



ANNUAL COMPREHENSIVE  
**FINANCIAL  
REPORT**

FOR THE FISCAL YEAR ENDING JUNE 30, 2024  
PREPARED BY THE FINANCE DEPARTMENT



TOWN OF CARRBORO • NC

# TOWN OF CARRBORO, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2024

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# **INTRODUCTORY SECTION**

# TOWN OF CARRBORO, NORTH CAROLINA

## PRINCIPAL OFFICIALS FOR THE YEAR ENDED JUNE 30, 2024

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### **Town Council**

Barbara Foushee, Mayor  
Danny Nowell, Mayor Pro-Tempore  
Randee Haven-O'Donnell  
Eliazar Posada  
Catherine Fray  
Jason Merrill

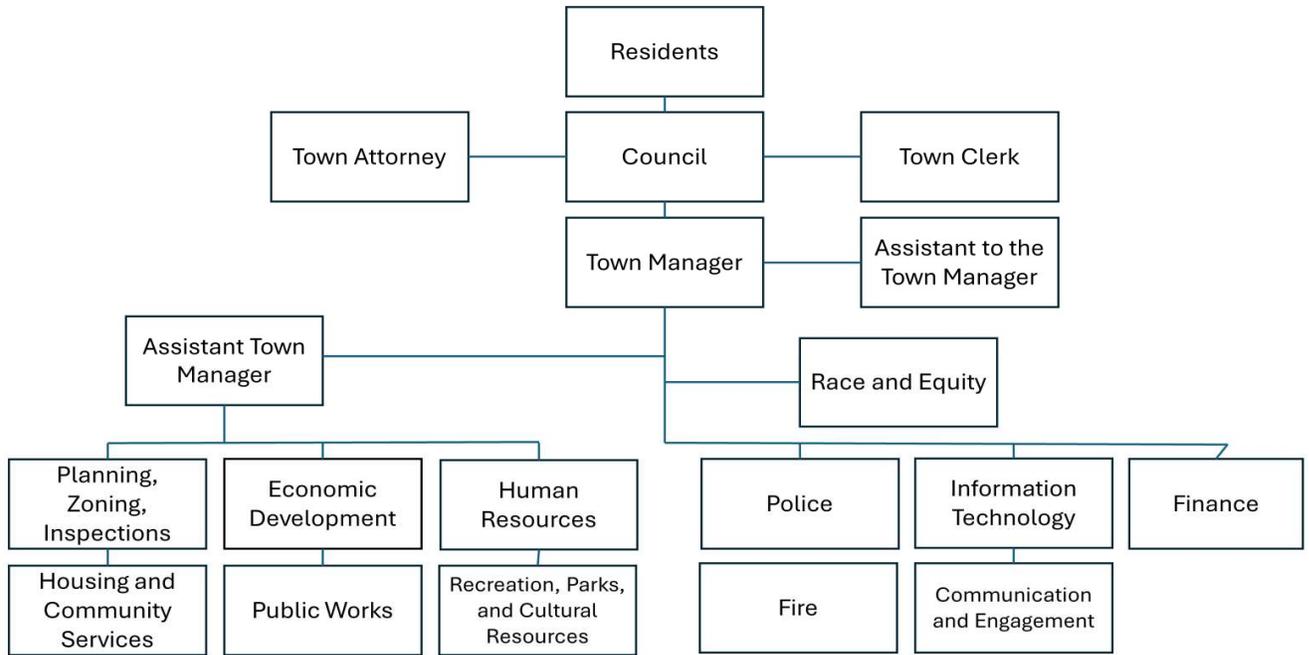
### **Town Manager**

Patrice Toney

### **Finance Department**

Chaz Offenburg, Chief Finance Officer  
Darrell Keyes, Deputy Finance Director  
Jane Bowden, Procurement Coordinator  
Chandra Edwards, Accounting Technician/Receptionist  
Edna Kirkman, Staff Accountant  
Jordan Kerr, Payroll and Benefits Coordinator

# TOWN OF CARRBORO ORGANIZATIONAL CHART





April 28, 2025

**Mayor and Council Members  
Town of Carrboro**

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Town of Carrboro for the fiscal year ended June 30, 2024. As required by North Carolina General Statutes (NCGS), the ACFR includes financial statements that have been audited by an independent certified public accounting firm. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. To the best of our knowledge and belief, the enclosed data accurately presents the financial position and the results of operations of the Town as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor's section. Other documents that are helpful in understanding the Town's budget and financial planning include the Town's annual operating budget and capital improvements plan documents. These documents, along with the annual audit report, are posted on the Town's website at [Financial Statements | Carrboro, NC - Official Website](#)

The Town is a small community located within Orange County in the north central portion of North Carolina. It is situated next to the Town of Chapel Hill and the University of North Carolina and is near the Research Triangle Park. The area's topography is characterized by rolling hills. The Town, incorporated in 1911, covers an area of 6.35 square miles and has a population of 21,170 as reported by the American Community Survey for 2023. The growth of the Town is directly related to the expansion of the University of North Carolina at Chapel Hill and growth in the Research Triangle Park. Enrollment at the University has increased from 31,705 in 2022 to an estimated 32,234 in 2023. It is anticipated that expansion will continue to occur in university-related health facilities, such as the University of North Carolina Hospitals, and proposed future development of the Carolina North Campus.

The character of the Town is driven by strategic priorities and values adopted by the Town Council with the goal of maintaining a sustainable community that is a highly desirable place to live. These strategic priorities are to:

- A. Diversify revenue stream to maintain ethnic and economic diversity;
- B. Protect historic neighborhoods and maintain Carrboro's unique identity;
- C. Improve walkability and public transportation; and
- D. Encourage development that is compact, dense, and appeals to diverse lifestyles and incomes.

The support for these strategic priorities is noted by the amounts allocated within the annual operating, special revenue and capital budgets, as well as the various awards received by the Town.

The Town commits 1.5 cents of the annual property tax rate exclusively for affordable housing. Maintaining and increasing the stock of affordable, safe and decent housing within the Town is a major goal of the Council. Over two million dollars is provided annually for fare-free transit for Town residents to help reduce reliance on automobiles and to promote public transit, walking, and biking. Carrboro is one of 100 communities in the nation that has been awarded the Silver Level Bicycle-Friendly Community designation by the League of American Bicyclists in recognition of its commitment to providing safe accommodations and facilities for bicyclists, as well as efforts to encourage bicycling for fun, fitness, and transportation. Additionally, the Town has amended its street standards to require bike lanes on all collector roads. According to the latest census, 5.2% of residents in Carrboro bike to work. With the approved \$4.6 million bond referendum from November 2003, the Town continues to make improvements to community sidewalks and greenways to increase the safety and convenience of walking and biking throughout the Town's neighborhoods. Funded by the previously issued Limited Obligation Bond, The Drakeford Library Complex held a Grand Opening in March 2025.

**Governance**

The Town has a council/manager form of municipal government. Under the council/manager form of government, the Town Council performs the legislative functions of the Town: adopting ordinances and policies. The Council is an elected body and consists of a mayor and six council members. The mayor and the council members are elected by the voters of the entire town. The mayor is elected to serve a term of two years and the council members are elected to serve staggered terms of four years. The mayor acts as the official head of town government and presides at Council meetings. The mayor is a voting member of the Council. Appointments to advisory boards and committees are made by the Council.

The Council appoints a town manager who carries out the ordinances and policies enacted by the Council, and is responsible for managing the Town's employees, finances, resources, and operations. The Council also appoints a Town Clerk to maintain Town records and an attorney to represent and advise the Council and Town administration in legal matters.

Local governments in North Carolina exist to provide a wide range of basic services on which residents all depend: police and fire protection; public works (garbage collection, street resurfacing, fleet maintenance, landscaping, building and grounds, and stormwater); planning, inspections, and zoning; economic development; housing and community services; and parks and recreation programming. The major services provided by the Town include all of the services above, but exclude water and sewer services, and tax collections. Orange Water and Sewer Authority provides water and sewer services for residents; and tax collection services are handled by Orange County Tax Administration. Certain large costs assumed by the Town are for key services that are contracted with other governmental jurisdictions, such as transit, recycling, and landfill services. The Town also has administrative support departments (e.g., human resources; information technology; finance, budget, and purchasing; communications and race and equity.) that provide both direct services as well as indirect support services.

**Economic Condition and Outlook**

The 2023 median household income increase \$85,927. Carrboro had a decrease in the unemployment rate from 3.2% in 2022 to 2.8% in 2023, which is below the statewide rate of 3.6%. The local employment base is relatively stable, with the University of North Carolina at Chapel Hill, the University of North Carolina Health Care System, and Research Triangle Park in close proximity to the Town.

The Town relies on a largely residential tax base for revenues to provide services. The commercial base is primarily retail with some service-oriented businesses. Major employers within Orange County (those with 450 or more employees) reflect the dominance of the professional services and retail sectors. The Town continues to experience modest growth and is considered to be a desirable place to live and work.

Long-term debt obligations for the Town decreased by 1.1% or \$476,124 from \$42,547,444 at June 30, 2023 to \$42,071,320 at June 30, 2024. This is primarily due to a decrease in direct borrowing installment purchases.

For a more comprehensive analysis of the Town's capital needs and future financing, please consult the Town's Capital Improvements Program available on the Town's website. The potential impact on property tax rates of capital projects will be affected by the timing of the implementation of the proposed projects, availability of other revenue sources, and/or cost savings to fund the projects.

### ***Major Town Initiatives***

The following projects initiated in prior years will continue as priorities into FY 2024-25

- Implementation of a comprehensive plan for the Town,
- Continuation of using a Sustainability and Race and Equity lens in programs and operations
- Continuation in Affordable Housing Initiatives.
- Continuation of implementation of Energy and Climate Protection Plan.

As noted above, the Town Council has established strategic priorities within the Comprehensive Plan for the Town with the ultimate goal of creating and maintaining Carrboro as a sustainable community that is a highly desirable place to live. Some of the noteworthy accomplishments include:

- The Town celebrated the Grand Opening of the Drakeford Library Complex in March of 2025. This facility houses the Orange County Southern Branch Library and Town of Carrboro's Recreation, Parks and Cultural Resources Department.
- In February 2022, Carrboro was named one of the top five small towns for the arts in the United States by 24/7 Tempo, a member of the Financial News and Opinion Firm 24/7 Wall St.
- The Town receives a national award, "Leading the Way Award", for outstanding resident satisfaction from ETC Institute that recognizes local governments for outstanding achievement in the delivery of services to residents. Recipients of the award rank in the top 10% of all local governments in the United States.
- Carrboro ranked fifth in 24/7 Tempo's 25-city lineup. The listing mentioned the city's Arts Center and its Attic 506 spaces, which are funded in part by the Orange County Arts Commission.
- First Place Award for Citizen Participation from the NC City & County Communicators (NC3C) Excellence in Communications Awards.
- Marvin Collins Award for Comprehensive Plan by the American Planning Association-North Carolina Chapter (APA-NC)
- Town residents approved \$4.6 million of general obligation bonds in a referendum in November 2003 to construct sidewalks and greenways throughout the Town to increase the safety and convenience of walking. To date the Town has constructed 23 sidewalks covering more than 8.0 miles, completed construction of the Wilson Park Multi-Use Path, constructed the Homestead-Chapel Hill High School Multi-Use Path, and Rogers Road Sidewalk. Projects currently underway include Morgan Creek Greenway, Jones Creek Greenway, and South Greensboro Street Sidewalk.
- The Town has been awarded a Silver Award by the League of American Bicyclists as a Bicycle-Friendly Community (BFC). The award is presented to communities that are committed to bicycling, provide safe accommodations and facilities for bicyclists, and encourage bicycling

for fun, fitness, and transportation. This is a four-year award valid through 2022. The Town's goal is to achieve Gold Level status.

- The Town continues to participate in the North Carolina League of Municipalities "Green Challenge," for Greenhouse Gas Emission Inventory and Reduction to reduce the carbon footprint; and to assess the Town's energy efficiency through the U.S. Environmental Protection Agency's "Energy Star Challenge" that involves reviewing and reducing utility consumption in Town facilities, streetlights, and fuel usage.
- The Town's continued commitment to the environment was rewarded with its national designation as a Tree City USA Town for the 35th year.
- The Town has AAA bond rating from Standard and Poor's and Aa1 bond rating from Moody's.

## ***Financial Information***

### General Fund Balance

The Council has adopted a policy of maintaining a General Fund unassigned fund balance within a range of 22.5% to 35% of budgeted appropriations. When the General Fund unassigned fund balance exceeds 35%, the Town Manager may set aside an amount in assigned fund balance for transfer to Capital Projects Fund for specific future capital projects. Should the unassigned fund balance in the General Fund fall below 20%, the policy requires the Town Manager to develop and implement a plan to rebuild the balance to 22.5% within one year. For the year ended June 30, 2024, the Town had a total General Fund balance of \$24,428,517 or 57.74% of total General Fund expenditures. The Town's unassigned fund balance was \$14,106,322. \$6.37 million of this was attributed to revenue replacement for projects authorized through the American Rescue Plan.

The Town's management continues to take a conservative approach to revenue projections in relation to the numerous decisions necessary to adapt its operating budget, capital plans and financing to existing and future anticipated and unanticipated financial challenges. The steps taken in this regard include reducing less vital operating expenses, increasing emphasis on economic development activities, and prioritizing capital expenditures. The Town has AAA bond rating by Standard and Poor's and Aa1 by Moody's. These ratings indicate the Town's extremely strong creditworthiness and ability to meet financial obligations.

### Budget Control

As required by North Carolina General Statutes, the Town Council adopts a budget ordinance prior to the beginning of each fiscal year. All governmental units are required to adopt a balanced budget by July 1 of each year. The budget ordinance adopted by the Council creates a legal limit on spending authorizations at the functional level. Through the use of a requisition and purchase order encumbrance system, the adequacy of available funds is ensured prior to the placement of orders and/or award of contracts.

The budget is prepared by the Town Manager for a one-year fiscal cycle beginning July 1 and ending June 30 of the following year. The Town holds a legally mandated public hearing following the presentation of the Town Manager's recommended budget to the Council and prior to the Council's adoption of the budget. The Council may hold budget work sessions during the budget development process. The adopted budget document is available in the Town Clerk's office and on the Town's website for review.

## Internal Controls

To provide a reasonable basis for making these representations, a comprehensive internal control framework has been designed in developing and maintaining the Town's accounting system. These internal accounting controls are designed to provide a reasonable, but not absolute, assurance regarding:

- Safeguarding of assets against loss from unauthorized use or disposition;
- Reliability of financial records for preparing financial statements in conformity with accounting principles generally accepted in the United States of America and maintaining accountability of assets;
- Effectiveness and efficiency of operations; and
- Compliance with applicable laws and regulations related to federal and state financial assistance programs.

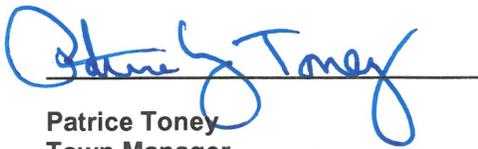
The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Town's internal accounting controls reasonably achieve the above objectives and provide reasonable assurance of proper recording of financial transactions.

## Other Information

### Independent Audit

North Carolina General Statutes Chapter 15, the Local Government Budget and Fiscal Control Act, requires that units of local government have an annual audit by independent certified public accountants. The accounting firm of Mauldin & Jenkins, LLC was selected by the Council and performed this audit. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules are included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations are included in the compliance section and include an unmodified opinion.

Preparation of this report would not have been possible without the hard work and dedication of the Finance Department Staff. Other departments of the Town have contributed directly or indirectly in the preparation of this report, and their cooperation and continued assistance is appreciated.

  
Patrice Toney  
Town Manager

  
Chaz Offenburg  
Chief Financial Officer

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**To the Mayor and Council Members  
Town of Carrboro, North Carolina**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **Town of Carrboro, North Carolina** (the "Town") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison statement for the General Fund fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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### ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules related to the Town's pension and other post-employment benefits, 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 inquires 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund statements and schedules, the schedule of ad valorem taxes receivable, the analysis of current tax levy, and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of North Carolina Single Audit Implementation Act (collectively, "the supplementary information") are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary 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 GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the title pages, the introductory section, and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025, on our consideration of the Town'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 solely to 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'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 Town's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Raleigh, North Carolina  
April 28, 2025

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the Town of Carrboro, we offer readers of the Town of Carrboro's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in the Management Discussion and Analysis section in conjunction with the 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 \$47,905,849 (net position).
- The total net position of the Town increased by \$8,526,308 from the amount previously reported at June 30, 2023.
- At June 30, 2024, the Town's governmental funds had combined ending fund balances of \$34,764,669, a decrease of 1.7% or \$590,733 in comparison with the prior year. Approximately 40.6% or \$14,106,322 of this total amount is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the year unassigned fund balance for the General Fund was \$14,106,322 or 44.6% of total General Fund expenditures and transfers out of \$31,637,782.
- Long-term debt obligations for the Town decreased by 1.3% or \$541,617 from \$42,612,938 at June 30, 2023, to \$42,071,320 at June 30, 2024. This is primarily due a decrease in direct borrowing installment purchases.
- The Town of Carrboro maintained its AAA bond rating with Standard and Poor's; and Aa1 by Moody's.

### ***Overview of the Financial Statements***

This discussion and analysis are intended to serve as an introduction to Town of Carrboro's basic financial statements. The Town's basic financial statements consist of three components (see Figure 1):

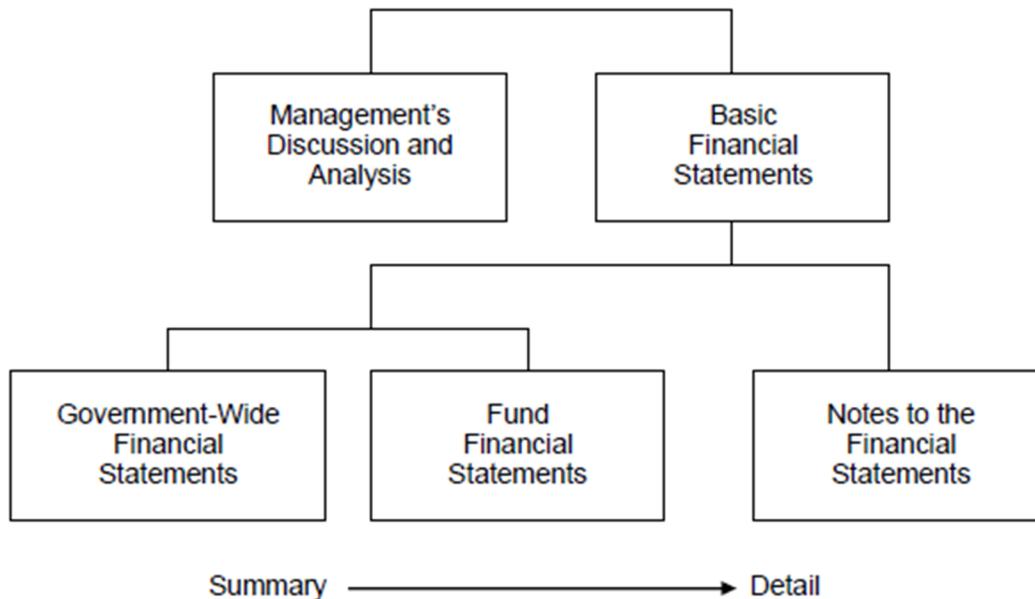
1. Government-wide financial statements,
2. Fund financial statements, and
3. Notes to the financial statements.

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, including a statistical section.

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Components of Annual Financial Report  
Figure 1



### ***Basic Financial Statements***

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. Exhibit 1 presents the Statement of Net Position and Exhibit 2 presents the Statement of Activities. They provide information about the Town's current financial position.

The next statements (Exhibits 3 through 8) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government at a more detailed level than the government-wide statements. There are three parts to the Fund Financial Statements: (1) the governmental funds statements; (2) the proprietary fund statements; and (3) the budgetary comparison statements.

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

### ***Government-wide Financial Statements***

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to financial statements of a private-sector business. The statement of net position presents information on all of the Town's assets, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The two government-wide statements report the Town's net position and how they have changed. Net position reported on the *statement of net position* is the difference between the Town's total assets and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition. The *statement of activities* presents information showing how the Town's net position has changed during the fiscal year.

The government-wide statements contain a category called governmental activities that include most of the Town's basic services such as public safety, public works, parks and recreation, and general government. Property taxes as well as state-collected local revenues including sales tax, electric franchise and state telecommunications monies, finance most of these activities.

The government-wide statements are divided into three categories: (1) governmental activities; (2) business-type activities; and (3) component units. The governmental activities include most of the Town's basic services such as public safety, fire, street maintenance, solid waste collection, planning, public spaces, parks, cemetery and general administration. The business-type activities are those that the Town charges customers for certain services such as stormwater services. This includes stormwater services offered by the Town. The final category is the Town's component unit, Carrboro Tourism Development Authority. Although legally separate from the Town, the Town Council exercises control over this entity through appointment of the Chair and members of the Authority.

The government-wide financial statements are on pages 16 through 18 of this report.

### ***Fund Financial Statements***

The fund financial statements (see Figure 1) provide 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 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 two categories: governmental funds and proprietary funds.

**Governmental funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. The Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements are focused on a detailed, short-term view that helps the reader 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 CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Town adopts an annual budget for its General Fund, as required by the North Carolina 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 Council 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. Exhibit 5 shows four columns: (1) the original budget as adopted by the Council; (2) the final budget as amended by the Council; (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** - As of July 1, 2018, the Town implemented a user fee schedule for stormwater operations and program expenses. Recognizing that the current user fee may not be sufficient to address the numerous stormwater capital improvements and repairs, the Town has developed a ten-year financing plan and model.

In 2021, the Town Council authorized the creation of a Parking Enterprise Fund to account for parking expenses. The Parking Enterprise Fund is currently funded by General Fund revenues to support free parking throughout the Town, until such time the Town implements a fee structure for parking facilities.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 27 through 71 of this report.

**Required Supplementary 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 post-employment benefits to its employees. Required supplementary information can be found beginning on page 72 of this report.

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Government-wide Financial Analysis

#### Town of Carrboro's Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 37,857,197	\$ 45,739,867	\$ 2,656,080	\$ 2,096,021	\$ 40,513,277	\$ 47,835,888
Capital assets, net	67,015,935	50,145,237	602,083	657,418	67,618,018	50,802,655
Total assets	<u>104,873,132</u>	<u>95,885,104</u>	<u>3,258,163</u>	<u>2,753,439</u>	<u>108,131,295</u>	<u>98,638,543</u>
Deferred outflows of resources	<u>7,666,121</u>	<u>8,002,640</u>	<u>142,723</u>	<u>127,817</u>	<u>7,808,844</u>	<u>8,130,457</u>
Total assets and deferred outflows of resources	<u>112,539,253</u>	<u>103,887,744</u>	<u>3,400,886</u>	<u>2,881,256</u>	<u>115,940,139</u>	<u>106,769,000</u>
Long-term liabilities outstanding	41,585,092	42,217,672	486,228	395,266	42,071,320	42,612,938
Other liabilities	18,313,328	15,796,520	84,708	48,663	18,398,036	15,845,183
Total liabilities	<u>59,898,420</u>	<u>58,014,192</u>	<u>570,936</u>	<u>443,929</u>	<u>60,469,356</u>	<u>58,458,121</u>
Deferred inflows of resources	<u>7,424,307</u>	<u>8,914,332</u>	<u>140,627</u>	<u>123,784</u>	<u>7,564,934</u>	<u>9,038,116</u>
Net position:						
Net investment in capital assets	52,051,757	44,431,872	602,083	657,418	52,653,840	45,089,290
Restricted	5,862,594	3,914,681	-	-	5,862,594	3,914,681
Unrestricted	(12,697,825)	(11,387,333)	2,087,240	1,656,125	(10,610,585)	(9,731,208)
Total net position, ending	<u>\$ 45,216,526</u>	<u>\$ 36,959,220</u>	<u>\$ 2,689,323</u>	<u>\$ 2,313,543</u>	<u>\$ 47,905,849</u>	<u>\$ 39,272,763</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and the deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$47,905,849 as of June 30, 2024. The majority of net position reflects the Town's investment in capital assets (e.g., land, buildings, machinery, equipment, etc.); less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion (\$5,862,594 or 13%) of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$10,610,585 or 22%) is unrestricted.

The Town's total unrestricted governmental net position was influenced by increased property tax revenues, increased local option sales tax revenues, and stability of other tax and unrestricted intergovernmental revenues.

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Town of Carrboro's Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,513,526	\$ 1,720,019	\$ 1,013,980	\$ 1,002,080	\$ 2,527,506	\$ 2,722,099
Operating grants and contributions	7,500,051	829,870	-	-	7,500,051	829,870
Capital grants and contributions	104,923	128,951	-	-	104,923	128,951
General revenues:						
Property taxes	16,207,932	16,104,146	-	-	16,207,932	16,104,146
Local option sales taxes	7,184,467	7,078,695	-	-	7,184,467	7,078,695
Other taxes	1,924,913	1,864,150	-	-	1,924,913	1,864,150
Grants and contributions not restricted	1,695,440	1,534,669	-	45,000	1,695,440	1,579,669
Other	1,763,393	1,213,173	86,004	46,129	1,849,397	1,259,302
<b>Total revenues</b>	<b>37,894,645</b>	<b>30,471,473</b>	<b>1,099,984</b>	<b>1,093,209</b>	<b>38,994,629</b>	<b>31,564,682</b>
<b>Expenses:</b>						
General government	7,927,182	6,405,007	-	-	7,927,182	6,405,007
Public safety	8,746,519	8,469,830	-	-	8,746,519	8,469,830
Planning	1,878,167	1,612,729	-	-	1,878,167	1,612,729
Transportation	2,248,855	2,148,148	-	-	2,248,855	2,148,148
Public works	5,452,203	5,427,544	-	-	5,452,203	5,427,544
Parks and recreation	2,191,810	1,966,773	-	-	2,191,810	1,966,773
Economic and physical development	624,128	618,648	-	-	624,128	618,648
Interest on long-term debt	409,250	468,434	-	-	409,250	468,434
Parking	-	-	149,033	155,610	149,033	155,610
Stormwater	-	-	734,396	598,232	734,396	598,232
<b>Total expenses</b>	<b>29,478,114</b>	<b>27,117,113</b>	<b>883,429</b>	<b>753,842</b>	<b>30,361,543</b>	<b>27,870,955</b>
Increase (decrease) in net position before transfers	8,416,531	3,354,360	216,555	339,367	8,633,086	3,693,727
Transfers	(159,225)	(132,385)	159,225	132,385	-	-
<b>Change in net position</b>	<b>8,257,306</b>	<b>3,221,975</b>	<b>375,780</b>	<b>471,752</b>	<b>8,633,086</b>	<b>3,693,727</b>
Net position, beginning	36,959,220	33,842,622	2,313,543	1,843,192	39,272,763	35,685,814
<b>Net position, ending</b>	<b>\$ 45,216,526</b>	<b>\$ 37,064,597</b>	<b>\$ 2,689,323</b>	<b>\$ 2,314,944</b>	<b>\$ 47,905,849</b>	<b>\$ 39,379,541</b>
* restated in 2024						

**Governmental activities.** Governmental activities increased the Town's net position by \$8,257,306. Key elements of this change are as follows:

- Ad valorem property tax revenues increased by \$103,786 or 0.64% above the prior year. This increase is related to an increase in assessed properties within the Town.
- Local option sales tax revenues increased by \$107,772 or 1.5% above the prior year. This increase is largely related to the continued growth in the local economy.
- Other tax revenues, primarily from motor vehicle license taxes, increased by \$60,763 or 3.3% above the prior year. This increase is related to an increase in assessed motor vehicles within the Town.
- Investment earnings increased by \$303,424 or 69.96% above the prior year, due to market performance on the Town's investments in the NCCMT government portfolio.

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- Expenses for total governmental activities increased by 8% to \$29,478,114 in FY 2024.
- Expense for interest on long-term debt increased from \$468,434 in FY 2023 to \$409,250 in FY 2024. The Town borrowed \$12.5 million in April 2022 to complete the financing for construction of the new facility at 203 S. Greensboro Street.

**Business-type activities.** Business-type activities added \$375,780 to the Town's net position. These revenues are primarily from the collection of user fees for stormwater.

### ***Financial Analysis of the Town of Carrboro's Funds***

**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's financing requirements.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,106,322, an increase of \$1,777,481 or 14.4% from \$12,328,841 in FY 2023. The total general fund balance for FY 2024 was \$24,428,517, a 24.98% increase from the FY 2023 amount of \$19,546,432.

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 and transfers out. Unassigned fund balance represents 48.8% of total General Fund expenditures and transfers out of \$31,637,782. The Town fund balance policy requires that fund balance be between 22.3% and 35%. Total fund balance represents 77.6% of total General Fund expenditures.

The American Rescue Plan Act (ARPA) special revenue fund was created during fiscal year 2022 and includes projects to address the negative impacts of the COVID-19 pandemic. The fund balance for the fund increased by \$210,624, due to interest earnings.

The Capital Projects Fund, which includes construction or acquisition of capital assets, is primarily funded with operating transfers from the General Fund and notes or debt instruments. The fund balance for this fund decreased by \$6,094,940, or 43.2%. The decrease is largely attributable to capital outlays surrounding the facility on 203 S. Greensboro Street.

The Nonmajor Funds, which include the Affordable Housing Fund, the Energy Efficiency Revolving Loan Fund, the Small Business and Non-Profit Loan/Grant COVID-19 Emergency Fund, the Facilities Rehabilitation Fund, the Grants Administration Fund had an increase in fund balance of \$528,659, or 26.6% including a change in a reporting entity as disclosed in Note 5. The majority of the revenues and expenditure are related to the Affordable Housing Fund, which includes ad valorem taxes equal to 1.5 cents of the tax rate. Expenses in the Affordable Housing Fund are related to increasing the stock of affordable, safe and decent housing within the Town and providing housing assistance to the eligible citizens of Carrboro. The Energy Efficiency Revolving Loan was initially funded by a federal grant to provide loans to small businesses for energy improvements. This fund was relatively inactive during FY 2024.

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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At June 30, 2024, the governmental funds of the Town reported a combined fund balance of \$34,764,669. The reported combined fund balance of the governmental funds includes a fund balance within the American Rescue Plan Act Fund of \$365,35 and within the Capital Projects Fund of \$7,981,660. These fund balances are either restricted or committed for capital project purposes, net of any negative unassigned amounts.

**General Fund Budgetary Highlights.** During the fiscal year, the Town revised the General Fund budget on several occasions. Generally, these amendments fall into one of three categories: (1) to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) to recognize new funding amounts from external sources, such as federal and state grants; or (3) increase appropriations that become necessary to maintain services. The General Fund budgeted expenditures were increased by \$4,153,216 (14.2%) from an original appropriation of \$29,252,440 to a final appropriation of \$33,405,656.

The comparison of revenue and expenditure financial activity with budgeted estimates suggests that the Town budgeted adequately for ongoing operations. Total revenue receipts were \$30,190,718, compared to budget of \$28,347,202.

Revenues from taxes (i.e., property, local option sales, and other) represent 85.0% of the total revenues. Property, sales and other tax revenues were above budget projections by \$1,308,556 or 5.5%.

Revenue from permits and fees represent 3.9% of total revenues but were above budget projections by \$78,724 or 6.7%. Total revenue for permits and fees this year exceeded a \$75 thousand increase.

Revenues from sales and services, and investment earnings were above budget projections by \$815,635 or 75.3%. This was primarily due to revenues exceeding projections of interest earnings due to strong performance of the Town's investment in the NCCMT Government portfolio.

The unrestricted intergovernmental revenue receipts were above budget projections by \$344,440 or 25.5% for electric franchise, piped natural gas, video sales programming, telecommunication, and wine and beer licenses or taxes. These revenues totaled \$1,695,440 compared to \$1,534,669 in FY 2023.

Expenditures, as required by budget ordinance, should not exceed appropriated levels. Total expenditures were \$28,717,399, which was \$4,688,257 less than the final budget of \$33,405,656. All spending by function was in compliance with budgetary requirements.

Expenditures were less than final budget at June 30, 2024, and were 14.1% more than the prior year. Expenditures for general government were 11.5% higher than the prior year, increasing from \$6,807,439 in FY 2023 to \$7,587,153 in FY 2024. Actual expenditures for public safety increased by 6.8% from \$7,540,883 in FY 2023 to \$8,052,480 in FY 2024. Actual expenditures for planning increased by 21.6% from \$1,499,093 in FY 2023 to \$1,822,343 in FY 2024. Transportation expenditures remained the same from \$2,148,148 in FY 2023 to \$2,148,148 in FY 2024. Public works expenditures decreased by 2.8% from \$4,402,125 in FY 2023 to \$4,280,486 in FY 2024. Recreation and parks expenditures increased by 10.9% from \$1,655,914 in FY 2023 to \$1,836,170 in FY 2024. Non-departmental expenditures increased by from \$0 in FY 2023 to \$1,124,683 in FY 2024. Debt service expenditures increased by 65.9% from \$1,125,066 in FY 2023 to \$1,865,936 in FY 2024.

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Capital Asset and Debt Administration

**Capital assets.** The Town's investment in capital assets for its governmental-type activities as of June 30, 2024, totaled \$67,015,935 (net of accumulated depreciation and amortization) and the Town's investment in capital assets for its business-type activities as of June 30, 2024, totaled \$602,083 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, vehicles and right to use lease assets. Major capital asset transactions during the year include the replacement of vehicles related to Fire, Public Works, Rec & Park. As well as the continued investment in the 203 Project and various greenways.

**Town of Carrboro's Capital Assets (Net of Depreciation/Amortization)**  
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets not being depreciated:						
Land	\$ 14,747,956	\$ 14,747,956	\$ -	\$ -	\$ 14,747,956	\$ 14,747,956
Construction in progress	29,936,386	12,531,887	-	-	29,936,386	12,531,887
Total capital assets not being depreciated	44,684,342	27,279,843	-	-	44,684,342	27,279,843
Capital assets being depreciated/amortized:						
Buildings and systems	6,953,842	7,164,635	95,832	99,665	7,049,674	7,264,300
Improvements other than buildings	566,948	604,936	-	-	566,948	604,936
Infrastructure	11,448,603	11,514,680	462,377	477,953	11,910,980	11,992,633
Machinery and equipment	864,395	1,356,494	33,883	42,360	898,278	1,398,854
Vehicles	2,433,291	2,116,095	9,991	37,440	2,443,282	2,153,535
Right-to-use lease assets	64,514	108,554	-	-	64,514	108,554
Total capital assets being depreciated/amortized	22,331,593	22,865,394	602,083	657,418	22,933,676	23,522,812
Total capital assets	\$ 67,015,935	\$ 50,145,237	\$ 602,083	\$ 657,418	\$ 67,618,018	\$ 50,802,655

Additional information on the Town's capital assets can be found on pages 45 through 46 of this report.

**Long-term debt.** As of June 30, 2024 and 2023, the Town of Carrboro had the following long-term liabilities:

**Town of Carrboro's Outstanding Debt**  
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2024	2023, restated	2024	2023, restated	2024	2023, restated
Government obligation bond	\$ 1,850,000	\$ 2,100,000	\$ -	\$ -	\$ 1,850,000	\$ 2,100,000
Premium on bonds	36,496	41,362	-	-	36,496	41,362
Direct borrowing installment purchases	13,110,542	14,253,810	-	-	13,110,542	14,253,810
Lease liabilities	67,998	112,404	-	-	67,998	112,404
Compensated absences	899,262	901,906	11,984	19,719	911,246	921,625
OPEB liability	16,121,510	16,286,837	329,010	246,770	16,450,520	16,533,607
LGERS net pension liability	7,116,450	6,516,261	145,234	128,777	7,261,684	6,645,038
Law enforcement officers' total pension liability	2,382,835	2,005,092	-	-	2,382,835	2,005,092
Total	\$ 41,585,093	\$ 42,217,672	\$ 486,228	\$ 395,266	\$ 42,071,321	\$ 42,612,938

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Total long-term liabilities for the Town decreased by (\$541,617) or 1.3% during fiscal year 2024 primarily due to decreases in all outstanding debt except the LGERS net pension liability.

As mentioned in the financial highlights section of this document, the Town currently holds an AAA bond rating from Standard and Poor's and maintains Aa1 bond rating from Moody's Investor Service. These bond ratings are a clear indication of the Town's sound financial condition.

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 the Town is \$216,426,948. The Town has no general obligation bonds authorized but unissued at June 30, 2024.

Additional information regarding the Town's long-term debt can be found beginning on page 47 of this report.

### ***Economic Factors and Next Year's Budget and Rates***

The following key economic indicators will impact the Town:

- The property tax base is stable. The Town expects the property tax collection rate to be over 99%.
- The Town's local sales tax growth is expected to continue in fiscal year 2025.
- Should the North Carolina General Assembly propose additional revenue options for local governments, we will closely monitor any potential impact on the Town.

### ***Budget Highlights for the Fiscal Year Ending June 30, 2025***

**Governmental activities.** The Town has approved a General Fund budget in the amount of \$32,685,651 for fiscal year 2025, which is a 10.2% increase over the original adopted fiscal year 2024 budget. The primary goals in preparing the fiscal year 2025 budget will be:

- Implement the Town Council's strategic priorities
- Retention of valued Town staff
- Development of a balanced budget
- Manage costs while improving services to the residents
- Conceptualize a long-term financial sustainability plan for the Town

The two largest sources of revenues for the Town are property taxes and sales taxes. Property taxes are projected to increase 3.0%; while sales taxes are projected to moderately increase due to economic growth within the local economy. The tax rate for real property equals \$60.44 cents per one hundred dollars, with 1.5 cents dedicated for affordable housing.

The Town continues to scrutinize its operating expenses and seek more effective and productive methods for service delivery. While the overall total of operating expenses in fiscal year 2025 are expected to increase, the Town will continue to implement several initiatives that began in previous fiscal years. These include implementation of a parking plan, solid waste study, gold level bicycle designation, establishing the pillars of climate action and racial equity, and completion of the 203 S Greensboro Street Drakeford Library Project.

# TOWN OF CARRBORO, NORTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Town has expressed the desire to create a 5-year financial plan to better understand the fiscal impacts of undertaking Town building improvements. The Town has contracted with a financial advisor to create a tool that will assist in modeling different costs.

**Business-type activities.** In 2019, the Town established a user fee structure for the storm water utility enterprise fund operations to address regulatory compliance and increased flooding issues in the Town. This user fee rate has remained the same for fiscal year 2024. Staff plans to complete a comprehensive stormwater infrastructure assessment in the coming fiscal years.

### ***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 Interim Finance Director, 301 West Main Street, Carrboro North Carolina 27510. Other related financial documents may be reviewed online at the Town's website at: <http://www.townofcarrboro.org>.

# **BASIC FINANCIAL STATEMENTS**

**TOWN OF CARRBORO, NORTH CAROLINA**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Carrboro Tourism Development Authority
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 30,622,137	\$ 2,579,806	\$ 33,201,943	399,796
Receivables:				
Taxes receivable, net	108,221	-	108,221	-
Accrued interest receivable	22,171	-	22,171	-
Accounts receivable, net	56,882	76,274	133,156	-
Due from primary government	-	-	-	67,097
Due from other governments	4,649,208	-	4,649,208	-
Lease receivable	105,986	-	105,986	-
Inventories	5,968	-	5,968	-
Prepaid items	405,342	-	405,342	-
Restricted cash	1,555,703	-	1,555,703	-
Total current assets	37,531,618	2,656,080	40,187,698	466,893
Non-current assets:				
Notes receivable, net	86,819	-	86,819	-
Lease receivable, noncurrent	238,760	-	238,760	-
Capital assets:				
Intangible right to use lease asset, net of amortization	64,514	-	64,514	-
Land, non-depreciable improvements, and construction in progress	44,684,342	-	44,684,342	-
Other capital assets, net of accumulated depreciation	22,267,079	602,083	22,869,162	-
Total noncurrent assets	67,341,514	602,083	67,943,597	-
Total assets	104,873,132	3,258,163	108,131,295	466,893
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals	5,129,548	90,956	5,220,504	-
OPEB deferrals	2,536,573	51,767	2,588,340	-
Total deferred outflows	7,666,121	142,723	7,808,844	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 2,323,848	\$ 84,708	\$ 2,408,556	102,757
Payable from restricted assets, customer deposits and performance bonds	41,976	-	41,976	-
Revenues received in advance	70,509	-	70,509	-
Due to component unit	67,097	-	67,097	-
Due to Orange County	15,679,591	-	15,679,591	-
Accrued interest payable	130,307	-	130,307	-
Current portion of total pension liability - LEO	154,122	-	154,122	-
Current portion of total OPEB liability	363,185	7,412	370,597	-
Current portion of long-term liabilities	2,081,007	11,984	2,092,991	-
Total current liabilities	20,911,642	104,104	21,015,746	102,757
Long-term liabilities:				
Net pension liability - LGERS	7,116,450	145,234	7,261,684	-
Total pension liability - LEO, net of current	2,228,713	-	2,228,713	-
Total OPEB liability, net of current	15,758,325	321,598	16,079,923	-
Due in more than one year	13,883,290	-	13,883,290	-
Total noncurrent liabilities	38,986,778	466,832	39,453,610	-
Total liabilities	59,898,420	570,936	60,469,356	102,757
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals	374,680	3,144	377,824	-
OPEB deferrals	6,736,659	137,483	6,874,142	-
Deferred lease revenue	312,968	-	312,968	-
Total deferred inflows	7,424,307	140,627	7,564,934	-
<b>NET POSITION</b>				
Net investment in capital assets	52,051,757	602,083	52,653,840	-
Restricted for:				
Stabilization by State Statute	4,817,420	-	4,817,420	67,097
Streets	944,316	-	944,316	-
Economic Development	100,858	-	100,858	-
Unrestricted	(12,697,825)	2,087,240	(10,610,585)	297,039
Total net position	\$ 45,216,526	\$ 2,689,323	\$ 47,905,849	\$ 364,136

The accompanying notes are an integral part of these financial statements.

# TOWN OF CARRBORO, NORTH CAROLINA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 7,927,182	\$ 365,686	\$ 85,685	\$ 59,902
Public safety	8,746,519	835,069	6,349,792	23,753
Planning	1,878,167	26,446	26,359	-
Transportation	2,248,855	-	812,028	-
Public works	5,452,203	100,392	-	21,268
Parks and recreation	2,191,810	185,933	35,898	-
Economic and physical development	624,128	-	190,289	-
Interest on long-term debt	409,250	-	-	-
Total governmental activities	29,478,114	1,513,526	7,500,051	104,923
Business-type activities:				
Stormwater	734,396	1,013,980	-	-
Parking	149,033	-	-	-
Total business-type activities	883,429	1,013,980	-	-
Total primary government	\$ 30,361,543	\$ 2,527,506	\$ 7,500,051	\$ 104,923
<b>Component unit:</b>				
Tourism Development Authority	157,653	\$ -	\$ -	\$ -
Total component unit	\$ 157,653	\$ -	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Local option sales taxes				
Other taxes				
Unrestricted intergovernmental revenues				
Unrestricted investment earnings				
Lease revenue				
Miscellaneous				
Total general revenues not including transfers				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning, as previously reported				
Error Correction (Note 5)				
Net position, beginning, as restated				
Net position, ending				

The accompanying notes are an integral part of these financial statements.

**Net Revenue (Expense) and Changes in Net Position**

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Carrboro Tourism Development Authority</b>
\$ (7,415,909)	\$ -	\$ (7,415,909)	\$ -
(1,537,905)	-	(1,537,905)	-
(1,825,362)	-	(1,825,362)	-
(1,436,827)	-	(1,436,827)	-
(5,330,543)	-	(5,330,543)	-
(1,969,979)	-	(1,969,979)	-
(433,839)	-	(433,839)	-
(409,250)	-	(409,250)	-
<u>(20,359,614)</u>	<u>-</u>	<u>(20,359,614)</u>	<u>-</u>
-	279,584	279,584	-
-	(149,033)	(149,033)	-
-	130,551	130,551	-
<u>(20,359,614)</u>	<u>130,551</u>	<u>(20,229,063)</u>	<u>-</u>
-	-	-	(157,653)
-	-	-	(157,653)
16,207,932	-	16,207,932	-
7,184,467	-	7,184,467	-
1,924,913	-	1,924,913	232,083
1,695,440	-	1,695,440	-
1,347,375	85,224	1,432,599	-
95,357	-	95,357	-
320,661	780	321,441	-
<u>28,776,145</u>	<u>86,004</u>	<u>28,862,149</u>	<u>232,083</u>
<u>(159,225)</u>	<u>159,225</u>	<u>-</u>	<u>-</u>
<u>28,616,920</u>	<u>245,229</u>	<u>28,862,149</u>	<u>232,083</u>
8,257,306	375,780	8,633,086	74,430
37,064,597	2,314,944	39,379,541	289,706
(105,377)	(1,401)	(106,778)	-
<u>36,959,220</u>	<u>2,313,543</u>	<u>39,272,763</u>	<u>289,706</u>
<u>\$ 45,216,526</u>	<u>\$ 2,689,323</u>	<u>\$ 47,905,849</u>	<u>\$ 364,136</u>

**TOWN OF CARRBORO, NORTH CAROLINA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>Major Funds</b>				<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>American Rescue Plan Act Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Funds</b>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 21,495,953	\$ -	\$ 7,221,156	\$ 1,905,028	\$ 30,622,137
Taxes receivable, net	108,221	-	-	-	108,221
Accounts receivable, net	56,882	-	-	-	56,882
Due from other governments	2,966,079	-	1,461,294	221,835	4,649,208
Lease receivable	344,746	-	-	-	344,746
Notes receivable, net	-	-	-	86,819	86,819
Inventories	5,968	-	-	-	5,968
Prepaid items	405,342	-	-	-	405,342
Restricted cash	986,292	468,553	100,858	-	1,555,703
Total assets	<u>\$ 26,369,483</u>	<u>\$ 468,553</u>	<u>\$ 8,783,308</u>	<u>\$ 2,213,682</u>	<u>\$ 37,835,026</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,362,472	\$ 103,238	\$ 801,648	\$ 56,490	\$ 2,323,848
Payable from restricted assets, customer deposits and performance bonds	41,976	-	-	-	41,976
Revenues received in advance	70,509	-	-	-	70,509
Due to component unit	67,097	-	-	-	67,097
Total liabilities	<u>1,542,054</u>	<u>103,238</u>	<u>801,648</u>	<u>56,490</u>	<u>2,503,430</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>398,912</u>	<u>-</u>	<u>-</u>	<u>168,015</u>	<u>566,927</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	5,968	-	-	-	5,968
Prepaid items	405,342	-	-	-	405,342
Leases	31,778	-	-	-	31,778
Restricted:					
Stabilization by state statute	4,817,420	-	-	-	4,817,420
Powell Bill (streets)	944,316	-	-	-	944,316
Capital projects	-	-	100,858	-	100,858
Committed:					
Economic and physical development	-	365,315	-	602,792	968,107
Capital projects	-	-	7,880,802	531,514	8,412,316
Affordable housing	-	-	-	697,276	697,276
Energy efficiency	-	-	-	157,595	157,595
Assigned:					
Subsequent year's expenditures	4,117,371	-	-	-	4,117,371
Unassigned	14,106,322	-	-	-	14,106,322
Total fund balances	<u>24,428,517</u>	<u>365,315</u>	<u>7,981,660</u>	<u>1,989,177</u>	<u>34,764,669</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,369,483</u>	<u>\$ 468,553</u>	<u>\$ 8,783,308</u>	<u>\$ 2,213,682</u>	<u>\$ 37,835,026</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF CARRBORO, NORTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<b>Total Governmental Funds</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	\$ 34,764,669
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	67,015,935
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.	22,171
Deferred outflows of resources related to pensions are not reported in the fund statements.	5,129,548
Deferred outflows of resources related to OPEB are not reported in the fund statements.	2,536,573
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	253,959
Some liabilities, including long-term obligations, are not due and payable in the current period and, therefore, are not reported in the funds.	(31,643,888)
Deferred inflows of resources related to pensions are not reported in the fund statements.	(374,680)
Deferred inflows of resources related to OPEB are not reported in the fund statements.	(6,736,659)
Net pension liability - LGERS	(7,116,450)
Total pension liability - LEO	(2,382,835)
Total OPEB liability	(16,121,510)
Other long-term liabilities (accrued interest) are not due and payable in the current period and, therefore, are not reported in the funds.	(130,307)
Net position of governmental activities	<b>\$ 45,216,526</b>

The accompanying notes are an integral part of these financial statements.

**TOWN OF CARRBORO, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General Fund	(Formerly Major) Revolving Loan Fund	(Formerly Major) Bond Fund	American Rescue Plan Act Special Revenue Fund	Capital Projects Fund		
<b>Revenues:</b>							
Ad valorem taxes	\$ 15,841,637	\$ -	\$ -	\$ -	\$ -	\$ 400,009	\$ 16,241,646
Local option sales taxes	7,184,467	-	-	-	-	-	7,184,467
Other taxes and licenses	1,924,913	-	-	-	-	-	1,924,913
Unrestricted intergovernmental	1,695,440	-	-	-	-	-	1,695,440
Restricted intergovernmental	903,230	-	-	6,349,792	9,589,309	351,952	17,194,283
Permits and fees	1,253,946	-	-	-	-	-	1,253,946
Sales and services	345,897	-	-	-	-	-	345,897
Investment earnings	737,138	-	-	231,265	309,613	69,359	1,347,375
Other	304,050	-	-	-	-	111,968	416,018
<b>Total revenues</b>	<b>30,190,718</b>	<b>-</b>	<b>-</b>	<b>6,581,057</b>	<b>9,898,922</b>	<b>933,288</b>	<b>47,603,985</b>
<b>Expenditures:</b>							
General government	8,278,106	-	-	-	-	-	8,278,106
Public safety	8,052,480	-	-	-	-	-	8,052,480
Planning	1,822,343	-	-	-	-	-	1,822,343
Transportation	2,148,148	-	-	-	-	-	2,148,148
Public works	4,280,486	-	-	-	-	-	4,280,486
Economic and physical development	-	-	-	-	-	624,128	624,128
Parks and recreation	1,836,170	-	-	-	-	-	1,836,170
Capital outlay	433,730	-	-	-	18,518,020	134,662	19,086,412
<b>Debt service:</b>							
Principal	1,437,674	-	-	-	-	-	1,437,674
Interest and other charges	428,262	-	-	-	-	-	428,262
<b>Total expenditures</b>	<b>28,717,399</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,518,020</b>	<b>758,790</b>	<b>47,994,209</b>
Excess (deficiency) of revenues over (under) expenditures	1,473,319	-	-	6,581,057	(8,619,098)	174,498	(390,224)
<b>Other financing sources (uses):</b>							
Transfers to other funds	(2,920,383)	-	-	(6,370,433)	(649,000)	-	(9,939,816)
Transfers from other funds	6,370,433	-	-	-	3,173,158	237,000	9,780,591
<b>Total other financing sources (uses)</b>	<b>3,450,050</b>	<b>-</b>	<b>-</b>	<b>(6,370,433)</b>	<b>2,524,158</b>	<b>237,000</b>	<b>(159,225)</b>
<b>Net change in fund balances</b>	<b>4,923,369</b>	<b>-</b>	<b>-</b>	<b>210,624</b>	<b>(6,094,940)</b>	<b>411,498</b>	<b>(549,449)</b>
Fund balance (deficit), as previously reported	19,546,432	261,733	(144,572)	154,691	14,076,600	1,460,518	35,355,402
Error Correction (Note 5)	(41,284)	-	-	-	-	-	(41,284)
Change in reporting entity (Note 5)	-	(261,733)	144,572	-	-	117,161	-
Fund balance, beginning as restated	19,505,148	-	-	154,691	14,076,600	1,577,679	35,314,118
<b>Fund balance, end of year</b>	<b>\$ 24,428,517</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 365,315</b>	<b>\$ 7,981,660</b>	<b>\$ 1,989,177</b>	<b>\$ 34,764,669</b>

**TOWN OF CARRBORO, NORTH CAROLINA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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Total net change in fund balances - governmental funds	\$	(549,449)
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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 these assets is capitalized and allocated over their estimated useful lives and reported as depreciation and amortization expense:

Capital outlay	\$ 19,226,776	
Depreciation expense	(2,312,038)	
Amortization expense	<u>(44,040)</u>	16,870,698

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(120,031)
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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.

Principal payments on long-term debt	\$ 1,437,674	
Change in accrued interest payable	<u>14,146</u>	1,451,820

The governmental funds report current year contributions to the Town's defined benefit pension and OPEB plans whereas the Statement of Activities reports pension and OPEB expense. These amounts represent the differences between current year contributions and expenses for the applicable plan:

Pension expense - LGERS	\$ (598,457)	
Pension expense - LEOSSA	(192,218)	
OPEB expense	<u>976,741</u>	186,066

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		(9,589,309)
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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	\$ 4,866	
Change in compensated absences	<u>2,645</u>	<u>7,511</u>

<b>Total changes in net position of governmental activities</b>		<b><u>\$ 8,257,306</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 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<b>Revenues</b>				
Ad valorem taxes	\$ 15,800,200	\$ 15,800,200	\$ 15,841,637	\$ 41,437
Local option sales taxes	6,044,000	6,044,000	7,184,467	1,140,467
Other taxes and licenses	1,798,261	1,798,261	1,924,913	126,652
Unrestricted intergovernmental	1,351,000	1,351,000	1,695,440	344,440
Restricted intergovernmental	164,298	1,643,610	903,230	(740,380)
Permits and fees	1,175,222	1,175,222	1,253,946	78,724
Sales and services	245,700	245,700	345,897	100,197
Investment earnings	15,000	21,700	737,138	715,438
Other revenues	267,509	267,509	304,050	36,541
Total revenues	<u>26,861,190</u>	<u>28,347,202</u>	<u>30,190,718</u>	<u>1,843,516</u>
<b>Expenditures</b>				
Current:				
General government	7,538,673	8,537,415	7,587,153	950,262
Public safety	7,655,173	8,124,540	8,052,480	72,060
Planning	1,728,344	1,921,073	1,822,343	98,730
Transportation	2,168,917	3,910,664	2,148,148	1,762,516
Public works	4,189,998	4,287,374	4,280,486	6,888
Parks and recreation	2,040,544	2,060,080	1,836,170	223,910
Non-departmental	2,109,261	2,742,980	1,124,683	1,618,297
Debt service	1,821,530	1,821,530	1,865,936	(44,406)
Total expenditures	<u>29,252,440</u>	<u>33,405,656</u>	<u>28,717,399</u>	<u>4,688,257</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,391,250)</u>	<u>(5,058,454)</u>	<u>1,473,319</u>	<u>6,531,773</u>
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	6,370,433	6,370,433	-
Transfers to other funds	(141,000)	(2,920,383)	(2,920,383)	-
Sale of capital assets	60,000	60,000	-	(60,000)
Fund balance appropriated	2,472,250	1,548,404	-	(1,548,404)
Total other financing sources	<u>2,391,250</u>	<u>5,058,454</u>	<u>3,450,050</u>	<u>(1,608,404)</u>
Excess of revenues and other financing sources over expenditures	-	-	4,923,369	4,923,369
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,923,369	<u>\$ 4,923,369</u>
Fund balance, beginning of year, as previously reported			19,546,432	
Error correction (Note 5)			<u>(41,284)</u>	
Fund balance, end of year			<u>\$ 24,428,517</u>	

The accompanying notes are an integral part of these financial statements.

**TOWN OF CARRBORO, NORTH CAROLINA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024**

	<u>Major Enterprise Funds</u>	<u>Nonmajor Fund</u>	<u>Total Enterprise</u>
	<u>Stormwater Utility Enterprise Fund</u>	<u>Parking Enterprise Fund</u>	<u>Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,576,896	\$ 2,910	\$ 2,579,806
Accounts receivable	76,274	-	76,274
Total current assets	<u>2,653,170</u>	<u>2,910</u>	<u>2,656,080</u>
Noncurrent assets:			
Capital assets:			
Other capital assets, net of depreciation	602,083	-	602,083
Total noncurrent assets	<u>602,083</u>	<u>-</u>	<u>602,083</u>
Total assets	<u>3,255,253</u>	<u>2,910</u>	<u>3,258,163</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	90,956	-	90,956
OPEB deferrals	51,767	-	51,767
Total deferred outflows of resources	<u>142,723</u>	<u>-</u>	<u>142,723</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	84,708	-	84,708
Current portion of compensated absences	11,984	-	11,984
Current portion of total OPEB liability	7,412	-	7,412
Total current liabilities	<u>104,104</u>	<u>-</u>	<u>104,104</u>
Long-term liabilities:			
Net pension liability - LGERS	145,234	-	145,234
Total OPEB liability	321,598	-	321,598
Total long-term liabilities	<u>466,832</u>	<u>-</u>	<u>466,832</u>
Total liabilities	<u>570,936</u>	<u>-</u>	<u>570,936</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	3,144	-	3,144
OPEB deferrals	137,483	-	137,483
Total deferred inflows of resources	<u>140,627</u>	<u>-</u>	<u>140,627</u>
<b>NET POSITION</b>			
Investment in capital assets	602,083	-	602,083
Unrestricted	2,084,330	2,910	2,087,240
Total net position	<u>\$ 2,686,413</u>	<u>\$ 2,910</u>	<u>\$ 2,689,323</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF CARRBORO, NORTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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>	
<b>Operating revenues</b>			
Charges for services	\$ 1,013,980	\$ -	\$ 1,013,980
Total operating revenues	<u>1,013,980</u>	<u>-</u>	<u>1,013,980</u>
<b>Operating expenses</b>			
Personnel services	450,640	-	450,640
Depreciation and amortization	55,335	-	55,335
Other current charges	228,421	149,033	377,454
Total operating expenses	<u>734,396</u>	<u>149,033</u>	<u>883,429</u>
Operating income (loss)	279,584	(149,033)	130,551
<b>Nonoperating revenues</b>			
Investment earnings	85,224	-	85,224
Interest and other charges	780	-	780
Total nonoperating revenues	<u>86,004</u>	<u>-</u>	<u>86,004</u>
Income (loss) before transfers	365,588	(149,033)	216,555
<b>Transfers</b>			
Transfers from general fund	-	159,225	159,225
Total transfers	<u>-</u>	<u>159,225</u>	<u>159,225</u>
Change in net position	365,588	10,192	375,780
<b>Net position (deficit), beginning of year, as previously presented</b>	<u>2,322,226</u>	<u>(7,282)</u>	<u>2,314,944</u>
Error correction (Note 5)	(1,401)	-	(1,401)
<b>Net position (deficit), beginning of year, restated</b>	<u>2,320,825</u>	<u>(7,282)</u>	<u>2,313,543</u>
<b>Net position, end of year</b>	<u>\$ 2,686,413</u>	<u>\$ 2,910</u>	<u>\$ 2,689,323</u>

The accompanying notes are an integral part of these financial statements.

# TOWN OF CARRBORO, NORTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Enterprise Funds	Nonmajor Fund	Total Enterprise
	Stormwater Utility Enterprise Fund	Parking Enterprise Fund	Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 1,003,550	\$ -	\$ 1,003,550
Cash paid for goods and services	(185,094)	(156,315)	(341,409)
Cash paid to or on behalf of employees for services	(357,741)	-	(357,741)
Net cash provided by (used in) operating activities	460,715	(156,315)	304,400
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers from other funds	-	159,225	159,225
Net cash provided by noncapital financing activities	-	159,225	159,225
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment earnings	86,004	-	86,004
Net cash provided by investing activities	86,004	-	86,004
Net increase in cash and cash equivalents	546,719	2,910	549,629
<b>Cash and cash equivalents:</b>			
Beginning of year	2,030,177	-	2,030,177
End of year	\$ 2,576,896	\$ 2,910	\$ 2,579,806
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 279,584	\$ (149,033)	\$ 130,551
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	55,335	-	55,335
Change in assets, deferred outflows and inflows of resources, and liabilities:			
Decrease in accounts receivable	(10,430)	-	(10,430)
Increase (decrease) in accounts payable and accrued liabilities	43,327	(7,282)	36,045
Decrease in accrued vacation pay	(7,735)	-	(7,735)
Decrease in deferred outflows of resources for pensions	(5,798)	-	(5,798)
Increase in deferred inflows of resources for pensions	2,555	-	2,555
Decrease in deferred outflows of resources for OPEB	(9,108)	-	(9,108)
Increase in deferred inflows of resources for OPEB	14,288	-	14,288
Increase in net pension liability	16,457	-	16,457
Increase in total OPEB liability	82,240	-	82,240
Net cash provided by (used in) operating activities	\$ 460,715	\$ (156,315)	\$ 304,400

The accompanying notes are an integral part of these financial statements.

# TOWN OF CARRBORO, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Carrboro (the “Town”) and its discretely presented component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

#### **Reporting Entity**

The Town, a political subdivision of Orange County, is governed by an elected mayor and a six-member Town Council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the Town’s financial statements in order to emphasize that it is legally separate from the Town.

#### **Carrboro Tourism Development Authority**

Effective March 1, 2013, a 3% hotel and motel room occupancy tax was established by the Town Council. As part of establishing this tax, the Town formed the Carrboro Tourism Development Authority (CTDA) which is a public authority under the Local Government Budget and Fiscal Control Act. The members of the CTDA are appointed by the Town’s Town Council. The CTDA receives revenue through the occupancy tax, which is levied and collected by the Town and remitted to the CTDA net of administration fees on a quarterly basis. The CTDA shall use at least two-thirds of the funds remitted to promote travel and tourism in the Town and shall use the remainder for tourism-related expenditures. The CTDA, which has a June 30 year end, is presented as if it were a proprietary fund (discrete presentation). Requests for complete financial statements for the CTDA may be directed to the Finance Officer, c/o Carrboro Tourism Development Authority, 301 West Main Street, Carrboro, North Carolina 27510.

#### **Basis of Presentation**

**Government-wide statements:** The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. 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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Presentation (Continued)

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

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

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

The Town reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state and federal grants, and various other taxes and licenses. The primary expenditures are for public safety, streets and maintenance, sanitation, and general government services.

**American Rescue Plan Act (ARPA) Special Revenue Fund.** The ARPA Special Revenue Fund is used to account for amounts received from the Coronavirus State and Local Fiscal Recovery Funds related to the American Rescue Plan Act of 2021. The use of income from the fund is restricted to supporting economic recovery from the COVID-19 pandemic.

**Capital Projects Fund.** The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities. Additionally, the Town has legally adopted a Capital Reserve Fund and Payment in Lieu Reserve Fund. The Capital Reserve Fund and Payment in Lieu Reserve Fund are consolidated in the Capital Projects Fund.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Presentation (Continued)

The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information. The Capital Reserve Fund accounts for resources to be used for future major capital purchases or projects. The Payment in Lieu Reserve Fund accounts for payments received from developers in lieu of providing on-site recreational areas and open spaces. The funds are held in reserve for use in one of four geographically defined quadrants of the Town (where the residential development is located) for use in acquisition and development of recreational facilities present or future.

The Town reports the following non-major governmental funds:

**Affordable Housing Fund.** The Affordable Housing Fund was established to advance the Town of Carrboro's goal of increasing the stock of affordable, safe and decent housing within the Town and its planning jurisdiction.

**Energy Efficiency Revolving Loan Fund.** The Energy Efficiency Revolving Loan Fund was established to advance the Town of Carrboro's goal of increasing energy efficiency in buildings within the Town in cooperation with the Southeast Energy Efficiency Alliance.

**Small Business and Non-Profit Loan/Grant COVID-19 Emergency Fund.** The Small Business and Non-Profit (NP) Loan/Grant COVID-19 Emergency Fund is used to account for loans made to various local businesses as a result of the COVID-19 pandemic. The loans were provided for personnel and other recurring expenses for such businesses during the State/Town declared COVID-19 emergency. The primary revenue sources consist of a transfer from the Revolving Loan Fund, a contribution from the Carrboro Tourism Development Authority, and funding received under the CARES Act.

**Facilities Rehabilitation Capital Projects Fund.** The Facilities Rehabilitation Capital Projects Fund accounts for the financial resources to be used for the rehabilitation and improvement of various Town facilities.

**Grants Administration Fund.** The Grants Administration Fund was established to account for grant funds that are restricted for a particular project.

**Revolving Loan Fund.** The Revolving Loan Fund is used to account for loans made to various local businesses. The primary revenue source consists of principal and interest repayments made on these loans.

**Bond Fund.** The Bond Fund accounts for the financial resources to be used for the acquisition or construction of greenways and sidewalks.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Presentation (Continued)

The Town reports the following major enterprise fund:

**Storm Water Utility Enterprise Fund.** This fund is used to account for the operations of the Town's stormwater management department.

The Town reports the following non-major enterprise fund:

**Parking Enterprise Fund.** This fund is used to account for all parking related expenses for the growing needs of parking facilities in the Town. The Town Council has requested a parking study to consider the implementation of parking fees for various parking facilities. The Parking Enterprise Fund has been funded with a transfer from the General Fund since the COVID-19 pandemic and the Town paused parking fees. This will resume until such time that the Fund can generate its own revenue source.

#### Measurement Focus and Basis of Accounting

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

*Government-wide and proprietary fund financial statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's storm water utility enterprise fund are charges to customers for sales and services. The principal operating revenues of the Town's parking enterprise fund will be charges to customers for sales and services, following commencement of such fees in future years. Operating expenses for enterprise funds 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 nonoperating revenues and expenses.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus and Basis of Accounting (Continued)

*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 long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under direct borrowing installment purchase agreements 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 the billing and collecting of 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 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 of Carrboro because the tax is levied by Orange County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because 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. Grant revenues which are unearned at year end are recorded as deferred inflows of resources. 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 are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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, the Storm Water Utility Enterprise Fund, and Parking Utility Enterprise Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the American Rescue Plan Act Special Revenue Fund, the Capital Projects Fund, the Affordable Housing Fund, the Energy Efficiency Revolving Loan Fund, the Small Business and Non-Profit Loan/Grant COVID-19 Emergency Fund, the Facilities Rehabilitation Capital Projects Fund, the Grants Administration Fund, the Revolving Loan Fund, and the Bond Fund. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for multi-year funds. The Finance Officer is authorized to approve intradepartmental transfer requests between appropriation units and between departmental programs within the limits of the approved departmental budget. In the Capital Projects Fund, the Town Manager is allowed to transfer funds under \$10,000 between line items as long as transfers are within the overall project budget. All amendments must be approved by the Town Council and the Town Council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

#### **Deposits and Investments**

All deposits of the Town and the CTDA are made in Town Council-designated official depositories and are secured as required by state law (G. S. 159-31). The Town and the CTDA may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the Town and the CTDA 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 and the CTDA to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the state of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The Town's and the CTDA's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than six months.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Cash and Cash Equivalents**

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

#### **Restricted Assets**

Credit deposits in the amount of \$41,976 are considered a liability and classified as restricted cash. The Town requires builders/contractors to pay a credit deposit when, due to circumstances beyond their control, there is uncompleted work on a construction project and the builder/contractor needs to have the Planning Department issue a Certificate of Occupancy for the property. Once the Town has ensured that the work has been satisfactorily completed, the credit deposit funds are released. Powell Bill funds in the amount of \$944,316 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. Unexpended debt proceeds in the amount of \$100,858 are classified as restricted cash, as they may only be spent for the purposes of the related debt issuance. Unexpended ARPA grant proceeds in the amount of \$468,553 are classified as restricted cash, as they must be spent for the purposes of the related grant agreement.

#### **Ad Valorem Taxes Receivable**

In accordance with state law [G. S. 105-347 and G. S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due on September 1<sup>st</sup> (lien date); however, interest does not accrue until the following January 6<sup>th</sup>. These taxes are based on the assessed values as of January 1, 2023. As allowed by state law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

#### **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 written off in prior years.

#### **Inventory and Prepaid Items**

The inventory of the Town is valued at cost (first-in, first-out), which approximates market. The Town's General Fund inventory consists of expendable supplies that are recorded initially in inventory accounts and charged as expenditures when used rather than when purchased.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Inventory and Prepaid Items (Continued)**

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

#### **Interfund Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as “due to/from other funds.”

#### **Lease Receivable**

The Town is a lessor for a non-cancellable lease of two tower leases and a network hut. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than a certain amount and an estimated useful life in excess of two years.

Minimum capitalization costs are as follows:

Land	\$	1
Buildings and improvements		20,000
Vehicles, furniture and equipment		5,000
Infrastructure		100,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, are recorded at acquisition 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 their estimated useful lives:

	<u>Years</u>
Land improvements and infrastructure	20 - 40
Furniture, fixtures, equipment, heavy equipment and vehicles	5 - 10
Computer equipment and software	3

#### Intangible Right-to-Use Assets

The Town's capital assets also include certain intangible right-to-use assets. These right-to-use assets arise in association with agreements where the Town reports a lease (where the Town serves as lessee) or agreements where the Town reports an Information Technology (IT) Subscription in accordance with GAAP requirements.

The intangible right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Intangible Right-to-Use Assets (Continued)**

The right-to-use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term are reported as a prepayment (asset). Such prepayments are reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives are reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount is included in the initial measurement of the subscription asset. The right-to-use subscription assets are amortized on a straight-line basis over the subscription term.

#### **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 deferrals 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: property taxes receivable and notes receivable (including an unavailable contribution) which are net of allowance, as well as pension and OPEB-related deferrals, and deferred lease revenue.

#### **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 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 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 the fund financial statements, governmental fund types recognize bond premiums, 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 issuance are reported as other financing sources.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Long-term Obligations (Continued)

Issuance costs, whether or not held from the actual debt proceeds received, are reported as debt service expenditures.

#### Compensated Absences

The vacation policy of the Town provides for the accumulation of annual vacation leave without any applicable maximum until December 31 of each calendar year. However, if an employee separates from service, payment for accumulated annual vacation leave shall not exceed 240 hours (14 duty days for shift fire personnel). On December 31 of each calendar year, any employee with more than 240 hours (14 duty days for shift fire personnel) of accumulated leave shall have the excess accumulation converted to sick leave so that only 240 hours (14 duty days for shift fire personnel) are carried forward to January 1 of the next calendar year. 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 and the proprietary fund type 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.

#### Coronavirus State Fiscal Recovery Funds

In accordance with funding provided by the American Rescue Plan Act of 2021, effective August 4, 2021, the Town agreed to its terms for receiving an allocation of funds from the U.S. Department of Treasury, through the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund. The Town's total grant award is \$6,753,199, which was provided in two equal disbursements. The first disbursement was received in July 2021, while the second disbursement was received in August 2022. The Town will have until December 31, 2024, to use or encumber the funds and, if encumbered, has until December 31, 2026, to liquidate those encumbrances. As of June 30, 2024, \$6,753,199 has been recorded as grant revenue to date.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Net Position/Fund Balances (Continued)

**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:

**Non-spendable 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.

**Prepays** - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid assets, which are not spendable resources.

**Leases** - portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

**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 non-spendable. 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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Net Position/Fund Balances (Continued)

##### Restricted fund balance (continued).

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

**Other restrictions** - portion of fund balances that are restricted by the restrictive nature of special revenue and capital project funds. These restrictions are classified by the functional nature of each fund (i.e., public safety, transportation, etc.).

**Committed fund balance.** This classification includes the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body - the Town Council (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.

**Economic development** - portion of fund balance committed by the Town Council for economic development through the use of loans to various businesses.

**Capital projects** - portion of fund balance committed by the Town Council for completion of capital projects.

**Affordable housing** - portion of fund balance committed by the Town Council for providing safe and decent housing within the Town.

**Energy efficiency** - portion of fund balance committed by the Town Council for the goal of increasing energy efficiency in buildings within the Town.

**Assigned fund balance.** This classification includes the portion of fund balance that the Town intends to use for specific purposes.

**Subsequent year's expenditures** - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

**Unassigned fund balance.** This classification includes the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund that may report a positive unassigned fund balance amount.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Net Position/Fund Balances (Continued)

**Flow assumptions.** When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

The Town has a revenue-spending policy that provides policy for programs with multiple revenue sources. The Town 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, finally, unassigned fund balance. The Town has the authority to deviate from this policy if it is in the best interest of the Town.

The Town Council has adopted a policy of maintaining an unassigned fund balance within a range of 22.5% to 35% of budgeted appropriations. This policy also provides for the transfer of funds to Capital Projects when the unassigned fund balance exceeds 35%.

#### Pension

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

#### Management 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 the reported amounts of assets, deferred outflows of resources, deferred inflows of resources, and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. DETAIL NOTES ON ALL FUNDS

#### A. Assets

##### 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 noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial risks 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, 2024, the Town's deposits had a carrying amount of \$5,136,565 and a bank balance of \$7,017,674. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral under the pooling method. The carrying amount of deposits for the CTDA was \$399,796 and the bank balance of deposits was \$399,796. Of the CTDA's bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral under the pooling method. At June 30, 2024, the Town's petty cash fund totaled \$150.

##### Investments

At June 30, 2024, the Town had \$29,620,931 invested with the North Carolina Capital Management Trust Government Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The Town has no policy regarding credit risk. 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.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### A. Assets (Continued)

**Credit risk** – State statutes and the Town’s policies authorize the Town to invest in obligations of the state of North Carolina or other states; obligations issued by the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S.

#### Receivables

##### Due from Other Governments

Amounts due from other governments consist of the following:

	<u>Other</u>	<u>County</u>	<u>State</u>	<u>Total</u>
General fund:				
Local option sales tax	\$ -	\$ -	\$ 1,847,733	\$ 1,847,733
Sales tax refunds	-	171,456	285,081	456,537
Utilities franchise, piped natural gas, telecommunications and video sales programming	-	-	366,812	366,812
Solid waste disposal tax	-	-	3,960	3,960
NCVTS tag and tax proceeds	-	-	153,198	153,198
Other	74,038	61,274	2,527	137,839
	<u>74,038</u>	<u>232,730</u>	<u>2,659,311</u>	<u>2,966,079</u>
Grant administration fund:				
Grant reimbursements	-	-	6,211	6,211
Bond fund:				
Grant reimbursements	-	-	215,624	215,624
Capital projects fund				
Balance due under inter-local agreement	-	1,461,294	-	1,461,294
Total	<u>\$ 74,038</u>	<u>\$ 1,694,024</u>	<u>\$ 2,881,146</u>	<u>\$ 4,649,208</u>

#### Notes Receivable

The Revolving Loan Fund was established for the purpose of making loans to numerous local businesses. As of June 30, 2024, two of the three Revolving Loan Fund notes receivable are fully reserved. The following is a summary of notes receivable of the Revolving Loan Fund at June 30, 2024:

	<u>Interest Rate</u>	<u>Balance</u>
Bryan's Guitar	3.00%	50,613
Carrboro Creative Coworking	2.00%	15,161
Tesoro LLC	3.00%	14,229
		<u>80,003</u>
Less allowance		(65,774)
Total		<u>\$ 14,229</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### A. Assets (Continued)

##### Notes Receivable (Continued)

The Small Business and NP Loan/Grant COVID-19 Emergency Fund was established for the purpose of making loans to numerous local businesses impacted by the COVID-19 pandemic. Ten percent of the amounts advanced to these businesses were considered grants, while the remaining 90% is to be repaid over a seven-year term, beginning on the first day of the month following a six-month grace period beginning on the dates of the individual loan agreements. The loans bear no interest.

The following is a summary of notes receivable of the Small Business and NP Loan/Grant COVID-19 Emergency Fund at June 30, 2024:

Armadillo Grill	\$	10,982
Be Pure		8,668
Carrboro Coffee Company		10,446
Ceremony Salon		4,997
Creative Electric of NC		8,690
Dispute Settlement Center		10,982
Firefly Carrboro		1,036
Grow Your World		5,853
Lazarus Repair & Maintenance		6,326
OE Enterprises, Inc.		10,982
Open Eye Café		10,714
Pilot Mission, LLC		5,551
Twin House Music, LLC		5,480
Wax Poetic		10,982
		111,689
Less allowance		(39,831)
Total	\$	71,858

The Affordable Housing Fund was created to advance the Town's goal of increasing the stock of affordable, safe and decent housing within the Town and its planning jurisdiction. As of June 30, 2024, the Affordable Housing Fund notes receivable balance was \$732, net of allowances of \$442,247, for three notes receivable from separate nonprofit housing entities, which are forgivable in equal amounts over a 30-year period, as long as the entities remain in compliance with the requirements of the loan agreements.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### A. Assets (Continued)

##### Receivables - Allowance for Doubtful Accounts

The Town provides, as an allowance for uncollectible accounts, a percentage of its receivables which it does not expect to collect based on historical collection rates.

The amounts presented in the governmental funds balance sheet are net of the following allowances for doubtful accounts:

General fund:

Property taxes	\$ 44,134
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##### Leases Receivable

Under lease agreements, the Town has allowed two cellular providers to have equipment on the Town-owned cell towers and has allowed service provider equipment on the Town's site. The terms of these lease agreements expire fiscal year 2027 through fiscal year 2028. Payments increase annually at a rate of 3% for two of the leases and remain constant through the lease term for one of the lease agreements. The lessees are responsible for keeping in full force and effect a comprehensive general liability insurance policy of at least \$2,000,000 from any one occurrence in respect to bodily injury (including death) and damage to property. The lessees agree that no part of the equipment, building or improvements constructed, erected or placed by the lessee on the tower or site shall be considered as being affixed or part of the tower or site, and will be removed by the lessees upon termination of the contractual agreements. In addition, the Town leases land to a communications provider for an equipment hut related to their fiber network. The term of the lease expires in fiscal year 2028. Rental payments under the lease remain constant throughout the lease term.

Future minimum lessee payments due to the Town under non-cancelable lease agreements are as follows:

<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 103,587	\$ 2,399	\$ 105,986
2026	112,812	1,673	114,485
2027	123,175	885	124,060
2028	5,172	27	5,199
	\$ 344,746	\$ 4,984	\$ 349,730

The Town reported lease revenue of \$95,357 and interest revenue of \$3,072 during the year ended June 30, 2024. Deferred inflows of resources related to the leases receivable amounted to \$312,968 as of June 30, 2024.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### A. Assets (Continued)

##### Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 14,747,956	\$ -	\$ -	\$ 14,747,956
Construction in progress	12,531,887	18,646,175	1,241,676	29,936,386
Total capital assets, not being depreciated	<u>27,279,843</u>	<u>18,646,175</u>	<u>1,241,676</u>	<u>44,684,342</u>
Capital assets, being depreciated				
Buildings and improvements	13,359,189	193,937	-	13,553,126
Land improvements	1,127,024	-	-	1,127,024
Infrastructure	17,911,267	566,527	-	18,477,794
Equipment and heavy equipment	8,361,118	25,670	-	8,386,788
Vehicles	8,085,637	1,036,143	-	9,121,780
Right-to-use lease assets	146,078	-	-	146,078
Total capital assets, being depreciated	<u>48,990,313</u>	<u>1,822,277</u>	<u>-</u>	<u>50,812,590</u>
Less accumulated depreciation for:				
Buildings and improvements	6,194,554	404,730	-	6,599,284
Land improvements	522,088	37,988	-	560,076
Infrastructure	6,396,587	632,604	-	7,029,191
Equipment and heavy equipment	7,004,624	517,769	-	7,522,393
Vehicles	5,969,542	718,947	-	6,688,489
Right-to-use lease assets	37,524	44,040	-	81,564
Total accumulated depreciation	<u>26,124,919</u>	<u>2,356,078</u>	<u>-</u>	<u>28,480,997</u>
Total capital assets being depreciated, net	<u>22,865,394</u>	<u>(533,801)</u>	<u>-</u>	<u>22,331,593</u>
Governmental capital assets, net	<u>\$ 50,145,237</u>	<u>\$ 18,112,374</u>	<u>\$ 1,241,676</u>	<u>\$ 67,015,935</u>

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

General government	\$ 163,144
Public safety	715,332
Planning	55,824
Public works	1,124,710
Parks and recreation	297,068
Total depreciation and amortization expense	<u>\$ 2,356,078</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### A. Assets (Continued)

##### Capital Assets (Continued)

<b>Business-type activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Stormwater fund:				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets, not being depreciated	-	-	-	-
Capital assets, being depreciated				
Buildings and improvements	114,998	-	-	114,998
Infrastructure	503,779	-	-	503,779
Vehicles	42,385	-	-	42,385
Equipment and heavy equipment	197,906	-	-	197,906
Total capital assets, being depreciated	859,068	-	-	859,068
Less accumulated depreciation for:				
Buildings and improvements	15,333	3,833	-	19,166
Infrastructure	25,826	15,576	-	41,402
Vehicles	4,945	27,449	-	32,394
Equipment and heavy equipment	155,546	8,477	-	164,023
Total accumulated depreciation	201,650	55,335	-	256,985
Total capital assets being depreciated, net	657,418	(55,335)	-	602,083
Business-type capital assets, net	\$ 657,418	\$ (55,335)	\$ -	\$ 602,083

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### A. Assets (Continued)

##### Construction Commitments

The Town has active capital projects as of June 30, 2024. At year end, the government's commitments with contractors/vendors are as follows:

<b>Project</b>	<b>Spent to Date</b>	<b>Remaining Commitment</b>
<b>Bond Fund:</b>		
Morgan Creek Greenway	\$ 566,272	\$ 30,457
Homestead Road Chapel Hill High School Multi-Use	4,070	232,930
Jones Creek Greenway	180,356	673,614
South Greensboro Street Sidewalk	285,219	135,614
	1,035,917	1,072,615
<b>Capital Projects Fund:</b>		
203 S. Greensboro Street	28,692,508	12,482,332
Bus shelter replacement	15,300	224,652
Jones Ferry Road Pedestrian Safety	177,917	79,083
Hank Anderson Park paving project	14,744	-
	28,900,469	12,786,067
<b>Total</b>	\$ 29,936,386	\$ 13,858,682

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### B. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at the government-wide level at June 30, 2024 were as follows:

	<b>Vendors</b>	<b>Salaries and Benefits</b>	<b>Total</b>
Governmental activities:			
General	\$ 782,414	580,058	\$ 1,362,472
Other governmental	961,376	-	961,376
Total governmental activities	\$ 1,743,790	\$ 580,058	\$ 2,323,848
Business-type activities:			
Stormwater	\$ 72,948	\$ 11,760	\$ 84,708
Total business-type activities	\$ 72,948	\$ 11,760	\$ 84,708

#### C. Pension Plan Obligations

##### (a) Local Governmental Employees' Retirement System

**Plan description.** The Town 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) or 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](http://www.osc.nc.gov).

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (a) Local Governmental Employees' Retirement System (Continued)

**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 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. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

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 Carrboro 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's contractually required contribution rate for the year ended June 30, 2024, was 15.04% of compensation for law enforcement officers and 13.63% 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 were \$1,466,584 for the year ended June 30, 2024.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (a) Local Governmental Employees' Retirement System (Continued)

**Refunds of contributions.** Town employees who have terminated services 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, 2024, the Town reported a liability of \$7,261,684 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2023 (measurement date), the Town's proportion was 0.1096%, which was a decrease of 0.0082% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Town recognized pension expense of \$2,078,255. At June 30, 2024, 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	\$ 809,167	\$ 17,420
Changes of assumptions	308,580	-
Net difference between projected and actual earnings on pension plan investments	1,943,545	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	19,968	139,816
Town contributions subsequent to the measurement date	1,466,584	-
Total	\$ 4,547,844	\$ 157,236

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (a) Local Governmental Employees' Retirement System (Continued)

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$1,466,584 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 ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2025	\$	1,068,838
2026		514,199
2027		1,258,803
2028		82,184
Thereafter		-
Total	\$	2,924,024

**Actuarial assumptions.** The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 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, 2022 valuation were based on the results of an actuarial experience study as of December 31, 2019. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (a) Local Governmental Employees' Retirement System (Continued)

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

**Actuarial assumptions (continued).** The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 (measurement date) are summarized in the table in the following table:

Allocation/Exposure	Policy Target	Long-term Expected Portfolio Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 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 2.25%. All rates of return and inflation are annualized.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (a) Local Governmental Employees' Retirement System (Continued)

**Discount rate.** The discount rate used to measure the total pension liability in the December 31, 2022 valuation was 6.50%. 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 6.50 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	<b>1% Decrease (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Town's proportionate share of the net pension liability	\$ 12,580,584	\$ 7,261,684	\$ 2,882,669

**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

**Plan description.** The Town 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% 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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2.    **DETAIL NOTES ON ALL FUNDS (CONTINUED)**

#### **C. Pension Plan Obligations (Continued)**

##### **(b) Law Enforcement Officers' Special Separation Allowance**

**Plan description (continued).** All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	<u>33</u>
Total	<u><u>39</u></u>

##### **Summary of Significant Accounting Policies**

**Basis of accounting.** The Town has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73.

##### **Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2022 valuation. The total pension liability in the December 31, 2023 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	4.00 percent

The discount rate is based on the weekly average of the S&P Municipal Bond 20-Year High Grade Rate Index determined as of December 31, 2023, the measurement date.

Mortality rates are based on Pub-2010 amount-weighted tables with adjustments for mortality improvements based on Scale MP-2019.

##### **Change in Actuarial Assumptions**

On the prior measurement date (December 31, 2022), the Municipal Bond Index Rate, on which the discount rate is based, was 4.31%. Since the prior measurement date, the Municipal Bond Index Rate has decreased to 4.00% as of the measurement date (December 31, 2023).

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (b) Law Enforcement Officers' Special Separation Allowance

###### Contributions

The Town is required by Article 12D of G. S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$154,122 as benefits 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, 2024, the Town reported a total pension liability of \$2,382,835. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Town recognized pension expense of \$337,732.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 423,428	\$ -
Changes of assumptions	172,171	220,588
Town benefit payments and plan administrative expense made subsequent to the measurement date	77,061	-
Total	\$ 672,660	\$ 220,588

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (b) Law Enforcement Officers' Special Separation Allowance

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$77,061 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,		
2025	\$	161,779
2026		85,428
2027		39,086
2028		47,093
2029		41,625
Total	\$	<u>375,011</u>

#### 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 4.00 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 (3.00 percent) or 1 percentage point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 2,556,806	\$ 2,382,835	\$ 2,223,633

#### Changes in the Total Pension Liability

Beginning balance	\$ 2,005,092
Service cost	68,970
Interest on the total pension liability	83,580
Differences between expected and actual experience	
in the measurement of the total pension liability	309,008
Changes of assumptions or other inputs	47,942
Benefit payments	(131,757)
Ending balance of the total pension liability	<u>\$ 2,382,835</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (b) Law Enforcement Officers' Special Separation Allowance

##### Changes in the Total Pension Liability (Continued)

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.

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

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

	LGERS	LEOSSA	Total
Pension expense	\$ 2,078,225	\$ 337,732	\$ 2,415,957
Pension liability	7,261,684	2,382,835	9,644,519
Proportionate share of net pension liability	0.1096%	n/a	
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	809,167	423,428	1,232,595
Changes of assumptions	308,580	172,171	480,751
Net difference between projected and actual earnings on plan investments	1,943,545	-	1,943,545
Changes in proportion and differences between contributions and proportionate share of contributions	19,968	-	19,968
Benefit payments and administrative costs paid subsequent to the measurement date	1,466,584	77,061	1,543,645
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	17,420	-	17,420
Changes of assumptions	-	220,588	220,588
Changes in proportion and differences between contributions and proportionate share of contributions	139,816	-	139,816

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### C. Pension Plan Obligations (Continued)

##### (c) Supplemental Retirement Income Plan

#### Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

**Plan description.** The Town contributes to the Supplemental Retirement Income Plan (the “Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to employees of the Town. For law enforcement officers, the Town contributes 5% of the employee’s salary and for all other employees the contribution is 3%. 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 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 5% of each law enforcement officer’s salary, and all amounts contributed are vested immediately. The Town has also elected to contribute each month an amount equal to 3% of each participating general employee’s salary. Also, the participants may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2024, were \$881,244, which consisted of \$387,097 from the Town and \$494,147 from the employees.

Additionally, the Town has elected to include all permanent, full-time employees under this plan.

#### D. Other Post-employment Benefits (OPEB)

**Plan description.** In addition to providing pension benefits, the Town administers a single employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Town Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### D. Other Post-employment Benefits (OPEB) (Continued)

**Benefits provided.** For employees hired prior to July 1, 2007, this plan provides postemployment healthcare benefits to retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System and have at least ten years of continuous creditable service with the Town. The Town pays a percentage of the insurance premium paid to private insurers based on the table below. Employees have the option of purchasing dependent coverage at the Town's group rates. Employees hired on or after July 1, 2007 who retire with a minimum of ten years of creditable service are not allowed to remain on the Town's group insurance; rather, they receive a stipend. For those employees, the Town pays a percentage of the stipend based on the table below. The stipend is based on the Employee Only insurance premium as of July 1, 2007 (\$417.46) and increases based on changes in the consumer price index. As of July 1, 2021, the stipend was \$558.86 per month. Employees hired on or after July 1, 2007 who retire with less than ten years of service are not eligible for postemployment coverage. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Retired Employee's Years of Creditable Service	Date Hired	
	Pre-July 1, 2007	On or After July 1, 2007
Less than 10 years	Not eligible for coverage	Not eligible for coverage
10 to 14 years	50%	50%
15 to 19 years	75%	75%
20 years and up	100%	100%

Membership of the HCB Plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	53
Active plan members	154
Total	207

#### Total OPEB Liability

The Town's total OPEB liability of \$16,450,520 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### D. Other Post-employment Benefits (OPEB) (Continued)

##### Actuarial Assumptions and Other Inputs.

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent, including real wage growth
Salary increases	3.25 to 8.41 percent, including inflation and productivity factor
Discount rate	3.65 percent
Healthcare cost trend rates	Pre-Medicare - 7.00% decreasing to an ultimate rate of 4.50% by 2023 Medicare - 5.125% decreasing to an ultimate rate of 4.50% by 2026

The discount rate is based on the June average of the Bond Buyer 20-year General Obligation Bond Index published weekly by The Bond Buyer.

##### Changes in the Total OPEB Liability

Beginning balance	\$ 16,533,607
Service cost	510,449
Interest on the total OPEB liability	596,230
Differences between expected and actual experience in the measurement of the total OPEB liability	(777,965)
Changes of assumptions or other inputs	(5,472)
Benefit payments and implicit subsidiary credit	(406,329)
Ending balance of the total OPEB liability	<u>\$ 16,450,520</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.54% to 3.65%.

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, 2023 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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### D. Other Post-employment Benefits (OPEB) (Continued)

##### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.65 percent) or 1 percentage point higher (4.65 percent) than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 19,200,818	\$ 16,450,520	\$ 14,264,816

##### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Healthcare Trend Rate	1% Decrease
Total OPEB liability	\$ 14,076,318	\$ 16,450,520	\$ 19,491,340

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Town recognized OPEB income of \$416,257. At June 30, 2024, 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	\$ -	\$ 3,506,062
Changes of assumptions	2,217,743	3,368,080
Benefit payments and administrative costs made subsequent to the measurement date	370,597	-
Total	\$ 2,588,340	\$ 6,874,142

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2.     **DETAIL NOTES ON ALL FUNDS (CONTINUED)**

#### **D. Other Post-employment Benefits (OPEB) (Continued)**

##### **OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

\$370,597 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2025	\$ (1,385,539)
2026	(1,154,002)
2027	(717,731)
2028	(726,443)
2029	(587,707)
Thereafter	(84,977)
Total	<u><u>\$ (4,656,399)</u></u>

#### **Other Employment Benefits**

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. If the member is a firefighter, rescue squad worker or local law enforcement officer killed in the line of duty, their beneficiary may also be entitled to a \$100,000 line-of-duty death benefit. This lump sum benefit is administered jointly by the North Carolina Industrial Commission and the Department of the State Treasurer. 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.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### D. Other Post-employment Benefits (OPEB) (Continued)

##### Other Employment Benefits (Continued)

The Town provides additional group term life insurance through The Hartford Financial Services Group, Inc. The death benefit provided by the Town is \$25,000. Employees may purchase additional supplemental insurance. The supplemental amounts are available in increments of \$25,000, up to an additional voluntary coverage of \$100,000. The premiums for the supplemental insurance are deducted from payroll on an after-tax basis.

##### Deferred Outflows and Inflows of Resources

Deferred outflows of resources at year end is comprised of the following:

	Deferred Outflows
Contributions to pension plan in current fiscal year	\$ 1,466,584
Benefit payments and administrative expenses for LEOSSA made subsequent to measurement date	77,061
Benefit payments made for OPEB subsequent to measurement date	370,597
Differences between actual and expected experience	1,232,595
Net difference between expected and actual earnings on plan investments	1,943,545
Changes of assumptions	2,698,494
Changes in proportion and differences between Town contributions and proportionate share of contributions	19,968
Total	\$ 7,808,844

Deferred inflows of resources at year end is comprised of the following:

	Statement of Net Position	Governmental Funds Balance Sheet
Taxes receivable, less penalties	\$ -	\$ 85,944
Notes receivable, net	-	168,015
Deferred lease revenue	312,968	312,968
OPEB Deferrals	6,736,659	-
Pension Deferrals	374,680	-
Total	\$ 7,424,307	\$ 566,927

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### E. 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 three self-funded risk financing pools administered by the North Carolina League of Municipalities.

Through these pools, the Town obtains general liability of \$5 million per occurrence and auto liability coverage of \$5 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The pools are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting Risk Management Services Department of the NC League of Municipalities. The pools are audited by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for police liability and public officials' liability. There have been no significant reductions in insurance coverage in 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.

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 is bonded for \$1,000,000. The remaining employees who have access to funds are bonded for \$10,000 per occurrence.

#### F. Long-term Obligations

##### *(a) General obligation indebtedness*

The Town's general obligation bonds serviced by the governmental funds were issued to provide long-term financing for the construction of sidewalks and greenways utilized in the operations of the Bond Fund. These bonds were issued to refinance the previous Bond Anticipation Notes acquired for the same purpose. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the Town.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### F. Long-term Obligations (Continued)

##### (a) General obligation indebtedness (Continued)

Bonds payable at June 30, 2024, is comprised of the following individual issue:

##### General Obligation Bonds

\$4,600,000 Sidewalk and Greenway Series 2013 Bonds, requiring principal payment on February 1 each year in the amount of \$250,000 with a final principal payment of \$100,000 due upon maturity (February 1, 2032); interest payments are due August 1 and February 1 each year. Interest rates vary between 2.0% and 3.5% over the life of the loan. The bonds contain certain redemption provisions that grant the Town the option to redeem the bonds in whole or in \$5,000 increments prior to the maturity date, but not before February 1, 2024, provided advanced notice is given.

\$ 1,850,000

<u>Year Ending June 30,</u>	Governmental Activities	
	Principal	Interest
2025	\$ 250,000	\$ 46,875
2026	250,000	41,250
2027	250,000	35,625
2028	250,000	30,375
2029	250,000	24,125
2030 - 2032	600,000	32,375
	\$ 1,850,000	\$ 210,625

##### (b) Direct borrowing installment purchase agreements - equipment - General Fund

The Town has direct borrowing installment purchase agreements for the purchase and/or improvement of personal property including vehicles and equipment. The installment purchase notes payable at June 30, 2024, are as follows:

The financing contract requires an annual level payment of \$278,649 due November 1, including interest of 1.04%. The financing institution holds a security interest in all or a portion of the property purchased or improved. Payments are due beginning November 1, 2021, and annually thereafter, with a final payment of all outstanding principal and accrued and unpaid interest due on November 1, 2027.

\$ 1,086,209

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### F. Long-term Obligations (Continued)

*(b) Direct borrowing installment purchase agreements - equipment - General Fund (Continued)*

Annual debt service payments of the direct borrowing installment purchases for equipment as of June 30, 2024, are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 267,353	\$ 11,297
2026	270,133	8,516
2027	272,943	5,707
2028	275,780	2,868
	\$ 1,086,209	\$ 28,388

*(c) Direct borrowing installment purchase agreement - improvements - General Fund*

The Town has direct borrowing installment purchase agreement for improvements. The installment purchase notes payable at June 30, 2024, are as follows:

Installment purchase agreement to finance the construction of the fire substation. The financing contract requires semi-annual payments of \$108,333 due July 15 and January 15, plus interest at 4.07%. Payments are due annually beginning July 15, 2009, and annually thereafter, with a final payment of all outstanding principal and accrued and unpaid interest of all outstanding principal on July 15, 2024. The financing institution holds a first lien security interest on the property and first priority security interest in any and all fixtures used in connection with the operation of the property.

\$ 108,333

Installment purchase agreement to finance the construction of the 203 S. Greensboro Street project. The financing contract requires annual principal payments of \$662,000 due March 1 each year, interest payments are due September 1 and March 1 each year. Interest rate is 2.83%. All outstanding principal and accrued and unpaid interest due on March 1, 2042.

11,916,000

Total

\$ 12,024,333

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### F. Long-term Obligations (Continued)

(c) *Direct borrowing installment purchase agreement - improvements - General Fund (Continued)*

Annual debt service payments of the direct borrowing installment purchase for improvements as of June 30, 2024 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2025	\$ 770,333	\$ 337,434
2026	662,000	317,363
2027	662,000	298,694
2028	662,000	280,026
2029	662,000	261,358
2030 - 2034	3,310,000	1,026,762
2035 - 2039	3,310,000	560,052
2040 - 2042	1,986,000	112,010
	\$ 12,024,333	\$ 3,193,699

(d) *Lease Liabilities*

The Town has recorded two intangible right-to-use liabilities.

On March 1, 2023, the Town entered into a 34-month lease as Lessee for the use of Carr Mill Mall Limited Partnership. An initial lease liability was recorded in the amount of \$92,189. The Town is required to make monthly fixed payments of \$2,875. The lease has an interest rate of 2.038%. The value of the right-to-use asset as of June 30, 2024, of \$95,064 with accumulated amortization of \$37,843 is included in the table above.

On July 1, 2021, the Town entered into a 53-month lease as Lessee for the use of Milner Copiers. An initial lease liability was recorded in the amount of \$51,014. The Town is required to make monthly fixed payments of \$951. The lease has an interest rate of 0.285%. The value of the right-to-use asset as of June 30, 2025, of \$51,014 with accumulated amortization of \$43,721 is included in the table above.

Future minimum lease obligations and the net present value of these minimum lease payments, as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 45,151	\$ 757	\$ 45,908
2026	22,847	107	22,954
	\$ 67,998	\$ 864	\$ 68,862

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### F. Long-term Obligations (Continued)

*(e) Changes in long-term debt obligations*

	Restated Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Portion of Balance
<b>Governmental activities:</b>					
General obligation - bonds	\$ 2,100,000	\$ -	\$ 250,000	\$ 1,850,000	\$ 250,000
Premium on bond	41,362	-	4,866	36,496	4,866
Direct borrowing installment purchases - improvements	12,903,000	-	878,667	12,024,333	770,333
Direct borrowing installment purchases - equipment	1,350,810	-	264,601	1,086,209	267,353
Lease liabilities	112,404	-	44,406	67,998	45,151
Compensated absences	901,906	740,660	743,304	899,262	743,304
Total OPEB liability	16,286,837	-	165,327	16,121,510	363,185
Net pension liability (LGERS)	6,516,261	600,189	-	7,116,450	-
Total pension liability (LEO)	2,005,092	377,743	-	2,382,835	154,122
<b>Total governmental activities</b>	<b>42,217,672</b>	<b>1,718,592</b>	<b>2,351,171</b>	<b>41,585,093</b>	<b>2,598,314</b>
<b>Business-type activities:</b>					
Compensated absences	19,719	6,665	14,400	11,984	11,984
Total OPEB liability	246,770	82,240	-	329,010	7,412
Net pension liability (LGERS)	128,777	16,457	-	145,234	-
<b>Total business-type activities</b>	<b>395,266</b>	<b>105,362</b>	<b>14,400</b>	<b>486,228</b>	<b>19,396</b>
<b>Total long-term obligations</b>	<b>\$ 42,612,938</b>	<b>\$ 1,823,954</b>	<b>\$ 2,365,571</b>	<b>\$ 42,071,321</b>	<b>\$ 2,617,710</b>

Compensated absences have typically been liquidated in the General Fund.

The Town's legal debt margin at June 30, 2024 was \$215,711,436.

#### G. Interfund Balances and Activity

##### Transfers to/from Other Funds

Transfers to/from other funds at June 30, 2024, consist of the following:

From the General Fund to the Parking Operations Enterprise Fund to support operations until such time as the fund begins generating revenues.	\$ 159,225
Total	<u>\$ 159,225</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 providing matching funds for various grant programs.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### H. Net Investment in Capital Assets

Governmental activities:

Capital and leased assets	\$ 67,015,935
Less: related debt:	
General obligation bonds	(1,850,000)
Premium on bond issuance	(36,496)
Direct borrowing installment purchases - improvements	(12,024,333)
Direct borrowing installment purchases - equipment	(1,086,209)
Lease liabilities	(67,998)
Add: unexpended debt proceeds	100,858
Net investment in capital assets	\$ 52,051,757

Business-type activities:

Capital and leased assets	\$ 602,082
Net investment in capital assets	\$ 602,082

#### I. Fund Balance

The following schedule provides management and citizens with the information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 24,428,517
Less:	
Inventories	(5,968)
Prepays	(405,342)
Leases	(31,778)
Stabilization by state statute	(4,817,420)
Powell Bill (streets)	(944,316)
Appropriated fund balance in subsequent fiscal year's budget	(4,117,371)
Unassigned fund balance	\$ 14,106,322

The Town has adopted a minimum fund balance policy for the General Fund, which instructs management to conduct business of the Town in such a manner that available fund balance is between 22.5% and 35.0% of the General Fund budget.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. DETAIL NOTES ON ALL FUNDS (CONTINUED)

#### I. Fund Balance (Continued)

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

General fund	<u>\$ 1,772,182</u>
Stormwater fund	<u>\$ 4,000</u>
Affordable housing fund	<u>\$ 5,000</u>
Bond fund	<u>\$ 1,271</u>
Capital projects fund	<u>\$ 1,148,291</u>
Facilities rehabilitation capital projects fund	<u>\$ 6,176</u>

### NOTE 3. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND UNCERTAINTIES

#### 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 to 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.

The Town is at times involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the Town's financial position or results of operations.

### NOTE 4. RELATED-PARTY TRANSACTIONS

The Town collected occupancy tax proceeds in the amount of \$239,261 for the CTDA. Of this amount, 3%, or \$7,178, was withheld as administration fees in the General Fund for the collection of the tax, with the remaining \$232,083 due to the CTDA. Amounts are remitted from the Town to the CTDA on a quarterly basis during the following month after the quarter end; therefore, there exists a payable from the Town (primary government) to the CTDA (component unit) for the fourth quarter (April through June) collections in the amount of \$67,097.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4. RELATED-PARTY TRANSACTIONS (CONTINUED)

In addition, the CTDA reimburses a portion of the Town's long-term parking lease at 300 E. Main, which is located in close proximity to downtown businesses. The amount of the reimbursement was \$45,000 during the year ended June 30, 2024. As of June 30, 2024, the CTDA owes the Town \$102,757 for CTDA events paid for by the Town for which the CTDA is to reimburse the Town.

### NOTE 5. ACCOUNTING CHANGES AND ERROR CORRECTIONS

#### A. Changes to/or within the Financial Reporting Entity

In the current year, the Town's Revolving Loan Fund and Bond Fund no longer meet the definition of a major fund. The effect of this change within the financial reporting entity is shown in the table below.

#### B. Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, beginning net position for governmental activities, Stormwater Utility Enterprise Fund and business-type activities have been restated as of July 1, 2023, to include FICA taxes owed for the compensated absences. The effect of the prior period adjustment decreased the beginning net position for governmental activities, Stormwater Utility Enterprise Fund and business-type activities by \$64,093, \$1,401 and \$1,401, respectively.

During fiscal year 2024, the beginning fund balance for the General fund and the beginning net position for governmental activities has been restated as of July 1, 2023, to correct the lease receivable and deferred inflow of Governmental Auditing Standards Board Statement 87 - *Leases* for a tower lease that was terminated prior to the year ended June 30, 2023. The effect of the prior period adjustment decreased the beginning fund balance/net position by \$41,284.

	June 30, 2023 as Previously Reported	Change in Major Funds (A)	Error Correction (B)	June 30, 2024 as Restated
<b>Government-wide</b>				
Governmental Activities	\$ 37,064,597	\$ -	\$ (105,377)	\$ 36,959,220
Business-type Activities	2,314,944	-	(1,401)	2,313,543
<b>Total Primary Government</b>	<u>\$ 39,379,541</u>	<u>\$ -</u>	<u>\$ (106,778)</u>	<u>\$ 39,272,763</u>
<b>Individual Funds</b>				
Major Funds:				
General Fund, fund balance	\$ 19,546,432	\$ -	\$ (41,284)	\$ 19,505,148
Revolving Loan Fund, fund balance	261,733	(261,733)	-	-
Bond Fund, fund balance	(144,572)	144,572	-	-
Stormwater Fund, net position	2,322,226	-	(1,401)	2,320,825
Nonmajor Funds	1,460,518	117,161	-	1,577,679
<b>Total Individual Funds</b>	<u>\$ 23,446,337</u>	<u>\$ -</u>	<u>\$ (42,685)</u>	<u>\$ 23,403,652</u>

## **REQUIRED SUPPLEMENTARY FINANCIAL DATA**

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

- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Total OPEB Liability and Related Ratios
- Schedule of the Proportionate Share of the Net Pension Liability (Asset) for the Local Government Employees' Retirement System
- Schedule of Contributions to the Local Government Employees' Retirement System

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST EIGHT FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 2,005,092	\$ 2,136,506	\$ 2,057,740	\$ 1,498,927
Service cost	68,970	90,020	96,699	57,596
Interest on the total pension liability	83,580	46,810	38,434	46,540
Differences between expected and actual experience in the measurement of the total pension liability	309,008	153,996	126,914	62,506
Changes of assumptions and other inputs other inputs	47,942	(310,098)	(50,567)	534,823
Benefit payments	<u>(131,757)</u>	<u>(112,142)</u>	<u>(132,714)</u>	<u>(142,652)</u>
Ending balance of the total pension liability	<u>\$ 2,382,835</u>	<u>\$ 2,005,092</u>	<u>\$ 2,136,506</u>	<u>\$ 2,057,740</u>

**Notes to the Schedule:**

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

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

This schedule will not present ten years of fiscal information until 2026.

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$ 1,428,599	\$ 1,517,471	\$ 1,496,019	\$ 1,548,384
51,566	54,174	50,529	53,184
49,150	45,312	54,918	52,965
86,934	26,014	(15,424)	-
39,325	(47,288)	77,967	(28,949)
<u>(156,647)</u>	<u>(167,084)</u>	<u>(146,538)</u>	<u>(129,565)</u>
<u>\$ 1,498,927</u>	<u>\$ 1,428,599</u>	<u>\$ 1,517,471</u>	<u>\$ 1,496,019</u>

# TOWN OF CARRBORO, NORTH CAROLINA

## SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION LAST EIGHT FISCAL YEARS

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	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 2,382,835	\$ 2,005,092	\$ 2,136,506	\$ 2,057,740
Covered employee payroll	2,358,579	2,123,070	2,239,341	2,106,793
Total pension liability as a percentage of covered payroll	101.03%	94.44%	95.41%	97.67%

**Notes to the Schedule:**

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

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

This schedule will not present ten years of fiscal information until 2026.

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<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$ 1,498,927	\$ 1,428,599	\$ 1,517,471	\$ 1,496,019
2,033,738	2,017,955	2,143,082	2,134,068
73.70%	70.79%	70.81%	70.10%

# TOWN OF CARRBORO, NORTH CAROLINA

## SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS REQUIRED SUPPLEMENTARY INFORMATION LAST SEVEN FISCAL YEARS

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 510,449	\$ 742,971	\$ 825,261	\$ 548,056
Interest	596,230	442,265	476,270	579,983
Differences between expected and actual experience	(777,965)	(11,224)	(2,533,255)	(27,789)
Changes of assumptions or other inputs	(5,472)	(4,180,829)	653,890	4,028,868
Benefit payments	<u>(406,329)</u>	<u>(381,654)</u>	<u>(448,565)</u>	<u>(403,625)</u>
Net change in total OPEB liability	(83,087)	(3,388,471)	(1,026,399)	4,725,493
Total OPEB liability, beginning	<u>16,533,607</u>	<u>19,922,078</u>	<u>20,948,477</u>	<u>16,222,984</u>
Total OPEB liability, ending	<u>\$ 16,450,520</u>	<u>\$ 16,533,607</u>	<u>\$ 19,922,078</u>	<u>\$ 20,948,477</u>
Covered-employee payroll	\$ 9,702,611	\$ 8,581,590	\$ 8,581,590	\$ 8,230,323
Total OPEB liability as a percentage of covered-employee payroll	169.55%	192.66%	232.15%	254.53%

**Notes to Schedule:**

Changes of assumption and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period.

<u>Fiscal Year</u>	<u>Rate</u>
2024	3.65%
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

This schedule will not present ten years of fiscal information until 2027.

<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 627,875	\$ 669,530	\$ 764,631
755,138	697,815	623,406
(4,335,353)	(14,947)	(13,116)
(58,898)	(1,212,461)	(2,188,095)
<u>(352,745)</u>	<u>(306,331)</u>	<u>(287,110)</u>
(3,363,983)	(166,394)	(1,100,284)
<u>19,586,967</u>	<u>19,753,361</u>	<u>20,853,645</u>
<u>\$ 16,222,984</u>	<u>\$ 19,586,967</u>	<u>\$ 19,753,361</u>
\$ 8,230,323	\$ 6,862,156	\$ 6,862,156
197.11%	285.43%	287.86%

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Carrboro's proportion of the net pension liability (asset) (%)	<b>0.1096%</b>	0.1178%	0.1195%	0.1226%
Carrboro's proportion of the net pension liability (asset) (\$)	<b>\$ 7,261,685</b>	\$ 6,645,038	\$ 1,833,107	\$ 4,380,663
Carrboro's covered payroll	<b>10,125,639</b>	9,368,408	9,413,488	9,182,756
Carrboro's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<b>71.72%</b>	70.93%	19.47%	47.71%
Plan fiduciary net position as a percentage of the total pension liability	<b>82.49%</b>	84.14%	95.51%	88.61%

**Notes to Schedule:**

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

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
0.1251%	0.1153%	0.1325%	0.1363%	0.1481%	-0.1496%
\$ 3,415,291	\$ 2,735,310	\$ 2,023,775	\$ 2,892,957	\$ 664,576	\$ (882,438)
8,591,744	7,936,677	8,167,996	7,721,032	7,711,880	7,606,585
39.75%	34.46%	24.78%	37.47%	8.62%	-11.60%
90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF CONTRIBUTIONS  
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST TEN FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 1,466,584	\$ 1,237,798	\$ 1,073,371	\$ 965,751
Contributions in relation to the contractually required contribution	<u>1,466,584</u>	<u>1,237,798</u>	<u>1,073,371</u>	<u>965,751</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Carrboro's covered payroll	\$ 11,171,763	\$ 10,125,639	\$ 9,368,408	\$ 9,413,488
Contributions as a percentage of covered payroll	13.13%	12.22%	11.46%	10.26%

**Notes to Schedule:**

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

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$ 832,586	\$ 682,598	\$ 609,535	\$ 607,662	\$ 526,105	\$ 551,682
<u>832,586</u>	<u>682,598</u>	<u>609,535</u>	<u>607,662</u>	<u>526,105</u>	<u>551,682</u>
<u>\$ -</u>					
\$ 9,182,756	\$ 8,591,744	\$ 7,936,677	\$ 8,167,996	\$ 7,721,032	\$ 7,711,880
9.07%	7.94%	7.68%	7.44%	6.81%	7.15%

## **SUPPLEMENTARY INFORMATION**

# TOWN OF CARRBORO, NORTH CAROLINA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>				
Ad valorem taxes:				
Taxes	\$ 15,767,700	\$ 15,767,700	\$ 15,807,940	\$ 40,240
Penalties and interest	32,500	32,500	33,697	1,197
Total	15,800,200	15,800,200	15,841,637	41,437
Local option sales taxes:				
Article 39, 1%	1,698,000	1,698,000	2,422,170	724,170
Article 40, ½%	1,343,500	1,343,500	1,699,200	355,700
Article 42, ½%	867,000	867,000	1,213,493	346,493
Article 44, ½%	31,000	31,000	43,758	12,758
City hold harmless	2,104,500	2,104,500	1,805,846	(298,654)
Total	6,044,000	6,044,000	7,184,467	1,140,467
Other taxes and licenses:				
Room occupancy tax	225,000	225,000	234,745	9,745
Motor vehicle license fees, net of refunds and collection fees	1,571,047	1,571,047	1,688,598	117,551
Beer and wine licenses	2,214	2,214	1,570	(644)
Total	1,798,261	1,798,261	1,924,913	126,652
Unrestricted intergovernmental:				
Utility franchise tax	960,000	960,000	1,310,083	350,083
Piped natural gas tax	45,000	45,000	64,233	19,233
Video sales programming tax	62,000	62,000	63,729	1,729
Telecommunications sales tax	120,000	120,000	103,570	(16,430)
Direct-to-home satellite sales tax	50,000	50,000	36,047	(13,953)
EMS location	27,000	27,000	15,000	(12,000)
Beer and wine tax	87,000	87,000	102,778	15,778
Total	1,351,000	1,351,000	1,695,440	344,440
Restricted intergovernmental:				
Powell Bill	-	1,479,312	589,451	(889,861)
Solid waste disposal tax distribution	15,800	15,800	16,461	661
Planning work grant	20,000	20,000	20,376	376
NC risk management agency grant	20,000	20,000	5,791	(14,209)
ABC Board grant	19,000	19,000	18,000	(1,000)
Supplemental PEG channel support	53,000	53,000	51,613	(1,387)
U.S. Department of Justice block grant	600	600	2,352	1,752
Chapel Hill supplement	-	-	5,983	5,983
Ped signalized crossings	-	-	150,000	150,000
Recreation municipal supplement	35,898	35,898	35,898	-
NCDOT reimbursement	-	-	7,305	7,305
Total	164,298	1,643,610	903,230	(740,380)

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues (Continued)</b>				
Fees and permits:				
Fire district fees	\$ 600,000	\$ 600,000	\$ 634,503	\$ 34,503
Fire permitting fees	2,000	2,000	2,278	278
Building permits	60,000	60,000	90,198	30,198
Electrical permits	60,000	60,000	73,095	13,095
Mechanical permits	70,000	70,000	81,392	11,392
Plumbing permits	30,000	30,000	33,154	3,154
Refuse collection fees	57,500	57,500	49,271	(8,229)
Development review	27,000	27,000	26,446	(554)
Technical review	60,000	60,000	58,850	(1,150)
Parking and animal violations	11,200	11,200	445	(10,755)
School resource officer contract fees	179,622	179,622	195,756	16,134
Miscellaneous fees	17,900	17,900	8,558	(9,342)
Total	<u>1,175,222</u>	<u>1,175,222</u>	<u>1,253,946</u>	<u>78,724</u>
Sales and services:				
Recreation fees	145,000	145,000	182,669	37,669
Town Center fees	37,000	37,000	103,603	66,603
Miscellaneous	63,700	63,700	59,625	(4,075)
Total	<u>245,700</u>	<u>245,700</u>	<u>345,897</u>	<u>100,197</u>
Investment earnings:				
Interest on investments	15,000	21,700	737,138	715,438
Other revenues:				
Rental income	2,370	2,370	3,000	630
Donations	98,450	98,450	8,925	(89,525)
Lease revenue	142,389	142,389	95,357	(47,032)
Miscellaneous	24,300	24,300	196,768	172,468
Total	<u>267,509</u>	<u>267,509</u>	<u>304,050</u>	<u>36,541</u>
Total revenues	<u>26,861,190</u>	<u>28,347,202</u>	<u>30,190,718</u>	<u>1,843,516</u>
<b>Expenditures</b>				
General government:				
Mayor and Town Council:				
Personnel services	137,584	143,864	141,372	2,492
Operations	308,359	315,509	190,084	125,425
Total	<u>445,943</u>	<u>459,373</u>	<u>331,456</u>	<u>127,917</u>
Advisory boards:				
Operations	62,418	66,318	19,656	46,662
Total	<u>62,418</u>	<u>66,318</u>	<u>19,656</u>	<u>46,662</u>

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (Continued)</b>				
General government (Continued):				
Town Manager:				
Personnel services	\$ 631,302	\$ 631,302	\$ 469,516	\$ 161,786
Operations	120,352	223,180	88,830	134,350
Total	<u>751,654</u>	<u>854,482</u>	<u>558,346</u>	<u>296,136</u>
Economic and community development:				
Personnel services	118,524	131,328	131,332	(4)
Operations	290,568	304,555	301,554	3,001
Total	<u>409,092</u>	<u>435,883</u>	<u>432,886</u>	<u>2,997</u>
Town Clerk:				
Personnel services	140,937	140,937	111,637	29,300
Operations	26,047	27,647	17,280	10,367
Total	<u>166,984</u>	<u>168,584</u>	<u>128,917</u>	<u>39,667</u>
Finance:				
Personnel services	730,331	730,331	710,837	19,494
Operations	594,746	901,782	856,401	45,381
Total	<u>1,325,077</u>	<u>1,632,113</u>	<u>1,567,238</u>	<u>64,875</u>
Human Resources:				
Personnel services	634,075	703,605	703,604	1
Operations	102,490	245,513	192,213	53,300
Total	<u>736,565</u>	<u>949,118</u>	<u>895,817</u>	<u>53,301</u>
Information technology:				
Personnel services	458,114	502,893	502,892	1
Operations	1,579,296	1,828,464	1,714,228	114,236
Total	<u>2,037,410</u>	<u>2,331,357</u>	<u>2,217,120</u>	<u>114,237</u>
Race and equity:				
Personnel services	270,886	270,886	283,163	(12,277)
Operations	150,000	136,500	20,410	116,090
Total	<u>420,886</u>	<u>407,386</u>	<u>303,573</u>	<u>103,813</u>
Climate action:				
Personnel services	195,989	195,989	169,838	26,151
Operations	104,254	111,251	163,908	(52,657)
Total	<u>300,243</u>	<u>307,240</u>	<u>333,746</u>	<u>(26,506)</u>
Housing and community services:				
Personnel services	272,486	272,486	223,063	49,423
Operations	359,563	360,563	295,352	65,211
Total	<u>632,049</u>	<u>633,049</u>	<u>518,415</u>	<u>114,634</u>

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (Continued)</b>				
General government (Continued):				
Communication and engagement:				
Personnel services	\$ 213,450	\$ 213,450	\$ 209,572	\$ 3,878
Operations	36,902	79,062	70,411	8,651
Total	<u>250,352</u>	<u>292,512</u>	<u>279,983</u>	<u>12,529</u>
Total general government	<u>7,538,673</u>	<u>8,537,415</u>	<u>7,587,153</u>	<u>950,262</u>
Public safety:				
Police department				
Personnel services	3,800,100	4,018,348	4,046,585	(28,237)
Operations	512,221	543,294	478,469	64,825
Total	<u>4,312,321</u>	<u>4,561,642</u>	<u>4,525,054</u>	<u>36,588</u>
Fire department:				
Personnel services	3,050,493	3,244,901	3,245,900	(999)
Operations	292,359	317,997	281,526	36,471
Total	<u>3,342,852</u>	<u>3,562,898</u>	<u>3,527,426</u>	<u>35,472</u>
Total public safety	<u>7,655,173</u>	<u>8,124,540</u>	<u>8,052,480</u>	<u>72,060</u>
Planning:				
Personnel services	1,467,482	1,487,482	1,427,521	59,961
Operations	260,862	433,591	394,822	38,769
Total planning	<u>1,728,344</u>	<u>1,921,073</u>	<u>1,822,343</u>	<u>98,730</u>
Transportation:				
Operations	2,085,317	3,827,064	2,148,148	1,678,916
Capital outlay	83,600	83,600	-	83,600
Total transportation	<u>2,168,917</u>	<u>3,910,664</u>	<u>2,148,148</u>	<u>1,762,516</u>
Public works:				
Public works department:				
Personnel services	2,598,707	2,596,707	2,671,933	(75,226)
Operations	1,591,291	1,690,667	1,608,553	82,114
Total public works	<u>4,189,998</u>	<u>4,287,374</u>	<u>4,280,486</u>	<u>6,888</u>
Parks and recreation:				
Recreation department:				
Personnel services	1,467,068	1,467,068	1,480,391	(13,323)
Operations	573,476	593,012	355,779	237,233
Total parks and recreation	<u>2,040,544</u>	<u>2,060,080</u>	<u>1,836,170</u>	<u>223,910</u>

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures (Continued)</b>				
Non-departmental:				
Personnel services	\$ 1,304,711	\$ 573,112	\$ 138,087	\$ 435,025
Operations	804,550	2,169,868	552,866	1,617,002
Capital outlay	-	-	433,730	(433,730)
Total non-departmental	<u>2,109,261</u>	<u>2,742,980</u>	<u>1,124,683</u>	<u>1,618,297</u>
Debt service:				
Principal retirement	1,393,268	1,393,268	1,437,674	(44,406)
Interest and fees	428,262	428,262	428,262	-
Total debt service	<u>1,821,530</u>	<u>1,821,530</u>	<u>1,865,936</u>	<u>(44,406)</u>
Total expenditures	<u>29,252,440</u>	<u>33,405,656</u>	<u>28,717,399</u>	<u>4,688,257</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,391,250)</u>	<u>(5,058,454)</u>	<u>1,473,319</u>	<u>6,531,773</u>
Other financing sources (uses):				
Transfers from other funds:				
From ARPA Fund	-	6,370,433	6,370,433	-
Transfers to other funds:				
To Capital Projects Fund	-	(1,964,000)	(1,964,000)	-
To Capital Reserve Fund	-	(560,158)	(560,158)	-
To Bond Fund	-	(237,000)	(237,000)	-
To Parking Operations Fund	(141,000)	(159,225)	(159,225)	-
Appropriated fund balance	2,472,250	1,548,404	-	(1,548,404)
Sale of capital assets	60,000	60,000	-	(60,000)
Total other financing sources	<u>2,391,250</u>	<u>5,058,454</u>	<u>3,450,050</u>	<u>(1,608,404)</u>
Excess of revenues and other financing sources over expenditures	-	-	4,923,369	4,923,369
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,923,369</u>	<u>\$ 4,923,369</u>
Fund balance, beginning of year, as previously reported			19,546,432	
Error correction (Note 5)			(41,284)	
Fund balance, beginning of year, restated			<u>19,505,148</u>	
Fund balance, end of year			<u>\$ 24,428,517</u>	

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
SPECIAL REVENUE FUND - AMERICAN RESCUE PLAN ACT FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
General revenues:					
ARPA grant	\$ 6,753,199	\$ 403,407	\$ 6,349,792	\$ 6,753,199	\$ -
Investment earnings:					
Interest on investments	-	154,691	231,265	385,956	385,956
Total revenues	<u>6,753,199</u>	<u>558,098</u>	<u>6,581,057</u>	<u>7,139,155</u>	<u>385,956</u>
<b>Expenditures</b>					
General government:					
General administration	47,325	47,325	-	47,325	-
Economic and physical development	-	-	-	-	-
Total expenditures	<u>376,723</u>	<u>356,082</u>	<u>-</u>	<u>356,082</u>	<u>20,641</u>
Excess of revenues over expenditures	<u>6,329,151</u>	<u>154,691</u>	<u>6,581,057</u>	<u>6,735,748</u>	<u>406,597</u>
<b>Other financing uses</b>					
Transfer to General Fund	<u>(6,370,433)</u>	<u>-</u>	<u>(6,370,433)</u>	<u>(6,370,433)</u>	<u>-</u>
Total other financing uses	<u>(6,370,433)</u>	<u>-</u>	<u>(6,370,433)</u>	<u>(6,370,433)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing (uses)	<u>(41,282)</u>	<u>154,691</u>	<u>210,624</u>	<u>365,315</u>	<u>406,597</u>
Appropriated to fund balance	<u>41,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,282)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 154,691</u>	<u>210,624</u>	<u>\$ 365,315</u>	<u>\$ 365,315</u>
Fund balance, beginning of year			<u>154,691</u>		
<b>Fund balance, end of year</b>			<u>\$ 365,315</u>		

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
CAPITAL PROJECTS FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
General revenues:					
Federal STP-DA funds	\$ 30,000	\$ 14,820	\$ -	\$ 14,820	\$ (15,180)
Interest on investments	47,279	445,060	287,056	732,116	684,837
Orange County contribution	22,218,882	6,090,282	9,589,309	15,679,591	(6,539,291)
Arts Center settlement agreement	-	84,999	-	84,999	84,999
Total revenues	<u>22,296,161</u>	<u>6,635,161</u>	<u>9,876,365</u>	<u>16,511,526</u>	<u>(5,784,635)</u>
<b>Expenditures</b>					
Capital outlay:					
General (non-project)	47,279	-	-	-	47,279
S. Greensboro Street conduit	95,000	-	-	-	95,000
203 Project on S. Greensboro Street	41,174,840	12,077,517	17,216,383	29,293,900	11,880,940
MLK park design and construction	2,761,196	2,760,676	-	2,760,676	520
Town comprehensive plan	250,000	227,498	-	227,498	22,502
Bus shelter replacement	288,000	15,300	-	15,300	272,700
Pedestrian safety improvements and bike plan	257,000	-	-	-	257,000
Jones Ferry Road retaining wall	100,000	11,596	-	11,596	88,404
108 Bim Street renovations	50,000	34,330	14,902	49,232	768
Anderson Park parking lot paving	120,000	14,744	-	14,744	105,256
2022 vehicles	1,245,000	1,019,966	-	1,019,966	225,034
East Main Street signal and pavement	159,565	106,352	177,916	284,268	(124,703)
2023 and 2024 vehicles	1,137,000	273,324	963,286	1,236,610	(99,610)
Town Hall renovations	855,000	-	-	-	855,000
Security upgrades Town Hall	145,000	-	144,705	144,705	295
Other	57,500	18,525	828	19,353	38,147
Total capital outlay	<u>48,742,380</u>	<u>16,559,828</u>	<u>18,518,020</u>	<u>35,077,848</u>	<u>13,664,532</u>
Total expenditures	<u>48,742,380</u>	<u>16,559,828</u>	<u>18,518,020</u>	<u>35,077,848</u>	<u>13,664,532</u>
Deficiency of revenues under expenditures	<u>(26,446,219)</u>	<u>(9,924,667)</u>	<u>(8,641,655)</u>	<u>(18,566,322)</u>	<u>7,879,897</u>
<b>Other financing sources</b>					
Transfers from other funds:					
From General Fund	12,364,619	10,572,014	2,524,158	13,096,172	731,553
From Capital Reserve	-	-	649,000	649,000	649,000
From Bond Fund	200,000	200,000	-	200,000	-
From Stormwater Fund	41,600	41,600	-	41,600	-
Transfers to other funds:					
To Capital Reserve Fund	-	-	(649,000)	(649,000)	(649,000)
Installment purchase obligations issued	13,840,000	12,577,998	-	12,577,998	(1,262,002)
Total other financing sources	<u>26,446,219</u>	<u>23,391,612</u>	<u>2,524,158</u>	<u>25,915,770</u>	<u>(530,449)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,466,945</u>	<u>(6,117,497)</u>	<u>\$ 7,349,448</u>	<u>\$ 7,349,448</u>
Fund balance, beginning of year			<u>13,466,945</u>		
<b>Fund balance, end of year</b>			<u>\$ 7,349,448</u>		
<b>Amounts reported for Revenue, Expenditures and Changes in Fund Balance are different for the Budgeted/Actual Statement due to consolidation of the Capital Reserve Fund and the Payment in Lieu Reserve Fund:</b>					
Interest on investments - Capital Reserve Fund			\$ 16,117		
Interest on investments - Payment in Lieu Reserve Fund			6,440		
Fund balance, beginning (Capital Reserve Fund)			435,629		
Fund balance, beginning (Payment in Lieu Reserve Fund)			<u>174,026</u>		
Fund balance, ending (Consolidated Capital Projects Fund)			<u>\$ 7,981,660</u>		

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL RESERVE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Interest on investments	\$ -	\$ 16,117	\$ 16,117
Total revenues	<u>-</u>	<u>16,117</u>	<u>16,117</u>
 Net change in fund balance	 <u>\$ -</u>	 16,117	 <u>\$ 16,117</u>
 Fund balance, beginning of year		 <u>435,629</u>	
 <b>Fund balance, end of year</b>		 <u>\$ 451,746</u>	

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
PAYMENT IN LIEU OF RESERVE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Interest on investments	\$ -	\$ 6,440	\$ 6,440
Total revenues	<u>-</u>	<u>6,440</u>	<u>6,440</u>
 Net change in fund balance	 <u>\$ -</u>	 6,440	 <u>\$ 6,440</u>
 Fund balance, beginning of year		 <u>174,026</u>	
 <b>Fund balance, end of year</b>		 <u>\$ 180,466</u>	

**TOWN OF CARRBORO, NORTH CAROLINA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Affordable Housing Fund	Energy Efficiency Revolving Loan Fund	Small Business and NP Loan/ Grant COVID-19 Emergency Fund	Facilities Rehabilitation Fund	Grants Administration Fund	Revolving Loan Fund
<b>Assets</b>						
Cash and investments	\$ 558,932	\$ 157,595	\$ 314,912	\$ 508,717	\$ 20,603	\$ 287,880
Due from other governments	-	-	-	-	6,211	-
Notes receivable, net	732	-	71,858	-	-	14,229
Total assets	<u>\$ 559,664</u>	<u>\$ 157,595</u>	<u>\$ 386,770</u>	<u>\$ 508,717</u>	<u>\$ 26,814</u>	<u>\$ 302,109</u>
<b>Liabilities</b>						
Accounts payable	\$ 52,473	\$ -	\$ -	\$ 1,436	\$ 2,581	\$ -
Total liabilities	<u>52,473</u>	<u>-</u>	<u>-</u>	<u>1,436</u>	<u>2,581</u>	<u>-</u>
<b>Deferred inflows of resources</b>	<u>732</u>	<u>-</u>	<u>71,858</u>	<u>-</u>	<u>-</u>	<u>14,229</u>
<b>Fund balances</b>						
Committed:						
Affordable housing	506,459	-	-	-	-	-
Economic and physical development	-	-	314,912	-	-	287,880
Capital projects	-	-	-	507,281	24,233	-
Energy efficiency	-	157,595	-	-	-	-
Total fund balances	<u>506,459</u>	<u>157,595</u>	<u>314,912</u>	<u>507,281</u>	<u>24,233</u>	<u>287,880</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 559,664</u>	<u>\$ 157,595</u>	<u>\$ 386,770</u>	<u>\$ 508,717</u>	<u>\$ 26,814</u>	<u>\$ 302,109</u>

**TOWN OF CARRBORO, NORTH CAROLINA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<i>Formerly Major Bond Fund</i>	<i>Total Nonmajor Governmental Funds</i>
<b>Assets</b>		
Cash and investments	\$ 56,389	\$ 1,905,028
Due from other governments	215,624	221,835
Notes receivable, net	-	86,819
Total assets	\$ 272,013	\$ 2,213,682
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 56,490
Total liabilities	-	56,490
<b>Deferred inflows of resources</b>	81,196	168,015
<b>Fund balances</b>		
Committed:		
Affordable housing	190,817	697,276
Economic and physical development	-	602,792
Capital projects	-	531,514
Energy efficiency	-	157,595
Total fund balances	190,817	1,989,177
Total liabilities, deferred inflows of resources and fund balances	\$ 272,013	\$ 2,213,682

**TOWN OF CARRBORO, NORTH CAROLINA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Affordable Housing Fund	Energy Efficiency Revolving Loan Fund	Small Business and NP Loan/ Grant COVID-19 Emergency Fund	Facilities Rehabilitation Fund	Grants Administration Fund	Revolving Loan Fund
<b>Revenues</b>						
Loan repayments	\$ -	\$ -	\$ 36,534	\$ -	\$ -	\$ -
Ad valorem taxes	400,009	-	-	-	-	-
Grant revenues	-	-	-	-	129,375	-
Other revenues	-	-	-	-	63,414	12,020
Interest on investments	15,624	5,623	10,647	18,201	-	14,127
Total revenues	<u>415,633</u>	<u>5,623</u>	<u>47,181</u>	<u>18,201</u>	<u>192,789</u>	<u>26,147</u>
<b>Expenditures</b>						
Economic and physical development	423,007	-	-	-	201,121	-
Capital outlay	-	-	-	5,337	-	-
Total expenditures	<u>423,007</u>	<u>-</u>	<u>-</u>	<u>5,337</u>	<u>201,121</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,374)</u>	<u>5,623</u>	<u>47,181</u>	<u>12,864</u>	<u>(8,332)</u>	<u>26,147</u>
<b>Other financing sources (uses)</b>						
Transfer from General Fund	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(7,374)	5,623	47,181	12,864	(8,332)	26,147
Fund balance, beginning of year	<u>513,833</u>	<u>151,972</u>	<u>267,731</u>	<u>494,417</u>	<u>32,565</u>	<u>-</u>
Change in reporting entity (Note 6)	-	-	-	-	-	261,733
<b>Fund balance, end of year</b>	<u>\$ 506,459</u>	<u>\$ 157,595</u>	<u>\$ 314,912</u>	<u>\$ 507,281</u>	<u>\$ 24,233</u>	<u>\$ 287,880</u>

**TOWN OF CARRBORO, NORTH CAROLINA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	<b>Bond Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>		
Loan repayments	\$ -	\$ 36,534
Ad valorem taxes	-	400,009
Grant revenues	222,577	351,952
Other revenues	-	75,434
Interest on investments	5,137	69,359
Total revenues	227,714	933,288
<b>Expenditures</b>		
Economic and physical development	-	624,128
Capital outlay	129,325	134,662
Total expenditures	129,325	758,790
Excess (deficiency) of revenues over (under) expenditures	98,389	174,498
<b>Other financing sources (uses)</b>		
Transfer from General Fund	237,000	237,000
Total other financing sources	237,000	237,000
Net change in fund balance	335,389	411,498
Fund balance, beginning of year	-	1,460,518
Change in reporting entity (Note 6)	(144,572)	117,161
<b>Fund balance, end of year</b>	<b>\$ 190,817</b>	<b>\$ 1,989,177</b>

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
AFFORDABLE HOUSING FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Payment in lieu	\$ 82,026	\$ 264,632	\$ -	\$ 264,632	\$ 182,606
Property taxes	396,366	873,389	400,009	1,273,398	877,032
Interest on investments	36,409	14,826	15,624	30,450	(5,959)
Total revenues	<u>514,801</u>	<u>1,152,847</u>	<u>415,633</u>	<u>1,568,480</u>	<u>1,053,679</u>
<b>Expenditures</b>					
Critical home repairs	71,158	186,130	40,509	226,639	(155,481)
Contributions for acquisitions	203,617	136,169	121,871	258,040	(54,423)
Rental deposits	37,834	-	987	987	36,847
Community home trust	75,932	144,034	80,501	224,535	(148,603)
Home consortium match	5,046	27,053	13,819	40,872	(35,826)
Partnership to end homelessness	70,809	165,178	69,581	234,759	(163,950)
Center for Community Interfaith					
Council housing	188,689	92,950	95,739	188,689	-
Miscellaneous	198,193	-	-	-	198,193
Total expenditures	<u>851,278</u>	<u>751,514</u>	<u>423,007</u>	<u>1,174,521</u>	<u>(323,243)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(336,477)</u>	<u>401,333</u>	<u>(7,374)</u>	<u>393,959</u>	<u>730,436</u>
<b>Other financing sources (uses)</b>					
Transfer from General Fund	336,477	112,500	-	112,500	(223,977)
Total other financing sources	<u>336,477</u>	<u>112,500</u>	<u>-</u>	<u>112,500</u>	<u>(223,977)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 513,833</u>	<u>(7,374)</u>	<u>\$ 506,459</u>	<u>\$ 506,459</u>
Fund balance, beginning of year			<u>513,833</u>		
<b>Fund balance, end of year</b>			<u>\$ 506,459</u>		

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
ENERGY EFFICIENT REVOLVING LOAN FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Interest repayments	\$ 17,213	\$ 17,594	\$ -	\$ 17,594	\$ 381
Interest on investments	2,696	6,250	5,623	11,873	9,177
Revolving loan payments:					
The Arts Center	28,128	28,128	-	28,128	-
Surplus Sid's	30,000	30,000	-	30,000	-
Total revolving loan payments	58,128	58,128	-	58,128	-
 Total revenues	 78,037	 81,972	 5,623	 87,595	 9,558
<b>Expenditures</b>					
Economic and physical development:					
The Arts Center	28,128	28,128	-	28,128	-
Surplus Sid's	30,000	30,000	-	30,000	-
Miscellaneous	148,037	-	-	-	148,037
Total expenditures	206,165	58,128	-	58,128	148,037
 Excess (deficiency) of revenues over (under) expenditures	 (128,128)	 23,844	 5,623	 29,467	 157,595
<b>Other financing sources (uses)</b>					
Transfer from Grant Fund	83,128	83,128	-	83,128	-
Transfer from Revolving Loan Fund	45,000	45,000	-	45,000	-
Total other financing sources	128,128	128,128	-	128,128	-
 Net change in fund balance	 \$ -	 \$ 151,972	 5,623	 \$ 157,595	 \$ 157,595
 Fund balance, beginning of year			 151,972		
<b>Fund balance, end of year</b>			<u>\$ 157,595</u>		

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
SMALL BUSINESS AND NON-PROFIT LOAN/GRANT COVID-19 EMERGENCY FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Federal grants	\$ 30,334	\$ 30,334	\$ -	\$ 30,334	\$ -
CTDA contributions	109,404	109,404	-	109,404	-
Interest on investments	289	6,552	10,647	17,199	16,910
	<u>140,027</u>	<u>146,290</u>	<u>10,647</u>	<u>156,937</u>	<u>16,910</u>
Revolving loan payments:					
Armadillo Grill	3,864	8,304	3,214	11,518	7,654
Be Pure	1,953	3,843	447	4,290	2,337
Carrboro Coffee Company	4,400	8,839	3,214	12,053	7,653
Ceremony Salon	3,136	8,503	-	8,503	5,367
Creative Electric of NC	4,387	8,500	2,250	10,750	6,363
Dispute Settlement Center	-	8,839	2,679	11,518	11,518
F&F Car Care	8,212	16,000	6,500	22,500	14,288
Firefly Carrboro	1,056	3,457	909	4,366	3,310
Grow Your World	2,699	5,256	1,851	7,107	4,408
Lazarus Repair and Maintenance	2,216	4,782	1,851	6,633	4,417
OE Enterprises	4,400	8,839	2,679	11,518	7,118
Open Eye Café	4,400	8,839	2,946	11,785	7,385
Pilot Mission	1,954	4,198	1,625	5,823	3,869
Twin House Music	2,582	5,314	3,155	8,469	5,887
Van Hook Enterprises	3,145	12,960	-	12,960	9,815
Wax Poetic	3,847	8,036	3,214	11,250	7,403
Weaver Street Realty and Auction	-	268	-	268	268
Total revolving loan payments	<u>52,251</u>	<u>124,777</u>	<u>36,534</u>	<u>161,311</u>	<u>109,060</u>
Total revenues	<u>192,278</u>	<u>271,067</u>	<u>47,181</u>	<u>318,248</u>	<u>125,970</u>
<b>Expenditures</b>					
Economic and physical development:					
Armadillo Grill	25,000	25,000	-	25,000	-
Be Pure	14,400	14,400	-	14,400	-
Carrboro Coffee Company	25,000	25,000	-	25,000	-
Ceremony Salon	15,000	15,000	-	15,000	-
Creative Electric of NC	21,600	21,600	-	21,600	-
Dispute Settlement Center	25,000	25,000	-	25,000	-
F&F Car Care	25,000	25,000	-	25,000	-
Firefly Carrboro	6,000	6,000	-	6,000	-
Grow Your World	14,400	14,400	-	14,400	-
Lazarus Repair and Maintenance	14,400	14,400	-	14,400	-
OE Enterprises	25,000	25,000	-	25,000	-
Open Eye Café	25,000	25,000	-	25,000	-
Pilot Mission	12,636	12,636	-	12,636	-
Twin House Music	15,500	15,500	-	15,500	-
Van Hook Enterprises	14,400	14,400	-	14,400	-
Wax Poetic	25,000	25,000	-	25,000	-
General	188,942	-	-	-	188,942
Total expenditures	<u>492,278</u>	<u>303,336</u>	<u>-</u>	<u>303,336</u>	<u>188,942</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,000)</u>	<u>(32,269)</u>	<u>47,181</u>	<u>14,912</u>	<u>14,912</u>
<b>Other financing sources (uses)</b>					
Transfer from Revolving Loan Fund	300,000	300,000	-	300,000	-
Total other financing sources	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Appropriation to fund balance	-	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 267,731</u>	<u>47,181</u>	<u>\$ 314,912</u>	<u>\$ 314,912</u>
Fund balance, beginning of year			<u>267,731</u>		
<b>Fund balance, end of year</b>			<u>\$ 314,912</u>		

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
FACILITIES REHABILITATION CAPITAL PROJECTS FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Interest on investments	\$ 3,787	\$ 18,019	\$ 18,201	\$ 36,220	\$ 32,433
<b>Expenditures</b>					
Century Center painting	46,795	46,795	-	46,795	-
Century Center windows and chiller replacement	463,427	82,178	5,337	87,515	375,912
Public Works renovation	20,900	20,898	-	20,898	2
Town Hall basement flooring	4,667	4,667	-	4,667	-
Town Hall interior improvements	4,857	4,858	-	4,858	(1)
Town Hall interior painting	2,906	2,906	-	2,906	-
Town Hall security measures	4,877	4,877	-	4,877	-
Architectural improvements	80,710	80,710	-	80,710	-
Unexpended reserves	98,935	-	-	-	98,935
Total expenditures	<u>728,074</u>	<u>247,889</u>	<u>5,337</u>	<u>253,226</u>	<u>474,848</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(724,287)</u>	<u>(229,870)</u>	<u>12,864</u>	<u>(217,006)</u>	<u>507,281</u>
<b>Other financing sources (uses)</b>					
Transfer from General Fund	724,287	724,287	-	724,287	-
Total other financing sources	<u>724,287</u>	<u>724,287</u>	<u>-</u>	<u>724,287</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>-</u>	<u>494,417</u>	<u>12,864</u>	<u>507,281</u>	<u>507,281</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 494,417</u>	<u>12,864</u>	<u>\$ 507,281</u>	<u>\$ 507,281</u>
Fund balance, beginning of year			<u>494,417</u>		
<b>Fund balance, end of year</b>			<u>\$ 507,281</u>		

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
GRANTS ADMINISTRATION FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
U.S. Department of Homeland Security:					
FEMA hazard mitigation grant	\$ 637,630	\$ 237,186	\$ -	\$ 237,186	\$ (400,444)
U.S. Department of Housing and Urban Development					
CDBG grant	900,000	877,416	-	877,416	(22,584)
N.C. Department of Public Safety:					
Hazard mitigation grant	185,619	79,061	-	79,061	(106,558)
N.C. Department of Environmental Quality:					
Charging Stations	18,000	18,000	-	18,000	-
Bolin Creek	150,000	20,625	129,375	150,000	-
Orange County:					
Economic development funds	27,575	-	10,000	10,000	(17,575)
Donations - Bolin Creek	18,000	14,500	2,500	17,000	(1,000)
Investment earnings	20	20	-	20	-
Miscellaneous	10,056	34,128	50,914	85,042	74,986
Total revenues	<u>1,946,900</u>	<u>1,280,936</u>	<u>192,789</u>	<u>1,473,725</u>	<u>(473,175)</u>
<b>Expenditures</b>					
Flooding mitigation	823,249	308,233	-	308,233	515,016
Housing assistance	900,000	891,000	29,285	920,285	(20,285)
Fire equipment	15,750	15,750	-	15,750	-
MLK parking lot charging station	13,951	13,951	-	13,951	-
Town Municipal parking lot charging station	11,533	11,533	-	11,533	-
Bolin Creek watershed restoration	168,000	21,081	161,836	182,917	(14,917)
Article 46 funds	27,575	-	10,000	10,000	17,575
Miscellaneous	3,960	3,941	-	3,941	19
Total expenditures	<u>1,964,018</u>	<u>1,265,489</u>	<u>201,121</u>	<u>1,466,610</u>	<u>497,408</u>
Excess (deficiency) of revenues (over) expenditures	<u>(17,118)</u>	<u>15,447</u>	<u>(8,332)</u>	<u>7,115</u>	<u>24,233</u>
<b>Other financing sources (uses)</b>					
Transfer from the General Fund	18,744	18,744	-	18,744	-
Transfer to the General Fund	(1,626)	(1,626)	-	(1,626)	-
Total other financing sources	<u>17,118</u>	<u>17,118</u>	<u>-</u>	<u>17,118</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 32,565</u>	<u>(8,332)</u>	<u>\$ 24,233</u>	<u>\$ 24,233</u>
Fund balance, beginning of year			<u>32,565</u>		
<b>Fund balance, end of year</b>			<u>\$ 24,233</u>		

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
REVOLVING LOAN FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Investment earnings:					
Interest on					
investments	\$ 224,701	\$ 231,218	\$ 10,017	\$ 241,235	\$ 16,534
Interest repayments	193,223	195,948	2,003	197,951	4,728
Total investment earnings	<u>417,924</u>	<u>427,166</u>	<u>12,020</u>	<u>439,186</u>	<u>21,262</u>
Revolving loan repayments:					
Bryan's Guitar	90,000	39,387	-	39,387	(50,613)
Carrboro Coworking	90,000	74,839	-	74,839	(15,161)
Tesoro LLC	60,000	30,341	14,127	44,468	(15,532)
Total revolving loan payments	<u>240,000</u>	<u>144,567</u>	<u>14,127</u>	<u>158,694</u>	<u>(81,306)</u>
Total revenues	<u>657,924</u>	<u>571,733</u>	<u>26,147</u>	<u>597,880</u>	<u>(60,044)</u>
<b>Expenditures</b>					
General government:					
Contractual services	5,246	-	-	-	5,246
Miscellaneous	3,979	-	-	-	3,979
Total general government	<u>9,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,225</u>
Economic and physical development:					
Bryan's Guitar	90,000	90,000	-	90,000	-
Carrboro Coworking	90,000	90,000	-	90,000	-
Tesorra LLC	60,000	60,000	-	60,000	-
Bad debts	70,000	70,000	-	70,000	-
Total economic and physical development	<u>310,000</u>	<u>310,000</u>	<u>-</u>	<u>310,000</u>	<u>-</u>
Total expenditures	<u>319,225</u>	<u>310,000</u>	<u>-</u>	<u>310,000</u>	<u>9,225</u>
Excess of revenues over expenditures	<u>338,699</u>	<u>261,733</u>	<u>26,147</u>	<u>287,880</u>	<u>(50,819)</u>
Appropriated to fund balance	<u>(338,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,699</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 261,733</u>	<u>26,147</u>	<u>\$ 287,880</u>	<u>\$ 287,880</u>
Fund balance, beginning of year			<u>261,733</u>		
<b>Fund balance, end of year</b>			<u>\$ 287,880</u>		

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
PROJECT AUTHORIZATION AND ACTUAL  
BOND FUND  
FROM PROJECT INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
General revenues:					
Federal STP-DA funds	\$ 2,791,352	\$ 1,438,057	\$ 134,429	\$ 1,572,486	\$ (1,218,866)
Federal STBGP-DA funds	483,729	-	-	-	(483,729)
Federal TAP-DA funds	730,000	-	-	-	(730,000)
CMAQ funds	440,000	-	-	-	(440,000)
Orange County Transit funds	752,177	148,040	88,148	236,188	(515,989)
Payments in lieu	48,046	48,046	-	48,046	-
Interest on investments	61,116	64,727	5,137	69,864	8,748
Total revenues	<u>5,306,420</u>	<u>1,698,870</u>	<u>227,714</u>	<u>1,926,584</u>	<u>(3,379,836)</u>
<b>Expenditures</b>					
Capital outlay:					
General expenditures (non-project)	1,116	-	-	-	1,116
Morgan Creek Greenway	1,742,500	548,612	7,815	556,427	1,186,073
Bolin Creek Greenway	1,521,770	1,494,906	4,070	1,498,976	22,794
Jones Creek Greenway	850,250	180,357	-	180,357	669,893
S. Greensboro Street Sidewalk	1,781,462	210,930	117,440	328,370	1,453,092
Sidewalk repairs	250,000	249,315	-	249,315	685
Total capital outlay	<u>6,147,098</u>	<u>2,684,120</u>	<u>129,325</u>	<u>2,813,445</u>	<u>3,333,653</u>
Total expenditures	<u>6,147,098</u>	<u>2,684,120</u>	<u>129,325</u>	<u>2,813,445</u>	<u>3,333,653</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(840,678)</u>	<u>(985,250)</u>	<u>98,389</u>	<u>(886,861)</u>	<u>(46,183)</u>
<b>Other financing sources (uses)</b>					
Transfer from General fund	-	-	237,000	237,000	(237,000)
General obligation bonds issued	840,678	840,678	-	840,678	-
Total other financing sources	<u>840,678</u>	<u>840,678</u>	<u>237,000</u>	<u>1,077,678</u>	<u>(237,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (144,572)</u>	<u>335,389</u>	<u>\$ 190,817</u>	<u>\$ 190,817</u>
Fund balance, beginning of year			<u>(144,572)</u>		
<b>Fund balance, end of year</b>			<u>\$ 190,817</u>		

# TOWN OF CARRBORO, NORTH CAROLINA

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (NON-GAAP) STORMWATER ENTERPRISE FUND YEAR ENDED JUNE 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Charges for services	\$ 1,062,746	\$ 1,013,980	\$ (48,766)
Investment earnings	-	85,224	85,224
Miscellaneous	-	780	780
Total revenues	1,062,746	1,099,984	37,238
<b>Expenditures</b>			
Personnel services	348,453	559,009	(210,556)
Operations	473,102	228,421	244,681
Total expenditures	821,555	787,430	34,125
Excess of revenues over expenditures	241,191	312,554	71,363
<b>Other financing sources (uses)</b>			
Transfers from:			
Capital projects fund	-	(314,500)	(314,500)
Transfers to:			
Capital projects fund	314,500	314,500	-
Total other financing sources	314,500	-	(314,500)
Excess of revenues and other financing sources over expenditures	555,691	312,554	(243,137)
Appropriated fund balance	(555,691)	-	555,691
Net change in fund balance	\$ -	\$ 312,554	\$ 312,554
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Reconciling items:			
Depreciation		\$ (55,335)	
Increase in accrued vacation pay		7,735	
Change in deferred inflow, deferred outflow and pension liability		13,214	
Change in deferred inflow, deferred outflow and OPEB liability		87,420	
Total reconciling items		53,034	
Change in net position		\$ 365,588	

**TOWN OF CARRBORO, NORTH CAROLINA**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP)  
PARKING ENTERPRISE FUND  
YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Expenditures</b>			
Personnel services	\$ 2,000	\$ -	\$ 2,000
Operations	157,225	149,033	8,192
Total expenditures	<u>159,225</u>	<u>149,033</u>	<u>10,192</u>
 Deficiency of revenues under expenditures	<u>(159,225)</u>	<u>(149,033)</u>	<u>10,192</u>
<b>Other financing sources (uses)</b>			
Transfers from:			
General Fund	<u>159,225</u>	<u>159,225</u>	<u>-</u>
Total other financing sources	<u>159,225</u>	<u>159,225</u>	<u>-</u>
 Excess of revenues and other financing sources over expenditures	<u>-</u>	<u>10,192</u>	<u>10,192</u>
 Net change in fund balance	<u>\$ -</u>	<u>\$ 10,192</u>	<u>\$ 10,192</u>

## **OTHER SUPPLEMENTAL DATA**

This section contains additional information on property taxes.

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

# TOWN OF CARRBORO, NORTH CAROLINA

## SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2023 - 2024	\$ -	\$ 17,951,193	\$ 17,898,891	\$ 52,302
2022 - 2023	68,995	-	39,187	29,808
2021 - 2022	30,316	-	13,079	17,237
2020 - 2021	15,781	-	4,451	11,330
2019 - 2020	15,635	-	2,435	13,200
2018 - 2019	11,233	-	524	10,709
2017 - 2018	7,405	-	-	7,405
2016 - 2017	4,476	-	171	4,305
2015 - 2016	3,293	-	350	2,943
2014 - 2015	959	-	-	959
2013 - 2014	15,756	-	13,320	2,436
	<u>\$ 173,849</u>	<u>\$ 17,951,193</u>	<u>\$ 17,972,408</u>	152,634
Less: allowance for uncollectible accounts:				
General Fund				(44,413)
Ad valorem taxes receivable - net				\$ 108,221
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 15,841,637
Ad valorem taxes - Affordable Housing Fund				400,009
Motor vehicle license fees - General Fund				1,688,598
Total revenues				17,930,244
Reconciling items:				
Releases and adjustments				(8,382)
NCVTS collection fees				50,546
				\$ 17,972,408

# TOWN OF CARRBORO, NORTH CAROLINA

## ANALYSIS OF CURRENT TAX LEVY - TOWN-WIDE LEVY FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	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	\$ 2,893,649,796	0.6044	\$ 17,489,219	\$ 16,194,315	1,294,904
Penalties and interest	-		17,854	5,097	12,757
 Total property valuation	<u>\$ 2,893,649,796</u>		17,507,073	16,199,412	1,307,661
 Vehicle tag fees			444,120	-	444,120
 Total gross levy			17,951,193	16,199,412	1,751,781
 Uncollected taxes at June 30, 2024			52,302	47,612	4,690
 Current year's taxes collected			<u>\$ 17,898,891</u>	<u>\$ 16,151,800</u>	<u>\$ 1,747,091</u>
 Current levy collection percentage			<u>99.71%</u>	<u>99.71%</u>	<u>99.73%</u>

\* Total adjusted levy includes discoveries and abatements.

\*\* Property tax valuation prior to the discoveries and abatements.

# STATISTICAL SECTION

This part of the Town of Carrboro's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

**Page**

## **Financial Trends Information**

These schedules contain trend information intended to help the reader understand how the Town's financial position has changed over time.

**106 - 115**

## **Revenue Capacity Information**

These schedules contain information to help the reader assess the Town's most significant local revenue sources, primarily property taxes.

**116 - 122**

## **Debt Capacity Information**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

**123 - 127**

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

**128 - 131**

## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

**132 - 134**

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

## **FINANCIAL TRENDS INFORMATION**

**Town of Carrboro, North Carolina**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:					
Net investment in capital assets	\$ 29,120,308	\$ 28,529,962	\$ 28,581,194	\$ 30,401,621	\$ 32,602,046
Restricted	2,187,718	2,015,396	2,097,192	2,719,947	3,869,297
Unrestricted	<u>6,358,440</u>	<u>6,447,035</u>	<u>(5,179,126)</u>	<u>(5,964,874)</u>	<u>(6,314,682)</u>
Total governmental activities net position	<u>\$ 37,666,466</u>	<u>\$ 36,992,393</u>	<u>\$ 25,499,260</u>	<u>\$ 27,156,694</u>	<u>\$ 30,156,661</u>
Business-type activities:					
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 288,843
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,475</u>	<u>225,824</u>
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,475</u>	<u>\$ 514,667</u>
Primary Government:					
Net investment in capital assets	\$ 29,120,308	\$ 28,529,962	\$ 28,581,194	\$ 30,401,621	\$ 32,890,889
Restricted	2,187,718	2,015,396	2,097,192	2,719,947	3,869,297
Unrestricted	<u>6,358,440</u>	<u>6,447,035</u>	<u>(5,179,126)</u>	<u>(5,908,399)</u>	<u>(6,088,858)</u>
Total primary government net position	<u>\$ 37,666,466</u>	<u>\$ 36,992,393</u>	<u>\$ 25,499,260</u>	<u>\$ 27,213,169</u>	<u>\$ 30,671,328</u>

**Town of Carrboro, North Carolina**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 1**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023*</u>	<u>2024</u>
Governmental activities:					
Net investment in capital assets	\$ 34,478,765	\$ 36,062,824	\$ 36,727,545	\$ 44,431,872	\$ 52,051,757
Restricted	3,349,924	3,312,120	3,647,143	3,914,681	5,862,594
Unrestricted	<u>(8,613,521)</u>	<u>(9,907,381)</u>	<u>(6,532,066)</u>	<u>(11,387,333)</u>	<u>(12,697,825)</u>
Total governmental activities net position	<u>\$ 29,215,168</u>	<u>\$ 29,467,563</u>	<u>\$ 33,842,622</u>	<u>\$ 36,959,220</u>	<u>\$ 45,216,526</u>
Business-type activities:					
Net investment in capital assets	\$ 349,932	\$ 611,550	\$ 588,038	\$ 657,418	\$ 602,083
Unrestricted	<u>536,668</u>	<u>960,317</u>	<u>1,255,154</u>	<u>1,656,125</u>	<u>2,087,240</u>
Total business-type activities net position	<u>\$ 886,600</u>	<u>\$ 1,571,867</u>	<u>\$ 1,843,192</u>	<u>\$ 2,313,543</u>	<u>\$ 2,689,323</u>
Primary Government:					
Net investment in capital assets	\$ 34,828,697	\$ 36,674,374	\$ 37,315,583	\$ 45,089,290	\$ 52,653,840
Restricted	3,349,924	3,312,120	3,647,143	3,914,681	5,862,594
Unrestricted	<u>(8,076,853)</u>	<u>(8,947,064)</u>	<u>(5,276,912)</u>	<u>(9,731,208)</u>	<u>(10,610,585)</u>
Total primary government net position	<u>\$ 30,101,768</u>	<u>\$ 31,039,430</u>	<u>\$ 35,685,814</u>	<u>\$ 39,272,763</u>	<u>\$ 47,905,849</u>

\*Restated balances

**Town of Carrboro, North Carolina**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,200,241	\$ 4,487,922	\$ 4,695,317	\$ 4,849,740	\$ 5,246,829
Public safety	6,951,141	7,051,112	7,550,083	7,469,443	7,735,947
Planning	1,244,849	1,374,325	1,356,771	1,206,329	1,422,374
Transportation	1,472,508	1,540,288	1,455,012	1,455,012	1,808,940
Public works	4,421,682	4,205,935	4,295,622	4,142,187	4,839,876
Parks and recreation	1,642,737	1,741,056	1,724,769	1,737,984	1,845,198
Economic and community development	90,108	200,798	147,259	220,960	692,328
Interest on long-term debt	191,916	167,984	154,350	127,897	115,564
Total governmental activities expenses	<u>20,215,182</u>	<u>20,769,420</u>	<u>21,379,183</u>	<u>21,209,552</u>	<u>23,707,056</u>
Business-type activities:					
Stormwater	-	-	-	251,908	269,163
Parking	-	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,908</u>	<u>269,163</u>
Total primary government expenses	<u>\$ 20,215,182</u>	<u>\$ 20,769,420</u>	<u>\$ 21,379,183</u>	<u>\$ 21,461,460</u>	<u>\$ 23,976,219</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 652,862	\$ 528,403	\$ 416,231	\$ 644,733	\$ 726,021
Public safety	73,311	117,590	696,492	720,801	739,011
Planning	675,682	665,028	57,005	116,135	39,872
Public works	70,249	74,644	77,454	51,733	56,561
Parks and recreation	270,028	259,974	280,625	242,740	182,644
Economic and community development	-	-	-	-	-
Operating grants and contributions	723,767	700,263	654,075	641,436	832,607
Capital grants and contributions	283,090	5,635	90,166	13,080	2,504,061
Total governmental activities program revenues	<u>2,748,989</u>	<u>2,351,537</u>	<u>2,272,048</u>	<u>2,430,658</u>	<u>5,080,777</u>
Business-type activities:					
Charges for services:					
Stormwater	-	-	-	-	778,157
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>778,157</u>
Total primary government program revenues	<u>\$ 2,748,989</u>	<u>\$ 2,351,537</u>	<u>\$ 2,272,048</u>	<u>\$ 2,430,658</u>	<u>\$ 5,858,934</u>

**Town of Carrboro, North Carolina**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Net expenses</b>					
Governmental activities	\$ 17,466,193	\$ 18,417,883	\$ 19,107,135	\$ 18,778,894	\$ 18,626,279
Business-type activities	-	-	-	251,908	(508,994)
Total primary government net expenses	<u>\$ 17,466,193</u>	<u>\$ 18,417,883</u>	<u>\$ 19,107,135</u>	<u>\$ 19,030,802</u>	<u>\$ 18,117,285</u>
<b>General revenues and other changes in net assets</b>					
Governmental activities:					
Taxes	\$ 17,011,559	\$ 17,322,279	\$ 17,690,415	\$ 19,094,382	\$ 19,695,520
Unrestricted intergovernmental revenues	1,481,631	1,452,221	1,418,370	1,406,331	1,492,028
Miscellaneous and unrestricted investment earnings	52,226	28,818	58,455	243,998	382,223
Transfers	-	-	-	(308,383)	56,475
Total governmental activities	<u>18,545,416</u>	<u>18,803,318</u>	<u>19,167,240</u>	<u>20,436,328</u>	<u>21,626,246</u>
Business-type activities:					
Unrestricted intergovernmental	-	-	-	-	-
Miscellaneous and unrestricted investment earnings	-	-	-	-	5,673
Transfers	-	-	-	308,383	(56,475)
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>308,383</u>	<u>(50,802)</u>
Total primary government	<u>\$ 18,545,416</u>	<u>\$ 18,803,318</u>	<u>\$ 19,167,240</u>	<u>\$ 20,744,711</u>	<u>\$ 21,575,444</u>
<b>Change in net position</b>					
Governmental activities	\$ 1,079,223	\$ 385,435	\$ 60,105	\$ 1,657,434	\$ 2,999,967
Business-type activities	-	-	-	56,475	458,192
Total primary government	<u>\$ 1,079,223</u>	<u>\$ 385,435</u>	<u>\$ 60,105</u>	<u>\$ 1,713,909</u>	<u>\$ 3,458,159</u>

**Town of Carrboro, North Carolina.**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Expenses</b>					
Governmental activities:					
General government	\$ 5,288,695	\$ 5,270,260	\$ 5,738,082	\$ 6,405,007	\$ 7,927,182
Public safety	8,283,668	8,522,469	7,933,411	8,469,830	8,746,519
Planning	1,520,044	1,540,407	1,423,540	1,612,729	1,878,167
Transportation	1,835,146	1,872,343	1,900,088	2,148,148	2,248,855
Public works	5,298,021	5,085,068	4,614,345	5,427,544	5,452,203
Parks and recreation	1,943,269	1,858,667	1,836,333	1,966,773	2,191,810
Economic and community development	727,748	1,079,915	1,236,131	618,648	624,128
Interest on long-term debt	98,950	99,469	101,595	468,434	409,250
Total governmental activities expenses	<u>24,995,541</u>	<u>25,328,598</u>	<u>24,783,525</u>	<u>27,117,113</u>	<u>29,478,114</u>
Business-type activities:					
Stormwater	444,871	468,737	627,194	598,232	734,396
Parking	-	86,321	146,455	155,610	149,033
Total business-type activities expenses	<u>444,871</u>	<u>555,058</u>	<u>773,649</u>	<u>753,842</u>	<u>883,429</u>
Total primary government expenses	<u>\$ 25,440,412</u>	<u>\$ 25,883,656</u>	<u>\$ 25,557,174</u>	<u>\$ 27,870,955</u>	<u>\$ 30,361,543</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 629,447	\$ 533,630	\$ 608,574	\$ 529,682	\$ 365,686
Public safety	753,901	620,290	735,864	735,020	835,069
Planning	74,241	46,767	18,634	33,002	26,446
Public works	57,154	55,894	53,243	63,446	100,392
Parks and recreation	122,873	67,923	161,763	176,263	185,933
Economic and community development	-	82,026	-	182,606	-
Operating grants and contributions	1,159,067	1,273,741	1,489,331	829,670	7,500,051
Capital grants and contributions	698,031	432,923	100,689	128,951	104,923
Total governmental activities program revenues	<u>3,494,714</u>	<u>3,113,194</u>	<u>3,168,098</u>	<u>2,678,640</u>	<u>9,118,500</u>
Business-type activities:					
Charges for services:					
Stormwater	812,545	1,013,598	991,423	1,002,080	1,013,980
Total business-type activities program revenues	<u>812,545</u>	<u>1,013,598</u>	<u>991,423</u>	<u>1,002,080</u>	<u>1,013,980</u>
Total primary government program revenues	<u>\$ 4,307,259</u>	<u>\$ 4,126,792</u>	<u>\$ 4,159,521</u>	<u>\$ 3,680,720</u>	<u>\$ 10,132,480</u>

**Town of Carrboro, North Carolina.**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 2**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Net expenses</b>					
Governmental activities	\$ 21,500,827	\$ 22,215,404	\$ 21,615,427	\$ 24,438,473	\$ 20,359,614
Business-type activities	(367,674)	(458,540)	(217,774)	(248,238)	(130,551)
Total primary government net expenses	<u>\$ 21,133,153</u>	<u>\$ 21,756,864</u>	<u>\$ 21,397,653</u>	<u>\$ 24,190,235</u>	<u>\$ 20,229,063</u>
<b>General revenues and other changes in net assets</b>					
Governmental activities:					
Taxes	\$ 19,788,837	\$ 20,758,600	\$ 24,084,830	\$ 25,044,991	\$ 25,317,312
Unrestricted intergovernmental revenues	1,408,981	1,381,436	1,697,037	1,534,669	1,695,440
Miscellaneous and unrestricted investment earnings	279,600	449,538	214,655	1,213,173	1,763,393
Transfers	-	(121,775)	(6,036)	(132,385)	(159,225)
Total governmental activities	<u>21,477,418</u>	<u>22,467,799</u>	<u>25,990,486</u>	<u>27,660,448</u>	<u>28,616,920</u>
Business-type activities:					
Unrestricted intergovernmental	-	104,820	45,000	45,000	-
Miscellaneous and unrestricted investment earnings	4,259	132	2,515	46,129	86,004
Transfers	-	121,775	6,036	132,385	159,225
Total business-type activities	<u>4,259</u>	<u>226,727</u>	<u>53,551</u>	<u>223,514</u>	<u>245,229</u>
Total primary government	<u>\$ 21,481,677</u>	<u>\$ 22,694,526</u>	<u>\$ 26,044,037</u>	<u>\$ 27,883,962</u>	<u>\$ 28,862,149</u>
<b>Change in net position</b>					
Governmental activities	\$ (23,409)	\$ 252,395	\$ 4,375,059	\$ 3,221,975	\$ 8,257,306
Business-type activities	371,933	685,267	271,325	471,752	375,780
Total primary government	<u>\$ 348,524</u>	<u>\$ 937,662</u>	<u>\$ 4,646,384</u>	<u>\$ 3,693,727</u>	<u>\$ 8,633,086</u>

**Town of Carrboro, North Carolina**  
**Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 3**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund:					
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved, designated	N/A	N/A	N/A	N/A	N/A
Unreserved, undesignated	N/A	N/A	N/A	N/A	N/A
Nonspendable	\$ 92,212	\$ 159,185	\$ 25,775	\$ 280,068	\$ 317,306
Restricted	2,788,336	2,642,583	2,466,537	2,532,472	2,652,989
Committed	-	-	-	-	-
Assigned	2,624,916	2,275,559	2,569,579	3,088,391	3,500,753
Unassigned	9,119,966	10,638,014	10,816,213	10,634,162	11,233,203
Total general fund	<u>14,625,430</u>	<u>15,715,341</u>	<u>15,878,104</u>	<u>16,535,093</u>	<u>17,704,251</u>
All other governmental funds:					
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:					
Special revenue funds	N/A	N/A	N/A	N/A	N/A
Capital projects funds	N/A	N/A	N/A	N/A	N/A
Nonspendable	-	-	-	-	-
Restricted	1,890,936	1,590,442	1,348,609	827,636	1,458,567
Committed	3,105,843	3,715,244	4,454,119	4,119,338	2,947,928
Assigned	-	-	-	-	-
Unassigned	(41,811)	43,892	(680)	-	(496,241)
Total all other governmental funds	<u>4,954,968</u>	<u>5,349,578</u>	<u>5,802,048</u>	<u>4,946,974</u>	<u>3,910,254</u>
Total, all governmental funds	<u>\$ 19,580,398</u>	<u>\$ 21,064,919</u>	<u>\$ 21,680,152</u>	<u>\$ 21,482,067</u>	<u>\$ 21,614,505</u>

N/A - Not applicable prior to and subsequent to the implementation of GASB Statement No. 54.

**Town of Carrboro, North Carolina**  
**Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 3**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023*</u>	<u>2024</u>
General fund:					
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved, designated	N/A	N/A	N/A	N/A	N/A
Unreserved, undesignated	N/A	N/A	N/A	N/A	N/A
Nonspendable	\$ 74,353	\$ 275,060	\$ 603,981	\$ 818,451	\$ 443,088
Restricted	2,566,982	2,757,728	3,647,143	3,914,681	5,761,736
Committed	-	-	-	-	-
Assigned	3,239,574	3,189,720	2,984,722	2,484,459	4,117,371
Unassigned	10,030,700	11,595,919	8,365,416	12,287,557	14,106,322
Total general fund	<u>15,911,609</u>	<u>17,818,427</u>	<u>15,601,262</u>	<u>19,505,148</u>	<u>24,428,517</u>
All other governmental funds:					
Reserved	N/A	N/A	N/A	N/A	N/A
Unreserved, reported in:					
Special revenue funds	N/A	N/A	N/A	N/A	N/A
Capital projects funds	N/A	N/A	N/A	N/A	N/A
Nonspendable	-	-	-	-	-
Restricted	782,942	798,863	12,530,590	10,794,211	100,858
Committed	2,851,025	1,499,461	8,096,268	5,159,331	10,235,294
Assigned	-	-	-	-	-
Unassigned	(416,233)	(414,109)	(230,608)	(144,572)	-
Total all other governmental funds	<u>3,217,734</u>	<u>1,884,215</u>	<u>20,396,250</u>	<u>15,808,970</u>	<u>10,336,152</u>
Total, all governmental funds	<u>\$ 19,129,343</u>	<u>\$ 19,702,642</u>	<u>\$ 35,997,512</u>	<u>\$ 35,314,118</u>	<u>\$ 34,764,669</u>

\* Restated balances

N/A - Not applicable prior to and subsequent to the implementation of GASB Statement No. 54.

**Town of Carrboro, North Carolina**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
*(Modified Accrual Basis of Accounting)*

**Table 4**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>					
Ad valorem taxes	\$ 11,771,793	\$ 11,829,436	\$ 11,769,118	\$ 12,921,946	\$ 13,223,592
Local option sales taxes	3,897,200	4,105,283	4,345,612	4,557,933	4,880,680
Other taxes and licenses	1,386,254	1,381,093	1,601,126	1,601,362	1,630,840
Unrestricted					
intergovernmental	1,481,631	1,452,221	1,409,630	1,406,331	1,492,028
Restricted intergovernmental	949,579	651,211	722,928	636,879	2,867,644
Permits and fees	1,260,859	1,270,187	1,177,350	1,377,586	1,273,962
Sales and services	274,350	263,444	282,929	245,059	253,023
Investment earnings	10,477	28,818	58,455	151,707	266,589
Other	400,617	218,561	128,591	210,283	378,474
Total revenues	<u>21,432,760</u>	<u>21,200,254</u>	<u>21,495,739</u>	<u>23,109,086</u>	<u>26,266,832</u>
<b>Expenditures</b>					
General government	4,093,908	4,353,526	4,503,267	4,729,326	5,369,254
Public Safety	6,265,547	6,216,871	6,506,633	6,555,984	6,649,349
Planning	1,203,990	1,333,903	1,285,705	1,134,657	1,331,441
Transportation	1,472,508	1,540,288	1,455,012	1,455,012	1,808,940
Public Works	3,481,463	3,134,390	3,192,643	3,104,559	3,750,034
Parks and recreation	1,444,752	1,529,332	1,474,274	1,503,476	1,602,097
Economic and community development	20,108	145,144	147,259	220,511	692,328
Capital outlay	1,888,948	1,410,447	1,549,712	3,486,840	4,063,670
Debt service					
Interest	202,907	191,229	152,927	138,983	126,621
Principal	946,047	973,069	983,905	1,001,731	824,548
Total expenditures	<u>21,020,178</u>	<u>20,828,199</u>	<u>21,251,337</u>	<u>23,331,079</u>	<u>26,218,282</u>
Excess (deficiency) of revenues over (under) expenditures	<u>412,582</u>	<u>372,055</u>	<u>244,402</u>	<u>(221,993)</u>	<u>48,550</u>
<b>Other financing sources (uses)</b>					
Proceeds from borrowing	717,102	621,180	362,091	240,000	-
Premium on borrowing	-	-	-	-	-
Sale of capital assets	47,412	491,287	8,740	92,291	27,413
Transfers in	881,518	1,808,060	1,522,129	3,165,098	2,279,109
Transfers out	(881,518)	(1,808,060)	(1,522,129)	(3,473,481)	(2,222,634)
Total other financing sources (uses)	<u>764,514</u>	<u>1,112,467</u>	<u>370,831</u>	<u>23,908</u>	<u>83,888</u>
Net change in fund balances	<u>\$ 1,177,096</u>	<u>\$ 1,484,522</u>	<u>\$ 615,233</u>	<u>\$ (198,085)</u>	<u>\$ 132,438</u>
Capital outlay included in expenditures above	<u>\$ 1,888,948</u>	<u>\$ 1,410,447</u>	<u>\$ 1,549,712</u>	<u>\$ 3,486,840</u>	<u>\$ 4,063,670</u>
Debt service as a percentage of noncapital expenditures	<u>6.0%</u>	<u>6.0%</u>	<u>5.8%</u>	<u>5.7%</u>	<u>4.3%</u>

**Town of Carrboro, North Carolina**  
**Changes in Fund Balances**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
*(Modified Accrual Basis of Accounting)*

**Table 4**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Revenues</b>					
Ad valorem taxes	\$ 13,499,126	\$ 13,679,213	\$ 15,919,224	\$ 16,175,142	\$ <b>16,241,646</b>
Local option sales taxes	4,772,318	5,467,567	6,416,480	7,076,695	<b>7,184,467</b>
Other taxes and licenses	1,535,867	1,636,916	1,726,261	1,864,150	<b>1,924,913</b>
Unrestricted					
intergovernmental	1,408,981	1,381,436	1,697,037	1,534,669	<b>1,695,440</b>
Restricted intergovernmental	1,091,381	2,210,635	1,973,673	6,013,511	<b>17,194,283</b>
Permits and fees	1,292,786	1,100,596	1,127,067	1,126,296	<b>1,253,946</b>
Sales and services	171,937	88,106	227,120	326,441	<b>345,897</b>
Investment earnings	182,257	3,130	58,213	1,029,784	<b>1,347,375</b>
Other	509,210	515,004	557,091	513,527	<b>416,018</b>
<b>Total revenues</b>	<b>24,463,863</b>	<b>26,082,603</b>	<b>29,702,166</b>	<b>35,660,215</b>	<b>47,603,985</b>
<b>Expenditures</b>					
General government	5,474,673	5,389,321	5,700,484	6,494,785	<b>8,278,106</b>
Public Safety	7,093,384	7,216,347	7,143,092	7,531,598	<b>8,052,480</b>
Planning	1,423,554	1,379,968	1,407,752	1,499,093	<b>1,822,343</b>
Transportation	1,835,146	1,872,342	1,900,088	2,148,148	<b>2,148,148</b>
Public Works	3,872,550	3,850,963	3,663,929	4,126,208	<b>4,280,486</b>
Parks and recreation	1,658,168	1,500,042	1,606,020	1,655,914	<b>1,836,170</b>
Economic and community development	957,638	1,080,865	1,236,131	618,648	<b>624,128</b>
Capital outlay	3,085,782	4,368,462	2,433,516	11,149,657	<b>19,086,412</b>
Debt service					
Interest	109,942	95,435	101,728	374,137	<b>428,262</b>
Principal	692,206	588,314	786,520	750,929	<b>1,437,674</b>
<b>Total expenditures</b>	<b>26,203,043</b>	<b>27,342,059</b>	<b>25,979,260</b>	<b>36,349,117</b>	<b>47,994,209</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,739,180)</u>	<u>(1,259,456)</u>	<u>3,722,906</u>	<u>(688,902)</u>	<u><b>(390,224)</b></u>
<b>Other financing sources (uses)</b>					
Proceeds from borrowing	-	1,871,924	12,578,000	95,064	-
Premium on borrowing	-	-	-	-	-
Sale of capital assets	32,418	82,606	-	41,728	-
Transfers in	3,740,494	698,043	7,028,209	(90,000)	<b>9,780,591</b>
Transfers out	<u>(3,740,494)</u>	<u>(819,818)</u>	<u>(7,034,245)</u>	<u>-</u>	<u><b>(9,939,816)</b></u>
<b>Total other financing sources (uses)</b>	<b>32,418</b>	<b>1,832,755</b>	<b>12,571,964</b>	<b>46,792</b>	<b>(159,225)</b>
<b>Net change in fund balances</b>	<b>\$ (1,706,762)</b>	<b>\$ 573,299</b>	<b>\$ 16,294,870</b>	<b>\$ (642,110)</b>	<b>\$ (549,449)</b>
Capital outlay included in expenditures above	<u>\$ 3,085,782</u>	<u>\$ 4,368,462</u>	<u>\$ 2,433,516</u>	<u>\$ 11,149,657</u>	<u>\$ <b>19,086,412</b></u>
Debt service as a percentage of noncapital expenditures	<u>3.5%</u>	<u>3.0%</u>	<u>3.8%</u>	<u>4.5%</u>	<u><b>6.5%</b></u>

## **REVENUE CAPACITY INFORMATION**

**Town of Carrboro, North Carolina**  
**Program Revenues by Function/Program**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 5**

<b>Function/Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Governmental activities:					
General Government	\$ 767,303	\$ 650,899	\$ 502,078	\$ 725,885	\$ 949,456
Public Safety	677,124	667,572	697,660	721,382	797,011
Planning	120,607	148,749	82,718	143,804	39,872
Public Works and					
Transportation	860,795	587,845	668,277	560,949	3,034,038
Parks and Recreation	305,926	296,472	317,927	278,638	218,542
Economic and community development	17,234	-	3,388	-	41,858
Total primary government	<u>\$ 2,748,989</u>	<u>\$ 2,351,537</u>	<u>\$ 2,272,048</u>	<u>\$ 2,430,658</u>	<u>\$ 5,080,777</u>

**Town of Carrboro, North Carolina**  
**Program Revenues by Function/Program**  
**Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

**Table 5**

<b>Function/Program</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Governmental activities:					
General Government	\$ 873,274	\$ 696,443	\$ 741,007	\$ 707,761	\$ 511,273
Public Safety	1,091,147	958,272	752,821	743,113	7,208,614
Planning	74,241	46,767	18,634	33,002	52,805
Public Works and					
Transportation	899,992	812,692	1,433,415	750,437	933,688
Parks and Recreation	158,771	103,821	197,661	212,166	221,831
Economic and Physical					
Development	397,289	495,199	24,560	232,161	190,289
Total primary government	<u>\$ 3,494,714</u>	<u>\$ 3,113,194</u>	<u>\$ 3,168,098</u>	<u>\$ 2,678,640</u>	<u>\$ 9,118,500</u>

Town of Carrboro, North Carolina  
 Tax Revenues by Source <sup>a</sup>  
 Governmental Funds  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

Table 6

Fiscal Year	Property Taxes
2015	\$ 11,771,793
2016	11,829,436
2017	11,769,118
2018	12,921,946
2019	13,223,592
2020	13,499,126
2021	13,679,213
2022	15,919,224
2023	16,175,142
<b>2024</b>	<b>16,241,646</b>
Change	
<b>2015 - 2024</b>	<b>38.0%</b>

<sup>a</sup> This table presents the Town's most significant own source of revenues. All other taxes and revenues are either comparatively insignificant or levied by another governmental entity besides the Town of Carrboro.

Town of Carrboro, North Carolina  
 Assessed Value and Actual Value of Taxable Property  
 Last Ten Fiscal Years

Table 7

Fiscal Year Ended June 30,	Tax Year	Real Property	Personal Property	Public Service Companies	Total Taxable Assessed Value	Direct Tax Rate (\$100 of Assessed Value)	Estimated Actual Taxable Value	Taxable Assessed Value as Percentage of Actual Taxable Value
2015	2014	\$ 1,902,400,670	\$ 197,002,419	\$ 14,499,872	\$ 2,113,902,961	0.5894	\$ 2,113,902,961	100%
2016	2015	1,932,854,388	185,701,586	17,048,727	2,135,604,701	0.5894	2,135,604,701	100%
2017	2016	1,940,618,958	204,073,445	18,567,166	2,163,259,569	0.5894	2,163,259,569	100%
2018	2017	2,137,452,118	204,113,885	19,198,975	2,360,764,978	0.5894	2,360,764,978	100%
2019	2018	2,159,464,518	208,868,826	21,652,524	2,389,985,868	0.5944	2,389,985,868	100%
2020	2019	2,184,315,909	205,137,622	21,630,535	2,411,084,066	0.5994	2,411,084,066	100%
2021	2020	2,225,431,947	226,627,908	22,170,163	2,474,230,018	0.5994	2,474,230,018	100%
2022	2021	2,568,828,847	231,447,426	23,521,159	2,823,797,432	0.6044	2,823,797,432	100%
2023	2022	2,630,764,319	205,401,279	24,556,095	2,860,721,693	0.6044	2,860,721,693	100%
<b>2024</b>	<b>2023</b>	<b>2,599,586,672</b>	<b>267,502,565</b>	<b>26,560,559</b>	<b>2,893,649,796</b>	<b>0.6044</b>	<b>2,893,649,796</b>	<b>100%</b>

Source: Orange County, North Carolina, Tax Assessor.

Note: Property in the Town of Carrboro is assessed and collected by Orange County, North Carolina.

Town of Carrboro, North Carolina  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)

Table 8

Fiscal Year	Direct Rate Town of Carrboro	Overlapping Rate Orange County
2015	0.5894	0.8780
2016	0.5894	0.8780
2017	0.5894	0.8780
2018	0.5894	0.8780
2019	0.5944	0.8504
2020	0.5994	0.8679
2021	0.5994	0.8679
2022	0.6044	0.8190
2023	0.6044	0.8190
<b>2024</b>	<b>0.6044</b>	<b>0.8190</b>

*Source: Orange County, North Carolina, Tax Assessor.*

*Note: The Town of Carrboro charges a single direct rate for property taxes*

Town of Carrboro, North Carolina  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Table 9

Fiscal Year Ended June 30,	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2015	2014	\$ 12,970,309	\$ 12,887,757	99.36%	\$ 81,593	\$ 12,969,350	99.99%	\$ 959
2016	2015	13,083,098	12,989,241	99.28%	90,564	13,079,805	99.97%	3,293
2017	2016	13,219,902	13,143,645	99.42%	71,781	13,215,426	99.97%	4,476
2018	2017	14,377,304	14,276,093	99.30%	93,806	14,369,899	99.95%	7,405
2019	2018	14,670,122	14,587,583	99.44%	71,306	14,658,889	99.92%	11,233
2020	2019	14,908,231	14,831,028	99.48%	61,568	14,892,596	99.90%	15,635
2021	2020	15,313,630	15,247,066	99.57%	50,783	15,297,849	99.90%	15,781
2022	2021	17,517,197	17,429,778	99.50%	57,103	17,486,881	99.83%	30,316
2023	2022	17,753,581	17,684,586	99.61%	-	17,684,586	99.61%	68,995
<b>2024</b>	<b>2023</b>	<b>17,951,193</b>	<b>17,898,891</b>	<b>99.71%</b>	<b>-</b>	<b>17,898,891</b>	<b>99.71%</b>	<b>52,302</b>

Town of Carrboro, North Carolina  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Table 10

Taxpayer	2024			2015		
	2023 Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	2014 Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
CP VCH LLC	\$ 35,380,823	1	1.24%	\$ 20,073,200	2	0.96%
Folsom Gateway Associates LP	33,678,598	2	1.18%	-		-
Laramar Collins Crossings Assoc LLC	30,955,783	3	1.08%	-		-
ACV XVII LLC	28,595,600	4	1.00%	-		-
Berkshire 54 Owner LP	26,140,200	5	0.91%	-		-
*Google Fiber North Carolina LLC	24,187,251	6	0.85%	-		-
RP Barnes LLC	24,001,860	7	0.84%	-		-
North Estes LLC	21,412,965	8	0.75%	-		-
TGM Rock Creek LLC	20,230,708	9	0.71%	14,959,843	6	0.72%
Westdale Poplar Place LP	20,108,285	10	0.70%	16,417,310	3	0.79%
VAC Limited Partnership	-		-	23,628,424	1	1.13%
CRIT NC II, LLC	-		-	16,048,280	4	0.77%
GS Villages of Chapel Hill, LLC	-		-	16,006,656	5	0.77%
Carrboro Shopping Center, Inc.	-		-	13,223,400	7	0.63%
Luas Investments LTD	-		-	10,690,077	8	0.51%
188 Claremont, LLC	-		-	10,688,340	9	0.51%
100 Rock Haven, LLC	-		-	9,996,255	10	0.48%
Total	<u>\$ 264,692,073</u>		<u>9.25%</u>	<u>\$ 151,731,785</u>		<u>7.27%</u>

Source: Orange County Tax Assessor Office.  
\*New to the Top Ten List

## **DEBT CAPACITY INFORMATION**

Town of Carrboro, North Carolina  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Table 11

Fiscal Year	General Obligation Bonds	Governmental Activities			Lease Liability	Total Primary Government	Per Capita
		Premium on Bonds	Installment Purchase Agreements	Bond Anticipation Notes Payable			
2015	\$ 4,100,000	\$ 80,296	\$ 3,148,164	\$ -	\$ -	\$ 7,328,460	\$ 349.24
2016	3,850,000	75,430	3,046,275	-	-	6,971,705	332.24
2017	3,600,000	70,563	2,674,461	-	-	6,345,024	302.37
2018	3,350,000	65,698	2,162,730	-	-	5,578,428	265.84
2019	3,100,000	60,831	1,588,182	-	-	4,749,013	226.32
2020	2,850,000	55,963	1,145,976	-	-	4,051,939	193.10
2021	2,600,000	51,097	2,679,585	-	51,014	5,381,696	252.72
2022	2,350,000	46,230	14,732,354	-	39,725	17,168,309	806.21
2023	2,100,000	41,362	14,253,810	-	112,404	16,507,576	775.19
<b>2024</b>	<b>1,850,000</b>	<b>36,496</b>	<b>13,110,542</b>	<b>-</b>	<b>67,998</b>	<b>15,065,036</b>	<b>707.44</b>

*Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.*

Town of Carrboro, North Carolina  
 Ratios of General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Table 12

Fiscal Year	General Bonded Debt Outstanding		Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total			
2015	\$ 4,100,000	\$ 4,100,000	\$ 2,113,902,961	0.194%	\$ 195.39
2016	3,850,000	3,850,000	2,135,604,701	0.180%	183.47
2017	3,600,000	3,600,000	2,163,259,569	0.166%	171.56
2018	3,350,000	3,350,000	2,360,764,978	0.142%	159.65
2019	3,100,000	3,100,000	2,389,985,868	0.130%	147.73
2020	2,850,000	2,850,000	2,411,084,066	0.118%	135.82
2021	2,600,000	2,600,000	2,474,230,018	0.105%	122.09
2022	2,350,000	2,350,000	2,823,797,432	0.083%	110.35
2023	2,100,000	2,100,000	2,860,721,693	0.073%	98.61
<b>2024</b>	<b>1,850,000</b>	<b>1,850,000</b>	<b>2,679,403,542</b>	<b>0.069%</b>	<b>86.87</b>

Town of Carrboro, North Carolina  
 Direct and Overlapping Governmental Activities Debt  
 June 30, 2024

Table 13

<u>Town of Carrboro</u>	<u>Total Outstanding</u>	<u>Percentage Applicable to Town</u>	<u>Amount Applicable to Town</u>
<b>General obligation debt</b>			
Town of Carrboro's direct debt	\$ 14,960,543	100.00%	\$ 14,960,543
<b>Overlapping (bonded) debt - Orange County</b>			
Overlapping debt - Orange County	311,215,072	12.91%	<u>40,177,866</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 55,138,409</u></u>

**Sources:**

*Budgeted revenues used to estimate applicable percentages. Debt outstanding provided by Orange County, NC Finance Dept.*

**Town of Carrboro, North Carolina  
 Legal Debt Margin Information  
 Governmental Funds  
 Last Ten Fiscal Years**

**Table 14**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 169,112,237	\$ 170,848,376	\$ 173,060,766	\$ 188,861,198	\$ 191,198,869
Total net debt applicable to limit	<u>7,248,164</u>	<u>6,896,275</u>	<u>6,274,461</u>	<u>5,578,428</u>	<u>4,749,013</u>
Legal debt margin	<u>\$ 161,864,073</u>	<u>\$ 163,952,101</u>	<u>\$ 166,786,305</u>	<u>\$ 183,282,770</u>	<u>\$ 186,449,856</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>4.29%</u>	<u>4.04%</u>	<u>3.63%</u>	<u>2.95%</u>	<u>2.48%</u>

**Note:** Under State Finance law, the Town's outstanding general obligation debt should not exceed 8% of total assessed property value.

Town of Carrboro, North Carolina  
 Legal Debt Margin Information  
 Governmental Funds  
 Last Ten Fiscal Years

Table 14

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 188,834,785	\$ 197,938,401	\$ 225,903,795	\$ 228,857,735	<b>\$ 231,491,984</b>
Total net debt applicable to limit	<u>4,051,939</u>	<u>5,381,696</u>	<u>17,168,309</u>	<u>16,507,576</u>	<b><u>15,065,036</u></b>
Legal debt margin	<u>\$ 184,782,846</u>	<u>\$ 192,556,705</u>	<u>\$ 208,735,486</u>	<u>\$ 212,350,159</u>	<b><u>\$ 216,426,948</u></b>
Total net debt applicable to the limit as a percentage of debt limit	<u>2.15%</u>	<u>2.72%</u>	<u>7.60%</u>	<u>7.21%</u>	<b><u>6.51%</u></b>

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

Town of Carrboro, North Carolina  
 Demographic and Economic Statistics  
 Last Ten Calendar Years

Table 15

Year	Population	Per Capita Personal Income	Median Age	Chapel Hill and Carrboro Schools Public School Enrollment	Carrboro Schools Only Public School Enrollment	Unemployment Rate
2015	20,984	\$ 32,198	30.1	12,353	1,490	3.9%
2016	20,984	32,198	30.1	12,076	1,321	4.7%
2017	20,984	32,198	30.1	12,115	1,318	4.6%
2018	20,984	32,198	30.1	12,115	1,318	3.7%
2019	20,984	32,198	30.1	12,115	1,318	3.3%
2020	20,984	32,198	30.1	12,115	1,318	6.7%
2021	21,295	40,199	32.7	11,732	1,315	3.7%
2022	21,295	43,407	32.5	11,386	1,309	2.6%
2023	21,295	43,407	32.5	11,466	1,309	2.6%
<b>2024</b>	<b>21,295</b>	<b>53,514</b>	<b>34</b>	<b>11,219</b>	<b>2,930</b>	<b>2.8%</b>

**Notes:**

Orange County unemployment rate is used.

Population for 2022-2023 is based on last actual value calculated in 2020 from the U.S. Census Bureau.

Per capita personal income is based on the past 12 months (in 2019 dollars); Quick Facts calculated in 2020 from the U.S. Census Bureau.

Median age is based on projections from the U.S. Census in 2010.

Public school enrollment is based on data in 2022 Chapel Hill-Carrboro City Comprehensive Financial Reports Schools.

Schools that have a Carrboro mailing address are included in this demographic, which are Carrboro Elementary and Carrboro High School.

Town of Carrboro, North Carolina  
 Principal Employers  
 Current Year and Nine Years Ago

Table 16

2024			
Employer	Average Number of Employees	Rank	Percentage of Total Town Employment
Town of Carrboro	173	1	1.39%
Chapel Hill-Carrboro City Schools	150	2	1.20%
Orange Water and Sewer Authority	130	3	1.04%
Carolina Institute	90	4	0.72%
Kirby of Carrboro	80	5	0.64%
Weaver Street Market	75	6	0.60%
Crescent Green of Carrboro	70	7	0.56%
Fleet Feet Inc	70	8	0.56%
James Carter Studio-School-Jewelry	65	9	0.52%
Food Lion	65	10	0.52%
Total	<u>968</u>		<u>7.76%</u>

**Source:**  
 Town Department: Economic Development

Town of Carrboro, North Carolina  
 Principal Employers  
 Current Year and Nine Years Ago

Table 16

2015			
Employer	Average Number of Employees	Rank	Percentage of Total Town Employment
Town of Carrboro	229	1	1.96%
Chapel Hill-Carrboro City Schools	216	2	1.85%
Kaplan College	160	3	1.37%
Orange Water and Sewer Authority	119	4	1.02%
Food Lion	112	5	0.96%
Harris Teeter	94	6	0.80%
Weaver Street Market	75	7	0.64%
Piedmont Health Services, Inc.	69	8	0.60%
Tyler's Restaurant and Tap Room	50	9	0.43%
Acme Food	46	10	0.39%
	1,170		10.02%

**Source:**

Orange County Economic Development Commission, average number of employees 3rd quarter 2013 from Employment Security Commission.

**Town of Carrboro, North Carolina**  
**Full-Time Equivalent Town Government Employees by Function/Program**  
**Last Ten Fiscal Years**

**Table 17**

<b>Function/Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
General government:										
Mayor and Town Council	-	-	-	-	-	-	-	-	-	-
Town manager	6.0	6.0	3.0	3.0	4.0	4.0	3.0	1.0	5.0	3.0
Economic development	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0
Town clerk	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Management services	6.5	6.0	6.0	6.0	8.0	8.0	8.0	7.0	7.0	8.0
Human resources	1.5	2.0	3.0	3.0	2.0	2.0	2.0	3.0	3.0	3.0
Information technology	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Climate action	-	-	-	-	-	-	1.0	2.0	2.0	2.0
Housing and community services	-	-	-	-	-	-	2.5	3.0	3.0	3.0
Communication and engagement	-	-	-	-	-	-	-	1.5	1.5	4.0
Public safety:										
Police	41.0	41.0	41.0	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Fire	36.5	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0	37.0
Planning	13.5	13.5	14.5	13.5	15.5	15.5	14.5	14.5	14.5	15.0
Public works	35.0	36.0	37.0	36.0	39.0	39.0	40.5	35.0	35.0	36.0
Parks and recreation	12.5	12.0	13.0	13.0	13.5	13.5	13.5	13.5	13.5	13.5
<b>Total</b>	<b>158.5</b>	<b>159.5</b>	<b>160.5</b>	<b>159.5</b>	<b>167.0</b>	<b>167.0</b>	<b>169.5</b>	<b>166.0</b>	<b>170.0</b>	<b>173.0</b>

**Source:** Annual operating budget

## **OPERATING INFORMATION**

**Town of Carrboro, North Carolina**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Table 18**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government:					
Revolving loan inquiries	6	5	5	8	5
Small business counseling referrals	10	13	12	15	12
Privilege licenses issued	301	*	*	*	*
Public safety:					
Police:					
Major crimes	472	521	441	473	406
Criminal arrests	665	550	458	488	399
Motor vehicle accidents	453	540	514	465	491
Narcotics arrests	169	93	132	81	45
Fire:					
Fire and EMS responses	2,231	2,227	2,300	2,308	2,185
Inspections	646	1,050	1,020	421	941
Planning:					
Annexations	-	-	-	-	-
Zoning permits	87	73	62	53	70
Building permits for new residential	66	69	28	42	55
Building permits for new commercial	4	9	41	127	8
Value of building permits issued	\$ 14,424,416	\$ 13,021,295	\$ 11,905,162	\$ 50,502,713	\$ 138,482
Public works:					
Paved streets maintained (miles)	46	46	46	46	46
Unpaved streets maintained (miles)	2	2	2	2	2
Paved bikeways maintained (miles)	1	1	1	1	2
Litter collection (hours annually)	428	385	321	207	29
Residential refuse collection (tons annually)	2,754	2,132	2,497	2,740	2,547
Multi-family & commercial refuse collection	3,713	4,692	3,269	9,502	3,991
Bus shelters maintained	23	23	23	23	23
Parks and recreation:					
Athletic activities offered	46	42	51	63	65
Athletic activity participants	2,726	2,534	2,822	2,751	2,285
Athletic activity hours	1,079	972	942	877	1,068
Other activities offered	392	358	318	343	289
Other activity participants	34,988	22,793	22,720	28,436	26,031
Century Center rentals (a)	109	112	1,610	674	750
Park rentals (a)	135	186	410	526	650

**Sources:** Town departments

**Notes:** N/A - Information was not collected/available.

(a) One rental contract can be for more than one event.

\* North Carolina General Assembly eliminated privilege licenses in FY 2015.

**Town of Carrboro, North Carolina**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**Table 18**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government:					
Revolving loan inquiries	25	4	1	1	2
Small business counseling referrals	12	6	5	4	4
Privilege licenses issued	*	*	*	*	*
Public safety:					
Police:					
Major crimes	357	423	444	499	502
Criminal arrests	328	318	388	447	501
Motor vehicle accidents	452	329	407	409	407
Narcotics arrests	24	16	22	52	48
Fire:					
Fire and EMS responses	1,785	1,349	1,761	1,955	1,897
Inspections	355	240	591	551	857
Planning:					
Annexations	-	-	-	1	-
Zoning permits	159	139	81	93	121
Building permits for new residential	124	782	551	22	19
Building permits for new commercial	121	115	180	1	-
Value of building permits issued	\$ 45,965	\$ 289,786	\$ 331,145	\$ 290,704	\$ 14,461,291
Public works:					
Paved streets maintained (miles)	45	46	47	45	45
Unpaved streets maintained (miles)	2	2	2	2	2
Paved bikeways maintained (miles)	1	1	1	2	2
Litter collection (hours annually)	N/A	N/A	N/A	N/A	N/A
Residential refuse collection (tons annually)	2,736	2,804	2,864	2,680	2,630
Multi-family & commercial refuse collection	3,991	3,795	3,962	3,883	3,695
Bus shelters maintained	23	23	N/A	3	3
Parks and recreation:					
Athletic activities offered	50	47	46	63	65
Athletic activity participants	1,283	773	1,494	2,008	1,968
Athletic activity hours	617	447	574	704	690
Other activities offered	207	110	215	311	338
Other activity participants	15,154	7,580	12,000	13,950	14,229
Century Center rentals (a)	261	70	44	222	346
Park rentals (a)	234	115	200	1,345	2,746

**Sources:** Town departments

**Notes:** N/A - Information was not collected/available.

(a) One rental contract can be for more than one event.

\* North Carolina General Assembly eliminated privilege licenses in FY 2015.

Town of Carrboro, North Carolina  
**Capital Asset Statistics by Function/Program**  
 Last Ten Fiscal Years

Table 19

<b>Function/Program</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Public safety:										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol units	43	43	43	47	47	47	47	47	47	49
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	6	6	6	6	6	6	5	6	6	6
Public works:										
Refuse collection trucks	7	7	7	8	8	6	6	6	6	7
Replacement refuse collection trucks	1	1	1	-	-	2	2	2	2	1
Streets (miles)	43.27	43.27	43.27	46.70	46.70	47.04	47.04	47.04	47.04	47.04
Bike paths (miles)	3.32	3.32	3.32	3.32	3.84	3.84	3.84	3.84	3.84	3.84
Streetlights	986	986	986	986	1,014	1,014	1,064	1,064	1,064	1,064
Parks and recreation:										
Parkland (acres)	112	112	112	112	112	112	112	112	112	112
Parks (quantity)	10	10	10	10	10	10	10	10	10	10
Hiking trails	6	6	6	6	6	6	6	6	6	6
Dog parks	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	6	6	6	6	6	1
Baseball/softball fields	6	6	6	6	6	6	6	6	6	6
Basketball courts	4	4	4	4	4	4	4	4	4	4
Tennis courts	6	6	6	6	6	6	6	6	6	6
Volleyball courts	2	2	2	2	3	3	3	3	3	1
Multi-purpose fields	3	3	3	3	3	3	3	3	3	1
Fishing ponds	1	1	1	1	1	1	1	1	1	1
Playgrounds	8	8	8	8	8	8	8	8	8	8
Picnic shelters	5	5	5	5	5	5	5	5	5	5

Sources: Town Departments

## **COMPLIANCE SECTION**

**INDEPENDENT AUDITOR'S 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**

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the remaining fund information of the **Town of Carrboro, North Carolina** (the "Town") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 28, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that 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 were not identified. We identified a certain deficiency in internal controls, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

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## Report on Compliance and Other Matters

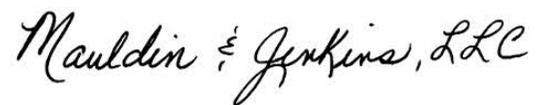
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Carrboro, North Carolina's Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinions on the response.

## 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.



Raleigh, North Carolina  
April 28, 2025

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

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

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the **Town of Carrboro, North Carolina's** (the "Town") compliance with the types of compliance requirements identified as subject to audit 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 each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2024.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Implementation Act*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

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### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *State Single Audit Implementation Act* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Implementation Act*, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

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We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*Mauldin & Jenkins, LLC*

Raleigh, North Carolina  
April 28, 2025

TOWN OF CARRBORO, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE AWARDS  
YEAR ENDED JUNE 30, 2024

Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	State Number	Grant Number	Current Year Expenditures	
				Federal Expenditures (Direct and Pass-through)	State Expenditures
<b>Federal Grants</b>					
U.S Department of Transportation:					
Passed through the North Carolina Department of Transportation:					
Highway Planning and Construction					
Highway Planning and Construction (Federal Aid Highway Program):					
Morgan Creek Greenway	20.205		U-4726DE	\$ 7,813	\$ -
Greensboro Street Sidewalk	20.205		47643.1.1	30,957	-
Jones Creek Greenway	20.205		U-4726 DF	150,000	-
S. Greensboro Street S/W	20.205		EL-4828A	4,070	-
Total Highway Planning and Construction				192,840	-
Total passed through North Carolina Department of Transportation				192,840	-
Total U.S. Department of Transportation Assistance				192,840	-
U.S. Department of the Treasury:					
Direct Programs:					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds					
	21.027		NC0075	6,349,792	-
Total Coronavirus State and Local Fiscal Recovery Funds				6,349,792	-
Total U.S. Department of the Treasury Assistance				6,349,792	-
U.S. Environmental Protection Agency:					
Passed through North Carolina Department of Environmental Quality:					
Watershed Restoration					
	66.460			161,835	-
Total U.S. Environmental Protection Agency Assistance				161,835	-
<b>State Grants</b>					
North Carolina Department of Transportation:					
Powell Bill					
		DOT-4		-	276,911
Total North Carolina Department of Transportation Assistance				-	276,911
Total assistance				\$ 6,704,467	\$ 276,911

# TOWN OF CARRBORO, NORTH CAROLINA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS YEAR ENDED JUNE 30, 2024

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### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the federal and state grant activity of the Town of Carrboro (the "Town") under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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, and, where applicable, cash flows thereof of the Town.

### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported in the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Town of Carrboro has not elected to use the 10 percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

# TOWN OF CARRBORO, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2024

### SECTION I SUMMARY OF AUDITOR'S RESULTS

#### **Financial Statements**

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

Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?

Yes  No

Significant deficiency(ies) identified?

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(ies) identified?

Yes  None reported

Type of auditor's report issued on compliance for major Federal programs:

Unmodified

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 Number

21.027

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

Yes  No

#### **State Awards**

There was not an audit of major state programs as the total expenditures of state awards did not exceed the \$500,000 threshold established by the State Single Audit Implementation Act for the fiscal year ended June 30, 2024.

# TOWN OF CARRBORO, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND RESPONSES YEAR ENDED JUNE 30, 2024

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

#### 2024-001 Restatement of Prior Year Balances

**Criteria:** Internal controls should be in place to ensure that financial statements properly present the financial position and results of the Town in accordance with generally accepted accounting principles.

**Condition:** Internal controls were not sufficient to timely detect material misstatements in the Town's financial statements for the year ended June 30, 2023.

**Context/Cause:** During our audit for the year ended June 30, 2024, material misstatements in the opening balances of the Town were identified and thus error corrections were required as follows:

- An adjustment of \$64,093 was made to the Governmental Activities to correct compensated absences balances to include FICA taxes.
- An adjustment of \$1,401 was made to the Stormwater Fund and Business-type Activities to correct compensated absences balances to include FICA taxes.
- An adjustment of \$41,284 was made to the General Fund and Governmental Activities to correct the balance for lease receivables and deferred inflows in accordance with GASB Statement No. 87, *Leases*.

**Effects:** As a result of the issues identified above, material audit adjustments were required to correct previously reported balances of the Town. The fund balance of the General Fund decreased by \$41,284, the net position of the Stormwater Fund and Business-type Activities decreased \$1,401 and the net position of the Governmental Activities decreased by \$105,377.

**Recommendation:** We recommend the Town carefully review the financial statement and the applicable reporting requirements under GAAP to ensure that all information and financial data is properly reported.

**Auditee's Response:** We concur with the finding.

### SECTION III FEDERAL AWARDS FINDINGS AND RESPONSES

None reported.

### SECTION IV STATE AWARDS FINDINGS AND RESPONSES

None reported.

# TOWN OF CARRBORO, NORTH CAROLINA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2024

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### **2023-001: Financial Accounting Closing Procedures**

**Criteria:** The objective of effective internal controls over financial reporting is to prevent or detect and correct material misstatements (caused by error or fraud) in a timely manner and permit the timely preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition:** During the audit for the year ended June 30, 2023, errors were identified in the balances provided for certain accounts, including accounts receivable, deferred revenue, stormwater revenue, and lease related assets and liabilities.

**Current Status:** Corrected.



## **Finding 2024-001: Restatement of Prior Year Balances**

**Primary Contact Person:** Chaz Offenburg, Chief Financial Officer

### **Corrective Action:**

In the *Schedule of Findings and Questioned Costs* for the year ending June 30, 2024, the auditors identified material misstatements in the Town's opening balances, which required corrections to the errors.

The Finance Department recognizes the need to strengthen internal controls and review procedures related to year-end financial reporting to ensure that the Town's financial statements comply with Generally Accepted Accounting Principles (GAAP).

The following corrective actions will be implemented immediately to ensure accurate financial reporting and minimize the risk of future restatements:

- Develop and implement a detailed year-end reconciliation checklist to ensure that all components of compensated absences, including related payroll taxes, are accurately recorded.
- Revise internal procedures and provide training for accounting staff on proper year-end accruals for compensated absences in accordance with GAAP.
- Conduct an annual inventory and review of all lease agreements to identify and correctly classify leases under GASB 87.
- Implement a standardized compliance checklist to guide the review process and ensure consistent adherence to GASB 87 requirements.
- Establish a formal year-end financial statement review process, including a secondary review by a qualified staff member or an external consultant with GAAP expertise.
- Create and implement a pre-audit checklist specifically designed to verify and reconcile beginning balances for all major funds and activities prior to audit submission.

**Proposed Completion Date:** Immediately

