

**REVIEWED**

*By SLGFD at 9:17 am, Sep 24, 2021*

## **Town of Robbinsville, North Carolina**

### **FINANCIAL STATEMENTS**

**For the Fiscal Year Ended June 30, 2021**

#### **TOWN OFFICIALS**

Steve Hooper, Mayor

Shaun Adams

Debbie Beasley

Brian Johnson

#### **ADMINISTRATIVE and FINANCIAL STAFF**

Sonya Webster, Finance Director and Town Clerk

Shari Birchfield, Deputy Town Clerk

**Town of Robbinsville, North Carolina**  
**Table of Contents**  
**June 30, 2021**

<b><u>Exhibit</u></b>		<b><u>Page</u></b>
	<b>Financial Section:</b>	
-	<b>Independent Auditor's Report</b>	1-3
-	<b>Management's Discussion and Analysis</b>	4-11
	<b>Basic Financial Statements:</b>	
	Government-wide Financial Statements:	
A	Statement of Net Position	12
B	Statement of Activities	13
	Fund Financial Statements:	
C	Balance Sheet-Governmental Fund	14
C	Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	14
D	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	15
D	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	16
E	Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual - General Fund	17
F	Statement of Fund Net Position-Proprietary Fund	18
G	Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Fund	19
H	Statement of Cash Flows-Proprietary Fund	20
-	<b>Notes to the Financial Statements</b>	21-38
<b><u>Schedules</u></b>	<b>Required Supplemental Financial Data:</b>	
1	Schedule of the Proportionate Share of the Net Pension Asset - Local Government Employee's Retirement System	39
2	Schedule of Contributions - Local Government Employee's Retirement System	40
	<b>Individual Fund Statements and Schedules:</b>	
3	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	41-43

**Town of Robbinsville, North Carolina**  
**Table of Contents**  
**June 30, 2021**

<b><u>Schedules</u></b>		<b><u>Page</u></b>
4	Schedule of Revenues, Expenditures, and Changes in Fund Balances (Non-GAAP) - Budget and Actual - Water and Sewer Fund	44
5	Schedule of Revenues and Expenditures (Non-GAAP) - Budget and Actual - Water and Sewer Capital Projects Fund	45
6	Schedule of Ad Valorem Taxes Receivable	46
7	Analysis of Current Tax Levy - Town-Wide Levy	47
8	NC State Reserve Project Grant	48

## **FINANCIAL SECTION**

## **Independent Auditor's Report**

To the Honorable Mayor and Board of Aldermen  
Town of Robbinsville, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Robbinsville, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Town of Robbinsville, North Carolina, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary and Other Information***

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

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

other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Ray, Bumgarner, Kingshill & Assoc., P.A.*

Waynesville, North Carolina  
August 6, 2021

## **Management Discussion and Analysis**



**TOWN OF ROBBINSVILLE, NORTH CAROLINA**  
Management's Discussion and Analysis  
June 30, 2021

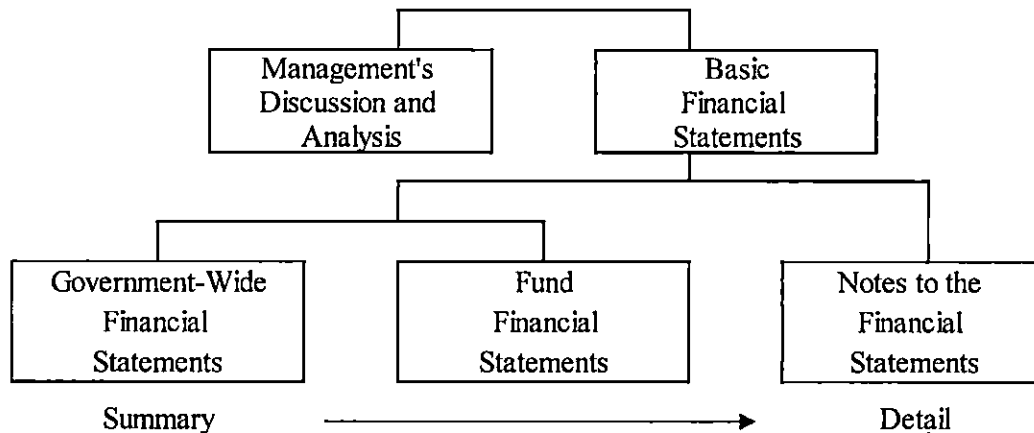
As management of the Town of Robbinsville, North Carolina (the "Town"), we offer readers of the Town of Robbinsville, North Carolina's, financial statements this narrative overview and analysis of the financial activities of the Town of Robbinsville, North Carolina for the fiscal year ended June 30, 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 of the Town of Robbinsville, North Carolina, *exceeded* its liabilities at the close of the fiscal year by \$13,819,454 (*net position*).
- The government's total net position decreased by \$223,650, primarily due to depreciation recorded in the business-type activities.
- As of the close of the current fiscal year, the Town of Robbinsville, North Carolina's governmental fund reported an ending fund balance of \$1,164,363 with a net change of \$109,247 in fund balance. Approximately 5.75 percent of the total balance, or \$66,985, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,097,378, or 223.45 percent of total general fund expenditures for the fiscal year.
- The Town's total debt decreased by \$33,804 (1.17 percent) during the year. The overall decrease was the result of principal paydowns on existing loans, offset to a lesser degree by an increase in the pension liability.
- The Town's General Fund paid \$27,214 for a new roof on Town Hall without increasing the Town's debt.
- COVID-19 has affected the Water & Sewer Fund's revenue. The Town resumed the normal procedures for collections and late fees on August 17, 2020. The Town added an online payment option July 2020 which has given customers a safe option of payment during this COVID-19 issue.
- The Tallulah Creek Water Plant project was completed for a total cost of \$653,295. New debt related to this project was \$27,313. Other equipment and fixed assets were capitalized by the Water & Sewer Fund totaling \$86,132 without increasing the Town's debt.

**Overview of the Financial Statements.**

This discussion and analysis are intended to serve as an introduction to Town of Robbinsville, North Carolina'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 Robbinsville, North Carolina.

**Required Components of Annual Financial Report****Figure 1****Basic Financial Statements**

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

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

**Government-Wide Financial Statements**

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

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and total liabilities. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; and 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as public safety, cultural and recreational, transportation, and general government. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers. These include the water and sewer services offered by the Town of Robbinsville, North Carolina. The final category is the component unit. Although legally separate from the Town, the Robbinsville Tourism Authority is important to the Town. The Town exercises control over the Authority by appointing its members.

The government-wide financial statements are on Exhibits A and B of this report.

### **Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the Town of Robbinsville, North Carolina'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 Robbinsville, North Carolina, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All the funds of the Town of Robbinsville, North Carolina can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.

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

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

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on Pages 21-38 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 Robbinsville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 39 of this report.

**Interdependence with Other Entities** - The Town depends on financial resources flowing from, or associated with, both 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.

**Government-Wide Financial Analysis**

**Town of Robbinsville, North Carolina's Net Position**  
**Figure 2**

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 1,180,290	\$ 1,084,056	\$ 589,540	\$ 788,186	\$ 1,769,830	\$ 1,872,242
Capital assets	113,666	106,041	14,727,281	15,112,866	14,840,947	15,218,907
Deferred outflows of resources	44,836	44,827	104,619	104,597	149,455	149,424
Total assets and deferred outflows of resources	1,338,792	1,234,924	15,421,440	16,005,649	16,760,232	17,240,573
Long-term liabilities outstanding	69,262	63,569	2,790,165	2,829,662	2,859,427	2,893,231
Other liabilities	1,592	6,401	70,059	297,665	71,651	304,066
Deferred inflows of resources	2,910	52	6,790	120	9,700	172
Total liabilities and deferred inflows of resources	73,764	70,022	2,867,014	3,127,447	2,940,778	3,197,469
Net position:						
Net investment in capital assets	113,666	106,041	12,125,555	12,448,451	12,239,221	12,554,492
Restricted	67,564	59,922	71,425	61,412	138,989	121,334
Unrestricted	1,083,798	998,939	357,446	368,339	1,441,244	1,367,278
Total net position	\$ 1,265,028	\$ 1,164,902	\$ 12,554,426	\$ 12,878,202	\$ 13,819,454	\$ 14,043,104

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Robbinsville, North Carolina exceeded liabilities by \$13,819,454 as of June 30, 2021. The Town's net position *decreased* by \$223,650 for the fiscal year ended June 30, 2021. The largest portion (88.57%) reflects the Town's net investment in capital assets (e.g. land, construction in progress, furniture, equipment improvements, and vehicles). The Town of Robbinsville, North Carolina uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Robbinsville, North Carolina's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Robbinsville's net position totaling \$138,989 represents resources subject to external restrictions on how they may be used. The remaining balance of \$1,441,244 is unrestricted.

**Town of Robbinsville, North Carolina Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ -	\$ -	\$ 1,130,277	\$ 1,145,373	\$ 1,130,277	\$ 1,145,373
Operating grants and contributions	16,474	17,536	-	-	16,474	17,536
Capital grants and contributions	-	-	-	468,428	-	468,428
<b>General revenues:</b>						
Property taxes	323,764	316,505	-	-	323,764	316,505
Other taxes	251,468	245,819	-	-	251,468	245,819
Other	446	5,356	285	2,834	731	8,190
<b>Total revenues</b>	<b>592,152</b>	<b>585,216</b>	<b>1,130,562</b>	<b>1,616,635</b>	<b>1,722,714</b>	<b>2,201,851</b>
<b>Expenses:</b>						
General government	262,096	278,605	-	-	262,096	278,605
Public safety	748	793	-	-	748	793
Economic Development	7,386	11,501	-	-	7,386	11,501
Transportation	214,796	185,323	-	-	214,796	185,323
Cultural and recreation	7,000	7,000	-	-	7,000	7,000
Interest and fees	-	-	-	-	-	-
Water and sewer	-	-	1,454,338	1,427,779	1,454,338	1,427,779
<b>Total expenses</b>	<b>492,026</b>	<b>483,222</b>	<b>1,454,338</b>	<b>1,427,779</b>	<b>1,946,364</b>	<b>1,911,001</b>
<b>Increase (decrease) in net position before transfers</b>	<b>100,126</b>	<b>101,994</b>	<b>(323,776)</b>	<b>188,856</b>	<b>(223,650)</b>	<b>290,850</b>
<b>Transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase (decrease) in net position</b>	<b>100,126</b>	<b>101,994</b>	<b>(323,776)</b>	<b>188,856</b>	<b>(223,650)</b>	<b>290,850</b>
<b>Net position, beginning</b>	<b>1,164,902</b>	<b>1,062,908</b>	<b>12,878,202</b>	<b>12,689,346</b>	<b>14,043,104</b>	<b>13,752,254</b>
<b>Net position, June 30</b>	<b>\$ 1,265,028</b>	<b>\$ 1,164,902</b>	<b>\$ 12,554,426</b>	<b>\$ 12,878,202</b>	<b>\$ 13,819,454</b>	<b>\$ 14,043,104</b>

**Governmental activities.** Governmental activities increased the Town's net position by \$100,126. Key elements of this increase were:

- Consistency with expenditures in the current year compared to the prior year combined with strong property tax collections at a rate of 97.65%.
- Better than expected sales tax collections as the COVID 19 pandemic brought more people to rural areas.

**Business-type activities:** Business-type activities decreased the Town of Robbinsville, North Carolina's net position by \$323,776. The key element of this decrease was depreciation recorded on fixed assets.

### Financial Analysis of the Town's Funds

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

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

The General Fund is the chief operating fund of the Town of Robbinsville. At the end of the current fiscal year, the Town of Robbinsville's unassigned fund balance available in the General Fund was \$1,096,799, while total fund balance reached \$1,164,363. The Town currently has an unassigned fund balance of 223.335% of general fund expenditures, while total fund balance represents 237.09% of the same amount.

**General Fund Budgetary Highlights.** During the fiscal year, the Town revised the budget on sixteen 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.

The primary difference between the original General Fund budget and the final budget is due to amendments to increase spending in general government by utilizing appropriations of fund balance.

**Proprietary Funds.** The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund amounted to \$357,446. The total change in net position was \$(323,776) and is primarily the result of depreciation recorded on fixed assets.

### Capital Asset and Debt Administration

**Capital Assets.** The Town of Robbinsville, North Carolina's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$14,840,947 (net of accumulated depreciation). These assets include land, furniture and equipment, improvements, plant and distribution system, and vehicles.

Major capital asset transactions during the year include the following additions:

- Completion of the Tallulah Creek Water Treatment Plant project in the Water and Sewer Capital Project Fund.
- New roof on the Town Hall building in the General Fund.

**Town of Robbinsville, North Carolina's Capital Assets**  
(net of depreciation)  
**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ -	\$ -	\$ 227,497	\$ 227,497	\$ 227,497	\$ 227,497
Construction in progress	-	-	-	624,571	-	624,571
Furnishings and equipment	20,291	26,879	120,708	53,445	140,999	80,324
Other improvements	68,002	47,416	-	-	68,002	47,416
Plant and distribution system	-	-	14,347,700	14,170,217	14,347,700	14,170,217
Vehicles	25,373	31,746	31,376	37,136	56,749	68,882
Total	\$ 113,666	\$ 106,041	\$ 14,727,281	\$ 15,112,866	\$ 14,840,947	\$ 15,218,907

Additional information on the Town's capital assets can be found in Note 3(A)(3) of the Notes to the Financial Statements.

**Long-term Debt.** As of June 30, 2021, the Town of Robbinsville, North Carolina, had total long-term debt outstanding of \$2,859,427, which included \$35,434 in compensated absences and \$222,267 in pension liability (LGERS). During the year, the Town continued to pay down existing debt.

During fiscal year 2013-2014, the Town completed the construction of a new wastewater treatment plant which allows for expansion of business and residential construction in the town's limits and surrounding areas as well as allows the Town to remain compliant with its operating permit. The United States Department of Agriculture – Rural Development, assisted the Town in this project by providing a financing package that included grant funds and two low interest rate Water and Sewer Revenue Bonds (RUS loans) comprised of 2013 Series A Bonds for \$1,665,000 at an annual interest rate of 2.75% and a subsequent 2013 Series B Water and Sewer Revenue Bond for \$385,000 at an annual interest rate of 2.00%. These two Water and Sewer Revenue Bonds were used to purchase \$2,050,000 Bond Anticipation Notes, which were part of the project's original funding, in December 2013.

The wastewater treatment plant was put into service in the fall of 2013 at a total cost of approximately \$6,715,000. During fiscal year June 30, 2017, there were additional payments made to contractors and those were also capitalized into the costs of the plant. The original project was anticipated to cost \$7,335,000; however, the total amount capitalized through the prior fiscal year was \$7,137,000, leaving approximately \$198,000. The Town received approval from the USDA to use the remaining grant funds for a sludge dewatering facility and the Town secured additional grant monies from North Carolina and USDA and USDA loans totaling \$333,000. The total project was authorized for \$1,479,500 and was completed in the June 30, 2019 fiscal year for a total cost of \$1,462,889.

**Town of Robbinsville, North Carolina's Outstanding Debt**  
**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ -	\$ -	\$ 2,092,852	\$ 2,133,894	\$ 2,092,852	\$ 2,133,894
Installment purchases	-	-	508,874	530,521	508,874	530,521
Pension related debt (LGERS)	66,680	56,694	155,587	132,286	222,267	188,980
Compensated absences	2,582	6,875	32,852	32,961	35,434	39,836
	<u>\$ 69,262</u>	<u>\$ 63,569</u>	<u>\$ 2,790,165</u>	<u>\$ 2,829,662</u>	<u>\$ 2,859,427</u>	<u>\$ 2,893,231</u>

The Town's total debt decreased by \$33,804 (1.17 percent) during the year. The overall decrease was the result of principal paydowns on existing loans, offset to a lesser degree by an increase in the pension liability.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue. The limit is eight percent of the total assessed value of taxable property located within that government's boundaries. The remaining legal debt margin for Town of Robbinsville, North Carolina is \$3,754,513.

Additional information regarding the Town's long-term debt can be found in Note 3(B)(5) of the Notes to the Financial Statements.

**Economic Factors and Next Year's Budgets and Rates –**

- COVID-19 has affected the Water & Sewer Fund's revenue. The Town resumed the normal procedures for collections and late fees on August 17, 2020. The Town added an online payment option in July, 2020 which has given customers a safe option of payment during this COVID-19 issue.
- The Town maintained its water and sewer rates. The rate was increased four years ago to accommodate the annual debt service payments on the new Wastewater treatment facility and to make up for lost revenues by the Stanley Furniture plant closure.
- Tax rates for fiscal year 2021-22 will remain at 60 cents per \$100 valuation. This rate was reduced in fiscal year 2019-20 because collections were on the rise with Graham County performing tax collections and the Town's participation in the NC debt set-off program. Property taxes are based on the revaluation by Graham County's property tax appraisals implemented on January 1, 2019. The next revaluation is set for the year 2023.
- To assist with internal control the Board voted to have an Alderman review the bank reconciliations.

**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 Director of Finance, Town of Robbinsville, North Carolina, 4 Court Street, Robbinsville, North Carolina, 28771.



## **BASIC FINANCIAL STATEMENTS**

**Town of Robbinsville, North Carolina**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Primary Government</b>			<b>Robbinsville Tourism Development Authority</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,098,391	\$ 401,391	\$ 1,499,782	\$ 103,012
Taxes receivables (net)	12,995	-	12,995	-
Accrued interest receivable on taxes	1,340	-	1,340	-
Accounts receivable (net)	-	107,138	107,138	8,500
Due from other governments	61,776	14,795	76,571	-
Internal balances	5,209	(5,209)	-	-
Restricted cash	579	71,425	72,004	-
Total current assets	<u>1,180,290</u>	<u>589,540</u>	<u>1,769,830</u>	<u>111,512</u>
Non-current assets:				
Capital assets:				
Land	-	227,497	227,497	-
Other capital assets, net of depreciation	113,666	14,499,784	14,613,450	788
Total capital assets	<u>113,666</u>	<u>14,727,281</u>	<u>14,840,947</u>	<u>788</u>
Total assets	<u>1,293,956</u>	<u>15,316,821</u>	<u>16,610,777</u>	<u>112,300</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Contributions to pension plan in current fiscal year	13,998	32,662	46,660	-
Pension deferrals	30,838	71,957	102,795	-
Total deferred outflows of resources	<u>44,836</u>	<u>104,619</u>	<u>149,455</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,518	585	2,103	-
Accrued liabilities	74	580	654	-
Customer deposits	-	68,894	68,894	-
Current portion of long-term liabilities	2,582	115,116	117,698	-
Total current liabilities	<u>4,174</u>	<u>185,175</u>	<u>189,349</u>	<u>-</u>
Long-term liabilities:				
Net pension liability	66,680	155,587	222,267	-
Due in more than one year	-	2,519,462	2,519,462	-
Total liabilities	<u>70,854</u>	<u>2,860,224</u>	<u>2,931,078</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals	2,910	6,790	9,700	-
Total deferred inflows of resources	<u>2,910</u>	<u>6,790</u>	<u>9,700</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	113,666	12,125,555	12,239,221	788
Restricted for:				
Stabilization by State Statute	66,985	-	66,985	8,500
Streets	579	-	579	-
Loan covenant reserve	-	71,425	71,425	-
Unrestricted	1,083,798	357,446	1,441,244	103,012
Total net position	<u>\$ 1,265,028</u>	<u>\$ 12,554,426</u>	<u>\$ 13,819,454</u>	<u>\$ 112,300</u>

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

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

Exhibit "B"

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			Component Unit
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental Activities:								
General government	\$ 262,096	\$ -	\$ -	\$ -	\$ (262,096)	\$ -	\$ (262,096)	\$ -
Public safety	748	-	-	-	(748)	-	(748)	-
Economic Development	7,386	-	-	-	(7,386)	-	(7,386)	-
Transportation	214,796	-	16,474	-	(198,322)	-	(198,322)	-
Cultural and Recreational	7,000	-	-	-	(7,000)	-	(7,000)	-
Total governmental activities	492,026	-	16,474	-	(475,552)	-	(475,552)	-
Business-type activities:								
Water and Sewer	1,454,338	1,130,277	-	-	-	(324,061)	(324,061)	-
Total business-type activities	1,454,338	1,130,277	-	-	-	(324,061)	(324,061)	-
Total primary government	\$ 1,946,364	\$ 1,130,277	\$ 16,474	\$ -	(475,552)	(324,061)	(799,613)	-
Component Unit:								
Robbinsville Tourism Development Authority	\$ 35,256	\$ -	\$ -	\$ -	-	-	-	(35,256)
Total component units	\$ 35,256	\$ -	\$ -	\$ -	-	-	-	(35,256)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					323,764	-	323,764	-
Other taxes					251,468	-	251,468	77,324
Unrestricted investment earnings					446	285	731	-
Total general revenues excluding transfers					575,678	285	575,963	77,324
Transfers					-	-	-	-
Total general revenues and transfers					575,678	285	575,963	77,324
Change in net position					100,126	(323,776)	(223,650)	42,068
Net position-beginning					1,164,902	12,878,202	14,043,104	70,232
Net position-ending					\$ 1,265,028	\$ 12,554,426	\$ 13,819,454	\$ 112,300

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

Town of Robbinsville, North Carolina  
Balance Sheet  
Governmental Fund  
June 30, 2021

	<u>General</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,098,391
Taxes receivables, net	12,995
Due from other funds	5,209
Due from other governments	61,776
Restricted cash and cash equivalents	579
Total assets	<u>\$ 1,178,950</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 1,518
Accrued liabilities	74
Due to other funds	-
Total liabilities	<u>1,592</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property taxes receivable	12,995
Total deferred inflows of resources	<u>12,995</u>
<b>FUND BALANCES</b>	
Non Spendable	
Prepays	-
Restricted	
Stabilization by State Statute	66,985
Streets	579
Unassigned	1,096,799
Total fund balances	<u>1,164,363</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,178,950</u>

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

Total fund balance, Governmental Fund	\$ 1,164,363
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	113,666
Net pension liability	(66,680)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	13,998
Accrued interest receivable on ad valorem taxes receivable	1,340
Liabilities for earned revenues considered deferred inflows of resources in fund statements	12,995
Pension related deferrals, net	27,928
Some liabilities, including installment purchases payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,582)</u>
Net position of governmental activities	<u>\$ 1,265,028</u>

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

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

	<u><b>General</b></u>
<b>REVENUES</b>	
Ad valorem taxes	\$ 331,968
Unrestricted intergovernmental revenues	251,468
Restricted intergovernmental revenues	16,474
Investment earnings	446
Total revenues	<u>600,356</u>
<b>EXPENDITURES</b>	
Current:	
General government	278,970
Public safety	748
Economic Development	1,385
Transportation	203,006
Cultural and recreational	7,000
Total expenditures	<u>491,109</u>
Revenues over expenditures	<u>109,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers to/from other funds	<u>-</u>
Net change in fund balance	109,247
Fund balances, beginning	1,055,116
Fund balances-ending	<u><u>\$ 1,164,363</u></u>

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

**Town of Robbinsville, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**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 fund	\$ 109,247
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	27,214
Current provision for depreciation	(19,589)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	13,998
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:	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:	
Change in unavailable revenue for tax revenues	(8,204)
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 the governmental fund:	
Change in compensated absences	4,293
Pension expense	<u>(26,833)</u>
Total changes in net position of governmental activities	<u>\$ 100,126</u>

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

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

	<b>General Fund</b>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 302,620	\$ 302,620	\$ 331,968	\$ 29,348
Unrestricted intergovernmental	201,535	201,535	251,468	49,933
Restricted intergovernmental	17,000	17,000	16,474	(526)
Investment earnings	-	-	446	446
Total revenues	<u>521,155</u>	<u>521,155</u>	<u>600,356</u>	<u>79,201</u>
<b>Expenditures:</b>				
Current:				
General government	309,504	319,504	278,970	40,534
Public safety	6,150	6,150	748	5,402
Economic Development	29,700	29,700	1,385	28,315
Transportation	216,511	223,511	203,006	20,505
Cultural and recreational	7,000	7,000	7,000	-
Total expenditures	<u>568,865</u>	<u>585,865</u>	<u>491,109</u>	<u>94,756</u>
Revenues over (under) expenditures	<u>(47,710)</u>	<u>(64,710)</u>	<u>109,247</u>	<u>173,957</u>
<b>Other financing sources (uses):</b>				
Transfers to (from) other funds	23,200	23,200	-	(23,200)
Appropriations from fund balance	24,510	41,510	-	(41,510)
Total other financing sources (uses)	<u>47,710</u>	<u>64,710</u>	<u>-</u>	<u>(64,710)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>109,247</u>	<u>\$ 109,247</u>
Fund balances, beginning of year			<u>1,055,116</u>	
Fund balances, end of year			<u>\$ 1,164,363</u>	

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

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

	Major Enterprise Fund
	Water and Sewer Fund
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 401,391
Accounts receivable	107,138
Due from other governments	14,795
Restricted cash - USDA loan reserve	71,425
Total current assets	<u>594,749</u>
Noncurrent assets:	
Capital assets:	
Land and construction in pro	227,497
Other capital assets, net of depreciation	14,499,784
Capital assets	<u>14,727,281</u>
Total noncurrent assets	<u>14,727,281</u>
Total assets	<u>\$ 15,322,030</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Contributions to pension plan	\$ 32,662
Pension deferrals	<u>71,957</u>
Total deferred outflows of resources	<u>104,619</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 585
Accrued liabilities	580
Due to other funds	5,209
Customer Deposits	68,894
Long-term debt-current portion due	<u>115,116</u>
Total current liabilities	<u>190,384</u>
Noncurrent liabilities:	
Net pension liability	155,587
Revenue Bonds	1,751,000
USDA Loans	299,697
Installment purchases payable	459,913
Compensated absences	<u>8,852</u>
Total noncurrent liabilities	<u>2,675,049</u>
Total liabilities	<u>2,865,433</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension deferrals	\$ 6,790
<b>NET POSITION</b>	
Net investment in capital assets	12,125,555
Restricted - loan covenant reserve	71,425
Unrestricted	<u>357,446</u>
Total net position	<u>\$ 12,554,426</u>

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



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

	<div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Major Enterprise Fund</b> </div> <div style="border: 1px solid black; padding: 2px; display: inline-block;"> <b>Water and Sewer Fund</b> </div>
<b>OPERATING REVENUES</b>	
Charges for services - water	\$ 741,951
Charges for services - sewer	379,534
Other operating revenues	8,792
<b>Total operating revenues</b>	<u>1,130,277</u>
<b>OPERATING EXPENSES</b>	
Water administration	38,913
Water treatment and distribution	408,879
Water plant maintenance	176,149
Sewer administration	33,765
Sewer treatment and plant maintenance	231,146
Depreciation	500,441
<b>Total operating expenses</b>	<u>1,389,293</u>
<b>Operating income (loss)</b>	<u>(259,016)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	285
Interest expense	(65,045)
<b>Total nonoperating revenue (expenses)</b>	<u>(64,760)</u>
<b>Income (Loss) before contributions and transfers</b>	(323,776)
Capital Contributions	<u>-</u>
<b>Change in net position</b>	(323,776)
<b>Total net position - beginning</b>	12,878,202
<b>Total net position - ending</b>	<u><u>\$ 12,554,426</u></u>

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

**Town of Robbinsville  
Statement of Cash Flows  
Proprietary Fund  
For the Fiscal Year Ended June 30, 2021**

	<b>Major Enterprise Fund Water and Sewer Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,137,539
Cash paid for goods and services	(387,404)
Cash paid to or on behalf of employees for services	(507,924)
Other operating revenues	8,792
Net cash provided by operating activities	<u>251,003</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Decrease in due from other funds	24,078
Net cash used by non-capital financing activities	<u>24,078</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions	-
Acquisition of capital assets	(114,856)
Proceeds from debt issued	27,313
Debt principal	(90,002)
Debt interest	(65,045)
Net cash used by capital and related financing activities	<u>(242,590)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment earnings	285
Net decrease in cash and cash equivalents	32,776
Balances-beginning	440,040
Balances-end of the year	<u>\$ 472,816</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	<u>\$ (259,016)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	500,441
Changes in assets, deferred outflows and inflows of resources and liabilities	
(Increase) decrease in customer accounts receivable	14,063
(Increase) decrease in other receivables	166,827
(Increase) decrease in prepaids	26,454
(Increase) decrease in deferred outflows of resources - pensions	(22)
Increase (decrease) in net pension liability	23,301
Increase (decrease) in deferred inflows of resources - pensions	6,670
Increase (decrease) in accounts payable and accrued liabilities	(229,597)
Increase (decrease) in customer deposits	1,991
Increase (decrease) in accrued vacation/comp pay	(109)
Total adjustments	<u>510,019</u>
Net cash provided by operating activities	<u>\$ 251,003</u>

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

**TOWN OF ROBBINSVILLE, NORTH CAROLINA**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2021**

**1. Summary of Significant Accounting Policies**

The accounting policies of the Town of Robbinsville and its discretely presented component unit conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

- A. Reporting Entity - The Town of Robbinsville is a municipal corporation, which is governed by an elected mayor and a three-member board of alderpersons. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town's financial statements in order to emphasize that it is legally separate from the Town.

Robbinsville Tourism Authority – The members of the Robbinsville Tourism Development Authority are appointed by the Town of Robbinsville. The Robbinsville Tourism Development Authority, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the Robbinsville Tourism Development Authority may be obtained from the entity's administrative offices at Robbinsville Tourism Development Authority, 4 Court Street, Robbinsville, North Carolina 28771.

B. Basis of Presentation

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

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

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

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

The Town reports the following major governmental fund:

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

The Town reports the following major enterprise fund:

**Water and Sewer Fund:** This fund is used to account for the Town's water and sewer operations. A Water and Sewer Capital Projects Fund has been consolidated into The Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Projects Fund has been included in supplementary information.

C. Measurement Focus and Basis of Accounting

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Enterprise Fund Capital Projects Fund, which is consolidated with the operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board. During the year, sixteen amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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

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

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

*Cash and Cash Equivalents:* The Town pools money from several funds to facilitate disbursement. Therefore, all cash accounts are essentially demand deposits and are considered cash and cash equivalents. The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

*Restricted Assets:* Powell Bill funds, if any remain at year-end, are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. The restricted Powell Bill funds amounted to \$579 as of June 30, 2021. As a condition of the Town of Robbinsville's Water and Sewer Revenue Bonds, the USDA requires the Town to establish a loan reserve account, increasing in balance over ten years until the balance reaches the equivalent of one annual payment on the Town's Water and Sewer Revenue Bonds. At June 30, 2021, the Town's restricted cash for the USDA loan reserve totaled \$71,425.

*Ad Valorem Taxes Receivable:* In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019.

*Allowances for Doubtful Accounts:* All receivables that historically experience uncollectible accounts are shown net of allowances for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

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

*Capital Assets:* Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Minimum capitalization costs are as follows: \$25,000, building and improvements; \$1,000, furniture and equipment; \$2,500, vehicles; \$100,000, plant and distribution system. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are recorded at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	<u>Estimated Useful Lives</u>
Buildings	50 years
Furniture and equipment	5-15 years
Other improvements	30 years
Vehicles	5-15 years
Plant and distribution system	10-50 years

*Deferred Outflows/Inflows of Resources:* In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, contributions made to the pension plan in the 2021 fiscal year and pension deferrals resulting from the application of GASB 68. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category – prepaid taxes, if any, property taxes receivable and pension deferrals.

*Long-Term Obligations:* In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position.

*Compensated Absences:* The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary fund, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a last-in, first-out method of using accumulated compensated time assuming that employees are taking leave time as it is earned. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

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

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

The governmental fund types classify fund balances as follows:

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

**Restricted fund balance** - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law:

- **Restricted for Stabilization by State statute** – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by

State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

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

Assigned Fund Balance - This classification includes amounts that the Board intends to use for specific purposes.

- Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance - This classification includes amounts that have not been restricted, committed, or assigned to specific purposes or other funds.

The Town does not have a formal revenue spending policy. However, it is the Town's practice to use resources in the following hierarchy: installment loan proceeds, federal funds, State funds, local non-town funds, and town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by assigned fund balance and, lastly, unassigned fund balance.

The Town does not have a formal fund balance policy. Therefore, the unassigned fund balance in the General Fund is available for appropriation.

*Defined Benefit Cost Sharing Plans:* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Robbinsville's employer contributions are recognized when due and the Town of Robbinsville 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.



## **2. Stewardship, Compliance, and Accountability**

The Town had no violations of non-compliance with State Statutes for the year ended June 30, 2021.

## **3. Detail Notes on All Funds**

### **A. Assets**

#### **1. Deposits**

All the deposits of the Town and the Tourism Development Authority 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 and Tourism Development Authority's agent in these unit's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the Tourism Development Authority, these deposits are considered to be held by the Town and Tourism Development Authority's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, the Tourism Development Authority, or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Town or Tourism Development Authority 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. Neither the Town nor the Tourism Development Authority has a policy regarding custodial credit risk for deposits.

At year-end, the Town's deposits had a carrying amount of \$1,571,523 and a bank balance of \$1,605,792. Of the bank balance, \$250,000 was covered by federal depository insurance, \$819,677 was invested in the NCCMT and \$536,115 was covered by collateral held under the Pooling Method. The Town also had cash on hand of \$263 at June 30, 2021. The carrying amount of deposits for the Tourism Development Authority was \$103,012 and the bank balance was \$103,459. All of the Tourism Development Authority's bank balance was covered by federal depository insurance.

#### **2. Investments**

At June 30, 2021, the Town of Robbinsville had \$819,677 invested with the North Carolina Capital Management Trust Government Portfolio which carried a credit rating of AAAm by Standard and Poor's and AAAm-mf by Moody's Investors Service and is measured at Fair Value - Level 1. The investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or groups of assets. Level 1 securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. The Town has no policy regarding credit risk.

### 3. Receivables

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

	<u>Taxes</u>	<u>Accrued Interest</u>	<u>Accounts</u>	<u>Due From Grants</u>	<u>Due From Other Governments</u>	<u>Total</u>
Governmental activities	\$ 46,995	\$ 1,340	\$ -	\$ -	\$ 61,776	\$ 110,111
Business-type activities	-	-	154,538	-	14,795	169,333
Allowance for doubtful accounts	<u>(34,000)</u>	<u>-</u>	<u>(47,400)</u>	<u>-</u>	<u>-</u>	<u>(81,400)</u>
Total government-wide	<u>\$ 12,995</u>	<u>\$ 1,340</u>	<u>\$ 107,138</u>	<u>\$ -</u>	<u>\$ 76,571</u>	<u>\$ 198,044</u>

All amounts are scheduled for collection during the subsequent year.

### 4. Capital Assets:

Capital asset activity of the primary government for the year ended June 30, 2021, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
<b>Capital assets being depreciated:</b>				
Furniture and equipment	\$ 92,148	\$ -	\$ -	\$ 92,148
Other improvements	120,636	27,214	-	147,850
Vehicles and motorized equipment	327,039	-	-	327,039
Total capital assets being depreciated	<u>539,823</u>	<u>27,214</u>	<u>-</u>	<u>567,037</u>
<b>Less accumulated depreciation for:</b>				
Furniture and equipment	65,269	6,588	-	71,857
Other improvements	73,220	6,628	-	79,848
Vehicles and motorized equipment	295,293	6,373	-	301,666
Total accumulated depreciation	<u>433,782</u>	<u>19,589</u>	<u>-</u>	<u>453,371</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 106,041</u>			<u>\$ 113,666</u>

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

General government	\$ 5,538
Economic Development	6,001
Transportation	<u>8,050</u>
Total depreciation expense	<u>\$ 19,589</u>

**Business-type activities:*****Water and sewer fund*****Capital assets not being depreciated:**

Land	\$ 227,497	\$ -	\$ -	\$ 227,497
Construction in progress	624,571	-	624,571	-
Total capital assets not being depreciated	<u>852,068</u>	<u>-</u>	<u>624,571</u>	<u>227,497</u>

**Capital assets being depreciated:**

Furniture and equipment	314,620	79,855	-	394,475
Plant and distribution system	21,004,164	659,572	-	21,663,736
Vehicles and motorized equipment	135,583	-	-	135,583
Total capital assets being depreciated	<u>21,454,367</u>	<u>739,427</u>	<u>-</u>	<u>22,193,794</u>

**Less accumulated depreciation for:**

Furniture and equipment	261,175	12,592	-	273,767
Plant and distribution system	6,833,947	482,089	-	7,316,036
Vehicles and motorized equipment	98,447	5,760	-	104,207
Total accumulated depreciation	<u>7,193,569</u>	<u>500,441</u>	<u>-</u>	<u>7,694,010</u>

Total capital assets being depreciated, net	<u>14,260,798</u>			<u>14,499,784</u>
---	-------------------	--	--	-------------------

Business -type activities capital assets, net	<u>\$15,112,866</u>			<u>\$14,727,281</u>
---	---------------------	--	--	---------------------

**Construction Commitments**

The Town of Robbinsville had no active construction projects at June 30, 2021.

**B. Liabilities****1. Local Governmental Employees' Retirement System****Plan Description**

The Town of Robbinsville is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

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

***Contributions.*** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Robbinsville 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 Robbinsville's contractually required contribution rate for the year ended June 30, 2021, was 10.15% of compensation for law enforcement officers, 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 Robbinsville were \$46,660 for the year ended June 30, 2021.

***Refunds of Contributions*** – Town employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2021, the Town reported a liability of \$222,267 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the

pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020 (measurement date); the Town's proportion was 0.00622%, which was a decrease of 0.0007% of its proportional share measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$89,444. 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	\$ 28,068	-
Changes of assumptions	16,541	-
Net difference between projected and actual earnings	31,278	-
Changes in proportion and differences between employer contributions and proportionate share of	26,908	9,700
Employer contributions subsequent to the measurement date	46,660	-
Total	<u>\$ 149,455</u>	<u>\$ 9,700</u>

\$46,660 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2022	\$ 30,483
2023	37,649
2024	15,707
2025	9,256
2026	-
Thereafter	-
	<u>\$ 93,095</u>

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

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

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

based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014.

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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 are annualized.

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

*Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension asset or

net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 450,956	\$ 222,267	\$ 32,211

*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.

## **2. Other Employment Benefits**

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

For the fiscal year ended June 30, 2021, the Town made contributions to the State for death benefits of \$690. The Town's required contributions for employees represented 0.15% of covered payroll.

## **3. Deferred Outflows and Inflows of Resources**

The Town has several deferred outflows and inflows of resources.

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

Source	Amount
Contributions to pension plan in current fiscal year	\$ 46,660
Differences between expected and actual experience	28,068
Changes of assumptions	16,541
Net differences between projected and actual earnings	31,278
Changes in proportion and differences between employer contributions and proportionate share of contributions	26,908
Total	<u>\$ 149,455</u>

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

	Statement of Net Position	General Fund Balance Sheet
Differences between expected and actual experience		
Taxes Receivable, less penalties (General Fund)	-	\$ 12,995
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,700	-
Differences between expected and actual experience	-	-
Total	<u>\$ 9,700</u>	<u>\$ 12,995</u>

## **2. 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 self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, worker's compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

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

The Town has not experienced significant flooding in the past years; therefore, the Town does not consider flood insurance necessary at this time.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. Graham County collects the Town's property taxes so no bonding is needed for a tax collector. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.



### 3. Long Term Obligations

#### a. Installment Purchases

##### Serviced by Water and Sewer Fund:

Drinking Water - Long's Creek Storage Tank, executed March 2011 for \$748,471, due in annual installments of \$37,424 through May 2031, interest calculated additional at 2.22%.	\$ 406,182
Sanitary Sewer - Tallulah Creek and Atoah Street, executed April 2013 for \$139,536, due in annual installments of \$6,977 through May 2032, interest calculated additional at 2.00%,	76,745
Drinking Water - Tallulah Creek Water Plant, execute March 11, 2020 for \$27,313, due in annual installments of \$1,366 through May 2040, interest at 0.00%,	25,947
Total installment purchases serviced by the water and sewer fund	<u>\$ 508,874</u>

Annual debt service requirements to maturity for installment purchases are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 48,961	\$ 10,552
2023	48,961	9,511
2024	48,961	8,470
2025	48,961	7,428
2026	48,961	6,387
2027-2031	244,803	16,317
2032-2036	13,805	140
2037-2040	5,461	-
Total	<u>\$ 508,874</u>	<u>\$ 58,805</u>

#### b. Revenue Bonds

The future payments of the revenue bonds are as follows:

\$1,665,000 Water and Sewer Revenue Bond, Series 2013A, issued for the construction of a waste water treatment facility. Principle and interest installments are due annually on June 1, at an annual interest rate of 2.75%.	\$ 1,458,000
\$385,000 Water and Sewer Revenue Bond, Series 2013B issued for the construction of a waste water treatment facility. Principle and interest installments are due annually on June 1, at an annual interest rate of 2.00%.	329,000
\$250,000 Water and Sewer Revenue Bond, Series 2016A issued for the construction of a lime stabilization facility. Principle and interest installments due annually in December, at an annual interest rate of 1.875%.	230,090
\$83,000 Water and Sewer Revenue Bond, Series 2016B issued for the construction of a lime stabilization facility. Principle and interest installments due annually in December, at an annual interest rate of 1.875%.	75,762
Total Revenue Bonds	<u>\$ 2,092,852</u>

Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 42,155	\$ 52,482
2023	44,215	51,430
2024	45,332	50,328
2025	46,451	49,197
2026	46,571	48,036
2027-2031	252,752	221,717
2032-2036	285,135	188,796
2037-2041	324,847	151,034
2042-2046	367,920	108,026
2047-2051	416,389	59,162
2052-2056	213,288	10,470
2057	7,797	219
Total	<u>\$ 2,092,852</u>	<u>\$ 990,897</u>

The Town is in compliance with bond requirements to establish a loan reserve by making annual deposits equal to one-tenth of the Debt Service Reserve Fund until the total is reached. The Final Debt Service Reserve Fund requirement is defined in the Bond Order at approximately \$82,500. At June 30, 2021, the Town had set aside \$71,425 into this loan reserve, meeting the required reserve amount set forth.

The Town has pledged future water and sewer customer revenues, net of specified operating expenses, to repay \$2,050,000 in water and sewer system revenue bonds issued in December 2013 and December 2016, respectively. Proceeds from the bonds provided financing for the construction of a waste water treatment and sludge dewatering facility on Sandhole Road. The bonds are payable solely from water and sewer customer net revenues and are payable through 2053 and 2057, respectively. Annual principal and interest payments are expected to be approximately \$82,500 on the 2013 bonds and \$11,900 on the 2016 bonds. The total principal and interest remaining to be paid on the bonds is \$3,083,749. Principal and interest paid for the current year was \$94,571.

The remaining legal debt margin of the Town at June 30, 2021, was \$3,754,513.

**c. Changes in Long-Term Liabilities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion of Balance</u>
<b>Governmental activities:</b>					
Net pension obligation (LGERS)	\$ 56,694	\$ 9,986	\$ -	\$ 66,680	\$ -
Compensated absences	6,875	3,211	7,504	2,582	2,582
<b>Governmental activity long-term liabilities</b>	<u>\$ 63,569</u>	<u>\$ 13,197</u>	<u>\$ 7,504</u>	<u>\$ 69,262</u>	<u>\$ 2,582</u>
<b>Business-type activities:</b>					
Revenue Bonds	\$ 2,133,894	\$ -	\$ 41,042	\$ 2,092,852	\$ 42,155
Installment purchase	530,521	27,313	48,960	508,874	48,961
Net pension obligation (LGERS)	132,286	23,301	-	155,587	-
Compensated absences	32,961	30,320	30,429	32,852	24,000
<b>Business-type long-term activity</b>	<u>\$ 2,829,662</u>	<u>\$ 80,934</u>	<u>\$ 120,431</u>	<u>\$ 2,790,165</u>	<u>\$ 115,116</u>

**C. Interfund Balances and Activity**

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

Due to the General Fund from the Water and Sewer Fund	<u>\$ 5,209</u>
---	-----------------

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

**D. Net Investment in Capital Assets**

	<u>Governmental</u>	<u>Business-Type</u>
Capital assets	\$ 113,666	\$ 14,727,281
Less: long-term debt	-	2,601,726
Net investment in capital assets	<u>\$ 113,666</u>	<u>\$ 12,125,555</u>

**E. Fund Balance**

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

Total fund balance - General Fund	\$ 1,164,363
Less:	
Prepays	-
Stabilization by State Statute	66,985
Working Capital/Fund Balance Policy	-
Remaining Fund Balance	<u>\$ 1,097,378</u>

**F. 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 moneys.

**G. Significant Effects of Subsequent Events**

Subsequent events have been evaluated through August 6, 2021, which is the date the audit report was available to be issued.

**REQUIRED SUPPLEMENTARY FINANCIAL DATA**

**Schedule "1"**

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

**Local Government Employees' Retirement System**

	2021	2020	2019	2018	2017	2016	2015	2014
Robbinsville's proportion of the net pension liability (asset) (%)	0.00622%	0.00692%	0.00568%	0.00299%	0.00572%	0.00529%	0.00479%	0.00450%
Robbinsville's proportion of the net pension liability (asset) (\$)	\$ 222,267	\$ 188,980	\$ 134,749	\$ 45,679	\$ 121,398	\$ 23,742	\$ (28,249)	\$ 54,242
Robbinsville's covered-employee payroll (as of the prior fiscal year) *	\$ 424,594	\$ 442,721	\$ 369,244	\$ 248,463	\$ 322,599	\$ 322,802	\$ 293,609	\$ 293,609
Robbinsville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.35%	42.69%	36.49%	18.38%	37.63%	7.35%	(9.62%)	18.47%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%	96.45%

\* 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 Robbinsville, North Carolina**  
**Schedule of Contributions**  
**Required Supplementary Information**  
**Last Seven Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 46,660	\$ 38,001	\$ 34,311	\$ 54,722	\$ 36,201	\$ 45,132	\$ 22,822	\$ 42,250
Contributions in relation to the contractually required contribution	<u>46,660</u>	<u>38,001</u>	<u>34,311</u>	<u>54,722</u>	<u>36,201</u>	<u>45,132</u>	<u>22,822</u>	<u>42,250</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Robbinsville's covered-employee payroll	\$459,701	\$424,594	\$442,721	\$369,244	\$248,463	\$322,599	\$322,802	\$293,609
Contributions as a percentage of covered-employee payroll	10.15%	8.95%	7.75%	14.82%	14.57%	13.99%	7.07%	14.39%

## **INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



## Schedule "3"

**Town of Robbinsville, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**

	2021		Variance
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes		\$ 327,075	
Penalties and interest		4,893	
Total	\$ 302,620	331,968	\$ 29,348
Unrestricted intergovernmental:			
Local option sales tax		151,508	
Utility sales tax		83,767	
Telecommunications sales tax		13,500	
Video programming distribution		480	
Solid waste disposal tax		471	
Miscellaneous		1,742	
Total	201,535	251,468	49,933
Restricted intergovernmental:			
Powell Bill allocation		16,474	
Total	17,000	16,474	(526)
Investment earnings	-	446	446
Total revenues	521,155	600,356	79,201
			cont.

**Town of Robbinsville, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**

	2021		Variance
	Budget	Actual	Positive (Negative)
<b>Expenditures:</b>			
General government:			
Mayor's expenses		19,141	
Aldermens' expenses		28,800	
Donations		19,680	
Parade and dances		377	
Miscellaneous		13	
Total	<u>75,200</u>	<u>68,011</u>	<u>7,189</u>
Finance:			
Salaries and employee benefits		71,445	
Operating expenses		139,514	
Total	<u>244,304</u>	<u>210,959</u>	<u>33,345</u>
Total general government	<u>319,504</u>	<u>278,970</u>	<u>40,534</u>
Public safety:			
Police:			
Operating expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fire:			
Operating expenditures	<u>6,150</u>	<u>748</u>	<u>5,402</u>
Total public safety	<u>6,150</u>	<u>748</u>	<u>5,402</u>
			cont.

**Town of Robbinsville, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**

	2021		Variance
	Budget	Actual	Positive (Negative)
Economic Development:			
Salaries and employee benefits		-	
Festivals and events		1,385	
Capital outlays		-	
Total economic development	29,700	1,385	28,315
Transportation:			
Streets and highways:			
Salaries and employee benefits		135,196	
Operating expenditures		40,596	
Capital outlays		27,214	
Total transportation	223,511	203,006	20,505
Cultural and recreational:			
Donation to County library	7,000	7,000	-
Debt service:			
Principal		-	
Interest		-	
Total debt service	-	-	-
Total expenditures	585,865	491,109	94,756
Revenues over (under) expenditures	(64,710)	109,247	173,957
Other financing sources (uses):			
Transfer from other funds	23,200	-	(23,200)
Fund Balance Appropriated	41,510	-	(41,510)
Total	64,710	-	(64,710)
Net change in fund balance	\$ -	109,247	\$ 109,247
Fund balances, beginning		1,055,116	
Fund balances, ending		<u>\$ 1,164,363</u>	

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

	2021		Variance
	Budget	Actual	Positive/(Negative)
<b>Revenues:</b>			
Operating revenues:			
Water charges	\$	\$ 730,031	\$
Water taps, reconnect and other fees		11,920	
Sewer charges		359,684	
Sewer taps, reconnect and other fees		4,683	
Sewer dump revenue		15,167	
Total charges for services	1,016,279	1,121,485	105,206
Other miscellaneous operating revenues	16,973	8,792	(8,181)
Total operating revenues	1,033,252	1,130,277	97,025
Nonoperating revenues (expenses):			
Investment earnings		285	
Total nonoperating revenues	-	285	285
Total revenues	1,033,252	1,130,562	97,310
<b>Expenditures:</b>			
Water administration			
Salaries and employee benefits		28,614	
Other departmental expenditures		5,150	
Total	39,375	33,764	5,611
Water treatment and distribution:			
Salaries and employee benefits		218,457	
Professional and contract services		26,050	
Supplies		43,140	
Utilities		32,065	
Maintenance and repair		43,236	
Other department expenses		31,131	
Total	430,474	394,079	36,395
Water plant maintenance:			
Salaries and employee benefits		120,834	
Supplies		23,203	
Utilities		8,973	
Maintenance and repair		10,717	
Other department expenses		2,531	
Total	257,056	166,258	90,798
Sewer administration			
Salaries and employee benefits		28,614	
Other departmental expenditures		5,151	
Total	39,375	33,765	5,610
Sewer treatment and plant maintenance:			
Salaries and employee benefits		105,200	
Contracted services		22,670	
Supplies		13,504	
Utilities		63,658	
Maintenance and repair		17,872	
Other department expenses		8,242	
Total	299,799	231,146	68,653
Debt service:			
Principal retirement - water		41,984	
Principal retirement - sewer		48,018	
Interest and fees - water		9,919	
Interest and fees - sewer		55,126	
Total debt service	153,683	155,047	(1,364)
Total expenditures	1,219,762	1,014,059	205,703
Revenues over expenditures	(186,510)	116,503	303,013
Other financing sources:			
Appropriations from fund balance	186,510	-	(186,510)
Total other financing sources	186,510	-	(186,510)
Revenues over expenditures and other financing sources	\$ -	\$ 116,503	\$ 116,503
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Reconciling items:			
Payment of debt principal		90,002	
Depreciation		(500,441)	
Decrease in accrued vacation/compensated time payable		109	
Increase in deferred outflows-pension		22	
Increase in deferred inflows-pension		(6,670)	
Increase in net pension liability		(23,301)	
Capital contributions from capital projects fund		-	
Total reconciling items		(440,279)	
Change in net position		\$ (323,776)	

**Town of Robbinsville, North Carolina**  
**Water and Sewer Capital Projects Fund**  
**Schedule of Revenues and Expenditures**  
**(Non-GAAP) - Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2021**

	Project Author - ization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues:</b>					
Tallulah Creek Water Plant Improvements					
N.C. Division of Water Infrastructure	487,500	468,428	16,139	484,567	(2,933)
Investment earnings	-	-	-	-	-
Total revenues	<u>487,500</u>	<u>468,428</u>	<u>16,139</u>	<u>484,567</u>	<u>(2,933)</u>
<b>Expenditures:</b>					
Tallulah Creek Water Plant Improvements					
Construction Costs	516,600	494,962	26,224	521,186	(4,586)
Contingency	25,830	-	-	-	25,830
Technical Services-Planning & Design	12,000	12,000	-	12,000	-
Technical Services-Construction Phase	53,000	50,000	2,500	52,500	500
Construction Administration	50,000	55,500	-	55,500	(5,500)
Legal & Testing	12,570	4,250	-	4,250	8,320
Closing Costs	7,859	7,859	-	7,859	-
	<u>677,859</u>	<u>624,571</u>	<u>28,724</u>	<u>653,295</u>	<u>24,564</u>
Total expenditures	<u>677,859</u>	<u>624,571</u>	<u>28,724</u>	<u>653,295</u>	<u>24,564</u>
Other financing sources:					
Transfers in/(out)	163,046	156,143	(14,728)	141,415	(21,631)
Proceeds from Loan	27,313	-	27,313	27,313	-
Total other financing sources	<u>190,359</u>	<u>156,143</u>	<u>12,585</u>	<u>168,728</u>	<u>(21,631)</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances:</b>					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ -</u>		

**Town of Robbinsville, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2021**

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections And Credits	Uncollected Balance June 30, 2021
2020 - 2021	\$ -	\$ 319,754	\$ 312,255	\$ 7,499
2019 - 2020	11,159	-	4,112	7,047
2018 - 2019	8,302	-	2,428	5,874
2017 - 2018	4,977	-	2,613	2,364
2016 - 2017	6,277	-	559	5,718
2015 - 2016	4,572	-	251	4,321
2014 - 2015	5,619	-	941	4,678
2013 - 2014	3,358	-	803	2,555
2012 - 2013	4,886	-	584	4,302
2011 - 2012	3,112	-	475	2,637
2010 - 2011	2,178	-	2,178	-
	<u>\$ 54,440</u>	<u>\$ 319,754</u>	<u>\$ 327,199</u>	<u>46,995</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>(34,000)</u>
Ad valorem taxes receivable - net				<u>\$ 12,995</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 331,968
Reconciling items:				
Interest collected				(4,893)
Releases, net of other adjustments				(2,054)
Taxes written off				<u>2,178</u>
Subtotal				<u>(4,769)</u>
Total collections and credits				<u>\$ 327,199</u>

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

	Town - Wide		Total Levy	
	Property Valuation	Rate	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:				
Property taxed at current year's rate	\$ 53,740,833	0.6000	\$ 322,445	\$ 305,755
Discoveries:				
Prior year taxes	-	0.6000	-	-
Total	-		-	-
Abatements - current year taxes	448,500	0.6000	2,691	2,691
Total property valuation	<u>\$ 53,292,333</u>			
Current net levy			\$ 319,754	303,064
Uncollected taxes at June 30, 2021			(7,499)	(7,499)
Current year's taxes collected			<u>\$ 312,255</u>	<u>\$ 295,565</u>
Current levy collection percentage			<u>97.65%</u>	<u>97.53%</u>

**Town of Robbinsville, North Carolina**  
**NC State Reserve Project Grant**  
**Project Description: Tallulah Creek Water Treatment Plant Improvements**  
**Project Number: H-SRP-D-17-0071**  
**From Project Inception to June 30, 2021**

---

## Statement of Revenues:

State Funds - NC Water Infrastructure Fund	\$ 484,567
--	------------

## Statement of Expenditures:

Construction Costs	383,985
Technical Services - Planning & Design	12,000
Technical Services - Construction Phase	30,098
Construction Administration	46,375
Legal & Testing	4,250
Closing Costs	<u>7,859</u>

Total expenditures	<u>\$ 484,567</u>
--------------------	-------------------