TOWN OF PINEBLUFF, NORTH CAROLINA

Report of Audit

For the Fiscal Year Ended June 30, 2018

PINE BLUFF

NORTH CAROLINA

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 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pinebluff, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

W Greene, PLLC

Whiteville, North Carolina
August 2, 2018

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, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

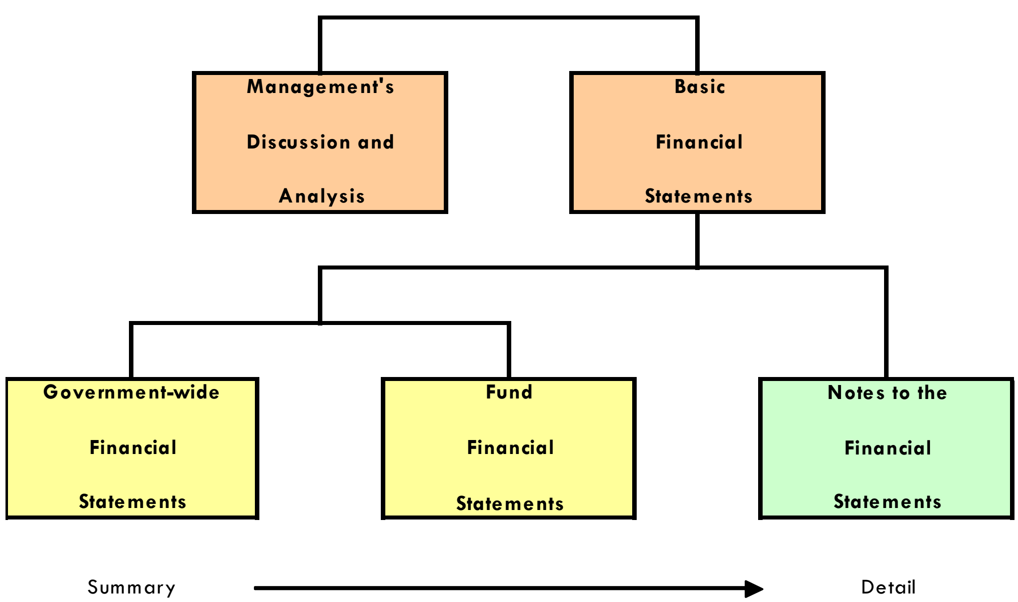
- The assets and deferred outflows of resources of the Town of Pinebluff exceeded its liabilities and deferred inflows at the close of the fiscal year by $4,180,323 (net position).
- The government's total net position increased by $144,413, primarily due to an increase in property tax revenue within the governmental activities, as well as an increase in the charges for services within the business-type activities.
- As of the close of the current fiscal year, the Town of Pinebluff's governmental funds reported combined ending fund balances of $2,053,800 with a net increase of $703,860 in fund balance. Approximately 11.02 percent of this total amount, or $226,375, is non-spendable or restricted**.**
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $1,805,161, or 142.57 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic

Financial Statements

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

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

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

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

Government-Wide Financial Analysis

Town of Pinebluff's Net Position

Figure 2

	Governmental Activities 2018	Governmental Activities 2017	Business-Type Activities 2018	Business-Type Activities 2017	Total 2018	Total 2017
Current and other assets	$ 2,058,216	$ 1,367,783	$ 770,084	$ 675,128	$ 2,828,300	$ 2,042,911
Capital assets	2,674,586	2,735,080	626,072	669,190	3,300,658	3,404,270
Deferred outflows of resources	59,029	88,375	16,179	21,725	75,208	110,100
Total assets and deferred outflows of resources	4,791,831	4,191,238	1,412,335	1,366,043	6,204,166	5,557,281
Long-term liabilities outstanding	1,823,819	1,326,480	22,661	42,326	1,846,480	1,368,806
Other liabilities	73,303	27,910	96,770	118,122	170,073	146,032
Deferred inflows of resources	5,898	5,592	1,392	941	7,290	6,533
Total liabilities and deferred inflows of resources	1,903,020	1,359,982	120,823	161,389	2,023,843	1,521,371
Net position:						
Net investment in capital assets	927,637	1,562,366	611,741	614,893	1,539,378	2,177,259
Restricted	226,375	266,521	-	-	226,375	266,521
Unrestricted	1,734,799	1,002,369	679,771	589,761	2,414,570	1,592,130
Total net position	$ 2,888,811	$ 2,831,256	$ 1,291,512	$ 1,204,654	$ 4,180,323	$ 4,035,910

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Pinebluff exceeded liabilities and deferred inflows by $4,180,323 as of June 30, 2018. The Town's net position increased by $144,413 for the fiscal year ended June 30, 2018. However, a large portion (36.82%) 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, $226,375, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $2,414,570 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.39%

The Town of Pinebluff's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	$ 40,631	$ 34,537	$ 452,005	$ 357,625	$ 492,636	$ 392,162
Operating grants and contributions	186,000	256,702	-	-	186,000	256,702
Capital grants and contributions	-	-	-	-	-	-
General Revenues						
Property taxes	430,074	407,292	-	-	430,074	407,292
Other taxes	696,881	706,239	-	-	696,881	706,239
Other	27,824	54,577	1,105	24,382	28,929	78,959
Total revenues	1,381,410	1,459,347	453,110	382,007	1,834,520	1,841,354
Expenses:						
Governing body	56,044	29,064	-	-	56,044	29,064
Administration	90,271	125,267	-	-	90,271	125,267
Police Department	309,993	309,405	-	-	309,993	309,405
Fire Department	342,470	315,982	-	-	342,470	315,982
Planning and Inspections	54,836	11,922	-	-	54,836	11,922
Street Department	169,904	196,939	-	-	169,904	196,939
Powell Bill Funds	111,948	19,256	-	-	111,948	19,256
Garbage Collection	99,248	97,120	-	-	99,248	97,120
Lakes, Parks, Cemetery	36,037	67,897	-	-	36,037	67,897
Library	9,127	8,059	-	-	9,127	8,059
Interest on long-term debt	43,977	46,480	-	-	43,977	46,480
Water and Sewer	-	-	366,252	294,284	366,252	294,284
Total expenses	1,323,855	1,227,391	366,252	294,284	1,690,107	1,521,675
Increase(Decrease) in net position before transfers	57,555	231,956	86,858	87,723	144,413	319,679
Transfers	-	-	-	-	-	-
Change in net position	57,555	231,956	86,858	87,723	144,413	319,679
Net position, July 1 (consolidated)	2,831,256	2,654,942	1,204,654	1,116,931	4,035,910	3,771,873
Restatement	-	(55,642)	-	-	-	(55,642)
Net Position, July 1 - Restated	2,831,256	2,599,300	1,204,654	1,116,931	4,035,910	3,716,231
Net position, June 30	$ 2,888,811	$ 2,831,256	$ 1,291,512	$ 1,204,654	$ 4,180,323	$ 4,035,910

Governmental activities. Governmental activities increased the Town's net position by $57,555, thereby accounting for 40% of the total increase in the net position of the Town of Pinebluff. Key element of this increase is as follows:

- Net increase in property taxes and various other taxes and permits.

Business-type activities. Business-type activities increased the Town of Pinebluff's net position by $86,858. Key elements of this increase are as follows:

- Water and sewer revenues increased during the year.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Pinebluff. At the end of the current fiscal year, Town of Pinebluff's fund balance available in the General fund was $1,909,796, while total fund balance reached $2,053,800. The Town currently has an available fund balance of 150.84% of general fund expenditures, while the total balance represents 162.21% of the same amount.

At June 30, 2018, the governmental funds of Town of Pinebluff reported a combined fund balance of $2,053,800 with a net increase in fund balance of $703,860.

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

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

Proprietary Funds. The Town of Pinebluff's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to $679,771. The total change in net position for the water and sewer fund was an increase of $86,858. The change in net position in the Water and Sewer Fund is a result of an increase in revenues compared to the prior fiscal year.

Capital Asset and Debt Administration

Capital assets. The Town of Pinebluff's investment in capital assets for its governmental and business–type activities as of June 30, 2018, totals $3,300,658 (net of accumulated depreciation). These assets include buildings, land, vehicles, infrastructure, and equipment.

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

- Vehicle acquisition of $62,136 in governmental activities

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 411,953	$ 411,953	$ 12,100	$ 12,100	$ 424,053	$ 424,053
Buildings	2,140,308	2,198,403	19,977	22,300	2,160,285	2,220,703
Vehicles	64,065	44,604	28,939	37,960	93,004	82,564
Plant and Distribution	-	-	509,965	533,952	509,965	533,952
Equipment	58,260	80,120	55,091	62,878	113,351	142,998
Total	$ 2,674,586	$ 2,735,080	$ 626,072	$ 669,190	$ 3,300,658	$ 3,404,270

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

Long-term Debt. As of June 30, 2018, the Town of Pinebluff had total debt outstanding of $1,934,114. Of this, $-0- is debt backed by the full faith and credit of the Town of Pinebluff.

The Town of Pinebluff's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Installment purchase debt	$ 1,746,949	$ 1,172,714	$ 14,331	$ 54,297	$ 1,761,280	$ 1,227,011
Compensated absences	9,854	7,730	2,354	3,328	12,208	11,058
Pension related debt (LGERS)	64,787	100,339	20,307	24,667	85,094	125,006
Pension related debt (LEO)	75,532	60,112	-	-	75,532	60,112
Total	$ 1,897,122	$ 1,340,895	$ 36,992	$ 82,292	$ 1,934,114	$ 1,423,187

Town of Pinebluff Outstanding Debt

The Town of Pinebluff's total debt increased by $510,927 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 $8,833,836. The Town of Pinebluff does not have any authorized but un-issued debt at June 30, 2018.

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

Budget Highlights for the Fiscal Year Ending June 30, 2019

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

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:

Earlene McLamb
Finance Officer
Town of Pinebluff
325 East Baltimore Ave.
Pinebluff, NC 28373

PINE BLUFF
NORTH
CAROLINA

Basic Financial Statements

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	$ 1,827,425	$ 758,799	$ 2,586,224
Receivables (net):			
Ad Valorem Taxes	4,312	-	4,312
Interest	104	-	104
Accounts	2,030	11,285	13,315
Due from Other Governments	141,974	-	141,974
Restricted Cash and Cash Equivalents	82,371	-	82,371
Total Current Assets	2,058,216	770,084	2,828,300
Noncurrent Assets:			
Capital Assets			
Land, Nondepreciable Improvements, and Construction in Progress	411,953	12,100	424,053
Other Capital Assets, Net of Depreciation	2,262,633	613,972	2,876,605
Total Noncurrent Assets	2,674,586	626,072	3,300,658
Total Assets	4,732,802	1,396,156	6,128,958
DEFERRED OUTFLOWS OF RESOURCES			
Pension Deferrals	59,029	16,179	75,208
Total Deferred Outflows of Resources	$ 59,029	$ 16,179	$ 75,208

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Net Position (Continued)
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	$ -	$ -	$ -
Customer Deposits	-	75,877	75,877
Prepaid Water Billings	-	6,562	6,562
Current Portion of Long-Term Liabilities	73,303	14,331	87,634
Total Current Liabilities	73,303	96,770	170,073
Long-Term Liabilities:			
Net Pension Liability	64,787	20,307	85,094
Total Pension Liability	75,532	-	75,532
Due in More Than One year	1,683,500	2,354	1,685,854
Total Liabilities	1,897,122	119,431	2,016,553
DEFERRED INFLOWS OF RESOURCES			
Pension Deferrals	5,898	1,392	7,290
Prepaid Taxes	-	-	-
Total Deferred Inflows of Resources	5,898	1,392	7,290
NET POSITION			
Net Investment in Capital Assets	927,637	611,741	1,539,378
Restricted for:			
Transportation	23,979	-	23,979
Stabilization by State Statute	144,004	-	144,004
Pursuant to Loan Requirements	58,392	-	58,392
Unrestricted	1,734,799	679,771	2,414,570
Total Net Position	$ 2,888,811	$ 1,291,512	$ 4,180,323

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, 2018

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
Governing Body	$ 56,044	$ -	$ -	$ -
Administration	90,271	-	-	-
Police Department	309,993	-	-	-
Fire Department	342,470	-	-	-
Planning and Inspections	54,836	38,673	-	-
Street Department	169,904	-	-	-
Powell Bill Funds	111,948	-	54,449	-
Sanitation	99,248	-	131,551	-
Lakes, Parks, and Cemetery	36,037	1,958	-	-
Library	9,127	-	-	-
Interest on long-term debt	43,977	-	-	-
Total Governmental Activities	1,323,855	40,631	186,000	-
Business-Type Activities:				
Water and Sewer	366,252	452,005	-	-
Total Business-Type Activities	366,252	452,005	-	-
Total Primary Government	$ 1,690,107	$ 492,636	$ 186,000	$ -

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Activities (Continued)
For the Year Ended June 30, 2018

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Functions/Programs	Governmental Activities	Business-Type Activities	Totals
Primary Government:			
Governmental Activities:			
Governing Body	$ (56,044)	$ -	$ (56,044)
Administration	(90,271)	-	(90,271)
Police Department	(309,993)	-	(309,993)
Fire Department	(342,470)	-	(342,470)
Planning and Inspections	(16,163)	-	(16,163)
Street Department	(169,904)	-	(169,904)
Powell Bill Funds	(57,499)	-	(57,499)
Sanitation	32,303	-	32,303
Lakes, Parks, and Cemetery	(34,079)	-	(34,079)
Library	(9,127)	-	(9,127)
Interest on long-term debt	(43,977)	-	(43,977)
Total Governmental Activities	(1,097,224)	-	(1,097,224)
Business-Type Activities:			
Water and Sewer	-	85,753	85,753
Total Business-Type Activities	-	85,753	85,753
Total Primary Government	(1,097,224)	85,753	(1,011,471)
General Revenues:			
Property Taxes, Levied for General Purpose	430,074	-	430,074
Other Taxes and Licenses	696,881	-	696,881
Investment Earnings	1,014	385	1,399
Miscellaneous	26,810	720	27,530
Transfers	-	-	-
Total General Revenues and Transfers	1,154,779	1,105	1,155,884
Change in Net Position	57,555	86,858	144,413
Net Position - Beginning	2,831,256	1,204,654	4,035,910
Net Position - End of Year	$ 2,888,811	$ 1,291,512	$ 4,180,323

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2018

	Major Fund General Fund	Total Governmental Funds
ASSETS		
Cash and Cash Equivalents	$ 1,827,425	$ 1,827,425
Restricted Cash	82,371	82,371
Receivables (net):		
Ad Valorem Taxes	4,312	4,312
Fire District Taxes	-	-
Sanitation	2,030	2,030
Due from Other Governments	141,974	141,974
Total Assets	2,058,112	2,058,112
LIABILITIES		
Accounts Payable and Accrued Liabilities	-	-
Total Liabilities	-	-
DEFERRED INFLOWS OF RESOURCES		
Property Taxes Receivable	4,312	4,312
Total Deferred Inflows of Resources	4,312	4,312
FUND BALANCES		
Restricted		
Stabilization by State Statute	144,004	144,004
Streets	23,979	23,979
Pursuant to Loan Requirements	58,392	58,392
Committed		
Future Capital Outlay	9,054	9,054
Veterans Memorial	2,844	2,844
Perpetual Care	10,366	10,366
Assigned		
Subsequent Year's Expenditures:	-	-
Public Safety	-	-
Unassigned	1,805,161	1,805,161
Total Fund Balances	2,053,800	2,053,800
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,058,112	$ 2,058,112

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

		Total Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total Governmental Fund Balance		$ 2,053,800
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical costs	$ 4,822,056	
Accumulated depreciation	(2,147,470)	2,674,586
Net Pension Asset	-	
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	27,723	27,723
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	104	104
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Ad valorem taxes	4,312	4,312
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Installment purchases	(1,746,949)	
Compensated absences	(9,854)	
Total pension liability	(75,532)	
Net pension liability	(64,787)	(1,897,122)
Pension related deferrals		25,408
Net position of governmental activities		$ 2,888,811

TOWN OF PINEBLUFF, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Major Fund	
	General Fund	Total Governmental Funds
Revenues		
Ad Valorem Taxes	$ 430,007	$ 430,007
Other Taxes and Licenses	491	491
Unrestricted Intergovernmental	696,390	696,390
Restricted Intergovernmental	186,000	186,000
Permits and Fees	38,673	38,673
Sales and Services	1,958	1,958
Investment Earnings	1,014	1,014
Miscellaneous	26,310	26,310
Total Revenues	1,380,843	1,380,843
Expenditures		
Current		
Governing Body	56,045	56,045
Administration	90,283	90,283
Police Department	265,468	265,468
Fire Department	311,940	311,940
Planning and Inspections	12,830	12,830
Street Department	170,682	170,682
Powell Bill Funds	95,229	95,229
Sanitation	99,248	99,248
Lakes, Parks, and Cemetery	34,753	34,753
Library	9,127	9,127
Debt Service		
Principal	14,415	14,415
Interest and Other charges	43,977	43,977
Capital Outlay		
Police Department	31,068	31,068
Fire Department	31,068	31,068
Total Expenditures	1,266,133	1,266,133
Excess (Deficiency) of Revenues Over Expenditures	114,710	114,710
Other Financing Sources (Uses)		
Transfers from Other Funds	7,355	7,355
Transfers to Other Funds	(7,355)	(7,355)
Installment Purchase Obligations Issued	588,650	588,650
Sale of Capital Assets	500	500
Total Other Financing Sources (Uses)	589,150	589,150
Net Change in Fund Balance	703,860	703,860
Fund Balance - Beginning of Year	1,349,940	1,349,940
Fund Balance - End of Year	$ 2,053,800	$ 2,053,800

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		$ 703,860
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	62,136	
Depreciation expense	(122,630)	(60,494)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		20,310
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Change in unavailable revenue for tax revenues	1,049	
Interest earned on ad valorem taxes	(982)	67
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	(588,650)	
Debt retirement	14,415	(574,235)
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	(29,829)	
Compensated absences	(2,124)	(31,953)
Total changes in net position of governmental activities		$ 57,555

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, 2018

	General Fund			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad Valorem Taxes	$ 410,207	$ 410,206	$ 430,007	$ 19,801
Other Taxes and Licenses	-	480	491	11
Unrestricted Intergovernmental	659,797	656,297	696,390	40,093
Restricted Intergovernmental	180,257	180,257	186,000	5,743
Permits and Fees	21,630	19,800	38,673	18,873
Investment Earnings	530	530	1,014	484
Miscellaneous	29,998	33,368	24,648	(8,720)
Total Revenues	1,302,419	1,300,938	1,377,223	76,285
Expenditures				
Governing Body	40,145	60,144	56,045	4,099
Administration	86,077	89,855	78,416	11,439
Police Department	321,895	327,891	296,536	31,355
Fire Department	911,666	919,666	343,008	576,658
Planning and Inspections	17,113	14,587	12,830	1,757
Street Department	229,899	229,899	170,682	59,217
Powell Bill Funds	117,841	117,841	95,229	22,612
Sanitation	99,551	99,551	99,248	303
Lakes, Parks, and Cemetery	42,222	42,034	26,524	15,510
Library	9,600	9,600	9,127	473
Debt Service	58,392	58,392	58,392	-
Contingency	20,508	-	-	-
Total Expenditures	1,954,909	1,969,460	1,246,037	723,423
Revenues Over (Under) Expenditures	(652,490)	(668,522)	131,186	799,708
Other Financing Sources (Uses)				
Transfers from Other Funds	-	-	1,906	1,906
Transfers to Other Funds	-	(5,449)	(5,449)	-
Sale of Capital Assets	-	-	500	500
Installment Purchase Obligations Issued	588,650	588,650	588,650	-
Total Other Financing Sources (Uses)	588,650	583,201	585,607	2,406
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(63,840)	(85,321)	716,793	802,114
Appropriated Fund Balance	63,840	85,321	-	(85,321)
Net Change in Fund Balance	$ -	$ -	716,793	$ 716,793
Fund Balance - Beginning of Year			1,314,743	
Fund Balance - End of Year			$ 2,031,536	

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, 2018

Fund Balance - End of Year	$ 2,031,536
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:	
Transfer from the General Fund	(1,906)
Fund Balance - Beginning	10,960
	9,054
A legally budgeted Veterans Memorial Fund is consolidated into the General Fund for reporting purposes:	
Miscellaneous Income	1,662
Administration Expenditures	(11,617)
Transfer from the General Fund	5,449
Fund Balance - Beginning	7,350
	2,844
A legally budgeted Cemetery Fund is consolidated into the General Fund for reporting purposes:	
Sales and Services	1,958
Cemetery Expenditures	(8,479)
Fund Balance - Beginning	16,887
	10,366
Fund Balance - End of Year (Consolidated)	$ 2,053,800

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, 2018

		Water and Sewer Fund
ASSETS		
Current Assets		
Cash and Investments	$	758,799
Accounts Receivable (net)		11,285
Due from Other Governments		-
Total Current Assets		770,084
Noncurrent Assets		
Capital Assets		
Land, Nondepreciable Improvements, and Construction in Progress		12,100
Other Capital Assets, Net of Depreciation		613,972
Total Noncurrent Assets		626,072
Total Assets		1,396,156
DEFERRED OUTFLOWS OF RESOURCES		
Pension Deferrals		9,813
Contributions to Pension Plan		6,366
Total Deferred Outflows of Resources	$	16,179

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, 2018

	Water and Sewer Fund
LIABILITIES	
Current Liabilities	
Accounts Payable and Accrued Liabilities	$ -
Customer Deposits	75,877
Unearned Revenue	6,562
Notes Payable	14,331
Total Current Liabilities	96,770
Noncurrent Liabilities	
Notes Payable	-
Compensated Absences Payable	2,354
Net Pension Liability	20,307
Total Noncurrent Liabilities	22,661
Total Liabilities	119,431
DEFERRED INFLOWS OF RESOURCES	
Pension Deferrals	1,392
Total Deferred Inflows of Resources	1,392
NET POSITION	
Net Investment in Capital Assets	611,741
Unrestricted	679,771
Total Net Position	$ 1,291,512

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, 2018

	Water and Sewer Fund
Operating Revenues	
Water Charges	$ 404,469
Sewer Charges	47,536
Total Operating Revenues	452,005
Operating Expenses	
Water and Sewer Operations	321,259
Depreciation	43,118
Total Operating Expenses	364,377
Operating Income (Loss)	87,628
Nonoperating Revenues (Expenses)	
Investment Earnings	385
Miscellaneous Income	720
Interest Expense	(1,875)
Total Nonoperating Revenues (Expenses)	(770)
Total Income (Loss) Before Transfers	86,858
Transfers from Other Funds	-
Change in Net Position	86,858
Total Net Position - Beginning of Year	1,204,654
Total Net Position - End of Year	$ 1,291,512

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, 2018

		Water and Sewer Fund
Cash Flows from Operating Activities		
Cash Received from Customers and Users	$	451,368
Cash Paid for Goods and Services		(209,137)
Cash Paid to Employees for Services		(114,790)
Customer Deposits Received		7,215
Customer Deposits Returned		(2,090)
Other Revenues		720
Net Cash Provided(Used) by Operating Activities		133,286
Cash Flows from Noncapital Financing Activities		
Transfers in		-
Net Cash Provided(Used) by Noncapital Financing Activities		-
Cash Flows from Capital and Related Financing Activities		
Acquisition of Capital Assets		-
Installment Obligation Issued		-
Interest Paid on Bond Maturities and Equipment Contracts		(1,875)
Principal Paid on Bond Maturities and Equipment Contracts		(39,966)
Net Cash Provided(Used) by Capital and Related Financing Activities		(41,841)
Cash Flows from Investing Activities		
Interest on Investments		385
Net Increase(Decrease) in Cash and Cash Equivalents		91,830
Cash and Cash Equivalents - Beginning of Year		666,969
Cash and Cash Equivalents - End of Year	$	758,799

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

	Water and Sewer Fund
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income	$ 87,628
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities	
Depreciation	43,118
Miscellaneous Income (Expense)	720
Changes in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable	(3,126)
(Increase) Decrease in Due From Other Governments	-
(Increase) Decrease in Deferred Outflows of Resources - Pensions	5,546
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,901)
Increase (Decrease) in Unearned Revenue	1,059
Increase (Decrease) in Customer Deposits	5,125
Increase (Decrease) in Net Pension Liability	(4,360)
Increase (Decrease) in Deferred Inflows of Resources - Pensions	451
Increase (Decrease) in Compensated Absences Payable	(974)
Total Adjustments	45,658
Net Cash Provided(Used) by Operating Activities	$ 133,286

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation – Fund Accounting (Continued)

The Town reports the following major governmental fund:

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

The Town reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT – Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT – Term Portfolio's securities are valued at fair value.

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

2. Cash and Cash Equivalents

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S.136-41.1 through 136-41.4. Money pursuant to loan requirements are classified as restricted because of the requirements set forth by the USDA in the loan contract.

Town of Pinebluff Restricted Cash		
Governmental Activities		
General Fund		
Streets	$	23,979
Pursuant to Loan Requirements		58,392
Total Governmental Activities		82,371
Total Restricted Cash	$	82,371

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2017. As allowed by State Law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventory

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Capital Assets

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

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

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

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, contributions made to the pension plan in the 2018 fiscal year and pension deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meets the criterion for this category – property taxes receivable and pension deferrals.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Long-Term Obligations

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

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

10. Compensated Absences

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Restricted for Stabilization by State statute – 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.

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

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. Net Assets/Fund Balances (Continued)

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

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

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

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

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

12. Defined Benefit Cost-Sharing Plans

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

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2018, the Town's deposits had a carrying amount of $2,668,595 and a bank balance of $2,713,784. 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, 2018 are net of the following allowances for doubtful accounts:

Fund		06/30/2018
General Fund:		
Taxes receivable	$	400
Total General Fund		400
Enterprise Fund:		
Utilities receivable		4,800
Total Enterprise Fund		4,800
Total	$	5,200

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, 2018, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 411,953	$ -	$ -	$ 411,953
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	411,953	-	-	411,953
Capital assets being depreciated:				
Buildings and Improvements	2,645,431	-	-	2,645,431
Equipment	371,105	-	-	371,105
Vehicles	1,331,431	62,136	-	1,393,567
Infrastructure	-	-	-	-
Total capital assets being depreciated	4,347,967	62,136	-	4,410,103
Less accumulated depreciation for:				
Buildings and Improvements	447,028	58,095	-	505,123
Equipment and Vehicles	1,577,812	64,535	-	1,642,347
Infrastructure	-	-	-	-
Total accumulated depreciation	2,024,840	122,630	-	2,147,470
Total capital assets being depreciated, net	2,323,127			2,262,633
Governmental activity capital assets, net	$ 2,735,080			$ 2,674,586

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

General Government	$ 42,018
Police Department	32,079
Fire Department	30,530
Lakes, Parks and Cemetery	1,284
Powell Bill	16,719
Total	$ 122,630

II. DETAIL NOTES ON ALL FUNDS (Continued)

A. Assets (Continued)

3. Capital Assets (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	$ 12,100	$ -	$ -	$ 12,100
Total capital assets not being depreciated	12,100	-	-	12,100
Capital assets being depreciated:				
Buildings	92,954	-	-	92,954
Equipment	292,659	-	-	292,659
Vehicles	63,141	-	-	63,141
Plant and distribution systems	1,199,352	-	-	1,199,352
Total capital assets being depreciated	1,648,106	-	-	1,648,106
Less accumulated depreciation for:				
Buildings	70,654	2,323	-	72,977
Equipment and Vehicles	254,962	16,808	-	271,770
Plant and distribution systems	665,400	23,987	-	689,387
Total accumulated depreciation	991,016	43,118	-	1,034,134
Total capital assets being depreciated, net	657,090			613,972
Water and Sewer fund capital assets, net	$ 669,190			$ 626,072

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Pinebluff employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Town of Pinebluff's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.50% 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 $26,676 for the year ended June 30, 2018.

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, 2018, the Town reported a liability of $85,094 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2017, the Town's proportion was 0.00557%, which was a decrease of 0.00032% from its proportion measured as of June 30, 2016.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

For the year ended June 30, 2018, the Town recognized pension expense of $29,613. At June 30, 2018, 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	$ 4,902	$ 2,409
Changes of assumptions	12,153	-
Net difference between projected and actual earnings on pension plan investments	20,661	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	3,403	3,423
Town contributions subsequent to the measurement date	26,676	-
Total	$ 67,795	$ 5,832

$26,676 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. 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:	
2019	$ 5,452
2020	24,611
2021	12,358
2022	(7,134)
2023	-
Thereafter	-
	$ 35,287

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment Rate of Return	7.20 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, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies’ return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2017 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

a. Local Governmental Employees' Retirement System (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.20 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 (6.20 percent) or one percentage point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Town's proportionate share of the net pension liability (asset)	$ 255,455	$ 85,094	$ (57,103)

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

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

All full time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2016 the Separation Allowance's membership consisted of:

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

2. Summary of Significant Accounting Policies:

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

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount Rate	3.16 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

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

4. Contributions

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

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Contributions (Continued)

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

At June 30, 2018, the Town reported a total pension liability of $75,532. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the Town recognized pension expense of $7,702.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,462	$ -
Changes of assumptions	4,951	1,458
Town benefit payments and plan administrative expense subsequent to the measurement date	-	-
Total	$ 7,413	$ 1,458

$-0- reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2019	$ 949
2020	949
2021	949
2022	949
2023	1,016
Thereafter	1,143
	$ 5,955

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

b. Law Enforcement Officers Special Separation Allowance (Continued)

4. Contributions (Continued)

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

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 3.16 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.16%) or 1-percentage-point higher (4.16%) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total Pension Liability	$ 84,394	$ 75,532	$ 67,463

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

	2018
Beginning balance	$ 60,112
Service Cost	4,433
Interest on the total pension liability	2,320
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	2,878
Changes of assumptions or other inputs	5,789
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	$ 75,532

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	$ 29,613	$ 7,702	$ 37,315
Pension Liability	85,094	75,532	160,626
Proportionate share of the net pension liability	0.00557%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	4,902	2,462	7,364
Changes of assumptions	12,153	4,951	17,104
Net difference between projected and actual earnings on plan investments	20,661	-	20,661
Changes in proportion and differences between contributions and proportionate share of contributions	3,403	-	3,403
Benefit payments and administrative costs paid subsequent to the measurement date	26,676	-	26,676
Deferred Inflows of Resources			
Differences between expected and actual experience	2,409	-	2,409
Changes of assumptions	-	1,458	1,458
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,423	-	3,423

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

1. Pension Plan Obligations (Continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were $6,327 which consisted of $6,327 from the Town and $-0- from the law enforcement officers. No amounts were forfeited.

The Town has also elected for all employees not engaged in law enforcement to be covered under the Supplemental Retirement Income Plan. The Town contributes three percent of the employee's monthly compensation to the plan, and the employees may make voluntary contributions. Total contributions for the year ended June 30, 2018 were $7,944, which consisted of $4,689 from the Town and $3,255 from the employees.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

2. Other Employment Benefit

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed $50,000 or be less than $25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

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

Contributions to pension plan in current fiscal year	$	26,676
Benefit payments made and administrative expenses for LEOSSA		-
Differences between expected and actual experience		7,364
Changes of assumptions		17,104
Net difference between projected and actual		20,661
Changes in proportion and differences between employer contributions and proportionate share of contributions		3,403
Charge on refunding		-
Total	$	75,208

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

3. Deferred Outflows and Inflows of Resources (Continued)

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	$ -	$ -
Taxes Receivable (General Fund)	-	4,312
Changes in assumptions	1,458	-
Difference between expected and actual experience	2,409	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,423	-
Total	$ 7,290	$ 4,312

4. Risk Management

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

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

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

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

5. Claims, Judgements and Contingent Liabilites

At June 30, 2018, the Town did not have any litigation pending.

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations

a. Installment Purchases

The Town entered into a $1,200,000 installment contract with USDA for the financing of a police and public safety building. The financing contract requires payments beginning 2016 with an interest rate of 3.75%. Maturity is March 2055. The outstanding principal balance at June 30, 2018 was $1,158,299.

The Town 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%. The debt was paid off during the current year.

The Town has entered into a $42,000 installment contract to purchase a F350 work vehicle. The financing contract requires payments beginning July 2016 with an interest rate of 3.00%. The outstanding principal balance at June 30, 2018 was $14,331.

The Town has entered into a $555,000 installment contract to purchase a water pumper truck. The financing contract requires payments beginning March 2019 with an interest rate of 3.40%. The outstanding principal balance at June 30, 2018 was $555,000.

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

	Governmental Activities		Business Type Activities	
Year Ending June 30	Principal	Interest	Principal	Interest
2019	73,303	63,493	14,331	231
2020	75,799	60,997	-	-
2021	78,354	58,442	-	-
2022	69,202	55,747	-	-
2023	71,639	53,310	-	-
2024-2028	397,848	226,895	-	-
2029-2033	116,473	175,487	-	-
2034-2038	140,013	151,947	-	-
2039-2043	168,309	123,651	-	-
2044-2048	202,324	89,636	-	-
2049-2053	243,213	48,747	-	-
2054-2055	110,472	6,251	-	-
Total	$ 1,746,949	$ 1,114,603	$ 14,331	$ 231

II. DETAIL NOTES ON ALL FUNDS (Continued)

B. Liabilities (Continued)

6. Long-Term Obligations (Continued)

b. Changes in Long-Term Liabilities

Governmental activities:	Balance 07/01/17	Increases	Decrease	Balance 06/30/18	Current Portion of Balance
Installment purchases	$ 1,172,714	$ 588,650	$ 14,415	$ 1,746,949	$ 73,303
Net pension liability (LGERS)	100,339	-	35,552	64,787	-
Total pension liability (LEO)	60,112	15,420	-	75,532	
Compensated absences	7,730	2,124	-	9,854	-
Governmental activity long-term liabilities	$ 1,340,895	$ 606,194	$ 49,967	$ 1,897,122	$ 73,303

Business-type activities:					
Installment purchases	$ 54,297	$ -	$ 39,966	$ 14,331	$ 14,331
Net Pension Liability (LGERS)	24,667	-	4,360	20,307	-
Compensated absences	3,328	-	974	2,354	-
Business-type activity long-term liabilities	$ 82,292	$ -	$ 45,300	$ 36,992	$ 14,331

Compensated absences typically have been liquidated in the General Fund.

C. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	$ 2,674,586	$ 626,072
less: long-term debt	1,746,949	14,331
Add: unexpended debt proceeds	-	-
Net Investment in Capital Assets	$ 927,637	$ 611,741

D. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2018, consist of the following:

From the Capital Reserve Fund to the General Fund	$ 1,906
From the General Fund to the Veterans Memorial Fund	5,449
Total	$ 7,355

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	$ 2,053,800
Less:	
Stabilization by State Statute	144,004
Streets	23,979
Pursuant to Loan Requirements	58,392
Future Capital Outlay	9,054
Veterans Memorial	2,844
Perpetual Care	10,366
Appropriated Fund Balance in 2018-2019 budget	-
Remaining Fund Balance	1,805,161

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

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

III. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

IV. SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 2, 2018, which is the date the financial statements were available to be issued.

Required Supplementary

Financial Data

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

Local Government Employees' Retirement System

	2018	2017	2016	2015	2014
Pinebluff's proportion of the net pension liability (asset) (%)	0.00557%	0.00589%	0.00490%	0.00495%	0.00460%
Pinebluff's proportion of the net pension liability (asset) ($)	$ 85,094	$ 125,006	$ 21,991	$ (29,192)	$ 55,448
Pinebluff's covered-employee payroll	$ 322,706	$ 315,416	$ 271,015	$ 285,785	$ 278,807
Pinebluff's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	26.37%	39.63%	8.11%	(10.21%)	19.89%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Town of Pinebluff's Contributions
Required Supplementary Information
Last Five Fiscal Years

Local Government Employees' Retirement System

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Schedule of Changes in Total Pension Liability
June 30, 2018

Law Enforcement Officers' Special Separation Allowance

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

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

TOWN OF PINEBLUFF, NORTH CAROLINA
Schedule of Total Pension Liability as a Percentage of Covered Payroll
June 30, 2018

Law Enforcement Officers' Special Separation Allowance

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

Notes to the schedules:

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

PINE BLUFF
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CAROLINA

Major Governmental Funds

General Fund

TOWN OF PINEBLUFF, NORTH CAROLINA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad Valorem Taxes			
Taxes		$ 429,091	
Penalties and Interest		916	
Total Ad Valorem Taxes	$ 410,206	430,007	$ 19,801
Other Taxes and Licenses			
Privilege Licenses		491	
Total Other Taxes and Licenses	480	491	11
Unrestricted Intergovernmental			
Local Option Sales Tax		361,691	
Utility Sales Tax		62,891	
Telecommunications Tax		6,492	
Video Franchise Tax		16,258	
Fire District Tax		242,719	
Beer and Wine Tax		6,339	
Total Unrestricted Intergovernmental	656,297	696,390	40,093
Restricted Intergovernmental			
Powell Bill Allocation		54,449	
Federal Grants		-	
State Grants		-	
EMS Stipend		-	
Landfill		130,566	
Solid Waste Disposal Tax		985	
Total Restricted Intergovernmental	180,257	186,000	5,743
Permits and Fees			
Inspection Fees		35,608	
Zoning Permits		3,065	
Total Permits and Fees	19,800	38,673	18,873
Investment Earnings			
General		990	
Powell Bill		24	
Total Investment Earnings	530	1,014	484
Miscellaneous			
Other		24,648	
Total Miscellaneous	33,368	24,648	(8,720)
Total Revenues	1,300,938	1,377,223	76,285

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Governing Body			
Other Expenditures		56,045	
Total Governing Body	60,144	56,045	4,099
Administration			
Salaries and Employee Benefits		57,224	
Other Expenditures		21,192	
Total Administration	89,855	78,416	11,439
Police Department			
Salaries and Employee Benefits		218,641	
Other Expenditures		46,827	
Capital Outlay		31,068	
Total Police	327,891	296,536	31,355
Fire Department			
Salaries and Employee Benefits		252,594	
Other Expenditures		59,346	
Capital Outlay		31,068	
Total Fire Department	919,666	343,008	576,658
Planning and Inspections			
Salaries and Employee Benefits		9,511	
Other Expenditures		3,319	
Total Planning and Zoning	14,587	12,830	1,757
Street Department			
Salaries and Employee Benefits		103,449	
Other Expenditures		67,233	
Total Street Department	229,899	170,682	59,217
Powell Bill Funds			
Other Expenditures		95,229	
Total Powell Bill Funds	117,841	95,229	22,612
Sanitation			
Other Expenditures		99,248	
Total Sanitation	99,551	99,248	303

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Lakes, Parks, and Cemetery			
Salaries and Employee Benefits		13,288	
Other Expenditures		13,236	
Total Lakes, Parks, and Cemetery	42,034	26,524	15,510
Library			
Other Expenditures		9,127	
Total Library	9,600	9,127	473
Debt Service			
Principal Retirement		14,415	
Interest and Other Charges		43,977	
Total Debt Service	58,392	58,392	-
Total Expenditures	1,969,460	1,246,037	723,423
Excess (Deficiency) of Revenues Over (Under) Expenditures	(668,522)	131,186	799,708
Other Financing Sources (Uses)			
Transfers In:			
Capital Reserve Fund	-	1,906	1,906
Veterans Memorial Fund	-	-	-
Transfers Out:			
Capital Reserve Fund	-	-	-
Veterans Memorial Fund	(5,449)	(5,449)	-
Public Safety Capital Projects Fund	-	-	-
Sale of Capital Assets	-	500	500
Installment Purchase Obligations Issued	588,650	588,650	-
Total Other Financing Sources (Uses)	583,201	585,607	2,406
Fund Balance Appropriated	85,321	-	(85,321)
Net Change in Fund Balance	$ -	716,793	$ 716,793
Fund Balance - Beginning of Year		1,314,743	
Fund Balance - End of Year		$ 2,031,536	

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous			
Other		$ -	$ -
Other Financing Sources (Uses)			
Transfers in:			
General Fund	10,960	-	(10,960)
Transfers out:			
General Fund	(10,960)	(1,906)	9,054
Total Other Financing Sources (Uses)	-	(1,906)	(1,906)
Appropriated Fund Balance	-	-	-
Net Change in Fund Balance	$ -	(1,906)	$ (1,906)
Fund Balance - Beginning of Year		10,960	
Fund Balance - End of Year		$ 9,054	

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous			
Other	$ -	$ 1,662	$ 1,662
Expenditures			
Administration			
Other Operating Expenditures		11,617	
Total Administration	11,736	11,617	119
Excess (Deficiency) of Revenues Over Expenditures	(11,736)	(9,955)	1,781
Other Financing Sources			
Transfers in:			
General Fund	5,449	5,449	-
Total Other Financing Sources	5,449	5,449	-
Appropriated Fund Balance	6,287	-	(6,287)
Net Change in Fund Balance	$ -	(4,506)	$ (4,506)
Fund Balance - Beginning of Year		7,350	
Fund Balance - End of Year		$ 2,844	

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sales and Services			
Cemetery Fees	$ -	$ 1,958	$ 1,958
Expenditures			
Cemetery			
Other Operating Expenditures		8,479	
Total Cemetery	15,764	8,479	7,285
Excess (Deficiency) of Revenues Over Expenditures	(15,764)	(6,521)	9,243
Other Financing Sources			
Transfers in:			
General Fund	-	-	-
Total Other Financing Sources	-	-	-
Appropriated Fund Balance	15,764	-	(15,764)
Net Change in Fund Balance	$ -	(6,521)	$ (6,521)
Fund Balance - Beginning of Year		16,887	
Fund Balance - End of Year		$ 10,366	

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, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Water Charges	$ 377,900	$ 404,469	$ 26,569
Sewer Charges	49,500	47,536	(1,964)
Investment Earnings	250	385	135
Miscellaneous	800	720	(80)
Total Revenues	428,450	453,110	24,660
Expenditures			
Water and Sewer Operations			
Salaries and Employee Benefits		113,360	
Repairs and Maintenance		23,497	
Other Expenditures		183,739	
Capital Outlay		-	
Debt Service			
Principal Retirement		39,966	
Interest Expense		1,875	
Total Water and Sewer Operations	428,450	362,437	66,013
Total Expenditures	428,450	362,437	66,013
Revenues Over (Under) Expenditures	-	90,673	90,673
Other Financing Sources (Uses)			
Installment Purchase Obligation Issued	-	-	-
Transfers In:			
General Fund	-	-	-
Water Capital Reserve Fund	-	-	-
Transfer Out:			
Water Capital Reserve Fund	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Appropriated Fund Balance	-	-	-
Revenues and Other Sources Over Expenditures and Other Uses	$ -	$ 90,673	$ 90,673

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, 2018

	Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and Other Sources Over Expenditures and Other Uses		$ 90,673	
Reconciling Items:			
Depreciation Expense		(43,118)	
Pension Expense		(1,637)	
Compensated Absences Payable		974	
Capital Outlay		-	
Principal Retirement		39,966	
Installment Loan Proceeds			
Transfers In:		-	
Water Capital Reserve Fund		-	
Total Reconciling Items		(3,815)	
Change in Net Position		$ 86,858	

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, 2018

	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, 2018

Fiscal Year	Uncollected Balance 7-1-17	Additions and Adjustments	Collections and Credits	Uncollected Balance 6-30-18
2017-18	$ -	$ 430,738	$ 428,089	$ 2,649
2016-17	1,212	-	764	448
2015-16	301	-	238	63
2014-15	52	-	-	52
2013-14	52	-	-	52
2012-13	297	-	-	297
2011-12	380	-	-	380
2010-11	199	-	-	199
2009-10	213	-	-	213
2008-09	359	-	-	359
2007-08	598	-	598	-
	$ 3,663	$ 430,738	$ 429,689	4,712

Less: Allowance for Uncollectible Accounts:	
General Fund	400
Ad Valorem Taxes Receivable - Net	$ 4,312

Reconcilement with Revenues

Ad Valorem Taxes - General Fund	430,007
Reconciling Items:	
Interest and Penalties Collected	(916)
Taxes Released	-
Taxes Written Off	598
Total Collections and Credits	$ 429,689

TOWN OF PINEBLUFF, NORTH CAROLINA
Analysis of Current Tax Levy
Town-Wide Levy
June 30, 2018

	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	$ 110,422,950	0.39	$ 430,650	$ 371,944	$ 58,706
Penalties	-		88	88	-
	110,422,950		430,738	372,032	58,706
Discoveries:					
Current Year Taxes	-	0.39	-	-	-
Penalties	-		-	-	-
	-		-	-	-
Abatements:					
Property Taxes - Current Year's Rate	-	0.39	$ -	-	-
Total Property Valuations	$ 110,422,950				
Net Levy			430,738	372,032	58,706
Uncollected Taxes at June 30, 2018			2,649	2,649	-
Current Year's Taxes Collected			$ 428,089	$ 369,383	$ 58,706
Current Levy Collection Percentage			99.39%	99.29%	100.00%

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