

Town of Carrboro, North Carolina  
 Balance Sheet  
 Governmental Funds  
 June 30, 2021

Exhibit 3  
 (3 pages)

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Revolving Loan Fund</b>	<b>Bond Fund</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,082,475	\$ 223,301	\$ -
Taxes receivable, net	171,516	-	-
Accounts receivable, net	65,696	-	-
Due from other governments	2,024,985	-	302,804
Due from other funds	211,209	-	-
Notes receivable, net	-	58,849	-
Inventories	15,191	-	-
Prepays	259,869	-	-
Restricted cash	368,595	-	-
Total assets	<u>\$ 19,199,536</u>	<u>\$ 282,150</u>	<u>\$ 302,804</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,015,289	\$ -	\$ 49,947
Payable from restricted assets, customer deposits and performance bonds	41,785	-	-
Revenues received in advance	118,406	-	-
Due to other funds	-	-	211,209
Due to component unit	34,113	-	-
Total liabilities	<u>1,209,593</u>	<u>-</u>	<u>261,156</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	<u>171,516</u>	<u>58,849</u>	<u>247,151</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	15,191	-	-
Prepays	259,869	-	-
Restricted:			
Stabilization by state statute	2,430,918	-	61,532
Powell Bill (streets)	326,810	-	-
Public safety	-	-	-
Committed:			
Economic development	-	223,301	-
Capital projects	-	-	-
Affordable housing	-	-	-
Energy efficiency	-	-	-
Assigned:			
Subsequent year's expenditures	1,189,720	-	-
Capital projects	2,000,000	-	-
Unassigned	11,595,919	-	(267,035)
Total fund balances	<u>17,818,427</u>	<u>223,301</u>	<u>(205,503)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,199,536</u>	<u>\$ 282,150</u>	<u>\$ 302,804</u>

Town of Carrboro, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2021

Exhibit 3  
(3 pages)

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>Capital Projects Fund</b>	<b>Grants Administration Fund</b>	<b>Nonmajor Funds</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 836,563	\$ 43,190	\$ 1,168,495	\$ 18,354,024
Taxes receivable, net	-	-	-	171,516
Accounts receivable, net	28,333	-	-	94,029
Due from other governments	93,463	174,350	-	2,595,602
Due from other funds	-	-	-	211,209
Notes receivable, net	-	-	199,127	257,976
Inventories	-	-	-	15,191
Prepays	-	-	-	259,869
Restricted cash	286,256	-	-	654,851
	<u>\$ 1,244,615</u>	<u>\$ 217,540</u>	<u>\$ 1,367,622</u>	<u>\$ 22,614,267</u>
Total assets				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 375,658	\$ 182,142	\$ 3,750	\$ 1,626,786
Payable from restricted assets, customer deposits and performance bonds	-	-	-	41,785
Revenues received in advance	-	-	-	118,406
Due to other funds	-	-	-	211,209
Due to component unit	-	-	-	34,113
	<u>375,658</u>	<u>182,142</u>	<u>3,750</u>	<u>2,032,299</u>
Total liabilities				
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>28,333</u>	<u>174,350</u>	<u>199,127</u>	<u>879,326</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	15,191
Prepays	-	-	-	259,869
Restricted:				
Stabilization by state statute	442,953	8,122	-	2,943,525
Powell Bill (streets)	-	-	-	326,810
Capital projects	286,256	-	-	286,256
Committed:				
Economic development	-	-	164,921	388,222
Capital projects	111,415	-	588,027	699,442
Affordable housing	-	-	278,107	278,107
Energy efficiency	-	-	133,690	133,690
Assigned:				
Subsequent year's expenditures	-	-	-	1,189,720
Capital projects	-	-	-	2,000,000
Unassigned	-	(147,074)	-	11,181,810
	<u>840,624</u>	<u>(138,952)</u>	<u>1,164,745</u>	<u>19,702,642</u>
Total fund balances				
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,244,615</u>	<u>\$ 217,540</u>	<u>\$ 1,367,622</u>	<u>\$ 22,614,267</u>

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

Exhibit 3  
 (3 pages)

	<u>Total Governmental Funds</u>
<b>Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:</b>	
Total fund balances - governmental funds	\$ 19,702,642
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	41,107,251
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.	50,407
Deferred outflows of resources related to pensions are not reported in the fund statements.	3,172,614
Deferred outflows of resources related to OPEB are not reported in the fund statements.	3,797,714
Liabilities for earned revenues are considered deferred inflows of resources in fund statements.	879,326
Some liabilities, including long-term obligations, are not due and payable in the current period, and therefore are not reported in the funds.	(7,044,208)
Deferred inflows of resources related to pensions are not reported in the fund statements.	(75,922)
Deferred inflows of resources related to OPEB are not reported in the fund statements.	(4,953,998)
Net pension liability - LGERS	(4,314,590)
Total pension liability - LEO	(2,057,740)
Total OPEB liability	(20,745,094)
Other long-term liabilities (accrued interest) are not due and payable in the current period, and therefore are not reported in the funds.	<u>(50,839)</u>
Net position of governmental activities	<u>\$ 29,467,563</u>

Town of Carrboro, North Carolina  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2021

Exhibit 4  
(4 pages)

	Major Funds		
	General Fund	Revolving Loan Fund	Bond Fund
Revenues:			
Ad valorem taxes	\$ 13,452,024	\$ -	\$ -
Local option sales taxes	5,467,567	-	-
Other taxes and licenses	1,636,916	-	-
Unrestricted intergovernmental	1,381,436	-	-
Restricted intergovernmental	608,764	-	160,565
Permits and fees	1,100,596	-	-
Sales and services	88,106	-	-
Investment earnings	1,916	212	15
Other	213,256	1,151	-
Total revenues	<u>23,950,581</u>	<u>1,363</u>	<u>160,580</u>
Expenditures:			
General government	5,146,951	-	-
Public safety	7,199,852	-	-
Planning	1,379,968	-	-
Transportation	1,872,010	-	332
Public works	3,832,513	-	-
Economic and physical development	-	60,000	-
Parks and recreation	1,412,944	-	-
Capital outlay	145,900	-	416,870
Debt service:			
Principal	588,314	-	-
Interest and other charges	95,435	-	-
Total expenditures	<u>21,673,887</u>	<u>60,000</u>	<u>417,202</u>
Excess of revenues over (under) expenditures	<u>2,276,694</u>	<u>(58,637)</u>	<u>(256,622)</u>
Other financing sources (uses):			
Transfers from other funds	183,668	-	-
Transfers to other funds	(636,150)	-	(4,132)
Sale of capital assets	82,606	-	-
Installment purchase obligations issued	-	-	-
Total other financing sources (uses)	<u>(369,876)</u>	<u>-</u>	<u>(4,132)</u>
Net change in fund balances	1,906,818	(58,637)	(260,754)
Fund balance (deficit), beginning of year	<u>15,911,609</u>	<u>281,938</u>	<u>55,251</u>
Fund balance (deficit), end of year	<u>\$ 17,818,427</u>	<u>\$ 223,301</u>	<u>\$ (205,503)</u>

Town of Carrboro, North Carolina  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2021

Exhibit 4  
(4 pages)

	Major Funds			Total Governmental Funds
	Capital Projects Fund	Grants Administration Fund	Nonmajor Funds	
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 227,189	\$ 13,679,213
Local option sales taxes	-	-	-	5,467,567
Other taxes and licenses	-	-	-	1,636,916
Unrestricted intergovernmental	-	-	-	1,381,436
Restricted intergovernmental	699,439	500,868	240,999	2,210,635
Permits and fees	-	-	-	1,100,596
Sales and services	-	-	-	88,106
Investment earnings	163	-	824	3,130
Other	153,333	-	147,264	515,004
<b>Total revenues</b>	<b>852,935</b>	<b>500,868</b>	<b>616,276</b>	<b>26,082,603</b>
Expenditures:				
General government	164,264	-	78,106	5,389,321
Public safety	-	-	16,495	7,216,347
Planning	-	-	-	1,379,968
Transportation	-	-	-	1,872,342
Public works	-	-	18,450	3,850,963
Economic and physical development	-	336,197	684,668	1,080,865
Parks and recreation	-	-	87,098	1,500,042
Capital outlay	3,760,639	7,792	37,261	4,368,462
Debt service:				
Principal	-	-	-	588,314
Interest and other charges	-	-	-	95,435
<b>Total expenditures</b>	<b>3,924,903</b>	<b>343,989</b>	<b>922,078</b>	<b>27,342,059</b>
Excess of revenues over (under) expenditures	(3,071,968)	156,879	(305,802)	(1,259,456)
Other financing sources (uses):				
Transfers from other funds	383,131	18,744	112,500	698,043
Transfers to other funds	(121,036)	(58,500)	-	(819,818)
Sale of capital assets	-	-	-	82,606
Installment purchase obligations issued	1,871,924	-	-	1,871,924
<b>Total other financing sources (uses)</b>	<b>2,134,019</b>	<b>(39,756)</b>	<b>112,500</b>	<b>1,832,755</b>
<b>Net change in fund balances</b>	<b>(937,949)</b>	<b>117,123</b>	<b>(193,302)</b>	<b>573,299</b>
Fund balance (deficit), beginning of year	1,778,573	(256,075)	1,358,047	19,129,343
<b>Fund balance (deficit), end of year</b>	<b>\$ 840,624</b>	<b>\$ (138,952)</b>	<b>\$ 1,164,745</b>	<b>\$ 19,702,642</b>

Town of Carrboro, North Carolina  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2021

Exhibit 4  
(4 pages)

**Reconciliation of the Governmental Funds Statement  
of Revenues, Expenditures and Changes in Fund  
Balances to the Statement of Activities:**

Total net change in fund balances - governmental funds \$ 573,299

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	\$ 4,368,462	
Depreciation expense for governmental assets	<u>(2,057,816)</u>	2,310,646

Cost of capital asset disposed of during the year, not recognized on modified accrual basis.

Proceeds on disposal of fixed assets under modified accrual basis	(82,606)	
Gain on sale of fixed assets recognized under full accrual basis	<u>82,606</u>	-

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.

947,981

Benefit payments paid and administrative expense for the LEOSA are not included on the Statement of Activities.

77,027

Benefit payments paid and administrative expense for the OPEB are not included on the Statement of Activities.

346,390

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Donated capital assets	265,900	
Change in accrued interest receivable, property taxes	(6,774)	
Change in deferred revenues, property taxes	(18,322)	
Change in deferred revenues	(42,258)	
Change in total OPEB liability due to implicit rate subsidy	<u>97,900</u>	296,446

Town of Carrboro, North Carolina  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2021

Exhibit 4  
(4 pages)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Installment purchase obligations issued	\$ (1,871,924)	
Principal payments on long-term debt	588,314	
Change in accrued interest payable	<u>(8,901)</u>	\$ (1,292,511)

The receipt of contributions towards deposits on joint construction project provides current financial resources to the funds. This transaction does not have an effect on net position. This amount is the net effect of these differences in the treatment of such contributions received.

Receipt of joint capital project deposit from Orange County	(699,439)
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Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.

Amortization of bond premiums	4,867	
Pension expense	(1,653,781)	
OPEB expense	(617,556)	
Change in compensated absences	<u>(40,974)</u>	<u>(2,307,444)</u>

<b>Total changes in net position of governmental activities</b>	<b>\$ <u>252,395</u></b>
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Town of Carrboro, North Carolina  
 General Fund Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Year Ended June 30, 2021

Exhibit 5

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 13,156,500	\$ 13,156,500	\$ 13,452,024	\$ 295,524
Local option sales taxes	4,242,202	4,242,202	5,467,567	1,225,365
Other taxes and licenses	1,603,045	1,603,045	1,636,916	33,871
Unrestricted intergovernmental	1,389,688	1,389,688	1,381,436	(8,252)
Restricted intergovernmental	695,648	648,148	608,764	(39,384)
Permits and fees	1,222,929	1,232,929	1,100,596	(132,333)
Sales and services	131,250	131,250	88,106	(43,144)
Investment earnings	140,000	140,000	1,916	(138,084)
Other revenues	182,270	165,270	213,256	47,986
Total revenues	<u>22,763,532</u>	<u>22,709,032</u>	<u>23,950,581</u>	<u>1,241,549</u>
<b>Expenditures</b>				
Current:				
General government	5,627,231	5,854,771	5,215,913	638,858
Public safety	7,376,879	7,554,847	7,243,745	311,102
Planning	1,563,585	1,633,418	1,379,968	253,450
Transportation	2,029,600	2,029,600	1,872,010	157,590
Public works	4,113,574	4,194,510	3,865,558	328,952
Parks and recreation	1,844,009	1,849,273	1,412,944	436,329
General services	496,945	222,344	-	222,344
Debt service	1,105,233	1,105,233	683,749	421,484
Total expenditures	<u>24,157,056</u>	<u>24,443,996</u>	<u>21,673,887</u>	<u>2,770,109</u>
Excess of revenues over (under) expenditures	<u>(1,393,524)</u>	<u>(1,734,964)</u>	<u>2,276,694</u>	<u>4,011,658</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	183,668	183,668	-
Transfers to other funds	(906,050)	(1,665,294)	(636,150)	1,029,144
Sale of capital assets	60,000	60,000	82,606	22,606
Total other financing sources (uses)	<u>(846,050)</u>	<u>(1,421,626)</u>	<u>(369,876)</u>	<u>1,051,750</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,239,574)</u>	<u>(3,156,590)</u>	<u>1,906,818</u>	<u>5,063,408</u>
Fund balance appropriated	<u>2,239,574</u>	<u>3,156,590</u>	<u>-</u>	<u>(3,156,590)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,906,818</u>	<u>\$ 1,906,818</u>
Fund balance, beginning of year			<u>15,911,609</u>	
Fund balance, end of year			<u>\$ 17,818,427</u>	

Town of Carrboro, North Carolina  
Statement of Net Position  
Proprietary Funds  
June 30, 2021

Exhibit 6

	<b>Major Enterprise Funds</b>	<b>Nonmajor Fund</b>	<b>Total Enterprise</b>
	<b>Stormwater Utility Enterprise Fund</b>	<b>Parking Utility Enterprise Fund</b>	<b>Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,000,247	\$ 85,471	\$ 1,085,718
Accounts receivable	52,881	-	52,881
Due from other governments	104,820	-	104,820
Total current assets	<u>1,157,948</u>	<u>85,471</u>	<u>1,243,419</u>
Noncurrent assets:			
Capital assets:			
Other capital assets, net of depreciation	611,550	-	611,550
Total capital assets	<u>611,550</u>	<u>-</u>	<u>611,550</u>
Total noncurrent assets	<u>611,550</u>	<u>-</u>	<u>611,550</u>
Total assets	<u>1,769,498</u>	<u>85,471</u>	<u>1,854,969</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	41,648	-	41,648
OPEB deferrals	33,837	-	33,837
Total deferred outflows of resources	<u>75,485</u>	<u>-</u>	<u>75,485</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	23,173	-	23,173
Current portion of long-term liabilities	4,737	-	4,737
Total current liabilities	<u>27,910</u>	<u>-</u>	<u>27,910</u>
Long-term liabilities:			
Net pension liability - LGERS	66,073	-	66,073
Total OPEB liability	203,383	-	203,383
Due in more than one year	11,869	-	11,869
Total long-term liabilities	<u>281,325</u>	<u>-</u>	<u>281,325</u>
Total liabilities	<u>309,235</u>	<u>-</u>	<u>309,235</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	783	-	783
OPEB deferrals	48,569	-	48,569
Total deferred inflows of resources	<u>49,352</u>	<u>-</u>	<u>49,352</u>
<b>NET POSITION</b>			
Net investment in capital assets	611,550	-	611,550
Unrestricted	874,846	85,471	960,317
Total net position	<u>\$ 1,486,396</u>	<u>\$ 85,471</u>	<u>\$ 1,571,867</u>

Town of Carrboro, North Carolina  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
Year Ended June 30, 2021

Exhibit 7

	<u>Major Enterprise Funds</u>	<u>Nonmajor Fund</u>	<u>Total Enterprise</u>
	<u>Stormwater Utility Enterprise Fund</u>	<u>Parking Utility Enterprise Fund</u>	<u>Funds</u>
<b>Operating revenues</b>			
Charges for services	\$ 1,013,598	\$ -	\$ 1,013,598
Total operating revenues	<u>1,013,598</u>	<u>-</u>	<u>1,013,598</u>
<b>Operating expenses</b>			
Personnel services	311,173	1,849	313,022
Depreciation	41,276	-	41,276
Other current charges	<u>116,288</u>	<u>84,472</u>	<u>200,760</u>
Total operating expenses	<u>468,737</u>	<u>86,321</u>	<u>555,058</u>
Operating income (loss)	544,861	(86,321)	458,540
<b>Nonoperating revenues</b>			
Investment earnings	91	17	108
Intergovernmental revenue	104,820	-	104,820
Interest and other charges	<u>24</u>	<u>-</u>	<u>24</u>
Total nonoperating revenues	<u>104,935</u>	<u>17</u>	<u>104,952</u>
Income before transfers	649,796	(86,304)	563,492
<b>Transfers</b>			
Transfers to capital projects fund	(50,000)	-	(50,000)
Transfers from general fund	<u>-</u>	<u>171,775</u>	<u>171,775</u>
Change in net position	599,796	85,471	685,267
Total net position, beginning	<u>886,600</u>	<u>-</u>	<u>886,600</u>
Total net position, ending	<u>\$ 1,486,396</u>	<u>\$ 85,471</u>	<u>\$ 1,571,867</u>

Town of Carrboro, North Carolina  
Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2021

Exhibit 8

	<b>Major Enterprise Funds</b>	<b>Nonmajor Fund</b>	<b>Total Enterprise Funds</b>
	<b>Stormwater Utility Enterprise Fund</b>	<b>Parking Utility Enterprise Fund</b>	
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 978,286	\$ -	\$ 978,286
Cash paid for goods and services	(112,160)	(84,472)	(196,632)
Cash paid to or on behalf of employees for services	(295,095)	(1,849)	(296,944)
Net cash provided by operating activities	<u>571,031</u>	<u>(86,321)</u>	<u>484,710</u>
<b>Cash flows from noncapital financing activities:</b>			
Operating subsidies from other funds	-	171,775	171,775
Net cash used by noncapital financing activities	<u>-</u>	<u>171,775</u>	<u>171,775</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(302,894)	-	(302,894)
Transfers to other funds for capital projects	(50,000)	-	(50,000)
Net cash used by capital and related financing activities	<u>(352,894)</u>	<u>-</u>	<u>(352,894)</u>
<b>Cash flows from investing activities:</b>			
Investment earnings	115	17	132
Net cash provided by investing activities	<u>115</u>	<u>17</u>	<u>132</u>
Net increase in cash and cash equivalents	218,252	85,471	303,723
Cash and cash equivalents, beginning	781,995	-	781,995
Cash and cash equivalents, ending	<u>\$ 1,000,247</u>	<u>\$ 85,471</u>	<u>\$ 1,085,718</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 544,861	\$ (86,321)	\$ 458,540
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	41,276	-	41,276
Change in assets, deferred outflows of resources, and liabilities:			
Increase in accounts receivable	(35,312)	-	(35,312)
Decrease in prepaid expenses	-	-	-
Increase in accounts payable and accrued liabilities	4,128	-	4,128
Increase in accrued vacation pay	4,838	-	4,838
Increase in deferred outflows of resources for pensions	(16,315)	-	(16,315)
Decrease in deferred inflows of resources for pensions	(431)	-	(431)
Increase in deferred outflows of resources for OPEB	(33,837)	-	(33,837)
Decrease in deferred inflows of resources for OPEB	(9,944)	-	(9,944)
Increase in net pension liability	25,889	-	25,889
Increase in total OPEB liability	45,878	-	45,878
Net cash provided by operating activities	<u>\$ 571,031</u>	<u>\$ (86,321)</u>	<u>\$ 484,710</u>

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