TOWN OF PINEBLUFF, NORTH CAROLINA

Report of Audit

For the Fiscal Year Ended June 30, 2019

PINE BLUFF
NORTH
CAROLINA

Page

FINANCIAL SECTION

Independent Auditor's Report 6
Management's Discussion and Analysis 9

Basic Financial Statements

Government-wide Financial Statements:

Statement of Net Position 18
Statement of Activities 20

Fund Financial Statements:

Balance Sheet – Governmental Funds 22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 25
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 26
Statement of Fund Net Position – Proprietary Fund 28
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund 31
Statement of Cash Flows – Proprietary Fund 32
Notes to the Financial Statements 34

Required Supplementary Financial Data

Proportionate Share of Net Pension Liability (Asset) - LGERS 64
Town's Contributions - LGERS 65
Schedule of Changes in Total Pension Liability – Law Enforcement Officers' Special Separation Allowance 66
Schedule of Total Pension Liability as a Percentage of Covered Payroll 67

Major Governmental Funds – General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 70

Special Revenue Funds Consolidated with General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Fund – Capital Reserve Fund 74

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Fund – Veterans Memorial Fund..... 75

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Nonmajor Special Revenue Fund – Cemetery Fund 76

Enterprise Funds

Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water and Sewer Fund 78

Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – Water Capital Reserve Fund 80

Other Schedules

Schedule of Ad Valorem Taxes Receivable – General Fund 82

Analysis of Current Tax Levy 83

COMPLIANCE SECTION

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* 86

Schedule of Findings and Responses 88

FINANCIAL SECTION

PO Box 160
251 Washington Street
Whiteville NC 28472
P. 910-207-6564
F. 910-207-6519

W GREENE PLLC

Independent Auditor's Report

To the Honorable Mayor
And the Board of Commissioners
Pinebluff, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pinebluff, North Carolina, as of and for the year ended June 30 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinions

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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pinebluff, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Town of Pinebluff, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining 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 August 20, 2019 on our consideration of Town of Pinebluff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Pinebluff's internal control over financial reporting and compliance.

W Greene, PLLC

Whiteville, North Carolina
August 20, 2019

As management of the Town of Pinebluff, we offer readers of the Town of Pinebluff's financial statements this narrative overview and analysis of the financial activities of the Town of Pinebluff for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

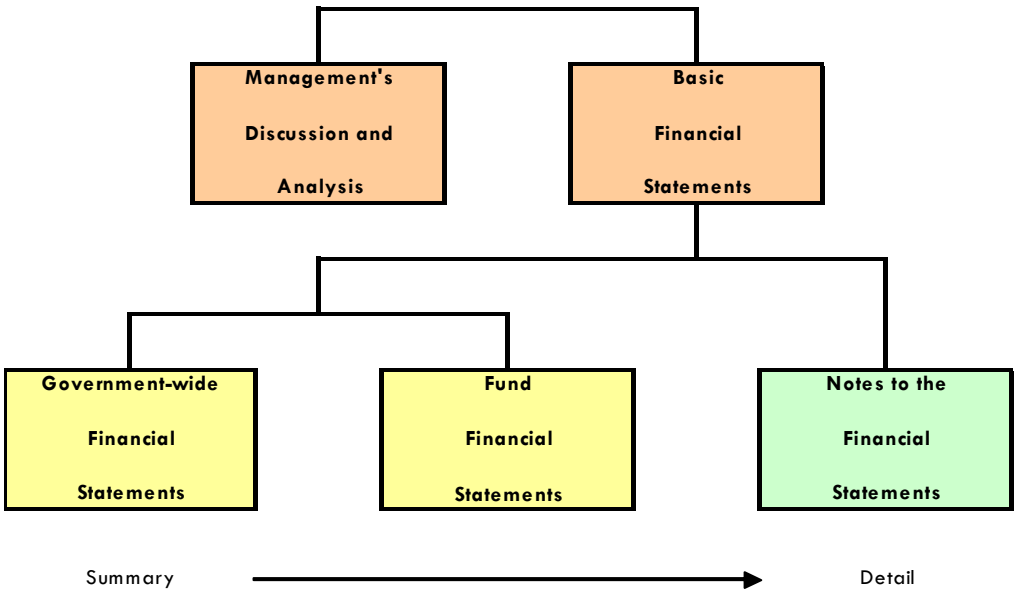
- The assets and deferred outflows of resources of the Town of Pinebluff exceeded its liabilities and deferred inflows at the close of the fiscal year by $4,626,415 (net position).
- The government's total net position increased by $446,092, primarily due to an increase in various tax revenues and operating grants and contributions within the governmental activities, as well as an increase in the charges for services within the business-type activities.
- As of the close of the current fiscal year, the Town of Pinebluff's governmental funds reported combined ending fund balances of $1,895,655 with a net decrease of $158,145 in fund balance. Approximately 15.74 percent of this total amount, or $298,305, is non-spendable or restricted**.**
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $1,238,087, or 69.51 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of Pinebluff's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Pinebluff.

Required Components of Annual Financial Report

Figure 1



Basic

Financial Statements

The first two statements (pages 18 through 21) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (pages 22 through 33) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

Government-wide Financial Statements

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

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

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

The government-wide financial statements are on pages 18 through 21 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Pinebluff, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of Pinebluff can be divided into two categories: governmental funds, and proprietary funds.

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

relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 34 through 62 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Pinebluff's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 64 of this report.

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

Government-Wide Financial Analysis

Town of Pinebluff's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 1,900,730	$ 2,058,216	$ 903,072	$ 770,084	$ 2,803,802	$ 2,828,300
Capital assets	3,094,726	2,674,586	607,642	626,072	3,702,368	3,300,658
Deferred outflows of resources	84,928	59,029	14,151	16,179	99,079	75,208
Total assets and deferred outflows of resources	5,080,384	4,791,831	1,524,865	1,412,335	6,605,249	6,204,166
Long-term liabilities outstanding	1,783,090	1,823,819	19,390	22,661	1,802,480	1,846,480
Other liabilities	75,799	73,303	89,874	96,770	165,673	170,073
Deferred inflows of resources	9,754	5,898	927	1,392	10,681	7,290
Total liabilities and deferred inflows of resources	1,868,643	1,903,020	110,191	120,823	1,978,834	2,023,843
Net position:						
Net investment in capital assets	1,421,080	927,637	607,642	611,741	2,028,722	1,539,378
Restricted	298,305	226,375	-	-	298,305	226,375
Unrestricted	1,492,356	1,734,799	807,032	679,771	2,299,388	2,414,570
Total net position	$ 3,211,741	$ 2,888,811	$ 1,414,674	$ 1,291,512	$ 4,626,415	$ 4,180,323

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Pinebluff exceeded liabilities and deferred inflows by $4,626,415 as of June 30, 2019. The Town's net position increased by $446,092 for the fiscal year ended June 30, 2019. However, a large portion (43.85%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Town of Pinebluff uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Pinebluff's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Pinebluff's net position, $298,305, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $2,299,388 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.28%

The Town of Pinebluff's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	$ 29,314	$ 40,631	$ 474,696	$ 452,005	$ 504,010	$ 492,636
Operating grants and contributions	319,819	186,000	-	-	319,819	186,000
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property taxes	464,776	430,074	-	-	464,776	430,074
Other taxes	761,116	696,881	-	-	761,116	696,881
Other	48,558	27,824	1,423	1,105	49,981	28,929
Total revenues	1,623,583	1,381,410	476,119	453,110	2,099,702	1,834,520
Expenses:						
Governing body	31,833	56,044	-	-	31,833	56,044
Administration	130,616	90,271	-	-	130,616	90,271
Police Department	316,611	309,993	-	-	316,611	309,993
Fire Department	399,566	342,470	-	-	399,566	342,470
Planning and Inspections	19,407	54,836	-	-	19,407	54,836
Street Department	154,827	169,904	-	-	154,827	169,904
Powell Bill Funds	17,728	111,948	-	-	17,728	111,948
Garbage Collection	104,051	99,248	-	-	104,051	99,248
Lakes, Parks, Cemetery	52,636	36,037	-	-	52,636	36,037
Library	9,703	9,127	-	-	9,703	9,127
Interest on long-term debt	63,675	43,977	-	-	63,675	43,977
Water and Sewer	-	-	352,957	366,252	352,957	366,252
Total expenses	1,300,653	1,323,855	352,957	366,252	1,653,610	1,690,107
Increase(Decrease) in net position before transfers	322,930	57,555	123,162	86,858	446,092	144,413
Transfers	-	-	-	-	-	-
Change in net position	322,930	57,555	123,162	86,858	446,092	144,413
Net position, July 1(consolidated)	2,888,811	2,831,256	1,291,512	1,204,654	4,180,323	4,035,910
Restatement	-	-	-	-	-	-
Net Position, July 1- Restated	2,888,811	2,831,256	1,291,512	1,204,654	4,180,323	4,035,910
Net position, June 30	$ 3,211,741	$ 2,888,811	$ 1,414,674	$ 1,291,512	$ 4,626,415	$ 4,180,323

Governmental activities. Governmental activities increased the Town's net position by $322,930, thereby accounting for 72% of the total increase in the net position of the Town of Pinebluff. Key element of this increase is as follows:

- Net increase in property taxes and various other taxes and permits and an increase in operating grants and contributions

Business-type activities. Business-type activities increased the Town of Pinebluff's net position by $123,162. Key elements of this increase are as follows:

- Water and sewer revenues increased during the year.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Pinebluff. At the end of the current fiscal year, Town of Pinebluff's fund balance available in the General fund was $1,728,543, while total fund balance reached $1,895,655. The Town currently has an available fund balance of 97.05% of general fund expenditures, while the total balance represents 106.43% of the same amount.

At June 30, 2019, the governmental funds of Town of Pinebluff reported a combined fund balance of $1,895,655 with a net decrease in fund balance of $158,145.

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

Revenues were more than the budgeted amounts primarily because of an increase in State shared revenues and operating grants and contributions that the Town originally had expected to receive. Total expenditures were held below budgeted amounts.

Proprietary Funds. The Town of Pinebluff's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to $807,032. The total change in net position for the water and sewer fund was an increase of $123,162. The change in net position in the Water and Sewer Fund is a result of an increase in revenues compared to the prior fiscal year.

Capital Asset and Debt Administration

Capital assets. The Town of Pinebluff's investment in capital assets for its governmental and business–type activities as of June 30, 2019, totals $3,702,368 (net of accumulated depreciation). These assets include buildings, land, vehicles, infrastructure, and equipment.

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Vehicle acquisition of $576,042 in governmental activities
- Distribution system additions of $25,250 in business-type activities

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

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 411,953	$ 411,953	$ 12,100	$ 12,100	$ 424,053	$ 424,053
Buildings	2,082,214	2,140,308	17,653	19,977	2,099,867	2,160,285
Vehicles	556,930	64,065	19,919	28,939	576,849	93,004
Plant and Distribution	-	-	510,667	509,965	510,667	509,965
Equipment	43,629	58,260	47,303	55,091	90,932	113,351
Total	$ 3,094,726	$ 2,674,586	$ 607,642	$ 626,072	$ 3,702,368	$ 3,300,658

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

Long-term Debt. As of June 30, 2019, the Town of Pinebluff had total debt outstanding of $1,878,279 Of this, $-0- is debt backed by the full faith and credit of the Town of Pinebluff.

The Town of Pinebluff's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Installment purchase debt	$ 1,673,646	$ 1,746,949	$ -	$ 14,331	$ 1,673,646	$ 1,761,280
Compensated absences	6,622	9,854	1,426	2,354	8,048	12,208
Pension related debt (LGERS)	99,230	64,787	17,964	20,307	117,194	85,094
Pension related debt (LEO)	79,391	75,532	-	-	79,391	75,532
Total	$ 1,858,889	$ 1,897,122	$ 19,390	$ 36,992	$ 1,878,279	$ 1,934,114

Town of Pinebluff Outstanding Debt

The Town of Pinebluff's total debt decreased by $55,835 during the fiscal year.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Pinebluff is $9,521,010. The Town of Pinebluff does not have any authorized but un-issued debt at June 30, 2019.

Additional information regarding the Town of Pinebluff's long-term debt can be found beginning on page 60 in the Notes to the Financial Statements.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: Budgeted expenditures in the General Fund are expected to increase.

Business-type Activities. Utility rates in the Town will remain the same for the next year.

Requests for Information

This report is designed to provide an overview of the Town 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 following:

Deborah Caulk
Finance Officer
Town of Pinebluff
325 East Baltimore Ave.
Pinebluff, NC 28373

Basic Financial Statements

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 1,597,350	$ 888,622	$ 2,485,972
Receivables (net):			
Ad Valorem Taxes	4,516	-	4,516
Interest	559	-	559
Accounts	1,710	14,450	16,160
Due from Other Governments	165,402	-	165,402
Restricted Cash and Cash Equivalents	131,193	-	131,193
Total Current Assets	1,900,730	903,072	2,803,802
Noncurrent Assets:			
Capital Assets			
Land, Nondepreciable Improvements, and Construction in Progress	411,953	12,100	424,053
Other Capital Assets, Net of Depreciation	2,682,773	595,542	3,278,315
Total Noncurrent Assets	3,094,726	607,642	3,702,368
Total Assets	4,995,456	1,510,714	6,506,170
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferrals	84,928	14,151	99,079
Total Deferred Outflows of Resources	$ 84,928	$ 14,151	$ 99,079

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Net Position (Continued)
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	$ -	$ 1,801	$ 1,801
Customer Deposits	-	79,052	79,052
Prepaid Water Billings	-	9,021	9,021
Current Portion of Long-Term Liabilities	75,799	-	75,799
Total Current Liabilities	75,799	89,874	165,673
Long-Term Liabilities:			
Net Pension Liability	99,230	17,964	117,194
Total Pension Liability	79,391	-	79,391
Due in More Than One year	1,604,469	1,426	1,605,895
Total Liabilities	1,858,889	109,264	1,968,153
DEFERRED INFLOWS OF RESOURCES			
Pension Deferrals	9,754	927	10,681
Prepaid Taxes	-	-	-
Total Deferred Inflows of Resources	9,754	927	10,681
NET POSITION			
Net Investment in Capital Assets	1,421,080	607,642	2,028,722
Restricted for:			
Transportation	72,801	-	72,801
Stabilization by State Statute	167,112	-	167,112
Pursuant to Loan Requirements	58,392	-	58,392
Unrestricted	1,492,356	807,032	2,299,388
Total Net Position	$ 3,211,741	$ 1,414,674	$ 4,626,415

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Governing Body	$ 31,833	$ -	$ -	$ -
Administration	130,616	-	-	-
Police Department	316,611	-	130,559	-
Fire Department	399,566	-	-	-
Planning and Inspections	19,407	27,618	-	-
Street Department	154,827	-	-	-
Powell Bill Funds	17,728	-	54,073	-
Sanitation	104,051	-	135,187	-
Lakes, Parks, and Cemetery	52,636	1,696	-	-
Library	9,703	-	-	-
Interest on long-term debt	63,675	-	-	-
Total Governmental Activities	1,300,653	29,314	319,819	-
Business-Type Activities:				
Water and Sewer	352,957	474,696	-	-
Total Business-Type Activities	352,957	474,696	-	-
Total Primary Government	$ 1,653,610	$ 504,010	$ 319,819	$ -

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Activities (Continued)
For the Year Ended June 30, 2019

Functions/Programs	Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities	Business-Type Activities	Totals
Primary Government:			
Governmental Activities:			
Governing Body	$ (31,833)	$ -	$ (31,833)
Administration	(130,616)	-	(130,616)
Police Department	(186,052)	-	(186,052)
Fire Department	(399,566)	-	(399,566)
Planning and Inspections	8,211	-	8,211
Street Department	(154,827)	-	(154,827)
Powell Bill Funds	36,345	-	36,345
Sanitation	31,136	-	31,136
Lakes, Parks, and Cemetery	(50,940)	-	(50,940)
Library	(9,703)	-	(9,703)
Interest on long-term debt	(63,675)	-	(63,675)
Total Governmental Activities	(951,520)	-	(951,520)
Business-Type Activities:			
Water and Sewer	-	121,739	121,739
Total Business-Type Activities	-	121,739	121,739
Total Primary Government	(951,520)	121,739	(829,781)
General Revenues:			
Property Taxes, Levied for General Purpose	464,776	-	464,776
Other Taxes and Licenses	761,116	-	761,116
Investment Earnings	1,202	444	1,646
Miscellaneous	47,356	979	48,335
Transfers	-	-	-
Total General Revenues and Transfers	1,274,450	1,423	1,275,873
Change in Net Position	322,930	123,162	446,092
Net Position - Beginning	2,888,811	1,291,512	4,180,323
Net Position - End of Year	$ 3,211,741	$ 1,414,674	$ 4,626,415

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2019

	Major Fund	
	General Fund	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	$ 1,597,350	$ 1,597,350
Restricted Cash	131,193	131,193
Receivables (net):		
Ad Valorem Taxes	4,516	4,516
Fire District Taxes	-	-
Sanitation	1,710	1,710
Due from Other Governments	165,402	165,402
Total Assets	1,900,171	1,900,171
LIABILITIES		
Accounts Payable and Accrued Liabilities	-	-
Total Liabilities	-	-
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Receivable	4,516	4,516
Total Deferred Inflows of Resources	4,516	4,516
FUND BALANCES		
Restricted		
Stabilization by State Statute	167,112	167,112
Streets	72,801	72,801
Pursuant to Loan Requirements	58,392	58,392
Committed		
Future Capital Outlay	5,000	5,000
Veterans Memorial	4,774	4,774
Perpetual Care	9,489	9,489
Assigned		
Subsequent Year's Expenditures:	340,000	340,000
Public Safety	-	-
Unassigned	1,238,087	1,238,087
Total Fund Balances	1,895,655	1,895,655
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,900,171	$ 1,900,171

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Balance Sheet (Continued)
Governmental Funds
June 30, 2019

		Total Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Governmental Fund Balance		$ 1,895,655
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	$ 5,398,098	
Accumulated depreciation	(2,303,372)	3,094,726
Net Pension Asset	-	
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	21,598	21,598
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and and therefore are deferred		
Accrued interest - taxes	559	559
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Ad valorem taxes	4,516	4,516
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Installment purchases	(1,673,646)	
Compensated absences	(6,622)	
Total pension liability	(79,391)	
Net pension liability	(99,230)	(1,858,889)
Pension related deferrals		53,576
Net position of governmental activities		$ 3,211,741

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Fund	
	General Fund	Total Governmental Funds
Revenues		
Ad Valorem Taxes	$ 464,116	$ 464,116
Other Taxes and Licenses	453	453
Unrestricted Intergovernmental	760,663	760,663
Restricted Intergovernmental	319,819	319,819
Permits and Fees	27,618	27,618
Sales and Services	1,696	1,696
Investment Earnings	1,202	1,202
Miscellaneous	41,682	41,682
Total Revenues	1,617,249	1,617,249
Expenditures		
Current		
Governing Body	31,833	31,833
Administration	101,179	101,179
Police Department	266,286	266,286
Fire Department	324,099	324,099
Planning and Inspections	20,321	20,321
Street Department	153,942	153,942
Powell Bill Funds	5,283	5,283
Sanitation	104,051	104,051
Lakes, Parks, and Cemetery	51,352	51,352
Library	9,703	9,703
Debt Service		
Principal	73,303	73,303
Interest and Other charges	63,675	63,675
Capital Outlay		
Police Department	36,790	36,790
Fire Department	539,252	539,252
Total Expenditures	1,781,069	1,781,069
Excess (Deficiency) of Revenues Over Expenditures	(163,820)	(163,820)
Other Financing Sources (Uses)		
Transfers from Other Funds	4,054	4,054
Transfers to Other Funds	(4,054)	(4,054)
Installment Purchase Obligations Issued	-	-
Sale of Capital Assets	5,675	5,675
Total Other Financing Sources (Uses)	5,675	5,675
Net Change in Fund Balance	(158,145)	(158,145)
Fund Balance - Beginning of Year	2,053,800	2,053,800
Fund Balance - End of Year	$ 1,895,655	$ 1,895,655

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

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds		$ (158,145)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay expenditures which were capitalized	576,042	
Depreciation expense	(155,902)	420,140
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		21,598
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Change in unavailable revenue for tax revenues	205	
Interest earned on ad valorem taxes	455	660
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt issuance	-	
Debt retirement	73,303	73,303
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:		
Pension Expense	(37,858)	
Compensated absences	3,232	(34,626)
Total changes in net position of governmental activities		$ 322,930

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

TOWN OF PINEBLUFF, NORTH CAROLINA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad Valorem Taxes	$ 423,723	$ 423,723	$ 464,116	$ 40,393
Other Taxes and Licenses	-	500	453	(47)
Unrestricted Intergovernmental	694,390	693,690	760,663	66,973
Restricted Intergovernmental	180,272	182,983	319,819	136,836
Permits and Fees	24,700	20,050	27,618	7,568
Investment Earnings	530	530	1,202	672
Miscellaneous	28,518	48,897	39,222	(9,675)
Total Revenues	1,352,133	1,370,373	1,613,093	242,720
Expenditures				
Governing Body	55,365	55,365	31,833	23,532
Administration	88,369	119,938	100,456	19,482
Police Department	325,338	344,076	303,076	41,000
Fire Department	888,986	908,268	863,351	44,917
Planning and Inspections	17,470	25,213	20,321	4,892
Street Department	211,567	197,728	153,942	43,786
Powell Bill Funds	77,111	77,111	5,283	71,828
Sanitation	101,340	104,051	104,051	-
Lakes, Parks, and Cemetery	46,506	59,916	48,972	10,944
Library	9,821	9,822	9,703	119
Debt Service	124,949	136,978	136,978	-
Contingency	17,255	-	-	-
Total Expenditures	1,964,077	2,038,466	1,777,966	260,500
Revenues Over (Under) Expenditures	(611,944)	(668,093)	(164,873)	503,220
Other Financing Sources (Uses)				
Transfers from Other Funds	-	4,053	4,054	1
Transfers to Other Funds	-	-	-	-
Sale of Capital Assets	-	-	5,675	5,675
Installment Purchase Obligations Issued	-	-	-	-
Total Other Financing Sources (Uses)	-	4,053	9,729	5,676
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(611,944)	(664,040)	(155,144)	508,896
Appropriated Fund Balance	611,944	664,040	-	(664,040)
Net Change in Fund Balance	$ -	$ -	(155,144)	$ (155,144)
Fund Balance - Beginning of Year			2,031,536	
Fund Balance - End of Year			$ 1,876,392	

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

TOWN OF PINEBLUFF, NORTH CAROLINA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

Fund Balance - End of Year	$ 1,876,392
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:	
Transfer to the General Fund	(4,054)
Fund Balance - Beginning	9,054
	5,000
A legally budgeted Veterans Memorial Fund is consolidated into the General Fund for reporting purposes:	
Miscellaneous Income	2,460
Administration Expenditures	(530)
Transfer from the General Fund	-
Fund Balance - Beginning	2,844
	4,774
A legally budgeted Cemetery Fund is consolidated into the General Fund for reporting purposes:	
Sales and Services	1,696
Cemetery Expenditures	(2,573)
Fund Balance - Beginning	10,366
	9,489
Fund Balance - End of Year (Consolidated)	$ 1,895,655

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Fund Net Position
Proprietary Fund
June 30, 2019

	Water and Sewer Fund
ASSETS	
Current Assets	
Cash and Investments	$ 888,622
Accounts Receivable (net)	14,450
Due from Other Governments	-
Total Current Assets	903,072
Noncurrent Assets	
Capital Assets	
Land, Nondepreciable Improvements, and Construction in Progress	12,100
Other Capital Assets, Net of Depreciation	595,542
Total Noncurrent Assets	607,642
Total Assets	1,510,714
DEFERRED OUTFLOWS OF RESOURCES	
Pension Deferrals	10,241
Contributions to Pension Plan	3,910
Total Deferred Outflows of Resources	$ 14,151

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Fund Net Position
Proprietary Fund
June 30, 2019

	Water and Sewer Fund
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	$ 1,801
Customer Deposits	79,052
Unearned Revenue	9,021
Notes Payable	-
Total Current Liabilities	89,874
Noncurrent Liabilities	
Notes Payable	-
Compensated Absences Payable	1,426
Net Pension Liability	17,964
Total Noncurrent Liabilities	19,390
Total Liabilities	109,264
DEFERRED INFLOWS OF RESOURCES	
Pension Deferrals	927
Total Deferred Inflows of Resources	927
NET POSITION	
Net Investment in Capital Assets	607,642
Unrestricted	807,032
Total Net Position	$ 1,414,674

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

PINE BLUFF
NORTH
CAROLINA

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2019

	Water and Sewer Fund
Operating Revenues	
Water Charges	$ 427,840
Sewer Charges	46,856
Total Operating Revenues	474,696
Operating Expenses	
Water and Sewer Operations	308,947
Depreciation	43,680
Total Operating Expenses	352,627
Operating Income (Loss)	122,069
Nonoperating Revenues (Expenses)	
Investment Earnings	444
Miscellaneous Income	979
Interest Expense	(330)
Total Nonoperating Revenues (Expenses)	1,093
Total Income (Loss) Before Transfers	123,162
Transfers from Other Funds	-
Change in Net Position	123,162
Total Net Position - Beginning of Year	1,291,512
Total Net Position - End of Year	$ 1,414,674

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	Water and Sewer Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Users	$ 473,990
Cash Paid for Goods and Services	(234,626)
Cash Paid to Employees for Services	(74,228)
Customer Deposits Received	4,150
Customer Deposits Returned	(975)
Other Revenues	979
Net Cash Provided(Used) by Operating Activities	169,290
Cash Flows from Noncapital Financing Activities	
Transfers in	-
Net Cash Provided(Used) by Noncapital Financing Activities	-
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(25,250)
Installment Obligation Issued	-
Interest Paid on Bond Maturities and Equipment Contracts	(330)
Principal Paid on Bond Maturities and Equipment Contracts	(14,331)
Net Cash Provided(Used) by Capital and Related Financing Activities	(39,911)
Cash Flows from Investing Activities	
Interest on Investments	444
Net Increase(Decrease) in Cash and Cash Equivalents	129,823
Cash and Cash Equivalents - Beginning of Year	758,799
Cash and Cash Equivalents - End of Year	$ 888,622

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Cash Flows (Continued)
Proprietary Fund
For the Year Ended June 30, 2019

	Water and Sewer Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	$ 122,069
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation	43,680
Miscellaneous Income (Expense)	979
Changes in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(3,165)
(Increase) Decrease in Due From Other Governments	-
(Increase) Decrease in Deferred Outflows of Resources - Pensions	2,028
Increase (Decrease) in Accounts Payable and Accrued Liabilities	1,801
Increase (Decrease) in Unearned Revenue	2,459
Increase (Decrease) in Customer Deposits	3,175
Increase (Decrease) in Net Pension Liability	(2,343)
Increase (Decrease) in Deferred Inflows of Resources - Pensions	(465)
Increase (Decrease) in Compensated Absences Payable	(928)
Total Adjustments	47,221
Net Cash Provided(Used) by Operating Activities	$ 169,290

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Fund Accounting (Continued)

The Town reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State grants, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and sanitation services. Additionally, the Town has legally adopted a Capital Reserve Fund, Veterans Memorial Fund and the Cemetery Fund. Under GASB 54 guidance these funds are consolidated in the General Fund. The budgetary comparisons for these funds have been included in the supplemental information.

The Town reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town enterprise fund are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses,

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town of Pinebluff 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board. 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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town'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. The NCCMT – Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2019, the Term portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

2. Cash and Cash Equivalents

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. 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. Money pursuant to loan requirements are classified as restricted because of the requirements set forth by the USDA in the loan contract.

Town of Pinebluff Restricted Cash		
Governmental Activities		
General Fund		
Streets	$	72,801
Pursuant to Loan Requirements		58,392
Total Governmental Activities		131,193
Total Restricted Cash	$	131,193

4. Ad Valorem Taxes Receivable

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

5. Allowances for Doubtful Accounts

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

6. Inventory

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a $5,000 cost and an estimated useful life in excess of two years. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Lives
Infrastructure	30
Buildings	50
Improvements	25
Vehicles	6
Furniture and Fixtures	10
Equipment	10
Computer Equipment	3
Software	3

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, contributions made to the pension plan in the 2019 fiscal year and pension deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meets the criterion for this category – property taxes receivable and pension deferrals.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance 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 nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Restricted for Loan Requirements – portion of fund balance that is restricted due to the requirements in the loan contract with the USDA.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Assets/Fund Balances (Continued)

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

Committed for Future Capital Outlay- portion of fund balance committed by the Board for future capital outlays.

Committed for Veterans Memorial – portion of fund balance committed by the Board for the Town's veteran's memorial.

Committed for Perpetual Care – portion of the fund balance that has been budgeted by the Board to be retained in perpetuity for maintenance of the Town cemetery.

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriation by resource or appropriation within funds up to 10% of the departmental appropriation.

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

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

12. Defined Benefit Cost-Sharing Plans

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

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in this unit's 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 Town, these deposits are considered to be held by the Town's agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2019, the Town's deposits had a carrying amount of $2,617,165 and a bank balance of $2,694,148. Of the bank balance, $250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

2. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2019 are net of the following allowances for doubtful accounts:

Fund		06/30/2019
General Fund:		
Taxes receivable	$	500
Total General Fund		500
Enterprise Fund:		
Utilities receivable		6,200
Total Enterprise Fund		6,200
Total	$	6,700

II. DETAIL NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2019, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 411,953	$ -	$ -	$ 411,953
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	411,953	-	-	411,953
Capital assets being depreciated:				
Buildings and Improvements	2,645,431	-	-	2,645,431
Equipment	371,105	-	-	371,105
Vehicles	1,393,567	576,042	-	1,969,609
Infrastructure	-	-	-	-
Total capital assets being depreciated	4,410,103	576,042	-	4,986,145
Less accumulated depreciation for:				
Buildings and Improvements	505,123	58,094	-	563,217
Equipment and Vehicles	1,642,347	97,808	-	1,740,155
Infrastructure	-	-	-	-
Total accumulated depreciation	2,147,470	155,902	-	2,303,372
Total capital assets being depreciated, net	2,262,633			2,682,773
Governmental activity capital assets, net	$ 2,674,586			$ 3,094,726

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

General Government	$ 28,495
Police Department	38,211
Fire Department	75,467
Lakes, Parks and Cemetery	1,284
Powell Bill	12,445
Total	$ 155,902

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	$ 12,100	$ -	$ -	$ 12,100
Total capital assets not being depreciated	12,100	-	-	12,100
Capital assets being depreciated:				
Buildings	92,954	-	-	92,954
Equipment	292,659	-	-	292,659
Vehicles	63,141	-	-	63,141
Plant and distribution systems	1,199,352	25,250	-	1,224,602
Total capital assets being depreciated	1,648,106	25,250	-	1,673,356
Less accumulated depreciation for:				
Buildings	72,977	2,324	-	75,301
Equipment and Vehicles	271,770	16,808	-	288,578
Plant and distribution systems	689,387	24,548	-	713,935
Total accumulated depreciation	1,034,134	43,680	-	1,077,814
Total capital assets being depreciated, net	613,972			595,542
Water and Sewer fund capital assets, net	$ 626,072			$ 607,642

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

***Plan Description*.** The Town of Pinebluff 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 government 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 serves as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

***Benefits Provided*.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Pinebluff employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Pinebluff's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Pinebluff were $25,508 for the year ended June 30, 2019.

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

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

At June 30, 2019, the Town reported a liability of $117,194 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the Town's proportion was 0.00494%, which was a decrease of 0.00063% from its proportion measured as of June 30, 2017.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

For the year ended June 30, 2019, the Town recognized pension expense of $33,295. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,080	$ 607
Changes of assumptions	31,099	-
Net difference between projected and actual earnings on pension plan investments	16,088	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,546	5,439
Town contributions subsequent to the measurement date	25,508	-
Total	$ 92,321	$ 6,046

$25,508 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	$ 30,421
2021	19,555
2022	2,188
2023	8,603
2024	-
Thereafter	-
	$ 60,767

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	$ 281,509	$ 117,194	$ (20,111)

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

The Town of Pinebluff administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2017 the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	-
Active plan members	3
Total	3

2. Summary of Significant Accounting Policies:

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

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.64 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, 2017.

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

4. Contributions

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Contributions (Continued)

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

At June 30, 2019, the Town reported a total pension liability of $79,391. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the Town recognized pension expense of $8,002.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,645	$ -
Changes of assumptions	4,113	4,635
Town benefit payments and plan administrative expense subsequent to the measurement date	-	-
Total	$ 6,758	$ 4,635

$-0- reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	$ 484
2021	484
2022	484
2023	551
2024	678
Thereafter	(558)
	$ 2,123

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Contributions (Continued)

$-0- paid as benefits came due and $-0- of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 3.64 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total Pension Liability	$ 88,003	$ 79,391	$ 71,487

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

		2019
Beginning balance	$	75,532
Service Cost		4,820
Interest on the total pension liability		2,387
Changes of benefit terms		-
Differences between expected and actual experience in the measurement of the total pension liability		696
Changes of assumptions or other inputs		(4,044)
Benefit payments		-
Other changes		-
Ending balance of the total pension liability	$	79,391

The plan currently uses mortality tables that vary by age, 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	$ 33,295	$ 8,002	$ 41,297
Pension Liability	117,194	79,391	196,585
Proportionate share of the net pension liability	0.00494%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	18,080	2,645	20,725
Changes of assumptions	31,099	4,113	35,212
Net difference between projected and actual earnings on plan investments	16,088	-	16,088
Changes in proportion and differences between contributions and proportionate share of contributions	1,546	-	1,546
Benefit payments and administrative costs paid subsequent to the measurement date	25,508	-	25,508
Deferred Inflows of Resources			
Differences between expected and actual experience	607	-	607
Changes of assumptions	-	4,635	4,635
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,439	-	5,439

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were $7,562 which consisted of $7,562 from the Town and $-0- from the law enforcement officers. No amounts were forfeited.

The Town has also elected for all employees not engaged in law enforcement to be covered under the Supplemental Retirement Income Plan. The Town contributes three percent of the employee's monthly compensation to the plan, and the employees may make voluntary contributions. Total contributions for the year ended June 30, 2019 were $7,011, which consisted of $4,109 from the Town and $2,902 from the employees.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Other Employment Benefit

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' 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. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

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

Contributions to pension plan in current fiscal year	$	25,508
Benefit payments made and administrative expenses for LEOSSA		-
Differences between expected and actual experience		20,725
Changes of assumptions		35,212
Net difference between projected and actual		16,088
Changes in proportion and differences between employer contributions and proportionate share of contributions		1,546
Charge on refunding		-
Total	$	99,079

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

3. Deferred Outflows and Inflows of Resources (Continued)

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	$ -	$ -
Taxes Receivable (General Fund)	-	4,516
Changes in assumptions	4,635	-
Difference between expected and actual experience	607	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,439	-
Total	$ 10,681	$ 4,516

4. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained commercial general liability, auto liability, public officials' liability, law enforcement liability coverage of $1 million per occurrence, property coverage up to $2,337,325, and workers' compensation coverage up to $1,000,000.

The Town carries commercial coverage for all other risks of loss. Settled claims have not exceeded coverage in any of the past three fiscal years.

Because the Town is in an area of the State that has not been mapped and designated an "A" area by the Federal Emergency Management Agency, the Town has not purchased any flood insurance coverage.

In accordance with G.S. 159-29, the Town's employees that have access to $100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer and tax collector are each individually bonded for $50,000 and $10,000, respectfully. The remaining employees that have access to funds are bonded under a blanket bond for $10,000.

5. Claims, Judgements and Contingent Liabilites

At June 30, 2019, the Town did not have any litigation pending.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations

a. Installment Purchases

The Town entered into a $1,200,000 installment contract with USDA for the financing of a police and public safety building. The financing contract requires payments beginning 2016 with an interest rate of 3.75%. Maturity is March 2055. The outstanding principal balance at June 30, 2019 was $1,143,343.

The Town has entered into a $42,000 installment contract to purchase a F350 work vehicle. The financing contract requires payments beginning July 2016 with an interest rate of 3.00%. The debt was paid off during the current year.

The Town has entered into a $555,000 installment contract to purchase a water pumper truck. The financing contract requires payments beginning March 2019 with an interest rate of 3.40%. The outstanding principal balance at June 30, 2019 was $507,576.

The Town has entered into a $33,650 installment contract to purchase a fire work vehicle. The financing contract requires payments beginning July 2018 with an interest rate of 2.75%. The outstanding principal balance at June 30, 2019 was $22,727.

	Governmental Activities		Business Type Activities	
Year Ending June 30	Principal	Interest	Principal	Interest
2020	$ 75,799	$ 60,997	-	-
2021	78,354	58,442	-	-
2022	69,202	55,747	-	-
2023	71,639	53,310	-	-
2024	74,160	50,789	-	-
2025-2029	345,300	212,886	-	-
2030-2034	120,841	171,119	-	-
2035-2039	145,263	146,697	-	-
2040-2044	174,621	117,339	-	-
2045-2049	209,911	82,049	-	-
2050-2054	252,333	39,627	-	-
2055	56,223	2,108	-	-
Total	$ 1,673,646	$ 1,051,110	$ -	$ -

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

b. Changes in Long-Term Liabilities

Governmental activities:	Balance 07/01/18	Increases	Decrease	Balance 06/30/19	Current Portion of Balance
Installment purchases	$ 1,746,949	$ -	$ 73,303	$ 1,673,646	$ 75,799
Net pension liability (LGERS)	64,787	34,443	-	99,230	-
Total pension liability (LEO)	75,532	3,859	-	79,391	-
Compensated absences	9,854	-	3,232	6,622	-
Governmental activity long-term liabilities	$ 1,897,122	$ 38,302	$ 76,535	$ 1,858,889	$ 75,799
Business-type activities:					
Installment purchases	$ 14,331	$ -	$ 14,331	$ -	$ -
Net Pension Liability (LGERS)	20,307	-	2,343	17,964	-
Compensated absences	2,354	-	928	1,426	-
Business-type activity long-term liabilities	$ 36,992	$ -	$ 17,602	$ 19,390	$ -

Compensated absences typically have been liquidated in the General Fund.

C. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	$ 3,094,726	$ 607,642
less: long-term debt	1,673,646	-
Add: unexpended debt proceeds	-	-
Net Investment in Capital Assets	$ 1,421,080	$ 607,642

D. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2019, consist of the following:

From the Capital Reserve Fund to the General Fund	$ 4,054
Total	$ 4,054

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

II. DETAIL NOTES ON ALL FUNDS (Continued)

E. Fund Balance

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

Total fund balance – General Fund	$	1,895,655
Less:		
Stabilization by State Statute		167,112
Streets		72,801
Pursuant to Loan Requirements		58,392
Future Capital Outlay		5,000
Veterans Memorial		4,774
Perpetual Care		9,489
Appropriated Fund Balance in 2019-2020 budget		340,000
Remaining Fund Balance		1,238,087

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contract that remain unperformed at year-end.

Encumbrances	General Fund	Non-Major Funds
-	$ -	$ -

III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

IV. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 20, 2019, which is the date the financial statements were available to be issued.

Required Supplementary

Financial Data

TOWN OF PINEBLUFF, NORTH CAROLINA
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Six Fiscal Years*

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Pinebluff's proportion of the net pension liability (asset) (%)	0.00494%	0.00557%	0.00589%	0.00490%	0.00495%	0.00460%
Pinebluff's proportion of the net pension liability (asset) ($)	$ 117,194	$ 85,094	$ 125,006	$ 21,991	$ (29,192)	$ 55,448
Pinebluff's covered-employee payroll	$ 335,468	$ 322,706	$ 315,416	$ 271,015	$ 285,785	$ 278,807
Pinebluff's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	34.93%	26.37%	39.63%	8.11%	(10.21%)	19.89%
Plan fiduciary net position as a percentage of the total pension liability**	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.

TOWN OF PINEBLUFF, NORTH CAROLINA
Town of Pinebluff's Contributions
Required Supplementary Information
Last Six Fiscal Years

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 25,508	$ 26,676	$ 24,807	$ 22,000	$ 19,757	$ 20,790
Contributions in relation to the contractually required contribution	25,508	26,676	24,807	22,000	19,757	20,790
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Pinebluff's covered employee payroll	$ 309,052	$ 335,468	$ 322,706	$ 315,416	$ 271,015	$ 285,785
Contributions as a percentage of covered-employee payroll	8.25%	7.95%	7.69%	6.97%	7.29%	7.27%

TOWN OF PINEBLUFF, NORTH CAROLINA
Schedule of Changes in Total Pension Liability
June 30, 2019

Law Enforcement Officers' Special Separation Allowance

	2019	2018	2017
Beginning balance	$ 75,532	$ 60,112	$ 55,642
Service cost	4,820	4,433	4,552
Interest on the total pension liability	2,387	2,320	1,986
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	696	2,878	-
Changes of assumptions or other inputs	(4,044)	5,789	(2,068)
Benefit payments	-	-	-
Other changes	-	-	-
Ending balance of the total pension liability	$ 79,391	$ 75,532	$ 60,112

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Schedule of Total Pension Liability as a Percentage of Covered Payroll
June 30, 2019

Law Enforcement Officers' Special Separation Allowance

	2019	2018	2017
Total pension liability	$ 79,391	$ 75,532	$ 60,112
Covered payroll	161,372	156,249	151,594
Total pension liability as a percentage of covered payroll	49.20%	48.34%	39.65%

Notes to the schedules:

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

PINE BLUFF
NORTH
CAROLINA

Major Governmental Funds

General Fund

TOWN OF PINEBLUFF, NORTH CAROLINA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes			
Taxes		$ 463,645	
Penalties and Interest		471	
Total Ad Valorem Taxes	$ 423,723	464,116	$ 40,393
Other Taxes and Licenses			
Privilege Licenses		453	
Total Other Taxes and Licenses	500	453	(47)
Unrestricted Intergovernmental			
Local Option Sales Tax		395,070	
Utility Sales Tax		65,130	
Telecommunications Tax		5,782	
Video Franchise Tax		14,559	
Fire District Tax		273,689	
Beer and Wine Tax		6,433	
Total Unrestricted Intergovernmental	693,690	760,663	66,973
Restricted Intergovernmental			
Powell Bill Allocation		54,073	
Federal Grants		130,559	
State Grants		-	
EMS Stipend		-	
Landfill		134,162	
Solid Waste Disposal Tax		1,025	
Total Restricted Intergovernmental	182,983	319,819	136,836
Permits and Fees			
Inspection Fees		26,368	
Zoning Permits		1,250	
Total Permits and Fees	20,050	27,618	7,568
Investment Earnings			
General		1,171	
Powell Bill		31	
Total Investment Earnings	530	1,202	672
Miscellaneous			
Other		39,222	
Total Miscellaneous	48,897	39,222	(9,675)
Total Revenues	1,370,373	1,613,093	242,720

TOWN OF PINEBLUFF, NORTH CAROLINA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Governing Body			
Other Expenditures		31,833	
Total Governing Body	55,365	31,833	23,532
Administration			
Salaries and Employee Benefits		74,719	
Other Expenditures		25,737	
Total Administration	119,938	100,456	19,482
Police Department			
Salaries and Employee Benefits		220,295	
Other Expenditures		45,991	
Capital Outlay		36,790	
Total Police	344,076	303,076	41,000
Fire Department			
Salaries and Employee Benefits		247,275	
Other Expenditures		76,824	
Capital Outlay		539,252	
Total Fire Department	908,268	863,351	44,917
Planning and Inspections			
Salaries and Employee Benefits		16,261	
Other Expenditures		4,060	
Total Planning and Zoning	25,213	20,321	4,892
Street Department			
Salaries and Employee Benefits		87,951	
Other Expenditures		65,991	
Total Street Department	197,728	153,942	43,786
Powell Bill Funds			
Other Expenditures		5,283	
Total Powell Bill Funds	77,111	5,283	71,828
Sanitation			
Other Expenditures		104,051	
Total Sanitation	104,051	104,051	-

TOWN OF PINEBLUFF, NORTH CAROLINA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (Continued)
Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Lakes, Parks, and Cemetery			
Salaries and Employee Benefits		14,003	
Other Expenditures		34,969	
Total Lakes, Parks, and Cemetery	59,916	48,972	10,944
Library			
Other Expenditures		9,703	
Total Library	9,822	9,703	119
Debt Service			
Principal Retirement		73,303	
Interest and Other Charges		63,675	
Total Debt Service	136,978	136,978	-
Total Expenditures	2,038,466	1,777,966	260,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	(668,093)	(164,873)	503,220
Other Financing Sources (Uses)			
Transfers In:			
Capital Reserve Fund	4,053	4,054	1
Veterans Memorial Fund	-	-	-
Transfers Out:			
Capital Reserve Fund	-	-	-
Veterans Memorial Fund	-	-	-
Public Safety Capital Projects Fund	-	-	-
Sale of Capital Assets	-	5,675	5,675
Installment Purchase Obligations Issued	-	-	-
Total Other Financing Sources (Uses)	4,053	9,729	5,676
Fund Balance Appropriated	664,040	-	(664,040)
Net Change in Fund Balance	$ -	(155,144)	$ (155,144)
Fund Balance - Beginning of Year		2,031,536	
Fund Balance - End of Year		$ 1,876,392	

Special Revenue Funds

Consolidated With General Fund

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Fund - Capital Reserve Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous			
Other		$ -	$ -
Other Financing Sources (Uses)			
Transfers in:			
General Fund	9,053	-	(9,053)
Transfers out:			
General Fund	(9,053)	(4,054)	4,999
Total Other Financing Sources (Uses)	-	(4,054)	(4,054)
Appropriated Fund Balance	-	-	-
Net Change in Fund Balance	$ -	(4,054)	$ (4,054)
Fund Balance - Beginning of Year		9,054	
Fund Balance - End of Year		$ 5,000	

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Fund - Veterans Memorial Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous			
Other	$ 1,919	$ 2,460	$ 541
Expenditures			
Administration			
Other Operating Expenditures		530	
Total Administration	2,039	530	1,509
Excess (Deficiency) of Revenues Over Expenditures	(120)	1,930	2,050
Other Financing Sources			
Transfers in:			
General Fund		-	-
Total Other Financing Sources	-	-	-
Appropriated Fund Balance	120	-	(120)
Net Change in Fund Balance	$ -	1,930	$ 1,930
Fund Balance - Beginning of Year		2,844	
Fund Balance - End of Year		$ 4,774	

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Nonmajor Special Revenue Fund - Cemetery Fund
For the Fiscal Year Ended June 30, 2019

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sales and Services			
Cemetery Fees	$ -	$ 1,696	$ 1,696
Expenditures			
Cemetery			
Other Operating Expenditures		2,573	
Total Cemetery	9,271	2,573	6,698
Excess (Deficiency) of Revenues Over Expenditures	(9,271)	(877)	8,394
Other Financing Sources			
Transfers in:			
General Fund	-	-	-
Total Other Financing Sources	-	-	-
Appropriated Fund Balance	9,271	-	(9,271)
Net Change in Fund Balance	$ -	(877)	$ (877)
Fund Balance - Beginning of Year		10,366	
Fund Balance - End of Year		$ 9,489	

Enterprise Funds

TOWN OF PINEBLUFF, NORTH CAROLINA
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Water Charges	$ 367,900	$ 427,840	$ 59,940
Sewer Charges	49,500	46,856	(2,644)
Investment Earnings	250	444	194
Miscellaneous	800	979	179
Total Revenues	418,450	476,119	57,669
Expenditures			
Water and Sewer Operations			
Salaries and Employee Benefits		74,228	
Repairs and Maintenance		38,209	
Other Expenditures		198,218	
Capital Outlay		25,250	
Debt Service			
Principal Retirement		14,331	
Interest Expense		330	
Total Water and Sewer Operations	599,478	350,566	248,912
Total Expenditures	599,478	350,566	248,912
Revenues Over (Under) Expenditures	(181,028)	125,553	306,581
Other Financing Sources (Uses)			
Installment Purchase Obligation Issued	-	-	-
Transfers In:			
General Fund	-	-	-
Water Capital Reserve Fund	-	-	-
Transfer Out:			
Water Capital Reserve Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Appropriated Fund Balance	181,028	-	(181,028)
Revenues and Other Sources Over Expenditures and Other Uses	$ -	$ 125,553	$ 125,553

TOWN OF PINEBLUFF, NORTH CAROLINA
Water and Sewer Fund
Schedule of Revenues and Expenditures (Continued)
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and Other Sources Over Expenditures and Other Uses		$ 125,553	
Reconciling Items:			
Depreciation Expense		(43,680)	
Pension Expense		780	
Compensated Absences Payable		928	
Capital Outlay		25,250	
Principal Retirement		14,331	
Installment Loan Proceeds			
Transfers In:		-	
Water Capital Reserve Fund		-	
Total Reconciling Items		(2,391)	
Change in Net Position		$ 123,162	

TOWN OF PINEBLUFF, NORTH CAROLINA
Water Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment Earnings			
Interest	$ -	$ -	$ -
Other Financing Sources (Uses)			
Transfers out:			
Water and Sewer Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Appropriated Fund Balance	-	-	-
Revenues and Other Sources Over Expenditures and Other Uses	$ -	$ -	$ -

Other Schedules

TOWN OF PINEBLUFF, NORTH CAROLINA
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2019

Fiscal Year	Uncollected Balance 7-1-18	Additions and Adjustments	Collections and Credits	Uncollected Balance 6-30-19
2018-19	$ -	$ 464,310	$ 460,978	$ 3,332
2017-18	2,649	-	2,099	550
2016-17	448	-	270	178
2015-16	63	-	63	-
2014-15	52	-	52	-
2013-14	52	-	52	-
2012-13	297	-	51	246
2011-12	380	-	41	339
2010-11	199	-	41	158
2009-10	213	-	-	213
2008-09	359	-	359	-
	$ 4,712	$ 464,310	$ 464,006	5,016
Less: Allowance for Uncollectible Accounts:				
General Fund				500
Ad Valorem Taxes Receivable - Net				$ 4,516
Reconcilement with Revenues				
Ad Valorem Taxes - General Fund				464,116
Reconciling Items:				
Interest and Penalties Collected				(471)
Taxes Released				2
Taxes Written Off				359
Total Collections and Credits				$ 464,006

TOWN OF PINEBLUFF, NORTH CAROLINA
Analysis of Current Tax Levy
Town-Wide Levy
June 30, 2019

	Town-Wide			Total Levy	
	Property Valuation	Rate Per $100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property Taxed at Current Year's Rate	$ 119,012,623	0.39	$ 464,149	$ 403,640	$ 60,509
Penalties	-		161	161	-
	119,012,623		464,310	403,801	60,509
Discoveries:					
Current Year Taxes	-	0.39	-	-	-
Penalties	-		-	-	-
	-		-	-	-
Abatements:					
Property Taxes - Current Year's Rate	-	0.39	$ -	-	-
Total Property Valuations	$ 119,012,623				
Net Levy			464,310	403,801	60,509
Uncollected Taxes at June 30, 2019			3,332	3,332	-
Current Year's Taxes Collected			$ 460,978	$ 400,469	$ 60,509
Current Levy Collection Percentage			99.28%	99.17%	100.00%

PINE BLUFF
NORTH
CAROLINA

COMPLIANCE SECTION

PO Box 160
251 Washington Street
Whiteville NC 28472
P. 910-207-6564
F. 910-207-6519

W GREENE PLLC

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 Board of Commissioners
Town of Pinebluff, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Pinebluff, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises the Town of Pinebluff's basic financial statements, and have issued our report thereon dated August 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Pinebluff's 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 Town of Pinebluff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Pinebluff's financial statements are free from material misstatements, 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.*

Purpose of this Report

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

W Greene, PLLC

Whiteville, North Carolina
August 20, 2019

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(s)	____ Yes	X None Reported	
Noncompliance material to financial statements noted	____ Yes	X No	

SECTION II. FINANCIAL STATEMENT FINDINGS

None Reported

PINE BLUFF
NORTH
CAROLINA