



Town of Williamston

Financial Statements

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

This Page Intentionally Left Blank

<u>Exhibit</u>		<u>Page</u>
	Financial Section:	
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4.1-4.10
	Town Council and Key Staff	5
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position	6
2	Statement of Activities	7-8
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds	9
4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	10
5	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	11
6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	12
7	Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	13
8	Statement of Fund Net Position - Proprietary Funds	14
9	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	15
10	Statement of Cash Flows - Proprietary Funds	16-17
11	Statement of Fiduciary Net Position - Fiduciary Funds	18
12	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	19
	Notes to the Financial Statements	20.1-20.48



	<u>Page</u>
Required Supplementary Financial Data:	
Other Postemployment Benefits - Schedule of investment Returns	21
Other Postemployment Benefits - Schedule of Employer Contributions	22
Other Postemployment Benefits - Schedule of Changes in the Net OPEB Liability and Related Ratios	23
Other Postemployment Benefits - Schedule of the Net OPEB Liability	24
Schedule of the Proportionate Share of the Net Pension Liability (Asset) - Local Government Employees' Retirement System	25
Schedule of Town Contributions - Local Government Employees' Retirement System	26
Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance	27
Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance	28
Individual Fund Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	29-31
Schedule of Expenditures - Budget and Actual - General Fund	32-41
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception:	
Fire Department Capital Project	42
Police Department Capital Project	43
Combining Balance Sheet - Non-Major Governmental Funds	44
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds	45
Combining Balance Sheet - Non-Major Governmental Special Revenue Funds	46
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Special Revenue Funds	47
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception:	
Strategic Economic Development - Golden Leaf	48
Community Development Block Grant Project Fund - Downtown Redevelopment Grant	49
Combining Balance Sheet - Non-Major Governmental Capital Projects Funds	50

	<u>Page</u>
Individual Fund Schedules:	
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Capital Projects Funds	51
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - From Inception:	
Police and Fire Radio Project	52
Gaylord Perry Park PARTF Grant	53
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - Water and Sewer Fund	54-55
Schedule of Expenditures - Budget and Actual (Non-GAAP) - Water and Sewer Fund	56-58
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - Storm Water Fund	59
Other Schedules:	
Schedule of Ad Valorem Taxes Receivable	60
Analysis of Current Tax Levy - Town-Wide Levy	61
Compliance Section:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	62-63
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementational Act	64-65
Independent Auditors' Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; in Accordance with OMB Uniform Guidance; and the State Single Audit Implementational Act	66-67
Schedule of Findings and Questioned Costs	68-70
Corrective Action Plan	71
Summary Schedule of Prior Audit Findings	72
Schedule of Expenditures of Federal and State Awards	73-74
Notes to Schedule of Expenditures of Federal and State Awards	75-76

This Page Intentionally Left Blank



Carr, Riggs & Ingram, P.L.L.C.
2805 North Park Drive
Goldsboro, NC 27534

Mailing Address:
PO Box 10588
Goldsboro, NC 27532

919.751.8297
919.778.0575 (fax)
CRLcpa.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the Town Council
Town of Williamston, 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 Williamston, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Williamston, North Carolina'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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 Williamston, North Carolina, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, E, 14 to the financial statements, effective July 1, 2020, the entity adopted new accounting guidance promulgated in GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits' Schedule of Investment Returns, Schedule of Employer Contributions, Schedule of Changes in the net OPEB Liability and Related Ratios and Schedule of the Net OPEB Liability, 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 as listed in the table of contents 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 Town of Williamston, North Carolina's basic financial statements. The combining and individual non-major fund financial schedules, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial schedules, budgetary schedules, Schedule of Expenditures of Federal and State Awards and other schedules are the responsibility of management and were derived from and relate 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, the combining and individual non-major fund financial schedules, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022, on our consideration of the Town of Williamston, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Williamston, North Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Williamston's internal control over financial reporting and compliance.

Carr, Rigg & Ingram, P.L.L.C.

Goldsboro, North Carolina
March 25, 2022

This Page Intentionally Left Blank

Management's Discussion and Analysis

This Page Intentionally Left Blank

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

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

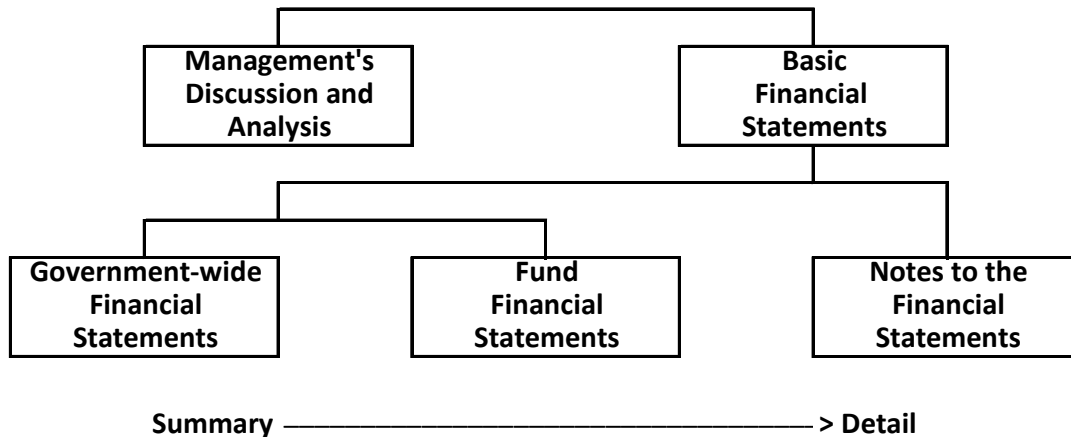
Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$23,322,663 (*net position*).
- The government's total net position decreased by \$114,582, primarily due to a decrease of \$159,369 in business-type activities net position and an increase of \$44,787 in governmental activities net position.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,172,620, a decrease of \$3,171,950. Approximately 27.90% of this total amount, or \$1,443,273, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,078,365, or 46.51% of total general fund expenditures for the fiscal year.
- The Town's total debt, excluding compensated absences, pensions, and OPEB, decreased by \$620,751 (4.65%) during the current fiscal year. Governmental activity debt increased \$74,221 while Storm Water debt decreased \$18,587. Water and Sewer debt decreased \$676,385. The key factors in this increase were the payments of principal on existing loans of \$937,651 and \$316,900 in loan proceeds from BB&T Governmental Finance for the purchase of a new ambulance for the EMS Department and a street sweeper for the Street Department.
- The Town also refinanced construction loans of \$4,032,250 for the new Police Department and Fire Station addition with 40 year loans from the United States Department of Agriculture with an interest rate of 2.25% per year.

Overview of the Financial Statements

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

Figure 1
Required Components of Annual Financial Report



Basic Financial Statements

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

The next statements (Exhibits 3 through 12) 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 four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary 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, **required supplemental information** provides information on the Town's proportionate share of the LGERS net pension liability, the total LEOSA pension liability and the net OPEB liability. Supplemental information is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the 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.

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

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 public safety, parks and recreation, and general administration. 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. These include the water and sewer and storm water services offered by the Town of Williamston.

The government-wide financial statements are Exhibits 1 and 2 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, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary 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* which 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.

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

The Town 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.

Proprietary Funds – Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water and sewer and storm water activities. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town has two fiduciary funds, an Other Post-Employment Benefits Trust Fund and a Private Purpose Trust Fund related to library maintenance.

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 begin on page 20.1 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's progress in funding its obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 21 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.

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

Government-Wide Financial Analysis

CONDENSED STATEMENT OF NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 6,824,772	\$ 10,154,637	\$ 8,363,144	\$ 8,244,303	\$ 15,187,916	\$ 18,398,940
Capital assets	12,692,457	9,145,290	14,949,377	15,892,599	27,641,834	25,037,889
Deferred outflows of resources	1,663,993	1,530,602	262,832	272,078	1,926,825	1,802,680
Total assets and deferred outflows of resources	21,181,222	20,830,529	23,575,353	24,408,980	44,756,575	45,239,509
Current liabilities	1,345,350	5,261,344	642,744	922,676	1,988,094	6,184,020
Long-term liabilities	10,050,058	6,221,490	8,062,163	8,527,656	18,112,221	14,749,146
Deferred inflows of resources	1,143,471	750,139	190,126	118,959	1,333,597	869,098
Total liabilities and deferred inflows of resources	12,538,879	12,232,973	8,895,033	9,569,291	21,433,912	21,802,264
Net position:						
Net investment in capital assets	7,838,508	7,936,133	7,400,860	7,649,110	15,239,368	15,585,243
Restricted	1,435,942	4,824,810	-	-	1,435,942	4,824,810
Unrestricted (deficit)	(632,107)	(4,163,387)	7,279,460	7,190,579	6,647,353	3,027,192
Total net position	\$ 8,642,343	\$ 8,597,556	\$ 14,680,320	\$ 14,839,689	\$ 23,322,663	\$ 23,437,245

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$23,322,663 as of June 30, 2021. The Town's net position decreased by \$114,582 for the fiscal year ended June 30, 2021. However, the largest portion \$15,239,368 (65.34%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Williamston uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in 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 Williamston's net position, \$1,435,942 (6.16%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,647,353 (28.50%) is unrestricted.

Several particular aspects of the Town's financial operations influenced its government-wide net position components:

- Continued diligence in the collection of property taxes by increasing aggressive collection procedures through the debt setoff program, garnishments and bank account attachments. The tax collection percentage increased by 4.74% to 95.14% from 90.40% in the previous year due to late payment of 2019 real estate taxes by Wal-Mart in the amount of \$103,362 in July 2020.
- Investment earnings decreased over the previous year due to decreases in short term interest rates.

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

- Property tax revenues increased due to an increase of \$0.10 in the property tax rate from \$0.79 to \$0.89 per \$100 of assessed property value. The tax rate increase was approved to cover debt service expenditures for the new Police and Fire Stations.

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
REVENUES:						
Program revenues:						
Charges for services	\$ 630,012	\$ 658,331	\$ 4,184,844	\$ 4,062,862	\$ 4,814,856	\$ 4,721,193
Operating grants & contributions	886,106	698,164	-	-	886,106	698,164
Capital grants & contributions	90,010	-	-	-	90,010	-
General revenues:						
Property taxes	3,413,453	2,988,587	-	-	3,413,453	2,988,587
Other taxes	130,000	120,401	-	-	130,000	120,401
Grants and contributions not restricted to specific programs	1,765,120	1,612,539	-	-	1,765,120	1,612,539
Unrestricted investment earnings	1,354	62,418	4,507	112,981	5,861	175,399
Miscellaneous	(71,157)	93,761	545	1,243	(70,612)	95,004
Total revenues	6,844,898	6,234,201	4,189,896	4,177,086	11,034,794	10,411,287
EXPENSES:						
Governmental activities:						
General government	643,823	519,689	-	-	643,823	519,689
Public safety	3,658,306	3,541,863	-	-	3,658,306	3,541,863
Transportation	810,031	786,910	-	-	810,031	786,910
Economic and physical development	195,094	192,914	-	-	195,094	192,914
Environmental protection	653,868	592,740	-	-	653,868	592,740
Cultural and recreational	721,268	773,388	-	-	721,268	773,388
Interest on long-term debt	117,721	60,713	-	-	117,721	60,713
Business-type activities:						
Water and sewer	-	-	4,262,234	4,334,193	4,262,234	4,334,193
Storm Water	-	-	87,031	87,352	87,031	87,352
Total expenses	6,800,111	6,468,217	4,349,265	4,421,545	11,149,376	10,889,762
Increase (decrease) in net position	44,787	(234,016)	(159,369)	(244,459)	(114,582)	(478,475)
NET POSITION, BEGINNING	8,597,556	8,831,572	14,839,689	15,084,148	23,437,245	23,915,720
NET POSITION, ENDING	<u>\$ 8,642,343</u>	<u>\$ 8,597,556</u>	<u>\$ 14,680,320</u>	<u>\$ 14,839,689</u>	<u>\$ 23,322,663</u>	<u>\$ 23,437,245</u>

Governmental activities: Governmental activities increased the Town's net position by \$44,787. The key elements of this decrease are as follows:

- Increase in the tax collection percentage.
- Increases in the liability for pensions and other post-employment benefits.

Business-type activities: Business-type activities decreased the Town's net position by (\$159,369). The key element of this increase is as follows:

- A slight decrease in operating revenues due to COVID-19 pandemic.

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

- Increase in operating expenses, depreciation expense and the liability for other post-employment benefits.

Financial Analysis of the Town's Funds

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

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

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town's unassigned fund balance in the General Fund was \$3,078,365, while total fund balance reached \$4,181,772. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 46.51% of total General Fund expenditures, while total fund balance represents 63.18% of that same amount.

At June 30, 2021, the governmental funds of the Town reported a combined fund balance of \$5,172,620, with a net decrease in fund balance of \$3,171,950. The decrease in fund balance was due to expenditure of restricted loan proceeds in the amount of \$3,664,500 for construction of a new Police Station and expansion of the Fire Department in the Police and Fire Department Capital Project Funds.

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 exceeded the budgeted amounts primarily due to the increase in ad-valorem taxes resulting from the \$0.10 increase in the property tax rate and an increase in sales tax revenue of \$155,620 (13.35%). Expenditures were held in check to allow the Town to comply with its budgetary requirements.

The Town received CARES Act grant funds of \$145,233 which were transferred to the Police and Fire Radio Project for future purchases of new radios for the Public Safety Departments. The Town also transferred \$16,645, \$40,000, \$666,998 and \$80,000 from the General Fund to the CDBG Downtown Redevelopment Fund, Fire Department, Police Department and Gaylord Perry Park Capital projects funds, respectively. The total interfund transfers for the current fiscal year were \$948,886.

Total expenditures in the General Fund for fiscal year 2021 were \$6,618,543 compared to \$5,876,310 for the previous year, an increase of \$742,233 (12.63%). Major increases in expenditures are listed below:

- General Government expenditures increased \$84,678 due to code enforcement expenditures in Planning Department and increases in salaries, benefits and capital outlay for the Town Garage.
- Public safety expenditures increased \$276,866 due to purchases of vehicles and a new ambulance
- Transportation expenditures increased \$254,548 due to purchase of a street sweeper for \$235,259

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

- Sanitation expenditures increased \$163,540 due to the purchase of an air burner for \$118,798 and increases in landfill fees

Proprietary Funds. The Town'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 \$7,121,617. The total decrease in net position for the fund was \$129,468. Unrestricted net position of the Storm Water Fund at the end of the fiscal year amounted to \$157,843. The total decrease in net position for the fund was \$29,901. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$27,641,384 (net of accumulated depreciation). These assets include buildings, infrastructure, land, machinery and equipment, park facilities, and vehicles.

SUMMARY OF CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 733,411	\$ 733,411	\$ 112,022	\$ 112,022	\$ 845,433	\$ 845,433
Buildings	784,941	814,232	72,860	80,767	857,801	894,999
Land improvements	652,941	758,246	-	-	652,941	758,246
Plant & distribution/ collection systems	-	-	12,639,727	13,479,027	12,639,727	13,479,027
Equipment & furniture	615,549	322,104	221,083	218,609	836,632	540,713
Vehicles & motorized equipment	1,143,164	1,199,055	68,115	100,058	1,211,279	1,299,113
Infrastructure	4,282,976	4,503,267	1,835,570	1,902,116	6,118,546	6,405,383
Construction in progress	4,479,475	814,975	-	-	4,479,475	814,975
TOTALS	\$ 12,692,457	\$ 9,145,290	\$ 14,949,377	\$ 15,892,599	\$ 27,641,834	\$ 25,037,889

Additional information on the Town's capital assets can be found in Note III.A.4 of the Basic Financial Statements. Major capital asset transactions during the year include the following additions and disposals:

- Current year construction in progress of \$3,664,500 in governmental activities for the new Fire and Police Department Capital Project Funds.
- Purchase of a vehicles and equipment of \$755,823 in the governmental activities and \$22,917 for the business-type activities.
- Loss on disposal and sale of old vehicles and equipment in the amount of \$199,725.

Long-Term Debt. As of June 30, 2021, the Town had debt outstanding of \$12,742,332. Of this, \$5,193,815 represents governmental activities installment purchase financing debt and \$7,548,517, represents business-type activities debt related to water sewer and storm water improvements.

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

TOWN OF WILLIAMSTON'S OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Installment purchase debt - fire truck	\$ 376,930	\$ 471,162	\$ -	\$ -	\$ 376,930	\$ 471,162
Installment purchase debt - Streets	120,000	240,000	-	-	120,000	240,000
Installment purchase debt - ambulance	28,446	56,893	-	-	28,446	56,893
Installment purchase debt - ambulance	88,500	-	-	-	88,500	-
Installment purchase debt - Street sweeper	228,400	-	-	-	228,400	-
Construction loan Fire Department	319,289	2,042,595	-	-	319,289	2,042,595
Installment purchase debt - USDA Fire Dept.	1,723,306	-	-	-	1,723,306	-
Installment purchase debt - USDA Police Dept.	2,308,944	2,308,944	-	-	2,308,944	2,308,944
Installment purchase debt - USDA Storm Water	-	-	903,136	921,723	903,136	921,723
NC Clean Water Revolving Loan	-	-	3,414,470	3,957,318	3,414,470	3,957,318
Drinking Water State Revolving Loan	-	-	813,186	875,739	813,186	875,739
Martin County District 1	-	-	537,665	558,675	537,665	558,675
Martin County District 2	-	-	1,880,060	1,930,034	1,880,060	1,930,034
TOTALS	\$ 5,193,815	\$ 5,119,594	\$ 7,548,517	\$ 8,243,489	\$ 12,742,332	\$ 13,363,083

The Town's total debt decreased by \$620,751 (4.65%) during the current year, primarily due to principal payments on existing loans of \$937,651. The Town received loan proceeds of \$316,900 from BB&T Governmental Finance for purchase of a new ambulance and street sweeper. The Town refinanced BB&T construction loans of \$4,032,250 for the Police and Fire Departments with 40 year loans at 2.25% interest per year from the United States Department of Agriculture.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Williamston is \$25,135,949.

Additional information regarding the Town's long-term debt can be found in Note III.B.7 of this report.

Town of Williamston, North Carolina
Management's Discussion and Analysis
June 30, 2021

Economic Factors and Next Year's Budgets and Rates

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

- Commercial growth although slow remains steady. We have had several new businesses build in town and expect more new builds in the coming year. We have four major renovations planned in our downtown business district which could breathe new life into the downtown redevelopment effort. Our available retail space has diminished throughout all business districts. We continue to promote more investment in our downtown.
- The local unemployment rate for Martin County is 5.5% compared to the North Carolina state average rate of 4.9%. The unemployment rate decreased by 1.8% for the previous year's unemployment rate of 7.3% which reflects improvement in both the local and state economy.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Property taxes and revenues from unrestricted intergovernmental revenues are again expected to remain steady. Sales tax revenues are anticipated to increase slightly from last year due to the State adjusting the distribution formula. The property tax will remain the same at \$0.89 per \$100 of assessed value.

Budgeted expenditures in the General Fund are \$6,365,104. This is an increase from last year of approximately \$53,692 primarily due to increases in health insurance premiums of 19% and state retirement contributions of 1.2%. This year, our debt service liability equates to 5.61% of the budget; up from 2.61% last year. Revenues as a result of vehicle license plate fees will help offset the debt associated with installment purchase debt acquired during the current year for street improvements in Annexation Area A.

Business-type Activities: Total budgeted expenditures for the Water and Sewer fund for the upcoming year are \$4,295,616. This is an increase of \$124,000 from the previous year due to the increase in water and sewer costs from the Martin County Rural Water and Sewer Authority. The Town increased water rates by \$0.25 per 1,000 gallons for fiscal year 2021. There is no increase in the water, sewer or storm water fees in the fiscal year 2022 budget ordinance. Barring no major changes water rates should be stabilizing as a result of the water purchase agreement with Martin County Regional Water and Sewer Authority. Both the water and sewer rates will continue to be reevaluated annually for adequacy and possible adjustment up or down.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Administrator, Town of Williamston, P.O. Box 506, Williamston, NC 27892. One can also call (252)792-5142, visit our website www.townofwilliamston.com or send an email to christinacraft@townofwilliamston.com for more information.

Town Council Members

Joyce Whichard-Brown, Mayor

Ronell Rodgers, Mayor Pro Tem

Al R. Chesson

Alton Moore

Jerry Knox

William Coffield

Administrative and Financial Staff

Eric Pearson, Town Administrator

Christina Craft, Finance Officer

Tiffany White, Tax Collector

Jeneane Everett, Accounting Services Supervisor

Martha B. Lilley, Human Resources Administrator

Jackie Escobar, Town Clerk

Watsi Sutton, Town Attorney

This Page Intentionally Left Blank

Basic Financial Statements

This Page Intentionally Left Blank

Town of Williamston, North Carolina
Statement of Net Position
June 30, 2021
Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 811,968	\$ 1,987,282	\$ 2,799,250
Investments	3,420,323	5,692,605	9,112,928
Taxes receivable (net)	671,267	-	671,267
Accrued interest receivable on taxes	202,629	-	202,629
Accounts receivable (net)	215,268	368,071	583,339
Due from other governments	624,576	-	624,576
Internal balances	(22,614)	22,614	-
Inventories	7,331	-	7,331
Restricted assets:			
Cash and investments	894,024	202,126	1,096,150
Total current assets	6,824,772	8,272,698	15,097,470
Non-Current assets:			
Advance to General Fund	-	90,446	90,446
Land, non-depreciable improvements, and construction in progress	5,212,886	112,022	5,324,908
Other capital assets, net of depreciation	7,479,571	14,837,355	22,316,926
Total capital assets	12,692,457	14,949,377	27,641,834
TOTAL ASSETS	19,517,229	23,312,521	42,829,750
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	1,087,093	153,681	1,240,774
OPEB deferrals	576,900	109,151	686,051
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,663,993	262,832	1,926,825
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	489,717	71,884	561,601
Miscellaneous liabilities	6,382	-	6,382
Current portion of long-term liabilities	849,251	408,060	1,257,311
Payable from restricted assets	-	162,800	162,800
Total current liabilities	1,345,350	642,744	1,988,094
Long-term liabilities:			
Net pension liability	1,698,564	281,114	1,979,678
Total pension liability	532,738	-	532,738
Net OPEB liability	3,099,481	586,428	3,685,909
Advance from Water and Sewer Fund	90,446	-	90,446
Due in more than one year	4,628,829	7,194,621	11,823,450
TOTAL LIABILITIES	11,395,408	8,704,907	20,100,315
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	12,038	-	12,038
Deposit - Sale of building	400	-	400
Pension deferrals	126,502	67	126,569
OPEB deferrals	1,004,531	190,059	1,194,590
Total deferred inflows of resources	1,143,471	190,126	1,333,597
NET POSITION			
Net investment in capital assets	7,838,508	7,400,860	15,239,368
Restricted for:			
Stabilization by state statute	632,729	-	632,729
Streets	404,325	-	404,325
Public safety	398,888	-	398,888
Unrestricted	(632,107)	7,279,460	6,647,353
TOTAL NET POSITION	\$ 8,642,343	\$ 14,680,320	\$ 23,322,663

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2021
Exhibit 2

	Program Revenues		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Expenses			
FUNCTIONS/PROGRAMS			
PRIMARY GOVERNMENT:			
GOVERNMENTAL ACTIVITIES:			
General government	\$ 643,823	\$ 4,040	\$ -
Public safety	3,658,306	505,536	718,803
Transportation	810,031	700	153,632
Economic and physical development	195,094	-	-
Environmental protection	653,868	111,687	3,994
Cultural and recreational	721,268	8,049	9,677
Interest on long-term debt	117,721	-	-
Total governmental activities	6,800,111	630,012	886,106
BUSINESS-TYPE ACTIVITIES:			
Water and sewer	4,262,234	4,127,714	-
Storm water	87,031	57,130	-
Total business-type activities	4,349,265	4,184,844	-
Total primary government	\$ 11,149,376	\$ 4,814,856	\$ 886,106

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2021
Exhibit 2

FUNCTIONS/PROGRAMS

PRIMARY GOVERNMENT:

GOVERNMENTAL ACTIVITIES:

General government	\$ (639,783)	\$ -	\$ (639,783)
Public safety	(2,433,967)	-	(2,433,967)
Transportation	(655,699)	-	(655,699)
Economic and physical development	(105,084)	-	(105,084)
Environmental protection	(538,187)	-	(538,187)
Cultural and recreational	(703,542)	-	(703,542)
Interest on long-term debt	(117,721)	-	(117,721)
Total governmental activities	(5,193,983)	-	(5,193,983)

BUSINESS-TYPE ACTIVITIES:

Water and sewer	-	(134,520)	(134,520)
Storm water	-	(29,901)	(29,901)
Total business-type activities	-	(164,421)	(164,421)
Total primary government	(5,193,983)	(164,421)	(5,358,404)

GENERAL REVENUES:

Taxes:			
Property taxes, levied for general purpose	3,413,453	-	3,413,453
Other taxes	130,000	-	130,000
Grants & contributions not restricted to specific programs	1,765,120	-	1,765,120
Unrestricted investment earnings	1,354	4,507	5,861
Miscellaneous	101,261	545	101,806
Loss on disposal of capital assets	(172,418)	-	(172,418)
Total general revenues and transfers	5,238,770	5,052	5,243,822

Change in net position	44,787	(159,369)	(114,582)
------------------------	--------	-----------	-----------

NET POSITION, BEGINNING

NET POSITION, ENDING

8,597,556	14,839,689	23,437,245
<u>\$ 8,642,343</u>	<u>\$ 14,680,320</u>	<u>\$ 23,322,663</u>

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Governmental Funds
Balance Sheet
June 30, 2021
Exhibit 3

	Major Funds			Non-Major Funds	
	Fire Department	Police Department		Other Governmental Funds	Total Governmental Funds
	General	Capital Project	Capital Project		
ASSETS					
Cash and cash equivalents	\$ 9,400	\$ 52,258	\$ 525,087	\$ 225,223	\$ 811,968
Investments	3,417,962	-	-	2,361	3,420,323
Restricted cash	166,143	339,866	-	-	506,009
Restricted investments	388,015	-	-	-	388,015
Taxes receivable, net	671,267	-	-	-	671,267
Accounts receivable, net	215,268	-	-	-	215,268
Due from other governments	624,576	-	-	-	624,576
Inventories	7,331	-	-	-	7,331
TOTAL ASSETS	\$ 5,499,962	\$ 392,124	\$ 525,087	\$ 227,584	\$ 6,644,757
LIABILITIES					
Accounts payable and accrued liabilities	\$ 307,928	\$ 23,547	\$ 130,400	\$ -	\$ 461,875
Miscellaneous liabilities	6,382	-	-	-	6,382
Advance from Water and Sewer Fund	113,060	-	-	-	113,060
Total liabilities	427,370	23,547	130,400	-	581,317
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	671,267	-	-	-	671,267
EMS receivables	207,115	-	-	-	207,115
Deposit - Sale of Building	400	-	-	-	400
Prepaid taxes	12,038	-	-	-	12,038
Total deferred inflows of resources	890,820	-	-	-	890,820
FUND BALANCES					
Non spendable:					
Inventories	7,331	-	-	-	7,331
Restricted:					
Stabilization by state statute	632,729	-	-	-	632,729
Streets	404,325	-	-	-	404,325
Public safety	59,022	339,866	-	-	398,888
Assigned:					
Economic and physical development	-			2,361	2,361
Unassigned	3,078,365	28,711	394,687	225,223	3,726,986
Total fund balances	4,181,772	368,577	394,687	227,584	5,172,620
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,499,962	\$ 392,124	\$ 525,087	\$ 227,584	\$ 6,644,757

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2021
Exhibit 4

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position follows:

Total fund balances of governmental funds	\$ 5,172,620
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 24,889,577
Less accumulated depreciation	<u>(12,197,120)</u>
Net capital assets	12,692,457
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred	202,629
Deferred outflows of resources related to pensions are not reported in the funds	1,087,093
Deferred outflows of resources related to OPEB are not reported in the funds	576,900
Liabilities for earned revenues considered deferred inflows of resources in fund statements.	
Property taxes receivable	671,267
EMS receivables	207,115
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and therefore are not reported in the fund statements:	
Accrued interest	(27,842)
Long-term debt	(5,193,815)
Net other postemployment benefits liability	(3,099,481)
Compensated absences	(284,265)
Net pension liability	(1,698,564)
Total pension liability	(532,738)
Deferred inflows of resources related to OPEB are not reported in the funds	(1,004,531)
Deferred inflows of resources related to pensions are not reported in the funds	<u>(126,502)</u>
Net position of governmental activities	<u><u>\$ 8,642,343</u></u>

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021
Exhibit 5

	Major Funds			Non-Major Funds	Total Governmental Funds
	General	Fire Department Capital Project	Police Department Capital Project	Other Governmental Funds	
REVENUES					
Ad valorem taxes	\$ 3,515,761	\$ -	\$ -	\$ -	\$ 3,515,761
Other taxes and licenses	130,000	-	-	-	130,000
Unrestricted intergovernmental	1,765,120	-	-	-	1,765,120
Restricted intergovernmental	905,407	-	-	90,010	995,417
Permits and fees	1,810	-	-	-	1,810
Sales and services	569,747	-	-	-	569,747
Investment earnings	1,126	123	105	-	1,354
Miscellaneous and project income	564	-	-	-	564
Total revenues	6,889,535	123	105	90,010	6,979,773
EXPENDITURES					
Current:					
General government	604,091	-	-	-	604,091
Public safety	3,485,766	1,485,231	2,185,170	-	7,156,167
Transportation	815,617	-	-	-	815,617
Economic and physical development	189,292	-	-	103,510	292,802
Environmental protection	735,718	-	-	-	735,718
Cultural and recreational	521,429	-	-	-	521,429
Debt service:					
Principal	242,679	-	-	-	242,679
Interest and other charges	23,951	44,324	63,465	-	131,740
Total expenditures	6,618,543	1,529,555	2,248,635	103,510	10,500,243
Revenues over (under) expenditures	270,992	(1,529,432)	(2,248,530)	(13,500)	(3,520,470)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	27,307	-	-	-	27,307
Insurance claims	7,184	-	-	-	7,184
Installment purchase proceeds	316,900	-	-	-	316,900
Transfers from other funds	-	40,000	666,998	241,868	948,866
Transfers to other funds	(948,866)	-	-	-	(948,866)
Total other financing sources (uses)	(597,475)	40,000	666,998	241,868	351,391
Revenues and other financing sources over (under) expenditures and other uses	(326,483)	(1,489,432)	(1,581,532)	228,368	(3,169,079)
FUND BALANCE, BEGINNING	4,511,126	1,858,009	1,976,219	(784)	8,344,570
Change in reserve for inventories	(2,871)	-	-	-	(2,871)
FUND BALANCES, ENDING	\$ 4,181,772	\$ 368,577	\$ 394,687	\$ 227,584	\$ 5,172,620

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021
Exhibit 6

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

Net changes in fund balances of governmental funds	\$ (3,169,079)
Change in fund balance due to change in reserve for inventories	(2,871)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	4,326,811
Book value of capital asset disposals	(199,725)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(673,431)
Contribution of capital assets - Library Trust Fund	7,281
Contribution of capital assets	86,232
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	330,392
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:	
Installment purchase proceeds	(316,900)
Principal payments on long-term debt	242,679
Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements:	
Change in unavailable revenue for tax revenues	(114,687)
Increase in accrued interest receivable on taxes	12,379
Change in unavailable revenue for EMS revenues	39,154
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund statements:	
Accrued interest	14,019
Pension expense - LGERS	(591,955)
Pension expense - LEOSSA	(49,146)
Compensated absences	(7,326)
Other postemployment benefits plan expense	110,960
Total changes in net position of governmental activities	<u>\$ 44,787</u>

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Fiscal Year Ended June 30, 2021
Exhibit 7

General Fund				
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 3,157,065	\$ 3,157,065	\$ 3,515,761	\$ 358,696
Other taxes and licenses	108,650	108,650	130,000	21,350
Unrestricted intergovernmental	1,660,000	1,660,000	1,765,120	105,120
Restricted intergovernmental	716,237	927,585	905,407	(22,178)
Permits and fees	2,550	2,550	1,810	(740)
Sales and services	658,900	658,900	569,747	(89,153)
Investment earnings	81,000	81,000	1,126	(79,874)
Miscellaneous income	1,100	1,100	564	(536)
Total revenues	6,385,502	6,596,850	6,889,535	292,685
EXPENDITURES				
Current:				
General government	547,538	672,421	604,091	68,330
Public safety	3,329,006	3,525,852	3,485,766	40,086
Transportation	847,434	873,233	815,617	57,616
Economic and physical development	167,924	227,924	189,292	38,632
Environmental protection	711,196	766,196	735,718	30,478
Cultural and recreational	706,066	706,066	521,429	184,637
Debt service:				
Principal	242,680	265,294	242,679	22,615
Interest and other charges	23,964	23,964	23,951	13
Total expenditures	6,575,808	7,060,950	6,618,543	442,407
Revenues over (under) expenditures	(190,306)	(464,100)	270,992	735,092
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance - Powell Bill	311,000	31,399	-	(31,399)
Appropriated fund balance - General Fund	-	1,064,602	-	(1,064,602)
Sale of capital assets	10,000	10,000	27,307	17,307
Insurance claims	5,000	5,000	7,184	2,184
Installment purchase proceeds	96,920	325,320	316,900	(8,420)
Loan repayments to Water and Sewer Fund	(22,614)	-	-	-
Transfers to other funds	(210,000)	(972,221)	(948,866)	23,355
Total other financing sources (uses)	190,306	464,100	(597,475)	(1,061,575)
Revenues and other financing sources over expenditures and other uses	\$ -	\$ -	(326,483)	\$ (326,483)
FUND BALANCE, BEGINNING			4,511,126	
Change in reserve for inventories			(2,871)	
FUND BALANCE, ENDING			<u>\$ 4,181,772</u>	

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Proprietary Funds
Statement of Fund Net Position
June 30, 2021
Exhibit 8

ASSETS

Current assets:

Cash and cash equivalents
Investments
Accounts receivable (net)
Advance to General Fund
Restricted assets:
Cash and cash equivalents
Total current assets

Enterprise Funds		
Major Fund Water and Sewer Fund	Major Fund Storm Water Fund	Total
\$ 1,867,084	\$ 120,198	\$ 1,987,282
5,692,605	-	5,692,605
360,176	7,895	368,071
22,614	-	22,614
162,800	39,326	202,126
8,105,279	167,419	8,272,698

Non-current assets:

Advance to General Fund

90,446	-	90,446
--------	---	--------

Capital assets:

Land and other non-depreciable assets
Other capital assets, net of depreciation
Capital assets (net)
TOTAL ASSETS

112,022	-	112,022
13,001,785	1,835,570	14,837,355
13,113,807	1,835,570	14,949,377
21,309,532	2,002,989	23,312,521

DEFERRED OUTFLOWS OF RESOURCES

Pension deferrals
OPEB deferrals
TOTAL DEFERRED OUTFLOWS OF RESOURCES

153,681	-	153,681
109,151	-	109,151
262,832	-	262,832

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities
Compensated absences payable - current
USDA Loan - current
NC Clean Water Revolving Loan - current
Drinking Water State Revolving Loan - current
Martin County note payable - current
Liabilities payable from restricted assets:
Customer deposits
Total current liabilities

62,308	9,576	71,884
17,990	-	17,990
-	19,005	19,005
234,573	-	234,573
62,553	-	62,553
73,939	-	73,939
162,800	-	162,800
614,163	28,581	642,744

Noncurrent liabilities:

Net other postemployment benefits liability
Compensated absences payable
Net pension liability
USDA Loan
NC Clean Water Revolving Loan
Drinking Water State Revolving Loan
Martin County note payable
Total noncurrent liabilities
TOTAL LIABILITIES

586,428	-	586,428
36,174	-	36,174
281,114	-	281,114
-	884,131	884,131
3,179,897	-	3,179,897
750,633	-	750,633
2,343,786	-	2,343,786
7,178,032	884,131	8,062,163
7,792,195	912,712	8,704,907

DEFERRED INFLOWS OF RESOURCES

Pension deferrals
OPEB deferrals
TOTAL DEFERRED INFLOWS OF RESOURCES

67	-	67
190,059	-	190,059
190,126	-	190,126

NET POSITION

Net investment in capital assets
Unrestricted
TOTAL NET POSITION

6,468,426	932,434	7,400,860
7,121,617	157,843	7,279,460
\$ 13,590,043	\$ 1,090,277	\$ 14,680,320

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2021
Exhibit 9

	Enterprise Funds		
	Major Fund	Major Fund	Total
	Water and Sewer Fund	Storm Water Fund	
OPERATING REVENUES			
Charges for services	\$ 4,080,034	\$ 57,130	\$ 4,137,164
Water and sewer taps	2,780	-	2,780
Other operating revenues	44,900	-	44,900
Total operating revenues	4,127,714	57,130	4,184,844
OPERATING EXPENSES			
Water treatment and distribution	2,128,872	-	2,128,872
Waste collection and treatment	1,077,522	-	1,077,522
Depreciation	899,593	66,546	966,139
Total operating expenses	4,105,987	66,546	4,172,533
Operating income (loss)	21,727	(9,416)	12,311
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	4,507	-	4,507
Miscellaneous	545	-	545
Interest and other charges	(156,247)	(20,485)	(176,732)
Total nonoperating revenues (expenses)	(151,195)	(20,485)	(171,680)
CHANGE IN NET POSITION	(129,468)	(29,901)	(159,369)
TOTAL NET POSITION, BEGINNING	13,719,511	1,120,178	14,839,689
TOTAL NET POSITION, ENDING	\$ 13,590,043	\$ 1,090,277	\$ 14,680,320

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021
Exhibit 10

	Enterprise Funds		
	Major Fund	Major Fund	Total
	Water and Sewer Fund	Storm Water Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 4,105,834	\$ 56,771	\$ 4,162,605
Cash paid for goods and services	(2,484,581)	-	(2,484,581)
Cash paid to or on behalf of employees for services	(694,029)	-	(694,029)
Customer deposits received (net)	4,300	-	4,300
Net cash provided by (used by) operating activities	931,524	56,771	988,295
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Miscellaneous revenue	545	-	545
Net cash provided by (used by) noncapital financing activities	545	-	545
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(22,917)	-	(22,917)
Principal paid on NC Clean Water Revolving Loan	(542,848)	-	(542,848)
Principal paid on NC Drinking Water State Revolving Loan	(62,553)	-	(62,553)
Principal paid on Martin County Loan	(70,984)	-	(70,984)
Principal paid on USDA loan	-	(18,587)	(18,587)
Interest paid on NCDEQ and Martin County loans	(158,117)	-	(158,117)
Interest paid on USDA Loan	-	(20,739)	(20,739)
Net cash provided by (used by) capital and related financing activities	(857,419)	(39,326)	(896,745)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	4,507	-	4,507
Purchase of short-term investments	(105,120)	-	(105,120)
Loan repayments from General Fund	22,614	-	22,614
Net cash provided by (used by) investing activities	(77,999)	-	(77,999)
Net change in cash and cash equivalents	(3,349)	17,445	14,096
CASH AND CASH EQUIVALENTS, BEGINNING	2,033,233	142,079	2,175,312
CASH AND CASH EQUIVALENTS, ENDING	\$ 2,029,884	\$ 159,524	\$ 2,189,408

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021
Exhibit 10

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:

Enterprise Funds			
Major Fund	Major Fund		
Water and Sewer Fund	Storm Water Fund	Total	
Operating income (loss)	\$ 21,727	\$ (9,416)	\$ 12,311
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:			
Depreciation	899,593	66,546	966,139
Changes in assets, deferred outflows of resources and liabilities:			
(Increase) decrease in accounts receivable	(21,880)	(359)	(22,239)
Increase (decrease) in customer deposits	4,300	-	4,300
Increase (decrease) in accounts payable and accrued liabilities	22,738	-	22,738
(Increase) decrease in deferred outflows of resources - pensions	(31,154)	-	(31,154)
Increase (decrease) in net pension liability	73,057	-	73,057
Increase (decrease) in deferred inflows of resources - pensions	(68)	-	(68)
(Increase) decrease in deferred outflows of resources - OPEB	40,400	-	40,400
Increase (decrease) in compensated absences payable	3,326	-	3,326
Increase (decrease) in deferred inflows of resources - OPEB	71,235	-	71,235
Increase (decrease) in accrued OPEB liability	(151,750)	-	(151,750)
Total adjustments	909,797	66,187	975,984
Net cash provided by (used by) operating activities	\$ 931,524	\$ 56,771	\$ 988,295
Cash and cash equivalents	\$ 1,867,084	\$ 120,198	\$ 1,987,282
Restricted cash and cash equivalents	162,800	39,326	202,126
Total cash and cash equivalents	\$ 2,029,884	\$ 159,524	\$ 2,189,408

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021
Exhibit 11

ASSETS

Investments:

NC Capital Management Trust - Government Portfolio

OPEB Trust Fund	Martin Memorial Library Trust Fund
\$ -	\$ 3,877

Restricted investments:

Cash and cash equivalents

241,261	-
---------	---

Domestic equities

909,109	-
---------	---

Fixed income

155,159	-
---------	---

TOTAL ASSETS

\$ 1,305,529	\$ 3,877
--------------	----------

LIABILITIES AND NET POSITION

Liabilities

\$ -	\$ -
------	------

Net Position:

Net position restricted for postemployment benefits other than pensions

1,305,529	-
-----------	---

Assets held in trust for citizens of the Town of Williamston

-	3,877
---	-------

TOTAL NET POSITION

\$ 1,305,529	\$ 3,877
--------------	----------

The accompanying footnotes are an integral part of these financial statements

Town of Williamston, North Carolina
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2021
Exhibit 12

	OPEB Trust Fund	Martin Memorial Library Trust Fund
ADDITIONS:		
Employer contributions	\$ 227,266	\$ -
Investment income:		
Net appreciation (depreciation) in fair value of investments	237,725	-
Interest and dividends	4,763	1
Total additions	<u>469,754</u>	<u>1</u>
DEDUCTIONS:		
Benefit payments	127,266	-
Library capital outlay	-	7,816
Administrative expense	145	-
Total deductions	<u>127,411</u>	<u>7,816</u>
Change in net position	342,343	(7,815)
NET POSTION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS AND ASSETS HELD IN TRUST FOR CITIZENS OF WILLIAMSTON		
Beginning of year	<u>963,186</u>	<u>11,692</u>
End of year	<u><u>\$ 1,305,529</u></u>	<u><u>\$ 3,877</u></u>

The accompanying footnotes are an integral part of these financial statements

Notes to the Financial Statements

This Page Intentionally Left Blank

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Williamston, North Carolina (the “Town”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town is a municipal corporation that is governed by an elected mayor and a five-member council.

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, including the fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – 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.

The Town reports the following major governmental funds:

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

Capital Projects Funds. These funds are used to account for governmental capital projects that are related to public safety construction and improvements. The Town has 2 major capital project funds:

- Fire Department Capital Project Fund
- Police Department Capital Project Fund

The Town reports the following non-major governmental funds:

Grant Project Special Revenue Funds. These funds are used to account for two grant project funds that are restricted for use for a particular purpose:

- Strategic Economic Development – Golden Leaf
- Community Development Block Grant Project Fund – Downtown Redevelopment Grant

Capital Projects Funds. These funds are used to account for two governmental capital projects that are related to public safety and recreation construction and improvements:

- Police and Fire Radio Capital Project Fund
- Gaylord Perry Park PARTF Grant Capital Project Fund

The Town reports the following major enterprise funds:

Water and Sewer Fund. This fund is used to account for the Town’s water and sewer operations. The Annexation Area A and Water System Asset Inventory Assessment Project Funds have been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Projects Funds have been included in the supplemental information.

Storm Water. This fund is used to account for the Town’s storm water and drainage operations.

The Town reports the following fund types:

Fiduciary Funds. Fiduciary funds are used to account for assets the Town holds on behalf of others. The Town maintains one Other Postemployment Benefits Trust Fund (OPEB) and one Private Purpose Trust Fund.

Other Postemployment Benefits Trust Fund. The Town maintains the Other Postemployment Benefits Trust Fund to report resources that are required to be held in trust for the members of the Other Postemployment Benefits Plan. The Other Postemployment Benefits Fund accounts for the Town’s contributions for healthcare coverage provided to qualified retirees.

Private Purpose Trust Fund. The Martin Memorial Library Fund represents excess citizen contributions left over after library construction. The funds are used to maintain and repair the library as needed.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town 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 the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. 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 beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by Martin 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.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for Grant Projects Special Revenue Funds, Capital Projects Funds and the Enterprise Capital Project Funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the project level for the multi-year funds. The Town administrator is authorized to reallocate appropriations within departments and may execute interdepartmental transfers, within the same fund, not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced. The governing board must approve any budget revision that alters the total expenditures of any fund. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/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).

General Statue 159-30.1 allows the Town to establish and fund an irrevocable trust for the purpose of paying post-employment benefits (OPEB) for which the Town is liable. The Town Other Postemployment Benefit (OPEB) Trust is managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. The Trust is not registered with the SEC. G.S. 159-30(g) allows the Town to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2(b) (1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S 147-69.2(b)(8).

The Town's investments are generally reported at fair value. Non-participating interest earning investment contracts are accounted for at cost.

The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2021 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

The BIF is measured at fair value using Level 2 inputs and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 years at June 30, 2021.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2021 the fair value of the funds was \$32.24591 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

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 value 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. All cash and cash investments with maturities of three months or less are considered cash and cash equivalents. Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of June 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the Town's access to 100 percent of their account value in either external investment pool.

3. Use of Estimates

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

4. Restricted Assets

The unexpended loan proceeds of the Capital Project Funds are classified as restricted assets within the Capital Project Funds because their use is completely restricted to the purpose for which the loans were originally issued. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4. The United States Department of Agriculture loans require the Town to maintain a debt service reserve equal to one year's loan payment.

Governmental Activities

General Fund:

Powell Bill funds	\$ 388,015
US Department of Agriculture Debt Reserve	166,143

Fire Department Capital Project Fund

Unexpended loan proceeds	339,866
Total Governmental Activities	<u>894,024</u>

Business-type activities

Water and Sewer Fund:

Customer utility deposits	162,800
---------------------------	---------

Storm Water Fund:

US Department of Agriculture Debt Reserve	39,326
Total Business-type Activities	<u>202,126</u>

Total restricted cash and investments	<u><u>\$ 1,096,150</u></u>
---------------------------------------	----------------------------

5. 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, 2020.

6. 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.

7. Inventory and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of motor fuels that are recorded as expenditures when consumed rather than when purchased. Enterprise fund supplies are not inventoried at year-end because the amounts are considered immaterial.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

8. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 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	30-60
Buildings	10-30
Land improvements	20-25
Plant and distribution/collection systems	20-30
Vehicles and motorized equipment	5-30
Equipment and furniture	5-20
Computer equipment	3-7

9. 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 meets this criterion, pension and OPEB 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 several items that meet the criterion for this category - prepaid taxes, deposit on the sale of property, property taxes receivable, and pension and OPEB deferrals.

10. 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.

11. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days (54 days for Fire and EMS employees) 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 portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

12. 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.

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

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

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as

“restricted by State statute”. Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for police related drug enforcement activities.

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

Assigned fund balance – portion of fund balance that the Town of Williamston intends to use for specific purposes.

Assigned for Economic and Physical Development – portion of fund balance that has been budgeted by the Board for economic and physical development activities in special revenue funds.

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.

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

The Town of Williamston 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.

13. Defined Benefit Pension and OPEB Plans

The Town participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Governmental Employees’ Retirement System (LGERS); and the Law Enforcement Officers’ Special Separation Allowance (LEOSSA) (collectively, the “state-administered defined benefit pension plans”); and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from

the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

14. New Financial Accounting Standards

GASB Statement No. 84, *Fiduciary Activities*

In January 2017, the GASB issued GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Town's financial reporting or financial operations.

GASB Statement No. 87, *Leases*

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been postponed by 18 months.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Town's financial reporting or financial operations.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*

In August 2018, the GASB issued GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year. This Statement did not affect the Town's financial reporting or financial operations.

GASB Statement No. 91, *Conduit Debt Obligations*

In May 2019, the GASB issued GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 92, *Omnibus 2020*

In January 2020, the GASB issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide

2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Earlier application is encouraged and is permitted by topic. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as

- appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The Town is currently reviewing this statement to determine the effect on its financial statements. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). The Town is currently reviewing this statement to determine the effect on its financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. The Town is currently reviewing this statement to determine the effect on its financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Town does not anticipate this Statement affecting its financial reporting or financial operations.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally

accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged. The Town implemented this statement for the year ended June 30, 2021.

15. Subsequent Events – Date of Management's Evaluation

Management has evaluated subsequent events through March 25, 2022, the date which the financial statements were available to be issued.

American Rescue Plan Grant

The Town received \$828,932 from the United States Department of the Treasury from the American Rescue Plan in fiscal year 2022. The Town will receive an equal additional grant in fiscal year 2023. American Rescue Plan grant funds must be obligated by December 31, 2024 and expended by December 31, 2026. Grant funds can be expended for the following purposes:

- Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None reported

2. Contractual Violations

None reported

B. Deficit in Fund Balance or Net Position of Individual Funds

None reported

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the Town expended funds in excess of the amounts appropriated in the budget ordinance and subsequent amendments made by the governing board in the following departments:

Department	Budget	Expenditures	Excess
Police	\$1,890,125	\$1,900,659	\$10,534
Rescue Squad	\$1,005,278	\$1,008,345	\$3,067

Management and the Board will more closely review the budget reports to ensure compliance in future years.

III. 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 agent in the Town'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 agent in the Town's 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. 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, 2021, the Town's deposits had a carrying amount of \$3,507,235 and a bank balance of \$3,653,687. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2021, the Town's petty cash fund totaled \$150.

2. Investments

At June 30, 2021, the Town's investment balances were as follows:

Investment Type	Valuation Measurement Method	Value	Maturity	Rating
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 9,504,820	N/A	AAAm
Total Investments		<u>\$ 9,504,820</u>		

The above investment figures for the North Carolina Capital Management Trust – Government Portfolio include a Fiduciary Fund that had funds invested in the amount of \$3,877. Fiduciary Funds do not appear on the Statement of Net Position.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk: The Town has no formal investment policy regarding interest rate risk.

Credit risk: The Town has no formal policy regarding credit risk but has internal management procedures that limits the Town's investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAAm-mf by Moody's Investors Service as of June 30, 2021.

OPEB Trust Fund Investments

At June 30, 2021, the Town of Williamston Healthcare Benefits (HCB) Plan Fund had \$1,305,529 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Trust was invested as follows: State Treasurer's STIF 18.48%; State Treasurer's Non-Pension Fixed Income Fund (BIF) 11.88% and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 69.64%.

At June 30, 2021, the Town's OPEB Trust Fund investment balances were as follows:

Investment Type	Valuation Measurement Method	Value
NC Short Term Investment Fund (STIF)	Fair Value - Level 1	\$ 241,261
Blackrock MSCI ACWI EQ Index		
Non-Lendable Class B Fund	Fair Value - Level 2	909,109
North Carolina Non Pension Fixed Income	Fair Value - Level 2	155,159
Total OPEB Trust Fund Investments		<u>\$ 1,305,529</u>

Interest Rate Risk: The Town does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2021. The State Treasurer's Non-Pension Fixed Income Fund (BIF) is unrated and had a weighted average maturity of 8.34 years at June 30, 2021.

Credit Risk: The Town does not have a formal investment policy regarding credit risk for the HCB Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

3. Receivables – Allowances for Doubtful Accounts

Receivables at the government-wide level at June 30, 2021, were as follows:

	Accounts Receivable	Taxes Receivable	Interest Receivable	Due from Other Governments	Total
Governmental activities:					
General	\$ 268,140	\$ 766,305	\$ 202,629	\$ 624,576	\$ 1,861,650
Total receivables	268,140	766,305	202,629	624,576	1,861,650
Allowance for doubtful accounts	(52,872)	(95,038)	-	-	(147,910)
Total governmental activities	<u>\$ 215,268</u>	<u>\$ 671,267</u>	<u>\$ 202,629</u>	<u>\$ 624,576</u>	<u>\$ 1,713,740</u>
Business-type activities					
Water and sewer	582,631	\$ -	\$ -	\$ -	\$ 582,631
Storm water	7,895	-	-	-	7,895
Allowance for doubtful accounts	(222,455)	-	-	-	(222,455)
Total business-type activities	<u>\$ 368,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,071</u>

The due from other governments that is owed to the Town consists of the following:

General Fund:

Sales tax refund	\$ 115,165
Local option sales tax	242,888
Utility franchise tax	88,394
NC Department of Public Safety - Regional Response Team Grant	11,912
Martin County - fire district taxes	82,003
Martin County - vehicle taxes	78,384
Solid waste disposal tax	990
Martin County ABC Board	4,840
Total	<u>\$ 624,576</u>

4. Capital Assets

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

	Beginning Balances	Increases and Transfers	Decreases and Transfers	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 733,411	\$ -	\$ -	\$ 733,411
Construction in progress	814,975	3,664,500	-	4,479,475
Total capital assets not being depreciated	<u>1,548,386</u>	<u>3,664,500</u>	<u>-</u>	<u>5,212,886</u>
Capital assets being depreciated:				
Buildings	3,511,894	18,281	(6,886)	3,537,061
Land improvements	2,052,922	-	-	2,052,922
Equipment and furniture	2,206,771	392,013	15,759	2,583,025
Vehicles and motorized equipment	4,715,288	345,529	797,683	4,263,134
Infrastructure	7,240,549	-	-	7,240,549
Total capital assets being depreciated	<u>19,727,424</u>	<u>755,823</u>	<u>806,556</u>	<u>19,676,691</u>
Less accumulated depreciation for:				
Buildings	2,697,662	54,458	-	2,752,120
Land improvements	1,294,676	105,305	-	1,399,981
Equipment and furniture	1,884,667	91,754	8,945	1,967,476
Vehicles and motorized equipment	3,516,233	201,623	597,886	3,119,970
Infrastructure	2,737,282	220,291	-	2,957,573
Total accumulated depreciation	<u>12,130,520</u>	<u>\$ 673,431</u>	<u>\$ 606,831</u>	<u>12,197,120</u>
Total capital assets being depreciated, net	<u>7,596,904</u>			<u>7,479,571</u>
Governmental activity capital assets, net	<u>\$ 9,145,290</u>			<u>\$ 12,692,457</u>

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

General government	\$ 27,728
Public safety	217,491
Transportation	215,566
Economic and physical development	13,252
Environmental protection	9,879
Cultural and recreational	189,515
Total depreciation expense	<u>\$ 673,431</u>

Beginning Balances Restated	Increases and Transfers	Decreases and Transfers	Ending Balances
-----------------------------------	----------------------------	----------------------------	--------------------

Business-type activities:

Water and Sewer Fund

Capital assets not being depreciated:

Land	\$ 112,022	\$ -	\$ -	\$ 112,022
Total capital assets not being depreciated	<u>112,022</u>	<u>-</u>	<u>-</u>	<u>112,022</u>

Capital assets being depreciated:

Buildings	241,512	-	-	241,512
Plant and distribution/collection systems	29,485,879	-	-	29,485,879
Equipment and furniture	670,041	22,917	5,303	687,655
Vehicles and motorized equipment	523,659	-	-	523,659
Total capital assets being depreciated	<u>30,921,091</u>	<u>22,917</u>	<u>5,303</u>	<u>30,938,705</u>

Less accumulated depreciation for:

Buildings	160,745	7,907	-	168,652
Plant and distribution systems	16,006,852	839,300	-	16,846,152
Equipment and furniture	451,432	20,443	5,303	466,572
Vehicles and motorized equipment	423,601	31,943	-	455,544
Total accumulated depreciation	<u>17,042,630</u>	<u>\$ 899,593</u>	<u>\$ 5,303</u>	<u>17,936,920</u>
Total capital assets being depreciated, net	<u>13,878,461</u>			<u>13,001,785</u>

Water and Sewer Fund capital assets, net	<u>\$ 13,990,483</u>			<u>\$ 13,113,807</u>
---	----------------------	--	--	----------------------

Storm Water Fund

Capital assets being depreciated:

Infrastructure	\$ 1,996,390	\$ -	\$ -	\$ 1,996,390
Total capital assets being depreciated	<u>1,996,390</u>	<u>-</u>	<u>-</u>	<u>1,996,390</u>

Less accumulated depreciation for:

Infrastructure	94,274	66,546	-	160,820
Total accumulated depreciation	<u>94,274</u>	<u>\$ 66,546</u>	<u>\$ -</u>	<u>160,820</u>
Total capital assets being depreciated, net	<u>1,902,116</u>			<u>1,835,570</u>

Storm Water Fund capital assets, net	<u>\$ 1,902,116</u>			<u>\$ 1,835,570</u>
---	---------------------	--	--	---------------------

Business-type activities capital assets, net	<u>\$ 15,892,599</u>			<u>\$ 14,949,377</u>
---	----------------------	--	--	----------------------

5. Construction Commitments

The Town has active construction projects as of June 30, 2021. At year-end, the Town's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Oakley Collier Architects - Fire Department	\$ 78,189	\$ 211
Oakley Collier Architects - Police Department	127,782	-
Calvin Davenport, Inc - Fire Department	1,570,385	134,184
Farrior & Sons, Inc.	2,057,378	38,983
Total	<u>\$ 3,833,734</u>	<u>\$ 173,378</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Customer Deposits	Other	Total
Governmental Activities:						
General	\$ 291,918	\$ 170,105	\$ 27,842	\$ -	\$ 6,234	\$ 496,099
Total governmental activities	<u>\$ 291,918</u>	<u>\$ 170,105</u>	<u>\$ 27,842</u>	<u>\$ -</u>	<u>\$ 6,234</u>	<u>\$ 496,099</u>
Business-type Activities:						
Water and sewer	<u>\$ 29,815</u>	<u>\$ 24,213</u>	<u>\$ 17,856</u>	<u>\$ 162,800</u>	<u>\$ -</u>	<u>\$ 234,684</u>

2. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Williamston employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Williamston's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.15% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Williamston were \$384,888 for the year ended June 30, 2021.

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

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

At June 30, 2021, the Town reported a liability of \$1,979,678 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension 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, 2021, the Town's proportion was 0.05540%, (measured as of June 30, 2020), which was an increase of 0.00253% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the Town recognized pension expense of \$303,398. At June 30, 2021, 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	\$ 249,999	\$ -
Changes of assumptions	147,327	-
Net difference between projected and actual earnings on pension plan investments	278,586	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	21,463	469
Town contributions subsequent to the measurement date	384,888	-
Total	<u>\$ 1,082,263</u>	<u>\$ 469</u>

\$384,888 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 197,441
2023	260,985
2024	156,034
2025	82,446
2026	-
Thereafter	-

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

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 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	<u>100.0%</u>	

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

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

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate.

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

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
------------------------	--------------------------	------------------------

Town's proportionate share of the net pension liability (asset)	\$ 4,016,551	\$ 1,979,678	\$ 286,893
---	--------------	--------------	------------

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description

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

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

Retirees receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	22
Total	<u>22</u>

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.

3. Actuarial Assumptions

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

Inflation	2.50 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

The discount rate used to measure the total pension liability (TPL) is the S&P Municipal Bond 20 Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2019, valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

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 no as benefits as none came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of \$532,738. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$49,146.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 108,140
Changes of assumptions	158,511	17,960
Town benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 158,511</u>	<u>\$ 126,100</u>

\$0 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date have been reported as deferred outflows of resources related to pensions and will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 1,288
2023	1,288
2025	2,152
2026	4,283
2027	7,822
Thereafter	15,578

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
------------------------	-----------------------------	------------------------

Total pension liability	\$ 603,769	\$ 532,738	\$ 469,804
-------------------------	------------	------------	------------

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

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

	2021	2020	2019	2018	2017
Beginning balance	\$ 389,268	\$ 365,902	\$ 362,173	\$ 339,901	\$ 311,753
Service cost	35,168	29,385	31,842	26,416	29,682
Interest on the total pension liability	12,690	13,319	11,445	13,120	11,130
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(56,854)	(36,421)	(16,681)	(49,176)	-
Changes of assumptions or other inputs	152,466	17,083	(22,877)	31,912	(12,664)
Benefit payments	-	-	-	-	-
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 532,738</u>	<u>\$ 389,268</u>	<u>\$ 365,902</u>	<u>\$ 362,173</u>	<u>\$ 339,901</u>

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

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

	LGERS	LEOSSA	Total
Pension expense	\$ 687,925	\$ 49,146	\$ 737,071
Pension Liability	1,979,678	532,738	2,512,416
Proportionate share of the net pension liability	0.05540%	N/A	
Deferred Outflows of Resources			
Differences between expected and actual experience	249,999	-	249,999
Changes of assumptions	147,327	158,511	305,838
Net difference between projected and actual earnings on plan investments	278,586	-	278,586
Changes in proportion and difference between contributions and proportionate share of contributions	21,463	-	21,463
Contributions, benefit payments and administrative costs paid subsequent to the measurement date	384,888	-	384,888
Deferred Inflows of Resources			
Differences between expected and actual experience	-	108,140	108,140
Changes of assumptions	-	17,960	17,960
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and difference between contributions and proportionate share of contributions	469	-	469

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 ACFR for the State of North Carolina. The State's ACFR 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. The Town matches employee contributions for general employees (non-law enforcement personnel) up to one percent (1%) of each employee's salary. Also, the law enforcement officers and other employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$157,147, which consisted of \$70,418 from the Town and \$86,729 from the law enforcement officers and other employees not engaged in law enforcement. No amounts were forfeited.

The Town also offers its general employees the option to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Regardless of the employees' elective deferral, the Town does not contribute to the plan.

d. Other Postemployment Benefit

Plan Description

Plan administration. Under the terms of a Town resolution, the Town administers the Healthcare Benefits Plan (HCB Plan) as a single-employer defined benefit plan that is used to provide postemployment benefits to employees hired before July 1, 2013 to cover retirees of the Town who retire (under early, normal or disabled retirement conditions) from the North Carolina Local Government Employees' Retirement System (NCLGERS) and must meet certain requirements in order to qualify for OPEB upon retirement. Only those that retire due to becoming permanently disabled while performing a job-related duty qualify for OPEB as a disabled employee. As of July 1, 2013, the plan has been closed to new entrants. The plan, which has a June 30, 2021 year end, does not issue a stand-alone report.

A) Employees with at least 11 years of service with the Town as of July 1, 2013 qualify for OPEB.

B) Employees with less than 11 years of service with the Town as of July 1, 2013 must have the last 11 years of service with the Town of Williamston, and must meet one of the requirements in section 1 or section 2 to qualify for OPEB upon retirement.

- 1) Employees excluding full-time Law Enforcement:
 - i. Employees younger than age 60 that have 20 years of NCLGERS service qualify for OPEB.
 - ii. Employees age 60 (age 55 for Fire Engineer/EMT) and older that have 11 years of NCLGERS service qualify for OPEB.
- 2) Full-time Law Enforcement:
 - i. Employees age 50 to 54 that have 15 years of NCLGERS service qualify for OPEB.
 - ii. Employees age 55 and older that have 11 years of NCLGERS service qualify for OPEB.

Employees hired July 1, 2013 or later are not eligible for OPEB.

Management of the HCB Plan is vested in the Town of Williamston Board of Commissioners.

Plan membership. At June 30, 2021, the HCB Plan membership consisted of the following:

Membership	2020
Inactive plan members or beneficiaries currently receiving benefit payments	20
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	44
Total	64

Benefits provided. Health care, prescription drug coverage, dental coverage and life insurance are provided in the Town's group health plan to retirees under Medicare age. Vision coverage is available at the retirees' expense. In addition, the Town will reimburse retirees participating in the group health plan up to \$750 of group medical insurance deductibles incurred by the retiree during the plan year once the retiree has met the first \$1,500 up to \$2,250 of the retiree only (not including dependents) deductible expense, and up to \$2,000 for employees who pay from \$3,000 up to the current \$5,000 deductible and \$5,000 out-of-pocket maximum.

A standard Medicare Supplement Plan providing health care only may be paid for retirees once they reach Medicare eligibility age. Dental, vision and life insurance are available at the Medicare eligible retirees' expense, as is prescription drug coverage. The Town pays the full cost of coverage for these benefits through private insurers. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates under certain conditions as explained below. The Town Board of Commissioners may amend the benefit provisions.

Dependent coverage. The retiree may continue dependent coverage (and pay the full premium for this coverage) if enrolled in dependent coverage at the time of retirement. The Town will contribute 50% of the cost of dependent dental insurance. Dependent coverage terminates upon the retiree becoming eligible for Medicare (attaining age 65), upon the spouse becoming eligible for Medicare (attaining age 65) or upon the retirees' death, whichever comes first.

Contributions. The Town Board of Commissioners established the contribution requirements of plan members which may be amended by the Board. The Town contributes toward the cost of retiree health, dental and life insurance premiums until the retiree becomes eligible for Medicare. The Town contributes 50% of the total retiree and dependent dental and life insurance premiums. Retiree life is determined as a factor of 1 times annual salary at retirement rounded to the next highest \$1,000, with a \$100,000 maximum. Retiree life benefits reduce by 50% at age 55. Town contributions for dental coverage and life insurance cease at age 65.

For employees retired before June 16, 2008, coverage in the group health plan will continue until the retiree becomes Medicare eligible. The Town pays based on the schedule below:

Employees Retired Before June 16, 2008		
Years of Service with Town at Retirement	Town Contribution Toward Employee Only Coverage	
	Pre-65	Post-65
20 or more	100%	0%
17-19	100%	0%
14-16	100%	0%
11-13	100%	0%
0-10	100%	0%

For employees retired after June 16, 2008 and before July 1, 2013, coverage in the group health plan will continue until the retiree becomes Medicare eligible, at which time coverage can be converted to a Medicare Supplement Plan with the Town paying a percentage of the Medicare Supplement Plan premium. The Town pays based on the schedule below:

Employees Retired Between June 16, 2008 and July 1, 2013		
Years of Service with Town at Retirement	Town Contribution Toward Employee Only Coverage	
	Pre-65	Post-65
20 or more	100%	100%
17-19	100%	75%
14-16	100%	50%
11-13	100%	25%
0-10	100%	0%

For employees retiring on or after July 1, 2013, coverage in the group health plan may continue until the retiree becomes Medicare eligible, at which time coverage can be converted to a Medicare Supplement Plan with the Town paying a percentage or dollar amount of the Medicare Supplement Plan premium. The benefits vary based on the schedules below:

Employees with at least 11 Years of Service with the Town as of July 1, 2013		
Years of Service with Town at Retirement	Town Contribution Toward Employee Only Coverage	
	Pre-65	Post-65
20 or more	100%	100%
17-19	100%	75%
14-16	100%	50%
11-13	100%	25%

Employees with less than 11 Years of Service with the Town as of July 1, 2013		
Years of Service with Town at Retirement	Town Contribution Toward Employee Only Coverage	
	Pre-65	Post-65 Cap
20 or more	100%	\$125.00
17-19	75%	\$93.75
14-16	50%	\$62.50
11-13	25%	\$31.25

Per a Town resolution dated October 7, 2013, the Town created an Other Post-Employment Benefits (OPEB) Trust Fund to be administered by the NC Department of State Treasurer. The Town is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board. For the current year, the Town contributed \$227,266. The Fund is accounted for as a trust fund.

Investments

Investment policy. The HCB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The HCB Plan's policies discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value. The following was the Board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Bond Index Fund	10.00%	
Equity Index Fund	65.00%	
Short Term Investment fund	25.00%	
Total	<u>100.00%</u>	5.25%

Rate of return. For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense, was 21.36 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at June 30, 2021 were as follows:

	2021
Total OPEB liability	\$ 4,991,438
Plan fiduciary net position	1,305,529
Town's net OPEB liability	<u>\$ 3,685,909</u>

Plan fiduciary net position as a percentage of the total OPEB liability	26.16%
---	--------

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	5.25%
Municipal Bond Index Rate	
Prior measurement date	2.21%
Measurement date	2.16%
Year FNP is projected to be depleted	
Prior measurement date	2031
Measurement date	2036
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	2.49%
Measurement date	2.70%
Healthcare cost trends	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024
Dental	4.00%

The discount rate used to measure the TOL was based upon the Single Equivalent Interest Rate (SEIR).

Total OPEB liabilities were rolled forward to June 30, 2021 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be 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 then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. Best estimates of arithmetic real rates of return for each major asset class included in the target allocation as of June 30, are presented above.

Discount Rate (SEIR). The discount rate used to measure the TOL as of the Measurement Date was 2.70%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Active employees do not explicitly contribute to the Plan.
- In all years, the employer contributes \$100,000 to the OPEB trust. The employer then pays benefits to plan members from the trust as the benefits come due.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's FNP was projected to be depleted in 2036 and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. Here, the long-term expected rate of return of 5.25% on Plan investments was applied to periods through 2036 and the Municipal Bond Index Rate at the Measurement Date (2.16%) was applied to periods on and after 2036, resulting in an SEIR at the Measurement Date (2.70%). As a result of the change to the Municipal Bond Index Rate, there was a change in the discount rate from 2.49% at the Prior Measurement Date to 2.70% at the Measurement Date.

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

Sensitivity of the net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the Town at June 30, 2021, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.70 percent) or 1-percentage-point higher (3.70 percent) than the current discount rate:

	1% Decrease (1.70%)	Discount Rate (2.70%)	1% Increase (3.70%)
Net OPEB liability	\$ 4,490,964	\$ 3,685,909	\$ 3,037,572

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the Town at June 30, 2021, as well as what the Town's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 2,984,034	\$ 3,685,909	\$ 4,562,123

Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

At June 30, 2021, the Town reported a net OPEB liability of \$3,685,909. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2021, the components of the net OPEB liability of the Town, measured as of June 30, 2021, were as follows:

	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balances at June 30, 2020	\$ 5,497,446	\$ 963,186	\$ 4,534,260
Changes for the year:			
Service cost	166,602	-	166,602
Interest	135,312	-	135,312
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(463,766)	-	(463,766)
Changes of assumptions	(216,890)	-	(216,890)
Contributions - employer		227,266	(227,266)
Net investment income		242,343	(242,343)
Benefit payments	(127,266)	(127,266)	-
Net change in total OPEB liability	(506,008)	342,343	(848,351)
Balances at June 30, 2021	<u>\$ 4,991,438</u>	<u>\$ 1,305,529</u>	<u>\$ 3,685,909</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.49 percent in 2019 to 2.70 percent in 2020. Medical claims cost and rates were changed based on most recent experience and changed to the current schedule. The Excise Tax of 40 percent on health care plans that are above the thresholds set by the Affordable Care Act are effective in 2022 and have been reflected.

For the year ended June 30, 2021, the Town recognized OPEB expense of \$151,075. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,844	\$ 775,542
Changes of assumptions	665,207	278,303
Net difference between projected and actual earnings on plan investments	-	140,745
Total	<u>\$ 686,051</u>	<u>\$ 1,194,590</u>

There were no amounts reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2022	\$ (172,567)
2023	(171,388)
2024	(80,734)
2025	(83,850)
2026	-
Thereafter	-

3. Other Employment Benefits

The Town has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest 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.

4. Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources at year-end are comprised of the following:

Source	Amount
Differences between expected and actual experience	\$ 270,843
Changes of assumptions	971,045
Net difference between projected and actual earnings on pension plan investments	278,586
Changes in proportion and differences between Town contributions and proportionate share of contributions	21,463
Town contributions subsequent to the measurement date	384,888
Benefit payments made and administrative expenses for LEOSSA	-
Total	<u>\$ 1,926,825</u>

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

Source	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ 12,038	\$ 12,038
Deposit - Sale of building	400	400
CARES Act COVID Funds	-	-
Property taxes receivable (General Fund)	-	671,267
EMS receivable (General Fund)	-	207,115
Changes in assumptions	296,263	-
Differences between expected and actual experience	883,682	-
Net difference between projected and actual earnings on plan investments	140,745	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	469	-
Total	<u>\$ 1,333,597</u>	<u>\$ 890,820</u>

5. 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 participates in two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools the Town obtains general liability and auto liability coverage of \$3,000,000, police professional liability of \$2,000,000 and public official's liability of \$1,000,000 per occurrence; property coverage up to the total insured values of the property policy, and workers' compensation up to \$1,000,000. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance and excess insurance coverage policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

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

The Town does not carry flood insurance through the National Flood Insurance Plan (NFIP). Because the Town is not in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency.

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 \$100,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$25,000.

6. Claims, Judgments and Contingent Liabilities

According to the Town Attorney, at June 30, 2021, there are no pending or threatened litigation, claims or assessments against the Town.

7. Long-Term Obligations

a. Installment Purchase

On November 15, 2018, the Town entered into an installment purchase contract to finance a Ford E-450 ambulance. The financing contract requires three annual principal payments of \$28,446 plus interest at 2.97% per annum. The future minimum payments of the installment purchase as of June 30, 2021, including \$845 of interest, are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 28,446	\$ 845	\$ 29,291
Totals	\$ 28,446	\$ 845	\$ 29,291

On November 15, 2018, the Town entered into an installment purchase contract to finance a Pierce Pumper fire truck. The financing contract requires six annual principal payments of \$94,233 plus interest at 3.27% per annum. The future minimum payments of the installment purchase as of June 30, 2021, including \$30,814 of interest, are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 94,233	\$ 12,325	\$ 106,558
2023	94,232	9,245	103,477
2024	94,233	6,162	100,395
2025	94,232	3,082	97,314
Totals	\$ 376,930	\$ 30,814	\$ 407,744

On December 4, 2020, the Town entered into an installment purchase contract to finance a Ford E-450 ambulance. The financing contract requires three annual principal payments of \$30,407 including interest at 1.53% per annum. The future minimum payments of the installment purchase as of June 30, 2021, including \$2,721 of interest, are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 29,053	\$ 1,354	\$ 30,407
2023	29,498	909	30,407
2024	29,949	458	30,407
Totals	\$ 88,500	\$ 2,721	\$ 91,221

On December 4, 2020, the Town entered into an installment purchase contract to finance a street sweeper. The financing contract requires three annual principal payments of \$78,475 including interest at 1.53% per annum. The future minimum payments of the installment purchase as of June 30, 2021, including \$7,025 of interest, are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 74,980	\$ 3,495	\$ 78,475
2023	76,128	2,347	78,475
2024	77,292	1,183	78,475
Totals	<u>\$ 228,400</u>	<u>\$ 7,025</u>	<u>\$ 235,425</u>

In October 2016, the Town entered into an installment purchase contract to finance reconstruction of streets in an annexation area and resurfacing of existing streets. The financing contract requires annual principal payments of \$120,000 with an interest rate of 1.73%. The future minimum payments of the installment purchase as of June 30, 2021, including \$2,076 of interest, are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 120,000	\$ 2,076	\$ 122,076
Totals	<u>\$ 120,000</u>	<u>\$ 2,076</u>	<u>\$ 122,076</u>

Current fiscal year interest of \$4,152 has been reported as an expense on the Statement of Activities.

b. US Department of Agriculture Note Payable

On January 10, 2018 the Town entered into a contract to finance the construction of drainage and infrastructure improvements of \$1,030,000. As of June 30, 2021, the Town has drawn down loan proceeds of \$966,706. The financing contract requires annual payments of \$39,326 including interest at 2.25% per annum, beginning January 9, 2019 through January 9, 2054. The future minimum payments of the note payable as of June 30, 2021, including \$382,152 of interest, are as follows:

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 19,005	\$ 20,321	\$ 39,326
2023	19,433	19,893	39,326
2024	19,870	19,456	39,326
2025	20,317	19,009	39,326
2026	20,775	18,551	39,326
2027-2031	111,098	85,532	196,630
2032-2036	124,172	72,458	196,630
2037-2041	138,784	57,846	196,630
2042-2046	155,116	41,514	196,630
2047-2051	173,369	23,261	196,630
2052-2054	101,197	4,311	105,508
Totals	<u>\$ 903,136</u>	<u>\$ 382,152</u>	<u>\$ 1,285,288</u>

Current fiscal year interest of \$20,485 has been reported as an expense on the Statement of Activities.

On June 24, 2021, the Town entered into a contract to refinance the construction loan for addition to the Fire Station of \$2,042,595. As of June 30, 2021, the Town has drawn down loan proceeds of \$1,723,306. The remaining loan proceeds of \$319,289 were drawn down in fiscal year 2022 to pay the remaining outstanding balance of the original construction loan. The financing contract requires annual payments of \$77,987 including interest at 2.25% per annum, beginning June 24, 2022 through June 24, 2061. The future minimum payments of the note payable as of June 30, 2021, including \$1,076,885 of interest, are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 32,029	\$ 45,958	\$ 77,987
2023	32,749	45,238	77,987
2024	33,486	44,501	77,987
2025	34,240	43,747	77,987
2026	35,010	42,977	77,987
2027-2031	187,226	202,709	389,935
2032-2036	209,258	180,677	389,935
2037-2041	233,883	156,052	389,935
2042-2046	261,406	128,529	389,935
2047-2051	292,168	97,767	389,935
2052-2056	326,550	63,385	389,935
2057-2061	364,590	25,345	389,935
Totals	<u>\$ 2,042,595</u>	<u>\$ 1,076,885</u>	<u>\$ 3,119,480</u>

On March 26, 2020, the Town entered into a construction loan contract to finance the construction of the new Police Station. The financing contract requires annual interest payments with an interest rate of 2.17%. One June 24, 2021, the construction loan was refinanced and paid in full with a permanent loan from the United States Department of Agriculture payable in 40 annual payments including interest at 2.25%.

On June 24, 2021, the Town entered into a contract to refinance the construction loan for the new Police Station of \$2,308,944. The financing contract requires annual payments of \$88,156 including interest at 2.25% per annum, beginning June 24, 2022 through June 24, 2061. The future minimum payments of the note payable as of June 30, 2021, including \$1,217,296 of interest, are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 36,205	\$ 51,951	\$ 88,156
2023	37,019	51,137	88,156
2024	37,852	50,304	88,156
2025	38,704	49,452	88,156
2026	39,575	48,581	88,156
2027-2031	211,638	229,142	440,780
2032-2036	236,543	204,237	440,780
2037-2041	264,379	176,401	440,780
2042-2046	295,491	145,289	440,780
2047-2051	330,263	110,517	440,780
2052-2056	369,128	71,652	440,780
2057-2061	412,147	28,633	440,780
Totals	<u>\$ 2,308,944</u>	<u>\$ 1,217,296</u>	<u>\$ 3,526,240</u>

c. NC Clean Water Revolving Loan

The Town is financing a sanitary sewer rehabilitation project by means of a NC Clean Water Revolving Loan. The financing contract requires annual debt service payments of \$52,065 due on May 1. The interest rate on this loan is 0%. The future minimum payments of the NC Clean Water Revolving Loan as of June 30, 2021, are as follows:

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 52,065	\$ -	\$ 52,065
2023	52,066	-	52,066
2024	52,065	-	52,065
2025	52,065	-	52,065
2026	52,065	-	52,065
2027-2031	260,327	-	260,327
2032-2034	156,196	-	156,196
Totals	<u>\$ 676,849</u>	<u>\$ -</u>	<u>\$ 676,849</u>

As of June 30, 2021, the Town had drawn \$3,650,162 of an approved \$4,230,300 NC Clean Water Revolving Loan related to water and sewer line improvements in Annexation Area A. In accordance with the rules governing the Revolving Loan program, the first payment of principal on the loan was due May 1, 2017. The actual debt balance of June 30, 2021 is \$2,737,621. The financing contract requires annual principal payments of \$182,508 plus interest at the rate of 1.84% per annum paid semiannually on or before November 1 and May 1. The future minimum payments of the NC Clean Water Revolving Loan as of June 30, 2021, including \$402,978 of interest, are as follows:

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 182,508	\$ 50,372	\$ 232,880
2023	182,508	47,014	229,522
2024	182,508	43,656	226,164
2025	182,508	40,298	222,806
2026	182,508	36,940	219,448
2027-2031	912,540	134,326	1,046,866
2032-2036	912,541	50,372	962,913
Totals	<u>\$ 2,737,621</u>	<u>\$ 402,978</u>	<u>\$ 3,140,599</u>

Related interest expense for the year ended June 30, 2021 in the amount of \$53,178 has been reported as a direct water and sewer functional expense on the Statement of Activities.

d. Martin County Water Districts 1 and 2 – Capital Leases

On December 6, 1999, the Town of Williamston entered into Water System Management Agreement with Martin County Water and Sewer District No. 1. Under the terms of this agreement, the County will construct the water lines and collect initial tap fees and deposits from customers. Upon completion of construction, the Town will manage certain assets and customers of the Water District including maintaining and repairing the water lines, reading meters, providing insurance, billing customers and collecting water revenues. The Town will retain all revenues collected from customers. The Town shall pay to the County a proportionate share of the County issued debt for this project. The debt service payments including principal and interest are equal to the proportionate share of loan proceeds used for the construction of the project (19.1%). The term of this agreement is 40 years or until the debt has been paid in full to the County by the Town for its proportionate share. Ownership of the project improvements and customers will transfer to the Town at the end of life of the project financing loan (upon final payment of the loan).

On December 2, 2005, the Town of Williamston entered into Water System Management Agreement with Martin County Water and Sewer District No. 2. The terms of this agreement are essentially the same as the agreement for Water District No. 1 described in the preceding paragraph, except that the Town will pay to the County a proportionate share equal to 48.1% of the County's debt service payments.

The future minimum payments to Martin County Water District No. 1 as of June 30, 2021, including \$219,273 of interest are as follows:

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 21,965	\$ 21,140	\$ 43,105
2023	22,920	20,262	43,182
2024	22,920	19,345	42,265
2025	23,875	18,428	42,303
2026	24,830	17,473	42,303
2027-2031	140,385	71,664	212,049
2032-2036	161,395	40,472	201,867
2037-2040	119,375	10,489	129,864
Totals	<u>\$ 537,665</u>	<u>\$ 219,273</u>	<u>\$ 756,938</u>

Related interest expense for the year ended June 30, 2021 in the amount of \$21,981 has been reported as a direct water and sewer functional expense on the Statement of Activities.

The future minimum payments to Martin County Water District No. 2 as of June 30, 2021, including \$959,425 of interest are as follows:

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 51,974	\$ 72,475	\$ 124,449
2023	53,973	70,476	124,449
2024	55,972	68,393	124,365
2025	57,971	66,227	124,198
2026	60,970	62,977	123,947
2027-2031	340,829	280,328	621,157
2032-2036	418,791	204,736	623,527
2037-2041	502,749	118,797	621,546
2042-2044	336,831	15,016	351,847
Totals	<u>\$ 1,880,060</u>	<u>\$ 959,425</u>	<u>\$ 2,839,485</u>

Related interest expense for the year ended June 30, 2021 in the amount of \$74,391 has been reported as a direct water and sewer functional expense on the Statement of Activities.

The following is an analysis of the assets recorded under capital leases at June 30, 2021:

Classes of Property	Water District 1	Water District 2	Total
Water Lines purchased from County	\$ 790,263	\$ 2,436,940	\$ 3,227,203
Less accumulated depreciation	(276,592)	(852,928)	(1,129,520)
Net Book Value	<u>\$ 513,671</u>	<u>\$ 1,584,012</u>	<u>\$ 2,097,683</u>

e. NC Drinking Water Revolving Loan

The Town is financing a water system control improvements project by means of a NC Drinking Water Revolving Loan. The financing contract requires annual debt service payments of \$62,553 due on May 1. The interest rate on this loan is 0%. The future minimum payments of the NC Drinking Water Revolving Loan as of June 30, 2021, are as follows:

Year Ending June 30	Business-Type Activities		
	Principal	Interest	Total
2022	\$ 62,553	\$ -	\$ 62,553
2023	62,553	-	62,553
2024	62,552	-	62,552
2025	62,553	-	62,553
2026	62,553	-	62,553
2027-2031	312,764	-	312,764
2032-2034	187,658	-	187,658
Totals	<u>\$ 813,186</u>	<u>\$ -</u>	<u>\$ 813,186</u>

f. Construction Loans

On February 27, 2020, the Town entered into a construction loan contract to finance the expansion of the Fire Department. The financing contract requires annual interest payments with an interest rate of 2.17%. On June 24, 2021, the construction loan was partially refinanced with a permanent loan from the United States Department of Agriculture payable in 40 annual payments including interest at 2.25%. The remaining outstanding balance of the construction loan will be repaid in fiscal year 2022 from USDA loan proceeds. The future minimum payments of the construction loan as of June 30, 2021, including \$6,929 of interest, are as follows:

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2022	\$ 319,289	\$ 6,929	\$ 326,218
Totals	<u>\$ 319,289</u>	<u>\$ 6,929</u>	<u>\$ 326,218</u>

g. Changes in Long-Term Liabilities

Compensated absences for governmental activities have typically been liquidated in the General Fund.

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
Governmental activities:					
Installment purchase - Fire Truck	\$ 471,162	\$ -	\$ 94,232	\$ 376,930	\$ 94,233
Installment purchase - Streets	240,000	-	120,000	120,000	120,000
Installment purchase - Ambulance	56,893	-	28,447	28,446	28,446
Installment purchase - Ambulance	-	88,500	-	88,500	29,053
Installment purchase - Street Sweeper	-	228,400	-	228,400	74,980
Construction Loan - Fire Dept.	2,042,595	-	1,723,306	319,289	319,289
Construction Loan - Police Dept.	2,308,944	-	2,308,944	-	-
USDA Loan - Fire Dept.	-	1,723,306	-	1,723,306	32,029
USDA Loan - Police Dept.	-	2,308,944	-	2,308,944	36,205
Compensated absences	276,939	7,326	-	284,265	115,016
Other postemployment benefits	3,796,082	-	696,601	3,099,481	-
Net pension liability (LGRS)	1,235,781	462,783	-	1,698,564	-
Total pension liability (LEOSSA)	389,268	143,470	-	532,738	-
Governmental activity long-term liabilities	\$ 10,817,664	\$ 4,962,729	\$ 4,971,530	\$ 10,808,863	\$ 849,251
Business-type activities:					
NC Clean Water Revolving Loan	\$ 308,274	\$ -	\$ 308,274	\$ -	\$ -
NC Clean Water Revolving Loan	728,914	-	52,065	676,849	52,065
NC Clean Water Revolving Loan	2,920,130	-	182,509	2,737,621	182,508
Drinking Water State Revolving Loan	875,739	-	62,553	813,186	62,553
Martin County District 1	558,675	-	21,010	537,665	21,965
Martin County District 2	1,930,034	-	49,974	1,880,060	51,974
Installment purchase - USDA	921,723	-	18,587	903,136	19,005
Compensated absences	50,838	3,326	-	54,164	17,990
Other postemployment benefits	738,178	-	151,750	586,428	-
Net pension liability (LGRS)	208,057	73,057	-	281,114	-
Business-type activity long-term liabilities	\$ 9,240,562	\$ 76,383	\$ 846,722	\$ 8,470,223	\$ 408,060

At June 30, 2021, the Town of Williamston had a legal debt margin of \$25,135,949.

C. Interfund Balances and Activity

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

Internal Balances

Instead of using external financing, the Water and Sewer Fund loaned money to the General Fund so that the General Fund could acquire various capital assets.

The terms of this loan are as follows:

The Water and Sewer Fund loaned the General Fund \$339,200 on July 13, 2011 with interest at 2.0% to fund the improvements to the Skinner Warehouse. Annual repayments are set at \$22,614 principal plus interest. The balance at June 30, 2021 was \$113,060. The loan will be repaid by June 2026.

\$ 113,060

Interest expense in the General Fund and the related interest income in the Water and Sewer Fund related to these internal balances was \$2,713.

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

Transfers to/from Other Funds

From the General Fund to the Fire Department Capital Project Fund	\$ 40,000
From the General Fund to the Police Department Capital Project Fund	666,998
From the General Fund to the Gaylord Perry Park Capital Project Fund	80,000
From the General Fund to the Police and Fire Radio Capital Project Fund	145,223
From the General Fund to the Community Development Block Grant Project Fund	<u>16,645</u>
Total interfund transfers	<u>\$ 948,866</u>

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.

Administrative Reimbursement of Expenses

From Water and Sewer Fund to General Fund	<u>\$ 683,239</u>
---	-------------------

D. 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	\$ 4,181,772
Less:	
Inventories	7,331
Stabilization by state statute	632,729
Streets - Powell Bill	404,325
Restricted for Public Safety	<u>59,022</u>
Remaining Fund Balance	<u>\$ 3,078,365</u>

IV. JOINTLY GOVERNED ORGANIZATION

The Town, in conjunction with five counties and various other municipalities, established the Mid-East Commission Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town of Williamston paid membership fees of \$1,777 to the Council during the fiscal year ended June 30, 2021.

V. RELATED ORGANIZATION

The five-member board of the Town of Williamston Housing Authority is appointed by the Commissioners of the Town of Williamston. The Town is accountable for the Housing Authority because it appoints the governing board; however, the Town is not financially accountable for the Housing Authority. The Town is also disclosed as a related organization in the notes to the financial statements of the Williamston Housing Authority. Complete financial statements for the Housing Authority can be obtained from the Authority's offices at 504 E. Main Street, Williamston, NC 27892.

VI. RELATED PARTY TRANSACTIONS

No significant or improper related party transactions.

VII. 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

VIII. UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, certain operations of the Town have been affected. The ability of some residents to make tax and/or utility payments has and may at times be impacted by the effects of the pandemic, as well as, state shared revenues, local, state and federal grant funding. In response to this event, the Town, through Executive Order of the Governor, suspended its cut-off policies for non-payment of utilities and/or extended due dates and payment options of utilities and property taxes for residents. Continued effects of the pandemic may result in uncertainties and a negative impact on operating activities and results of the Town. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Required Supplementary Financial Data

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

- Schedule of Investment Returns for the Other Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Schedule of Changes in Net OPEB Liability and Related Ratios for the Other Postemployment Benefits
- Schedule of the Net OPEB Liability for the Other Postemployment Benefits
- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability
- Schedule of Total Pension Liability as a Percentage of Covered Payroll

This Page Intentionally Left Blank

Town of Williamston, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Investment Returns

	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	21.36%	2.94%	5.42%	4.10%	4.50%

Notes to the Schedule

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Town of Williamston, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Employer Contributions

Fiscal Year Ending June 30	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 252,196	\$ 252,196	\$ 304,130	\$ 304,130	\$ 358,132	\$ 358,132
Contribution in relation to the						
Actuarially Determined Contribution	227,266	269,707	198,599	200,849	320,456	129,234
Annual contribution deficiency (excess)	<u>\$ 24,930</u>	<u>\$ (17,511)</u>	<u>\$ 105,531</u>	<u>\$ 103,281</u>	<u>\$ 37,676</u>	<u>\$ 228,898</u>
Covered payroll	\$ 2,023,000	\$ 2,201,000	\$ 2,201,000	\$ 2,189,000	\$ 2,189,000	\$ 2,189,000
Actual contributions as a percentage of covered payroll	11.23%	12.25%	9.02%	9.18%	14.64%	5.90%

Notes to Schedule

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Asset valuation method	Market value
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Investment rate of return	5.25%
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024
Dental	4.00%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Municipal Bond Index Rate	
Prior measurement date	2.21%
Measurement date	2.16%
Year FNP is projected to be depleted	
Prior measurement date	2031
Measurement date	2036
Single Equivalent Interest Rate net of OPEB plan	
Investment expense, including price inflation	
Prior measurement date	2.49%
Measurement date	2.70%

Town of Williamston, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios

Fiscal Year Ending June 30	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost at end of year	\$ 166,602	\$ 117,019	\$ 146,727	\$ 155,475	\$ 173,489
Interest on the Total OPEB Liability	135,312	160,867	192,295	177,185	156,902
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(463,766)	33,364	(912,277)	(26,884)	-
Changes of assumptions or other inputs	(216,890)	900,441	234,798	(257,004)	(436,391)
Benefit payments*	(127,266)	(169,707)	(98,599)	(100,849)	(120,456)
Net change in Total OPEB Liability	(506,008)	1,041,984	(437,056)	(52,077)	(226,456)
Total OPEB Liability - beginning	5,497,446	4,455,462	4,892,518	4,944,595	5,171,051
Total OPEB Liability - ending (a)	4,991,438	5,497,446	4,455,462	4,892,518	4,944,595
Plan Fiduciary Net Position					
Contributions - employer**	227,266	269,707	198,599	200,849	320,456
Contributions - non-employer	-	-	-	-	-
Contributions - active member	-	-	-	-	-
Net investment income	242,343	26,495	41,523	39,184	45,737
Benefit payments*	(127,266)	(169,707)	(98,599)	(100,849)	(120,456)
Administrative expense	-	-	-	-	-
Other	-	-	-	-	-
Net change in Plan Fiduciary net Position	342,343	126,495	141,523	139,184	245,737
Plan Fiduciary Net Position - beginning	963,186	836,691	695,168	555,984	310,247
Plan Fiduciary Net Position - ending (b)	1,305,529	963,186	836,691	695,168	555,984
Net OPEB Liability - ending (a) - (b)	\$ 3,685,909	\$ 4,534,260	\$ 3,618,771	\$ 4,197,350	\$ 4,388,611
Plan fiduciary net position as a percentage of the total OPEB liability	26.16%	17.52%	18.78%	14.21%	11.24%

*Benefit payments are net of participant contributions and include payments due to the implicit subsidy.

Net benefit payments paid directly from the employer are also included.

**Employer contributions include benefit payments paid directly from the employer.

Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Town of Williamston, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of the Net OPEB Liability

Fiscal Year Ending June 30

	2021	2020	2019	2018	2017	2016
Total OPEB Liability	\$ 4,991,438	\$ 5,497,446	\$ 4,455,462	\$ 4,892,518	\$ 4,944,595	\$ 5,171,051
Plan Fiduciary Net Position	1,305,529	963,186	836,691	695,168	555,984	310,247
Net OPEB Liability	<u>\$ 3,685,909</u>	<u>\$ 4,534,260</u>	<u>\$ 3,618,771</u>	<u>\$ 4,197,350</u>	<u>\$ 4,388,611</u>	<u>\$ 4,860,804</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	26.16%	17.52%	18.78%	14.21%	11.24%	6.00%
Covered payroll	\$ 2,023,000	\$ 2,201,000	\$ 2,201,000	\$ 2,189,000	\$ 2,189,000	\$ 2,189,000
Net OPEB liability as a percentage of covered payroll	182.20%	206.01%	164.41%	191.75%	200.48%	222.06%

Notes to Schedule

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Town of Williamston, North Carolina
Schedule of the Proportionate Share of the Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

Local Government Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Town of Williamston's proportion of the net pension liability (asset) (%)	0.05540%	0.05287%	0.05273%	0.05313%	0.05341%	0.05246%	0.05400%	0.05310%
Town of Williamston's proportion of the net pension liability (asset) (\$)	\$ 1,979,678	\$ 1,443,838	\$ 1,250,936	\$ 811,679	\$ 1,133,539	\$ 235,438	\$ (318,463)	\$ 640,059
Town of Williamston's covered payroll	\$ 3,599,028	\$ 3,543,663	\$ 3,433,595	\$ 3,305,438	\$ 3,213,591	\$ 3,058,933	\$ 2,869,087	\$ 2,775,413
Town of Williamston's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	55.01%	40.74%	36.43%	24.56%	35.27%	7.70%	(11.10%)	23.06%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%	96.45%

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

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

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Town of Williamston, North Carolina
Schedule of Town Contributions
Required Supplementary Information
Last Eight Fiscal Years

Local Government Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 384,888	\$ 329,703	\$ 281,750	\$ 264,095	\$ 245,462	\$ 216,799	\$ 218,990	\$ 204,434
Contributions in relation to the contractually required contribution	384,888	329,703	281,750	264,095	245,462	216,799	218,990	204,434
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town of Williamston's covered payroll	\$ 3,720,521	\$ 3,599,028	\$ 3,543,663	\$ 3,433,595	\$ 3,305,438	\$ 3,213,591	\$ 3,058,933	\$ 2,869,087
Contributions as a percentage of covered payroll	10.35%	9.16%	7.95%	7.69%	7.43%	6.75%	7.16%	7.13%

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Town of Williamston, North Carolina
Schedule of Changes in Total Pension Liability
Required Supplementary Information

Law Enforcement Officers' Special Separation Allowance

	2021	2020	2019	2018	2017
Beginning balance	\$ 389,268	\$ 365,902	\$ 362,173	\$ 339,901	\$ 311,753
Service cost	35,168	29,385	31,842	26,416	29,682
Interest on the total pension liability	12,690	13,319	11,445	13,120	11,130
Difference between expected and actual experience	(56,854)	(36,421)	(16,681)	(49,176)	-
Changes of assumptions or other inputs	152,466	17,083	(22,877)	31,912	(12,664)
Ending balance of the total pension liability	<u>\$ 532,738</u>	<u>\$ 389,268</u>	<u>\$ 365,902</u>	<u>\$ 362,173</u>	<u>\$ 339,901</u>

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

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Town of Williamston, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Required Supplementary Information

Law Enforcement Officers' Special Separation Allowance

	2021	2020	2019	2018	2017
Total pension liability	\$ 532,738	\$ 389,268	\$ 365,902	\$ 362,173	\$ 339,901
Covered payroll	1,075,464	938,725	890,310	871,207	965,493
Total pension liability as a percentage of covered payroll	49.54%	41.47%	41.10%	41.57%	35.20%

Notes to the schedules:

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

The above schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Individual Fund Schedule

This Page Intentionally Left Blank

Town of Williamston, North Carolina
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Ad valorem taxes				
Current year	\$	\$ 3,214,646	\$	\$ 2,658,628
Prior years		237,476		137,408
Penalties and interest		63,639		51,443
Total	3,157,065	3,515,761	358,696	2,847,479
Other taxes and licenses				
Gross receipts tax on short-term rental property		9,800		9,733
Auto licenses		20,749		18,862
Auto licenses - restricted		99,451		91,806
Total	108,650	130,000	21,350	120,401
Unrestricted intergovernmental				
Local option sales taxes		1,321,066		1,165,446
Payments in lieu of taxes		6,925		5,886
Telecommunications sales tax		50,696		42,873
Utility sales tax		305,441		329,265
Piped natural gas sales tax		3,470		1,885
Video franchise fee		33,451		26,650
ABC profit distributions		21,785		17,308
Beer and wine tax		22,286		23,226
Total	1,660,000	1,765,120	105,120	1,612,539
Restricted intergovernmental				
Powell Bill allocation		153,632		164,457
Controlled substance tax		7,114		(37,505)
Federal Drug Forfeiture Program		-		43,735
N.C. Department of Public Safety - Regional Response Team Grant		64,444		60,433
Bulletproof vest grant		1,770		500
NC Safety grant - NCLM		-		3,128
CARES CCRF County		145,233		-
CARES Act - COVID 19 Funds EMS		26,856		-
CDBG State Rural Demo Infrastructure Grant		39,269		-
Fire district - Martin County		251,557		259,233
Rescue squad - Martin County		182,560		190,420
Recreation - Martin County		9,677		9,677
On-behalf of payments - Fire and Rescue		19,301		17,848
Solid waste disposal tax		3,994		4,086
Total	927,585	905,407	(22,178)	716,012

(continued)

Town of Williamston, North Carolina
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
Permits and fees				
Fire code permits & inspection application fees		1,250		1,025
Court fees		210		451
Business registration fees		350		365
Total	2,550	1,810	(740)	1,841
Sales and services				
EMS collections		444,482		519,756
EMS - Medicaid cost settlement		-		74,164
Recreation fees and rents		8,049		20,234
Cemetery revenues		101,625		63,405
Rooks cemetery maintenance funds		10,062		6,733
Police department		1,139		2,565
Zoning		3,690		3,165
Street, driveways and lot cleaning		700		-
Total	658,900	569,747	(89,153)	690,022
Investment earnings	81,000	1,126	(79,874)	62,290
Miscellaneous				
Miscellaneous		564		4,088
Total	1,100	564	(536)	4,088
Total revenues	6,596,850	6,889,535	292,685	6,054,672
EXPENDITURES	7,060,950	6,618,543	442,407	5,876,310
Revenues over (under) expenditures	(464,100)	270,992	735,092	178,362

(continued)

Town of Williamston, North Carolina
General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance - Powell Bill	31,399	-	(31,399)	-
Appropriated fund balance - General Fund	1,064,602	-	(1,064,602)	-
Sale of capital assets	10,000	27,307	17,307	16,249
Insurance claims	5,000	7,184	2,184	66,538
Installment purchase proceeds	325,320	316,900	(8,420)	-
Transfers to other funds:				
Police and Fire Radio Project	(145,223)	(145,223)	-	-
Capital Projects Fund	(826,998)	(803,643)	23,355	(122,957)
Total other financing sources (uses)	464,100	(597,475)	(1,061,575)	(40,170)
Revenues and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>(326,483)</u>	<u>\$ (326,483)</u>	138,192
FUND BALANCE, BEGINNING		4,511,126		4,373,967
Change in reserve for inventories		<u>(2,871)</u>		<u>(1,033)</u>
FUND BALANCE, ENDING		<u>\$ 4,181,772</u>		<u>\$ 4,511,126</u>

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
GENERAL GOVERNMENT				
Administration:				
Salaries - elected officials	\$	\$ 132	\$	\$ 35,378
Salaries - regular		406,985		369,341
FICA tax		29,913		27,694
Group insurance		109,764		113,213
Retirement		44,559		35,105
Professional services		77,444		94,715
Employee training		1,660		3,197
Board training		-		422
Elections		-		6,838
Telephone		4,605		4,471
Postage		3,186		5,028
Travel / meetings		4,551		2,677
Repairs - equipment		173		33
Equipment - rents, leases		8,498		12,506
Advertising		5,294		2,470
Automotive supplies		87		241
Office supplies		4,966		6,028
Department supplies		1,995		2,048
Bank charges		137		1,347
Govdeals auction fees		2,048		1,129
Taxes - Town owned property		1,665		219
Dues		961		1,985
Insurance		7,439		10,811
Miscellaneous		1,056		300
COVID		2,063		738
Tax collection fees		14,241		12,211
Small expendable equipment		299		9,802
Enterprise fund administration		(683,239)		(652,031)
Total	73,524	50,482	23,042	107,916
Governing Body:				
Salaries - regular		34,479		-
FICA tax		2,001		-
Group insurance		16,446		-
Travel / meetings		99		-
Telephone		681		-
Total	58,505	53,706	4,799	-

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021		2020
	Budget	Actual	Variance Positive (Negative) Actual
Planning department:			
Salaries - regular		108,523	110,932
FICA tax		8,121	8,067
Group insurance		13,802	12,062
Retirement		10,892	8,964
Professional services		35	135
Marketing Town of Williamston		4,463	6,357
Employee training		26	2,112
Telephone		1,045	1,454
Postage		105	225
Travel / meetings		-	44
Repairs - equipment		382	52
Repairs - vehicles		71	-
Advertising		366	459
Automotive supplies		445	177
Office supplies		34	663
Department supplies		46	45
Contracted services		1,750	99
Code enforcement		64,834	20,425
Dues		1,394	917
Insurance		580	534
Small expendable equipment		-	781
Total	244,003	216,914	27,089 174,504
Public buildings:			
Salaries - regular		13,980	13,533
FICA tax		1,065	988
Utilities		10,304	11,070
Repairs - buildings and grounds		3,760	3,889
Repairs - equipment		3,073	2,124
Department supplies		3,777	2,996
Bank charges		64	47
Garbage collection		1,658	2,257
Insurance		7,216	6,757
COVID		-	295
Capital outlay		11,000	-
Small expendable equipment		213	-
Total	57,091	56,110	981 43,956

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
Town garage:				
Salaries - regular		139,540		126,952
FICA tax		9,708		8,210
Group insurance		21,472		18,434
Retirement		15,599		12,044
Professional services		275		147
Employee training		70		-
Telephone		224		224
Utilities		2,470		2,433
Repairs - buildings and grounds		414		603
Repairs - equipment		2,129		2,861
Leases		-		1,037
Automotive supplies		346		802
Department supplies		3,562		2,615
Bank charges		111		82
Uniforms		1,053		1,167
Garbage collection		1,620		1,542
Contracted services		3,552		3,204
Insurance		4,372		3,995
Miscellaneous		785		36
COVID		1,034		22
Capital outlay		14,600		5,733
Small expendable equipment		3,943		894
Total	239,298	226,879	12,419	193,037
 Total general government	 672,421	 604,091	 68,330	 519,413

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
PUBLIC SAFETY				
Police department:				
Salaries - regular		1,053,494		1,009,945
Salaries - temporary		48,046		55,669
FICA tax		82,299		77,065
Group insurance		151,194		127,578
Retirement		168,381		145,760
Professional services		18,244		20,088
Employee training		20,353		10,274
Telephone		16,184		14,540
Postage		25		292
Utilities		805		-
Travel		-		199
Repairs - equipment		2,422		4,499
Repairs - vehicles		15,011		13,655
Advertising		-		93
Automotive supplies		37,768		38,042
Office supplies		1,104		1,484
Department supplies		8,407		12,289
Bank charges		890		661
Uniforms		12,654		13,459
Dues		1,186		806
Insurance		45,332		41,619
Drug control		14,000		8,000
Miscellaneous		1,232		1,056
Community involvement		606		1,465
Hurricane Matthew		166		309
COVID		506		999
Capital outlay		186,985		38,364
Small expendable equipment		13,365		9,074
Total	1,890,125	1,900,659	(10,534)	1,647,284

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021		2020
	Budget	Actual	Variance Positive (Negative)
			Actual
Fire department:			
Salaries - regular		259,964	264,521
Salaries - temporary		3,850	2,781
Supplemental retirement and other benefits		9,992	9,992
FICA tax		19,889	18,807
Group insurance		42,942	43,989
Retirement		28,475	24,983
On-behalf payments - FRSWPF		14,199	12,718
Professional services		5,371	5,755
Employee training		2,249	2,445
Telephone		5,235	4,472
Postage		125	284
Utilities		976	366
Travel		-	48
Repairs - buildings and grounds		2,416	1,465
Repairs - equipment		31,702	111,394
Automotive supplies		20,875	20,391
Department supplies		3,588	3,872
Bank charges		453	375
Uniforms		2,312	4,949
Garbage collection		753	702
Dues		1,226	1,130
Insurance		35,565	35,963
Miscellaneous		1,188	1,270
Hurricane Dorian		-	73
Small expendable equipment		27,393	26,397
Total	538,729	520,846	17,883
Regional response team:			
Salaries - regular		5,303	123
Salaries - training		1,600	3,353
FICA tax		(679)	-
Professional services		15,000	15,000
Employee training		18,516	14,200
Telephone		631	418
Travel		49	-
Equipment repair		4,312	3,933
Department supplies		3,818	1,485
Uniforms		2,250	4,342
Garbage collection		861	930
Insurance		5,000	5,000
Small expendable equipment		(745)	693
Total	91,720	55,916	35,804

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
Rescue squad:				
Salaries - regular		521,803		501,571
Salaries - temporary		21,564		22,140
FICA tax		40,263		37,345
Group insurance		90,257		73,739
Retirement		58,270		47,403
On-behalf payments - FRSWPF		5,102		5,130
Professional services		51,030		64,487
Employee training		43		2,340
Telephone		2,926		2,523
Postage		150		131
Utilities		9,693		10,486
Travel		-		95
Repairs - buildings and grounds		5,818		6,266
Repairs - equipment		8,520		12,403
Equipment - rents, leases		2,322		3,214
Automotive supplies		10,915		8,575
Office supplies		1,810		1,934
Department supplies		29,774		25,461
Bank charges		377		280
Uniforms		4,429		4,478
Garbage collection		2,192		2,112
Dues		968		1,249
Insurance		29,850		38,518
Miscellaneous		671		709
Hurricane Dorian		72		-
COVID		13,375		1,770
Capital outlay		88,544		32,286
Small expendable equipment		7,607		6,352
Total	1,005,278	1,008,345	(3,067)	912,997
Total public safety	3,525,852	3,485,766	40,086	3,208,900

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

2021			2020
Budget	Actual	Variance Positive (Negative)	Actual

TRANSPORTATION

Street repair and construction:

Salaries - regular	215,182	204,198		
Salaries - temporary	1,040	555		
FICA tax	16,307	14,612		
Group insurance	32,082	32,408		
Retirement	23,084	18,409		
Professional services	146	49		
Employee training	106	156		
Telephone	1,361	1,408		
Postage	-	24		
Utilities	122,587	136,044		
Travel	-	48		
Repairs - buildings and grounds	378	209		
Repairs - equipment	2,779	5,380		
Advertising	32	-		
Automotive supplies	4,830	5,510		
Department supplies	8,092	2,809		
Stampede - Street	1,335	484		
Bank charges	352	261		
Uniforms	2,218	3,144		
Powell Bill - services	15,871	17,521		
Powell Bill - project	99,886	85,082		
Powell Bill - equipment operations	245,445	7,775		
Contracted services	4,276	1,295		
Insurance	15,960	23,359		
Miscellaneous	609	220		
Hurricane debris cleanup	60	65		
COVID	120	44		
Small expendable equipment	1,479	-		
Total transportation	873,233	815,617	57,616	561,069

ECONOMIC AND PHYSICAL DEVELOPMENT

Martin County Arts Council	7,000	7,000		
Williamston Downtown	779	1,979		
Williamston Downtown, Inc. Facade	6,000	6,000		
Williamston Beautification	217	-		
Hwy 17 Association	2,500	2,500		
Mid-East Commission	1,777	1,777		
Martin County Historical Society	1,000	-		
Institute of Government	719	699		
Martin County Chamber	3,215	715		
Committee of 100	500	500		
NCLM	6,379	6,351		
Roanoke River Partners	1,500	1,500		
Boys and Girls Club	15,000	15,000		
Employer contributions to OPEB Trust Fund	142,706	135,642		
Total economic & physical development	227,924	189,292	38,632	179,663

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021		2020
	Budget	Actual	Variance Positive (Negative) Actual
ENVIRONMENTAL PROTECTION			
Sanitation:			
Salaries - regular		256,645	250,779
Salaries - temporary		719	749
FICA tax		19,297	18,221
Group insurance		72,681	63,240
Retirement		26,339	22,675
Professional services		365	144
Telephone		2,013	1,628
Travel		-	79
Repairs and maintenance		19,338	16,686
Advertising		93	60
Automotive supplies		23,866	28,045
Department supplies		3,627	2,122
Martin County Landfill		68,461	39,172
Bank charges		233	173
Uniforms		3,887	5,090
Garbage collection		-	351
Contracted services		3,465	799
Insurance		14,834	5,830
Miscellaneous		793	187
Hurricane debris cleanup		73	-
COVID		167	81
Capital outlay		118,798	16,310
Small equipment		87	-
Total	651,672	635,781	15,891 472,421
Cemetery:			
Salaries - regular		55,202	51,516
Salaries - temporary		6,320	4,245
FICA tax		4,671	4,053
Group insurance		13,321	10,011
Retirement		7,021	5,068
Telephone		417	433
Utilities		774	828
Repairs - buildings and grounds		2,589	22
Repairs - equipment		906	1,194
Automotive supplies		1,869	2,161
Department supplies		1,511	1,258
Bank charges		58	43
Rooks fund expense		360	490
Uniforms		906	1,101
Insurance		1,509	7,293
Miscellaneous		1,544	312
COVID		59	11
Small expendable equipment		900	564
Total	114,524	99,937	14,587 90,603
Total environmental protection	766,196	735,718	30,478 563,024

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
CULTURAL AND RECREATIONAL				
Recreation:				
Salaries - regular		162,162		185,283
Salaries - temporary		62,307		66,948
FICA tax		16,943		18,203
Group insurance		24,227		25,002
Retirement		17,182		16,827
Professional services		612		3,777
Employee training		191		761
Telephone		3,960		4,176
Postage		123		119
Utilities		19,713		23,877
Repairs - buildings and grounds		23,840		22,113
Repairs - equipment		7,927		8,511
Automotive supplies		6,408		7,218
Department supplies		16,701		28,232
Bank charges		341		253
Supplies - turf grass management		5,697		10,830
Uniforms		2,025		2,259
Garbage collection		6,243		5,843
Contracted services		1,746		3,886
Dues		311		334
Insurance		13,952		14,726
Miscellaneous		1,003		2,313
COVID		999		551
Capital outlay		7,125		-
Small expendable equipment		3,790		829
Total	587,066	405,528	181,538	452,871
Cultural:				
Martin Memorial Library		102,000		102,000
Stampede Festival		8,935		9,457
Christmas decorations		3,709		3,198
Christmas parade		1,257		3,631
Total	119,000	115,901	3,099	118,286
Total cultural and recreational	706,066	521,429	184,637	571,157

Town of Williamston, North Carolina
General Fund
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
Debt service:				
Principal retirement	265,294	242,679	22,615	242,679
Interest	23,964	23,951	13	30,405
Total debt service	289,258	266,630	22,628	273,084
 Total expenditures	 \$ 7,060,950	 \$ 6,618,543	 \$ 442,407	 \$ 5,876,310

Town of Williamston, North Carolina
Major Governmental Capital Projects Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021

FIRE DEPARTMENT CAPITAL PROJECT

	Project Authorization			Actual			Variance Positive (Negative)
	June 30 2020	Amendment	June 30 2021	Prior Years	Current Year	Total to Date	
REVENUES							
Investment earnings	\$ -	\$ -	\$ -	\$ 69	\$ 123	\$ 192	\$ 192
Total revenues	-	-	-	69	123	192	192
EXPENDITURES							
Public Safety:							
Capital outlay:							
Engineering and inspections	74,000	4,400	78,400	64,576	13,613	78,189	211
Legal and administrative fees	30,900	-	30,900	10,603	4,940	15,543	15,357
Construction	1,704,569	-	1,704,569	176,533	1,393,852	1,570,385	134,184
Equipment wiring	186,482	104,301	290,783	-	72,826	72,826	217,957
Contingency	84,601	(84,601)	-	-	-	-	-
Debt service:							
Loan origination fees	35,000	15,900	50,900	5,900	44,324	50,224	676
Total expenditures	2,115,552	40,000	2,155,552	257,612	1,529,555	1,787,167	368,385
Revenues over (under) expenditures	(2,115,552)	(40,000)	(2,155,552)	(257,543)	(1,529,432)	(1,786,975)	368,577
OTHER FINANCING SOURCES							
USDA long-term debt financing	2,042,595	-	2,042,595	2,042,595	-	2,042,595	-
Transfers from other funds:							
General Fund	72,957	40,000	112,957	72,957	40,000	112,957	-
Total other financing sources	2,115,552	40,000	2,155,552	2,115,552	40,000	2,155,552	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ 1,858,009	(1,489,432)	\$ 368,577	\$ 368,577
FUND BALANCE, BEGINNING					1,858,009		
FUND BALANCE, ENDING					\$ 368,577		

Town of Williamston, North Carolina
Major Governmental Capital Projects Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021

POLICE DEPARTMENT CAPITAL PROJECT

	Project Authorization			Actual			Variance Positive (Negative)
	June 30 2020	Amendment	June 30 2021	Prior Years	Current Year	Total to Date	
REVENUES							
Investment earnings	\$ -	\$ -	\$ -	\$ 59	\$ 105	\$ 164	\$ 164
Total revenues	-	-	-	59	105	164	164
EXPENDITURES							
Public Safety:							
Capital outlay:							
Building Purchase	212,026	-	212,026	210,052	-	210,052	1,974
Engineering and inspections	122,200	4,200	126,400	103,456	24,326	127,782	(1,382)
Legal and administrative fees	29,600	-	29,600	23,789	4,885	28,674	926
Construction	2,055,550	-	2,055,550	145,487	1,911,891	2,057,378	(1,828)
Equipment wiring	468,989	183,177	652,166	-	244,068	244,068	408,098
Contingency	102,577	(102,577)	-	-	-	-	-
Debt service:							
Interim financing	35,000	15,200	50,200	-	63,465	63,465	(13,265)
Total expenditures	3,025,942	100,000	3,125,942	482,784	2,248,635	2,731,419	394,523
Revenues over (under) expenditures	(3,025,942)	(100,000)	(3,125,942)	(482,725)	(2,248,530)	(2,731,255)	394,687
OTHER FINANCING SOURCES							
USDA long-term debt financing	2,308,944	-	2,308,944	2,308,944	-	2,308,944	-
Transfers from other funds:							
General Fund	626,998	190,000	816,998	150,000	666,998	816,998	-
Total other financing sources	2,935,942	190,000	3,125,942	2,458,944	666,998	3,125,942	-
Revenues and other financing sources over (under) expenditures	\$ (90,000)	\$ 90,000	\$ -	\$ 1,976,219	(1,581,532)	\$ 394,687	\$ 394,687
FUND BALANCE, BEGINNING					1,976,219		
FUND BALANCE, ENDING					\$ 394,687		

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

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 225,223	\$ 225,223
Investments	2,361	-	2,361
TOTAL ASSETS	\$ 2,361	\$ 225,223	\$ 227,584
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-
FUND BALANCES			
Assigned:			
Economic and physical development	2,361	-	2,361
Unassigned	-	225,223	225,223
Total fund balances	2,361	225,223	227,584
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,361	\$ 225,223	\$ 227,584

Town of Williamston, North Carolina
Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021

	Total Non-Major Special Revenue Funds	Total Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES			
Restricted intergovernmental	\$ 90,010	\$ -	\$ 90,010
Total revenues	90,010	-	90,010
EXPENDITURES			
Current:			
Economic and physical development	103,510	-	103,510
Total expenditures	103,510	-	103,510
Revenues over (under) expenditures	(13,500)	-	(13,500)
OTHER FINANCING SOURCES			
Transfers from other funds	16,645	225,223	241,868
Total other financing sources	16,645	225,223	241,868
Revenues and other financing sources over (under) expenditures and other uses	3,145	225,223	228,368
FUND BALANCE (DEFICIT), BEGINNING	(784)	-	(784)
FUND BALANCE, ENDING	\$ 2,361	\$ 225,223	\$ 227,584

Town of Williamston, North Carolina
Non-Major Governmental Special Revenue Funds
Combining Balance Sheet
June 30, 2021

	Strategic Economic Development - Golden Leaf	CDBG Downtown Redevelopment Grant	Total Non-Major Special Revenue Funds
ASSETS			
Investments	\$ 2,361	\$ -	\$ 2,361
TOTAL ASSETS	<u>\$ 2,361</u>	<u>\$ -</u>	<u>\$ 2,361</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Assigned:			
Economic and physical development	2,361	-	2,361
TOTAL FUND BALANCES	<u>2,361</u>	<u>-</u>	<u>2,361</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,361</u>	<u>\$ -</u>	<u>\$ 2,361</u>

Town of Williamston, North Carolina
Non-Major Governmental Special Revenue Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021

	Strategic Economic Development - Golden Leaf	CDBG Downtown Redevelopment Grant	Total Non-Major Special Revenue Funds
REVENUES			
Restricted intergovernmental	\$ -	\$ 90,010	\$ 90,010
Total revenues	-	90,010	90,010
EXPENDITURES			
Current:			
Economic and physical development	-	103,510	103,510
Total expenditures	-	103,510	103,510
Revenues over (under) expenditures	-	(13,500)	(13,500)
OTHER FINANCING SOURCES			
Transfers from other funds:			
General Fund	-	16,645	16,645
Revenues and other financing sources over expenditures	-	3,145	3,145
FUND BALANCE (DEFICIT), BEGINNING	2,361	(3,145)	(784)
FUND BALANCE, ENDING	\$ 2,361	\$ -	\$ 2,361

Town of Williamston, North Carolina
Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual
From Inception and for the Fiscal Year Ended June 30, 2021

STRATEGIC ECONOMIC DEVELOPMENT - GOLDEN LEAF

Project Authorization	Actual			Variance Positive (Negative)	
	Prior Years	Current Year	Total to Date		
REVENUES					
Restricted intergovernmental revenues:					
Martin County	\$ 4,425	\$ 4,425	\$ -	\$ 4,425	\$ -
Martin County Tourism Development	1,950	1,950	-	1,950	-
Martin County Water Authority	500	500	-	500	-
NC Department of Commerce:					
Main Street Solutions Fund Grant	100,000	100,000	-	100,000	-
Golden Leaf Foundation	20,000	20,000	-	20,000	-
Town of Bear Grass	400	400	-	400	-
Investment earnings	10	1	-	1	(9)
Miscellaneous and project income:					
Local Funds	6,300	6,300	-	6,300	-
Williamston Committee of 100	8,600	8,600	-	8,600	-
Total revenues	142,185	142,176	-	142,176	(9)
EXPENDITURES					
Current:					
Economic and physical development:					
Strategic Economic Plan	50,810	48,440	-	48,440	2,370
Main Street Solutions Fund Grant:					
Accessmedicine, PA	100,000	100,000	-	100,000	-
Total expenditures	150,810	148,440	-	148,440	2,370
Revenues over (under) expenditures	(8,625)	(6,264)	-	(6,264)	2,361
OTHER FINANCING SOURCES					
Transfers from other funds:					
General Fund	8,625	8,625	-	8,625	-
Revenues and other financing sources over expenditures	\$ -	\$ 2,361	-	\$ 2,361	\$ 2,361
FUND BALANCE, BEGINNING		2,361			
FUND BALANCE, ENDING		\$ 2,361			

Town of Williamston, North Carolina
Special Revenue Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual
From Inception and for the Fiscal Year Ended June 30, 2021**

**COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT FUND - DOWNTOWN
REDEVELOPMENT GRANT**

	Project Authorization			Actual			Variance Positive (Negative)
	June 30 2020	Amendment	June 30 2021	Prior Years	Current Year	Total to Date	
REVENUES							
Restricted intergovernmental revenues:							
CDBG Grant	\$ 335,500	\$ -	\$ 335,500	\$ -	\$ 90,010	\$ 90,010	\$ (245,490)
Miscellaneous and project income:							
Building owners	36,800	-	36,800	5,900	-	5,900	(30,900)
Williamston Downtown	7,000	-	7,000	7,000	-	7,000	-
Williamston Committee of 100	6,000	-	6,000	6,000	-	6,000	-
Total revenues	385,300	-	385,300	18,900	90,010	108,910	(276,390)
EXPENDITURES							
Current:							
Economic and physical development:							
Administration	23,500	-	23,500	1,157	13,500	14,657	8,843
Building up-fit	382,600	13,500	396,100	38,388	90,010	128,398	267,702
Total expenditures	406,100	13,500	419,600	39,545	103,510	143,055	276,545
Revenues over (under) expenditures	(20,800)	(13,500)	(34,300)	(20,645)	(13,500)	(34,145)	155
OTHER FINANCING SOURCES							
Transfers from other funds:							
General Fund	20,800	13,500	34,300	17,500	16,645	34,145	(155)
Revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ (3,145)	3,145	\$ -	\$ -
FUND BALANCE (DEFICIT), BEGINNING					(3,145)		
FUND BALANCE (DEFICIT), ENDING					\$ -		

Town of Williamston, North Carolina
Non-Major Governmental Capital Projects Funds
Combining Balance Sheet
June 30, 2021

	Police and Fire Radio Project	Gaylord Perry Park PARTF Grant	Total Non-Major Capital Projects Funds
ASSETS			
Cash and cash equivalents	\$ 145,223	\$ 80,000	\$ 225,223
Restricted cash	-	-	-
TOTAL ASSETS	<u>\$ 145,223</u>	<u>\$ 80,000</u>	<u>\$ 225,223</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Unassigned	<u>145,223</u>	<u>80,000</u>	<u>225,223</u>
TOTAL FUND BALANCES	<u>145,223</u>	<u>80,000</u>	<u>225,223</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 145,223</u>	<u>\$ 80,000</u>	<u>\$ 225,223</u>

Town of Williamston, North Carolina
Non-Major Governmental Capital Projects Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2021

	Police and Fire Radio Project	Gaylord Perry Park PARTF Grant	Total Non-Major Capital Projects Funds
REVENUES			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Public Safety:			
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenues over (under) expenditures	-	-	-
OTHER FINANCING SOURCES			
Transfers from other funds	145,223	80,000	225,223
Total other financing sources	145,223	80,000	225,223
Revenues and other financing sources over (under) expenditures and other uses	145,223	80,000	225,223
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	\$ 145,223	\$ 80,000	\$ 225,223

Town of Williamston, North Carolina
Non-Major Governmental Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual
From Inception and for the Fiscal Year Ended June 30, 2021

POLICE AND FIRE RADIO PROJECT

Project Authorization	Actual			Variance Positive (Negative)
	Prior Years	Current Year	Total to Date	
EXPENDITURES				
Public Safety:				
Capital outlay:				
Radios	\$ 504,957	\$ -	\$ -	\$ 504,957
Total expenditures	504,957	-	-	504,957
Revenues over (under) expenditures	(504,957)	-	-	504,957
OTHER FINANCING SOURCES				
Transfer from General Fund	504,957	-	145,223	(359,734)
Total other financing sources	504,957	-	145,223	(359,734)
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	145,223	\$ 145,223
FUND BALANCE, BEGINNING			-	
FUND BALANCE, ENDING			\$ 145,223	

Town of Williamston, North Carolina
Non-Major Governmental Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual
From Inception and for the Fiscal Year Ended June 30, 2021

GAYLORD PERRY PARK PARTF GRANT PROJECT

Project Authorization	Actual			Variance Positive (Negative)	
	Prior Years	Current Year	Total to Date		
REVENUES					
Restricted intergovernmental revenues:					
State of North Carolina PARTF Grant	\$ 262,000	\$ -	\$ -	\$ -	\$ (262,000)
Total revenues	262,000	-	-	-	(262,000)
EXPENDITURES					
Cultural and Recreation:					
Capital outlay:					
Engineering and inspections	41,000	-	-	-	41,000
Construction	460,500	-	-	-	460,500
Contingency	23,025	-	-	-	23,025
Total expenditures	524,525	-	-	-	524,525
Revenues over (under) expenditures	(262,525)	-	-	-	262,525
OTHER FINANCING SOURCES (USES)					
Transfers from other funds:					
General Fund	262,525	-	80,000	80,000	(182,525)
Total other financing sources	262,525	-	80,000	80,000	(182,525)
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	80,000	\$ 80,000	\$ 80,000
FUND BALANCE, BEGINNING			-		
FUND BALANCE, ENDING			\$ 80,000		

Town of Williamston, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Charges for services:				
Water sales	\$	\$ 1,199,935	\$	\$ 1,149,315
Water District 1 sales		118,978		113,875
Water District 2 sales		239,649		230,101
Sewer sales		1,583,689		1,561,653
Martin County Regional Water and Sewer Authority fees		937,783		909,001
Water and sewer taps		2,780		1,940
Total charges for services	4,029,500	4,082,814	53,314	3,965,885
Other operating revenues:				
Late penalties	50,500	44,900	(5,600)	39,975
Total operating revenues	4,080,000	4,127,714	47,714	4,005,860
Non-operating revenues:				
Investment earnings	130,000	4,507		112,981
Miscellaneous		545		1,243
Total non-operating revenues	131,500	5,052	(126,448)	114,224
Total revenues	4,211,500	4,132,766	(78,734)	4,120,084
EXPENDITURES				
Water treatment and distribution	2,208,007	2,132,004	76,003	2,103,425
Waste collection and treatment	1,188,969	1,069,344	119,625	1,054,135
Debt service	834,507	834,502	5	827,023
Capital outlay	228,133	22,917	205,216	150,231
Total expenditures	4,459,616	4,058,767	400,849	4,134,814
Revenues over (under) expenditures	(248,116)	73,999	322,115	(14,730)
OTHER FINANCING SOURCES (USES)				
Appropriated net position	40,000	-	(40,000)	-
Proceeds of long-term debt	185,502	-	(185,502)	-
Loan repayments from General Fund	22,614	22,614	-	22,614
Total other financing sources (uses)	248,116	22,614	(225,502)	22,614
Revenues and other financing sources over expenditures and other uses	\$ -	\$ 96,613	\$ 96,613	\$ 7,884

Town of Williamston, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

2021			2020
Budget	Actual	Variance Positive (Negative)	Actual

**RECONCILIATION FROM BUDGETARY BASIS
(MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:**

Revenues and other financing sources over
expenditures and other uses

\$ 96,613 \$ 7,884

Reconciling items:

Principal retirement	676,385	674,431
Capital outlay	22,917	150,231
Increase (decrease) in deferred outflows of resources		
pensions	31,154	(12,911)
(Increase) decrease in net pension liability	(73,057)	(35,178)
(Increase) decrease in deferred inflows of resources - pensions	68	1,169
Increase (decrease) in deferred outflows of resources - OPEB	(40,400)	121,149
(Increase) decrease in deferred inflows of resources - OPEB	(71,235)	22,089
(Increase) decrease in accrued vacation pay	(3,326)	(5,976)
(Increase) decrease in OPEB liability	151,750	(199,343)
(Increase) decrease in accrued interest	1,870	1,869
Depreciation	(899,593)	(916,909)
Loan repayments from General Fund	(22,614)	(22,614)
Total reconciling items	<u>(226,081)</u>	<u>(221,993)</u>

Change in net position

\$ (129,468) \$ (214,109)

Town of Williamston, North Carolina
Water and Sewer Fund
Schedule of Expenditures- Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
WATER TREATMENT AND DISTRIBUTION				
Administration expense	\$	\$ 369,779	\$	\$ 353,466
Salaries - regular		219,733		223,630
Salaries - temporary		7,849		7,811
FICA tax		17,681		16,740
Group insurance		35,258		30,720
Employer contributions to OPEB Trust Fund		21,295		21,290
Retirement		24,836		21,469
Professional services		4,071		3,327
Employee training		752		2,415
Telephone		4,097		3,897
Postage		4,020		3,551
Utilities		28,189		18,348
Travel		-		55
Repairs - buildings and grounds		4,216		74
Repairs - equipment		8,171		6,866
Advertising		350		525
Automotive supplies		15,229		14,293
Office supplies		66		275
Department supplies		23,930		30,550
Bank charges		620		508
Uniforms		1,922		2,992
Contracted services		61,086		61,155
Dues		3,691		3,369
Insurance		21,947		19,027
Miscellaneous		352		27
COVID		568		37
Small expendable equipment		1,559		46,195
Repair / replace fire hydrants		-		10,705
Repair lines		38,922		7,000
Water purchases		1,190,759		1,185,930
Bad debts		21,056		7,178
Total water treatment and distribution	2,208,007	2,132,004	76,003	2,103,425

(continued)

Town of Williamston, North Carolina
Water and Sewer Fund
Schedule of Expenditures- Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
WASTE COLLECTION AND TREATMENT				
Administration expense		313,524		298,565
Salaries - regular		287,390		272,658
Salaries - temporary		5,728		6,538
FICA tax		20,929		19,590
Group insurance		47,450		42,059
Employer contributions to OPEB Trust Fund		26,792		25,807
Retirement		29,659		24,509
Professional services		6,945		7,363
Employee training		1,084		2,090
Telephone		4,502		3,516
Postage		8,164		8,023
Utilities		117,463		128,980
Travel		-		80
Repairs - buildings and grounds		5,401		786
Repairs - equipment		36,912		59,472
Advertising		83		83
Automotive supplies		6,021		7,453
Office supplies		30		190
Department supplies		8,254		26,028
Lab supplies		6,991		6,763
Chemical supplies		15,696		-
Bank charges		1,222		907
Uniforms		2,925		3,584
Garbage collection		1,198		1,073
Contracted services		54,568		52,953
Dues		8,520		9,115
Insurance		27,911		25,989
Miscellaneous		293		39
COVID		1,323		37
Small expendable equipment		19,762		3,136
Line repairs		1,294		-
Hurricane Dorian		1,310		-
Bad debts		-		16,749
Total waste collection and treatment	1,188,969	1,069,344	119,625	1,054,135

Town of Williamston, North Carolina
Water and Sewer Fund

Schedule of Expenditures- Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
DEBT SERVICE				
Principal retirement	772,760	676,385	96,375	674,431
Interest and other charges	61,747	158,117	(96,370)	152,592
Total debt service	834,507	834,502	5	827,023
CAPITAL OUTLAY				
Water capital outlay		3,189		120,050
Sewer capital outlay		19,728		30,181
Total capital outlay	228,133	22,917	205,216	150,231
Total expenditures	\$ 4,459,616	\$ 4,058,767	\$ 400,849	\$ 4,134,814

Town of Williamston, North Carolina
Storm Water Fund

Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021
(With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES				
Charges for services:				
Storm Water fees	\$ 55,000	\$ 57,130	\$ 2,130	\$ 57,002
EXPENDITURES				
Bad debts	5,000	-	5,000	-
Capital outlay	674	-	674	-
Debt service				
Principal	39,326	18,587	20,739	18,383
Interest	10,000	20,739	(10,739)	20,943
Total debt service	49,326	39,326	10,000	39,326
Total expenditures	55,000	39,326	15,674	39,326
Revenues over expenditures	<u>\$ -</u>	17,804	<u>\$ 17,804</u>	\$ 17,676
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:				
Reconciling items:				
Depreciation expense		(66,546)		(66,547)
Principal retirement		18,587		18,383
(Increase) decrease in accrued interest		254		138
Change in net position		<u>\$ (29,901)</u>		<u>\$ (30,350)</u>

Other Schedules

This Section Contains additional information required on property taxes.

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

Town of Williamston, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections And Credits	Releases	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 3,388,173 (a)	\$ 3,212,434 (b)	\$ 11,526 (a)	\$ 164,213 (c)
2019-2020	281,897	-	150,004	4,725	127,168
2018-2019	140,582	129	31,121	1,038	108,552
2017-2018	104,628	-	18,818	630	85,180
2016-2017	81,361	-	9,292	-	72,069
2015-2016	63,425	-	7,731	812	54,882
2014-2015	56,372	-	5,697	677	49,998
2013-2014	42,730	-	2,881	527	39,322
2012-2013	42,312	-	2,065	482	39,765
2011-2012	30,100	27	4,582	389	25,156
2010-2011	21,457	-	2,346	19,111	-
	<u>\$ 864,864</u>	<u>\$ 3,388,329</u>	<u>\$ 3,446,971 (e)</u>	<u>\$ 39,917</u>	<u>766,305</u>

Less: allowance for uncollectible ad valorem taxes receivable (95,038)

Ad valorem taxes receivable - net \$ 671,267

Reconciliation to Revenues:

Ad valorem taxes - General Fund \$ 3,515,761

Reconciling items:

Penalties and interest collected	(63,639)
Refunds	(3,894)
Recovery taxes previously written off	(2,940)
GAP Taxes on expired vehicle registrations	<u>1,683</u>

Total collections and credits \$ 3,446,971 (e)

The lower case letters next to certain amounts on the Analysis of Current Tax Levy and in the above schedule show the relationship of taxes levied, taxes collected, and uncollected taxes on both schedules.

Town of Williamston, North Carolina
Analysis of Current Tax Levy
Town-Wide Levy
For the Fiscal Year Ended June 30, 2021

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
ORIGINAL LEVY:					
Property taxed at current year's rate	\$ 342,647,079	\$ 0.89	\$ 3,049,559	\$ 2,773,251	\$ 276,308
Property taxed at prior year's rate	8,579,241	\$ 0.79	67,776	-	67,776
Penalties			-	-	
DISCOVERIES:					
Current year taxes	29,190,787	\$ 0.89	259,798	254,006	5,792
Lot clearing assessments			11,040	11,040	
ABATEMENTS	(1,295,056)	\$ 0.89	(11,526)	(9,620)	(1,906)
Total property valuation	<u>\$ 379,122,050</u>				
Net levy			3,376,647 (a)	3,028,677	347,970
Uncollected taxes at June 30, 2020			(164,213) (c)	(164,213)	-
Current year's taxes collected			<u>\$ 3,212,434</u> (b)	<u>\$ 2,864,464</u>	<u>\$ 347,970</u>
Current levy collection percentage			<u>95.14%</u>	<u>94.58%</u>	<u>100.00%</u>

The lower case letters next to certain amounts on the Schedule of Ad Valorem Taxes Receivable and in the above schedule show the relationship of taxes levied, taxes collected, and uncollected taxes on both schedules.

Compliance Section

This Page Intentionally Left Blank



Carr, Riggs & Ingram, P.L.L.C.
2805 North Park Drive
Goldsboro, NC 27534

Mailing Address:
PO Box 10588
Goldsboro, NC 27532

919.751.8297
919.778.0575 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Members of the Town Council
Town of Williamston, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Williamston, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Williamston's basic financial statements and have issued our report thereon dated March 25, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Williamston's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Williamston's Response to Finding

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

Purpose of this Report

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

Carr, Rigg & Ingram, P.L.L.C.

Goldsboro, North Carolina

March 25, 2022



Carr, Riggs & Ingram, P.L.L.C.
2805 North Park Drive
Goldsboro, NC 27534

Mailing Address:
PO Box 10588
Goldsboro, NC 27532

919.751.8297
919.778.0575 (fax)
CRlcpa.com

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

To the Honorable Mayor and Members of the Town Council
Town of Williamston, North Carolina

Report on Compliance for the Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Carr, Rigg & Ingram, P.L.L.C.

Goldsboro, North Carolina

March 25, 2022



Carr, Riggs & Ingram, P.L.L.C.
2805 North Park Drive
Goldsboro, NC 27534

Mailing Address:
PO Box 10588
Goldsboro, NC 27532

919.751.8297
919.778.0575 (fax)
CRIcpa.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB UNIFORM
GUIDANCE; AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT**

To the Honorable Mayor and Members of the Town Council
Town of Williamston, North Carolina

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

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

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

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

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

Carr, Rigg & Ingram, P.L.L.C.

Goldsboro, North Carolina
March 25, 2022

Town of Williamston, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no

- Significant deficiency(s) identified that are not considered to be material weaknesses ☒ yes ☐ none reported

Noncompliance material to financial statements noted ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no

- Significant deficiency(s) identified that are not considered to be material weaknesses ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major federal programs:
 Unmodified, for all federal programs.

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

Identification of major federal programs:

Assistance Listing Numbers

Names of Federal Program or Cluster

10.766	Community Facilities Loans and Grants Cluster
--------	---

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

Auditee qualified as low-risk auditee? ☐ yes ☒ no

Town of Williamston, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes X no

- Significant Deficiency(s) identified
that are not considered to be
material weaknesses yes X none reported

Type of auditors' report issued on compliance for major State programs:
Unmodified, for all State programs.

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

Identification of major State programs:

Program Name

 | Non-State System Street-Aid Allocation (Powell Bill)

Town of Williamston, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency: 2021-001 Noncompliance with North Carolina General State Statute – Excess of Expenditures over Appropriations

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

Condition: For the fiscal year ended June 30, 2021, expenditures exceeded authorized appropriations as follows:

<u>Department</u>	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Police	\$1,890,125	\$1,900,659	\$10,534
Rescue Squad	\$1,005,278	\$1,008,345	\$3,067

Effect: Moneys were spent that were not properly obligated and appropriated.

Cause: Certain expenses were more than anticipated due to year end accruals.

Recommendation: The Town should implement a higher level of detailed monthly review and make budget adjustments when necessary.

Views of responsible officials: The Town agrees with this finding and will review the budgets more timely to ensure compliance in future years.

Town of Williamston, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

Significant Deficiency: 2021-001 Noncompliance with North Carolina General State Statute – Excess of Expenditures over Appropriations

Name of contact person: Christina Craft, Finance Officer

Corrective action: The Town is reviewing their procedures and policies to ensure a detailed monthly review of budgetary data is performed. None Reported.

Proposed completion date: The Town will implement the above procedures immediately.

SECTION III – FEDERAL AWARD FINDINGS AND WQUESTIONED COSTS

No matters were reported.

SECTION IV – STATE PROGRAMS FINDINGS AND QUESTIONED COSTS

No matters were reported.

**Town of Williamston, North Carolina
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021**

As of June 30, 2021, the Town of Williamston had no unresolved findings from prior years.

Town of Williamston, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal - (Direct and Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Sub-recipients</u>
FEDERAL GRANTS:					
CASH ASSISTANCE:					
U.S. DEPARTMENT OF AGRICULTURE					
Community Facilities Loans and Grants Cluster					
Fire Station	10.766	97-61507 / 97-63253	\$ 1,787,167	\$ -	\$ -
Police Station	10.766	97-61502 / 97-63252	2,308,944	-	-
Total Community Facilities Loans and Grants Cluster			4,096,111	-	-
Total U.S. Department of Agriculture			4,096,111	-	-
U.S. DEPARTMENT OF DEFENSE					
Passed-through N.C. Department of Public Safety					
National Guard Military Operations and Maintenance	12.401		403	403	-
Total U.S. Department of Defense			403	403	-
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed-through N.C. Department of Public Safety					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
Hurricane Dorian	97.036		3,852	1,284	-
Hurricane Isaias	97.036		6,321	2,107	-
Total U.S. Department of Homeland Security			10,173	3,391	-
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed-through N.C. Department of Commerce					
Community Development Block Grants/State's Program and Non- Entitlement Grants In Hawaii	14.228	14-D-3145	103,510	-	-
Total U.S. Department of Housing and Urban Development			103,510	-	-
U.S. DEPARTMENT OF JUSTICE					
Bureau of Justice Assistance					
Bulletproof Vest Partnership Program	16.607		1,770	-	-
Total U.S. Department of Justice			1,770	-	-
U.S. DEPARTMENT OF THE TREASURY					
Passed-through Martin County, North Carolina					
COVID-19 - Coronavirus Relief Fund	21.019		26,856	-	-
TOTAL FEDERAL AWARDS			4,238,823	3,794	-

(continued)

Town of Williamston, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	Assistance Listing Number	State/ Pass-through Grantor's Number	Federal - (Direct and Pass-through) Expenditures	State Expenditures	Pass-through to Sub-recipients
STATE GRANTS:					
CASH ASSISTANCE:					
N.C. DEPARTMENT OF TRANSPORTATION					
Non-State System Street-Aid Allocation (Powell Bill)		WBS 32570	-	485,342	-
N.C. DEPARTMENT OF COMMERCE					
Demolition - State Rural Grants		2021-027-3213-2587	-	39,269	-
N.C. DEPARTMENT OF PUBLIC SAFETY					
Emergency Management Operations			-	28,018	-
Regional Response Team Grant		072916-0408	-	64,444	-
Total NC Department of Public Safety			-	92,462	-
TOTAL STATE AWARDS			-	617,073	-
TOTAL FEDERAL AND STATE AWARDS			\$ 4,238,823	\$ 620,867	\$ -

(continued)

Town of Williamston, North Carolina
Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Federal Pass-Through Funds

The Town is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

4. Contingencies

Grant monies received and disbursed by the Town are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Town does not believe that such disallowance, if any, would have a material effect on the financial position of the Town of Williamston.

5. Noncash Assistance

The Town did not receive any federal noncash assistance for the fiscal year ended June 30, 2021.

6. Federally Funded Insurance.

The Town has no federally funded insurance.

7. Loans Outstanding

<u>Program Title</u>	<u>Assistance</u>		<u>Loan</u>	<u>Award</u>
	<u>Listing</u>	<u>Expenditures</u>		
	<u>Number</u>	<u>Balance 6/30/2021</u>		<u>6/30/2021</u>
Community Facilities Loans and Grants Cluster	10.766	\$ 1,723,306	\$	1,723,306
Community Facilities Loans and Grants Cluster	10.766	\$ 2,308,944	\$	2,308,944

Town of Williamston, North Carolina
Notes to the Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

8. Clusters

The following are clustered by the U.S. Department of Agriculture. *Community Facilities Loans and Grants Cluster.*

This Page Intentionally Left Blank