

**REVIEWED**

*By SLGFD at 9:56 am, Dec 14, 2021*

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDING  
JUNE 30, 2021**

# **Village of Whispering Pines North Carolina**

## **Annual Comprehensive Financial Report**

**For The Year Ended June 30, 2021**

Prepared by Village of Whispering Pines Finance Department  
Cindy Graham, Finance Officer

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
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## **INTRODUCTORY SECTION**



# Village of Whispering Pines

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November 19, 2021

The Honorable Mayor Alexa Roberts  
Members of the Village Council and Residents  
Village of Whispering Pines  
10 Pine Ridge Drive  
Whispering Pines, NC 28327

Dear Mayor Roberts, Members of the Village Council, and Residents:

The Annual Comprehensive Financial Report (ACFR) of the Village of Whispering Pines, North Carolina (Village) is submitted for your review and use. This report has been prepared by the Village's Finance Department and it is the comprehensive publication of the Village's financial position and results of operations as of and for the fiscal year ended June 30, 2021. The Village, like all other local governments in North Carolina, is required by state law to publish a complete set of financial statements within four months of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year that ended June 30, 2021, and to provide further accountability to residents and other interested parties by providing a more comprehensive report in lieu of the minimum basic financial statement requirements.

As an annual comprehensive financial report, this document provides financial detail and historical trends beyond the basic financial statements in the Financial Section. The Supplementary Information provides details on the Village's pension plans. The Statistical Section provides trend information on financial performance, revenue capacity, debt capacity, demographic and economic indicators, and operating information. A Compliance Section includes a report on internal control over compliance.

Village management is responsible for both the accuracy of the data and the completeness and fairness of the report. To ensure reliability of the information, Village management has established a comprehensive framework of internal controls. Internal controls protect the Village's assets from loss, theft and misuse and provide reliable information for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the Village's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, to the best of our knowledge and belief, this financial report is complete, accurate and reliable in all material respects.

As noted earlier, the Village is required by state law to have an annual independent financial audit. Anderson, Smith & Wike PLLC, Certified Public Accountants, conducted the audit and concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion that the Village's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report on the basic financial statements is located at the beginning of the financial section of this report.

Management's discussion and analysis (MD&A) of the basic financial statements immediately follows the independent auditors' report and provides an introduction, overview, and expert analysis of the basic financial statements. The MD&A is designed to complement this letter of transmittal and should be read with that understanding.

Responsibility for the accuracy, completeness, and fairness of the presentations, including all disclosures, rests with Village management. As management, we believe this financial report, as presented, is complete, accurate and reliable in all material respects.

### **Profile of the Village**

The Village of Whispering Pines, North Carolina was founded in 1959 and incorporated in 1969. It has the distinction of being the first municipality in North Carolina to be designated as a Village. The Village is located in Moore County, an area known as the Sandhills region of North Carolina with a population of approximately 3603. Whispering Pines has a land area of 4.34 square miles including eight (8) lakes comprising approximately 438 acres. The Village is a residential community with significant recreational amenities that have attracted retirees for many years and the proximity to Fort Bragg military base has attracted younger families in the last several years, which has resulted in significant residential growth.

Whispering Pines is the fourth largest municipality in Moore County. The Village's population has increased by 675 or 23% since the 2010 census. Whispering Pines is empowered by state statute, on a limited basis, to extend its corporate limits through the annexation process. The Village has historically annexed property because of voluntary application by property owners.

The Village has operated under the Council-Manager form of government since 2008. Policy making and legislative authority are vested in the Village Council consisting of a mayor and four other members. The council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the Village Manager and attorney. The council is elected at large and in turn selects a Mayor and Mayor Pro-tempore from within the council membership. Members of the Village Council serve four-year staggered terms. The Village Manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the Village, and for appointing the heads of the various departments.

The Village provides its residents with a full range of municipal services; including police protection and fire rescue services; solid waste services including household recycling service, maintenance of streets, lakes, dams, and other infrastructure; zoning, including code enforcement and erosion and sedimentation control; and general administrative services.

The Village Council is required to adopt a budget by July 1 of each year. The Village is empowered to levy a property tax on both real and personal property located within its boundaries. The Village's budget ordinance creates a legal limit on spending authorizations and serves as the foundation for the Village's financial planning and control. Legal budgetary control for the operating budget is exercised at the fund and department level. The Village Manager is authorized to transfer appropriations within departments and is also authorized to transfer appropriations up to \$10,000 between departments provided that an official report is given to council. All other transfers of appropriations require the approval of the council.

### **Local Economy**

The Village is a residential community with continued growth in the housing market. The Village issued a total of 41 residential permits in FY 2020-21, a 12.7% decrease from the prior fiscal year. In prior years, residential construction has been concentrated in subdivision phases approved in years 2013 and 2014. However, these subdivisions are almost built out. Most of the residential permits issued in FY 2020-21 come from construction activity on "in-fill" lots.

The Village continues to experience demand for housing because of the proximity to Fort Bragg military base, located approximately 20 miles east of Whispering Pines. Data indicates a strong correlation between the increase in new residents and the increase in personnel employed at Fort Bragg. It is clear that a significant portion of the growth of Whispering Pines is due to the growth of Fort Bragg in both military and civilian employees.

The Village saw an increase in property tax revenue of approximately \$411,594 (18.17% increase) in the fiscal year ended June 30, 2021. This can be attributed to residential home growth in the Village, as stated earlier. A strong Village tax base has enabled the Village to keep property tax rates at a moderate level while providing a high level of services to our residents.

As of June 30, 2021, the Moore County unadjusted unemployment rate was 4.4%, a decrease of 41% from the prior year. Whispering Pines traditionally does not feel the effects of unemployment due to the demographic makeup of Village residents.

The tourism industry contributes significantly to the economic well-being of Moore County. Moore County is home to world renowned golf, hotel, and spa amenities that draw tourists from all over the world due to its exceptional quality. This, along with a general improvement of the economy, has benefitted and increased the Village's share of location option sales tax revenue \$190,273 (19.8% increase) over last Fiscal Year 2020.

### **Financial Planning**

The Village is committed to maintaining a strong financial position. The Village Council's adopted fund balance policy requires the Village to maintain a minimum unassigned General Fund balance of 35% of the audited actual expenditures as reported in the ACFR. The Village retains unassigned fund balance sufficient to maintain consistent cash flow, generate interest income, eliminate the need for short term borrowings, and provides flexibility for unanticipated opportunities and needs. At June 30, 2021, the General Fund's unassigned (available) fund balance of \$1,689,236 represents 45% of total General Fund actual expenditures. In addition, fiscally responsible budgeting has been a key factor in maintaining a fund balance within the average range for municipalities of similar size and well above the State requirements.

With the adoption of the FY 2021-22 budget ordinance, the Village Council approved a property tax rate increase of \$0.05 cents for a total property tax rate of \$0.47 cent per \$100 of assessed value (\$0.32 cents for general operations of the Village and \$0.15 cents for the Capital Reserve Major Repair Fund (CRMRF)). The CRMRF sets aside funds for repairs and improvements of major infrastructure, such as dams, bridges, roads, and buildings, as noted below under Major Initiatives.

### **Major Initiatives**

The Village Council has several ongoing and completed initiatives to meet the needs of residents and improve the overall quality of life in the Village.

In August 2019, the Village acquired a 20-acre parcel (hereinafter referred to as "10 Hardee Lane") to fulfill one of the recommendations in the comprehensive Village Recreation and Open Space Master Plan. In March 2021, the Village Council adopted a conceptual park design based on the recommendations and input from residents, which provides a conceptual layout for a variety of amenities on the property. The Village has retained a design professional to complete the design development process, which will provide formalized design & engineering plans that can be used to solicit cost proposals to move the project forward. The objective is to complete the design development process in Fiscal Year 2022.



The Village continuously collaborates with the Village Engineer to assess and monitor the condition of all Village dams. Based on recommendations from the NC State Dam Safety Office and the Village Engineer, the Village continues to take a proactive approach with repairing and maintaining the dams. In June 2020, the Village Council adopted a 20-year Capital Improvement Plan (CIP) that includes multiple minor projects and two (2) major projects. The two (2) major projects are Pine Lake Dam, which is tentatively scheduled for Fiscal Year 2031 at an estimated cost of \$7 million, and Thagard Lake Dam, which is tentatively scheduled for Fiscal Year 2040, at an estimated cost of \$10 million. The timeline and estimated costs of both projects are subject to change as conditions evolve; therefore, the 20-year CIP is evaluated and updated annually.

In addition to the Village dams, the Village has awarded a contract to S & C Construction for \$576,472, to install a bridge on Lakeview Drive in the vicinity of Thagard Lane. The purpose of the bridge is to address the significant flooding that has impacted the area multiple times over the years. Construction of the bridge will be completed during Fiscal Year 2022.

All dam projects and the Lakeview Drive bridge project are, or will be, funded by the Capital Reserve Major Repair Fund (CRMRF) with the goal of not incurring any debt.

During Fiscal Year 2021, the Village Engineer completed a 5-year update of the Village Comprehensive Roadway Assessment. This master plan serves, during the budget process, as a systematic guide for prioritizing the maintenance and improvements to Village streets. The Village will continue with the "pay as you go" plan for street improvements that can be undertaken with Powell Bill funds (received from the State) as well as additional General Fund monies that are budgeted for in the next fiscal year. This method of infrastructure maintenance and improvement will continue annually.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Whispering Pines for its annual comprehensive financial report for fiscal year ended June 30, 2020. This was the twelfth consecutive year that the Village has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the dedicated efforts of the Finance Department, as well as the cooperation of the other departments of the Village that assisted and contributed to the preparation of this report. I would like to thank Anderson, Smith & Wike PLLC, the Village's independent auditor, for their assistance and guidance during this report's preparation. Credit, also, must be given to the Mayor and the Village Council for their continued support, leadership, and professionalism in management of the Village's finances.

Respectfully submitted,



Richard M. Lambdin  
Village Manager



Cindy Graham  
Finance Officer

**Village of Whispering Pines, North Carolina**  
**Principal Officials**  
**June 30, 2021**

Village Council

Alexa Roberts	Mayor
Glenn Bernhard	Mayor Pro-tempore
Bob Zschoche	Council Member
Andy Conway	Council Member
Pam Harris	Council Member

Village Officials

Richard Lambdin	Fire Rescue Chief / Village Manager
Cindy Graham	Finance Officer
Linda Christopher	Village Clerk / Zoning Administrator / Assistant Village Manager
Jason Graham	Police Chief
Bob Kissinger	Public Works Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Whispering Pines  
North Carolina**

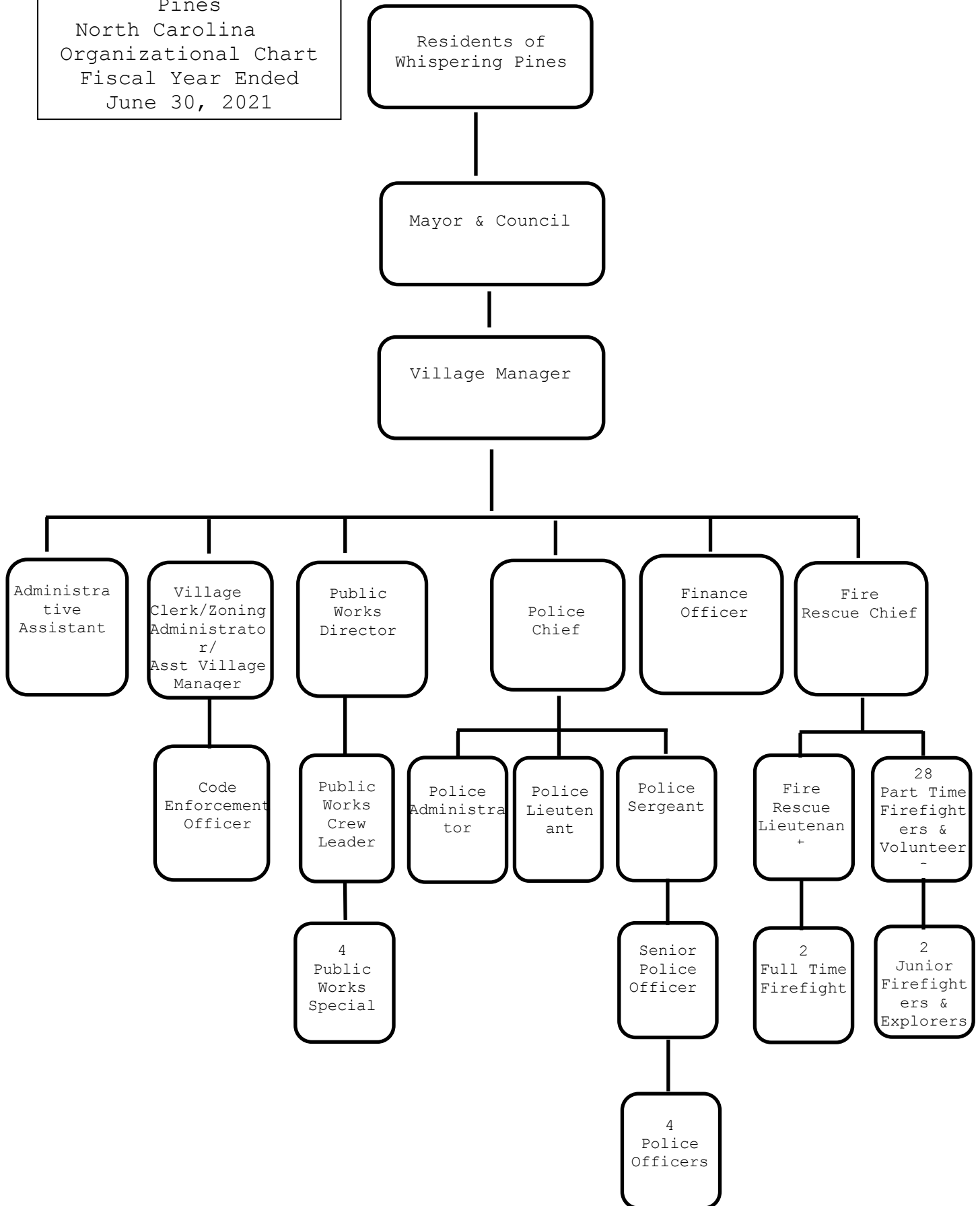
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEQ

Village of Whispering  
Pines  
North Carolina  
Organizational Chart  
Fiscal Year Ended  
June 30, 2021



## **FINANCIAL SECTION**

220 East Washington Street  
Post Office Box 697  
Rockingham, North Carolina 28380  
(910) 557-1176

Other Office Locations:  
Seven Lakes, North Carolina  
Gastonia, North Carolina  
Statesville, North Carolina

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the Village Council  
Whispering Pines, North Carolina

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Whispering Pines, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

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

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

### **Opinion**

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund

information of the Village of Whispering Pines, North Carolina as of June 30, 2021, and the respective changes in financial position, and, where appropriate, thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 10 through 16, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, on pages 46 and 47, respectively, 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 pages 48 and 49, respectively, and the Firefighters' and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability 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.

### **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 Village of Whispering Pines, North Carolina. The individual fund statements, budgetary schedules, and other schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021 on our consideration of Village of Whispering Pines' 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 Village of Whispering Pines' internal control over financial reporting and compliance.



Rockingham, NC  
November 19, 2021

## **MANAGEMENT DISCUSSION AND ANALYSIS**



## Management's Discussion and Analysis

As management of the Village of Whispering Pines, we offer readers of the Village of Whispering Pines' financial statements this narrative overview and analysis of the financial activities of the Village of Whispering Pines 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 Village's financial statements, which follow this narrative.

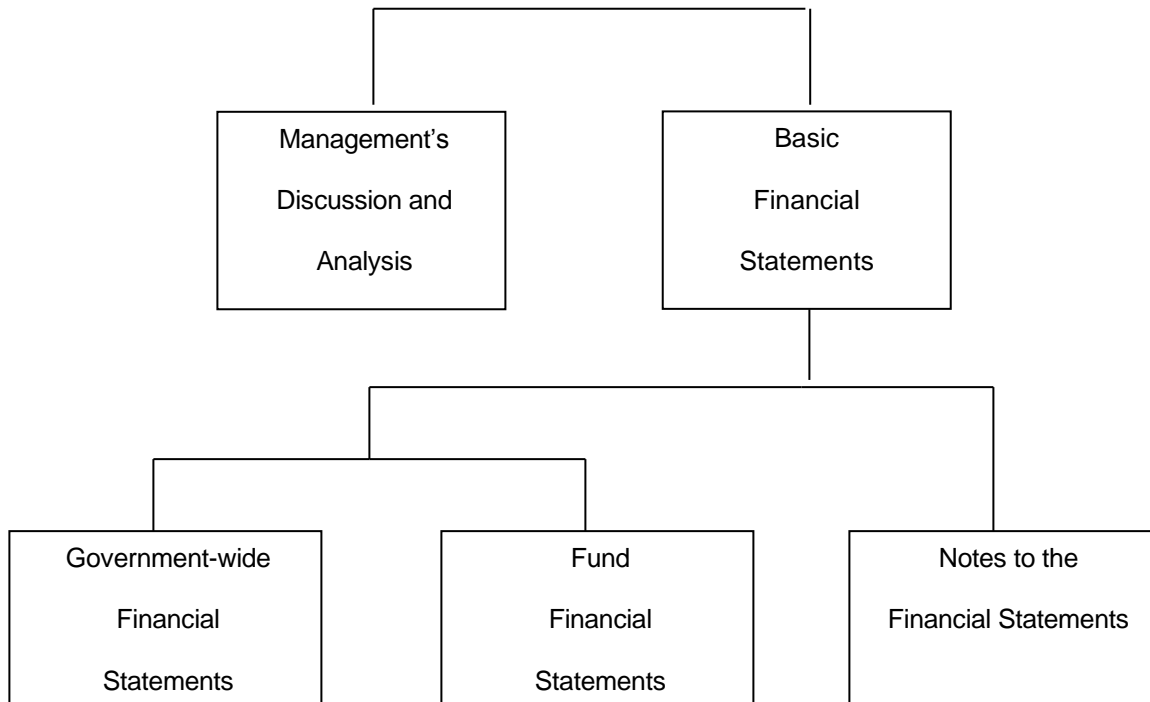
### Financial Highlights

- The net position of the Village of Whispering Pines exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,869,419 (*net position*).
- The government's total net position increased by \$704,577.
- As of the close of the current fiscal year, the Village of Whispering Pines' governmental funds reported an ending fund balance of \$3,600,950 an increase of \$704,355 in comparison with the prior year. Approximately 46.9 percent of fund balance, or \$1,689,236, is available for spending at the government's discretion (unassigned fund balance).

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Village of Whispering Pines' basic financial statements. The Village'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 Village 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 Village of Whispering Pines.

#### Required Components of Annual Financial Report



Summary → Detail

## Basic Financial Statements

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

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village'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 Village's general fund. Budgetary information required by the North Carolina 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 Village'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 Village's financial status as a whole.

The two government-wide statements report the Village's net position and how they have changed. Net position is the difference between the Village'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 Village's financial condition.

The government-wide statements are governmental activities. The governmental activities include most of the Village's basic services such as general government and transportation. Property taxes, sales and other taxes finance most of these activities.

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

### Fund Financial Statements

The fund financial statements provide a more detailed look at the Village'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 Village of Whispering Pines, 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 Village's budget ordinance. The Village has one fund category, the governmental funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Village's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a short-term spending focus. As a result, the governmental funds 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 Village'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 Village of Whispering Pines 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 Village, the management of the Village, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary comparison statement provided for the General Fund demonstrates how well the Village complied with the budget ordinance and whether or not the Village 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 council; 2) the final budget as amended by the council; 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.

**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 23-45 of this report.

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

**Other information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Village of Whispering Pines' progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 46 of this report.

## Government-Wide Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as a whole.

The following table provides a summary of the Village's net position:

### The Village of Whispering Pines' Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Current and other assets	\$3,706,913	\$2,927,554
Capital assets	<u>7,643,883</u>	<u>7,868,725</u>
Total assets	<u>11,350,796</u>	<u>10,796,279</u>
Deferred outflows of resources	447,195	291,372
Long-term debt obligations	3,463,810	3,111,021
Other liabilities	451,320	836,902
Deferred inflows of resources	<u>13,442</u>	<u>18,040</u>
Net position		
Net investment in capital assets	4,874,530	4,757,704
Restricted	294,079	1,477,122
Unrestricted	<u>2,700,810</u>	<u>886,862</u>
Total net position	<u>\$7,869,419</u>	<u>\$7,121,688</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The net position of the Village of Whispering Pines exceeded liabilities and deferred inflows by \$7,869,419 as of June 30, 2021. The Village's net position increased by \$704,577 for the fiscal year ended June 30, 2021. A portion of net position (61.9%) reflects the Village's net investment in capital assets (e.g.,

land, buildings and improvements). The Village of Whispering Pines uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Whispering Pines' net investment in capital assets is reported net of 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 remaining portions of net position are restricted (3.7%) and unrestricted (34.4%).

Several particular aspects of the Village's financial operations positively influenced the total unrestricted governmental net position including continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.93%, which compares favorably to the statewide average of 98.96%, increased property tax revenue of approximately \$411,593 and an increase in local option sales tax of \$190,273.

## Changes in Net Position

### Village of Whispering Pines Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$ 62,641	\$ 39,530
Operating grants and contributions	126,180	207,634
Capital grants and contributions	2,189	624
General revenues:		
Property taxes	2,671,042	2,271,244
Local option sales taxes	1,152,317	962,044
Other taxes	243,943	241,296
Grants and contributions not restricted to specific programs	176,110	198,688
Unrestricted investment earnings	6,605	45,332
Other	<u>31,018</u>	<u>54,951</u>
Total revenues	<u>4,472,045</u>	<u>4,021,343</u>
Expenses:		
General government	525,428	465,778
Public safety	1,576,274	1,572,142
Transportation	571,561	649,422
Environmental protection	546,426	548,586
Economic Development	112,357	105,042
Culture and recreation	315,208	262,774
Interest	<u>120,214</u>	<u>89,415</u>
Total expenses	<u>3,767,468</u>	<u>3,693,159</u>
Increase (decrease) in net position	704,577	328,184
Net position, July 1 as previously reported	7,121,688	6,793,504
Prior period adjustment (See Note 6)	<u>43,154</u>	<u>-</u>
Net position, July 1 restated	7,164,842	6,793,504
Net position, June 30	<u>\$7,869,419</u>	<u>\$7,121,688</u>

**Governmental activities.** Governmental activities increased the Village's net position by \$704,577.

## Financial Analysis of the Village's Funds

As noted earlier, the Village of Whispering Pines uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Property tax and local option sales tax revenue increased significantly during the year while expenditures only increased approximately 2%.

**Governmental Funds.** The focus of the Village of Whispering Pines' governmental fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village of Whispering Pines' financing requirements. Specifically, unassigned 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 Village of Whispering Pines. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,689,236, while the total fund balance reached \$3,010,247. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 44.9 percent of total expenditures, while total fund balance represents 80.0 percent of that same amount. At June 30, 2021, the Village's governmental funds reported a combined fund balance of \$3,600,950, an increase of \$704,355 as compared to prior year. Major activities affecting fund balance during the year include the following:

- Local option sales tax revenues increased throughout the state of North Carolina. The Village experienced a gain of approximately \$190,000 due to these increases.
- The Village increased their property tax rates by 14% in the previous year and this caused property tax revenue to increase by approximately \$400,000.
- Cultural and recreation expenditures increased compared with prior year due to an increase in depreciation expense associated with previous year's capital asset purchases.

**General Fund Budgetary Highlights.** During the fiscal year, the Village 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.

The Village's transportation budget increased during the year due to capital outlay of over \$110,000 being added during the year that had not originally been planned. Also, the cultural and recreation budget increased due to the combining of sub-fund budgets into.

## Capital Asset and Debt Administration

**Capital assets.** The Village of Whispering Pines' investment in capital assets, at cost, for its governmental activities as of June 30, 2021, totals \$7,643,883 (net of accumulated depreciation). These assets include land, buildings and improvements, equipment, vehicles, and infrastructure. Net capital assets decreased this year as depreciation and amortization exceed capital addition, which consisted primarily of vehicles and equipment.

### Village of Whispering Pines' Capital Assets

Net of Accumulated Depreciation		
	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Non-depreciable assets		
Land and construction in progress	\$1,186,075	\$1,177,720
Depreciable assets		
Buildings	2,307,083	2,372,575
Improvements	3,180,177	3,272,703
Vehicles and motorized equipment	762,201	829,080
Other equipment	208,347	216,647
Total	<u>\$7,643,883</u>	<u>\$7,868,725</u>

Additional information on the Village's capital assets can be found in NOTE 2. A. of the Notes to the Financial Statements.

**Long-term debt.** As of June 30, 2021, the Village of Whispering Pines had total long-term debt of \$3,790,604.

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Installment purchase-direct placement	\$ 2,769,353	\$ 3,111,021
Net pension liability (LGERS)	547,806	412,369
Total pension liability (LEO)	411,404	291,006
Compensated absences	62,041	68,420
Total	<u>\$ 3,790,604</u>	<u>\$ 3,882,816</u>

Village of Whispering Pines' Outstanding Debt. The Village of Whispering Pines' total debt decreased by \$92,212 (2.43%) during the current fiscal year. The key factors in this decrease were payments of \$341,668 on installment purchases, an increase of \$135,437 in the net pension liability for the Local Government Employees Retirement System (LGERS), an increase of \$120,398 in Law Enforcement Officers' Special Separation Allowance and a decrease of \$6,379 in compensated absences.

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 Village of Whispering Pines is \$48,072,114.

Additional information on the Village's debt can be found in NOTE 2.B. of the Basic Financial Statements.

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

The Village of Whispering Pines is located in an area of the State known for attractive retirement communities and golf resorts. Many Village residents are retirees attracted to the area because of the availability of golf, excellent health care and relatively low taxes, and middle to upper income families are attracted by the area's school system and low crime rate. While the Village is located in Moore County, whose unemployment rate as a whole is comparable to the State rate, it is generally less affected by increases in unemployment and economic downturns because of the composition of its population. In addition, the Village is in close proximity to a major military post, Fort Bragg, and is benefiting economically from significant growth at the post in recent years.

### **Impact of Coronavirus on Village**

On January 30, 2020, the World Health Organization declared the coronavirus "COVID-19" outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines, or "stay-at-home" restrictions in certain areas and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets globally, including that of the Village. While it is unknown how long these conditions will last and what the complete financial impact will be, the Village is closely monitoring the impact of the COVID-19 pandemic on all aspects of their operations and are unable at this time to predict the continued impact that COVID-19 will have on their services, financial position, and operating results in future periods due to numerous uncertainties.

## **Budget Highlights for the Fiscal Year Ending June 30, 2022**

**Governmental Activities:** The governmental funds' primary revenue resources are local option sales taxes, property taxes, and other taxes. For the fiscal year ending June 30, 2022, the budget will increase approximately 10.0% compared with the prior year mainly due to an increase in unrestricted revenues and a \$.05 cent increase per \$100 valuation of property tax.

Overall, revenues are expected to increase as property tax revenues are projected to increase 15% as the Village experiences increased growth in home construction. General operating expenditures were held at a minimum level. Village employees will receive no cost-of-living adjustment but pay adjustments based on merit have been included in the budget and longevity pay remains as part of the budget.

### **Requests for Information**

This report is designed to provide an overview of the Village's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Village of Whispering Pines, 10 Pine Ridge Drive, Whispering Pines, North Carolina 28327 or call (910) 949-3141.

## **BASIC FINANCIAL STATEMENTS**



**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

**Exhibit 1**

	Governmental Activities	Total Primary Governmental
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,407,244	\$ 3,407,244
Taxes receivable	3,590	3,590
Accounts receivable	5,009	5,009
Due from other governments	289,070	289,070
Restricted cash and cash equivalents	2,000	2,000
Total current assets	<u>3,706,913</u>	<u>3,706,913</u>
Non-current assets:		
Capital assets		
Land and construction in progress	1,186,075	1,186,075
Other capital assets, net of depreciation	6,457,808	6,457,808
Total capital assets	<u>7,643,883</u>	<u>7,643,883</u>
Total assets	<u>11,350,796</u>	<u>11,350,796</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension deferrals - LGERS	308,416	308,416
Pension deferrals - LEO	138,779	138,779
Total deferred outflows of resources	<u>447,195</u>	<u>447,195</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	97,686	97,686
Accrued interest payable	24,840	24,840
Deposits - restricted	2,000	2,000
Compensated absences-current	31,021	31,021
Debt obligations - current	295,773	295,773
Total current liabilities	<u>451,320</u>	<u>451,320</u>
Non-current liabilities:		
Net pension liability (LGERS)	547,806	547,806
Total pension liability (LEO)	411,404	411,404
Compensated absences - non-current	31,020	31,020
Debt obligations - non-current	2,473,580	2,473,580
Total non-current liabilities	<u>3,463,810</u>	<u>3,463,810</u>
Total liabilities	<u>3,915,130</u>	<u>3,915,130</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Prepaid taxes	2,687	2,687
Pension deferrals - LGERS	5,214	5,214
Pension deferrals - LEO	5,541	5,541
Total deferred inflows of resources	<u>13,442</u>	<u>13,442</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 4,874,530	\$ 4,874,530
Restricted for:		
Stabilization by State Statute	294,079	294,079
Unrestricted	2,700,810	2,700,810
Total net position	<u>7,869,419</u>	<u>7,869,419</u>

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

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**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Total
Primary government						
Governmental activities						
General government	\$ 525,428	\$ 19,864	\$ -	\$ -	\$ (505,564)	\$ (505,564)
Public safety	1,576,274	882	10,197	2,189	(1,563,006)	(1,563,006)
Transportation	571,561	-	115,983	-	(455,578)	(455,578)
Environmental protection	546,426	-	-	-	(546,426)	(546,426)
Economic and physical development	112,357	27,025	-	-	(85,332)	(85,332)
Cultural and Recreation	315,208	14,870	-	-	(300,338)	(300,338)
Interest on long-term debt	120,214	-	-	-	(120,214)	(120,214)
Total primary governmental activities	<u>\$ 3,767,468</u>	<u>\$ 62,641</u>	<u>\$ 126,180</u>	<u>\$ 2,189</u>	<u>\$ (3,576,458)</u>	<u>\$ (3,576,458)</u>
General revenues						
Taxes						
Property taxes, levied for general purposes					2,671,042	2,671,042
Local option sales taxes					1,152,317	1,152,317
Other taxes					243,943	243,943
Grants and contributions not restricted to specific programs					176,110	176,110
Unrestricted investment earnings					6,605	6,605
Donations					26,262	26,262
Miscellaneous					4,756	4,756
Total general revenues					4,281,035	4,281,035
Change in net position					704,577	704,577
Net position - beginning as previously reported					7,121,688	7,121,688
Prior period adjustment (See Note 6)					43,154	43,154
Net position - beginning as restated					7,164,842	7,164,842
Net position - ending					<u>\$ 7,869,419</u>	<u>\$ 7,869,419</u>

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

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**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

**Exhibit 3**

	Major Funds		Total Combining Non-major Governmental Funds	Total Governmental Funds
	General	Lakeview Drive Bridge Construction		
Assets				
Cash and cash equivalents	\$2,815,464	\$ 553,580	\$ 38,200	\$ 3,407,244
Restricted cash and cash equivalents	2,000	-	-	2,000
Receivables, net				
Taxes	3,590	-	-	3,590
Accounts receivable	5,009	-	-	5,009
Due from other governments	289,070	-	-	289,070
Total assets	<u>\$3,115,133</u>	<u>\$ 553,580</u>	<u>\$ 38,200</u>	<u>\$ 3,706,913</u>
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 96,609	\$ 1,077	\$ -	\$ 97,686
Deposits - restricted	2,000	-	-	2,000
Total liabilities	<u>98,609</u>	<u>1,077</u>	<u>-</u>	<u>99,686</u>
DEFERRED INFLOWS OF RESOURCES				
Tax receivable	3,590	-	-	3,590
Prepaid taxes	2,687	-	-	2,687
Total deferred inflows of resources	<u>6,277</u>	<u>-</u>	<u>-</u>	<u>6,277</u>
Fund balances				
Restricted				
Stabilization by State Statute	294,079	-	-	294,079
Committed				
General government capital and maintenance	875,530	-	-	875,530
Transportation	-	552,503	-	552,503
Cultural and recreation	151,402	-	38,200	189,602
Unassigned	1,689,236	-	-	1,689,236
Total fund balances	<u>3,010,247</u>	<u>552,503</u>	<u>38,200</u>	<u>3,600,950</u>
Total liabilities, inflows of resources and fund balances	<u>\$3,115,133</u>	<u>\$ 553,580</u>	<u>\$ 38,200</u>	<u>\$ 3,706,913</u>

Reconciliation of fund balance as reported in the balance sheet - governmental funds with net positions - governmental activities

Fund balance as reported in the balance sheet - governmental funds	\$ 3,600,950
Amounts reported for governmental activities in the statement of net position are different because Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	7,643,883
Deferred outflows of resources related to pensions are not reported in the fund statements	447,195
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds	3,590
Compensated absences not expected to be materially liquidated with expendable available resources	(62,041)
Net pension liability (LGERS)	(547,806)
Total pension liability (LEO)	(411,404)
Deferred inflows of resources related to pensions are not reported in the fund - LGERS & LEO	(10,755)
Long-term liabilities, principally installment purchases and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds	
Direct placement installment debt	(2,769,353)
Accrued interest payable	(24,840)
Net position reported as governmental activities	<u>\$ 7,869,419</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2021**

**Exhibit 4**

	<u>Major Funds</u>		Total Combining Non-major Governmental Funds	<u>Total</u>
	<u>General</u>	Lakeview Drive Bridge <u>Construction</u>		
REVENUES				
Ad valorem taxes	\$ 2,676,459	\$ -	\$ -	\$ 2,676,459
Unrestricted intergovernmental	1,569,673	-	-	1,569,673
Restricted intergovernmental	131,066	-	-	131,066
Permits and fees	29,215	-	-	29,215
Investment earnings	6,605	-	-	6,605
Sales and service	33,426	-	-	33,426
Other general revenues	<u>31,018</u>	<u>-</u>	<u>-</u>	<u>31,018</u>
Total revenues	<u>4,477,462</u>	<u>-</u>	<u>-</u>	<u>4,477,462</u>
EXPENDITURES				
Current				
General government	487,467	-	-	487,467
Public safety	1,341,594	-	-	1,341,594
Transportation	609,820	8,355	-	618,175
Environmental protection	546,426	-	-	546,426
Economic and physical development	112,357	-	-	112,357
Cultural and recreation	230,046	-	-	230,046
Debt service				
Principal retirement	341,668	-	-	341,668
Interest	<u>95,374</u>	<u>-</u>	<u>-</u>	<u>95,374</u>
Total expenditures	<u>3,764,752</u>	<u>8,355</u>	<u>-</u>	<u>3,773,107</u>
Revenues over (under) expenditures	<u>712,710</u>	<u>(8,355)</u>	<u>-</u>	<u>704,355</u>
Other financing sources (uses)				
Transfer from other funds	16,892	553,000	38,200	608,092
Transfer (to) other funds	<u>(591,200)</u>	<u>-</u>	<u>(16,892)</u>	<u>(608,092)</u>
Total other financing sources (uses)	<u>(574,308)</u>	<u>553,000</u>	<u>21,308</u>	<u>-</u>
Net change in fund balance	138,402	544,645	21,308	704,355
Fund balance - beginning as previously reported	2,828,691	7,858	16,892	2,853,441
Prior period adjustment (See Note 6)	<u>43,154</u>	<u>-</u>	<u>-</u>	<u>43,154</u>
Fund balance - beginning as restated	<u>2,871,845</u>	<u>7,858</u>	<u>16,892</u>	<u>2,896,595</u>
Fund balance - ending	<u>\$ 3,010,247</u>	<u>\$ 552,503</u>	<u>\$ 38,200</u>	<u>\$ 3,600,950</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

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**Exhibit 5**

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

Net change in fund balance - governmental funds	\$	704,355
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period

Capital outlay	194,031
Depreciation	(418,873)

Contributions to the LGERS pension plan in the current fiscal year are not included on the statement of activities	109,830
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Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities	28,259
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
Change in deferred tax revenue	(5,417)

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	6,379
Pension expense-LGERS	(179,846)
Pension expense-LEO	(50,969)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Increase in accrued interest payable	(24,840)	
Principal payments	341,668	316,828

Total change in net position of governmental activities	\$	<u>704,577</u>
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**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2021**

**Exhibit 6**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,587,097	\$ 2,587,097	\$ 2,676,459	\$ 89,362
Unrestricted intergovernmental	1,250,875	1,250,875	1,569,673	318,798
Restricted intergovernmental	126,426	136,511	131,066	(5,445)
Permits and fees	22,600	22,600	29,215	6,615
Investment earnings	22,500	22,500	6,605	(15,895)
Sales and services	14,000	34,400	33,426	(974)
Other general revenues	20,900	25,773	31,018	5,245
Total revenues	4,044,398	4,079,756	4,477,462	397,706
<b>EXPENDITURES</b>				
Current				
General government	524,021	492,589	487,467	5,122
Public safety	1,364,058	1,405,769	1,341,594	64,175
Transportation	497,534	632,795	609,820	22,975
Environmental protection	543,027	548,229	546,426	1,803
Economic and physical development	106,905	112,720	112,357	363
Cultural and recreation	197,973	400,655	230,046	170,609
Debt service				
Principal retirement	347,000	342,149	341,668	481
Interest	90,002	95,055	95,374	(319)
Total expenditures	3,670,520	4,029,961	3,764,752	265,209
Revenues over (under) expenditures	373,878	49,795	712,710	662,915
Other financing sources (uses)				
Transfer from other funds	-	16,891	16,892	1
Transfer (to) other funds	-	(608,091)	(591,200)	16,891
For future capital reserve major repairs	(373,878)	-	-	-
Fund balance appropriated	-	541,405	-	(541,405)
Total other financing sources (uses)	(373,878)	(49,795)	(574,308)	(524,513)
Net change in fund balance	\$ -	\$ -	138,402	\$ 138,402
Fund balance - beginning as previously reported			2,828,691	
Prior period adjustment (See Note 6)			43,154	
Fund balance - beginning as restated			2,871,845	
Fund balance - ending			<u>\$ 3,010,247</u>	

## **NOTES TO THE FINANCIAL STATEMENTS**

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statement themselves. The notes supplement the financial statements, and are an integral part thereof, and are intended to be read in conjunction with the financial statements.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village of Whispering Pines, North Carolina 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 Village of Whispering Pines, North Carolina, is a municipal corporation which is governed by a five-member council including a mayor appointed by the council. The Village operates under a Council-Manager form of government. As required by generally accepted accounting principles the Village would include any component unit for which it is financially accountable. For the year ended June 30, 2021, no component units were included in the basic financial statements.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Village. 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. For the year ended June 30, 2021, the Village had no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Village'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, if any, have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Village's funds. Separate statements for each fund category are presented. The Village had no fiduciary funds to report. The emphasis of fund financial statements is on major governmental, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Village reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the Village. 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, various other taxes, State grants, and investment earnings. The primary expenditures are for public safety, street maintenance and construction, and sanitation services. Additionally, the Village has legally adopted a Capital Reserve-Major Repairs Fund for major equipment, replacement and maintenance activities. Furthermore, the Village has legally adopted the Pine Lake Dam Repair/Maintenance Fund and the Thagard Dam Repair/Maintenance Fund. Under GASB 54 guidance these three are consolidated in the General Fund. Budgetary comparisons for the other legally budgeted funds have been included in the supplemental information.

**Lakeview Drive Bridge Construction Capital Project Fund** – accounts for costs incurred in connection with the construction of the Lakeview Drive Bridge.

The Village reports the following non-major governmental funds:

**Fire Station Renovation Capital Project Fund** – accounts for costs incurred in connection with the renovation of the Village Fire Station.



**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Village reports the following non-major governmental funds (Continued):

**Spring Valley Dam Spillway Capital Project Fund** – accounts for costs incurred in connection with the Spring Valley Dam Spillway Project.

**10 Hardee Lane Capital Project Fund** – accounts for costs incurred in connection with the development and construction of the open space located at 10 Hardee Lane.

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

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

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Village 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 recorded as program revenues include 1) charges to customers or applicants for goods and services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest in general long-term debt claims and judgements, 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. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Village of Whispering Pines, are recognized as revenue. Sales taxes are considered a shared revenue for the Village of Whispering Pines because the tax is levied by Moore County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Under terms of grant agreements, the Village of Whispering Pines funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Village's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

**D. Budgetary Data**

The Village's budgets for the General Fund and its legally separate subfunds are adopted as required by the North Carolina General Statutes. Project ordinances are adopted for Capital Project Funds. All annual appropriations lapse at fiscal year-end. 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 object level for multiyear funds. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Village 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 nonguaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Village's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT- Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Cash and Cash Equivalents

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

Restricted Assets

Contractor deposits are classified as restricted assets in the general fund because its use is restricted for these activities per NC G.S Chapter 159, Article 3, Part 2. Contractor deposits held by the Village to cover any costs incurred by the Village related to the work of the contractor and which are returned to the contractor upon issuing a certificate of occupancy are also restricted assets. Powell Bill Funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. However, as of June 30, 2021, the Village had no unspent Powell Bill funds. The Village of Whispering Pines' restricted cash is as follows as of June 30, 2021.

Governmental activities:	
General fund	
Contractor deposits	<u>\$ 2,000</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for uncollectible accounts. This amount is estimated and is primarily determined by the age of the receivable and management's opinion of its collectability.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: buildings, improvements, vehicles, furniture and equipment, \$5,000. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure capitalization cost is \$100,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Buildings	20-50
Improvements	10-50
Vehicles	5-12
Furniture and Equipment	5-10
Computer equipment	3

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 Village has pension plan deferrals in the 2021 fiscal year that meets this criterion. 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 Village has three 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, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Compensated Absences

The vacation policy of the Village provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. Effective with the last payroll in the calendar year, any employee with more than 30 days of accumulated vacation leave shall have the excess accumulation removed so that only 30 days are carried forward to

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Compensated Absences (Continued)

January 1 of the next calendar year. The excess amount removed is converted to sick leave and added to the employee's sick leave balance. For the Village's government-wide fund, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Village has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

**Committed Fund Balance** – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Village of Whispering Pines' 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.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Fund Balances (Continued)

Committed for general government capital and maintenance – portion of fund balance used specifically for major repairs and construction in the Capital Reserve Major Repairs Fund.

Committed for Transportation – portion of fund balance used specifically for construction in the Lakeview Drive Bridge Construction Capital Project Fund.

Committed for Cultural and Recreation – portion of fund balance used specifically for the development and construction of the open space located at 10 Hardee Lane and major repairs in the Pine Lake Dam Repair/Maintenance Fund and Thagard Dam Repair/Maintenance Fund.

**Assigned fund balance** – portion of fund balance that the Village of Whispering Pines intends to use for specific purposes.

The Village Council has the sole authority to assign fund balance, and any such assignments must be approved in a formal meeting of the Village Council. As of June 30, 2021, there were no amounts of assigned fund balance.

**Unassigned fund balance** – portion of fund balance that has not been restricted or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance.

The Village of Whispering Pines 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-Village funds, Village 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 Village.

**F. Other**

Defined Benefit Cost-Sharing Plans

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

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

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

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS**

**A. Assets**

Deposits

All the deposits of the Village 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 Village's agent in the units' name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Village, these deposits are considered to be held by the Village's agents, in their names. The amount of the pledged collateral is based on an approved averaging method for noninterest bearing deposits and the actual current balance for 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 Village or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Village under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Village has no formal policy regarding custodial credit risks for deposits.

At June 30, 2021, the Village's deposits had a carrying amount of \$3,072,007 and a bank balance of \$3,339,343. Of the bank balance, \$250,000 was covered by federal depository insurance, \$3,089,343 was covered by collateral held under the pooling method.

Investments

At June 30, 2021, the Village of Whispering Pines had \$337,237 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's and AAA-mf by Moody's Investors Service as June 30, 2021. The Village has no policy regarding credit risk.

Receivables

Due from other governmental agencies – At June 30, 2021 amounts due from other governmental agencies by source consist of the following:

	<u>General Fund</u>
Local option sales tax	\$ 252,299
Sales tax refunds	16,435
Moore County property taxes	<u>20,336</u>
Total	<u>\$ 289,070</u>

The Village deems all receivable to be fully collectible and thus, there is no allowance for uncollectible amounts to be recorded as of June 30, 2021.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

**NOTE 2 - DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,141,013	\$ -	\$ -	\$ 1,141,013
Construction in progress	36,707	8,355	-	45,062
Total capital assets not being depreciated	<u>1,177,720</u>	<u>8,355</u>	<u>-</u>	<u>1,186,075</u>
Capital assets being depreciated				
Building	2,970,977	-	-	2,970,977
Vehicles	1,741,134	137,204	47,847	1,830,491
Equipment	582,975	48,472	-	631,447
Other improvements	<u>3,764,534</u>	<u>-</u>	<u>-</u>	<u>3,764,534</u>
Total capital assets being depreciated	<u>9,059,620</u>	<u>185,676</u>	<u>47,847</u>	<u>9,197,449</u>
Less accumulated depreciation for				
Building	598,402	65,493	-	663,895
Vehicles	912,054	204,083	47,847	1,068,290
Equipment	366,328	56,772	-	423,100
Other improvements	<u>491,831</u>	<u>92,525</u>	<u>-</u>	<u>584,356</u>
Total accumulated depreciation	<u>2,368,615</u>	<u>418,873</u>	<u>47,847</u>	<u>2,739,641</u>
Total capital assets being depreciated, net	<u>6,691,005</u>	<u>(233,197)</u>	<u>-</u>	<u>6,457,808</u>
Governmental activity capital assets, net	<u>\$ 7,868,725</u>	<u>\$ (224,842)</u>	<u>\$ -</u>	<u>\$ 7,643,883</u>

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

General government	\$ 20,761
Public safety	231,618
Culture and recreation	92,781
Transportation	<u>73,713</u>
Total depreciation expense	<u>\$ 418,873</u>

Construction Commitments

The Village of Whispering Pines has the following active construction project commitment as of June 30, 2021:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Lakeview Drive Bridge Capital Project	\$ 45,062	\$ 531,410

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities**

Deposits

The Village requires all developers who apply for subdivision or site plan approval to make a deposit based on the permits and fees schedule to cover any costs incurred by the Village related to the work of the developer. Unused deposits are returned upon completion of the project. At June 30, 2021 the Village had deposits totaling \$2,000 reported as restricted assets.

Pension Plan Obligations

a. Local Governmental Employees' Retirement System

*Plan Description.* The Village of Whispering Pines is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

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



**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

Pension Plan Obligations (Continued)

a. 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. The Village of Whispering Pines employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Village of Whispering Pines' contractually required contribution rate for the year ended June 30, 2021 was 10.84% of compensation for law enforcement officers and 10.23% of compensation for general employees, 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 Village of Whispering Pines were \$109,830 for the year ended June 30, 2021.

*Refunds of Contributions.* Village 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 Village reported a liability of \$547,806 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 Village's proportion of the net pension liability was based on a projection of the Village's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020 (measurement date), the Village's proportion was 0.01533%, which was an increase of 0.00023% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Village recognized pension expense of \$187,174. At June 30, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 69,178	\$ -
Changes of assumptions	40,768	-
Net difference between projected and actual earnings on pension plan investments	77,089	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	11,551	5,214
Village contributions subsequent to the measurement date	<u>109,830</u>	<u>-</u>
Total	<u>\$ 308,416</u>	<u>\$ 5,214</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

\$109,830 reported as deferred outflows of resources related to pensions resulting from Village 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:

**Year ended June 30:**

2022	\$ 52,806
2023	72,669
2024	45,083
2025	22,814
2026	-
Thereafter	-
Total	<u>\$ 193,372</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	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

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

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

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

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

<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	100%	

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

*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 Village's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Village'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 (6.0 percent) or one percentage point higher (8.0 percent) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Village's proportionate share of the net pension liability	\$ 1,111,439	\$ 547,806	\$ 79,388

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

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance

Plan Description

The Village of Whispering Pines administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the Village'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.

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

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>8</u>
Total	<u>9</u>

Summary of Significant Accounting Policies

*Basis of Accounting.* The Village 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 and refunds are recognized when due and payable in accordance with the terms of the Plan.

The Separation Allowance has no assets accumulated in a trust that meets the 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	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019. All mortality rates use Pub-2010 amount-weighted tables and all mortality rates are projected from 2010 using generalized improvement with scale MP-2019. Rates are adjusted for males and females.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

Contributions

The Village 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 Village'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 Village paid \$28,259 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 Village reported a total pension liability of \$411,404. 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 Village recognized pension expense of \$50,969.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 26,030	\$ 185
Changes of assumptions	98,619	5,356
Village benefit payments and plan administrative expense made subsequent to the measurement date	14,130	-
Total	<u>\$ 138,779</u>	<u>\$ 5,541</u>

\$14,130 reported as deferred outflows of resources related to pensions results from benefit payments made and administrative expenses incurred subsequent to the measurement date. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2022	\$ 27,846
2023	28,191
2024	27,000
2025	27,437
2026	8,634
Thereafter	-
	<u>\$ 119,108</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

*Sensitivity of the Village's total pension liability to changes in the discount rate.* The following presents the Village's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Village'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:

	<b>1% Decrease</b> <b><u>(.93%)</u></b>	<b>Discount Rate</b> <b><u>(1.93%)</u></b>	<b>1% Increase</b> <b><u>(2.93%)</u></b>
Total pension liability	\$ 442,994	\$ 411,404	\$ 382,910

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

Beginning balance	\$ 291,006
Service Cost	13,643
Interest on the total pension liability	9,132
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	10,325
Changes of assumptions or other inputs	109,049
Benefit payments	(21,751)
Other changes	-
Ending balance of the total pension liability	<u>\$ 411,404</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Pension Plan Obligations (Continued)

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

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

	<b>LGERS</b>	<b>LEOSSA</b>	<b>TOTAL</b>
Pension Expense	\$ 187,174	\$ 50,969	\$ 238,143
Pension Liability	547,806	411,404	959,210
Proportionate share of the net pension liability	0.01533%	N/A	
Deferred of Outflows of Resources			
Differences between expected and actual experience	69,178	26,030	95,208
Changes of assumptions	40,768	98,619	139,387
Net difference between projected and actual earnings on plan investments	77,089	-	77,089
Changes in proportion and differences between contributions and proportionate share of contributions	11,551	-	11,551
Contribution/Benefit payments and administrative costs paid subsequent to the measurement date	109,830	14,130	123,960
Deferred of Inflows of Resources			
Differences between expected and actual experience	-	185	185
Changes of assumptions	-	5,356	5,356
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,214	-	5,214

**c. Supplemental Retirement Income Plan for General Employees and Law Enforcement Officers**

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

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the Village to contribute each month an amount equal to five percent of law enforcement officer's salary, and all amounts contributed are vested immediately. Also, law enforcement officers may make voluntary contributions to the plan. The Village made contributions of \$20,797 for the reporting year. No amounts were forfeited. The Village has also elected for all permanent, full-time employees not engaged in law enforcement to be covered under the Supplemental Retirement Income Plan. The Village contributes five percent of employee's monthly compensation to the plan and the employees may make voluntary contributions. The Village made contributions of \$32,141 for the reporting year.

**d. Firefighter's and Rescue Squad Workers' Pension Fund**

**Plan Description.** The State of North Carolina contributes, on behalf of the Village of Whispering Pines, NC to the Firefighter's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Pension Plan Obligations (Continued)

d. Firefighter's and Rescue Squad Workers' Pension Fund (Continued)

Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighter's and Rescue Squad Workers' Pension Fund 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 the Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

*Contributions.* Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The Village does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2021, the State contributed \$18,652,000 to the plan. The Village of Whispering Pines' proportionate share of the State's contribution is \$12,985.

*Refunds of Contributions* – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

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

At June 30, 2021, the Village reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the Village through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the Village and supported by the State was \$25,192. 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 Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the Village is not projected to make any future contributions to the plan, its proportionate share at June 30, 2021 and at June 30, 2020 was 0%.

For the year ended June 30, 2021, the Village recognized pension expense of \$10,084 and revenue of \$10,084 for support provided by the State. At June 30, 2021, the Village reported no deferred outflows of resources and no deferred inflows of resources related to pensions.



**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Pension Plan Obligations (Continued)

d. Firefighter's and Rescue Squad Workers' Pension Fund (Continued)

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

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

*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.

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

Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The 457 Plan is a defined contribution plan administered by the North Carolina Department of the State Treasurer. Benefits of the 457 Plan depend solely on amounts contributed to the plan plus investment earnings net of expenses. The assets of the 457 Plan are held in trust by the Department of the State Treasurer for the exclusive benefit of participants and their beneficiaries and for paying the reasonable costs of the plan and, thus, are not reported in the financial statements of the Village. The plan is available to all employees and permits them to defer a portion of their salary until future years. Deferred compensation is available to employees upon separation from service, death, retirement, financial hardships or attainment of age 70 ½.

Employees may make voluntary contributions to the plan. The Village made no contribution for the year ended June 30, 2021.

Other Employment Benefits

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

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Other Employment Benefits (Continued)

benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separated rates are set for employees not engaged in law enforcement and for law enforcement officers. The Village considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources (Continued)

The Village has several deferred outflows and inflows of resources.

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>TOTAL</u>
Contributions to pension plan in current fiscal year	\$ 109,830	\$ -	\$ 109,830
Benefit payments made and administrative expenses for LEOSSA made subsequent to the measurement date	-	14,130	14,130
Differences between expected and actual experience	69,178	26,030	95,208
Changes in assumptions	40,768	98,619	139,387
Net difference between projected and actual earnings on plan investments	77,089	-	77,089
Changes in proportion and differences between employer contributions and proportionated share of contributions	11,551	-	11,551
Total	<u>\$ 308,416</u>	<u>\$ 138,779</u>	<u>\$ 447,195</u>

Deferred inflows of resources are comprised of the following:

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Taxes Receivable, less penalties (General Fund)	\$ -	\$ 3,590
Prepaid taxes	2,687	2,687
Changes in assumptions-LEOSSA	5,356	-
Differences between expected and actual experience-LEOSSA	185	-
Changes in proportion and differences between employer contributions and proportionate share of contributions-LGERS	5,214	-
Total	<u>\$ 13,442</u>	<u>\$ 6,277</u>

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Village obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Village upon request.

The Village does not carry flood insurance as none of its buildings are located in flood prone areas.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

In accordance with G.S. 159-29, Village employees who have access to \$100 or more of the Village's funds at any given time are performance bonded through a commercial surety bond. The tax collector and the finance officer are individually bonded for \$10,000 and \$50,000, respectively. The Village also carries a blanket bond for employee dishonesty.

Claims and Judgments

At June 30, 2021, the Village was a defendant to various lawsuits. In the opinion of the Village's management and the Village's Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Village's financial position.

Long-Term Debt

In August 2019, the Village entered into a \$300,000 direct placement installment contract with a financial institution to finance the purchase of 19.4 acres of land (located at 10 Hardee Lane). The payments are eighteen quarterly payments of \$15,789 each plus interest at 2.75% beginning in November 2019. This promissory note matures May 20, 2024 and will be for all principal and interest not yet be paid as the note is collateralized by a first lien on the property purchased. Debt service requirements on the promissory note are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	63,158	4,628	67,786
2023	63,158	2,867	66,025
2024	63,158	1,107	64,265
Total	<u>\$ 189,474</u>	<u>\$ 8,602</u>	<u>\$ 198,076</u>

In April 2019, the Village entered into a \$2,500,000 direct placement installment contract with a financial institution to finance the construction of Spring Valley Dam Spillway for \$1,492,000 and the Village Fire Station Renovation Project for \$1,008,000. The payments are fifteen annual payments of \$167,000 plus interest at \$3.26% per annum. This promissory note matures April 2, 2024 and is secured by a deed of trust on the fire station building located at 16 Hardee Lane, Whispering Pines, North Carolina. Debt service requirements on the promissory note are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	167,000	71,592	238,592
2023	167,000	66,073	233,073
2024	167,000	60,553	227,553
2025	167,000	55,033	222,033
2026	167,000	49,513	216,513
2027-2031	835,000	164,768	999,768
2032-2034	493,993	32,623	526,616
Total	<u>\$ 2,163,993</u>	<u>\$ 500,155</u>	<u>\$ 2,664,148</u>

In September 2019, the Village entered into a \$480,095 direct placement installment contract with a financial institution to finance the purchase of one new fire apparatus Spartan Metro Star MFD. The payments are seven annual payments of \$74,723 including interest at \$2.19% per annum and is secured by the equipment purchased with the proceeds. Debt service requirements on the promissory note are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 65,615	\$ 9,108	\$ 74,723
2023	67,052	7,671	74,723
2024	68,521	6,202	74,723
2025	70,021	4,702	74,723
2026	71,555	3,168	74,723
2027-2031	73,122	1,602	74,724
Total	<u>\$ 415,886</u>	<u>\$ 32,453</u>	<u>\$ 448,339</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Changes in General Long-Term Liabilities

The following is a summary of changes in the Village's long-term debt for the year ended June 30, 2021:

<u>Governmental activities</u>	<u>Balances July 1, 2020</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balances June 30, 2021</u>	<u>Due within One Year</u>
Installment purchase -					
direct placement	\$ 3,111,021	\$ -	\$ 341,668	\$ 2,769,353	\$ 295,773
Net pension liability (LGERS)	412,369	135,437	-	547,806	-
Total pension liability (LEO)	291,006	120,398	-	411,404	-
Compensated absences	68,420	38,582	44,961	62,041	31,021
Totals	<u>\$ 3,882,816</u>	<u>\$ 294,417</u>	<u>\$ 386,629</u>	<u>\$ 3,790,604</u>	<u>\$ 326,794</u>

Compensated absences have typically been liquidated by the General fund.

At June 30, 2021, the Village had a legal debt margin of \$48,072,114.

Interfund Balances and Activity

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

From the Capital Reserve - Major Repairs to the General Fund to fund Cardinal Lake Dam repair	\$ 25,000
From the Capital Reserve - Major Repairs to the General Fund to fund annual debt service payment Spring Valley Spillway / Fire Station Renovation Capital Project loan	245,115
From the General Fund to the Capital Reserve - Major Repairs due to the .10 cent tax levy per one Hundred dollars valuation of ad valorem in accordance with budgetary authorization for the purpose of future infrastructure projects	636,795
From the General Fund to the Capital Reserve - Major Repairs due to unexpended funds from the Cardinal Lake Dam Repair Project and returned to Capital Reserve - Major Repairs	13,709
From General Fund to the 10 Hardee Lane Capital Project Fund to fund the conceptual plans and development of the property located at 10 Hardee Lane	38,200
From the Fire Station Renovation Capital Project Fund to the Capital Reserve - Major Repairs to recognize refunded sales tax (residual equity) from the completed Fire Station Capital Project	7,114
From the Spring Valley Spillway Capital Project Fund to the Capital Reserve - Major Repairs to recognize refunded sales tax (residual equity) from the completed Spring Valley Spillway Capital Project	9,778
From the Capital Reserve - Major Repairs to the Lakeview Drive Bridge Capital Project Fund to fund the construction of the Lakeview Drive Bridge	553,000
From the Capital Reserve - Major Repairs to the Pine Lake Dam Repair and Maintenance Fund to fund the repair-maintenance of Pine Lake Dam per notification and recommendation by the N.C. Department of Environmental Quality	25,000
From the Capital Reserve - Major Repairs to the Thagard Dam Repair and Maintenance Fund to fund the repair-maintenance of Thagard Lake Dam per notification and recommendation by the N.C. Department of Environmental Quality	150,000

On-Behalf Payment for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2021, the Village has recognized on-behalf payment for pension contributions made by the State as revenue and an expenditure of \$10,084 for the 24 volunteer firefighters and the 4 employee firefighters who performs firefighting duties for the Village's fire department. The volunteers and employees elected to be members of the Firefighter's and Rescue Squad Worker's Pension Fund, a cost sharing, multiple employer public employee retirement system established and administered by the State of North Carolina. The plan is funded by a \$10 monthly contribution for each member, investment income, and a State appropriation.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS (Continued)**

**B. Liabilities (Continued)**

Net Investment in Capital Assets

Capital assets, net of depreciation	\$ 7,643,883
Less: long-term debt associated with acquisition and Construction of capital assets	<u>2,769,353</u>
Net investment in capital assets	<u>\$ 4,874,530</u>

**NOTE 3 – FUND BALANCE**

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

Total fund balance – General Fund	\$3,010,247
Less	
Stabilization by State Statute-Restricted	294,079
General Governmental Capital and Maintenance-Committed	875,530
Cultural and Recreational	<u>151,402</u>
Remaining Fund Balance	<u>\$1,689,236</u>

The Village of Whispering Pines has adopted the following fund balance policy for the General Fund:

When preparing the net fiscal year's General Fund budget, the amount of any appropriated fund balance should result in an anticipated ending fund balance available of no less than 35% of the current fiscal year's budgeted expenditures; and if, after the annual audit is completed, should the unassigned fund balance amount fall below 35% of the audited actual expenditures, the Council will adopt a plan to restore the unassigned fund balance within 24 months. If restoration of the unassigned fund balance cannot be accomplished within such period without severe hardship to the Village, then the Council will establish a different time period; and if after the annual audit is completed, should the unassigned fund balance exceed 40% of the current fiscal year's budgeted expenditures, the funds exceeding 40% of the current fiscal year's budgeted expenditures shall be transferred to the Capital Reserve Major Repair Fund to fund future general capital needs; and if after the annual audit is completed, should the fund balance available as a percentage of actual expenditures fall below the 35<sup>th</sup> percentile of the average of the peer group as defined by the NCLGC in an annually released memorandum, the Council will adopt a plan to align the fund balance available as a percentage of actual expenditures to be not less than the 35<sup>th</sup> percentile of the average of the peer group within 24 months. If restoration of the unassigned fund balance cannot be accomplished within such period without severe hardship to the Village, then the Council will establish a different time period.

**NOTE 4 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Federal and State Assisted Programs

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

On January 30, 2020, the World Health Organization declared the coronavirus "COVID-19" outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines, or "stay-at-home" restrictions in certain areas and forced closures for certain types of public places and businesses. COVID-19 and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets globally, including that of the Village. While it is unknown how long these conditions will last and what the complete

**NOTE 4 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (CONTINUED)**

financial impact will be, the Village is closely monitoring the impact of the COVID-19 pandemic on all aspects of their operations and are unable at this time to predict the continued impact that COVID-19 will have on their services, financial position, and operating results in future periods due to numerous uncertainties.

**NOTE 5 – SUBSEQUENT EVENTS UPDATE**

The Village has evaluated subsequent events through November 18, 2021, the date the financial statements were available to be issued.

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”) was signed into law. The law appropriates \$1.9 trillion of federal funding for COVID-19 relief and economic recovery including provisions directly benefiting state and local governments. North Carolina is expecting to receive over \$8.6 billion for state and local government relief, \$3.2 billion of which is to be distributed to local governments via federal formulas. ARPA funds are restricted to use within broad categories outlined in the Act, though within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. State and local governments must obligate ARPA funds by December 31, 2024, and spend them by December 31, 2026. Subsequent to June 30, 2021, the Village received ARPA allocations of \$541,626. The Village is currently collaborating on a plan to utilize the funds received.

**NOTE 6 – PRIOR PERIOD ADJUSTMENT**

During the fiscal year ended June 30, 2021, the Village determined that certain unrestricted intergovernmental revenues that were subject to accrual in the General Fund at June 30, 2020, on a modified accrual basis of accounting, had been omitted. Therefore, an adjustment to beginning fund balance and net position for these accruals has been recorded, the net effect of which increased fund balance and net position by \$43,154.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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

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- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability – Law Enforcement Officers Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll – Law Enforcement Officers Special Separation Allowance
- Schedule of Proportionate Share of Net Pension Liability for Firefighters' and Rescue Squad Workers' Pension Plan

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Eight Fiscal Years \***

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**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Village's proportion of the net pension liability (asset) (%)	0.01533%	0.01510%	0.01420%	0.01525%	0.01636%	0.01670%	0.01650%	0.01570%
Village's proportion of the net pension liability (asset) (\$)	\$ 547,806	\$ 412,369	\$ 336,873	\$ 232,978	\$ 347,214	\$ 75,218	\$ (97,426)	\$ 189,245
Village's covered payroll	\$ 1,087,024	\$ 991,096	\$ 927,700	\$ 897,771	\$ 925,580	\$ 877,802	\$ 867,273	\$ 772,260
Village's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.40%	41.61%	36.31%	25.95%	37.51%	8.57%	( 11.23%)	24.51%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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



**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**Village of Whispering Pines' Contributions**  
**Required Supplementary Information**  
**Last Eight Fiscal Years \***

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**Local Government Employees' Retirement System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 109,830	\$ 100,913	\$ 80,248	\$ 72,888	\$ 68,360	\$ 63,996	\$ 63,308	\$ 62,052
Contributions in relation to the contractually required contribution	<u>109,830</u>	<u>100,913</u>	<u>80,248</u>	<u>72,888</u>	<u>68,360</u>	<u>63,996</u>	<u>63,308</u>	<u>62,052</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered payroll	\$ 1,052,200	\$ 1,087,024	\$ 991,096	\$ 927,700	\$ 897,771	\$ 925,580	\$ 877,802	\$ 867,273
Contributions as a percentage of covered payroll	10.44%	9.28%	8.10%	7.86%	7.61%	6.91%	7.21%	7.15%

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**JUNE 30, 2021 and 2020**

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	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 291,006	\$ 248,060
Service cost	13,643	13,344
Interest on the total pension liability	9,132	8,818
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	10,325	24,583
Changes of assumptions or other inputs	109,049	7,793
Benefits payments	(21,751)	(11,592)
Other changes	<u>-</u>	<u>-</u>
Ending balance of the total pension liability	<u>\$ 411,404</u>	<u>\$ 291,006</u>

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

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**JUNE 30, 2021 and 2020**

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	<u><b>2021</b></u>	<u><b>2020</b></u>
Total pension liability	\$ 411,404	\$ 291,006
Covered-Employee Payroll	411,733	414,641
Total pension liability as a percentage of covered-employee payroll	99.92%	70.18%

Notes to the schedules:

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

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**Village of Whispering Pines' Proportionate Share of Net Pension Liability**  
**Required Supplementary Information**  
**Last Seven Fiscal Years \***

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**Firefighters' and Rescue Squad Workers' Pension**

	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Village's proportionate share of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Village's proportionate share of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Village	<u>25,192</u>	<u>21,264</u>	<u>38,354</u>	<u>30,859</u>	<u>22,926</u>	<u>32,031</u>	<u>17,523</u>
Total	<u>\$ 25,192</u>	<u>\$ 21,264</u>	<u>\$ 38,354</u>	<u>\$ 30,859</u>	<u>\$ 22,926</u>	<u>\$ 32,031</u>	<u>\$ 17,523</u>
Village's covered payroll	\$398,784	\$367,226	\$369,093	\$350,457	\$345,893	\$282,584	\$261,203
Village's proportionate share of the net pension liability as a percentage of its covered payroll	6.32%	5.79%	10.39%	8.81%	6.63%	11.34%	6.71%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.35%	84.94%	91.40%	93.42%	92.76%	91.45%

\* The amounts presented for the fiscal year ending June 30, 2021 were determined as of June 30, 2020.

## **COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

This section contains additional information on the Governmental Funds (includes sub-funds of the General Fund) and Proprietary Funds (budget to actual comparison) and other schedules (ad-valorem taxes receivable and current tax levy).

## MAJOR GOVERNMENTAL FUNDS

**General Fund** – This fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds. Under GASB Statement No. 54 guidance, the following legally budgeted sub-funds are consolidated in the General Fund.

**Capital Reserve – Major Repairs** – This fund is used to account for amounts set aside for major repairs to Village infrastructure and is generally funded by transfers from the General fund and investment income.

**Pine Lake Dam Repair & Maintenance** – This fund is used to account for costs incurred in connection with the Pine Lake dam repair and is funded by transfers from the Capital Reserve Major Repairs fund.

**Thagard Dam Repair & Maintenance** – This fund is used to account costs incurred in connection with the Thagard dam repair and funded by transfers from the Capital Reserve Major Repairs fund.

**Lakeview Drive Bridge Capital Project Fund** – This fund is used to account for the funds received and costs incurred in connection with the construction of the Lakeview Drive bridge.

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**GENERAL FUND**  
**SUB-FUND COMBINING BALANCE SHEET**  
**June 30, 2021**

**Exhibit A-1**

	Sub-funds				Total
	General Fund	Capital Reserve Major Repairs	Pine Lake Dam Repair/Maintenance	Thagard Dam Repair/Maintenance	General Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,787,367	\$ 875,530	\$ 17,750	\$ 134,817	\$ 2,815,464
Restricted cash and cash equivalents	2,000	-	-	-	2,000
Receivables, net					
Taxes	3,590	-	-	-	3,590
Accounts receivable	-	5,009	-	-	5,009
Due from other governments	289,070	-	-	-	289,070
Total assets	<u>\$ 2,082,027</u>	<u>\$ 880,539</u>	<u>\$ 17,750</u>	<u>\$ 134,817</u>	<u>\$ 3,115,133</u>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 95,444	\$ -	\$ -	\$ 1,165	\$ 96,609
Deposits-restricted	2,000	-	-	-	2,000
Total liabilities	<u>97,444</u>	<u>-</u>	<u>-</u>	<u>1,165</u>	<u>98,609</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Tax receivable	3,590	-	-	-	3,590
Prepaid taxes	2,687	-	-	-	2,687
Total deferred inflows of resources	<u>6,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,277</u>
<b>Fund balances</b>					
Restricted					
Stabilization by State Statute	289,070	5,009	-	-	294,079
Committed					
General government capital and maintenance	-	875,530	-	-	875,530
Culture and Recreation	-	-	17,750	133,652	151,402
Unassigned	1,689,236	-	-	-	1,689,236
Total fund balances	<u>1,978,306</u>	<u>880,539</u>	<u>17,750</u>	<u>133,652</u>	<u>3,010,247</u>
Total liabilities and fund balance	<u>\$ 2,082,027</u>	<u>\$ 880,539</u>	<u>\$ 17,750</u>	<u>\$ 134,817</u>	<u>\$ 3,115,133</u>

## GENERAL FUND

## SUB-FUND COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2021

	Sub-funds					Total General Fund
	General Fund	Capital Reserve Major Repairs	Pine Lake Dam Repair/Maintenance	Thagard Dam Repair/Maintenance	Eliminations	
Revenues						
Ad valorem taxes	\$ 2,676,459	\$ -	\$ -	\$ -	\$ -	\$ 2,676,459
Unrestricted intergovernmental	1,569,673	-	-	-	-	1,569,673
Restricted intergovernmental	131,066	-	-	-	-	131,066
Permits and fees	29,215	-	-	-	-	29,215
Investment earnings	3,034	3,571	-	-	-	6,605
Sales and service	33,426	-	-	-	-	33,426
Other general revenues	31,018	-	-	-	-	31,018
Total Revenues	4,473,891	3,571	-	-	-	4,477,462
Expenditures						
Current						
General government	487,467	-	-	-	-	487,467
Public safety	1,341,594	-	-	-	-	1,341,594
Transportation	609,820	-	-	-	-	609,820
Environmental protection	546,426	-	-	-	-	546,426
Economic and physical development	112,357	-	-	-	-	112,357
Cultural and recreational	206,448	-	7,250	16,348	-	230,046
Debt service						
Principal retirement	341,668	-	-	-	-	341,668
Interest	95,374	-	-	-	-	95,374
Total expenditures	3,741,154	-	7,250	16,348	-	3,764,752
Revenues over (under) expenditures	732,737	3,571	(7,250)	(16,348)	-	712,710
Other financing sources (uses)						
Transfer from other funds	270,116	667,396	25,000	150,000	(1,095,620)	16,892
Transfer (to) other funds	(688,704)	(998,116)	-	-	1,095,620	(591,200)
Total financing sources (uses)	(418,588)	(330,720)	25,000	150,000	-	(574,308)
Net change in fund balance	314,149	(327,149)	17,750	133,652	-	138,402
Fund balance						
Fund balance-beginning of year, as previously reported	1,621,003	1,207,688	-	-	-	2,828,691
Prior period adjustment (See Note 6)	43,154	-	-	-	-	43,154
Fund balance-beginning of year, as restated	1,664,157	1,207,688	-	-	-	2,871,845
Fund balance-end of year	\$ 1,978,306	\$ 880,539	\$ 17,750	\$ 133,652	\$ -	\$ 3,010,247



**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**GENERAL FUND (SUB-FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit A-3**  
**Page 1 of 3**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem taxes			
Current year	\$ -	\$ 2,667,190	\$ -
Prior year	-	7,337	-
Penalties and interest	-	1,932	-
Total	<u>2,587,097</u>	<u>2,676,459</u>	<u>89,362</u>
Unrestricted intergovernmental revenues			
Local option sales tax	-	1,152,317	-
Telecommunications tax	-	10,092	-
Utility franchise tax	-	178,630	-
Video programming tax	-	37,361	-
Beer and wine tax	-	15,048	-
Mixed beverage	-	115	-
Moore County fire protection	-	176,110	-
Total	<u>1,250,875</u>	<u>1,569,673</u>	<u>318,798</u>
Restricted intergovernmental revenue			
Powell Bill allocation	-	115,983	-
Controlled substance tax	-	113	-
Public safety grants	-	2,189	-
On-behalf payments - fire	-	10,084	-
Solid waste disposal tax	-	2,697	-
Total	<u>136,511</u>	<u>131,066</u>	<u>(5,445)</u>
Permits and fees			
Garage sale permits	-	840	-
Inspection fees - zoning	-	27,025	-
Other	-	1,350	-
Total	<u>22,600</u>	<u>29,215</u>	<u>6,615</u>
Investment earnings	<u>20,000</u>	<u>3,034</u>	<u>(16,966)</u>
Sales and services			
Golf cart stickers	-	2,965	-
Boat stickers	-	11,905	-
Building rentals	-	6,375	-
Police officers fees	-	882	-
Surplus property	-	11,299	-
Total	<u>34,400</u>	<u>33,426</u>	<u>(974)</u>
Other Revenues			
Insurance settlements	-	410	-
Donations	-	26,262	-
Miscellaneous revenue	-	4,346	-
Total	<u>25,773</u>	<u>31,018</u>	<u>5,245</u>
Total revenues	<u>4,077,256</u>	<u>4,473,891</u>	<u>396,635</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit A-3**  
**Page 2 of 3**

	Budget	Actual	Variance Positive (Negative)
Expenditures			
General government			
Governing body			
Salaries and employee benefits	-	13,564	-
Operating expenses	-	4,995	-
Total	19,508	18,559	949
Administration			
Salaries and employee benefits	-	214,530	-
Operating expenses	-	185,591	-
Total	403,083	400,121	2,962
Public buildings			
Salaries and employee benefits	-	32,920	-
Operating expenses	-	35,867	-
Total	69,998	68,787	1,211
Total general government	492,589	487,467	5,122
Public safety			
Police			
Salaries and employee benefits	-	615,811	-
Operating expenses	-	132,803	-
Capital outlay	-	39,467	-
Total	841,414	788,081	53,333
Fire department			
Salaries and employee benefits	-	398,784	-
Operating expenses	-	128,111	-
Capital outlay	-	26,618	-
Total	564,355	553,513	10,842
Total public safety	1,405,769	1,341,594	64,175
Transportation			
Street repairs and construction			
Salaries and employee benefits	-	194,583	-
Operating expenses	-	303,265	-
Capital outlay	-	111,972	-
Total transportation	632,795	609,820	22,975
Environmental Protection			
Sanitation			
Operating expenditures	-	546,426	-
Total environmental protection	548,229	546,426	1,803

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit A-3**  
**Page 3 of 3**

Economic and physical development			
Planning and zoning			
Salaries and employee benefits	-	88,147	-
Operating expenditures	-	24,210	-
Total Economic and physical development	<u>112,720</u>	<u>112,357</u>	<u>363</u>
Cultural and Recreational			
Lakes and Parks			
Salaries and employee benefits	-	97,293	-
Operating expenditures	-	101,536	-
Capital outlay	-	7,619	-
Total recreation	<u>225,655</u>	<u>206,448</u>	<u>19,207</u>
Debt service			
Principal retirement	342,149	341,668	-
Interest and fees	<u>95,055</u>	<u>95,374</u>	<u>-</u>
Total debt service	<u>437,204</u>	<u>437,042</u>	<u>162</u>
Total expenditures	<u>3,854,961</u>	<u>3,741,154</u>	<u>113,807</u>
Revenues over (under) expenditures	<u>222,295</u>	<u>732,737</u>	<u>510,442</u>
Other financing sources (uses)			
Transfer from other funds	269,113	270,116	-
Transfer (to) other funds	<u>(688,704)</u>	<u>(688,704)</u>	<u>-</u>
Total other financing sources (uses)	<u>(419,591)</u>	<u>(418,588)</u>	<u>1,003</u>
Fund balance appropriated	<u>197,296</u>	<u>-</u>	<u>(197,296)</u>
Net change in fund balance	<u>\$ -</u>	<u>314,149</u>	<u>\$ 314,149</u>
Fund balance - beginning as previously reported		1,621,003	
Prior period adjustment (See Note 6)		<u>43,154</u>	
Fund balance - beginning as restated		<u>1,664,157</u>	
Fund balance - ending		<u>\$ 1,978,306</u>	

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**CAPITAL RESERVE - MAJOR REPAIRS (SUB-FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit A-4**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ 2,500	\$ 3,571	\$ -
Total revenues	<u>2,500</u>	<u>3,571</u>	<u>1,071</u>
Expenditures			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	<u>2,500</u>	<u>3,571</u>	<u>1,071</u>
Other financing sources (uses)			
Transfer from other funds	667,395	667,396	1
Transfer (to) other funds	<u>(1,014,004)</u>	<u>(998,116)</u>	<u>15,888</u>
Total other financing sources (uses)	<u>(346,609)</u>	<u>(330,720)</u>	<u>15,889</u>
Fund balance appropriated	<u>344,109</u>	<u>-</u>	<u>(344,109)</u>
Net change in fund balance	<u>\$ -</u>	<u>(327,149)</u>	<u>\$ (327,149)</u>
Fund balance, beginning		<u>1,207,688</u>	
Fund balance, ending		<u>\$ 880,539</u>	

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**PINE LAKE DAM - REPAIR / MAINTENANCE (SUB-FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit A-5**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures			
Cultural and recreational			
Engineering	7,585	7,250	335
Maintenance	17,415	-	17,415
Total expenditures	25,000	7,250	17,750
Revenues over (under) expenditures	(25,000)	(7,250)	17,750
Other financing sources (uses)			
Transfer from other funds	25,000	25,000	-
Total other financing sources (uses)	25,000	25,000	-
Net change in fund balance	\$ -	17,750	\$ 17,750
Fund balance, beginning		-	
Fund balance, ending		\$ 17,750	

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**THAGARD DAM - REPAIR / MAINTENANCE (SUB-FUND)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit A-6**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures			
Cultural and recreational			
Engineering	30,260	16,348	13,912
Maintenance	119,740	-	119,740
Total expenditures	150,000	16,348	133,652
Revenues over (under) expenditures	(150,000)	(16,348)	133,652
Other financing sources (uses)			
Transfer from other funds	150,000	150,000	-
Total other financing sources (uses)	150,000	150,000	-
Net change in fund balance	\$ -	133,652	\$ 133,652
Fund balance, beginning		-	
Fund balance, ending		\$ 133,652	

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**LAKEVIEW DRIVE BRIDGE CONSTRUCTION CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

**Exhibit A-7**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ -	\$ 15	\$ -	\$ 15	\$ 15
Total revenues	-	15	-	15	15
Expenditures					
Transportation					
Administration	521	258	262	520	1
Engineering	44,601	36,449	8,093	44,542	59
Construction	536,000	-	-	-	536,000
Contingency	16,428	-	-	-	16,428
Total expenditures	597,550	36,707	8,355	45,062	552,488
Revenues (under) expenditures	(597,550)	(36,692)	(8,355)	(45,047)	552,503
Other financing sources					
Transfer from other funds	597,550	44,550	553,000	597,550	-
Total financing sources	597,550	44,550	553,000	597,550	-
Net change in fund balance	\$ -	\$ 7,858	544,645	\$ 552,503	\$ 552,503
Fund balance					
Beginning of year, July 1			7,858		
End of year, June 30			\$ 552,503		

## NON-MAJOR GOVERNMENTAL FUNDS

***Capital Project Fund - Fire Station Renovation Project***– This fund is used to account for the funds received and costs incurred in connection with the renovation of the Village Fire Station.

***Capital Project Fund – Spring Valley Dam Spillway Project*** – This fund is used to account for the funds received and costs incurred in connection with the reconstruction of the Spring Valley Dam spillway.

***10 Hardee Lane Capital Project Fund*** – This fund is used to account for the funds received and costs incurred in connection the development and construction of the open space located at 10 Hardee Lane.



**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

**Exhibit B-1**

	Fire Station Renovation Capital Project	Spring Valley Dam Spillway Capital Project	10 Hardee Lane Capital Project	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 38,200	\$ 38,200
Total assets	<u>-</u>	<u>-</u>	<u>38,200</u>	<u>38,200</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Committed	<u>-</u>	<u>-</u>	<u>38,200</u>	<u>38,200</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,200</u>	<u>\$ 38,200</u>

## VILLAGE OF WHISPERING PINES, NORTH CAROLINA

Exhibit B-2

## NON-MAJOR GOVERNMENTAL FUNDS

## COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended June 30, 2021

	Fire Station Renovation Capital Project	Spring Valley Dam Spillway Capital Project	10 Hardee Lane Capital Project	Total Non-Major Governmental Funds
Revenues				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Current:				
Public safety	-	-	-	-
Cultural and recreational	-	-	-	-
Total expenditures	-	-	-	-
Revenues (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfer from other funds	-	-	38,200	38,200
Transfer (to) other funds	(7,114)	(9,778)	-	(16,892)
Total financing sources (uses)	(7,114)	(9,778)	38,200	21,308
Net change in fund balance	(7,114)	(9,778)	38,200	21,308
Fund balance				
Beginning of year, July 1	7,114	9,778	-	16,892
End of year, June 30	\$ -	\$ -	\$ 38,200	\$ 38,200

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**FIRE STATION RENOVATION CAPITAL PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

**Exhibit B-3**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ 9,471	\$ 9,471	\$ -	\$ 9,471	\$ -
Total revenues	9,471	9,471	-	9,471	-
Expenditures					
Public safety					
Engineering	21,520	21,520	-	21,520	-
Construction	1,051,503	1,032,849	-	1,032,849	18,654
Contingency	10,215	-	-	-	10,215
Professional services	26,783	23,206	-	23,206	3,577
Other	11,040	11,038	-	11,038	2
Total expenditures	1,121,061	1,088,613	-	1,088,613	32,448
Revenues (under) expenditures	(1,111,590)	(1,079,142)	-	(1,079,142)	(32,448)
Other financing sources (uses)					
Issuance of direct placement financing contract	1,008,000	1,008,000	-	1,008,000	-
Transfer from (to) other funds	71,142	78,256	(7,114)	71,142	-
Total financing sources (uses)	1,079,142	1,086,256	(7,114)	1,079,142	-
Fund balance appropriated	32,448	-	-	-	32,448
Net change in fund balance	\$ -	\$ 7,114	(7,114)	\$ -	\$ -
Fund balance					
Beginning of year, July 1			7,114		
End of year, June 30			\$ -		

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**SPRING VALLEY DAM SPILLWAY CAPITAL PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

**Exhibit B-4**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ 15,574	\$ 15,575	\$ -	\$ 15,575	\$ 1
Total revenues	<u>15,574</u>	<u>15,575</u>	<u>-</u>	<u>15,575</u>	<u>1</u>
Expenditures					
Cultural and recreational					
Engineering	88,660	88,480	-	88,480	180
Professional fees	9,059	9,059	-	9,059	-
Construction	1,492,000	1,472,227	-	1,472,227	19,773
Contingency	<u>8,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,914</u>
Total expenditures	<u>1,598,633</u>	<u>1,569,766</u>	<u>-</u>	<u>1,569,766</u>	<u>28,867</u>
Revenues (under) expenditures	<u>(1,583,059)</u>	<u>(1,554,191)</u>	<u>-</u>	<u>(1,554,191)</u>	<u>28,868</u>
Other financing sources (uses)					
Issuance of direct placement financing contract	1,492,000	1,492,000	-	1,492,000	-
Transfer from (to) other funds	<u>62,191</u>	<u>71,969</u>	<u>(9,778)</u>	<u>62,191</u>	<u>-</u>
Total financing sources (uses)	<u>1,554,191</u>	<u>1,563,969</u>	<u>(9,778)</u>	<u>1,554,191</u>	<u>-</u>
Fund balance appropriated	<u>28,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,868)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,778</u>	<u>(9,778)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance					
Beginning of year, July 1			<u>9,778</u>		
End of year, June 30			<u>\$ -</u>		

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**10 HARDEE LANE CAPITAL PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

**Exhibit B-5**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
Cultural and recreational					
Engineering	38,200	-	-	-	38,200
Total expenditures	38,200	-	-	-	38,200
Revenues (under) expenditures	(38,200)	-	-	-	38,200
Other financing sources					
Transfer from other funds	38,200	-	38,200	38,200	-
Total financing sources	38,200	-	38,200	38,200	-
Net change in fund balance	\$ -	\$ -	38,200	\$ 38,200	\$ 38,200
Fund balance					
Beginning of year, July 1			-		
End of year, June 30			<u>\$ 38,200</u>		

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**June 30, 2021**

**Exhibit C-1**

<u>Fiscal Year</u>	<u>Uncollected Balance 7/1/2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance 6/30/2021</u>
2020-2021	\$ -	\$ 2,669,177	\$ 2,667,190	\$ 1,987
2019-2020	8,015	-	7,381	634
2018-2019	191	-	3	188
2017-2018	181	-	4	177
2016-2017	153	-	4	149
2015-2016	153	-	4	149
2014-2015	102	-	4	98
2013-2014	93	-	4	89
2012-2013	89	-	-	89
2011-2012	30	-	-	30
2010-2011	-	-	-	-
	<u>\$ 9,007</u>	<u>\$ 2,669,177</u>	<u>\$ 2,674,594</u>	3,590
Reconcilement with revenue:				
Taxes - ad valorem - General Fund				<u>\$ 2,676,459</u>
Reconciling items:				
Interest collected				(1,932)
Releases, rebates and adjustments				<u>67</u>
		Subtotal		<u>(1,865)</u>
Total collections and credits				<u>\$ 2,674,594</u>

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**VILLAGE-WIDE LEVY**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit C-2**

	Village-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxes at current year's rate	<u>\$ 635,518,333</u>	0.42	<u>\$ 2,669,177</u>	<u>\$ 2,450,907</u>	<u>\$ 218,270</u>
Abatements:	<u>-</u>	0.42	<u>-</u>	<u>-</u>	<u>-</u>
Total property valuation	<u>\$ 635,518,333</u>				
Net levy			2,669,177	2,450,907	218,270
Uncollected taxes at June 30, 2021			<u>1,987</u>	<u>1,987</u>	<u>-</u>
Current year's taxes collected			<u>\$ 2,667,190</u>	<u>\$ 2,448,920</u>	<u>\$ 218,270</u>
Current levy collection percentage			<u>99.93%</u>	<u>99.92%</u>	<u>100.00%</u>



# **STATISTICAL SECTION**

This part of the Village of Whispering Pines' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	Page
<i>Financial Trends:</i>	
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	67-70
<i>Revenue Capacity:</i>	
These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	71-74
<i>Debt Capacity:</i>	
These schedules contain information to help the reader assess the affordability of the Village's ability to issue debt in the future.	75-77
<i>Demographic and Economic Information:</i>	
These schedules offer demographics and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	78-80
<i>Operating Information:</i>	
These schedules contain service and infrastructure data to help the reader understand how the Village's financial report relates to the services the Village provides and the activities it performs.	81-82

**Schedule 1**  
**Village of Whispering Pines, North Carolina**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	<b>Fiscal Year:</b>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Primary government:										
Governmental activities:										
Net invested in capital assets	\$ 2,841,200	\$ 2,821,339	\$ 3,040,866	\$ 3,111,526	\$ 3,327,621	\$ 3,946,263	\$ 4,339,674	\$ 4,562,754	\$ 4,757,704	\$ 4,874,530
Restricted	530,131	749,695	810,828	1,040,182	1,077,357	903,383	1,145,227	1,290,113	1,474,918	294,079
Unrestricted	<u>906,279</u>	<u>978,182</u>	<u>882,207</u>	<u>686,781</u>	<u>937,587</u>	<u>1,088,547</u>	<u>916,763</u>	<u>940,635</u>	<u>889,066</u>	<u>2,700,810</u>
Total primary government net position	<u>\$ 4,277,610</u>	<u>\$ 4,549,216</u>	<u>\$ 4,733,901</u>	<u>\$ 4,838,489</u>	<u>\$ 5,342,565</u>	<u>\$ 5,938,193</u>	<u>\$ 6,401,664</u>	<u>\$ 6,793,502</u>	<u>\$ 7,121,688</u>	<u>\$ 7,869,419</u>

**Schedule 2**  
**Village of Whispering Pines, North Carolina**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year:									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 459,702	\$ 362,304	\$ 393,571	\$ 417,293	\$ 404,253	\$ 409,839	\$ 415,665	\$ 437,106	\$ 465,778	\$ 525,428
Public safety	978,424	1,142,023	1,193,954	1,139,931	1,155,547	1,343,849	1,314,334	1,412,513	1,572,142	1,576,274
Transportation	278,115	364,373	374,067	474,987	477,432	462,868	464,941	544,814	649,420	571,561
Environmental protection	318,301	331,932	343,617	360,602	413,852	439,367	458,194	508,906	548,586	546,426
Economic and physical development	129,152	38,920	95,439	65,407	41,413	38,438	51,600	52,201	105,042	112,357
Cultural and recreation	163,468	221,588	221,228	196,807	251,380	253,931	217,338	233,247	262,774	315,208
Interest on long term debt	18,029	13,483	9,070	9,802	8,522	7,048	5,495	4,019	89,415	120,214
Total governmental activities expenses	2,345,191	2,474,623	2,630,946	2,664,829	2,752,399	2,955,340	2,927,567	3,192,806	3,693,157	3,767,468
Total primary government expenses	\$ 2,345,191	\$ 2,474,623	\$ 2,630,946	\$ 2,664,829	\$ 2,752,399	\$ 2,955,340	\$ 2,927,567	\$ 3,192,806	\$ 3,693,157	\$ 3,767,468
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 4,201	\$ 6,060	\$ 8,770	\$ 8,265	\$ 8,690	\$ 8,925	\$ 7,405	\$ 7,050	\$ 6,475	\$ 19,864
Public safety	1,805	1,645	1,536	1,937	3,017	1,454	868	690	1,386	882
Transportation	-	-	-	-	-	-	-	-	-	-
Environmental protection	11,687	11,402	11,126	11,581	9,177	-	-	-	-	-
Economic and physical development	25,790	42,375	47,475	38,525	44,850	55,425	37,900	34,973	28,725	27,025
Cultural and recreation	9,200	3,255	1,375	11,065	4,435	2,255	13,170	3,745	2,944	14,870
Operating grants and contributions:										
General government	8,243	23,409	4,000	2,500	-	-	-	-	-	-
Public safety	26,329	31,000	31,000	34,088	32,563	6,477	6,752	9,816	82,621	10,197
Transportation	106,223	109,540	112,347	114,067	119,005	118,776	120,889	120,534	122,352	115,983
Environmental protection	4,649	1,874	1,708	1,982	2,020	22,180	2,273	2,383	2,661	-
Capital grants and contributions:										
Public safety	33,160	52,403	27,885	12,297	17,901	965	1,862	1,236	624	2,189
Transportation	-	-	72,054	8,000	161,832	357,389	-	-	-	-
Environmental protection	-	85,092	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	231,287	368,055	319,276	244,307	403,490	573,846	191,119	180,427	247,788	191,010
Total primary government program revenues	\$ 231,287	\$ 368,055	\$ 319,276	\$ 244,307	\$ 403,490	\$ 573,846	\$ 191,119	\$ 180,427	\$ 247,788	\$ 191,010
<b>Net (Expense)/Revenue</b>										
Governmental activities	(2,113,904)	(2,106,568)	(2,311,670)	(2,420,522)	(2,348,909)	(2,381,494)	(2,736,448)	(3,012,379)	(3,445,369)	(3,576,458)
Total primary government net (expense)/revenue	(2,113,904)	(2,106,568)	(2,311,670)	(2,420,522)	(2,348,909)	(2,381,494)	(2,736,448)	(3,012,379)	(3,445,369)	(3,576,458)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes levied for general purpose	\$ 1,488,196	\$ 1,514,448	\$ 1,592,495	\$ 1,623,859	\$ 1,756,272	\$ 1,822,916	\$ 1,906,210	\$ 2,010,968	\$ 2,271,244	\$ 2,671,042
Other taxes and licenses	5,496	2,950	748	266	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	38,919	26,262
Grants and contributions not restricted to specific programs	815,774	856,403	889,759	1,012,737	1,084,402	1,153,294	1,220,060	1,344,086	1,402,028	1,572,370
Unrestricted investment earnings	4,742	2,574	1,712	693	3,999	11,526	23,213	45,343	45,332	6,605
Miscellaneous	57,497	1,799	3,176	14,747	8,313	40,270	50,436	12,822	16,032	4,756
Total governmental activities	2,371,705	2,378,174	2,487,890	2,652,302	2,852,986	3,028,006	3,199,919	3,413,219	3,773,555	4,281,035
Total general revenues	\$ 2,371,705	\$ 2,378,174	\$ 2,487,890	\$ 2,652,302	\$ 2,852,986	\$ 3,028,006	\$ 3,199,919	\$ 3,413,219	\$ 3,773,555	\$ 4,281,035
Extraordinary item - gain on insurance recovery	\$ 3,218	\$ -	\$ 8,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Change in Net Position</b>										
Governmental activities	261,019	271,606	184,685	231,780	504,077	646,512	463,471	391,840	328,186	704,577
Total primary government	\$ 261,019	\$ 271,606	\$ 184,685	\$ 231,780	\$ 504,077	\$ 646,512	\$ 463,471	\$ 391,840	\$ 328,186	\$ 704,577

**Schedule 3**  
**Village of Whispering Pines, North Carolina**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

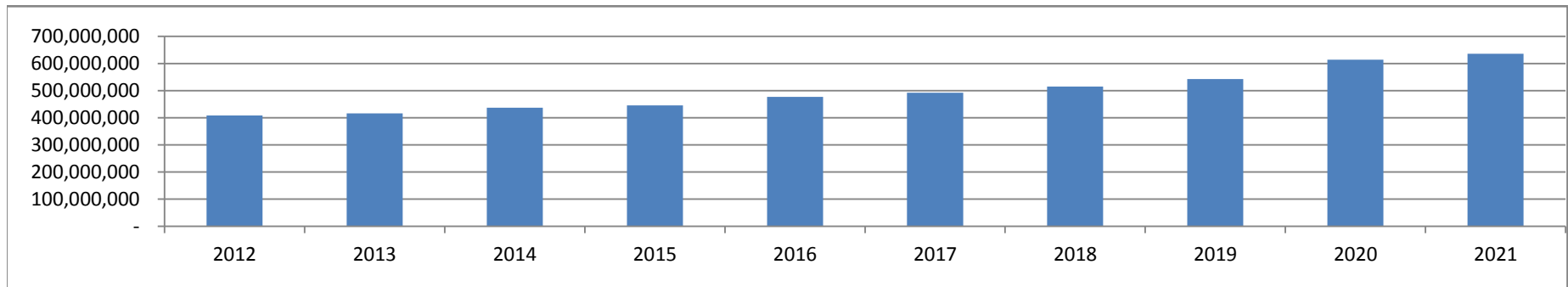
	Fiscal Year:									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted										
Stabilization by State Statute	\$ 115,869	\$ 179,691	\$ 140,590	\$ 168,648	\$ 173,293	\$ 221,624	\$ 230,069	\$ 196,809	\$ 269,434	\$ 294,079
Committed										
Cultural and Recreational	401,100	570,004	-	-	-	-	-	-	-	151,402
General Government capital and maintenance	13,162	-	670,238	871,534	904,064	681,759	915,158	1,093,304	1,207,688	875,530
Assigned										
Subsequent year's expenditures	20,920	144,709	105,692	-	-	-	-	-	-	-
Unassigned	1,027,406	974,396	951,708	933,454	1,048,533	1,090,476	1,223,008	1,330,018	1,351,569	1,689,236
Total General Fund	<u>\$ 1,578,457</u>	<u>\$ 1,868,800</u>	<u>\$ 1,868,228</u>	<u>\$ 1,973,636</u>	<u>\$ 2,125,890</u>	<u>\$ 1,993,859</u>	<u>\$ 2,368,235</u>	<u>\$ 2,620,131</u>	<u>\$ 2,828,691</u>	<u>\$ 3,010,247</u>
All Other Governmental Funds										
Restricted										
Stabilization by State Statute	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed										
Transportation	-	-	-	-	-	-	-	-	-	552,503
Cultural and Recreational	-	-	-	-	-	-	-	-	-	38,200
Assigned									\$ -	
Subsequent year's expenditures	-	17,929	12,947	27,836	154,474	342,912	67,409	2,526,449	24,749	-
Total all other governmental funds	<u>\$ -</u>	<u>\$ 17,929</u>	<u>\$ 12,947</u>	<u>\$ 27,836</u>	<u>\$ 154,474</u>	<u>\$ 342,912</u>	<u>\$ 67,409</u>	<u>\$ 2,526,449</u>	<u>\$ 24,749</u>	<u>\$ 590,703</u>

**Schedule 4**  
**Village of Whispering Pines, North Carolina**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year:									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Ad Valorem Taxes	\$ 1,488,309	\$ 1,513,389	\$ 1,594,816	\$ 1,625,413	\$ 1,756,419	\$ 1,822,002	\$ 1,906,216	\$ 2,012,095	\$ 2,264,866	\$ 2,676,459
Other Taxes	5,496	2,950	748	266	-	-	-	-	-	-
Unrestricted Intergovernmental	815,774	856,403	889,759	1,012,737	1,084,402	1,153,294	1,220,060	1,344,086	1,402,028	1,569,673
Restricted Intergovernmental	167,661	279,909	244,994	170,434	333,321	485,787	132,043	135,680	208,458	131,066
Licenses and permits	30,031	43,882	48,195	39,165	45,640	56,400	38,580	35,823	31,481	29,215
Sales and Services	25,352	20,855	22,087	34,034	26,114	20,669	30,078	21,910	24,855	33,426
Interest	3,699	2,575	1,712	693	3,999	11,526	23,213	45,343	45,332	6,605
Other General Revenues	20,734	25,208	15,641	15,421	6,728	51,260	40,854	3,667	68,362	31,018
Total Revenues	2,557,056	2,745,171	2,817,952	2,898,163	3,256,623	3,600,938	3,391,044	3,598,604	4,045,382	4,477,462
<b>Expenditures</b>										
General Government	432,785	351,186	406,367	411,284	402,585	413,826	400,224	421,019	436,970	487,467
Public Safety	865,530	1,012,412	1,068,927	1,055,625	1,053,128	1,148,802	1,170,855	1,270,287	1,354,927	1,275,509
Transportation	258,701	341,976	348,725	455,842	448,145	428,503	424,518	482,105	577,395	506,203
Environmental Protection	318,301	329,342	343,617	360,602	413,852	439,367	458,194	508,906	548,586	546,426
Economic and Physical Development	128,402	38,151	91,407	67,468	36,021	39,457	50,028	51,564	100,902	112,357
Culture and Recreation	132,724	175,688	171,089	149,963	204,372	193,670	164,920	173,059	197,904	222,427
Capital Outlay	88,394	593,233	372,241	180,601	323,147	784,426	526,951	384,247	3,502,574	185,676
Debt Service:										
Principal Retirement	43,259	28,333	355,205	86,679	87,959	89,433	90,986	92,462	309,945	341,668
Interest and fees	18,029	13,483	9,070	9,802	8,522	7,048	5,495	4,019	89,415	95,374
Total Expenditures	2,286,125	2,883,804	3,166,648	2,777,866	2,977,731	3,544,532	3,292,171	3,387,668	7,118,618	3,773,107
Excess of Revenues Over (Under) Expenditures	270,931	(138,633)	(348,696)	120,297	278,892	56,406	98,873	210,936	(3,073,236)	704,355
<b>Other financing sources (uses)</b>										
Collection of note receivable	45,000	-	-	-	-	-	-	-	-	-
Transfer from other funds	19,180	-	-	-	-	-	-	-	-	-
Transfer to other funds	(272,295)	-	-	-	-	-	-	-	-	-
Sale of Surplus property	2,700	126,905	31,216	-	-	-	-	-	-	-
Capital lease obligations issued	-	-	-	-	-	-	-	-	-	-
Proceeds from borrowings	-	320,000	311,926	-	-	-	-	2,500,000	780,095	-
Insurance recovery	3,218	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(202,197)	446,905	343,142	-	-	-	-	2,500,000	780,095	-
Net change in fund balances	\$ 68,734	\$ 308,272	\$ (5,554)	\$ 120,297	\$ 278,892	\$ 56,406	\$ 98,873	\$ 2,710,936	\$ (2,293,141)	\$ 704,355
Debt service as a percentage of noncapital expenditures	2.79%	1.83%	13.04%	3.71%	3.63%	3.40%	3.62%	3.18%	9.64%	12.18%

**Schedule 5**  
**Village of Whispering Pines, North Carolina**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Utilities</b>	<b>Total Taxable Assessed Value</b>	<b>Direct Tax Rate (1)</b>	<b>Actual Taxable Value (2)</b>
2012	376,167,048	30,067,271	1,991,627	408,225,946	0.3700	409,001,575
2013	377,253,424	36,391,841	1,971,491	415,616,756	0.3700	440,553,761
2014	389,943,475	44,782,304	2,014,140	436,739,919	0.3700	450,277,825
2015	412,993,970	30,724,697	1,919,711	445,638,378	0.3700	444,568,845
2016	435,868,111	39,406,976	1,872,210	477,147,297	0.3700	475,715,855
2017	448,687,200	41,669,334	1,795,898	492,152,432	0.3700	481,964,877
2018	471,080,305	41,920,406	1,799,830	514,800,541	0.3700	504,144,170
2019	499,605,188	41,732,236	1,735,289	543,072,713	0.3700	546,168,227
2020	565,771,108	46,180,132	1,770,381	613,721,621	0.3700	617,219,834
2021	583,549,286	50,133,351	1,835,696	635,518,333	0.4200	607,555,526



Source: Moore County Tax Assessor. Appraised by Moore County Board of Equalization at 100% of estimated sound value.

Notes:

- (1) Per \$100 of value.
- (2) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

\* Information not available

**Schedule 6**  
**Village of Whispering Pines, North Carolina**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(rate per \$100 of assessed valuation)**

<b>Fiscal Year</b>	<b>Total Direct Rate *</b>	<b>Overlapping Rates Moore County</b>
2012	0.370	0.465
2013	0.370	0.465
2014	0.370	0.465
2015	0.370	0.465
2016	0.370	0.465
2017	0.370	0.465
2018	0.370	0.465
2019	0.370	0.510
2020	0.370	0.510
2021	0.420	0.510

Source: Moore County Tax Assessor

\* The total direct rate sole component is the Village of Whispering Pines.



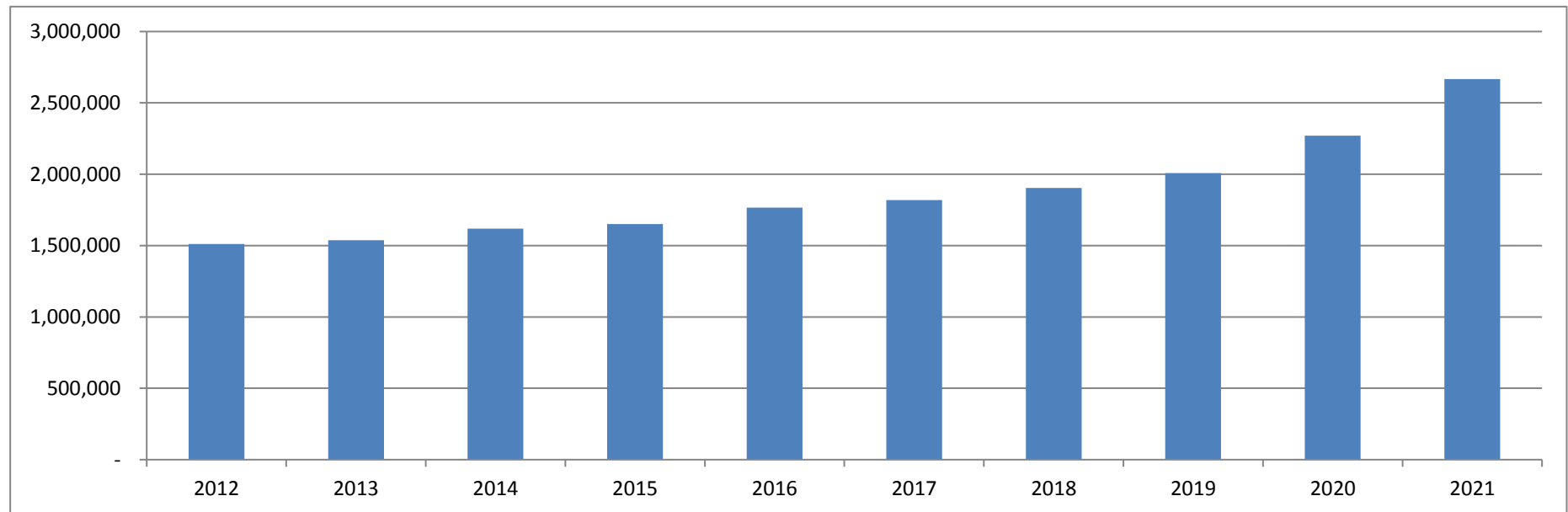
**Schedule 7**  
**Village of Whispering Pines, North Carolina**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**

Taxpayer	Type of Business	Fiscal Year 2021			Fiscal Year 2012		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Food Lion, LLC	Grocery/Retail	\$5,757,097	1	0.91%	\$ 4,793,017	2	1.17%
BGWP, LLC	Leisure & Hospitality	2,093,370	2	0.33%	-	-	0.00%
Warrior Golf Equities, LLC	Leisure & Hospitality	1,587,101	3	0.25%	-	-	0.00%
Gaines, Davis E.	Residential	1,199,010	4	0.19%	-	-	0.00%
Duke Energy Progress	Utilities	1,126,050	5	0.18%	-	-	0.00%
Benedict, Brock	Residential	833,760	6	0.13%	-	-	0.00%
Webster, Colin S & Emiliane M	Residential	824,890	7	0.13%	-	-	0.00%
Keller, Michael	Residential	703,020	8	0.11%	-	-	0.00%
Talcott, Samuel Cody	Residential	695,420	9	0.11%	-	-	0.00%
Apple Cart Properties, LLC	Rental Properties	677,500	10	0.11%	-	-	0.00%
CCWP, LLC	Leisure & Hospitality	-		-	9,389,943	1	2.30%
Whispering Lakes, LLC	Leisure & Hospitality	-		-	1,825,390	3	0.45%
Kirby Holding Group LLC	Construction Residential	-		-	1,714,770	4	0.42%
Wolf Ram Inc	Construction Residential	-		-	1,699,327	5	0.42%
Womack Construction	Construction Residential	-		-	1,198,690	6	0.29%
Carolina Telephone & Telegraph	Public Service	-		-	1,117,081	7	0.27%
Crawford, Nellie M & Lynn R	Residential	-		-	922,150	8	0.23%
Moore, Stephen P & Jeanette	Residential	-		-	898,710	9	0.22%
Rhodes, J Edward & Jayne B	Residential	-		-	898,440	10	0.22%
Totals		<u>\$15,497,218</u>		<u>2.45%</u>	<u>\$ 24,457,518</u>		<u>5.99%</u>

Source: Moore County Tax Assessor

**Schedule 8**  
**Village of Whispering Pines, North Carolina**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Levy (1)
2012	1,514,373	1,506,612	99.49%	3,937	1,510,549	99.75%
2013	1,541,163	1,533,424	99.50%	3,340	1,536,764	99.71%
2014	1,620,147	1,614,284	99.64%	4,092	1,618,380	99.89%
2015	1,650,654	1,648,482	99.87%	1,867	1,650,349	99.98%
2016	1,765,856	1,765,181	99.96%	415	1,765,596	99.99%
2017	1,820,964	1,819,785	99.94%	4	1,819,789	99.94%
2018	1,904,762	1,903,753	99.95%	4	1,903,757	99.94%
2019	2,009,369	2,008,469	99.96%	3	2,008,472	99.96%
2020	2,270,770	2,262,755	99.65%	7,381	2,270,136	99.97%
2021	2,669,177	2,667,190	99.93%	-	2,667,190	99.93%



Source: Moore County Tax Department

Notes:

(1) Taxes Levied for the Fiscal Year have been adjusted for Collections in Subsequent Years

**Schedule 9**  
**Village of Whispering Pines, North Carolina**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Installment Loans</b>	<b>Capital Leases</b>	<b>Financing Contracts &amp; Promissory Note</b>	<b>Total Primary Government</b>	<b>Per Capita (1)</b>	<b>Percentage of Taxable property Valuations (2)</b>
2012	340,000	-	-	340,000	116	0.083%
2013	311,667	-	320,000	631,667	207	0.152%
2014	311,926	-	276,462	588,388	188	0.135%
2015	269,680	-	232,029	501,709	157	0.113%
2016	226,684	-	187,067	413,751	126	0.087%
2017	182,906	-	141,412	324,318	97	0.066%
2018	138,326		95,006	233,332	70	0.045%
2019	93,006		2,547,865	2,640,871	773	0.486%
2020	46,879		3,064,142	3,111,021	884	0.507%
2021	-		2,769,353	2,769,353	769	0.436%

\* Information not available

(1) See Schedule 12 for population data.

(2) Personal Income information is not available for the Village of Whispering Pines. Whispering Pines Taxable Assessed Value, Schedule 5 is used for comparison.

**Schedule 10**  
**Village of Whispering Pines, North Carolina**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
(dollars in thousands)

	<b>Fiscal Year:</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Assessed Value of Property	\$ 408,226	\$ 415,617	\$ 436,739	\$ 445,638	\$ 477,147	\$ 492,152	\$ 514,801	\$ 543,073	\$613,722	\$635,518
Debt Limit, 8% of Assessed Value										
(Statutory Limitation)	32,658	32,249	34,939	35,651	38,172	36,240	41,184	43,446	49,097	50,841
Total net debt applicable to limit	340	632	588	502	414	324	233	2,642	771	2,769
Legal Debt Margin	<u>\$ 32,318</u>	<u>\$ 32,617</u>	<u>\$ 34,351</u>	<u>\$ 35,149</u>	<u>\$ 37,758</u>	<u>\$ 35,916</u>	<u>\$ 40,951</u>	<u>\$ 40,804</u>	<u>\$ 48,326</u>	<u>\$ 48,072</u>
Total net debt applicable to the limit as a percentage of debt limit	0.0104	0.0196	0.0168	0.0141	0.0108	0.0089	0.0057	0.0608	0.0157	0.0545

Note: NC Statute GS159-55 limits the Village's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit:  
money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.  
The legal debt margin is the difference between the debt limit and the Village's net debt outstanding applicable to the limit, and represents the Village's legal borrowing authority.

**Schedule 11**  
**Village of Whispering Pines, North Carolina**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (2)</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>Other Debt:</b>			
Moore County (1)	<u>\$ 286,423,104</u>	4.49%	<u>\$ 12,857,874</u>
<b>Direct Debt:</b>			
Village of Whispering Pines	<u>\$ 2,769,353</u>	100.00%	<u>\$ 2,769,353</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 15,627,227</u></u>

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village. This process recognizes that, when considering the village's ability to issue long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident-therefore responsible for repaying the debt-of each overlapping government.

(1) Source: Moore County's Financial Services Department

(2) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Village of Whispering Pines boundaries and dividing it by each unit's total taxable assessed value. Taxable assessed values as of June 30, 2020 were used to determine the overlapping debt percentage.

**Schedule 12**  
**Village of Whispering Pines, North Carolina**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Population (A)</b>	<b>Moore County Personal Income (B) (in thousands)</b>	<b>Moore County Per Capita Personal Income (B)</b>	<b>Moore County Public School Enrollment(C)</b>	<b>Moore County Unemployment Rate(D)</b>
2012	2,940	3,669,496	40,636	12,707	8.90%
2013	3,047	3,732,881	40,758	12,943	8.70%
2014	3,126	3,893,395	41,818	13,009	6.00%
2015	3,193	4,125,534	40,759	13,130	6.10%
2016	3,270	4,327,275	45,181	12,991	5.10%
2017	3,262	4,793,730	49,286	12,792	4.00%
2018	3,351	5,063,095	51,307	12,856	4.10%
2019	3,418	5,236,988	51,913	12,835	4.40%
2020	3,521	*	*	13,842	7.50%
2021	3,603	*	*	12,792	4.40%

\* Information not yet available.

Notes:

(A) N.C. Office of State Budget and Management.

(B) Information is not available for the Village of Whispering Pines. County data is from the U.S. Department of Commerce - Bureau of Economic Analysis

(C) Moore County Board of Education

(D) Information is not available for the Village of Whispering Pines. County data is from the N.C. Employment Security Commission

**Schedule 13**  
**Village of Whispering Pines, North Carolina**  
**Principal Employers**  
**Current Year and 10 Years Ago**

Employer	2021			2012		
	Estimated # Employees	Rank	Percentage of Total County Employment	Estimated # Employees	Rank	Percentage of Total County Employment
First Health of the Carolinas Inc.	3,000	1	7.63%	3,983	1	11.34%
Moore County Schools	1,800	2	4.58%	1,888	2	5.38%
Pinehurst, LLC	999	3	2.54%	1,150	4	3.28%
County of Moore	999	4	2.54%	627	3	1.79%
Sandhills Community College	999	5	2.54%	504	7	1.44%
Pinehurst Medical Clinic	999	6	2.54%	463	8	1.32%
Pinehurst Surgical Clinic, P.A.	499	7	1.27%	275	10	0.78%
Harris Teeter	499	8	1.27%	357	-	-
Food Lion	499	9	1.27%	248	-	-
Lee Electrical Construction	499	10	1.27%	-	-	-
St. Joseph of the Pines Hospital, Inc	-	-	-	575	5	1.64%
Trident Marketing	-	-	-	540	6	1.54%
Walmart	-	-	-	450	9	1.28%
Total	10,792		27.46%	11,060		29.79%

Note: Data cannot be segregated for Whispering Pines, data is for Moore County

Source: Moore County data is from Moore County Economic Development Commission &  
NCDOC Labor & Economic Analysis Division, D4 System - Employment & Wages

**Schedule 14**  
**Village of Whispering Pines, North Carolina**  
**Full-time Equivalent Employees by Function,**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Full-time Equivalent Employees as of June 30</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Government	1.5	2.5	2.5	2.5	3	2.5	2.6	2.6	2.6	2.6
Public Safety	10.5	15.25	15.25	15.25	15.5	15	11.9	10.9	11.9	16.2
Economic and Physical Development	0.5	1	1	0	0	0	0.5	0.5	1.5	1.5
Transportation	2.7	3.7	4	4	3	3	3.6	3.6	3.6	3.6
Cultural and Recreation	1.3	1.8	2	2	2	2	2.4	2.4	2.4	2.4
<b>Total</b>	<b>16.5</b>	<b>24.25</b>	<b>24.75</b>	<b>23.75</b>	<b>23.5</b>	<b>22.5</b>	<b>21</b>	<b>20</b>	<b>22</b>	<b>26.3</b>

Source: Village of Whispering Pines Finance Department

Vacant positions are not included in the above numbers; full time personnel work 2,080 hours per year (less vacation and sick leave).

Note: This schedule represents the number of persons employed as of June 30 of each year.



**Schedule 15**  
**Village of Whispering Pines, North Carolina**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Public Safety										
Incidents	110	104	176	234	224	201	240	283	270	253
Arrests	74	85	118	93	78	61	93	130	91	81
Arrest Charges	126	188	267	204	175	118	207	236	166	128
Accidents	19	22	17	29	22	28	38	34	35	34
Warning Charges	1,285	1,253	1,257	1956	1672	1046	1140	1365	795	1019
Citation Charges	905	1055	1,231	1880	1679	1191	1260	1537	1022	738
Fire Protection										
Fire Calls	25	36	43	34	40	35	104	108	100	103
Rescue Calls	322	355	290	336	327	377	496	523	367	558
Other Incidents	145	178	138	175	199	278	207	243	187	198
Economic and Physical Development										
Zoning permits issued:										
Residential	35	56	45	50	74	94	46	50	47	41
Soil & Erosion Control (Grading)	56	70	48	50	74	94	48	50	47	41
Minor permits	174	165	186	105	125	138	161	129	173	138
Total number of permits issued	265	291	279	205	273	326	255	229	267	220
Cultural and Recreation										
Number of lakes	8	8	8	8	8	8	8	8	8	8
Number of parks	7	7	7	5	6	6	8	8	8	9
Boat permits issued	552	223	157	699	328	252	831	302	236	958
Golf cart permits issued	NA	NA	NA	NA	NA	NA	NA	NA	NA	210
Environmental Protection										
Households receiving service	1,330	1,356	1382	1398	1428	1484	1522	1549	1566	1609
Recyclables collected (tons annually)	373	381	372	388	383	368	409	384	275	315
Refuse collected (tons annually)	797	787	835	849	974	1010	1097	1213	1401	1371
Yard debris (tons annually)	438	453	449	503	554	587	490	683	567	628

Source: Various Village departments

Note: NA indicates "not available"

**Schedule 16**  
**Village of Whispering Pines, North Carolina**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Public Safety										
Police Protection										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	5	5	5	5	6	6	8	8	8	8
Fire Protection										
Stations	2	1	1	1	1	1	1	1	1	1
Fire Trucks	6	4	4	4	4	4	4	4	4	4
Fire Rescue Vehicles	4	3	3	3	3	3	3	3	3	3
Economic and Physical Development										
Planning & Zoning Vehicle	1	1	1	1	1	1	1	1	1	1
Transportation										
Miles of streets	30.15	30.32	30.32	32.92	32.92	33.55	33.55	34.08	34.08	34.08
Maintenance Vehicles	5	5	5	6	6	6	7	7	7	6
Cultural and Recreation										
Lake acreage	438	438	438	440	440	438	438	438	438	438
Lake maintenance vehicles	2	2	2	2	2	2	1	1	3	3

Source: Various Village departments

## **COMPLIANCE SECTION**

220 East Washington Street  
Post Office Box 697  
Rockingham, North Carolina 28380  
(910) 557-1176

Other Office Locations:  
Seven Lakes, North Carolina  
Gastonia, North Carolina  
Statesville, North Carolina

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  
Members of the Village Council  
Village of Whispering Pines, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund, and the aggregated remaining fund information of the Village of Whispering Pines, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Village of Whispering Pines, North Carolina's basic financial statements, and have issued our report thereon dated November 19, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Whispering Pines' internal control over financial reporting [internal control] to determine the 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 the Village of Whispering Pines' internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to a material weakness.

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. We consider the deficiency 2021-1, described in the accompanying schedule of findings and questioned costs to be a material weakness.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village of Whispering Pines' financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Village of Whispering Pines' Response to Findings**

The Village of Whispering Pines' response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the auditing procedure 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 is 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.

A handwritten signature in black ink that reads "Anderson Smith + Wike PLLC". The signature is written in a cursive, flowing style.

Rockingham, NC  
November 19, 2021

**VILLAGE OF WHISPERING PINES, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2021**

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**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *Yes*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *No*

Noncompliance material to financial statements noted *No*

Federal Awards

None

State Awards

None

**Section II – Financial Statement Findings**

**Finding 2021-1**

**MATERIAL WEAKNESS**

Segregation of Duties

**Criteria:** Segregation of duties provides checks and balances to reduce possibilities for misstatements resulting from errors in judgment, dishonesty, personal carelessness, distraction and fatigue.

**Condition:** The Village has a limited number of personnel for accounting functions which creates inherent limitations on the effectiveness of certain controls due to the lack of segregation of duties among the Village's personnel.

**Effect:** Potential misstatement of financial statements.

**Cause:** The Village has a limited number of personnel for accounting functions which creates inherent limitations on the effectiveness of certain controls due to the lack of segregation of duties among the Village's personnel.

**Identification of a repeat finding:** This is a repeat finding from the immediate previous audit, 2020-1.

**Recommendations:** The Council should continually keep in mind that internal controls are limited due to the size of the Village's staff.

Views of responsible officials and planned corrective actions: The Council agrees with this finding and will adhere to the correction action plan on page 86 in this audit report.

**Section III – Federal Award findings and questioned costs**

None reported.

**Section IV – State Award findings and questioned costs**

None reported.



# Village of Whispering Pines

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

**Finding 2021-1** Segregation of Duties

Name of Contact Person: Cindy Graham, Finance Officer

Corrective Action Plan: The Council should continually keep in mind that internal controls are limited due to the size of the Village's staff and monitor accordingly.

Proposed Completion Date: Immediately.