

Town of Carrboro, North Carolina
 Balance Sheet
 Governmental Funds
 June 30, 2022

Exhibit 3
 (3 pages)

	Major Funds			
	General Fund	Revolving Loan Fund	Bond Fund	American Rescue Plan Act Special Revenue Fund
ASSETS				
Cash and cash equivalents	\$ 13,122,962	\$ 239,651	\$ -	\$ 3,117,140
Taxes receivable, net	195,997	-	-	-
Accounts receivable, net	110,618	-	-	-
Accrued interest receivable	3,609	-	-	-
Due from other governments	2,343,744	-	235,485	-
Due from other funds	290,265	-	-	-
Lease receivable	967,261	-	-	-
Notes receivable, net	-	44,486	-	-
Inventories	33,171	-	-	-
Prepays	468,660	-	-	-
Restricted cash	354,455	-	-	-
	<u>\$ 17,890,742</u>	<u>\$ 284,137</u>	<u>\$ 235,485</u>	<u>\$ 3,117,140</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,068,268	\$ -	\$ 11,060	\$ 41,800
Payable from restricted assets, customer deposits and performance bonds	42,070	-	-	-
Revenues received in advance	59,709	-	-	3,070,077
Due to other funds	-	-	224,746	-
Due to component unit	58,325	-	-	-
	<u>1,228,372</u>	<u>-</u>	<u>235,806</u>	<u>3,111,877</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,061,108</u>	<u>44,486</u>	<u>230,287</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Inventories	33,171	-	-	-
Prepays	468,660	-	-	-
Leases	102,150	-	-	-
Restricted:				
Stabilization by state statute	3,334,758	-	-	-
Powell Bill (streets)	312,385	-	-	-
Capital projects	-	-	-	-
Committed:				
Economic development	-	239,651	-	5,263
Capital projects	-	-	-	-
Affordable housing	-	-	-	-
Energy efficiency	-	-	-	-
Assigned:				
Subsequent year's expenditures	1,984,722	-	-	-
Capital projects	1,000,000	-	-	-
Unassigned	8,365,416	-	(230,608)	-
	<u>15,601,262</u>	<u>239,651</u>	<u>(230,608)</u>	<u>5,263</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,890,742</u>	<u>\$ 284,137</u>	<u>\$ 235,485</u>	<u>\$ 3,117,140</u>

See accompanying notes.

Town of Carrboro, North Carolina
 Balance Sheet
 Governmental Funds
 June 30, 2022

Exhibit 3
 (3 pages)

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>Capital Projects Fund</u>	<u>Grants Administration Fund</u>	<u>Nonmajor Funds</u>	
ASSETS				
Cash and cash equivalents	\$ 6,452,998	\$ -	\$ 1,370,054	\$ 24,302,805
Taxes receivable, net	-	-	-	195,997
Accounts receivable, net	-	-	-	110,618
Accrued interest receivable	-	-	-	3,609
Due from other governments	5,311	170,286	-	2,754,826
Due from other funds	-	-	-	290,265
Lease receivable	-	-	-	967,261
Notes receivable, net	-	-	166,289	210,775
Inventories	-	-	-	33,171
Prepays	-	-	-	468,660
Restricted cash	12,530,590	-	-	12,885,045
	<u>\$ 18,988,899</u>	<u>\$ 170,286</u>	<u>\$ 1,536,343</u>	<u>\$ 42,223,032</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 11,864	\$ 69,912	\$ -	\$ 1,202,904
Payable from restricted assets, customer deposits and performance bonds	-	-	-	42,070
Revenues received in advance	-	-	-	3,129,786
Due to other funds	-	65,519	-	290,265
Due to component unit	-	-	-	58,325
	<u>11,864</u>	<u>135,431</u>	<u>-</u>	<u>4,723,350</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>166,289</u>	<u>1,502,170</u>
FUND BALANCES				
Nonspendable:				
Inventories	-	-	-	33,171
Prepays	-	-	-	468,660
Leases	-	-	-	102,150
Restricted:				
Stabilization by state statute	-	-	-	3,334,758
Powell Bill (streets)	-	-	-	312,385
Capital projects	12,530,590	-	-	12,530,590
Committed:				
Economic development	-	34,855	210,868	490,637
Capital projects	6,446,445	-	563,312	7,009,757
Affordable housing	-	-	453,815	453,815
Energy efficiency	-	-	142,059	142,059
Assigned:				
Subsequent year's expenditures	-	-	-	1,984,722
Capital projects	-	-	-	1,000,000
Unassigned	-	-	-	8,134,808
	<u>18,977,035</u>	<u>34,855</u>	<u>1,370,054</u>	<u>35,997,512</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,988,899</u>	<u>\$ 170,286</u>	<u>\$ 1,536,343</u>	<u>\$ 42,223,032</u>

See accompanying notes.

**Town of Carrboro, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022**

**Exhibit 3
(3 pages)**

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:	
Total fund balances - governmental funds	\$ 35,997,512
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	41,329,222
Lease assets used in governmental activities are not financial resources and therefore not reported in the funds.	36,043
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.	48,791
Deferred outflows of resources related to pensions are not reported in the fund statements.	3,398,203
Deferred outflows of resources related to OPEB are not reported in the fund statements.	3,740,848
Liabilities for earned revenues are considered deferred inflows of resources in fund statements.	637,059
Some liabilities, including long-term obligations, are not due and payable in the current period, and therefore are not reported in the funds.	(19,070,734)
Deferred inflows of resources related to pensions are not reported in the fund statements.	(2,641,534)
Deferred inflows of resources related to OPEB are not reported in the fund statements.	(6,017,807)
Net pension liability - LGERS	(1,798,168)
Total pension liability - LEO	(2,136,506)
Total OPEB liability	(19,624,734)
Other long-term liabilities (accrued interest) are not due and payable in the current period, and therefore are not reported in the funds.	<u>(55,573)</u>
Net position of governmental activities	<u>\$ 33,842,622</u>

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

Exhibit 4
(4 pages)

	Major Funds			
	General Fund	Revolving Loan Fund	Bond Fund	American Rescue Plan Act Special Revenue Fund
Revenues:				
Ad valorem taxes	\$ 15,527,154	\$ -	\$ -	\$ -
Local option sales taxes	6,416,480	-	-	-
Other taxes and licenses	1,726,261	-	-	-
Unrestricted intergovernmental	1,390,515	-	-	306,522
Restricted intergovernmental	698,498	-	86,096	-
Permits and fees	1,127,067	-	-	-
Sales and services	227,120	-	-	-
Investment earnings	34,159	1,987	148	5,263
Other	444,380	14,363	-	-
Total revenues	27,591,634	16,350	86,244	311,785
Expenditures:				
General government	5,642,461	-	-	-
Public safety	7,143,092	-	-	-
Planning	1,407,752	-	-	-
Transportation	1,900,088	-	-	-
Public works	3,661,481	-	-	-
Economic and physical development	-	-	-	306,522
Parks and recreation	1,601,060	-	-	-
Capital outlay	724,238	-	111,349	-
Debt service:				
Principal	786,520	-	-	-
Interest and other charges	101,728	-	-	-
Total expenditures	22,968,420	-	111,349	306,522
Excess of revenues over (under) expenditures	4,623,214	16,350	(25,105)	5,263
Other financing sources (uses):				
Transfers from other funds	87,686	-	-	-
Transfers to other funds	(6,928,065)	-	-	-
Installment purchase obligations issued	-	-	-	-
Total other financing sources (uses)	(6,840,379)	-	-	-
Net change in fund balances	(2,217,165)	16,350	(25,105)	5,263
Fund balance (deficit), beginning of year	17,818,427	223,301	(205,503)	-
Fund balance (deficit), end of year	\$ 15,601,262	\$ 239,651	\$ (230,608)	\$ 5,263

See accompanying notes.

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

Exhibit 4
(4 pages)

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>Capital Projects Fund</u>	<u>Grants Administration Fund</u>	<u>Nonmajor Funds</u>	
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 392,070	\$ 15,919,224
Local option sales taxes	-	-	-	6,416,480
Other taxes and licenses	-	-	-	1,726,261
Unrestricted intergovernmental	-	-	-	1,697,037
Restricted intergovernmental	293,663	895,416	-	1,973,673
Permits and fees	-	-	-	1,127,067
Sales and services	-	-	-	227,120
Investment earnings	14,120	-	2,536	58,213
Other	28,333	16,558	53,457	557,091
	<u>336,116</u>	<u>911,974</u>	<u>448,063</u>	<u>29,702,166</u>
Total revenues				
Expenditures:				
General government	39,768	-	18,255	5,700,484
Public safety	-	-	-	7,143,092
Planning	-	-	-	1,407,752
Transportation	-	-	-	1,900,088
Public works	-	-	2,448	3,663,929
Economic and physical development	-	712,518	217,091	1,236,131
Parks and recreation	-	-	4,960	1,606,020
Capital outlay	1,573,906	24,023	-	2,433,516
Debt service:				
Principal	-	-	-	786,520
Interest and other charges	-	-	-	101,728
	<u>1,613,674</u>	<u>736,541</u>	<u>242,754</u>	<u>25,979,260</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>(1,277,558)</u>	<u>175,433</u>	<u>205,309</u>	<u>3,722,906</u>
Other financing sources (uses):				
Transfers from other funds	6,940,523	-	-	7,028,209
Transfers to other funds	(104,554)	(1,626)	-	(7,034,245)
Installment purchase obligations issued	12,578,000	-	-	12,578,000
	<u>19,413,969</u>	<u>(1,626)</u>	<u>-</u>	<u>12,571,964</u>
Total other financing sources (uses)				
Net change in fund balances	18,136,411	173,807	205,309	16,294,870
Fund balance (deficit), beginning of year	<u>840,624</u>	<u>(138,952)</u>	<u>1,164,745</u>	<u>19,702,642</u>
Fund balance (deficit), end of year	<u>\$ 18,977,035</u>	<u>\$ 34,855</u>	<u>\$ 1,370,054</u>	<u>\$ 35,997,512</u>

See accompanying notes.

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

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 \$ 16,294,870

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	\$ 2,433,516	
Depreciation expense for governmental assets	(2,211,545)	
Amortization expense for governmental lease assets	<u>(14,971)</u>	207,000

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities. 1,052,204

Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities. 104,525

Benefit payments paid and administrative expense for the OPEB are not included on the Statement of Activities. 294,451

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

Change in accrued interest receivable, property taxes	(1,616)	
Change in deferred revenues, property taxes	24,481	
Change in deferred revenues	(266,748)	
Change in total OPEB liability due to implicit rate subsidy	<u>103,400</u>	(140,483)

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	(12,578,000)	
Principal payments on long-term debt	786,520	
Change in accrued interest payable	<u>(4,734)</u>	(11,796,214)

Town of Carrboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2022

Exhibit 4
(4 pages)

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	\$	(293,663)
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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	(1,059,096)	
OPEB expense	(398,166)	
Change in compensated absences	<u>104,764</u>	<u>(1,347,631)</u>

Total changes in net position of governmental activities		<u><u>\$ 4,375,059</u></u>
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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, 2022

Exhibit 5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Ad valorem taxes	\$ 14,063,175	\$ 15,500,000	\$ 15,527,154	\$ 27,154
Local option sales taxes	4,895,670	5,474,228	6,416,480	942,252
Other taxes and licenses	1,457,589	1,710,000	1,726,261	16,261
Unrestricted intergovernmental	1,413,000	1,413,000	1,390,515	(22,485)
Restricted intergovernmental	625,398	635,398	698,498	63,100
Permits and fees	1,233,660	1,108,294	1,127,067	18,773
Sales and services	171,819	171,819	227,120	55,301
Investment earnings	40,000	16,000	34,159	18,159
Other revenues	197,770	313,591	444,380	130,789
Total revenues	24,098,081	26,342,330	27,591,634	1,249,304
Expenditures				
Current:				
General government	6,046,823	6,607,131	5,676,473	930,658
Public safety	7,207,887	7,604,362	7,215,569	388,793
Planning	1,668,342	1,776,043	1,407,752	368,291
Transportation	2,011,768	2,011,768	1,900,088	111,680
Public works	4,026,756	4,863,532	4,279,230	584,302
Parks and recreation	1,908,568	2,057,649	1,601,060	456,589
General services	925,367	1,176,190	-	1,176,190
Debt service	876,790	876,790	888,248	(11,458)
Total expenditures	24,672,301	26,973,465	22,968,420	4,005,045
Excess of revenues over (under) expenditures	(574,220)	(631,135)	4,623,214	5,254,349
Other financing sources (uses)				
Transfers from other funds	-	82,247	87,686	5,439
Transfers to other funds	(675,500)	(7,189,223)	(6,928,065)	261,158
Sale of capital assets	60,000	60,000	-	(60,000)
Total other financing sources (uses)	(615,500)	(7,046,976)	(6,840,379)	206,597
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,189,720)	(7,678,111)	(2,217,165)	5,460,946
Fund balance appropriated	1,189,720	7,678,111	-	(7,678,111)
Net change in fund balance	\$ -	\$ -	(2,217,165)	\$ (2,217,165)
Fund balance, beginning of year			17,818,427	
Fund balance, end of year			<u>\$ 15,601,262</u>	

See accompanying notes.

Town of Carrboro, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2022

Exhibit 6

	Major Enterprise Funds	Nonmajor Fund	Total Enterprise
	Stormwater Utility Enterprise Fund	Parking Enterprise Fund	Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,578,384	\$ 13,229	\$ 1,591,613
Accounts receivable	58,909	-	58,909
Due from other governments	-	-	-
Total current assets	<u>1,637,293</u>	<u>13,229</u>	<u>1,650,522</u>
Noncurrent assets:			
Lease assets, net of amortization	-	59,705	59,705
Capital assets:			
Construction in progress	27,071	-	27,071
Other capital assets, net of depreciation	561,008	-	561,008
Total capital assets	<u>588,079</u>	<u>59,705</u>	<u>647,784</u>
Total noncurrent assets	<u>588,079</u>	<u>59,705</u>	<u>647,784</u>
Total assets	<u>2,225,372</u>	<u>72,934</u>	<u>2,298,306</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	55,444	-	55,444
OPEB deferrals	52,218	-	52,218
Total deferred outflows of resources	<u>107,662</u>	<u>-</u>	<u>107,662</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	14,952	-	14,952
Current portion of long-term liabilities	10,199	33,266	43,465
Total current liabilities	<u>25,151</u>	<u>33,266</u>	<u>58,417</u>
Long-term liabilities:			
Net pension liability - LGERS	34,939	-	34,939
Total OPEB liability	297,344	-	297,344
Due in more than one year	4,073	26,480	30,553
Total long-term liabilities	<u>336,356</u>	<u>26,480</u>	<u>362,836</u>
Total liabilities	<u>361,507</u>	<u>59,746</u>	<u>421,253</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	50,344	-	50,344
OPEB deferrals	91,179	-	91,179
Total deferred inflows of resources	<u>141,523</u>	<u>-</u>	<u>141,523</u>
NET POSITION			
Net investment in capital assets	588,079	(41)	588,038
Unrestricted	1,241,925	13,229	1,255,154
Total net position	<u>\$ 1,830,004</u>	<u>\$ 13,188</u>	<u>\$ 1,843,192</u>

See accompanying notes.

Town of Carrboro, North Carolina
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2022

Exhibit 7

	Major Enterprise Funds	Nonmajor Fund	Total Enterprise
	Stormwater Utility Enterprise Fund	Parking Enterprise Fund	Funds
Operating revenues			
Charges for services	\$ 991,423	\$ -	\$ 991,423
Total operating revenues	991,423	-	991,423
Operating expenses			
Personnel services	437,816	-	437,816
Depreciation and amortization	50,542	13,314	63,856
Other current charges	138,836	133,141	271,977
Total operating expenses	627,194	146,455	773,649
Operating income (loss)	364,229	(146,455)	217,774
Nonoperating revenues (expenses)			
Investment earnings	2,432	30	2,462
Intergovernmental revenue	-	45,000	45,000
Interest and other charges	53	-	53
Interest expense	-	-	-
Total nonoperating revenues	2,485	45,030	47,515
Income (loss) before transfers	366,714	(101,425)	265,289
Transfers			
Transfers to capital projects fund	(23,106)	-	(23,106)
Transfers from general fund	-	29,142	29,142
Change in net position	343,608	(72,283)	271,325
Total net position, beginning	1,486,396	85,471	1,571,867
Total net position, ending	<u>\$ 1,830,004</u>	<u>\$ 13,188</u>	<u>\$ 1,843,192</u>

Town of Carrboro, North Carolina
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

Exhibit 8

	<u>Major Enterprise Funds</u>	<u>Nonmajor Fund</u>	<u>Total Enterprise Funds</u>
	<u>Stormwater Utility Enterprise Fund</u>	<u>Parking Enterprise Fund</u>	
Cash flows from operating activities:			
Cash received from customers	\$ 985,395	\$ -	\$ 985,395
Cash paid for goods and services	(147,057)	(133,141)	(280,198)
Cash paid to or on behalf of employees for services	(317,329)	-	(317,329)
Net cash provided (used) by operating activities	<u>521,009</u>	<u>(133,141)</u>	<u>387,868</u>
Cash flows from noncapital financing activities:			
Operating subsidies from other funds	-	29,142	29,142
Contributions from discretely presented component unit	-	45,000	45,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>74,142</u>	<u>74,142</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(27,071)	-	(27,071)
Acquisition of lease assets	-	(20,058)	(20,058)
Transfers to other funds for capital projects	(23,106)	-	(23,106)
Capital contributions - federal grants	104,820	-	104,820
Issuance of lease liabilities	-	20,058	20,058
Principal paid on lease liabilities	-	(13,273)	(13,273)
Net cash provided (used) by capital and related financing activities	<u>54,643</u>	<u>(13,273)</u>	<u>41,370</u>
Cash flows from investing activities:			
Investment earnings	2,485	30	2,515
Net cash provided by investing activities	<u>2,485</u>	<u>30</u>	<u>2,515</u>
Net increase (decrease) in cash and cash equivalents	578,137	(72,242)	505,895
Cash and cash equivalents, beginning	1,000,247	85,471	1,085,718
Cash and cash equivalents, ending	<u>\$ 1,578,384</u>	<u>\$ 13,229</u>	<u>\$ 1,591,613</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 364,229	\$ (146,455)	\$ 217,774
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	50,542	13,314	63,856
Change in assets, deferred outflows of resources, and liabilities:			
Increase in accounts receivable	(6,028)	-	(6,028)
Decrease in accounts payable and accrued liabilities	(8,221)	-	(8,221)
Decrease in accrued vacation pay	(2,334)	-	(2,334)
Increase in deferred outflows of resources for pensions	(13,796)	-	(13,796)
Increase in deferred inflows of resources for pensions	49,561	-	49,561
Increase in deferred outflows of resources for OPEB	(18,381)	-	(18,381)
Increase in deferred inflows of resources for OPEB	42,610	-	42,610
Decrease in net pension liability	(31,134)	-	(31,134)
Increase in total OPEB liability	93,961	-	93,961
Net cash provided (used) by operating activities	<u>\$ 521,009</u>	<u>\$ (133,141)</u>	<u>\$ 387,868</u>

See accompanying notes.