

**REVIEWED**

**By SLGFD at 3:29 pm, Apr 27, 2022**

**Town of Tabor City, North Carolina**

**Report of Independent Certified Public Accountants**

**Financial Statements and Schedules**

**For the Fiscal Year Ended**

**June 30, 2021**

**Royce Harper, Mayor**

**Commissioners**

**Lamont Grate, Mayor Pro Tempore**

**Nelson Lee**

**David Mincey**

**Sam Rogers**

**Al Leonard, Jr., Town Manager**

**Diane Ward, Finance Clerk**

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**June 30, 2021**

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# **Financial Section**

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Enterprise Funds**





**Patterson & Associates, PLLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
American Institute of CPAs  
NC Association of CPAs

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**Independent Auditor's Report**

January 3, 2022

To the Honorable Mayor and  
the Board of Commissioners  
Tabor City, 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, each major fund, and the aggregate remaining fund information of the Town of Tabor City, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Tabor City'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 did not audit the financial statements of the Town of Tabor City ABC Board, which represents 100 percent of the assets, net position, and revenues of the discretely presented component unit. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Town of Tabor City ABC Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Town of Tabor City ABC Board were not audited in accordance with Government Auditing Standards.

**Independent Auditor's Report  
For the Year Ending  
June 30, 2021**

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 design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

**Opinions**

In our opinion, 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, each major fund, and the aggregate remaining fund information of the Town of Tabor City, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 6 to the financial statements, effective July 1, 2020, the entity adopted new accounting guidance promulgated in GASB Statement No. 84, Fiduciary Activities. Our opinion is not modified with respect to this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on page 49, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on page 50 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Independent Auditor's Report  
For the Year Ending  
June 30, 2021**

*Supplementary and Other Information*

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2022, on our consideration of Town of Tabor City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Tabor City's internal control over financial reporting and compliance.

*Patterson & Associates, PLLC*

Lumberton, NC

**Town of Tabor City, North Carolina**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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

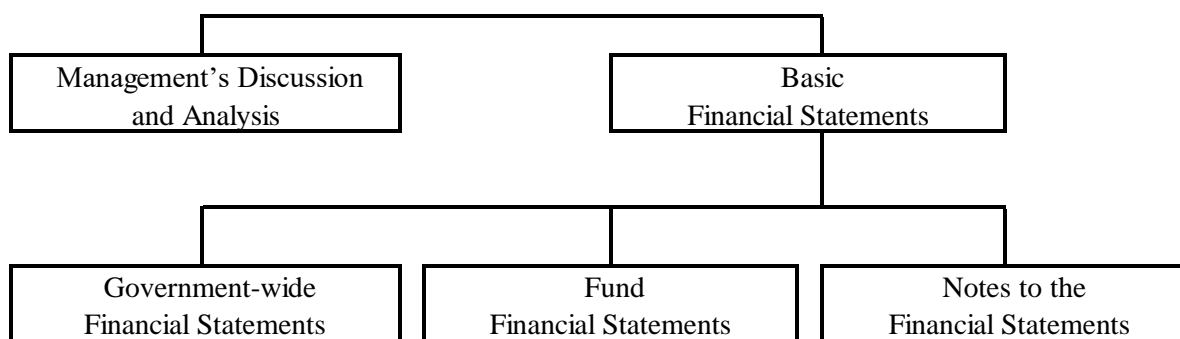
**Financial Highlights**

- The assets and deferred outflows of resources of the Town of Tabor City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$19,982,582 (net position).
- The government's total net position increased by \$947,261, primarily due to operating grants in the proprietary fund and local option sales tax in the governmental fund.
- As of the close of the current fiscal year, the Town of Tabor City's governmental funds reported combined ending fund balances of \$3,525,750. Approximately 43.87% percent of this total amount, or \$1,546,618, is available for spending at the government's discretion, known as unreserved fund balance. This unreserved fund balance represents 51.87% of total general fund expenditures for the fiscal year.
- The Town of Tabor City's legal debt limit is \$11,593,660, which is 8.00% of the Town's assessed property tax valuation of \$144,920,755. The total legal indebtedness of the Town is \$159,993, which represents 0.11% of assessed property valuation.

**Overview of the Financial Statements**

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

**Required Components of the Annual Financial Report**



**Town of Tabor City, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Basic Financial Statements**

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

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

**Government-wide Financial Statements**

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the Town's basic services such as general administration, public safety, and streets and highways. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water and sewer services offered by the Town of Tabor City.

**Fund Financial Statements**

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Tabor City, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Tabor City can be divided into two categories: governmental funds and proprietary funds.

**Town of Tabor City, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Governmental Funds**

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

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

**Proprietary Funds**

The Town of Tabor City has one kind of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Tabor City uses enterprise funds to account for its water and sewer activity. The fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 24-52 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 Tabor City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 48 of this report.

**Town of Tabor City, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Government-Wide Financial Analysis**

The Town of Tabor City's Net Position

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Assets and deferred outflows of resources</b>						
Total current assets	\$ 3,683,927	\$ 3,226,904	\$ 3,628,232	\$ 3,266,000	\$ 7,312,159	\$ 6,492,904
Capital assets	4,358,952	4,337,710	9,968,649	10,298,472	14,327,601	14,636,182
Other non current assets	-	-	39,014	-	39,014	-
Deferred outflows of resources	269,997	224,556	36,223	34,704	306,220	259,260
<b>Total assets and deferred outflows of resources</b>	<b>8,312,876</b>	<b>7,789,170</b>	<b>13,672,118</b>	<b>13,599,176</b>	<b>21,984,994</b>	<b>21,388,346</b>
<b>Liabilities and deferred inflows of resources</b>						
Long term liabilities	729,154	700,765	880,969	1,019,682	1,610,123	1,720,447
Current liabilities	130,483	65,750	230,953	175,518	361,436	241,268
Deferred inflows of resources	30,853	92,906	-	298,404	30,853	391,310
<b>Total liabilities and deferred inflows of resources</b>	<b>890,490</b>	<b>859,421</b>	<b>1,111,922</b>	<b>1,493,604</b>	<b>2,002,412</b>	<b>2,353,025</b>
<b>Net position</b>						
Net investment in capital assets	4,223,253	4,136,261	9,944,355	9,160,745	14,167,608	13,297,006
Restricted	1,582,401	1,126,746	-	-	1,582,401	1,126,746
Undesignated	1,616,732	1,666,742	2,615,841	2,944,827	4,232,573	4,611,569
<b>Total net position</b>	<b>\$ 7,422,386</b>	<b>\$ 6,929,749</b>	<b>\$ 12,560,196</b>	<b>\$ 12,105,572</b>	<b>\$ 19,982,582</b>	<b>\$ 19,035,321</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town of Tabor City exceeded liabilities and deferred inflows of resources by \$19,982,582 as of June 30, 2021. The Town's Net Position increased by \$947,261 for the fiscal year ended June 30, 2021.

However, the largest portion of the Town's net position (66.04%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Town of Tabor City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Tabor City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

The restricted portion of net position, \$1,582,401, represents the Town's resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$5,203,166 may be used to meet the Town's ongoing obligations to the citizens and creditors.

**Town of Tabor City, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Governmental activities**

**Town of Tabor City Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 84,692	\$ 62,255	\$ 2,086,312	\$ 1,848,776	\$ 2,171,004	\$ 1,911,031
Operating grants	370,407	485,196	-	-	370,407	485,196
Capital grants	2,650	-	-	842,183	2,650	842,183
General revenues:						
Property taxes	1,102,503	1,058,171	-	-	1,102,503	1,058,171
Other taxes and licenses	2,023,748	1,552,452	-	-	2,023,748	1,552,452
Investment earnings	73	-	30	-	103	-
Other	1,012,401	164,314	233,818	32,430	1,246,219	196,744
<b>Total revenues</b>	<b>4,596,474</b>	<b>3,322,388</b>	<b>2,320,160</b>	<b>2,723,389</b>	<b>6,916,634</b>	<b>6,045,777</b>
<b>Expenses:</b>						
Governing body	46,152	31,525	-	-	46,152	31,525
Administration	539,974	406,891	-	-	539,974	406,891
Legal	5,567	4,036	-	-	5,567	4,036
Public works	108,127	137,941	-	-	108,127	137,941
Police department	965,612	916,925	-	-	965,612	916,925
Fire department	293,699	285,999	-	-	293,699	285,999
Economic & physical developm	1,146,128	327,858	-	-	1,146,128	327,858
Street department	397,496	436,418	-	-	397,496	436,418
Powell Bill	161,751	9,424	-	-	161,751	9,424
Cultural and recreational	219,766	246,434	-	-	219,766	246,434
Non departmental	121,565	193,266	-	-	121,565	193,266
Water	-	-	507,567	467,728	507,567	467,728
Sewer	-	-	1,159,845	1,294,041	1,159,845	1,294,041
Sanitation	-	-	296,124	287,866	296,124	287,866
<b>Total expenses</b>	<b>4,005,837</b>	<b>2,996,717</b>	<b>1,963,536</b>	<b>2,049,635</b>	<b>5,969,373</b>	<b>5,046,352</b>
<b>Increase in net position before transfers</b>	<b>590,637</b>	<b>325,671</b>	<b>356,624</b>	<b>673,754</b>	<b>947,261</b>	<b>999,425</b>
<b>Transfers</b>	<b>(98,000)</b>	<b>-</b>	<b>98,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase in net position</b>	<b>492,637</b>	<b>325,671</b>	<b>454,624</b>	<b>673,754</b>	<b>947,261</b>	<b>999,425</b>
<b>Net position, July 1</b>	<b>6,929,749</b>	<b>6,604,078</b>	<b>12,105,572</b>	<b>11,431,818</b>	<b>19,035,321</b>	<b>18,035,896</b>
<b>Net position, June 30</b>	<b>\$ 7,422,386</b>	<b>\$ 6,929,749</b>	<b>\$12,560,196</b>	<b>\$12,105,572</b>	<b>\$19,982,582</b>	<b>\$19,035,321</b>

Governmental activities increased the Town's net position by \$492,425. Key elements of this increase are Local Option Sales Tax and Ad Valorem taxes.

Business type activities' increased the Town's net position by \$454,624. Operating revenues decreased by -\$403,229 and operating expenses decreased by -\$86,099, respectively. Key elements of this change are a decrease in capital grant contributions revenues and a decrease in Sewer Fund expenses.



**Town of Tabor City, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Financial Analysis of the Town of Tabor City's Funds**

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

**Governmental Funds**

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

The general fund is the chief operating fund of the Town of Tabor City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$1,546,618, while total fund balance reached \$2,184,047. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 51.87% of total General Fund expenditures.

At June 30, 2021, the governmental funds of the Town of Tabor City reported a combined fund balance of \$3,525,750, an increase of \$473,082 from last year.

**General Fund Budgetary Highlights**

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

Revenues were less than the budgeted amounts primarily because Ad Valorem taxes were lower than expected. Expenditures increased primarily due to administration costs cuts. See page 19 for a detailed comparison of original budgeted amounts to final budgeted amounts.

**Proprietary Funds**

The Town's proprietary funds provide the same type of information found in the governmental wide financial statements, but in more detail.

Unrestricted net position in the Business Type Activities increased by \$454,624 from the prior fiscal year to \$3,586,434. This was due mainly to decreased operating expenses and increased miscellaneous income.

**Town of Tabor City, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

**Capital Asset and Debt Administration**

**Capital Assets**

The Town of Tabor City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, is summarized below. These assets include land, buildings, distribution systems, and construction in progress. Major capital asset transactions during the year include the following:

- Governmental activities addition to land of \$85,000.
- Governmental activities addition to buildings and improvements of \$168,907 (from construction in progress) and equipment of \$245,381 (Christmas decorations, radios, computers, air packs, signs).
- Business Type activities addition to land of \$10,502.

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 698,974	\$ 613,974	\$ 43,727	\$ 33,225	\$ 742,701	\$ 647,199
Work in progress	162,151	168,907	210,596	210,596	372,747	379,503
Plant and distribution	-	-	9,691,407	10,020,037	9,691,407	10,020,037
Buildings	2,054,293	2,097,267	-	-	2,054,293	2,097,267
Equipment	1,195,705	1,147,409	-	34,614	1,195,705	1,182,023
Vehicles	127,151	183,673	22,919	-	150,070	183,673
Library	120,678	126,480	-	-	120,678	126,480
<b>Total</b>	<b>\$ 4,358,952</b>	<b>\$ 4,337,710</b>	<b>\$ 9,968,649</b>	<b>\$10,298,472</b>	<b>\$14,327,601</b>	<b>\$14,636,182</b>

Additional information on the Town's capital assets can be found starting on page 35 in the Notes to the Financial Statements.

**Long-term Debt**

As of June 30, 2021, the Town of Tabor City had long term debt outstanding of \$1,820,144. Of this debt, \$970,593 is backed by the full faith and credit of the Town of Tabor City.

**Town of Tabor City's Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
General obligation bonds	\$ -	\$ -	\$ 970,593	\$ 1,094,137	\$ 970,593	\$ 1,094,137
Installment purchases	135,699	201,449	24,294	43,590	159,993	245,039
Compensated absences	224,488	188,177	6,160	2,576	230,648	190,753
Pension related debt (LGRS)	343,446	288,575	22,334	23,569	365,780	312,144
Pension related debt (LEO)	93,130	88,314	-	-	93,130	88,314
<b>Total</b>	<b>\$ 796,763</b>	<b>\$ 766,515</b>	<b>\$ 1,023,381</b>	<b>\$ 1,163,872</b>	<b>\$ 1,820,144</b>	<b>\$ 1,930,387</b>

**Town of Tabor City, North Carolina**  
**Management's Discussion and Analysis (continued)**  
**June 30, 2021**

The Town of Tabor City's total debt changed by -\$110,243 during the past fiscal year due to increases in pension related debt, compensated absences, and offset by scheduled debt payments reducing GO bonds and installment purchases.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Tabor City is \$11,593,660. The Town of Tabor City does not have any authorized but unissued debt at June 30, 2021.

Additional information pertaining to the Town of Tabor City's long-term debt can be found starting on page 49 in the Notes to the Financial Statements.

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

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

- The Town of Tabor City's property tax rate remains the same at \$.67 per \$100.
- Occupancy rates on office and retail space in the Town remain stable.
- There are no proposed adjustments for rates and fees in the 2021-2022 FY Budget.
- Unemployment rates remain constant.

**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:

Al Leonard  
Finance Officer  
Town of Tabor City  
Post Office Drawer 655  
Tabor City, North Carolina 28439

# **Basic Financial Statements**

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

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business</b>	
<b>Assets</b>	<b>Activities</b>	<b>Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,972,580	\$ 3,010,197	\$ 4,982,777
Ad Valorem taxes, net	74,161	-	74,161
Interest receivable	21,042	-	21,042
Accounts receivable - net	1,333	66,436	67,769
Due from other governments	240,698	-	240,698
Due from other funds	21,258	-	21,258
Due from component unit	11,052	-	11,052
Restricted cash and cash equivalents	1,341,803	551,599	1,893,402
<b>Total current assets</b>	<b>3,683,927</b>	<b>3,628,232</b>	<b>7,312,159</b>
<b>Other non current assets</b>			
Loan costs	-	39,014	39,014
<b>Total other non current assets</b>	<b>-</b>	<b>39,014</b>	<b>39,014</b>
<b>Capital assets</b>			
Land and other non-depreciable assets	941,600	254,323	1,195,923
Other capital assets, net of depreciation	3,417,352	9,714,326	13,131,678
<b>Total capital assets</b>	<b>4,358,952</b>	<b>9,968,649</b>	<b>14,327,601</b>
<b>Total assets</b>	<b>8,042,879</b>	<b>13,635,895</b>	<b>21,678,774</b>
<b>Deferred Outflows of Resources</b>			
Pension deferral (LGRS)	143,795	7,414	151,209
Pension deferral (LEOSSA)	30,865	-	30,865
Contributions to pension plan in			
current fiscal year	95,337	13,617	108,954
Deferred bond issuance costs	-	15,192	15,192
<b>Total deferred outflows of resources</b>	<b>269,997</b>	<b>36,223</b>	<b>306,220</b>

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

**Town of Tabor City, North Carolina**  
**Statement of Net Position (continued)**  
**June 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business</b>	
<b>Liabilities</b>	<b>Activities</b>	<b>Type</b>	<b>Total</b>
		<b>Activities</b>	
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	62,874	24,142	87,016
Due to other funds	-	21,258	21,258
Customer deposits	-	34,069	34,069
General obligation bonds	-	127,190	127,190
Current portion of long-term liabilities	67,609	24,294	91,903
<b>Total current liabilities</b>	<b>130,483</b>	<b>230,953</b>	<b>361,436</b>
<b>Long-term liabilities</b>			
Compensated absences	224,488	6,160	230,648
Net pension liability (LGERS)	343,446	31,406	374,852
Net pension liability (LEOSSA)	93,130	-	93,130
General obligation bonds	-	843,403	843,403
Due in more than one year	68,090	-	68,090
<b>Total long term liabilities</b>	<b>729,154</b>	<b>880,969</b>	<b>1,610,123</b>
<b>Total liabilities</b>	<b>859,637</b>	<b>1,111,922</b>	<b>1,971,559</b>
<b>Deferred Inflows of Resources</b>			
Deferred revenue	100	-	100
Net pension liability (LGERS)	-	-	-
Pension deferral (LEOSSA)	30,753	-	30,753
<b>Total deferred inflows of resources</b>	<b>30,853</b>	<b>-</b>	<b>30,853</b>
<b>Net Position</b>			
Net investment in capital assets	4,223,253	9,944,355	14,167,608
Restricted for:			
Stabilization by State Statute	240,698	-	240,698
Capital projects	1,341,703	-	1,341,703
Unrestricted	1,616,732	2,615,841	4,232,573
<b>Total net position</b>	<b>\$ 7,422,386</b>	<b>\$ 12,560,196</b>	<b>\$ 19,982,582</b>

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

**Town of Tabor City, North Carolina**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position				Tabor City ABC Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>Primary government</b>								
<b>Governmental activities</b>								
Governing body	\$ 46,152	\$ -	\$ -	\$ -	\$ (46,152)	\$ -	\$ (46,152)	\$ -
Administration	539,974	-	-	-	(539,974)	-	(539,974)	-
Legal	5,567	238	-	-	(5,329)	-	(5,329)	-
Public works	108,127	-	-	-	(108,127)	-	(108,127)	-
Police department	965,612	-	7,519	2,650	(955,443)	-	(955,443)	-
Fire department	293,699	-	4,424	-	(289,275)	-	(289,275)	-
Economic & physical development	1,146,128	84,454	92,860	-	(968,814)	-	(968,814)	-
Street department	397,496	-	-	-	(397,496)	-	(397,496)	-
Powell Bill	161,751	-	108,585	-	(53,166)	-	(53,166)	-
Cultural and recreational	219,766	-	-	-	(219,766)	-	(219,766)	-
Non departmental	121,565	-	157,019	-	35,454	-	35,454	-
<b>Total governmental activities</b>	<b>4,005,837</b>	<b>84,692</b>	<b>370,407</b>	<b>2,650</b>	<b>(3,548,088)</b>	<b>-</b>	<b>(3,548,088)</b>	<b>-</b>
<b>Business type activities</b>								
Water	507,567	408,964	-	-	-	(98,603)	(98,603)	-
Sewer	1,159,845	1,267,912	-	-	-	108,067	108,067	-
Sanitation	296,124	409,436	-	-	-	113,312	113,312	-
<b>Total business type activities</b>	<b>1,963,536</b>	<b>2,086,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,776</b>	<b>122,776</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 5,969,373</b>	<b>\$ 2,171,004</b>	<b>\$ 370,407</b>	<b>\$ 2,650</b>	<b>(3,548,088)</b>	<b>122,776</b>	<b>(3,425,312)</b>	<b>-</b>
<b>Total component units</b>								<b>89,012</b>
<b>General revenues and transfers</b>								
Ad Valorem taxes					1,102,503	-	1,102,503	-
Other taxes and licenses					143,222	-	143,222	-
Unrestricted intergovernmental revenues					1,880,526	-	1,880,526	-
Investment earnings					73	30	103	-
Transfers in (out)					(98,000)	98,000	-	-
Miscellaneous					1,012,401	233,818	1,246,219	-
<b>Total general revenues and transfers</b>					<b>4,040,725</b>	<b>331,848</b>	<b>4,372,573</b>	<b>-</b>
<b>Change in net position</b>					<b>492,637</b>	<b>454,624</b>	<b>947,261</b>	<b>89,012</b>
<b>Net position, beginning</b>					<b>6,929,749</b>	<b>12,105,572</b>	<b>19,035,321</b>	<b>265,036</b>
<b>Net position, ending</b>					<b>\$ 7,422,386</b>	<b>\$12,560,196</b>	<b>\$19,982,582</b>	<b>\$ 354,048</b>

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

**Town of Tabor City, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<u>Major Fund</u>	<u>Total</u>	<u>Total</u>
	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Governmental Funds</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 1,972,580	\$ -	\$ 1,972,580
Taxes receivable, net	74,161	-	74,161
Accounts receivable, other	1,333	-	1,333
Due from other governments	240,698	-	240,698
Due from other funds	21,258	-	21,258
Due from component unit	11,052	-	11,052
Cash - restricted	-	1,341,803	1,341,803
<b>Total assets</b>	<u>\$ 2,321,082</u>	<u>\$ 1,341,803</u>	<u>\$ 3,662,885</u>
<b><u>Liabilities</u></b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 62,874	\$ -	\$ 62,874
<b>Total liabilities</b>	<u>62,874</u>	<u>-</u>	<u>62,874</u>
<b><u>Deferred Inflows of Resources</u></b>			
Property taxes receivable	74,161	-	74,161
Deferred grants	-	100	100
<b>Total deferred inflows of resources</b>	<u>74,161</u>	<u>100</u>	<u>74,261</u>
<b><u>Fund Balances</u></b>			
Restricted - Stabilization by State Statute	240,698	-	240,698
Assigned, subsequent year's expenditures	396,731	1,341,703	1,738,434
Unassigned	1,546,618	-	1,546,618
<b>Total fund balances</b>	<u>2,184,047</u>	<u>1,341,703</u>	<u>3,525,750</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 2,321,082</u>	<u>\$ 1,341,803</u>	<u>\$ 3,662,885</u>

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



**Town of Tabor City, North Carolina**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**June 30, 2021**

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

Total Fund Balance, Governmental Funds	\$ 3,525,750
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Gross capital assets at historical cost	8,377,427	
Accumulated depreciation	<u>(4,018,475)</u>	
	4,358,952	4,358,952

Deferred outflows of resources that are not reported in the funds:

Pension deferral (LGERS)	143,795	
Pension deferral (LEOSSA)	30,865	
Contributions to OPEB plan in current fiscal year	<u>95,337</u>	
	<u>269,997</u>	269,997

Other long-term assets are not available to pay for current period expenditures and are therefore deferred:

Accrued interest, taxes	<u>21,042</u>	21,042
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Deferred inflows of resources that are not reported in the funds:

Ad valorem taxes	74,161	
Pension deferrals	<u>(30,753)</u>	
	43,408	43,408

Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:

Compensated absences	(224,488)	
Long term debt	<u>(135,699)</u>	
	(360,187)	(360,187)
Net pension liability (LGERS)	(343,446)	
Net pension liability (LEOSSA)	<u>(93,130)</u>	
	(436,576)	(436,576)

<b>Net position of governmental activities</b>	<u><u>\$ 7,422,386</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	<b>Major Fund</b>	<b>Non-Major</b>	<b>Total</b>
	<b>General</b>	<b>Governmental</b>	<b>Governmental</b>
<b>Revenues</b>		<b>Funds</b>	<b>Funds</b>
Ad valorem taxes	\$ 1,094,021	\$ -	\$ 1,094,021
Other taxes and licenses	143,222	-	143,222
Unrestricted intergovernmental	1,452,304	-	1,452,304
Restricted intergovernmental	372,845	428,222	801,067
Permits and fees	84,692	-	84,692
Investment earnings	2	71	73
Miscellaneous	101,116	911,497	1,012,613
<b>Total revenues</b>	<b>3,248,202</b>	<b>1,339,790</b>	<b>4,587,992</b>
<b>Expenditures</b>			
Governing body	46,152	-	46,152
Administration	423,305	-	423,305
Legal	5,567	-	5,567
Public works	105,113	-	105,113
Police department	871,184	-	871,184
Fire department	240,664	-	240,664
Economic & physical development	99,221	988,443	1,087,664
Street department	370,613	-	370,613
Powell Bill	161,751	-	161,751
Cultural and recreational	136,412	-	136,412
Non departmental	121,565	-	121,565
Debt service:			
Principal	65,750	-	65,750
Interest and other charges	3,917	-	3,917
Capital outlay	330,381	46,872	377,253
<b>Total expenditures</b>	<b>2,981,595</b>	<b>1,035,315</b>	<b>4,016,910</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>266,607</b>	<b>304,475</b>	<b>571,082</b>
<b>Other financing sources (uses)</b>			
Transfers from (to) non-major governmental funds	(762,000)	762,000	-
Transfers from (to) Waste Water Treatment	(288,000)	-	(288,000)
Transfers from (to) Gore Street Sewer Fund	-	190,000	190,000
<b>Total other financing sources (uses)</b>	<b>(1,050,000)</b>	<b>952,000</b>	<b>(98,000)</b>
<b>Net change in fund balances</b>	<b>(783,393)</b>	<b>1,256,475</b>	<b>473,082</b>
<b>Fund balances, beginning</b>	<b>2,967,440</b>	<b>85,228</b>	<b>3,052,668</b>
<b>Fund balances, ending</b>	<b>\$ 2,184,047</b>	<b>\$ 1,341,703</b>	<b>\$ 3,525,750</b>

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

**Town of Tabor City, North Carolina****Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
Balance of Governmental Funds to the Statement of Activities  
Governmental Funds****For the Fiscal Year Ended June 30, 2021**

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

Net changes in fund balances - total governmental funds \$ 473,082

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:

Capital outlay expenditures which were capitalized	330,381	
Depreciation expense for governmental assets	<u>(309,139)</u>	
	<u>21,242</u>	21,242

Contributions to the pension plan in the current fiscal year are not  
included on the Statement of Activities

Revenues in the statement of activities that do not provide current  
financial resources are not reported as revenues in the funds.

Change in unavailable revenue for tax revenues	8,482	
	<u>8,482</u>	8,482

The issuance of long-term debt provides current financial resources

funds, while the repayment of the principal of long-term debt  
consumes the current financial resources of governmental funds.

Principal payments on long-term debt	65,750	
	<u>65,750</u>	65,750

Some expenses reported in the statement of activities do not  
require the use of current financial resources and, therefore, are  
not reported as expenditures in governmental funds.

Compensated absences	(36,311)	
Pension deferrals	<u>(39,608)</u>	
	<u>(75,919)</u>	<u>(75,919)</u>

Total changes in net position of governmental activities		<u>\$ 492,637</u>
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The notes to the financial statements are an integral part of this statement.

**Town of Tabor City, North Carolina**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

**General Fund**

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

	General Fund			Variance with
	Budgeted Amounts			Final Budget
Revenues	Original	Final	Actual	Positive (Negative)
Ad valorem taxes	\$ 974,344	\$ 1,142,735	\$ 1,094,021	\$ (48,714)
Other taxes and licenses	128,980	124,910	143,222	18,312
Unrestricted intergovernmental	1,236,555	1,442,494	1,452,304	9,810
Restricted intergovernmental	437,471	422,989	372,845	(50,144)
Permits and fees	40,825	73,160	84,692	11,532
Investment earnings	1	6	2	(4)
Miscellaneous	34,106	90,025	101,116	11,091
Total revenues	2,852,282	3,296,319	3,248,202	(48,117)
Expenditures				
Current:				
General government				
Governing body	48,611	40,871	46,152	(5,281)
Administration	482,709	416,341	423,305	(6,964)
Legal	8,038	8,538	5,567	2,971
Public works	149,099	130,632	105,113	25,519
Police department	840,213	911,745	871,184	40,561
Fire department	273,299	287,475	240,664	46,811
Economic & physical development	126,881	132,781	99,221	33,560
Street department	403,131	426,660	370,613	56,047
Powell Bill	106,830	11,000	161,751	(150,751)
Cultural and recreational	162,400	167,600	136,412	31,188
Non departmental	377,841	559,500	121,565	437,935
Debt service	71,580	73,580	69,667	3,913
Capital outlay	144,400	449,200	330,381	118,819
Total general government	3,195,032	3,615,923	2,981,595	634,328
Revenues Over (Under)	(342,750)	(319,604)	266,607	586,211
Other financing sources (uses)				
Transfers to other funds	(800,000)	(800,000)	(1,050,000)	(250,000)
Total other financing sources (uses)	(800,000)	(800,000)	(1,050,000)	(250,000)
Revenue and other financing sources over (under) expenditures				
	(1,142,750)	(1,119,604)	(783,393)	336,211
Fund balance appropriated	1,142,750	1,119,604	-	(1,119,604)
Net change in fund balances	\$ -	\$ -	(783,393)	\$ (783,393)
Fund balances, beginning			2,967,440	
Fund balances, ending			\$ 2,184,047	

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

**Town of Tabor City, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Sanitaiton Fund</b>	<b>Total</b>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 1,887,815	\$ 363,238	\$ 759,144	\$ 3,010,197
Accounts receivable - net	13,117	41,282	12,037	66,436
Restricted cash and cash equivalents	37,449	514,150	-	551,599
<b>Total current assets</b>	<b>1,938,381</b>	<b>918,670</b>	<b>771,181</b>	<b>3,628,232</b>
<b>Noncurrent assets</b>				
Loan costs	-	39,014	-	39,014
<b>Capital assets</b>				
Non depreciable assets	31,225	221,098	2,000	254,323
Other capital assets, net of depr	2,158,740	7,555,586	-	9,714,326
<b>Total capital assets</b>	<b>2,189,965</b>	<b>7,776,684</b>	<b>2,000</b>	<b>9,968,649</b>
<b>Total non-current assets</b>	<b>2,189,965</b>	<b>7,815,698</b>	<b>2,000</b>	<b>10,007,663</b>
<b>Total assets</b>	<b>4,128,346</b>	<b>8,734,368</b>	<b>773,181</b>	<b>13,635,895</b>
<b><u>Deferred Outflows of Resources</u></b>				
Pension deferrals	216	1,433	5,765	7,414
Contributions to pension plan	8,046	4,539	1,032	13,617
Deferred bond issuance costs	-	15,192	-	15,192
<b>Total deferred outflows of reso</b>	<b>8,262</b>	<b>21,164</b>	<b>6,797</b>	<b>36,223</b>
<b><u>Liabilities</u></b>				
<b>Current liabilities</b>				
Accounts payable & accr liabilities	4,617	19,525	-	24,142
Due to other funds	21,258	-	-	21,258
Customer deposits	34,069	-	-	34,069
General obligation bonds	65,757	61,433	-	127,190
Current portion - long-term liabilities	24,294	-	-	24,294
<b>Total current liabilities</b>	<b>149,995</b>	<b>80,958</b>	<b>-</b>	<b>230,953</b>
<b>Non-current liabilities</b>				
Compensated absences	4,321	1,839	-	6,160
Net pension liability	12,957	9,072	9,377	31,406
General obligation bonds	417,438	425,965	-	843,403
<b>Total non-current liabilities</b>	<b>434,716</b>	<b>436,876</b>	<b>9,377</b>	<b>880,969</b>
<b>Total liabilities</b>	<b>584,711</b>	<b>517,834</b>	<b>9,377</b>	<b>1,111,922</b>
<b><u>Net Position</u></b>				
Net investment in capital assets	2,165,671	7,776,684	2,000	9,944,355
Unrestricted	1,386,226	461,014	768,601	2,615,841
<b>Total net position</b>	<b>\$ 3,551,897</b>	<b>\$ 8,237,698</b>	<b>\$ 770,601</b>	<b>\$12,560,196</b>

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

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

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Sanitaiton Fund</b>	<b>Total</b>
<b>Operating revenues</b>				
Charges for services	\$ 408,964	\$ 1,267,912	\$ 409,436	\$ 2,086,312
Other operating revenue	63,170	2,350	-	65,520
<b>Total operating revenues</b>	<u>472,134</u>	<u>1,270,262</u>	<u>409,436</u>	<u>2,151,832</u>
<b>Operating expenses</b>				
Salaries and benefits	118,185	75,449	13,134	206,768
Professional fees	118,355	-	-	118,355
Utilities	51,072	496,965	-	548,037
Maintenance and repairs	39,777	74,746	-	114,523
Department supplies	28,635	9,473	13,201	51,309
Contracted services	-	189,934	260,897	450,831
Insurance	21,147	15,386	1,013	37,546
Other operating expenditures	28,766	24,574	7,879	61,219
Depreciation and amortization	83,806	258,500	-	342,306
<b>Total operating expenses</b>	<u>489,743</u>	<u>1,145,027</u>	<u>296,124</u>	<u>1,930,894</u>
<b>Operating income (loss)</b>	<u>(17,609)</u>	<u>125,235</u>	<u>113,312</u>	<u>220,938</u>
<b>Non-operating revenues (expenses)</b>				
Investment earnings	7	23	-	30
Other non-operating	25,748	142,550	-	168,298
Interest expense	(17,824)	(14,818)	-	(32,642)
<b>Total non-operating revenues (expenses)</b>	<u>7,931</u>	<u>127,755</u>	<u>-</u>	<u>135,686</u>
<b>Income (loss) before contributions and transfers</b>	<u>(9,678)</u>	<u>252,990</u>	<u>113,312</u>	<u>356,624</u>
<b>Contributions and transfers</b>				
General Fund	-	288,000	-	288,000
General Fund - Wall Street CDBG	-	(190,000)	-	(190,000)
<b>Total contributions and transfers</b>	<u>-</u>	<u>98,000</u>	<u>-</u>	<u>98,000</u>
<b>Change in net position</b>	<u>(9,678)</u>	<u>350,990</u>	<u>113,312</u>	<u>454,624</u>
<b>Total net position, beginning</b>	<u>3,561,575</u>	<u>7,886,708</u>	<u>657,289</u>	<u>12,105,572</u>
<b>Total net position, ending</b>	<u>\$ 3,551,897</u>	<u>\$ 8,237,698</u>	<u>\$ 770,601</u>	<u>\$12,560,196</u>

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

**Town of Tabor City, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Sanitaiton Fund</b>	<b>Total</b>
<b>Operating Activities</b>				
Cash received from customers	\$ 476,745	\$ 1,276,764	\$ 430,550	\$ 2,184,059
Cash paid to employees	(111,031)	(72,488)	(12,805)	(196,324)
Cash paid to suppliers	(284,549)	(792,662)	(282,990)	(1,360,201)
Increase in customer deposits	2,741	-	-	2,741
Miscellaneous income	25,748	142,550	-	168,298
<b>Net cash provided (used) by operating activities</b>	<u>109,654</u>	<u>554,164</u>	<u>134,755</u>	<u>798,573</u>
<b>Noncapital Financing Activities</b>				
Due to (from) other funds	21,258	-	-	21,258
Transfers to other funds	-	(591,404)	-	(591,404)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>21,258</u>	<u>(591,404)</u>	<u>-</u>	<u>(570,146)</u>
<b>Capital and Related Financing Activities</b>				
Principal paid on capital debt	(83,168)	(59,671)	-	(142,839)
Interest paid on capital debt	(17,824)	(14,818)	-	(32,642)
Loan costs	-	(39,014)	-	(39,014)
Capital grants	-	-	-	-
Acquisition of capital assets	-	(10,502)	-	(10,502)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(100,992)</u>	<u>(124,005)</u>	<u>-</u>	<u>(224,997)</u>
<b>Investing Activities</b>				
Interest earnings	<u>7</u>	<u>23</u>	<u>-</u>	<u>30</u>
<b>Net cash provided (used) by investing activities</b>	<u>7</u>	<u>23</u>	<u>-</u>	<u>30</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	29,927	(161,222)	134,755	3,460
<b>Cash and cash equivalents</b>				
<b>Beginning of period</b>	<u>1,895,337</u>	<u>1,038,610</u>	<u>624,389</u>	<u>3,558,336</u>
<b>End of period</b>	<u><u>\$ 1,925,264</u></u>	<u><u>\$ 877,388</u></u>	<u><u>\$ 759,144</u></u>	<u><u>\$ 3,561,796</u></u>

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

**Town of Tabor City, North Carolina**  
**Statement of Cash Flows (continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Sanitaiton Fund</b>	<b>Total</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income	\$ (17,609)	\$ 125,235	\$ 113,312	\$ 220,938
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	83,806	256,518	-	340,324
Amortization	-	1,982	-	1,982
Miscellaneous income (expense)	25,748	142,550	-	168,298
<b>Changes in assets and liabilities: (Increase) decrease</b>				
Accounts receivable	4,611	6,502	21,114	32,227
Deferred outflows of resources for pensions	(2,069)	(1,167)	(265)	(3,501)
<b>Increase (decrease) in</b>				
Accounts payable and accrued liabilities	3,203	18,416	-	21,619
Customer deposits	2,741	-	-	2,741
Accrued vacation payable	3,179	405	-	3,584
Accrued worker's compensation	1,413	1,111	-	2,524
Deferred inflows of resources for pensions	4,631	2,612	594	7,837
<b>Total adjustments</b>	<u>127,263</u>	<u>428,929</u>	<u>21,443</u>	<u>577,635</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 109,654</u>	<u>\$ 554,164</u>	<u>\$ 134,755</u>	<u>\$ 798,573</u>

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



## **Notes to the Financial Statements**

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies**

The accounting policies of the Town of Tabor City, North Carolina (the Town) and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

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

**Town of Tabor City ABC Board**

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Tabor City ABC Board, 701 Bypass, Post Office Box 496, Tabor City, NC 28463.

**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 the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**B. Basis of Presentation (continued)**

*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 Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

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 administration, police, and streets.

The Town reports the following non-major enterprise funds:

Capital Project Funds – These funds are used to account for the grant funds in the particular projects. These are the Community Building Grant Project, CDBG NR Grant Project, Lake Tabor Dam Project, American Rescue Grant Project, Fair Bluff Road CDBG Project, Wall Street CDBG Project, EDA Incubator Project, and the Ritz Center Fund.

The Town reports the following major enterprise funds:

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

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

Sanitation Fund – This fund is used to account for the Town's solid waste operations.

**C. Measurement Focus and Basis of Accounting**

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**C. Measurement Focus and Basis of Accounting (continued)**

*Government-wide and Proprietary Fund Financial Statements*

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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's 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.

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

C. Measurement Focus and Basis of Accounting (continued)

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 and the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered shared revenue for the Town because the tax is levied by Columbus 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 Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Funds, which are consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change departmental appropriations. The governing board must approve all amendments.

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

*Deposits and Investments*

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (continued)**

State law [G.S. 159-30(c)] authorizes the Town and ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT-Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

*Cash and Cash Equivalents*

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

*Restricted Assets*

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per GS 136-41.1 through 136-41.4. Customer deposits held by the Town before any services are supplied are restricted to the service which the deposit was collected. Grant funds are restricted for project expenditures.

	Governmental	Business	
	Activities	Type	
		Activities	Total
Community Building Grant Project	\$ 538,999	\$ -	\$ 538,999
CDBG NR Grant Project	292	-	292
Lake Tabor Dam Project	271,894	-	271,894
Wall Street CDBG Project	174,800	-	174,800
EDA Incubator Project	339,828	-	339,828
Ritz Center Fund	15,990	-	15,990
Water Fund	-	37,449	37,449
Sewer Fund	-	514,150	514,150
	<u>\$ 1,341,803</u>	<u>\$ 551,599</u>	<u>\$ 1,893,402</u>

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (continued)**

*Ad Valorem Taxes Receivable*

In accordance with State laws [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<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2020.

*Allowances for Doubtful Accounts*

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

*Inventory and Prepaid Items*

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

The inventory of the Town's enterprise funds as those of the ABC Board consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the Town's enterprise funds and that of the ABC Board is recorded as an expense as it is consumed or sold.

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*

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Due to very limited capital asset acquisitions, minimum capitalization costs are \$500 for all items. 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 30, 2015, are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. There were no general infrastructure assets acquired prior to July 1, 2003. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's lives are not capitalized.

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Equity (continued)**

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

Asset Class	Estimated Useful Lives	
	Tabor City	Tabor City ABC Board
Infrastructure	25 years	
Buildings	50 years	10-40 years
Improvements	25 years	
Vehicles and equipment	5 years	7-10 years
Furniture and fixtures	10 years	
Computer equipment	3 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 one item that meets this criterion, contributions made to the pension plan in the 2021 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, and pension deferrals.

*Long-Term Obligations*

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

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



**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

*Compensated Absences*

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned leave for employees and unlimited for the Town Manager, while ABC Board employees may accumulate up to one week earned vacation, with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The current portion of the accumulated vacation pay for the ABC Board is not considered to be material and, therefore, has not been included in the financial statements.

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

*Net Position/Fund Balances*

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

*Net Position/Fund Balances (continued)*

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

Restricted for 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 – This portion of fund balance can only be used for specific purposes imposed by majority vote by a quorum of the Town'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 the limitation.

Assigned fund balance – This portion of fund balance represents the amount the Town intends to use for specific purposes.

Subsequent year's expenditures – This portion of fund balance 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 portion of fund balance has not been restricted, committed, or assigned to specific purposes or other funds.

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

*Net Position/Fund Balances (continued)*

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

The Town has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures. Any portion of the general fund balance in excess of 10% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

*Defined Benefit Cost-Sharing Plans*

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

**Note 2 - Stewardship, Compliance, and Accountability**

For the fiscal year ended June 30, 2021, the expenditures made in the Town's General Fund exceeded the authorized appropriations made by the governing board for Administration by \$162,996. This is not compliant with NC General Statutes. The Town continues to closely monitor budget variances to ensure compliance in future years.

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds**

A. Assets

*Deposits*

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their names.

The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of state statute G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Town's deposits had a carrying amount of \$6,876,179 and a bank balance of \$6,882,578. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2021, the Town had petty cash on hand totaling \$300.

At June 30, 2021, the Town's deposits had a carrying amount of \$147,146 and a bank balance of \$196,247. Of the bank balance, \$196,247 was covered by federal depository insurance.

*Receivables - Allowances for Doubtful Accounts*

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

	Governmental	Business	
	Activities	Type	
Allowance for uncollectible accounts for:	Activities	Activities	Total
Property taxes	\$ 74,161	\$ -	\$ 74,161
Interest receivable	21,042	-	21,042
Accounts receivable	1,333	66,436	67,769
Total	<u>\$ 96,536</u>	<u>\$ 66,436</u>	<u>\$ 162,972</u>

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds**

A. Assets (continued)

*Capital Assets*

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

<u>Governmental activities</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Transfers</u>	<u>Ending Balances</u>
Capital assets not being depreciated				
Land	\$ 687,693	\$ 85,000	\$ -	\$ 772,693
Construction in progress	168,907	-	(168,907)	-
Total capital assets not being depreciated	<u>856,600</u>	<u>85,000</u>	<u>(168,907)</u>	<u>772,693</u>
Capital assets being depreciated				
Buildings and improvements	3,453,755	168,907	-	3,622,662
Equipment	2,676,435	245,381	-	2,921,816
Vehicles	1,060,256	-	-	1,060,256
Total capital assets being depreciated	<u>7,190,446</u>	<u>414,288</u>	<u>-</u>	<u>7,604,734</u>
Less accumulated depreciation				
Buildings and improvements	(1,350,899)	(74,769)	-	(1,425,668)
Equipment	(1,481,854)	(177,849)	-	(1,659,703)
Vehicles	(876,583)	(56,521)	-	(933,104)
Total accumulated depreciation	<u>(3,709,336)</u>	<u>(309,139)</u>	<u>-</u>	<u>(4,018,475)</u>
Total capital assets being depreciated, net	<u>3,481,110</u>	<u>105,149</u>	<u>-</u>	<u>3,586,259</u>
Governmental activity capital assets, net	<u>\$ 4,337,710</u>	<u>\$ 190,149</u>	<u>\$ (168,907)</u>	<u>\$ 4,358,952</u>

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

<b>Depreciation expense</b>	
Administration	\$ 58,166
Public works	2,031
Police department	80,243
Fire department	48,222
Economic & physical development	11,592
Street department	25,531
Powell Bill	-
Cultural and recreational	83,354
<b>Total depreciation expense</b>	<u><u>\$ 309,139</u></u>

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds**

A. Assets (continued)

*Capital Assets (continued)*

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

<u>Water Fund</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets				
not being depreciated				
Land	\$ 31,225	\$ -	\$ -	\$ 31,225
Total capital assets				
not being depreciated	31,225	-	-	31,225
Capital assets being depreciated				
Plant and distribution system	4,085,212	-	-	4,085,212
Equipment	91,111	-	-	91,111
Total capital assets				
being depreciated	4,176,323	-	-	4,176,323
Less accumulated depreciation				
Plant and distribution system	(1,877,280)	(72,111)	-	(1,949,391)
Equipment	(56,497)	(11,695)	-	(68,192)
Total accumulated depreciation	(1,933,777)	(83,806)	-	(2,017,583)
Water Fund capital assets, net	\$ 2,273,771	\$ (83,806)	\$ -	\$ 2,189,965

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds**

A. Assets (continued)

*Capital Assets (continued)*

<u>Sewer Fund</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets				
not being depreciated				
Land	\$ -	\$ 10,502	\$ -	\$ 10,502
Work in progress	210,596	-	-	210,596
Total capital assets				
not being depreciated	210,596	10,502	-	221,098
Capital assets being depreciated				
Plant and distribution system	11,345,394	-	-	11,345,394
Equipment	23,083	-	-	23,083
Total capital assets				
being depreciated	11,368,477	-	-	11,368,477
Less accumulated depreciation				
Plant and distribution system	(3,533,289)	(256,519)	-	(3,789,808)
Equipment	(23,083)	-	-	(23,083)
Total accumulated depreciation	(3,556,372)	(256,519)	-	(3,812,891)
Sewer Fund capital assets, net	<u>\$ 8,022,701</u>	<u>\$ (246,017)</u>	<u>\$ -</u>	<u>\$ 7,776,684</u>
 <u>Sanitation Fund</u>	 <u>Beginning Balances</u>	 <u>Increases</u>	 <u>Decreases</u>	 <u>Ending Balances</u>
Capital assets				
not being depreciated				
Land	\$ 2,000	\$ -	\$ -	\$ 2,000
Total capital assets				
not being depreciated	2,000	-	-	2,000
Capital assets being depreciated				
Equipment	61,546	-	-	61,546
Total capital assets				
being depreciated	61,546	-	-	61,546
Less accumulated depreciation				
Equipment	(61,546)	-	-	(61,546)
Total accumulated depreciation	(61,546)	-	-	(61,546)
Sanitation Fund capital assets, net	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,000</u>

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds**

A. Assets (continued)

*Capital Assets (continued)*

Discretely Presented Component Unit

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

<u>Tabor City ABC Board</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets				
not being depreciated				
Land	\$ 23,018	\$ -	\$ -	\$ 23,018
Total capital assets not being depreciated	23,018	-	-	23,018
Capital assets being depreciated				
Buildings and improvements	90,674	-	-	90,674
Equipment	102,561	-	-	102,561
Total capital assets being depreciated	193,235	-	-	193,235
Less accumulated depreciation				
Buildings and improvements	(89,256)	(1,418)	-	(90,674)
Equipment	(80,532)	(4,633)	-	(85,165)
Total accumulated depreciation	(169,788)	(6,051)	-	(175,839)
Sanitation Fund capital assets, net	<u>\$ 46,465</u>	<u>\$ (6,051)</u>	<u>\$ -</u>	<u>\$ 40,414</u>

**Note 3 - Detailed Notes on All Funds (continued)**

B. Liabilities

*Pension Plan Obligations*

Local Governmental Employees' Retirement System

Plan Description. The Town 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



**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

A. Liabilities

*Pension Plan Obligations (continued)*

Local Governmental Employees' Retirement System (continued)

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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, 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 services or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Pension Plan Obligations (continued)*

Local Governmental Employees' Retirement System (continued)

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town 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's contractually required contribution rate for the year ended June 30, 2021, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$108,954 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 \$374,852 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 asset was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the Town's proportion was 0.01049% which was an decrease of 0.00094% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$143,647. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Pension Plan Obligations (continued)*

Local Governmental Employees' Retirement System (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 47,337	\$ -
Changes of assumptions	27,896	-
Net difference between projected and actual earnings on plan investments	52,751	-
Change in proportion and differences between contributions and proportionate share of contributions	23,225	-
Employer contributions subsequent to the measurement date	108,954	-
	<u>\$ 260,163</u>	<u>\$ -</u>

\$108,954 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 inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2022	\$ 45,521
2023	56,376
2024	33,701
2025	15,611
2026	-
Thereafter	-
	<u>\$ 151,209</u>

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

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Pension Plan Obligations (continued)*

Local Governmental Employees' Retirement System (continued)

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

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

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

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

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

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Pension Plan Obligations (continued)*

Local Governmental Employees' Retirement System (continued)

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

*Sensitivity of the Town's proportionate share of the net pension 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)	\$ 760,535	\$ 374,852	\$ 54,323

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

Law Enforcement Officers Special Separation Allowance

*Plan Description.* The Town administers a public employee retirement system (the *Separation Allowance*), a single employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Pension Plan Obligations (continued)*

Law Enforcement Officers Special Separation Allowance (continued)

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

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	9
Total	<u>9</u>

***Summary of Significant Accounting Policies***

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

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

***Actuarial Assumptions***

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

Inflation	2.5 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Discount rate	2.98 percent

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

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Pension Plan Obligations (continued)*

Law Enforcement Officers Special Separation Allowance (continued)

***Contributions***

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$0 as benefits came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of . The total pension liability was measured as of December 31, 2020, based on a December 31, 2019, actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$9,598.

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 3,858	\$ 29,269
Changes of assumptions	27,007	1,484
	<b><u>\$ 30,865</u></b>	<b><u>\$ 30,753</u></b>

paid as benefits came due subsequent to the measurement date has been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2022	\$ 479
2023	1,029
2024	(407)
2025	(678)
2026	(311)
Thereafter	-
	<b><u>\$ 112</u></b>

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Pension Plan Obligations (continued)*

Law Enforcement Officers Special Separation Allowance (continued)

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

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	\$ 102,815	\$ 93,130	\$ 84,288

Schedule of Changes in Total Pension Liability

Law Enforcement Officers' Special Separation Allowance

	2021
Beginning balance	\$ 88,314
Service Cost	5,990
Interest on the total pension liability	2,873
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(33,961)
Changes of assumptions or other inputs	30,260
Benefit payments	(346)
Other changes	-
Ending balance of the total pension liability	<u>\$ 93,130</u>

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

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



**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Pension Plan Obligations (continued)*

Law Enforcement Officers Special Separation Allowance (continued)

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$ 143,544	9,598	\$ 153,142
Pension liability	374,852	93,130	467,982
Proportionate share of the net pension liability	0.01143%	n/a	
 Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 47,337	3,858	51,195
Changes of assumptions	27,896	27,007	54,903
Net difference between projected and actual earnings on plan investments	52,751	-	52,751
Change in proportion and differences between contributions and proportionate share of contributions	23,225	-	23,225
Employer contributions subsequent to the measurement date	108,954	-	108,954
 Deferred Inflows of Resources			
Differences between expected and actual experience	-	29,269	29,269
Changes of assumptions	-	1,484	1,484

Supplemental Retirement Income Plan for Law Enforcement Officers

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

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

Supplemental Retirement Income Plan for Law Enforcement Officers (continued)

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan.

The Town made contributions of \$7,723 for the reporting year. No amounts were forfeited.

*Other Post-Employment Benefits*

*Plan Description.* Under the terms of a Town resolution, the Town's policy provides that retirees may participate in the Town's healthcare plan. However, the retirees will 100% of the cost of their insurance. The Town has chosen not to have an actuarial study performed because the liability is considered to be immaterial.

*Deferred Outflows and Inflows of Resources*

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

Deferred Outflows of Resources		
Differences between expected and actual experience	\$	51,195
Changes of assumptions		54,903
Net difference between projected and actual earnings on plan investments		52,751
Change in proportion and differences between contributions and proportionate share of contributions		23,225
Employer contributions subsequent to the measurement date		108,954
	\$	<u>291,028</u>

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

	Statement of Net Position	General Fund Balance Sheet
Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 29,269	\$ -
Changes of assumptions	1,484	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Deferred revenue	100	74,161
	<u>\$ 30,853</u>	<u>\$ 74,261</u>

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*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. Through various commercial coverage policies, the Town has obtained general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to \$1 million per employee/incident, and \$5 million policy limits, and employee health coverage up to a \$1 million lifetime limit. Claims have not exceeded coverage in any of the past three fiscal years..

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

In accordance with state statute 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 Water Bill Clerk, Town Manager, and Finance Officer are bonded for \$5,000, \$80,000, and \$80,000, respectively.

*Claims, Judgments and Contingent Liabilities*

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

*Long-Term Obligations*

In September 2017, the Town entered into an installment purchase contract with First Bank. The loan amount of \$150,000 was secured to purchase a fire truck within the fire department. The financing contract requires monthly payments which include principal plus interest at a rate of 2.11 %. Principal balance at June 30, 2021 was \$38,908.

In October 2018, the Town entered into an installment purchase contract with First Bank. The loan amount of \$177,285 was secured to purchase four vehicles within the police department. The financing contract requires monthly payments which include principal plus interest at a rate of 3.33%. Principal balance at June 30, 2021 was \$96,791.

Serviced by the Water Fund:

In June 2003, the Town entered into an installment purchase contract with the Rural Development Division of the United States Department of Agriculture. A loan package of \$276,500, in addition to a \$200,000 grant from USDA Rural Development, was secured to finance a public works facility for the Town and has been fully utilized. The financing contract requires principal payments which began in June 2004, with an interest rate of 4.50%. Principal balance at June 30, 2021 was \$24,294.

Annual debt service payments of the installment purchases as of June 30, 2021, including \$4,970 of interest, are as follows:

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Long-Term Obligations (continued)*

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 67,609	\$ 3,229	\$ 24,294	\$ 1,092
2023	45,492	1,485	-	-
2024	22,598	256	-	-
Total	<u>\$ 135,699</u>	<u>\$ 4,970</u>	<u>\$ 24,294</u>	<u>\$ 1,092</u>

*General Obligation Indebtedness*

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

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

General Obligation Bonds - Serviced by the Water and Sewer Funds

\$1,813,726, 2014 Refunding Water and Sewer, Series 2014 Bonds  
due in varying installments from June 1, 2014 to September 1, 2028;  
interest at 2.92%

\$ 970,594

Annual debt service payments of the installment purchases as of June 30, 2021, are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 127,190	\$ 27,033	\$ 154,223
2023	130,945	23,278	154,223
2024	134,811	19,412	154,223
2025	138,791	15,432	154,223
2026	142,888	11,335	154,223
2027	147,106	7,117	154,223
2028	148,863	2,773	151,636
Total	<u>\$ 970,594</u>	<u>\$ 106,380</u>	<u>\$1,076,974</u>

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**B. Liabilities (continued)**

*Changes in Long-Term Liabilities*

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
General Fund					
Installment purchase	\$ 201,449	\$ -	\$ (65,750)	\$ 135,699	\$ 67,609
Compensated absences	188,177	36,311	-	224,488	-
Net pension liability (LGERS)	288,575	54,871	-	343,446	-
Net pension liability (LEO)	88,314	4,816	-	93,130	-
Total	<u>\$ 766,515</u>	<u>\$ 95,998</u>	<u>\$ (65,750)</u>	<u>\$ 796,763</u>	<u>\$ 67,609</u>
Business Type Activities					
Water and Sewer Fund					
Installment purchase	\$ 43,590	\$ -	\$ (19,296)	\$ 24,294	\$ 24,294
General obligation bonds	1,094,137	-	(123,544)	970,593	127,190
Accrued vacation	2,576	3,584	-	6,160	-
OPEB accrued liability	-	-	-	-	-
Net pension liability (LGERS)	23,569	7,837	-	31,406	-
Total	<u>\$1,163,872</u>	<u>\$ 11,421</u>	<u>\$ (142,840)</u>	<u>\$1,032,453</u>	<u>\$ 151,484</u>

**C. Net Investment in Capital Assets**

The calculation for Net Investment in Capital Assets is shown as follows:

<b><u>Assets</u></b>	<b>Governmental Activities</b>	<b>Business Type Activities</b>	<b>Total</b>
<b>Capital assets</b>			
Land and non-depreciable assets	\$ 941,600	\$ 254,323	\$ 1,195,923
Other capital assets, net of depreciation	3,417,352	9,714,326	13,131,678
<b>Total capital assets</b>	<u>4,358,952</u>	<u>9,968,649</u>	<u>14,327,601</u>
<b><u>Liabilities and Adjustments</u></b>			
Related liabilities	(135,699)	(24,294)	(159,993)
<b>Total liabilities and adjustments</b>	<u>(135,699)</u>	<u>(24,294)</u>	<u>(159,993)</u>
<b>Net investment in capital assets</b>	<u>\$ 4,223,253</u>	<u>\$ 9,944,355</u>	<u>\$14,167,608</u>

**Town of Tabor City, North Carolina**  
**Notes to the Financial Statements (continued)**  
**June 30, 2021**

**Note 3 - Detailed Notes on All Funds (continued)**

**D. Fund Balance**

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

	<b><u>Major Fund</u></b>	<b><u>Non-Major</u></b>	<b><u>Total</u></b>
	<b><u>General</u></b>	<b><u>Funds</u></b>	<b><u>Governmental</u></b>
			<b><u>Funds</u></b>
Restricted - Stabilization by State Statute	\$ 240,698	\$ -	\$ 240,698
Assigned, subsequent year's expenditures	396,731	1,341,703	1,738,434
Unassigned	1,546,618	-	1,546,618
<b>Total fund balances</b>	<b><u>\$ 2,184,047</u></b>	<b><u>\$ 1,341,703</u></b>	<b><u>\$ 3,525,750</u></b>

**Note 4 – Summary Disclosure of Significant Contingencies**

**Federal and State Assisted Programs**

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

**Note 5 – Subsequent Events**

In preparing these statements, the Town has evaluated events and transactions for potential disclosure through January 3, 2022, the date the financial statements were issued.

**Note 6 - Change in Accounting Principle**

The Town implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the Town performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, the Town determined no material modifications to the enclosed financial statements were necessary.

## **Required Supplementary Financial Data**

- **Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System**
- **Schedule of Contributions to Local Government Employees' Retirement System**

**Town of Tabor City, North Carolina**  
**Required Supplemental Financial Data**  
**Local Government Employees' Retirement System**  
**June 30, 2021**

**Schedule of Proportionate**

<b>Share of Net Pension Liability (Asset)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Tabor City's proportion of the Net pension liability (asset) (%)	0.01049%	0.01143%	0.01265%	0.01307%	0.01456%	0.01132%	0.01172%	0.01190%
Net pension liability (asset) (\$)	\$ 374,852	\$ 312,144	\$ 300,101	\$ 199,673	\$ 309,012	\$ 50,803	\$ (69,118)	\$ 143,441
Tabor City's covered-employee payroll	\$1,028,043	\$1,063,320	\$1,031,947	\$1,041,221	\$ 989,841	\$ 882,482	\$ 839,301	\$ 803,627
Net pension liability (asset) as a percentage of its covered-employee payroll	36.46%	29.36%	29.08%	19.18%	31.22%	5.76%	-8.24%	17.85%
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.*

**Schedule of Employer Contributions**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 108,954	\$ 94,994	\$ 85,657	\$ 80,501	\$ 78,628	\$ 67,939	\$ 63,690	\$ 60,065
Contributions in relation to the contractually required contribution	108,954	94,994	85,657	80,501	78,628	67,939	63,690	60,065
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Tabor City's covered-employee payroll	\$1,045,566	\$1,028,043	\$1,063,320	\$1,031,947	\$1,041,221	\$ 989,841	\$ 882,482	\$ 839,301
Contributions as a percentage of covered-employee payroll	10.42%	9.24%	8.06%	7.80%	7.55%	6.86%	7.22%	7.16%



**Town of Tabor City, North Carolina**  
**Required Supplemental Financial Data**  
**Schedule of Changes in Total Pension Liability**  
**June 30, 2021**

<b>Law Enforcement Officers' Special Separation Allowance</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Beginning balance of the total pension liability</b>	\$ 88,314	\$ 69,604	\$ 68,240	\$ 57,305	\$ 48,950
Service cost	5,990	5,954	5,848	5,399	8,358
Interest on the total pension liability	2,873	2,534	2,156	2,212	1,748
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(33,961)	7,448	(3,684)	(2,843)	-
Changes of assumptions or other inputs	30,260	2,774	(2,956)	6,167	(1,751)
Benefit payments	(346)	-	-	-	-
Other changes	-	-	-	-	-
<b>Ending balance of the total pension liability</b>	<u>\$ 93,130</u>	<u>\$ 88,314</u>	<u>\$ 69,604</u>	<u>\$ 68,240</u>	<u>\$ 57,305</u>

**Schedule of Changes in Total  
Pension Liability as a Percentage  
of Covered Payroll**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 93,130	\$ 88,314	\$ 69,604	\$ 68,240	\$ 57,305
Covered payroll	371,396	439,225	414,270	416,956	373,302
Total pension liability as a percentage of covered payroll	25.08%	20.11%	16.80%	16.37%	15.35%

Notes to the schedules:

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

# Detailed Financial Statements and Schedules

- **Major Governmental Funds – General Fund**

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund

- **Non Major Governmental Funds – Special Revenue Funds**

Combining Balance Sheet – Non Major Governmental Funds – Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non Major Governmental Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception - Non Major Governmental Funds

- **Enterprise Funds – Water and Sewer Fund**

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual - Water Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Utility Capital Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual - Sewer Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception - Waste Water Treatment Project

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Utility Impact Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Gore Street Sewer Fund

Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual - Sanitation Fund

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

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
<b>Ad Valorem Taxes</b>			
Taxes	\$	\$ 1,091,712	\$
Interest		2,309	
<b>Total</b>	<u>1,142,735</u>	<u>1,094,021</u>	<u>(48,714)</u>
<b>Other taxes and licenses</b>			
Fire district taxes		143,084	
Privilege license and fees		138	
<b>Total</b>	<u>124,910</u>	<u>143,222</u>	<u>18,312</u>
<b>Unrestricted intergovernmental</b>			
Local option sales tax		1,210,702	
Utility franchise tax		150,644	
Fire department allocations		30,543	
Telecommunications and video tax		21,527	
Beer, wine, and video tax		17,826	
ABC Board profit distribution		21,062	
<b>Total</b>	<u>1,442,494</u>	<u>1,452,304</u>	<u>9,810</u>
<b>Restricted intergovernmental</b>			
Powell bill		108,585	
COVID - 19		153,629	
Visitor's Center		92,860	
Other miscellaneous restricted		17,771	
<b>Total</b>	<u>422,989</u>	<u>372,845</u>	<u>(50,144)</u>
<b>Permits and fees</b>			
Building and inspection fees		83,169	
Other miscellaneous revenue		1,523	
<b>Total</b>	<u>73,160</u>	<u>84,692</u>	<u>11,532</u>
<b>Investment earnings</b>			
General fund		2	
<b>Total</b>	<u>6</u>	<u>2</u>	<u>(4)</u>
<b>Miscellaneous revenue</b>			
Prison fire protection		20,791	
Sales and use tax refunds		13,798	
NC rural fire department grant		17,433	
Other		49,094	
<b>Total miscellaneous revenues</b>	<u>90,025</u>	<u>101,116</u>	<u>11,091</u>
<b>Total revenues</b>	<u>3,296,319</u>	<u>3,248,202</u>	<u>(48,113)</u>

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

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures</b>			
<b>Governing body</b>			
Salaries and benefits		28,635	
Operating expenditures		17,517	
<b>Total governing body</b>	<u>40,871</u>	<u>46,152</u>	<u>(5,281)</u>
<b>Administration</b>			
Salaries and benefits		243,499	
COVID - 19 expenses		28,186	
Operating expenditures		151,620	
<b>Total administration</b>	<u>416,341</u>	<u>423,305</u>	<u>(6,964)</u>
<b>Legal</b>			
Salaries and benefits		-	
Operating expenditures		5,567	
<b>Total administration</b>	<u>8,538</u>	<u>5,567</u>	<u>2,971</u>
<b>Public works</b>			
Salaries and benefits		100,555	
Operating expenditures		4,558	
<b>Total public works</b>	<u>130,632</u>	<u>105,113</u>	<u>25,519</u>
<b>Police department</b>			
Salaries and benefits		665,380	
Operating expenditures		205,804	
<b>Total police department</b>	<u>911,745</u>	<u>871,184</u>	<u>40,561</u>
<b>Fire department</b>			
Salaries and benefits		97,442	
Operating expenditures		143,222	
<b>Total fire department</b>	<u>287,475</u>	<u>240,664</u>	<u>46,811</u>
<b>Economic &amp; physical development</b>			
Salaries and benefits		78,282	
Operating expenditures		20,939	
<b>Total economic &amp; physical development</b>	<u>132,781</u>	<u>99,221</u>	<u>33,560</u>
<b>Street department</b>			
Salaries and benefits		209,053	
Operating expenditures		161,560	
<b>Total street department</b>	<u>426,660</u>	<u>370,613</u>	<u>56,047</u>

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

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Powell Bill</b>			
Operating expenditures		161,751	
<b>Total Powell Bill</b>	<u>11,000</u>	<u>161,751</u>	<u>(150,751)</u>
<b>Cultural and Recreational</b>			
Salaries and benefits		9,954	
Operating expenditures		126,458	
<b>Total cultural and recreational</b>	<u>167,600</u>	<u>136,412</u>	<u>31,188</u>
<b>Non departmental</b>			
Operating expenditures		121,565	
<b>Total non departmental</b>	<u>559,500</u>	<u>121,565</u>	<u>437,935</u>
<b>Debt service</b>			
Police department		35,262	
Fire department		30,488	
Fire department interest		3,917	
<b>Total debt service</b>	<u>73,580</u>	<u>69,667</u>	<u>3,913</u>
<b>Capital outlay</b>			
Administration		125,643	
Police department		20,422	
Fire department		46,857	
Cultural and Recreational		52,459	
Non departmental		85,000	
<b>Total capital outlay</b>	<u>449,200</u>	<u>330,381</u>	<u>118,819</u>
<b>Total expenditures</b>	<u>3,615,923</u>	<u>2,981,595</u>	<u>634,328</u>
<b>Revenues over (under) expenditures</b>	<u>(319,604)</u>	<u>266,607</u>	<u>(682,441)</u>
<b>Other financing sources (uses)</b>			
Lake Tabor Dam Project		(362,000)	
EDA Incubator Project		(400,000)	
Waste Water Treatment		(288,000)	
<b>Total other financing sources (uses)</b>	<u>(800,000)</u>	<u>(1,050,000)</u>	<u>(250,000)</u>
<b>Fund balance appropriated</b>	<u>1,119,604</u>	<u>-</u>	<u>(1,119,604)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>(783,393)</u>	<u>\$ (2,052,045)</u>
<b>Fund balances, beginning</b>		<u>2,967,440</u>	
<b>Fund balance, ending</b>		<u>\$ 2,184,047</u>	

**Town of Tabor City, North Carolina****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Nonmajor Special Revenue Fund - Ritz Center Fund (Combined with General Fund)****For the Fiscal Year Ended June 30, 2021**

			<b>Variance Positive (Negative)</b>
<b>Revenues</b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	
<b>Miscellaneous income</b>			
Rental fees	\$	\$ 5,633	\$
		-	
<b>Total</b>	<u>7,550</u>	<u>5,633</u>	<u>(1,917)</u>
<b>Expenditures</b>			
<b>Economic and physical development</b>			
Salaries and benefits		-	
Operating expenditures		7,706	
<b>Total expenditures</b>	<u>11,400</u>	<u>7,706</u>	<u>3,694</u>
 <b>Revenues over (under) expenditures</b>	 (3,850)	 (2,073)	 (5,611)
 <b>Other financing sources (uses)</b>			
Transfers (to) from other funds		-	
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balance appropriated</b>	 <u>3,850</u>	 <u>-</u>	 <u>(3,850)</u>
 <b>Net change in fund balances</b>	 <u>\$ -</u>	 (2,073)	 <u>\$ (9,461)</u>
 <b>Fund balances, beginning</b>		<u>18,063</u>	
 <b>Fund balance, ending</b>		<u>\$ 15,990</u>	

**Town of Tabor City, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2021**

	<b>Community Building Grant Project</b>	<b>CDBG NR Grant Project</b>	<b>Lake Tabor Dam Project</b>	<b>American Rescue Grant Project</b>	<b>Fair Bluff Road CDBG Project</b>	<b>Wall Street CDBG Project</b>	<b>EDA Incubator Project</b>	<b>Ritz Center Fund</b>	<b>Total</b>
<b><u>Assets</u></b>									
Restricted cash & cash equivalents	\$ 538,999	\$ 292	\$ 271,894	\$ -	\$ -	\$ 174,800	\$ 339,828	\$ 15,990	\$1,341,803
<b>Total assets</b>	<u>\$ 538,999</u>	<u>\$ 292</u>	<u>\$ 271,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,800</u>	<u>\$ 339,828</u>	<u>\$ 15,990</u>	<u>\$1,341,803</u>
<b><u>Liabilities and Fund Balances</u></b>									
<b><u>Liabilities</u></b>									
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ 100
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
<b><u>Fund Balances</u></b>									
Designated for subsequent years' expenditures	538,999	292	271,894	-	-	174,700	339,828	15,990	1,341,703
Undesignated	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>538,999</u>	<u>292</u>	<u>271,894</u>	<u>-</u>	<u>-</u>	<u>174,700</u>	<u>339,828</u>	<u>15,990</u>	<u>1,341,703</u>
<b>Total liabilities and fund balances</b>	<u>\$ 538,999</u>	<u>\$ 292</u>	<u>\$ 271,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,800</u>	<u>\$ 339,828</u>	<u>\$ 15,990</u>	<u>\$1,341,803</u>

**Town of Tabor City, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Community Building Grant Project</b>	<b>CDBG NR Grant Project</b>	<b>Lake Tabor Dam Project</b>	<b>American Rescue Grant Project</b>	<b>Fair Bluff Road CDBG Project</b>	<b>Wall Street CDBG Project</b>	<b>EDA Incubator Project</b>	<b>Ritz Center Fund</b>	<b>Total</b>
<b>Revenue</b>									
Restricted intergovernmental									
Federal, state & local grants	\$ -	\$ 319,784	\$ 73,135	\$ 303	\$ 35,000	\$ -	\$ -	\$ -	\$ 428,222
Investment earnings	-	-	-	-	-	-	71	-	71
Miscellaneous revenue	600,000	-	305,450	-	202	212	-	5,633	911,497
<b>Total revenue</b>	<u>600,000</u>	<u>319,784</u>	<u>378,585</u>	<u>303</u>	<u>35,202</u>	<u>212</u>	<u>71</u>	<u>5,633</u>	<u>1,339,790</u>
<b>Expenditures</b>									
Economic & physical development									
Capital outlay	-	-	-	-	-	-	46,872	-	46,872
Other expenditures	110,934	320,459	498,327	303	35,202	15,512	-	7,706	988,443
<b>Total expenditures</b>	<u>110,934</u>	<u>320,459</u>	<u>498,327</u>	<u>303</u>	<u>35,202</u>	<u>15,512</u>	<u>46,872</u>	<u>7,706</u>	<u>1,035,315</u>
<b>Revenue over (under)     expenditures</b>	<u>489,066</u>	<u>(675)</u>	<u>(119,742)</u>	<u>-</u>	<u>-</u>	<u>(15,300)</u>	<u>(46,801)</u>	<u>(2,073)</u>	<u>304,475</u>
<b>Other financing sources (uses)</b>									
Transfers (to) from other funds:									
General Fund	-	-	362,000	-	-	-	400,000	-	762,000
Sewer Fund	-	-	-	-	-	190,000	-	-	190,000
<b>Total other financing         sources (uses)</b>	<u>-</u>	<u>-</u>	<u>362,000</u>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>400,000</u>	<u>-</u>	<u>952,000</u>
<b>Net change in fund balances</b>	489,066	(675)	242,258	-	-	174,700	353,199	(2,073)	1,256,475
<b>Fund balance, beginning</b>	<u>49,933</u>	<u>967</u>	<u>29,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,371)</u>	<u>18,063</u>	<u>85,228</u>
<b>Fund balance, ending</b>	<u>\$ 538,999</u>	<u>\$ 292</u>	<u>\$ 271,894</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,700</u>	<u>\$ 339,828</u>	<u>\$ 15,990</u>	<u>\$1,341,703</u>



**Town of Tabor City, North Carolina**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
From Inception - Community Building Grant Project Fund  
For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Totals to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Federal, state & local grants	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Investment earnings	-	-	-	-	-
Miscellaneous revenue	600,000	-	600,000	600,000	-
<b>Total revenue</b>	<u>1,100,000</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>(500,000)</u>
<b>Expenditures</b>					
Economic and physical development					
Capital outlay	1,400,000	-	-	-	1,400,000
Other expenditures	-	67	110,934	111,001	(111,001)
<b>Total expenditures</b>	<u>1,400,000</u>	<u>67</u>	<u>110,934</u>	<u>111,001</u>	<u>1,288,999</u>
<b>Revenues over (under)     expenditures</b>	<u>(300,000)</u>	<u>(67)</u>	<u>489,066</u>	<u>488,999</u>	<u>788,999</u>
<b>Other financing sources (uses)</b>					
Transfers in					
Water and Sewer Fund	-	-	-	-	-
General Fund	300,000	50,000	-	50,000	(250,000)
Transfers out					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
<b>Total other financing         sources (uses)</b>	<u>300,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>(250,000)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 49,933</u>	<u>489,066</u>	<u>\$ 538,999</u>	<u>\$ 538,999</u>
<b>Fund balances, beginning</b>			<u>49,933</u>		
<b>Fund balances, ending</b>			<u>\$ 538,999</u>		

**Town of Tabor City, North Carolina****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
From Inception - CDBG NR Grant Project  
For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Totals to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Federal grants	\$ 750,000	\$ 117,723	\$ 319,784	\$ 437,507	\$ (312,493)
State grants	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
Investment earnings	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
<b>Total revenue</b>	<u>750,000</u>	<u>117,723</u>	<u>319,784</u>	<u>437,507</u>	<u>(312,493)</u>
<b>Expenditures</b>					
Salaries and employee benefits	-	-	-	-	-
Sewer rehabilitation	-	-	-	-	-
Other expenditures	750,000	117,756	320,459	438,215	(311,785)
<b>Total expenditures</b>	<u>750,000</u>	<u>117,756</u>	<u>320,459</u>	<u>438,215</u>	<u>(311,785)</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(33)</u>	<u>(675)</u>	<u>(708)</u>	<u>(708)</u>
<b>Other financing sources (uses)</b>					
Transfers in					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	1,000	-	1,000	1,000
Transfers out					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 967</u>	<u>(675)</u>	<u>\$ 292</u>	<u>\$ 292</u>
<b>Fund balances, beginning</b>			<u>967</u>		
<b>Fund balances, ending</b>			<u>\$ 292</u>		

**Town of Tabor City, North Carolina****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
From Inception - Lake Tabor Dam Project  
For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Totals to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Federal, state & local grants	\$ 786,727	\$ 88,572	\$ 73,135	\$ 161,707	\$ (625,020)
Investment earnings	-	-	-	-	-
Miscellaneous revenue	100	40,204	305,450	345,654	345,554
<b>Total revenue</b>	<u>786,827</u>	<u>128,776</u>	<u>378,585</u>	<u>507,361</u>	<u>(279,466)</u>
<b>Expenditures</b>					
Economic and physical development					
Capital outlay	-	-	-	-	-
Other expenditures	786,827	125,006	498,327	623,333	163,494
<b>Total expenditures</b>	<u>786,827</u>	<u>125,006</u>	<u>498,327</u>	<u>623,333</u>	<u>163,494</u>
<b>Revenues over (under)     expenditures</b>	<u>-</u>	<u>3,770</u>	<u>(119,742)</u>	<u>(115,972)</u>	<u>(115,972)</u>
<b>Other financing sources (uses)</b>					
Transfers in					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	25,866	362,000	387,866	387,866
Transfers out					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
<b>Total other financing         sources (uses)</b>	<u>-</u>	<u>25,866</u>	<u>362,000</u>	<u>387,866</u>	<u>387,866</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 29,636</u>	<u>242,258</u>	<u>\$ 271,894</u>	<u>\$ 271,894</u>
<b>Fund balances, beginning</b>			<u>29,636</u>		
<b>Fund balances, ending</b>			<u>\$ 271,894</u>		

**Town of Tabor City, North Carolina**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
From Inception - American Rescue Grant Fund  
For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Totals to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Federal, state & local grants	\$ -	\$ -	\$ 303	\$ 303	\$ 303
Investment earnings	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-
<b>Total revenue</b>	<u>-</u>	<u>-</u>	<u>303</u>	<u>303</u>	<u>303</u>
<b>Expenditures</b>					
Economic and physical development					
Capital outlay	-	-	-	-	-
Other expenditures	-	-	303	303	(303)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>303</u>	<u>303</u>	<u>(303)</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses)</b>					
Transfers in					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
Transfers out					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances, beginning</b>			<u>-</u>		
<b>Fund balances, ending</b>			<u>\$ -</u>		

**Town of Tabor City, North Carolina**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
From Inception - Fair Bluff Road CDBG  
For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Totals to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Federal, state & local grants	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 35,000
Investment earnings	-	-	-	-	-
Miscellaneous revenue	-	-	202	202	202
<b>Total revenue</b>	-	-	35,202	35,202	35,202
<b>Expenditures</b>					
Economic and physical development					
Capital outlay	-	-	-	-	-
Other expenditures	-	-	35,202	35,202	(35,202)
<b>Total expenditures</b>	-	-	35,202	35,202	(35,202)
<b>Revenues over (under)     expenditures</b>	-	-	-	-	-
<b>Other financing sources (uses)</b>					
Transfers in					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
Transfers out					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
<b>Total other financing         sources (uses)</b>	-	-	-	-	-
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances, beginning</b>			-		
<b>Fund balances, ending</b>			<u>\$ -</u>		

**Town of Tabor City, North Carolina**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**

**From Inception - Wall Street CDBG**

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

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Totals to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Federal, state & local grants	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-	-
Miscellaneous revenue	-	-	212	212	212
<b>Total revenue</b>	<u>-</u>	<u>-</u>	<u>212</u>	<u>212</u>	<u>212</u>
<b>Expenditures</b>					
Economic and physical development					
Capital outlay	-	-	-	-	-
Other expenditures	-	-	15,512	15,512	(15,512)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>15,512</u>	<u>15,512</u>	<u>(15,512)</u>
<b>Revenues over (under)     expenditures</b>	<u>-</u>	<u>-</u>	<u>(15,300)</u>	<u>(15,300)</u>	<u>(15,300)</u>
<b>Other financing sources (uses)</b>					
Transfers in					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	190,000	190,000	190,000
Transfers out					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
<b>Total other financing         sources (uses)</b>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>174,700</u>	<u>\$ 174,700</u>	<u>\$ 174,700</u>
<b>Fund balances, beginning</b>			<u>-</u>		
<b>Fund balances, ending</b>			<u>\$ 174,700</u>		

**Town of Tabor City, North Carolina****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
From Inception - EDA Incubator Capital Fund Project  
For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Totals to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Federal, state & local grants	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	12	71	83	83
Miscellaneous revenue	-	-	-	-	-
<b>Total revenue</b>	<u>-</u>	<u>12</u>	<u>71</u>	<u>83</u>	<u>83</u>
<b>Expenditures</b>					
Economic and physical development					
Capital outlay	-	13,383	46,872	60,255	(60,255)
Other expenditures	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>13,383</u>	<u>46,872</u>	<u>60,255</u>	<u>(60,255)</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>(13,371)</u>	<u>(46,801)</u>	<u>(60,172)</u>	<u>(60,172)</u>
<b>Other financing sources (uses)</b>					
Transfers in					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	400,000	400,000	400,000
Transfers out					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	-	-	-
<b>Total other financing     sources (uses)</b>	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ (13,371)</u>	<u>353,199</u>	<u>\$ 339,828</u>	<u>\$ 339,828</u>
<b>Fund balances, beginning</b>			<u>(13,371)</u>		
<b>Fund balances, ending</b>			<u>\$ 339,828</u>		

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

			<b>Variance Positive (Negative)</b>
<b>Revenues</b>	<b>Budget</b>	<b>Actual</b>	
<b>Operating revenue</b>			
Charges for services	\$	\$ 408,964	\$
Reconnection fees		26,108	
Penalties and interest		37,062	
<b>Total operating revenues</b>	<u>359,095</u>	<u>472,134</u>	<u>113,039</u>
<b>Other revenues</b>			
Miscellaneous		25,748	
<b>Total other revenues</b>	<u>311,586</u>	<u>25,748</u>	
<b>Total revenues</b>	<u>670,681</u>	<u>497,882</u>	<u>113,039</u>
<b>Operating expenditures</b>			
Salaries and benefits		112,444	
Professional fees		118,355	
Utilities		51,072	
Maintenance and repairs		39,777	
Department supplies		28,635	
Insurance		21,147	
Other operating expenditures		28,766	
<b>Total operating expenditures</b>	<u>484,281</u>	<u>400,196</u>	<u>84,085</u>
<b>Debt service</b>			
Principal retirement		63,872	
Interest		17,824	
<b>Total debt service</b>	<u>85,400</u>	<u>81,696</u>	<u>3,704</u>
<b>Capital outlay</b>	<u>182,000</u>	<u>-</u>	<u>182,000</u>
<b>Total expenditures</b>	<u>751,681</u>	<u>481,892</u>	<u>269,789</u>
<b>Revenues over (under) expenditures</b>	<u>(81,000)</u>	<u>15,990</u>	<u>96,990</u>



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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues over (under) expenditures	\$ (81,000)	\$ 15,990	\$ 96,990
Appropriated fund balance	<u>81,000</u>	<u>-</u>	<u>(81,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>15,990</u>	<u>\$ 15,990</u>

**Reconciliation from budgetary basis to full accrual****Reconciling items**

Principal retirement	\$ 63,872
(Increase) decrease in accrued vacation	(3,179)
Pension expense	(4,631)
Deferred outflows of resources for contributions made to OPEB plan in current fiscal year	2,069
Depreciation	(83,806)
Investment earnings from Utility Capital Reserve Fund	<u>7</u>
<b>Total reconciling items</b>	<u>(25,668)</u>
 <b>Change in net position</b>	 <u><u>\$ (9,678)</u></u>

**Town of Tabor City, North Carolina****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Utility Capital Reserve Fund****For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
<b>Other revenues</b>			
Investment earnings		\$ 7	
<b>Total other revenues</b>	-	7	
<b>Operating expenditures</b>			
Other operating expenditures		-	
<b>Total operating expenditures</b>	-	-	-
<b>Total expenditures</b>	-	-	-
<b>Revenues over (under) expenditures</b>	-	7	7
<b>Appropriated fund balance</b>	-	-	-
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>7</u>	<u>\$ 7</u>

**Reconciliation from budgetary basis to full accrual****Reconciling items**

Capital outlay	-
Principal retirement	\$ -
Audit accrual adjustment	-
<b>Total reconciling items</b>	<u>-</u>
<b>Change in net position</b>	<u>\$ 7</u>

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

			<b>Variance Positive (Negative)</b>
<b>Revenues</b>	<b>Budget</b>	<b>Actual</b>	
<b>Operating revenue</b>			
Charges for services	\$	\$ 1,267,912	\$
Tape fees		2,350	
Penalties and interest		-	
Other operating revenue		-	
<b>Total operating revenues</b>	<b>1,158,576</b>	<b>1,270,262</b>	<b>111,686</b>
<b>Other revenues</b>			
Investment earnings		-	
Miscellaneous		-	
<b>Total other revenues</b>	<b>45,482</b>	<b>-</b>	
<b>Total revenues</b>	<b>1,204,058</b>	<b>1,270,262</b>	<b>111,686</b>
<b>Operating expenditures</b>			
Salaries and benefits		73,599	
Utilities		496,965	
Maintenance and repairs		74,746	
Department supplies		9,473	
Contracted services		189,934	
Insurance		15,386	
Other operating expenditures		-	
Sewer charges		-	
Other operating expenditures		24,574	
<b>Total operating expenditures</b>	<b>1,138,770</b>	<b>884,677</b>	<b>254,093</b>
<b>Debt service</b>			
Principal retirement		59,671	
Interest		14,818	
<b>Total debt service</b>	<b>112,457</b>	<b>74,489</b>	<b>37,968</b>
<b>Capital outlay</b>	<b>37,000</b>	<b>10,502</b>	<b>26,498</b>
<b>Contingency</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>1,288,227</b>	<b>969,668</b>	<b>318,559</b>
<b>Revenues over (under) expenditures</b>	<b>(84,169)</b>	<b>300,594</b>	<b>384,763</b>

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

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues over (under) expenditures</b>	\$ (84,169)	\$ 300,594	\$ 384,763
<b>Other financing sources (uses)</b>			
General Fund		288,000	
General Fund - Wall Street CDBG Project		(190,000)	
Gore Street Sewer Fund		(118,200)	
Loan proceeds		-	
To Capital Reserve Fund		-	
To Sanitation Fund		-	
Garage expense		-	
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(20,200)</u>	<u>(20,200)</u>
<b>Revenue and other financing sources over (under) expenditures</b>	(84,169)	280,394	364,563
<b>Appropriated fund balance</b>	<u>84,169</u>	<u>-</u>	<u>(84,169)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>280,394</u>	<u>\$ 280,394</u>

**Reconciliation from budgetary basis to full accrual****Reconciling items**

Capital outlay	\$ 10,502
Principal retirement	59,671
(Increase) decrease in accrued vacation	(405)
Increase (decrease) in deferred outflows of resources	(1,406)
(Increase) decrease in deferred inflows of resources	(2,612)
Pension contributions	2,573
Depreciation expense	(256,518)
Amortization expense	(1,982)
Waste Water Treatment	226,150
Income from Gore Street Sewer Fund	34,200
Income from Utility Impact Fund	400
Investment earnings from Utility Impact Fund	23
<b>Total reconciling items</b>	<u>70,596</u>
<b>Change in net position</b>	<u>\$ 350,990</u>

**Town of Tabor City, North Carolina****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
From Inception - Waste Water Treatment Project  
For the Fiscal Year Ended June 30, 2021**

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Totals to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Federal, state & local grants	\$ 1,010,000	\$ 210,596	\$ 1,788,335	\$ 1,998,931	\$ 988,931
Investment earnings	-	-	-	-	-
Miscellaneous revenue	-	615	-	615	615
<b>Total revenue</b>	<u>1,010,000</u>	<u>211,211</u>	<u>1,788,335</u>	<u>1,999,546</u>	<u>989,546</u>
<b>Expenditures</b>					
Economic and physical development					
Capital outlay	-	-	-	-	-
Other expenditures	<u>1,010,000</u>	<u>210,596</u>	<u>1,562,800</u>	<u>1,773,396</u>	<u>(763,396)</u>
<b>Total expenditures</b>	<u>1,010,000</u>	<u>210,596</u>	<u>1,562,800</u>	<u>1,773,396</u>	<u>(763,396)</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>615</u>	<u>225,535</u>	<u>226,150</u>	<u>226,150</u>
<b>Other financing sources (uses)</b>					
Transfers in					
Water and Sewer Fund	-	-	-	-	-
General Fund	-	-	400,000	400,000	400,000
Transfers out					
Water and Sewer Fund	-	-	-	-	-
General Fund	<u>-</u>	<u>-</u>	<u>(112,000)</u>	<u>(112,000)</u>	<u>(112,000)</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>288,000</u>	<u>288,000</u>	<u>288,000</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 615</u>	<u>513,535</u>	<u>\$ 514,150</u>	<u>\$ 514,150</u>
<b>Fund balances, beginning</b>			<u>615</u>		
<b>Fund balances, ending</b>			<u>\$ 514,150</u>		

**Town of Tabor City, North Carolina****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Utility Impact Fund****For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
<b>Operating revenue</b>			
Impact fees	\$	\$ 400	\$
<b>Total operating revenues</b>	-	400	400
<b>Other revenues</b>			
Investment earnings		\$ 23	
<b>Total other revenues</b>	-	23	
<b>Total revenues</b>	-	423	400
<b>Operating expenditures</b>			
<b>Total operating expenditures</b>	-	-	-
<b>Revenues over (under) expenditures</b>	-	423	423
<b>Appropriated fund balance</b>	-	-	-
<b>Net change in fund balance</b>	\$ -	423	\$ 423

**Reconciliation from budgetary basis to full accrual**

<b>Reconciling items</b>	
<b>Total reconciling items</b>	-
<b>Change in net position</b>	\$ 423

**Town of Tabor City, North Carolina****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Gore Street Sewer Fund****For the Fiscal Year Ended June 30, 2021**

			<b>Variance Positive (Negative)</b>
<b>Revenues</b>	<b>Budget</b>	<b>Actual</b>	
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Operating expenditures</b>			
Maintenance and repairs		84,000	
<b>Total operating expenditures</b>	<u>84,000</u>	<u>84,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>84,000</u>	<u>84,000</u>	<u>-</u>
<b>Revenues over (under) expenditures</b>	<u>(84,000)</u>	<u>(84,000)</u>	<u>-</u>
<b>Other financing sources (uses)</b>			
Sewer Fund		118,200	
<b>Total other financing sources (uses)</b>	<u>118,200</u>	<u>118,200</u>	<u>-</u>
<b>Revenue and other financing sources over (under) expenditures</b>	<u>34,200</u>	<u>34,200</u>	<u>-</u>
<b>Appropriated fund balance</b>	<u>(34,200)</u>	<u>-</u>	<u>34,200</u>
<b>Net change in fund balance</b>	<u><u>\$ -</u></u>	<u><u>34,200</u></u>	<u><u>\$ 34,200</u></u>
<b>Reconciliation from budgetary basis to full accrual</b>			
<b>Reconciling items</b>			
<b>Total reconciling items</b>		<u>-</u>	
<b>Change in net position</b>		<u><u>\$ 34,200</u></u>	

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

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
<b>Operating revenue</b>			
Charges for services	\$	\$ 409,436	\$
<b>Total operating revenues</b>	<u>278,013</u>	<u>409,436</u>	<u>131,423</u>
<b>Other revenues</b>			
<b>Total other revenues</b>	<u>157,614</u>	<u>-</u>	<u>(157,614)</u>
<b>Total revenues</b>	<u>435,627</u>	<u>409,436</u>	<u>(26,191)</u>
<b>Operating expenditures</b>			
Salaries and benefits		12,805	
Contracted services		260,897	
Landfill and disposal fees		13,201	
Insurance expense		1,013	
Other operating expenditures		7,879	
<b>Total operating expenditures</b>	<u>435,627</u>	<u>295,795</u>	<u>139,832</u>
<b>Total expenditures</b>	<u>435,627</u>	<u>295,795</u>	<u>139,832</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>113,641</u>	<u>113,641</u>
<b>Appropriated fund balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>113,641</u>	<u>\$ 113,641</u>

**Reconciliation from budgetary basis to full accrual****Reconciling items**

Increase (decrease) in deferred outflows of resources	\$ 265
(Increase) decrease in deferred inflows of resources	<u>(594)</u>
<b>Total reconciling items</b>	<u>(329)</u>
<b>Change in net position</b>	<u>\$ 113,312</u>



## **Other Schedules**

- **Schedule of Current Tax Levy**
- **Schedule of Ad Valorem Taxes Receivable**

**Town of Tabor City, North Carolina**  
**Schedule of Current Tax Levy**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Valuation</b>	<b>Rate per \$100</b>	<b>Amount of Levy</b>	<b>Property Excluding Registered Motor Vehicles</b>	<b>Registered Motor Vehicles</b>
<b>Original levy</b>					
Property taxed at current year's rate	\$ 144,920,755	\$ 0.67	\$ 970,969	\$ 970,969	\$ -
Penalties	-	0.67	-	-	-
<b>Total original levy</b>	<u>144,920,755</u>		<u>970,969</u>	<u>970,969</u>	<u>-</u>
<b>Discoveries</b>					
Current year's taxes	15,354,776	0.67	102,877	-	102,877
Penalties	-	0.67	-	-	-
<b>Total</b>	<u>15,354,776</u>		<u>102,877</u>	<u>-</u>	<u>102,877</u>
<b>Releases and errors</b>					
Current year's rate	-	0.67	-	-	-
<b>Total property valuation</b>	<u><u>\$ 160,275,531</u></u>				
<b>Net levy</b>			1,073,846	970,969	102,877
<b>Uncollected tax at June 30, 2021</b>			<u>29,932</u>	<u>29,932</u>	<u>-</u>
<b>Current year taxes, collections and credits</b>			<u>\$ 1,043,914</u>	<u>\$ 941,037</u>	<u>\$ 102,877</u>
<b>Percent current year collected</b>			<u>97.21%</u>	<u>96.92%</u>	<u>100.00%</u>

**Town of Tabor City, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**For the Fiscal Year Ended June 30, 2021**

<b>First Year of Levy</b>	<b>Uncollected Balance July 1, 2020</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2021</b>
2021	\$ -	\$ 1,073,846	\$ 1,043,913	\$ 29,933
2020	17,984	-	2,584	15,400
2019	27,403	11,752	33,433	5,722
2018	4,150	14,955	2,189	16,916
2017	10,208	561	255	10,514
2016	2,201	9,539	456	11,284
2015	2,846	7,450	133	10,163
2014	7,427	2,583	266	9,744
2013	12,209		3,953	8,256
2012	10,200	-	4,530	5,670
2011	15,051	-	15,051	-
	<u>\$ 109,679</u>	<u>\$ 1,120,686</u>	<u>\$ 1,106,763</u>	123,602
Less allowance for uncollectible ad valorem taxes receivable				<u>49,441</u>
<b>Ad valorem taxes, net</b>				<u><u>\$ 74,161</u></u>

**Reconciliation of collections and credits  
with ad valorem tax revenues**

Revenue, ad valorem taxes	\$ 1,094,021
Discounts allowed, net	-
Penalties and interest	(2,309)
Releases and refunds	-
Barred by State statute	<u>15,051</u>
<b>Total collections and credits</b>	<u><u>\$ 1,106,763</u></u>

# **Compliance Section**



**Patterson & Associates, PLLC**

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**Report On Internal Control Over Financial Reporting And On Compliance and  
Other Matters Based On An Audit Of Financial Statements Performed In  
Accordance With *Government Auditing Standards***

**Independent Auditor's Report**

To the Honorable Mayor and  
the Board of Commissioners  
Tabor City, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Tabor City, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Town of Tabor City's basic financial statements, and have issued our report thereon dated January 3, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Tabor City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Tabor City's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Tabor City's internal control.

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

To the Honorable Mayor and  
the Board of Commissioners  
Tabor City, North Carolina

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Tabor City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters which is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

### **Town of Tabor City's Response to Findings**

The Town of Tabor City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Patterson & Associates, PLLC*

Lumberton, North Carolina

January 3, 2022



## **Patterson & Associates, PLLC**

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### **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; With OMB Uniform Guidance and the State Single Audit Implementation Act**

#### **Independent Auditor's Report**

To the Honorable Mayor and  
the Board of Commissioners  
Tabor City, North Carolina

#### **Report on Compliance for Each Major Federal Program**

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

#### **Management's Responsibility**

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

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

To the Honorable Mayor and  
the Board of Commissioners  
Tabor City, North Carolina

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Tabor City's compliance.

### **Opinion on Each Major Federal Program**

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

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Patterson & Associates, PLLC*

Lumberton, North Carolina  
January 3, 2022





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**Report On Compliance For Each Major State Program; Report on Internal  
Control Over Compliance; In accordance with OMB Uniform Guidance; and  
the State Single Audit Implementation Act**

**Independent Auditor's Report**

To the Honorable Mayor and  
the Board of Commissioners  
Tabor City, North Carolina

**Report on Compliance for Each Major State Program**

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

**Management's Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditor's Responsibility**

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

To the Honorable Mayor and  
the Board of Commissioners  
Tabor City, North Carolina

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town of Tabor City's compliance.

### **Opinion on Each Major State Program**

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

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Patterson & Associates, PLLC*

Lumberton, North Carolina  
January 3, 2022

**Town of Tabor City, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

**Section I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes        x   none reported
- Noncompliance material to financial statements noted   x   yes      \_\_\_\_\_ no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes        x   none reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

Identification of major federal programs:

<u>CFDA No.</u>	<u>Names of Federal Program or Cluster</u>
66.458	Clean Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        x   no

**Town of Tabor City, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

**State Awards**

The major state programs for the Town of Tabor City are Golden Leaf and Powell Bill.

- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes        x   none reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act \_\_\_\_\_ yes        x   no

**Section II – Financial Statement Findings**

**Finding 2021-001:**

Statement of Condition – The expenditures made in the Town's General Fund exceeded the authorized appropriations made in the annual budget.

Criteria – FS 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Effect – This violation resulted in an overspending.

Cause – The Town did not follow proper budgeting procedures.

Recommendation – The Town should review budget versus actual expenditures on a monthly basis and should amend the budget as spending needs arise.

Views of Responsible Officials – We agree with this finding and will adhere to the correction action plan on page 88 in this audit report.

**Section III – Federal Award Findings and Questioned Costs**

None reported.

**Section IV – State Award Findings and Questioned Costs**

None reported.

	<p><b>Town of Tabor City</b> NORTH CAROLINA</p> <p><i>Home Of The North Carolina Yam Festival</i></p>	
<p><b>DIANE B. WARD</b> CLERK-TREAS</p> <p><b>KEVIN BULLARD</b> TOWN ATTORNEY</p> <p><b>A.J. LEONARD, JR.</b> TOWN MANAGER</p>	<p><b>TOWN OF TABOR CITY</b> P.O. DRAWER 655 <b>TABOR CITY, NC 28463</b> O: 910.653.3458 F: 910.653.3970</p>	<p><b>ROYCE HARPER</b> MAYOR</p> <p><b>LAMONT GRATE</b> MAYOR PRO TEM</p> <p><b>NELSON LEE</b> <b>SAM ROGERS</b> <b>DAVID MINCEY</b></p>

Corrective Action Plan  
For the Fiscal Year Ended June 30, 2021

## **Section II – Financial Statement Findings**

Finding 2021-001

Name of Contact Person: Al Leonard

Corrective Action: The Town will attempt to make sure that budget amendments are made before year-end to account for any adjustments and/or accruals that will be recorded after year-end.

Proposed Completion Date: June 30, 2022

**Town of Tabor City, North Carolina**  
**Summary Schedule of Prior Year Audit Findings**  
**June 30, 2021**

There were no audit findings noted for the year ended June 30, 2020.

**Town of Tabor City, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**June 30, 2021**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>State/Pass- through Grantor Number</b>	<b>Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
<b><u>US Department of Housing and Urban Development</u></b>					
Passed through the NC Department of Environmental Quality					
Community Development Block Grant	14.228		\$ 35,000	\$ -	\$ -
Passed through the NC Department of Commerce					
Community Development Block Grant - Neighborhood	14.228		319,784	-	-
<b>Total</b>			<u>354,784</u>	<u>-</u>	<u>-</u>
<b><u>US Department of Homeland Security</u></b>					
Passed through the NC Department of Public Safety					
Division of Emergency Management					
Hazard Mitigation Grant	97.039		391,337	130,446	-
<b>Total</b>			<u>391,337</u>	<u>130,446</u>	<u>-</u>
<b><u>Environmental Protection Agency</u></b>					
Passed through the NC Department of Environmental Quality					
Clean Water State Revolving Fund					
	66.458		862,274	-	-
<b>Total</b>			<u>862,274</u>	<u>-</u>	<u>-</u>
<b><u>US Department of the Treasury</u></b>					
Passed through the State Agency of State Office Management and Budget, NC Pandemic Recovery Office and Columbus County Coronavirus Aid, Relief, and Economic Security Act					
	21.019		153,629	-	-
<b>Total</b>			<u>153,629</u>	<u>-</u>	<u>-</u>
<b>State Awards:</b>					
<b><u>NC Department of Transportation</u></b>					
Powell Bill			-	108,585	-
Visitors Center Grant			-	92,860	-
<b>Total</b>			<u>-</u>	<u>201,445</u>	<u>-</u>
<b><u>NC Department of Environmental Quality</u></b>					
Water Asset Inventory & Assessment Grant			-	145,000	-
<b>Total</b>			<u>-</u>	<u>145,000</u>	<u>-</u>
<b><u>Golden Leaf Foundation</u></b>					
Flood & Drainage Improvements			-	59,535	-
Waste Water Treatment Plant Improvements			-	184,804	-
<b>Total</b>			<u>-</u>	<u>244,339</u>	<u>-</u>
<b>Grand Totals</b>			<u>\$ 1,762,024</u>	<u>\$ 721,230</u>	<u>\$ -</u>

**Town of Tabor City, North Carolina**  
**Notes to the Schedule of Expenditures of Federal and State Awards**  
**June 30, 2021**

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the organization under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the organization.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

The Organization has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note D – Loans Outstanding**

As discussed in the Long Term Debt note on page 45, the Town received a loan \$23,320 from the North Carolina Department of Environmental Quality. This amount was paid back in full in July 2021.