\$ 194,406	\$ 36,263	\$ (36,682)
Robbins's covered-employee payroll	\$ 546,965	\$ 538,000	\$ 566,306	\$ 505,470	\$ 477,135	\$ 518,096	\$ 268,573
Robbins's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38.94%	39.69%	31.79%	25.33%	40.74%	7.00%	-13.66%
Plan fiduciary net position as percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%

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

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

TOWN OF ROBBINS. NORTH CAROLINA

TOWN OF ROBBINS'S CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST SEVEN FISCAL YEARS

Local Government Employee's Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 53,117	\$ 42,509	\$ 41,905	\$ 35,036	\$ 36,539	\$ 32,761	\$ 36,512	\$ 16,177
Contributions in relation to the contractually required contribution	<u>53,117</u>	<u>42,509</u>	<u>41,905</u>	<u>35,036</u>	<u>36,539</u>	<u>32,761</u>	<u>36,512</u>	<u>16,177</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Robbins's covered-employee payroll	609,972	546,965	538,000	566,306	505,470	477,135	518,096	268,573
Contributions as a percentage of covered-employee payroll	8.71%	7.77%	7.79%	6.19%	7.23%	6.87%	7.05%	6.02%

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

June 30, 2020

	2021	2020	2019	2018	2017
Beginning Balance	\$ 173,792	\$ 197,003	\$ 203,016	\$ 219,790	\$ 234,054
Service Cost	2,660	3,306	4,839	2,339	7,304
Interest on the Total Pension Liability	5,390	6,863	6,148	7,769	7,903
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience in the Measurement of the Total Pension Liability	(36,853)	(20,489)	5,214	2,043	-
Changes of Assumptions or Other Inputs	19,693	4,002	(5,321)	8,113	(4,128)
Benefit Payments	(16,893)	(16,893)	(16,893)	(37,038)	(25,343)
Other Changes	-	-	-	-	-
Ending Balances of the Total Pension Liability	\$ <u>147,789</u>	\$ <u>173,792</u>	\$ <u>197,003</u>	\$ <u>203,016</u>	\$ <u>219,790</u>

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

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

June 30, 2020

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 147,789	\$ 173,792	\$ 197,003	\$ 203,016	\$ 219,790
Covered Payroll	269,647	179,686	178,620	116,147	234,054
Total Pension Liability as a Percentage of Covered Payroll	54.81%	96.72%	110.29%	174.79%	93.91%

Notes to the Schedules:

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

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad Valorem Taxes:			
Taxes	\$ -	\$ 542,507	\$ -
Prior Years Taxes	-	1,814	-
Penalties and Interest	-	2,591	-
Discounts	-	(3,786)	-
Total	<u>477,500</u>	<u>543,126</u>	<u>65,626</u>
Unrestricted Intergovernmental:			
Local Option Sales Tax	-	376,710	-
Utility Franchise Tax	-	59,695	-
Sales and Use Tax Refund	-	12,830	-
Controlled Substance Tax	-	1,668	-
Beer and Wine Tax	-	5,062	-
Total	<u>381,000</u>	<u>455,965</u>	<u>74,965</u>
Restricted Intergovernmental:			
Powell Bill Allocation	-	32,980	-
FEMA grants	-	43,587	-
Moore County fire district	-	320,973	-
County rescue funding	-	550	-
Solid Waste Disposal Tax	-	880	-
Total	<u>451,270</u>	<u>398,970</u>	<u>(52,300)</u>
Sales and Services:			
Refuse Collection Fees	-	85,968	-
Cemetery revenues	-	32,205	-
Rentals	-	12,714	-
Officer Fees	-	679	-
Zoning permits	-	2,240	-
Total	<u>111,300</u>	<u>133,806</u>	<u>22,506</u>
Investment Earnings	<u>7,000</u>	<u>1,356</u>	<u>(5,644)</u>
Other General Revenues:			
Donations	-	280	-
Insurance proceeds	-	28,932	-
Surplus Item Sales	-	14,275	-
Miscellaneous	-	39,694	-
Total	<u>43,382</u>	<u>83,181</u>	<u>39,799</u>
Total Revenues	\$ <u>1,471,452</u>	\$ <u>1,616,404</u>	\$ <u>144,952</u>

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and Employee Benefits	\$	\$ 14,179	\$
Operating Expenditures		2,037	
Total	<u>18,054</u>	<u>16,216</u>	<u>1,838</u>
Administration:			
Salaries and Employee Benefits		90,704	
Operating Expenditures		136,588	
Total	<u>229,283</u>	<u>227,292</u>	<u>1,991</u>
Legal:			
Operating Expenditures	<u>50,000</u>	<u>41,763</u>	<u>8,237</u>
Total General Government	<u>297,337</u>	<u>285,271</u>	<u>12,066</u>
Public Safety:			
Police Department:			
Salaries and Employee Benefits		359,387	
Operating Expenditures		111,226	
Capital Outlay		38,762	
Total	<u>511,727</u>	<u>509,375</u>	<u>2,352</u>
Fire Department:			
Salaries and Employee Benefits		151,202	
Operating Expenditures		159,683	
Capital Outlay		8,000	
Total	<u>336,991</u>	<u>318,885</u>	<u>18,106</u>
Total Public Safety	<u>848,718</u>	<u>828,260</u>	<u>20,458</u>
Transportation:			
Street Department:			
Salaries and Employee Benefits		53,528	
Operating Expenditures		60,732	
Capital Outlay		11,500	
Total	<u>175,276</u>	<u>125,760</u>	<u>49,516</u>
Powell Bill:			
Street Maintenance and Repair:	<u>38,000</u>	<u>1,684</u>	<u>36,316</u>
Total Transportation	<u>213,276</u>	<u>127,444</u>	<u>85,832</u>

TOWN OF ROBBINS, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (concluded):			
Environmental Protection:			
Sanitation:			
Operating Expenditures	\$	\$ 64,532	\$
Total Environmental Protection	<u>66,283</u>	<u>64,532</u>	<u>1,751</u>
Cultural and Recreational:			
Library:			
Operating Expenditures		22,572	
Other recreational		18,906	
Total Cultural and Recreational	<u>41,480</u>	<u>41,478</u>	<u>2</u>
Debt Service:			
Principal Retirement		58,581	
Interest and Fees		35,820	
Total Debt Service	<u>89,858</u>	<u>94,401</u>	<u>(4,543)</u>
Total Expenditures	<u>1,556,952</u>	<u>1,441,386</u>	<u>115,566</u>
Revenues Over (Under) Expenditures	<u>(85,500)</u>	<u>175,018</u>	<u>(260,518)</u>
Other Financing Sources (Uses):			
Transfer from ORR Stimulus Fund	65,000	65,000	-
Transfer to FEMA fund	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Fund Balance Appropriated	<u>20,500</u>	<u>-</u>	<u>(20,500)</u>
Net Change in Fund Balance	\$ <u>-</u>	240,018	\$ <u>240,018</u>
Fund Balances, Beginning		<u>890,048</u>	
Fund Balances, Ending		\$ <u>1,130,066</u>	

TOWN OF ROBBINS, NORTH CAROLINA

BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2021

	Economic Development Fund	Brownfield Robbins Mill Smokestack	ORR Stimulus Grant Project	Total Non-Major Governmental Fund
Assets:				
Cash and Cash Equivalents	\$ 27,269	\$ (22,672)	\$ 32,099	\$ 36,696
Sales Tax Receivable	-	-	3,354	3,354
Grants Receivable	-	23,095	-	23,095
Total Assets	<u>27,269</u>	<u>423</u>	<u>35,453</u>	<u>63,145</u>
Liabilities and Fund Balance:				
Liabilities:				
Accounts Payable and Accrued Liabilities	-	423	-	423
Total Liabilities	-	423	-	423
Fund Balances:				
Unreserved, Reported in Special Revenue Fund	27,269	-	35,453	62,722
Total Fund Balances	27,269	-	35,453	62,722
Total Liabilities and Fund Balances	<u>\$ 27,269</u>	<u>\$ 423</u>	<u>\$ 35,453</u>	<u>\$ 63,145</u>

TOWN OF ROBBINS, NORTH CAROLINA**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUND**

For the Fiscal Year Ended June 30, 2021

	Economic Development Fund	Brownfield Robbins Mill Smokestack	ORR Stimulus Grant Project	Total Non-Major Governmental Fund
Revenues:				
Grant revenue	\$ -	\$ 32,429	\$ -	\$ 32,429
Donation revenue	-	-	-	-
Total Revenues	-	32,429	-	32,429
Expenditures:				
Operating expenditures	-	-	-	-
Grant expenditures	-	32,429	128,728	161,157
Total Expenditures	-	32,429	128,728	161,157
Revenues Over (Under) Expenditures	-	-	(128,728)	(128,728)
Other Financing Sources/(Uses)				
Transfer to general fund	-	-	(120,974)	(120,974)
Net Change in Fund Balance	-	-	(249,702)	(249,702)
Fund Balance, Beginning	27,269	-	285,155	312,424
Fund Balance, Ending	\$ <u>27,269</u>	\$ <u>-</u>	\$ <u>35,453</u>	\$ <u>62,722</u>

TOWN OF ROBBINS, NORTH CAROLINA

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues:			
Water Charges	\$	\$ 482,161	\$
Sewer Charges		321,638	
Tap and Connection Fees		4,025	
Other Operating Revenues		443	
Total Operating Revenues	<u>838,800</u>	<u>808,267</u>	<u>(30,533)</u>
Nonoperating Revenues:			
Investment Earnings		128	
Late Fees		18,335	
Total Nonoperating Revenues	<u>16,850</u>	<u>18,463</u>	<u>1,613</u>
Total Revenues	<u>855,650</u>	<u>826,730</u>	<u>(28,920)</u>
Expenditures:			
Water Treatment and Distribution:			
Salaries and Employee Benefits		81,307	
Water purchases		214,671	
Operating Expenses		77,287	
Capital Outlay		-	
Total	<u>447,170</u>	<u>373,265</u>	<u>73,905</u>
Water Collection and Treatment:			
Salaries and Employee Benefits		78,124	
Operating Expenses		249,461	
Capital Outlay		-	
Total	<u>470,465</u>	<u>327,585</u>	<u>142,880</u>
Debt Service:			
Principal		67,137	
Interest		11,594	
Total	<u>114,141</u>	<u>78,731</u>	<u>35,410</u>
Total Expenditures	<u>\$ 1,031,776</u>	<u>\$ 779,581</u>	<u>\$ 252,195</u>

TOWN OF ROBBINS, NORTH CAROLINA

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

	Budget	Actual	Variance Positive (Negative)
Revenues Over (Under) Expenditures	<u>(176,126)</u>	<u>47,149</u>	<u>223,275</u>
Fund Balance Appropriated	<u>55,152</u>	<u>-</u>	<u>(55,152)</u>
Other Financing Sources/(Uses):			
Transfer from ORR Grant fund	<u>120,974</u>	<u>120,974</u>	<u>-</u>
Total Other Financing Sources	<u>120,974</u>	<u>120,974</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>-</u>	<u>168,123</u>	<u>-</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling Items:			
Principal Retirement		67,137	
Capital Contributions		424,276	
Depreciation		(162,439)	
Decrease in Outflows of Resources- Pension		3,116	
Increase in Inflows of Resources- Pension		2,694	
Decrease in Net Pension Liability		(7,217)	
Total Reconciling Items		<u>327,567</u>	
Change in Net Position		<u>\$ 495,690</u>	

TOWN OF ROBBINS, NORTH CAROLINA**WATER AND SEWER CAPITAL PROJECTS FUND****WATER SYSTEM IMPROVEMENTS GRANT****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**

From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
CDBG Grant	\$ 2,000,000	\$ 1,766,032	\$ 289,333	\$ 2,055,365	\$ 55,365
Total Revenues	<u>2,000,000</u>	<u>1,766,032</u>	<u>289,333</u>	<u>2,055,365</u>	<u>55,365</u>
Expenditures:					
Engineering fees		151,914	103,311	255,225	(255,225)
Public water improvements	1,779,953	1,367,203	193,210	1,560,413	219,540
Administration	220,047	246,915	506	247,421	(27,374)
Total Expenditures	<u>2,000,000</u>	<u>1,766,032</u>	<u>297,027</u>	<u>2,063,059</u>	<u>(63,059)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(7,694)</u>	<u>(7,694)</u>	<u>(7,694)</u>

TOWN OF ROBBINS, NORTH CAROLINA**WATER AND SEWER CAPITAL PROJECTS FUND****CHLORINE BOOSTER WATER IMPROVEMENT GRANT****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**

From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorizaion	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant proceeds	\$ 624,240	\$ -	\$ 246,901	\$ 246,901	\$ (377,339)
Total Revenues	<u>624,240</u>	<u>-</u>	<u>246,901</u>	<u>246,901</u>	<u>(377,339)</u>
Expenditures:					
Construction costs	533,900	90,941	396,993	487,934	45,966
Engineering costs	50,000	57,993	12,929	70,922	(20,922)
Administration costs	40,340	3,075	19,014	22,089	18,251
Total Expenditures	<u>624,240</u>	<u>152,009</u>	<u>428,936</u>	<u>580,945</u>	<u>43,295</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(152,009)</u>	<u>(182,035)</u>	<u>(334,044)</u>	<u>(334,044)</u>

TOWN OF ROBBINS, NORTH CAROLINA**WATER AND SEWER CAPITAL PROJECTS FUND****FEMA RECOVERY AND RESPONSE****SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AN ACTUAL (NON-GAAP)**

From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorizaion	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Grant proceeds	\$ -	\$ 202,214	\$ -	\$ 202,214	\$ 202,214
Total Revenues	<u>-</u>	<u>202,214</u>	<u>-</u>	<u>202,214</u>	<u>202,214</u>
Expenditures:					
Emergency needs	-	27,863	37,676	65,539	(65,539)
Road/bridge repair	-	7,500	46,011	53,511	(53,511)
Water control	-	-	-	-	-
Buildings/equipment repair and replacement	-	7,200	-	7,200	(7,200)
Utility repair	-	49,390	250,607	299,997	(299,997)
Engineering costs	-	193,889	246,917	440,806	(440,806)
Miscellaneous	-	18	-	18	(18)
Total Expenditures	<u>1,600,000</u>	<u>285,860</u>	<u>581,211</u>	<u>867,071</u>	<u>732,929</u>
Revenues Over (Under) Expenditures	<u>(1,600,000)</u>	<u>(83,646)</u>	<u>(581,211)</u>	<u>(664,857)</u>	<u>935,143</u>
Other Financing Sources/(Uses):					
Loan proceeds	1,600,000	1,600,000	-	1,600,000	-
Interest income	-	27,108	263	27,371	(27,371)
Total Other Financing Sources	<u>1,600,000</u>	<u>1,627,108</u>	<u>263</u>	<u>1,627,371</u>	<u>(27,371)</u>
Revenues and Other Sources Over (Under) Expenditures	\$ <u>-</u>	\$ <u>1,543,462</u>	\$ <u>(580,948)</u>	\$ <u>962,514</u>	\$ <u>962,514</u>

TOWN OF ROBBINS, NORTH CAROLINA**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**

June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 530,685	\$ 528,832	\$ 1,853
2019-2020	3,018	-	2,005	1,013
2018-2019	586	-	100	486
2017-2018	326	-	98	228
2016-2017	376	-	49	327
2015-2016	175	-	-	175
2014-2015	94	-	-	94
2013-2014	27	-	1	26
2012-2013	17	-	(8)	25
2011-2012	73	-	56	17
2010-2011	7	-	7	-
2009-2010	-	-	-	-
	<u>\$ 4,699</u>	<u>\$ 530,685</u>	<u>\$ 531,140</u>	4,244
Less: Allowance for Uncollectible Ad Valorem Taxes Receivable				<u>(1,000)</u>
Ad Valorem Taxes Receivable - Net				<u>\$ 3,244</u>
Reconcilement with Revenues:				
Ad Valorem Taxes Collected:				
General Fund				\$ 529,606
Reconciling Items:				
Interest Collected				(2,591)
Discounts				3,786
Taxes Written Off				7
Discoveries, releases and adjustments				<u>332</u>
Total Collections and Credits				<u>\$ 531,140</u>

TOWN OF ROBBINS, NORTH CAROLINA**ANALYSIS OF CURRENT TAX LEVY****TOWN - WIDE LEVY**

For the Year Ended June 30, 2021

	Town-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 71,714,189	0.74	\$ 530,685	\$ 429,112	\$ 101,573
Penalties	-		-	-	-
Total	<u>71,714,189</u>		<u>530,685</u>	<u>429,112</u>	<u>101,573</u>
Abatements	<u>-</u>	0.74	<u>-</u>	<u>-</u>	<u>-</u>
Total Property Valuation	<u>\$ 71,714,189</u>				
Net levy			<u>530,685</u>	<u>429,112</u>	<u>101,573</u>
Uncollected taxes at June 30, 2021			<u>1,853</u>	<u>1,853</u>	<u>-</u>
Current year's taxes collected			<u>\$ 528,832</u>	<u>\$ 427,259</u>	<u>\$ 101,573</u>
Current levy collection percentage			<u>99.65%</u>	<u>99.57%</u>	<u>100.00%</u>



WILLIAM R. HUNEYCUTT

CERTIFIED PUBLIC ACCOUNTANT PLLC

216 West North Street
Albemarle, NC 28001
Phone: (704) 983-5012
Fax: (704) 983-5109

379 South Cox Street
Asheboro, NC 27203
Phone: (336) 626-9970
Fax: (336) 626-5981

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

INDEPENDENT AUDITOR'S REPORT

The Mayor and Town Council
Town of Robbins
Robbins, North Carolina

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Robbins, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Robbins' basic financial statements, and have issued my report thereon dated September 30, 2022.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the Town of Robbins' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-01 and 2021-02.

Internal Control over Financial Reporting. In planning and performing my audit of the financial statements, I considered the Town of Robbins' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Robbins' internal control. Accordingly, I do not express an opinion on the effectiveness of the Town of Robbins' internal control.

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

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses, and therefore significant deficiencies or material weaknesses may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-01 and 2021-02.

Town of Robbins' Responses to Findings. The Town of Robbins' response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

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

A handwritten signature in black ink, reading "William R. Huneycutt, CPA, PLLC". The signature is written in a cursive, flowing style.

William R. Huneycutt, CPA, PLLC
Asheboro, North Carolina

September 30, 2022



WILLIAM R. HUNEYCUTT

CERTIFIED PUBLIC ACCOUNTANT PLLC

216 West North Street
Albemarle, NC 28001
Phone: (704) 983-5012
Fax: (704) 983-5109

379 South Cox Street
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**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance in Accordance
With OMB Uniform Guidance and the State Single Audit Implementation Act**

INDEPENDENT AUDITOR'S REPORT

The Mayor and Town Council
Town of Robbins
Robbins, North Carolina

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

The Town of Robbins' management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination on the Town of Robbins' compliance with those requirements.

Opinions on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. I did not identify any deficiencies in internal control over compliance that I consider to be a material weakness. However, I did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-03 that I consider to be a significant deficiency.

The Town of Robbins' response to the internal control over compliance finding identified in my audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on it.

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

A handwritten signature in black ink, reading "William R. Huneycutt, CPA, PLLC". The signature is written in a cursive style with a large, stylized "W" and "H".

William R. Huneycutt, CPA, PLLC
Asheboro, North Carolina

September 30, 2022

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified.

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u>	yes	<u> X </u>	no
Significant deficiency(s) identified that are not considered to be material weaknesses	<u> X </u>	yes	<u> </u>	none reported
Noncompliance material to financial statements noted	<u> X </u>	yes	<u> </u>	no

Federal Awards

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u>	yes	<u> X </u>	no
Significant deficiency(s) identified that are not considered to be material weaknesses	<u> </u>	yes	<u> X </u>	none reported
Noncompliance material to federal awards	<u> </u>	yes	<u> X </u>	no

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u>	yes	<u> </u>	no
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Dollar threshold used to distinguish between Type A and Type B Programs	<u> \$ 750,000 </u>
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Auditee qualified as a low-risk auditee?	<u> </u>	yes	<u> X </u>	no
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TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2021

Section II. Findings Related to the Audit
of the Basic Financial Statements

Significant Deficiencies:

Finding 2021-01: Timely Submission of Audit

Material Noncompliance - Significant Deficiency

Criteria: G.S. 159-34 requires the local government to obtain an annual independent audit of the financial statements and submit them timely to the Local Government Commission.

Condition: The Town of Robbins did not submit the audit report timely to the Local Government Commission in accordance with requirements under G.S. 159-34.

Effect: Timely audit submission is important to maintain accurate and timely record of Town financial activity, as well as provide timely information to the Local Government Commission and interested parties.

Cause: Audit submission was delayed due to Town management not providing needed commentary and information for financial statement completion and submission.

Recommendation: The Town should provide information on a timely basis in order for audit submission to be completed in the timeframe of the audit contract.

Management Response: The Town of Robbins agrees with this finding.

Finding 2021-02: Expenditures Not Preaudited

Material Noncompliance - Significant Deficiency

Criteria: Pursuant to General Statute 159-28(a) of the Local Government Budget and Fiscal Control Act; "no obligation may be incurred in a program, function, or activity accounted for in a fund included in the budget ordinance unless a certificate stating that the obligation has been preaudited to assure compliance with subsection (a) of this section has been signed by the finance officer."

Condition: Selected disbursements in the Water System Improvements Grant Project Fund and the FEMA Recovery and Response Grant fund were found to not have the preaudit certificate signed by the finance officer.

Effect: Obligations could be incurred without a sufficient budget remaining.

Cause: Staff in charge of assuring the preaudit certificate is signed by the finance officer did not fully understand their responsibilities.

Recommendation: Management should train staff on understanding the importance of adhering to this section of the Local Government Fiscal Control Act.

Management Response: The Town of Robbins agrees with this finding.

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2021

Section II. Findings Related to the Audit
of the Basic Financial Statements

Significant Deficiencies:

Finding 2021-03: Contract not Preaudited

Material Noncompliance - Significant Deficiency

Criteria:	Pursuant to General Statute 159-28(a1) of the Local Government Budget and Fiscal Control Act; "If an obligation is reduced to written contract or written agreement requiring the payment of money, or is evidenced by a written purchase order for supplies and materials, the written contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been preaudited to assure compliance with subsection (a) of this section."
Condition:	A contract for the general contractor in the Water System Improvements Grant Project Fund did not have documentation of being preaudited on its face.
Effect:	Obligations could be incurred without authorization.
Cause:	Staff in charge of assuring the preaudit certificate is signed by the finance officer did not fully understand their responsibilities.
Recommendation:	Management should train staff on understanding the importance of adhering to this section of the Local Government Fiscal Control Act.
Management Response:	The Town of Robbins agrees with this finding.

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Concluded)

For the Year Ended June 30, 2021

Section III. Findings and Questioned Costs Related
to the Audit of Federal Awards

Significant Deficiencies:

U.S. Department of Housing and Urban Development:

Passed through N.C. Department of Environment Quality

Program Name: CDBG Water Infrastructure

CFDA Number: 14.228

Grant Number: 16-I-2922

Significant Deficiency:

Finding 2021-04: Contractor Contract not Containing Required Elements

Criteria:	Pursuant to Section 200.326 of the OMB Uniform Guidance; "the non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200 - Contract Provisions for non-Federal Entity Contracts Under Federal Awards."
Condition:	Contract with the general contractor did not contain the required provisions pursuant to Uniform Guidance.
Effect:	Ineligible expenditures could be made to vendors reimbursed by Federal awards.
Cause:	Management failed to include requirements in the contract.
Recommendation:	Management will include required provisions in the future to ensure compliance.
Management Response:	The Town of Robbins agrees with this finding.



TOWN OF ROBBINS, NORTH CAROLINA

CORRECTIVE ACTION PLAN For the Year Ended June 30, 2021

Finding 2021-01:

Name of contact person: Clint Mack, Town Manager

Corrective action plan: Town management will submit information necessary for timely completion of audit and financial statements.

Proposed completion date: Immediately.

Finding 2021-02:

Name of contact person: Clint Mack, Town Manager

Corrective action plan: Capital project fund expenditures will be preaudited and certified by the finance officer. The Town manager will review disbursements after preaudit certification is in place. Additionally, the finance officer has attended coursework to better understand the responsibility of the role. Additionally, current Town staff were not in place during the full period under audit.

Proposed completion date: Immediately.

Finding 2021-03

Name of contact person: Clint Mack, Town Manager

Corrective action plan: Contracts will contain the preaudit certificate signed by the finance officer. The contracts will then be submitted to the Town Manager for approval.

Finding 2021-04:

Name of contact person: Clint Mack, Town Manager

Corrective action plan: All future contracts paid with federal awards funding will contain the required elements pursuant to the federal Uniform Guidance.

Proposed completion date: Immediately.



TOWN OF ROBBINS, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

Finding 2020-01:

Status: The Town has had much turnover in staff during the fiscal year 2020 and fiscal year 2021. Due to this turnover, this finding was not corrected until during fiscal year 2021. Current town management has corrected this finding for future years.

Finding 2020-02:

Status: The Town has had much turnover in staff. This issue has been corrected for the 2022 fiscal year and forward. Town management and staff are being diligent about preaudit requirements for contracts and other items as required.

Finding 2020-03:

Status: Corrected.

Finding 2020-04:

Status: Corrected.

Finding 2020-05:

Status: Corrected.

Finding 2020-06:

Status: Due to turnover in Town staff, similar finding occurred for 2021 (see finding 2021-03). In subsequent years, the Town has corrected this finding.

TOWN OF ROBBINS, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

Grantor Pass through Grantor	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Local Expenditures
Program Title					
FEDERAL AWARDS:					
Cash Programs:					
U.S. Department of Housing and Urban Development Passed through N.C. Department of Environmental Quality CDBG Infrastructure Fund	14.228	16-I-2922	\$ 297,027	\$ -	\$ -
U.S. Department of Homeland Security Passed through N.C. Department of Public Safety Public Assistance Program	97.036	4393-DR-NC	104,333	34,553	-
U.S. Department of Homeland Security Passed through N.C. Department of Public Safety FEMA Public Assistance	97.036	NCORR-011	581,211	-	-
Direct Programs:					
U.S. Environmental Protection Agency Brownsfield Assessment and Cleanup Agreement	66.818	D72518	32,429	-	-
Total Assistance - Federal Programs			1,015,000	34,553	-
STATE AWARDS:					
Cash Programs:					
N.C. Department of Environmental Quality State Reserve Project	N/A	H-SRP-D-17-0145	-	246,901	182,035
N.C. Department of Transportation: Powell Bill	N/A	32570	-	484	-
Total Assistance - State Programs			-	247,385	-
Total Assistance			\$ 1,015,000	\$ 281,938	\$ -

TOWN OF ROBBINS, NORTH CAROLINA

NOTES TO THE SCHEDULE OF FEDERAL EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2021

- Note 1: Basis of Presentation
The accompanying schedule of federal and state awards (SEFSA) includes the federal and state grant activity for the Town of Robbins under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Robbins, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Robbins.
- Note 2: Summary of Significant Accounting Policies
Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- Note 3: The Town of Robbins has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.