TOWN OF PINEBLUFF, NORTH CAROLINA

Report of Audit

For the Fiscal Year Ended June 30, 2015

PINE BLUFF
NORTH
CAROLINA

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FINANCIAL SECTION

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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, 2015, 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 an opinion 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 from material misstatement.

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

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

Opinions

In our opinion, 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, 2015, 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 Proportionate Share of the Net Pension Asset and Contributions, and the Firefighters' and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual 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 *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 29, 2015 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 grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of our 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
September 29, 2015

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, 20155. 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

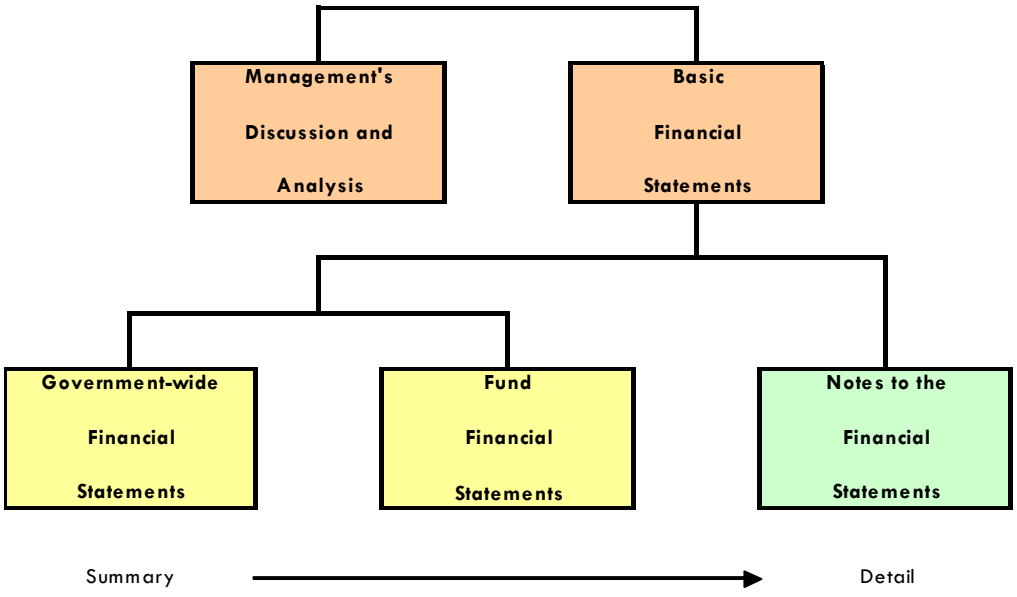
- The assets and deferred outflows of resources of the Town of Pinebluff exceeded its liabilities and deferred inflows at the close of the fiscal year by $3,909,895 (net position).
- The government's total net position increased by $1,470, primarily due to operational expense decreases within business-type activities.
- As of the close of the current fiscal year, the Town of Pinebluff's governmental funds reported combined ending fund balances of $1,261,619 with a net decrease of $609,011 in fund balance. Approximately 14.35 percent of this total amount, or $181,073, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $1,034,987, or 93.83 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 inspections. 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 2) 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 61 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 1,305,565	$ 2,153,676	$ 569,255	$ 518,037	$ 1,874,820	$ 2,671,713
Capital assets	2,886,343	2,739,604	666,038	702,726	3,552,381	3,442,330
Deferred outflows of resources	18,581	-	5,307	-	18,581	-
Total assets and deferred outflows of resources	4,210,489	4,893,280	1,240,600	1,220,763	5,445,782	6,114,043
Long-term liabilities outstanding	1,245,749	111,553	53,311	76,875	1,299,060	188,428
Other liabilities	78,983	1,892,981	92,002	85,924	170,985	1,978,905
Deferred inflows of resources	55,343	-	15,806	-	71,149	-
Total liabilities and deferred inflows of resources	1,380,075	2,004,534	161,119	162,799	1,541,194	2,167,333
Net position:						
Net investment in capital assets	1,580,428	1,013,185	591,600	605,664	2,172,028	1,618,849
Restricted	181,073	121,796	-	-	181,073	121,796
Unrestricted	1,068,913	1,753,765	487,881	449,201	1,556,794	2,202,966
Total net position	$ 2,830,414	$ 2,888,746	$ 1,079,481	$ 1,054,865	$ 3,909,895	$ 3,943,611

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 by $3,909,895 as of June 30, 20155. The Town's net position increased by $1,470 for the fiscal year ended June 30, 2015. However, the largest portion (55.55%) 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, $181,073, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $1,556,794 is unrestricted. Also, the Town of Pine Bluff implemented GASB Statement 68 this year. With the new reporting change, the Town is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by $34,961. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Town of Pine Bluff's management.

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 99.57%

The Town of Pinebluff's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 26,996	$ 107,138	$ 315,959	$ 312,926	$ 342,955	$ 420,064
Operating grants and contributions	167,453	89,013	-	-	167,453	89,013
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property taxes	377,553	389,032	-	-	377,553	389,032
Other taxes	604,917	533,713	-	-	604,917	533,713
Other	34,409	43,163	1,290	1,242	35,699	44,405
Total revenues	1,211,328	1,162,059	317,249	314,168	1,528,577	1,476,227
Expenses:						
Governing body	34,393	36,686	-	-	34,393	36,686
Administration	89,424	105,312	-	-	89,424	105,312
Police Department	268,690	310,703	-	-	268,690	310,703
Fire Department	312,221	355,893	-	-	312,221	355,893
Planning and Inspections	12,901	15,489	-	-	12,901	15,489
Street Department	271,979	277,001	-	-	271,979	277,001
Powell Bill Funds	16,427	18,404	-	-	16,427	18,404
Garbage Collection	85,921	85,618	-	-	85,921	85,618
Lakes, Parks, Cementary	103,278	36,771	-	-	103,278	36,771
Library	9,329	9,497	-	-	9,329	9,497
Interest on long-term debt	37,678	9,330	-	-	37,678	9,330
Water and Sewer	-	-	284,866	294,779	284,866	294,779
Total expenses	1,242,241	1,260,704	284,866	294,779	1,527,107	1,555,483
Increase(Decrease) in net position before transfers	(30,913)	(98,645)	32,383	19,389	1,470	(79,256)
Transfers	-	(5,700)	-	5,700	-	-
Change in net position	(30,913)	(104,345)	32,383	25,089	1,470	(79,256)
Net position, July 1(consolidated)	2,888,521	2,992,866	1,054,865	1,029,776	3,943,386	4,022,642
Restatement	(27,194)	-	(7,767)	-	(34,961)	-
Net Position, July 1- Restated	2,861,327	2,992,866	1,047,098	1,029,776	3,908,425	4,022,642
Net position, June 30	$ 2,830,414	$ 2,888,521	$ 1,079,481	$ 1,054,865	$ 3,909,895	$ 3,943,386

Governmental activities. Governmental activities decreased the Town's net position by $30,913, thereby accounting for 100% of the total decrease in the net position of the Town of Pinebluff. Key element of this decrease is as follows:

- Net increase in lakes, parks, and cemetery expenses.

Business-type activities. Business-type activities increased the Town of Pinebluff's net position by $32,383. Key elements of this increase are as follows:

- Water and sewer expenses decreased 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. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town of Pinebluff. At the end of the current fiscal year, Town of Pinebluff's fund balance available in the General fund was $1,194,295, while total fund balance reached $1,261,619. The Town currently has an available fund balance of 91.35% of general fund expenditures, while the total balance represents 96.50% of the same amount.

At June 30, 2015, the governmental funds of Town of Pinebluff reported a combined fund balance of $1,261,619 with a net decrease in fund balance of $609,011. Included in this change in fund balance are decreases in fund balance in the Public Safety Capital Project Fund.

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

Revenues were less than the budgeted amounts primarily because of a decrease in State shared revenues that the Town originally had expected to receive. Expenditures were held below budget and the Town was able to comply with its budgetary requirements.

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 $487,881. The total change in net position for the water and sewer fund was an increase of $33,383. The change in net position in the Water and Sewer Fund is a result of a decrease in expenses 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, 2015, totals $3,552,381 (net of accumulated depreciation). These assets include buildings, land, construction in progress, vehicles, infrastructure, and equipment.

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

- Equipment acquisition of $35,130 in governmental-type activities.

The Town of Pinebluff's Capital Assets

Figure 4

(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 411,953	$ 411,953	$ 12,100	$ 12,100	$ 424,053	$ 424,053
Construction in Progress	-	1,141,948	-	-	-	1,141,948
Buildings	2,288,916	844,866	26,948	29,272	2,315,864	874,138
Infrastructure	-	-	581,926	605,913	581,926	605,913
Vehicles	109,902	245,821	-	-	109,902	245,821
Plant and Distribution	-	-	-	-	-	-
Equipment	75,572	95,016	45,064	55,441	120,636	150,457
Total	$ 2,886,343	$ 2,739,604	$ 666,038	$ 702,726	$ 3,552,381	$ 3,442,330

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

Long-term Debt. As of June 30, 2015, the Town of Pinebluff had total long-term debt outstanding of $1,380,353. Of this, $-0- is debt backed by the full faith and credit of the town of Pinebluff.

The Town of Pinebluff's Outstanding Debt

Installment Purchases

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Installment purchases	$ 1,305,915	$ 1,726,419	$ 74,438	$ 97,062	$ 1,380,353	$ 1,823,481
Total	$ 1,305,915	$ 1,726,419	$ 74,438	$ 97,062	$ 1,380,353	$ 1,823,481

Town of Pinebluff Outstanding Debt

The Town of Pinebluff's total debt decreased by $443,128 (24.30%) 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 $8,196,498. The Town of Pinebluff does not have any authorized but un-issued debt at June 30, 2015.

Additional information regarding the Town of Pinebluff's long-term debt can be found beginning on page 58 in the Notes to the Financial Statements.

Budget Highlights for the Fiscal Year Ending June 30, 2016

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

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:

Marjorie Conklin
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, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 1,094,216	$ 539,881	$ 1,634,097
Receivables (net):			
Ad Valorem Taxes	6,220	-	6,220
Interest	1,349	-	1,349
Accounts	6,286	22,851	29,137
Due from Other Governments	61,038	38	61,076
Restricted Cash and Cash Equivalents	113,749	-	113,749
Total Current Assets	1,282,858	562,770	1,845,628
Noncurrent Assets:			
Net Pension Asset	22,707	6,485	29,192
Capital Assets			
Land, Nondepreciable Improvements, and Construction in Progress	411,953	12,100	424,053
Other Capital Assets, Net of Depreciation	2,474,390	653,938	3,128,328
Total Noncurrent Assets	2,909,050	672,523	3,581,573
Total Assets	4,191,908	1,235,293	5,427,201
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferrals	3,213	918	4,131
Contributions to Pension Plan in Current Fiscal Year	15,368	4,389	19,757
Total Deferred Outflows of Resources	$ 18,581	$ 5,307	$ 23,888

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

	Primary Government		
	Governmental Activities	Business-Type Acvitities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable and			
Accrued Liabilities	$ 13,670	$ 282	$ 13,952
Customer Deposits	-	64,001	64,001
Prepaid Water Billings	-	4,034	4,034
Current Portion of Long-Term Liabilities	65,313	23,685	88,998
Total Current Liabilities	78,983	92,002	170,985
Long-Term Liabilities:			
Due in More Than One year	1,245,749	53,311	1,299,060
Total Liabilities	1,324,732	145,313	1,470,045
DEFERRED INFLOWS OF RESOURCES			
Pension Deferrals	55,343	15,806	71,149
Prepaid Taxes	-	-	-
Total Deferred Inflows of Resources	55,343	15,806	71,149
NET POSITION			
Net Investment in Capital Assets	1,580,428	591,600	2,172,028
Restricted for:			
Transportation	113,749	-	113,749
Stabilization by State Statute	67,324	-	67,324
Unrestricted	1,068,913	487,881	1,556,794
Total Net Position	$ 2,830,414	$ 1,079,481	$ 3,909,895

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, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Governing Body	$ 34,393	$ -	$ -	$ -
Administration	89,424	-	-	-
Police Department	268,690	-	-	-
Fire Department	312,221	-	13,708	-
Planning and Inspections	12,901	24,520	-	-
Street Department	271,979	-	-	-
Powell Bill Funds	16,427	-	54,467	-
Sanitation	85,921	-	99,278	-
Lakes, Parks, and Cemetery	103,278	2,476	-	-
Library	9,329	-	-	-
Interest on long-term debt	37,678	-	-	-
Total Governmental Activities	1,242,241	26,996	167,453	-
Total Primary Government	$ 1,242,241	$ 26,996	$ 167,453	$ -
Business-Type Activities:				
Water and Sewer	284,866	315,959	-	-
Total Business-Type Activities	$ 284,866	$ 315,959	$ -	$ -

General Revenues:
Property Taxes, Levied for General Purpose
Other Taxes and Licenses
Investment Earnings
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning of Year
Restatement
Net Position - Beginning of Year - Restated
Net Position - End of Year

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

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
$ (34,393)	$ -	$ (34,393)
(89,424)	-	(89,424)
(268,690)	-	(268,690)
(298,513)	-	(298,513)
11,619	-	11,619
(271,979)	-	(271,979)
38,040	-	38,040
13,357	-	13,357
(100,802)	-	(100,802)
(9,329)	-	(9,329)
(37,678)	-	(37,678)
(1,047,792)	-	(1,047,792)
(1,047,792)	-	(1,047,792)
-	31,093	31,093
-	31,093	31,093
377,553	-	377,553
604,917	-	604,917
1,004	242	1,246
33,405	1,048	34,453
-	-	-
1,016,879	1,290	1,018,169
(30,913)	32,383	1,470
2,888,521	1,054,865	3,943,386
(27,194)	(7,767)	(34,961)
2,861,327	1,047,098	3,908,425
$ 2,830,414	$ 1,079,481	$ 3,909,895

TOWN OF PINEBLUFF, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds		
	General	Public Safety Capital Project	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 1,094,216	$ -	$ 1,094,216
Restricted Cash	113,749	-	113,749
Receivables (net):			
Ad Valorem Taxes	6,220	-	6,220
Fire District Taxes	-	-	-
Sanitation	6,286	-	6,286
Due from Other Governments	61,038	-	61,038
Total Assets	1,281,509	-	1,281,509
LIABILITIES			
Accounts Payable and Accrued Liabilities	13,670	-	13,670
Total Liabilities	13,670	-	13,670
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Receivable	6,220	-	6,220
Total Deferred Inflows of Resources	6,220	-	6,220
FUND BALANCES			
Restricted			
Stabilization by State Statute	67,324	-	67,324
Streets	113,749	-	113,749
Commited			
Future Capital Outlay	31,012	-	31,012
Veterans Memorial	1,308	-	1,308
Perpetual Care	13,239	-	13,239
Assigned			
Subsequent Year's Expenditures:	-	-	-
Public Safety	-	-	-
Unassigned	1,034,987	-	1,034,987
Total Fund Balances	1,261,619	-	1,261,619
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,281,509	$ -	$ 1,281,509

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, 2015

		Total Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Governmental Fund Balance		$ 1,261,619
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	$ 4,690,270	
Accumulated depreciation	(1,803,927)	2,886,343
Net Pension Asset	22,707	
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	15,368	38,075
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	1,349	1,349
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Ad valorem taxes	6,220	6,220
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Installment purchases	(1,305,916)	
Compensated absences	(5,146)	(1,311,062)
Pension related deferrals	(52,130)	(52,130)
Net position of governmental activities.		$ 2,830,414

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, 2015

	Major Funds		
	General Fund	Public Safety Capital Project	Total Governmental Funds
Revenues			
Ad Valorem Taxes	$ 380,328	$ -	$ 380,328
Other Taxes and Licenses	1,084	-	1,084
Unrestricted Intergovernmental	603,833	-	603,833
Restricted Intergovernmental	167,453	-	167,453
Permits and Fees	24,520	-	24,520
Sales and Services	2,476	-	2,476
Investment Earnings	756	248	1,004
Miscellaneous	33,405	-	33,405
Total Revenues	1,213,855	248	1,214,103
Expenditures			
Current			
Governing Body	34,393	-	34,393
Administration	80,243	5,665	85,908
Police Department	247,209	-	247,209
Fire Department	267,739	-	267,739
Planning and Inspections	12,785	-	12,785
Street Department	189,630	-	189,630
Powell Bill Funds	840	-	840
Sanitation	85,921	-	85,921
Lakes, Parks, and Cemetery	93,181	-	93,181
Library	9,329	-	9,329
Debt Service			
Principal	74,894	345,610	420,504
Interest and Other charges	6,841	30,837	37,678
Capital Outlay			
Fire Department	-	337,997	337,997
Powell Bill Funds	-	-	-
Total Expenditures	1,103,005	720,109	1,823,114
Excess (Deficiency) of Revenues Over Expenditures	110,850	(719,861)	(609,011)
Other Financing Sources (Uses)			
Transfers from Other Funds	-	204,313	204,313
Transfers to Other Funds	(204,313)	-	(204,313)
Installment Notes	-	-	-
Total Other Financing Sources (Uses)	(204,313)	204,313	-
Net Change in Fund Balance	(93,463)	(515,548)	(609,011)
Fund Balance - Beginning of Year	1,355,082	515,548	1,870,630
Fund Balance - End of Year	$ 1,261,619	$ -	$ 1,261,619

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		$	(609,011)
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	373,127		
Depreciation expense	(226,388)		146,739
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	15,368		15,368
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	(2,467)		
Interest earned on ad valorem taxes	(308)		(2,775)
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	420,504		420,504
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	(2,229)		
Compensated absences	491		(1,738)
Total changes in net position of governmental activities		$	(30,913)

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, 2015

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad Valorem Taxes	$ 368,940	$ 368,940	$ 380,328	$ 11,388
Other Taxes and Licenses	300,759	2,100	1,084	(1,016)
Unrestricted Intergovernmental	258,734	557,793	603,833	46,040
Restricted Intergovernmental	157,366	166,877	167,453	576
Permits and Fees	12,500	13,300	24,520	11,220
Investment Earnings	1,100	1,100	756	(344)
Miscellaneous	35,520	27,229	29,457	2,228
Total Revenues	1,134,919	1,137,339	1,207,431	70,092
Expenditures				
Governing Body	34,420	34,420	34,393	27
Administration	86,653	92,263	74,375	17,888
Police Department	263,542	266,283	247,209	19,074
Fire Department	284,878	291,514	267,739	23,775
Planning and Inspections	13,630	13,631	12,785	846
Street Department	195,068	200,750	189,630	11,120
Powell Bill Funds	112,285	112,285	840	111,445
Sanitation	86,065	86,065	85,921	144
Lakes, Parks, and Cemetery	28,672	244,672	92,102	152,570
Library	10,150	10,150	9,329	821
Debt Service	81,731	81,741	81,735	6
Contingency	-	-	-	-
Total Expenditures	1,197,094	1,433,774	1,096,058	337,716
Revenues Over (Under) Expenditures	(62,175)	(296,435)	111,373	407,808
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	(270,536)	(204,313)	66,223
Total Other Financing Sources (Uses)	-	(270,536)	(204,313)	66,223
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(62,175)	(566,971)	(92,940)	474,031
Appropriated Fund Balance	62,175	566,971	-	(566,971)
Net Change in Fund Balance	$ -	$ -	(92,940)	$ (92,940)
Fund Balance - Beginning of Year			1,309,000	
Fund Balance - End of Year			$ 1,216,060	

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, 2015

Fund Balance - End of Year	$	1,216,060
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:		
Transfer from the General Fund		-
Fund Balance - Beginning		31,012
		31,012
A legally budgeted Veterans Memorial Fund is consolidated into the General Fund for reporting purposes:		
Miscellaneous Income		3,948
Administration Expenditures		(5,868)
Transfer from the General Fund		-
Fund Balance - Beginning		3,228
		1,308
A legally budgeted Cemetery Fund is consolidated into the General Fund for reporting purposes:		
Sales and Services		2,476
Cemetery Expenditures		(1,079)
Fund Balance - Beginning		11,842
		13,239
Fund Balance - End of Year (Consolidated)	$	1,261,619

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, 2015

	Water and Sewer Fund
ASSETS	
Current Assets	
Cash and Investments	$ 539,881
Accounts Receivable (net)	22,851
Due from Other Governments	38
Total Current Assets	562,770
Noncurrent Assets	
Net Pension Asset	6,485
Capital Assets	
Land, Nondepreciable Improvements, and Construction in Progress	12,100
Other Capital Assets, Net of Depreciation	653,938
Total Noncurrent Assets	672,523
Total Assets	1,235,293
DEFERRED OUTFLOWS OF RESOURCES	
Pension Deferrals	918
Contributions to Pension Plan	4,389
Total Deferred Outflows of Resources	$ 5,307

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, 2015

	Water and Sewer Fund
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	$ 282
Customer Deposits	64,001
Unearned Revenue	4,034
Notes Payable	23,685
Total Current Liabilities	92,002
Noncurrent Liabilities	
Notes Payable	50,753
Compensated Absences Payable	2,558
Total Noncurrent Liabilities	53,311
Total Liabilities	145,313
DEFERRED INFLOWS OF RESOURCES	
Pension Deferrals	15,806
Total Deferred Inflows of Resources	15,806
NET POSITION	
Net Investment in Capital Assets	591,600
Unrestricted	487,881
Total Net Position	$ 1,079,481

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, 2015

	Water and Sewer Fund
Operating Revenues	
Water Charges	$ 277,887
Sewer Charges	38,072
Total Operating Revenues	315,959
Operating Expenses	
Water and Sewer Operations	219,378
Depreciation	60,936
Total Operating Expenses	280,314
Operating Income (Loss)	35,645
Nonoperating Revenues (Expenses)	
Investment Earnings	242
Miscellaneous Income	1,048
Interest Expense	(4,552)
Total Nonoperating Revenues (Expenses)	(3,262)
Total Income (Loss) Before Transfers	32,383
Transfers from Other Funds	-
Change in Net Position	32,383
Total Net Position - Beginning of Year	1,054,865
Restatement	(7,767)
Total Net Position - Beginning of Year - Restated	1,047,098
Total Net Position - End of Year	$ 1,079,481

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, 2015

	Water and Sewer Fund
Cash Flows from Operating Activities	
Cash Received from Customers and Users	$ 319,873
Cash Paid for Goods and Services	(127,798)
Cash Paid to Employees for Services	(96,479)
Customer Deposits Received	3,150
Customer Deposits Returned	(900)
Other Operating Revenues	1,048
Net Cash Provided(Used) by Operating Activities	98,894
Cash Flows from Noncapital Financing Activities	
Transfers in	-
Net Cash Provided(Used) by Noncapital Financing Activities	-
Cash Flows from Capital Financing Activities	
Acquisition of Capital Assets	(24,248)
Interest Paid on Bond Maturities and Equipment Contracts	(4,552)
Principal Paid on Bond Maturities and Equipment Contracts	(22,624)
Net Cash Provided(Used) by Capital Financing Activities	(51,424)
Cash Flows from Investing Activities	
Interest on Investments	242
Net Increase(Decrease) in Cash and Cash Equivalents	47,712
Cash and Cash Equivalents - Beginning of Year	492,169
Cash and Cash Equivalents - End of Year	$ 539,881

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, 2015

	Water and Sewer Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	$ 35,645
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation	60,936
Miscellaneous Income (Expense)	1,048
Pension Expense	636
Changes in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	2,979
(Increase) Decrease in Due From Other Governments	-
(Increase) Decrease in Contributions to Pension Plan	(4,389)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,268)
Increase (Decrease) in Unearned Revenue	935
Increase (Decrease) in Customer Deposits	2,250
Increase (Decrease) in Compensated Absences Payable	122
Total Adjustments	63,249
Net Cash Provided(Used) by Operating Activities	$ 98,894

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 nonmajor 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 and investment earnings, 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 funds:

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

Public Safety Capital Projects Fund. This fund is used to account for construction on public safety buildings and street improvements.

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 is 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 nonoperating 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. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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. During the year, there were no amendments to the original budget. 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 securities of the NCCMT – Cash Portfolio are valued at fair value, which is the NCCMT's share price.

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 also 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.

Town of Pinebluff Restricted Cash		
Governmental Activities		
General Fund		
Streets	$	54,467
Total Governmental Activities		54,467
Total Restricted Cash	$	54,467

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 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2014. 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. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 2015 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 one item that meets the criterion for this category – deferrals of pension expense that result from the implementation of GASB Statement 68.

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, as well as issuance costs, 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 period in which they occur. 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 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 – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)]

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

Committed Fund Balance – portion of fund balance that can 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.

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)

Assigned Fund Balance – portion of fund balance that 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. Pensions

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

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

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 these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, 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, 2015, the Town's deposits had a carrying amount of $1,747,846 and a bank balance of $1,767,371. 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, 2015 are net of the following allowances for doubtful accounts:

Fund		06/30/2015
General Fund:		
Taxes receivable	$	-
Total General Fund		-
Enterprise Fund:		
Utilities receivable		9,800
Total Enterprise Fund		9,800
Total	$	9,800

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, 2015, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 411,953	$ -	$ -	$ 411,953
Construction in Progress	1,141,948	337,997	1,479,945	-
Total capital assets not being depreciated	1,553,901	337,997	1,479,945	411,953
Capital assets being depreciated:				
Buildings and Improvements	1,139,811	1,479,945	-	2,619,756
Equipment	324,654	35,130	-	359,784
Vehicles	1,298,777	-	-	1,298,777
Infrastructure	-	-	-	-
Total capital assets being depreciated	2,763,242	1,515,075	-	4,278,317
Less accumulated depreciation for:				
Buildings and Improvements	294,945	35,895	-	330,840
Equipment and Vehicles	1,282,594	190,493	-	1,473,087
Infrastructure	-	-	-	-
Total accumulated depreciation	1,577,539	226,388	-	1,803,927
Total capital assets being depreciated, net	1,185,703			2,474,390
Governmental activity capital assets, net	$ 2,739,604			$ 2,886,343

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

General Government	$ 5,713
Inspections	295
Police Department	64,358
Fire Department	44,036
Street & Transportation	86,302
Powell Bill	15,587
Parks & Recreation	10,097
Total	$ 226,388

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	228,234	24,248	-	252,482
Vehicles	16,913	-	-	16,913
Plant and distribution systems	1,199,352	-	-	1,199,352
Total capital assets being depreciated	1,537,453	24,248	-	1,561,701
Less accumulated depreciation for:				
Buildings	63,682	2,324	-	66,006
Equipment and Vehicles	189,706	34,625	-	224,331
Plant and distribution systems	593,439	23,987	-	617,426
Total accumulated depreciation	846,827	60,936	-	907,763
Total capital assets being depreciated, net	690,626			653,938
Water and Sewer fund capital assets, net	$ 702,726			$ 666,038

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

a. Pension Plan Obligations

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)

a. Pension Plan Obligations (Continued)

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, 2015, was 7.41% of compensation for law enforcement officers and 7.28% 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 $19,757 for the year ended June 30, 2015.

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, 2015 the Town reported an asset of $29,192 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the Town's proportion was 0.00495%, which was an increase of 0.00035% from its proportion measured as of June 30, 2013.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

b. Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

For the year ended June 30, 2015, the Town recognized pension expense of $2,868 At June 30, 2015, 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	$ -	$ 3,190
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	67,959
Changes in proportion and differences between Town contributions and proportionate share of contributions	4,131	-
Town contributions subsequent to the measurement date	19,757	-
Total	$ 23,888	$ 71,149

$19,757 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. 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:	
2016	$ (16,754)
2017	(16,754)
2018	(16,754)
2019	(16,756)
2020	-
Thereafter	-
	$ (67,018)

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

c. Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increase	4.25 to 8.55 percent, including inflation and productivity factor
Investment Rate of Return	7.25 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, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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)

d. Pension Plan Obligations (Continued)

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, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 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 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

a. Pension Plan Obligations (Continued)

Local Governmental Employees' Retirement System (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.25 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 (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of the net pension liability (asset)	$ 99,092	$ (29,192)	$ (137,204)

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. 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, 2014 the Separation Allowance's membership consisted of:

Retirees receiving benefits	-
Terminated plan members entitled to but not yet 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 and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlines in GASB Statements 67 and 68:

- Contributions to the pension plan and earning on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

3. Contributions

The Town is required by Article 12D of Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The Town has chosen not to have an actuarial study performed because the liability is considered to be immaterial.

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, 2015 were $6,029 which consisted of $6,029 from the Town and $-0- from the law enforcement officers.

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, 2015 were $8,155, which consisted of $4,595 from the Town and $3,560 from the employees.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

d. Firefighters' and Rescue Squad Workers' Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the Town of Pinebluff, to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighters' and Rescue Squad Workers' Pension Fund 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 the Firefighters' and Rescue Squad Workers' Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Plan members are required to contribute $10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The Town does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

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

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

At June 30, 2015, the Town reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the Town through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the Town and supported by the State was $4,543. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 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 contributions to the pension plan relative to the projected contributions of all participating employers. As the Town is not projected to make any future contributions to the plan, its proportionate share at June 30, 2014 and at June 30, 2013 was 0%.

For the year ended June 30, 2015, the Town recognized pension expense of $1,708 and revenue of $1,708 for support provided by the State. At June 30, 2015, the Town reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

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

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

3. Deferred Outflows and Inflows of Resources

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

	Unavailable Revenue	Unearned Revenue
Contributions to Pension Plan in Current Fiscal Year	$ 19,757	$ -
Pension Deferrals	4,131	-
Total	$ 23,888	$ -

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

	Unavailable Revenue	Unearned Revenue
Pension Deferrals	$ 71,149	$
Prepaid taxes (General Fund)	-	-
Taxes receivable (General Fund)	6,220	-
Total	$ 77,369	$ -

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.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

5. Claims, Judgements and Contingent Liabilites

At June 30, 2015, the Town did not have any litigation pending.

6. Long-Term Obligations

a. Installment Purchases

The Town entered into a $1,200,000 installment contract for the financing of a police and public safety building. The financing contract requires payments beginning 2016 with an interest rate of 3.75%.

The Town is entered into a $337,000 installment contract for the purchase of a fire vehicle. The financing contract requires payments beginning in 2011 with an interest rate of 3.95%.

The Town is entered into a $296,000 installment contract to refinance water bonds. The financing contract requires payments beginning in 2004 with an interest rate of 4.69%.

	Governmental Activities		Business Type Activities	
Year Ending June 30	Principal	Interest	Principal	Interest
2016	65,313	49,242	23,685	3,491
2017	67,888	46,666	24,796	2,380
2018	14,415	43,977	25,957	1,217
2019	14,956	43,437	-	-
2020	15,517	42,875	-	-
2021-2025	86,760	205,200	-	-
2026-2030	104,294	187,666	-	-
2031-2035	125,372	166,588	-	-
2036-2040	150,710	141,250	-	-
2041-2045	181,168	110,792	-	-
2046-2050	217,783	74,177	-	-
2051-2055	261,739	30,221	-	-
Total	$ 1,305,915	$ 1,142,091	$ 74,438	$ 7,088

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

b. Changes in Long-Term Liabilities

Governmental activities:	Balance 07/01/14	Increases	Decrease	Balance 06/30/15	Current Portion of Balance
Installment purchases	$ 1,726,419	$ -	$ 420,504	$ 1,305,915	$ 65,313
Net Pension Liability (LGERS)	43,130	-	43,130	-	-
Compensated absences	5,637	-	491	5,146	-
Governmental activity long-term liabilities	$ 1,775,186	$ -	$ 464,125	$ 1,311,061	$ 65,313
Business-type activities:					
Installment purchases	$ 97,062	$ -	$ 22,624	$ 74,438	$ 23,685
Net Pension Liability (LGERS)	12,318	-	12,318	-	-
Compensated absences	2,436	122	-	2,558	-
Business-type activity long-term liabilities	$ 111,636	$ 122	$ 34,942	$ 76,996	$ 23,685

Compensated absences typically have been liquidated in the General Fund.

C. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	$ 2,886,343	$ 666,038
less: long-term debt	1,305,915	74,438
Add: unexpended debt proceeds	-	-
Net Investment in Capital Assets	$ 1,580,428	$ 591,600

D. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2015, consist of the following:

From the General Fund to the Public Safety Capital Projects Fund	204,313
Total	$ 204,313

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	$	1,261,619
Less:		
Stabilization by State Statute		67,324
Streets		113,749
Future Capital Outlay		31,012
Veterans Memorial		1,308
Perpetual Care		13,239
Appropriated Fund Balance in 2016 budget		-
Remaining Fund Balance		1,034,987

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 September 29, 2015, which is the date the financial statements were available to be issued.

V. CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The Town implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the Town to record beginning net pension liability and the effects on net position of contributions made by the Town during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by $27,194 and $7,767, respectively.

PINE BLUFF
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Required Supplementary

Financial Data

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

Local Government Employees' Retirement System

	2015	2014
Pinebluff's proportion of the net pension liability (asset) (%)	0.00495%	0.00460%
Pinebluff's proportion of the net pension liability (asset) ($)	$ (29,192)	$ 55,448
Pinebluff's covered-employee payroll	$ 285,785	$ 278,807
Pinebluff's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(10.21%)	19.89%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

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

Local Government Employees' Retirement System

	2015	2014
Contractually required contribution	$ 19,757	$ 20,790
Contributions in relation to the contractually required contribution	19,757	20,790
Contributions deficiency (excess)	$ -	$ -
Pinebluff's covered employee payroll	$ 271,015	$ 285,785
Contributions as a percentage of covered-employee payroll	7.29%	7.27%

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

Firefighters' and Rescue Squad Workers' Pension

	2015
Pinebluff's proportionate share of the net pension liability (%)	0.00%
Pinebluff's proportionate share of the net pension liability ($)	-
State's proportionate share of the net pension liability associated with the Town of Pinebluff	4,543
Total	$ 4,543
Pinebluff's covered employee payroll	170,085
Pinebluff's proportionate share of the net pension liability as a percentage of its covered-employee payroll	2.67%
Plan fiduciary net position as a percentage of the total pension liability	93.42%

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, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes			
Taxes		$ 370,644	
Penalties and Interest		9,684	
Total Ad Valorem Taxes	$ 368,940	380,328	$ 11,388
Other Taxes and Licenses			
Privilege Licenses		1,084	
Total Other Taxes and Licenses	2,100	1,084	(1,016)
Unrestricted Intergovernmental			
Local Option Sales Tax		313,751	
Utility Sales Tax		72,350	
Telecommunications Tax		12,164	
Video Franchise Tax		22,486	
Fire District Tax		176,486	
Beer and Wine Tax		6,596	
Total Unrestricted Intergovernmental	557,793	603,833	46,040
Restricted Intergovernmental			
Powell Bill Allocation		54,467	
Federal Grants		-	
State Grants		-	
EMS Stipend		12,000	
On-Behalf of Payments - Fire Department		1,708	
Landfill		98,400	
Solid Waste Disposal Tax		878	
Total Restricted Intergovernmental	166,877	167,453	576
Permits and Fees			
Inspection Fees		22,510	
Zoning Permits		2,010	
Total Permits and Fees	13,300	24,520	11,220
Investment Earnings			
General		717	
Powell Bill		39	
Total Investment Earnings	1,100	756	(344)
Miscellaneous			
Other		29,457	
Total Miscellaneous	27,229	29,457	2,228
Total Revenues	1,137,339	1,207,431	70,092

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, 2015

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Governing Body			
Other Expenditures		34,393	
Total Governing Body	34,420	34,393	27
Administration			
Salaries and Employee Benefits		47,280	
Other Expenditures		27,095	
Total Administration	92,263	74,375	17,888
Police Department			
Salaries and Employee Benefits		170,410	
Other Expenditures		41,669	
Capital Outlay		35,130	
Total Police	266,283	247,209	19,074
Fire Department			
Salaries and Employee Benefits		206,010	
Other Expenditures		61,729	
Total Fire Department	291,514	267,739	23,775
Planning and Inspections			
Salaries and Employee Benefits		8,770	
Other Expenditures		4,015	
Total Planning and Zoning	13,631	12,785	846
Street Department			
Salaries and Employee Benefits		121,003	
Other Expenditures		68,627	
Total Street Department	200,750	189,630	11,120
Powell Bill Funds			
Other Expenditures		840	
Capital Outlay		-	
Total Powell Bill Funds	112,285	840	111,445
Sanitation			
Other Expenditures		85,921	
Total Sanitation	86,065	85,921	144

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, 2015

	Final Budget	Actual	Variance Positive (Negative)
Lakes, Parks, and Cemetery			
Salaries and Employee Benefits		10,368	
Other Expenditures		81,734	
Total Lakes, Parks, and Cemetery	244,672	92,102	152,570
Library			
Other Expenditures		9,329	
Total Library	10,150	9,329	821
Debt Service			
Principal Retirement		74,894	
Interest and Other Charges		6,841	
Total Debt Service	81,741	81,735	6
Total Expenditures	1,433,774	1,096,058	337,716
Excess (Deficiency) of Revenues Over (Under) Expenditures	(296,435)	111,373	407,808
Other Financing Sources (Uses)			
Transfers In:			
Capital Reserve Fund	-	-	-
Veterans Memorial Fund	-	-	-
Transfers Out:			
Capital Reserve Fund	-	-	-
Veterans Memorial Fund	-	-	-
Public Safety Capital Projects Fund	(270,536)	(204,313)	66,223
Total Other Financing Sources (Uses)	(270,536)	(204,313)	66,223
Fund Balance Appropriated	566,971	-	(566,971)
Net Change in Fund Balance	$ -	(92,940)	$ (92,940)
Fund Balance - Beginning of Year		1,309,000	
Fund Balance - End of Year		$ 1,216,060	

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, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous			
Other	$ 21,012	$ -	$ (21,012)
Other Financing Sources			
Transfers in:			
General Fund	21,012	-	(21,012)
Total Other Financing Sources	21,012	-	(21,012)
Appropriated Fund Balance	-	-	-
Net Change in Fund Balance	$ -	-	$ (21,012)
Fund Balance - Beginning of Year		31,012	
Fund Balance - End of Year		$ 31,012	

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, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous			
Other	$ 10,000	$ 3,948	$ (6,052)
Expenditures			
Administration			
Other Operating Expenditures		5,868	
Total Administration	10,000	5,868	4,132
Excess (Deficiency) of Revenues Over Expenditures	-	(1,920)	(1,920)
Other Financing Sources			
Transfers in:			
General Fund	-	-	-
Total Other Financing Sources	-	-	-
Appropriated Fund Balance	-	-	-
Net Change in Fund Balance	$ -	(1,920)	$ (1,920)
Fund Balance - Beginning of Year		3,228	
Fund Balance - End of Year		$ 1,308	

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, 2015

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sales and Services			
Cemetery Fees	$ -	$ 2,476	$ 2,476
Expenditures			
Cemetery			
Other Operating Expenditures		1,079	
Total Cemetery	12,016	1,079	10,937
Excess (Deficiency) of Revenues Over Expenditures	(12,016)	1,397	13,413
Other Financing Sources			
Transfers in:			
General Fund	-	-	-
Total Other Financing Sources	-	-	-
Appropriated Fund Balance	12,016	-	(12,016)
Net Change in Fund Balance	$ -	1,397	$ 1,397
Fund Balance - Beginning of Year		11,842	
Fund Balance - End of Year		$ 13,239	

Major Governmental Funds

Capital Project Funds

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TOWN OF PINEBLUFF, NORTH CAROLINA
Public Safety Capital Project Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2015

	Project Authorization	Actual Prior Year	Actual Current Year	Actual Totals to Date	Variance Positive (Negative)
Revenues					
Investment Earnings	$ -	$ -	$ 248	$ 248	$ 248
Total Revenues	-	-	248	248	248
Expenditures					
Administration					
Other Expenditures	67,500	13,347	5,665	19,012	48,488
Fire				-	
Capital Outlay	1,530,134	1,132,348	337,997	1,470,345	59,789
Street Department				-	
Other Expenditures	30,000	3,242	-	3,242	26,758
Debt Service				-	
Principal	-	-	345,610	345,610	(345,610)
Interest	40,000	-	30,837	30,837	9,163
Total Expenditures	1,667,634	1,148,937	720,109	1,869,046	(201,412)
Excess (Deficiency) of Revenues Over Expenditures	(1,667,634)	(1,148,937)	(719,861)	(1,868,798)	(201,164)
Other Financing Sources (Uses)					
Investment Loan Proceeds	1,545,610	1,545,610	-	1,545,610	-
Transfers in:					
General Fund	122,024	118,875	204,313	323,188	201,164
Total Other Financing Sources (Uses)	1,667,634	1,664,485	204,313	1,868,798	201,164
Net Change in Fund Balance	$ -	$ 515,548	(515,548)	$ -	$ -
Fund Balance - Beginning			515,548		
Fund Balance - Ending			$ -		

PINE BLUFF
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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, 2015

	Budget	Actual	Variance Positive (Negative)
Revenues			
Water Charges	$ 266,845	$ 277,887	$ 11,042
Sewer Charges	30,000	38,072	8,072
Investment Earnings	250	242	(8)
Miscellaneous	800	1,048	248
Total Revenues	297,895	317,249	19,354
Expenditures			
Water and Sewer Operations			
Salaries and Employee Benefits		96,479	
Repairs and Maintenance		17,850	
Other Expenditures		108,680	
Capital Outlay		24,248	
Debt Service			
Principal Retirement		22,624	
Interest Expense		4,552	
Total Water and Sewer Operations	329,933	274,433	55,500
Total Expenditures	329,933	274,433	55,500
Revenues Over (Under) Expenditures	(32,038)	42,816	74,854
Other Financing Sources (Uses)			
Transfers In:			
General Fund	-	-	-
Water Capital Reserve Fund	26,428	-	(26,428)
Transfer Out:			
Water Capital Reserve Fund	-	-	-
Total Other Financing Sources (Uses)	26,428	-	(26,428)
Appropriated Fund Balance	5,610	-	(5,610)
Revenues and Other Sources Over Expenditures and Other Uses	$ -	$ 42,816	$ 42,816

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, 2015

	Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and Other Sources Over Expenditures and Other Uses		$ 42,816	
Reconciling Items:			
Depreciation Expense		(60,936)	
Pension Expense		3,753	
Compensated Absences Payable		(122)	
Capital Outlay		24,248	
Principal Retirement		22,624	
Transfers In:			
Water Capital Reserve Fund		-	
Total Reconciling Items		(10,433)	
Change in Net Position		$ 32,383	

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, 2015

	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, 2015

Fiscal Year	Uncollected Balance 7-1-14	Additions and Adjustments	Collections and Credits	Uncollected Balance 6-30-15
2014-15	$ -	$ 379,114	$ 377,491	$ 1,623
2013-14	5,036	-	3,662	1,374
2012-13	899	-	529	370
2011-12	495	-	-	495
2010-11	352	-	-	352
2009-10	243	-	-	243
2008-09	359	-	-	359
2007-08	598	-	-	598
2006-07	552	-	-	552
2005-06	254	-	-	254
2004-05	899	-	899	-
	$ 9,687	$ 379,114	$ 382,581	6,220
Less: Allowance for Uncollectible Accounts:				
General Fund				-
Ad Valorem Taxes Receivable - Net				$ 6,220

Reconcilement with Revenues

Ad Valorem Taxes - General Fund	380,328
Reconciling Items:	
Interest and Penalties Collected	(9,684)
Taxes Released	11,038
Taxes Written Off	899
Total Collections and Credits	$ 382,581

TOWN OF PINEBLUFF, NORTH CAROLINA
Analysis of Current Tax Levy
Town-Wide Levy
June 30, 2015

	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	$ 102,499,295	0.37	$ 379,247	$ 334,961	$ 44,286
Penalties	-		26	26	-
	102,499,295		379,273	334,987	44,286
Discoveries:					
Current Year Taxes	-	0.37	-	-	-
Penalties	-		-	-	-
	-		-	-	-
Abatements:					
Property Taxes - Current Year's Rate	(43,073)	0.37	(159)	(159)	-
Total Property Valuations	$ 102,456,222				
Net Levy			379,114	334,828	44,286
Uncollected Taxes at June 30, 2015			1,623	1,623	-
Current Year's Taxes Collected			$ 377,491	$ 333,205	$ 44,286
Current Levy Collection Percentage			99.57%	99.52%	100.00%

PINE BLUFF
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COMPLIANCE SECTION

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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, and the aggregate remaining fund information of the Town of Pinebluff, North Carolina, as of and for the year ended June 30, 2015, 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 September 29, 2015.

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 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
September 29, 2015

TOWN OF PINEBLUFF, NORTH CAROLINA
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2015

SECTION I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodfied	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified that are not considered to be material weaknesses	____ Yes	X None
Noncompliance material to financial statements noted	____ Yes	X No

SECTION II. FINANCIAL STATEMENT FINDINGS

None Reported

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None Reported