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**AGENDA**  
**TOWN COUNCIL OF THE TOWN OF TARBORO, NC**  
**REGULAR MEETING HELD AT 7:00 PM, MONDAY, DECEMBER 11,**  
**2023**  
**IN THE COUNCIL ROOM, TOWN HALL, TARBORO, NC**

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**1. MEETING CALLED TO ORDER BY THE MAYOR**

**PLEASE TURN CELL PHONES OFF**

- (1) Invocation
- (2) Pledge of Allegiance
- (3) Acceptance of Certificate of Municipal Election – Wards 2, 4, 6, and 8
- (4) Oaths of Office
- (5) Recognition of Outgoing Councilmember - Al Braxton

**2. APPROVAL OF AGENDA BY COUNCIL**

**3. REQUESTS AND PETITIONS OF CITIZENS**

(Five minute time limit per person)

**4. REPORTS OF BOARDS AND COMMISSIONS**

- (1) Presentation of 2022-2023 Audit Report by Mr. Shelton Ennis from Joyce and Company, CPA

**5. TOWN MANAGERS RECOMMENDATIONS**

**Consent Items**

- (1) Approve minutes of the November 13, 2023 regular meeting.
- (2) Tax Collector's Report
- (3) Budget Transfers
- (4) 2023 Tax Levy Adjustment

**Action Items**

- (5) Freedom Org Lease of Buyout Lots
- (6) Budget Amendment Insurance Claim
- (7) Appointment for December - Edgecombe County Memorial Library Board of Trustees
- (8) Appointment for December - Tarboro-Edgecombe Public Arts Commission (TEPAC)

**6. OTHER REPORTS**

- A. Town Manager
- B. Town Attorney
- C. Council Members

**7. ADJOURNMENT**



**2023 MUNICIPAL ELECTION**  
**11/07/2023**  
**ABSTRACT OF VOTES**  
**FOR**  
**EDGECOMBE COUNTY, NORTH CAROLINA**

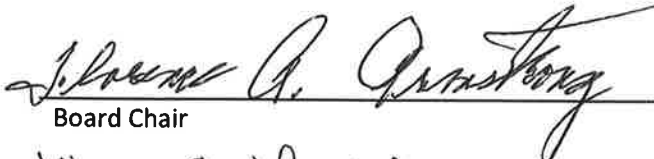
**INSTRUCTIONS**

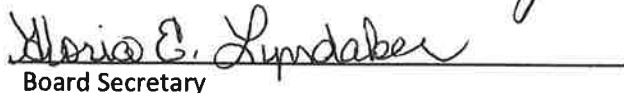
The county board shall prepare abstracts of all the ballot items in triplicate originals. The county board shall retain one of the triplicate originals, and shall distribute one each to the city or town clerk for the municipality and the State Board of Elections. The State Board of Elections shall forward the original abstract it receives to the Secretary of State. (GS § 163-182.6)

**STATE OF NORTH CAROLINA**  
**COUNTY OF EDGECOMBE**

The County Board of Elections for said county, having opened, canvassed, and judicially determined the original returns of the election in the precincts in this county, held as above stated, do hereby certify that the attached is a true abstract thereof, and contains the number of legal ballots cast in each precinct for each office or referendum named, the name of each person or choice voted for, their party affiliation (where applicable), and the number of votes cast for each person or choice for the item named.

This is the 17th day of November, 2023.

  
Board Chair

  
Board Secretary

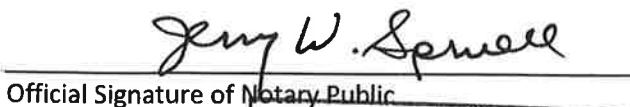
  
Board Member

  
Board Member

  
Board Member

This day personally appeared before me, Florence A. Armstrong, Chairman of the County Board of Elections, who being duly sworn, says the abstract of votes herein contained is true and correct, according to the returns made to said Board.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal this the 17th day of November, 2023.

  
Official Signature of Notary Public

Jerry W. Spruell  
Printed/Typed Name of Notary Public

Jerry Wayne Spruell  
NOTARY PUBLIC  
Edgecombe County, NC  
My Commission Expires: My Commission Expires JULY 09, 2027

(Seal)

TOWN OF TARBORO  
ELECTION RESOLUTION  
December 11, 2023

Having examined the abstract of votes cast at the Tarboro Municipal Election on Tuesday, November 7, 2023 for the election of four (4) Councilmembers, as certified by the Board of Elections of Edgecombe County, and having considered the certificate of the Town Clerk, with regard thereto, both of which certificates were filed with the Town Council, and having found the same in all respects to be true and correct;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL that it does find, determine and adjudicate that the said certificate of the Town Clerk, attached hereto, setting forth the names of the persons elected Councilmembers of their respective wards is in all respects true, accurate and correct and that the persons therein named have been duly and lawfully elected to their respective offices.

NORTH CAROLINA  
EDGECOMBE COUNTY  
TOWN OF TARBORO

I, LESLIE M. LUNSFORD, Town Clerk of the Town of Tarboro, do hereby certify that I have received from the Edgecombe County Board of Elections a certified true abstract copy of votes cast at a Town of Tarboro Municipal Election on Tuesday, November 7, 2023, for four (4) Town Councilmembers. The following were duly elected:

Councilmember:

Ward No. 2  
Ward No. 4  
Ward No. 6  
Ward No. 8

Leo Taylor  
C. B. Brown  
Deborah Faye Dew-Jordan  
Cutchin Anderson

  
\_\_\_\_\_  
Town Clerk







**RESOLUTION OF APPRECIATION  
AL BRAXTON  
COUNCILMAN, WARD EIGHT  
TOWN OF TARBORO**

**W**HEREAS, Al Braxton served as Councilman beginning July 11, 2022 with the Town of Tarboro filling an unexpired term for Ward Eight; and

**W**HEREAS, Councilman Braxton was dedicated to serving the Town of Tarboro by working to support policies of the Town Council, promoting economic development, and continuously seeking methods to progress and improve the Town of Tarboro; and

**W**HEREAS, during his tenure, Councilman Braxton was attuned to the specific needs of his Ward and made himself readily available to address his constituents; and

**W**HEREAS, Councilman Braxton has been attentive to the concerns voiced by his fellow Councilmembers, appreciative of Town of Tarboro employees, and Town Staff for their hard work and dedication to meet the needs of the Town and its citizens; and

**N**OW, THEREFORE, **BE IT RESOLVED** that the Town Council of the Town of Tarboro hereby extends to **COUNCILMAN AL BRAXTON**, sincere appreciation and thanks for his dedicated service to the residents of Ward Eight and for all residents of the Town of Tarboro.

Humbly submitted on this 11th day of December, 2023.



  
Tate Mayo, Mayor

# TOWN OF TARBORO, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR  
ENDING JUNE 30, 2023

# **TOWN OF TARBORO, NORTH CAROLINA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2023**

Prepared by:

**Anne Y. Mann  
Finance Director**

Member of the Government Finance Officers Association of the United States and Canada

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## **INTRODUCTORY SECTION**





# Town of Tarboro

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500 N Main Street, PO Box 220, Tarboro, NC 27886 (P) 252.641.4200 (F) 252.641.4286

October 30, 2023

To the Honorable Mayor, Town Council, and Town Manager:

State law requires that all general-purpose local governments annually publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Town of Tarboro for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the Town of Tarboro. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of Tarboro has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Tarboro's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Tarboro's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Tarboro's financial statements have been audited by Joyce and Company, CPA, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Tarboro for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Tarboro's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Compliance section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Tarboro's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

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The Town of Tarboro is located along the Tar River in the northeast part of North Carolina. It is the county seat of Edgecombe County. The Town was incorporated in 1760 and has a population of approximately 10,668. The Town of Tarboro takes pride in its Town Common, expansive Historic District, wide array of recreational activities, the revitalization of Main Street, and its many historic landmarks.

The Town operates under a Council/Manager form of government. The legislative body of the government of the Town is comprised of a Mayor and an eight-member Town Council. The Mayor is elected at-large on a non-partisan basis for a four-year term. The eight Council members are elected from wards on a non-partisan basis to four-year staggered terms. The governing body is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager. The Town Manager is responsible for carrying out the day-to-day operations of the Town and for appointing the heads of departments. A team of seven department heads assists the manager in operating the Town.

The Town operates electric, water and sewer, and storm water utilities, providing service to approximately 6,500 households and businesses within the Town and the surrounding area. We also provide a full range of municipal services, including police and fire protection, sanitation, street construction and maintenance, planning and zoning, building inspection, parks and recreation and recreational activities.

## **Budgetary Control**

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The annual budget serves as the foundation for the Town of Tarboro's financial planning and control. The Town has a formal operating budget process which begins in February each year with the Council Retreat and ends in May when the Town Council receives the recommended budget. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of the Town's fiscal year. Legal budgetary control for operating budgets is exercised at the fund and department level. The Town Manager may make transfers of appropriations within a fund. Transfers of appropriations between funds, however, require the approval of the Town Council. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year. Budget to actual comparisons are provided in this report for each individual governmental fund and proprietary funds for which an appropriated annual budget has been adopted.

## **Local Economy**

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The Town of Tarboro continues to have a positive outlook despite the global pandemic and current national economic trends. Tarboro has seen continual, consistent progress on projects within our jurisdiction over the past few years, and this trend is anticipated to progress.

Together in partnership with Carolina Gateway Partnership, the Tarboro Edgecombe Chamber of Commerce, and the Edgecombe Community College Small Business Center alongside the Town's individual efforts, we have continued to strengthen our business relationships within the community while also recruiting new business. The Town has worked extensively with Electricities to create a Key Accounts program that brings our staff together at regular intervals with our largest Electric Utility customers to bolster connections and strengthen partnerships. It is through relationships such as these that several local industries have recently chosen to expand operations and build additions, including Sara Lee, LS Cable, and Smithfield Productions.

Commercial business has continued to expand near the Highway 64 exit, bringing customers from both passing highway traffic as well as our retail trade area of over fifty-thousand residents within our surrounding rural area. These include Cookout, Tidal Wave Auto Salon, Main Street Family Urgent Care, Starbucks, and Tractor Supply Company. Plans for new national commercial investment have been received for areas closer to our town center, including Little Caesar's and Dunkin' Donuts.

In following our Economic Development Strategic Five-Year Plan created in partnership with the North Carolina Department of Commerce, our Economic Vitality Board works directly with staff to determine downtown investment needs, incentives, and policies. Our now-annual Downtown Investment Showcase has spurred new investment from out of town and local investors, with over three million dollars in real estate turnover in the past two years. Multiple buildings are currently under renovation for new businesses. Through the utilization of the Environmental Protection Agency Brownfields Grant, new plans for both the

downtown and the riverfront have been drawn up as a local and tourist destination, and anticipate downtown revitalizations which will draw further investment and thus sales tax revenue. A Rural Transformation Grant from the NC Department of Commerce will increase access to Riverfront Park and stabilize the riverfront. These plans include a need for downtown housing which will complement the over two-hundred and fifty new construction houses which have been built since 2020 in other sections of town. The Residential Incentive Policy has been utilized to construct a new subdivision which has been fully completed and all houses sold. Since that completion, two new residential developments have been proposed.

In the past five years, over \$100 million dollars of property value has been added to the tax base through development. The further development of local industry, commercial trade, and locally-owned businesses is a benefit to our citizens as employees, residents, and taxpayers. These expansions further our Town's goals of providing the highest standards in health, safety, and welfare of our citizens.

### **Financial Analysis of the Town**

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The Town is committed to budget and to expend available resources in a manner that will continue the improvement of the Town's fiscal condition and protecting and building reserves for future operating and capital needs.

The Town's annual operating budget balances projected revenues from taxes, fees and other sources of expenditures reflecting ongoing operations, strategic initiatives and other important investments. Town Council's established goals and objectives serve as the guide in decision making, along with the Town's shared values of excellent public service, excellent customer service, and innovation. Fiscal year 2024 focuses available resources on balancing the budget for existing services and projects, continued protection of the Town's fiscal condition, to ensure effective delivery of essential services, and continued planning and implementation of strategic initiative and investments designed to improve quality of life and economic development opportunities for all residents. The budget also provides for effectively maintaining and improving public infrastructure, including roadways, utility systems and public facilities and enabling implementation of recent planning activities.

#### **General Fund:**

For over ten years, the economy has been a major concern for the Town of Tarboro. Operating in a fiscally conservative manner has allowed Tarboro to maintain a comparatively low ad valorem tax rate and build sufficient fund balance to deal with unanticipated economic hardships such as natural disasters and global pandemics. As personnel and operational costs continue to rise and established objectives are addressed through increased expenditures, the Town has prolonged the need to increase taxes by appropriating fund balance and reducing costs in recent years. While the Town saw an increase in both property tax values and sales tax revenues this year, the increases were insufficient to cover the ever-expanding cost of providing current services. In order to begin closing the gap between revenues and the increasing costs of providing services, a 5¢ increase in the property tax rate was included in the 2023-2024 fiscal year budget.

**Enterprise Funds:**

In response to economic conditions and the COVID-19 Pandemic, the Town has chosen in recent years to delay needed rate increases in its enterprise funds. However, in order to operate in a fiscally responsible manner, it was necessary to increase rates to fully cover operational costs in the electric, water and sewer, and solid waste utilities. For the 2023-2024 fiscal year, rates were increased by four, five, and ten percent in these funds, respectively. Town staff is continuing the implementation and installation of an Advanced Metering Infrastructure (AMI) system, a project with completion expected in late 2023. This system provides functions that were not previously possible or had to be performed manually and is expected to create financial gain by reducing equipment and maintenance costs and enabling faster water leak detections and restoration of electric service during outages.

**Awards and Acknowledgements**

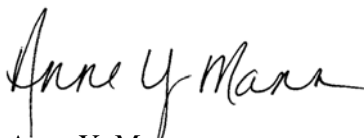
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**Certificate of Achievement for Excellence in Financial Reporting Program** - Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Tarboro for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the thirty-second consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. While still being reviewed by the GFOA as of the date of this letter, we believe that the report for June 30, 2022, as well as our current annual comprehensive financial report continue to meet the Certificate of Achievement Program's requirements. As such we expect certificates for each of these years.

**Acknowledgments** – The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor, Town Council, and Town Manager for their continuing support for maintaining the highest standards of professionalism in the management of the Town of Tarboro.

Respectfully submitted,



Anne Y. Mann  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Tarboro  
North Carolina**

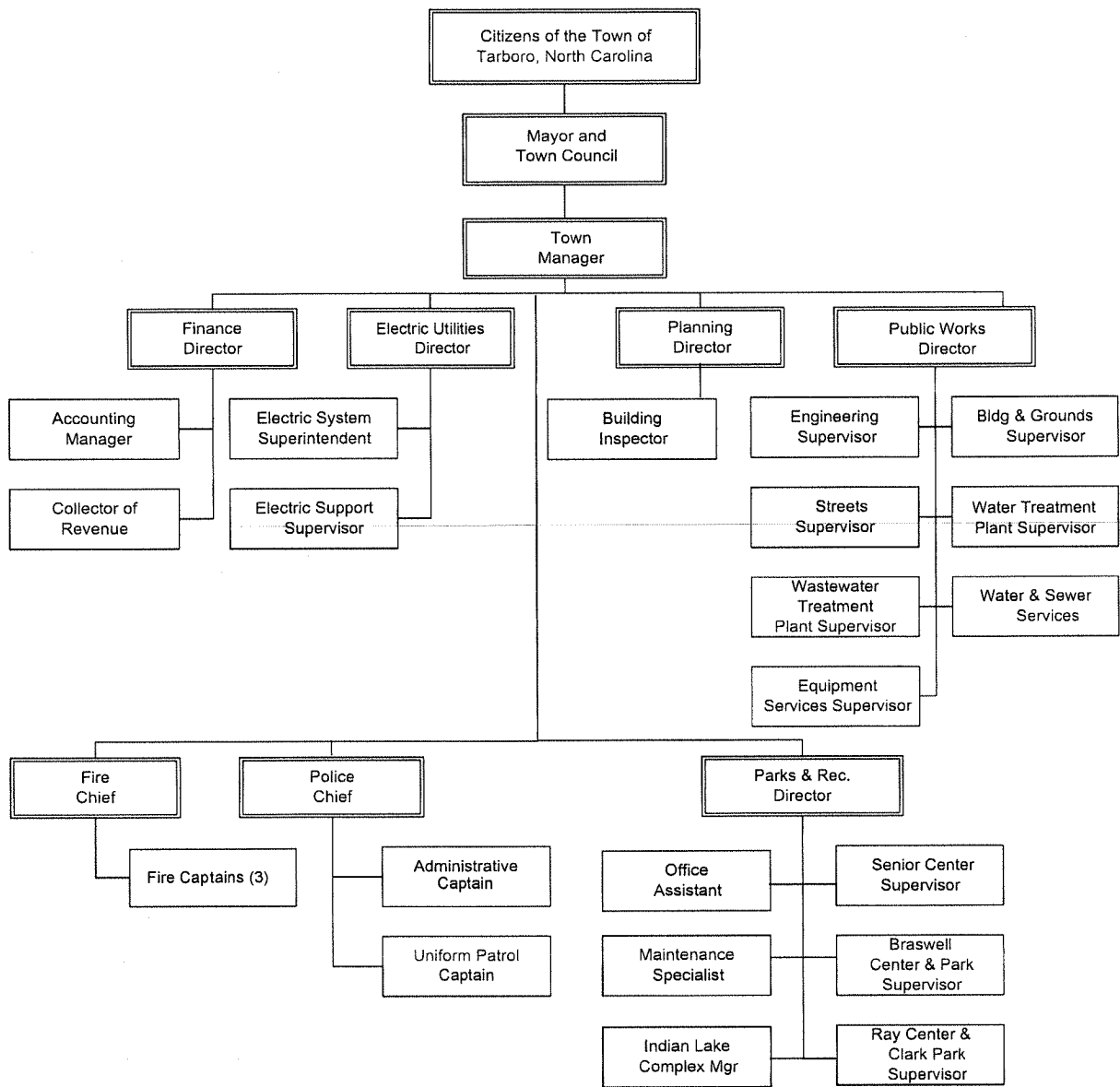
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart



# Principal Officials

## ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Total Length of Service</u>	<u>Term Expires</u> <sup>1</sup>
Mayor	Bryan T Mayo, Jr	4 Years	December, 2025
Councilman Ward 1	Othar Woodard	10 Years	December, 2025
Councilman Ward 2	Leo Taylor	8 Years	December, 2023
Councilman Ward 3	Stephen Burnette	10 Years	December, 2025
Councilman Ward 4	C B Brown	8 Years	December, 2023
Councilman Ward 5	John Jenkins	22 Years	December, 2025
Councilman Ward 6	Deborah Jordan	12 Years	December, 2023
Councilman Ward 7	Sabrina Bynum	7 Years	December, 2025
Councilman Ward 8	Alfred Braxton	2 Years	December, 2023

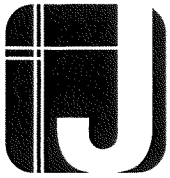
<sup>1</sup> The Mayor serves a four-year term. Councilmen serve four-year staggered terms.

## APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Length of Time In This Position</u>	<u>Length of Employment With The Town of Tarboro</u>
Town Manager	Troy Lewis	7 Years	23 Years
Finance Director	Anne Y Mann	9 Years	9 Years
Police Chief	Rick Mann	1 Year	18 Years
Public Works Director	Michael J Nichols	4 Years	22 Years
Electric Utilities Director	Charles Dickson	2 Years	16 Years
Fire Chief	Lee R Bell	4 Years	21 Years
Recreation Director	Travis Stigge	9 Years	9 Years
Planning Director	Catherine Grimm	8 Years	8 Years



## **FINANCIAL SECTION**



Joyce and  
Company,  
CPA

Certified Public Accountants

104 Brady Court, Cary, North Carolina 27511  
Phone 919-466-0946 Fax 919-466-0947

## **Independent Auditor's Report**

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

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tarboro, North Carolina, as of and for the year ended June 30, 2023, 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, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tarboro as of June 30, 2023, and the respective changes in financial position, and cash flows where applicable thereof and the respective budgetary comparison for the General Fund and major, annually budgeted special revenue funds, 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. 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 are required to be independent of the Town of Tarboro 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 Audit of the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and 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 raises substantial doubt about the Town of Tarboro's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 Governmental Auditing Standards, will always detect material misstatement when it exists. The risk of not detecting 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 *Governmental Auditing Standards* we

- exercised professional judgement and maintained 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 of Tarboro'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Tarboro'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.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 12 through 22, the Law Enforcement Officers' Special Separation Allowance's Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 69 through 70, the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios on page 73, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 71 through 72 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, required by 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tarboro's basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules, statistical section, as well as the accompanying 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 Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules and Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections 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 October 30, 2023, on our consideration of the Town of Tarboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of that report is 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 Town of Tarboro's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tarboro's internal control over financial reporting and compliance.

  
Joyce and Company, CPA  
Cary, North Carolina

October 30, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



## TOWN OF TARBORO

### Management's Discussion and Analysis

As management of the Town of Tarboro, we offer readers of the Town of Tarboro's financial statements this narrative overview and analysis of the financial activities of the Town of Tarboro for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

#### **Financial Highlights**

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- 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 \$31,125,334 (*net position*). The net position of the governmental activities increased by \$1,835,895, and the net position of the business-type activities decreased by \$1,427,792, from current year activities.
- The government's total net position increased by \$408,103, from current year activities due in large part to increases in grants and other intergovernmental revenues such as sales and franchise taxes as well as a substantial increase in investment income.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,841,095, an increase of \$617,738 in comparison with the prior year. Approximately 57.5 percent of this total amount, or \$3,935,951, is non-spendable, restricted, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,976,926 or 25.0 percent of total General Fund expenditures for the fiscal year.
- As of the close of the current fiscal year, the Town's business-type funds reported combined ending net position of \$34,202,369, a total decrease of \$1,427,792.

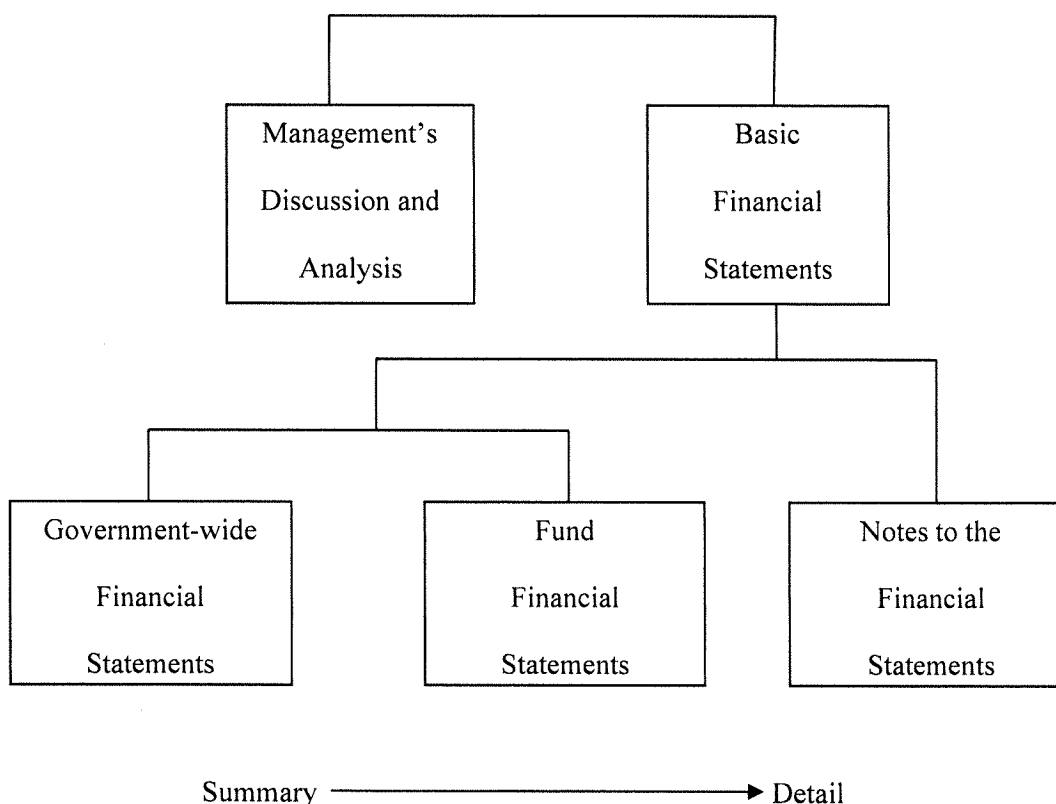
## Overview of the Financial Statements

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

### *Required Components of Annual Financial Report*

**Figure 1**



## Basic Financial Statements

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

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

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is

provided to show details about the Town's individual funds. Budgetary information required by the General Statutes can also be found in this part of the statements.

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

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer, electric, solid waste, and stormwater services offered by the Town of Tarboro.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

### **Fund Financial Statements**

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The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Tarboro, 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 of Tarboro can be divided into two categories: governmental funds and proprietary funds.

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

The Town of Tarboro adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the 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. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final



budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – The Town of Tarboro maintains four enterprise funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Tarboro uses enterprise funds to account for its water and sewer activity, for its electric operations, for solid waste operations, and for stormwater activities. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

## **Notes to the Financial Statements and Other Information**

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**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 36 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Tarboro's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 69 of this report.

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

## Government-Wide Financial Analysis

**Net Position** – Government-wide financial statements can provide an excellent overall view of the Town's transactions for the year and its financial condition at year end. In particular, comparing current year amounts with the previous year's figures can highlight areas in which the Town's finances are improving or deteriorating.

The following (Figure 2) reflects condensed information on the Town's net position.

**Figure 2:**

### Town of Tarboro Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 10,342,794	\$ 8,667,529	\$ 20,583,955	\$ 20,120,970	\$ 30,926,749	\$ 28,788,499
Capital assets	10,217,062	9,358,907	25,607,146	26,885,480	35,824,208	36,244,387
<b>Total Assets</b>	<b>20,559,856</b>	<b>18,026,436</b>	<b>46,191,101</b>	<b>47,006,450</b>	<b>66,750,957</b>	<b>65,032,886</b>
<b>Deferred outflows of resources</b>	<b>5,269,651</b>	<b>5,555,719</b>	<b>2,631,623</b>	<b>2,267,794</b>	<b>7,901,274</b>	<b>7,823,513</b>
<b>Liabilities</b>						
Long-term liabilities						
outstanding	21,279,933	22,483,428	10,151,428	8,825,743	31,431,361	31,309,171
Other liabilities	937,202	537,006	2,635,074	2,346,415	3,572,276	2,883,421
<b>Total Liabilities</b>	<b>22,217,135</b>	<b>23,020,434</b>	<b>12,786,502</b>	<b>11,172,158</b>	<b>35,003,637</b>	<b>34,192,592</b>
<b>Deferred inflows of resources</b>	<b>6,689,407</b>	<b>5,861,003</b>	<b>1,833,853</b>	<b>2,471,925</b>	<b>8,523,260</b>	<b>8,332,928</b>
<b>Net Position:</b>						
Net invested in capital assets	10,151,610	9,358,907	24,780,099	26,538,955	34,931,709	35,897,862
Restricted	3,248,904	3,221,891	-	-	3,248,904	3,221,891
Unrestricted	(16,477,549)	(17,880,080)	9,422,270	9,091,206	(7,055,279)	(8,788,874)
<b>Total net position</b>	<b>\$ (3,077,035)</b>	<b>\$ (5,299,282)</b>	<b>\$ 34,202,369</b>	<b>\$ 35,630,161</b>	<b>\$ 31,125,334</b>	<b>\$ 30,330,879</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town exceeded liabilities and deferred inflows by \$31,125,334 as of June 30, 2023.

As is the case for many entities, the largest portion of net position reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment less any related debt still outstanding that was issued to acquire those assets). These capital assets are used to provide services to citizens; consequently, they are not available for future spending. Although the Town's net investment in its capital assets is reduced by the outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to pay these related liabilities. An additional portion of the Town's net position, \$3,248,904, represents resources that are subject to external restrictions on how they may be used.

**Changes in Net Position** – The Town’s total revenues and expenditures for governmental and business-type activities, and their effect on the Town’s net position as of June 30, are reflected in the following (Figure 3).

**Figure 3:**

**Town of Tarboro  
Changes in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 938,377	\$ 938,366	\$ 27,484,978	\$ 27,715,608	\$ 28,423,355	\$ 28,653,974
Grants & contributions:				-		
Operating	2,202,625	1,258,828	1,502,825	1,105,173	3,705,450	2,364,001
Capital	1,445,151	186,780	-	-	1,445,151	186,780
General revenues:						
Property taxes	3,993,941	3,913,519	-	-	3,993,941	3,913,519
Other taxes	201,152	210,747	-	-	201,152	210,747
Other	4,749,121	4,263,303	545,219	186,314	5,294,340	4,449,617
Total revenues	13,530,367	10,771,543	29,533,022	29,007,095	43,063,389	39,778,638
<b>Expenses:</b>						
General government	4,476,825	4,475,975	-	-	4,476,825	4,475,975
Public safety	5,776,657	5,636,181	-	-	5,776,657	5,636,181
Transportation	1,342,320	950,287	-	-	1,342,320	950,287
Culture & recreation	1,903,665	1,886,041	-	-	1,903,665	1,886,041
Electric	-	-	21,912,669	22,494,362	21,912,669	22,494,362
Water & sewer	-	-	5,249,842	5,055,977	5,249,842	5,055,977
Solid waste	-	-	1,447,191	1,249,878	1,447,191	1,249,878
Stormwater	-	-	546,117	465,339	546,117	465,339
Total expenses	13,499,467	12,948,484	29,155,819	29,265,556	42,655,286	42,214,040
Increase (decrease) in net position before transfers	30,900	(2,176,941)	377,203	(258,461)	408,103	(2,435,402)
Transfers	1,804,995	1,801,300	(1,804,995)	(1,801,300)	-	-
Increase (decrease) in net position	1,835,895	(375,641)	(1,427,792)	(2,059,761)	408,103	(2,435,402)
Net position, July 1	(5,299,282)	(5,683,098)	35,630,161	38,348,742	30,330,879	32,665,644
Prior period adjustment	386,352	759,457	-	(658,820)	386,352	100,637
Net position, June 30	\$ (3,077,035)	\$ (5,299,282)	\$ 34,202,369	\$ 35,630,161	\$ 31,125,334	\$ 30,330,879

**Governmental Activities** – Governmental activities increased the Town’s net position by \$1,835,895 from the prior year. Key elements of the current year governmental activities change in net position are as follows:

- Total revenues for governmental activities increased by \$2,758,824, when compared to the prior year, including a \$2,202,168 increase in operating and capital grant funding and capital contributions. This increase is primarily attributable to the American Rescue Plan Act.
- The Town’s overall OPEB expense for the year decreased in response to a reduced liability and strong market returns, while the insurance expenses related to both operations and employee benefits continue to rise.
- Unrestricted intergovernmental, which includes items such as sales and franchise taxes, reflected continued growth in the Town’s economy showing an increase of \$250,697 over fiscal year 2022.
- Increases were reflected in expenses for all governmental activities. However, General Government and Cultural and Recreational increased in the amounts of \$850 and \$17,624, respectively. Such small increases are indicative of the Town’s commitment to prudent management of taxpayer funds.

**Business-type activities** - Business-type activities decreased the Town’s net position by \$1,427,792 from operations. Key elements of the current year’s activities are as follows:

- Total revenues for business-type activities increased by \$525,927 as compared to the prior year, including an investment income increase of \$398,390. However, total expenses for business-type activities remained relatively stable decreasing by \$109,737 overall when compared to the prior year.
- As in the governmental funds, the OPEB expense for the year decreased in response to a reduced liability and strong market returns.
- The net change in position for all business-type activities for the current fiscal year was a decrease of \$1,427,792. The changes in net position for Electric, Water and Sewer, Solid Waste, and Stormwater were (\$659,750); (\$709,027); (\$85,379) and \$26,364, respectively.
- The business-type activities transferred net funds to the governmental funds totaling \$1,804,995. This is an increase of \$3,695 compared to the prior year.

### **Financial Analysis of the Town’s Funds**

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

**Governmental Funds** – The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town’s financing requirements. Specifically, unassigned fund balance can be a useful means of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town’s combined governmental funds reported combined ending fund balances of \$6,841,095. The unassigned fund balance is available for spending at the government’s discretion. Due to restrictions related to long-term receivables and those mandated by grantor agencies, the total unassigned fund balance for the governmental funds is \$2,905,144. Fund balance is classified into four other categories: non-spendable, restricted, committed, and assigned. Please refer to

note E.12 on pages 42 and 43 for information about fund balance categories. The current year fund balance that is non-spendable is \$151,712. The current year fund balance that has been restricted is \$3,248,904. The current year fund balance that has been assigned is \$535,335, and it is designated for subsequent year's expenditures.

The General Fund is part of the governmental funds and is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,976,926, while total fund balance reached \$6,699,447. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25.0% of total General Fund expenditures, while total fund balance represents 56.278% of that same amount.

As of the end of the current year, the Town's governmental funds reported an increase in fund balance of \$617,738 in comparison with the prior year. Included in this change in fund balance is an increase in fund balance in the General Fund of \$460,531, an increase of \$76,039 in the ARP Fund, and an increase of \$81,168 in Non-Major Governmental Funds. The General Fund increase can be attributed to the previously mentioned increase in sales tax distributions and management's continued diligence in managing operational costs. The remaining non-major governmental funds reported a combined increase. Levels of fund balance in Special Revenue funds and Capital Projects funds will vary as their projects transition through various project completion phases.

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

There were several reasons that the Town revised its budget throughout the year. The budget revenues increased as the Town received several small grants and contributions. Although expenditures were kept well below the budgeted amounts during the year, there were amendments made to the budget for unexpected capital outlay expenditures.

The actual revenues for the General Fund were more than the budget amount by \$504,350. Ad valorem tax revenues exceeded expectations by \$70,617. Intergovernmental revenues again saw a notable increase from the prior year and exceeded the budgeted amount by \$173,445, mostly due to a conservative projection based on an uncertain economy. Sales and service revenues were also ahead of projections mainly due to the Town's increased operations after several years of facility closures and other programming reductions due to COVID-19. Investment earnings were \$150,901 more than budgeted due to conservative budgeting and a strengthening economy.

The actual operating expenses for the General Fund were less than the budget amount by \$1,370,998. The most significant savings were realized due to funds appropriated to projects that were unspent at fiscal year-end along with initiatives to reduce spending activities due to an uncertain economy and rising costs. General Government departments had operating expenditures less than the budget of \$194,753. There were budget savings within public safety with expenditures less than the budget by \$314,720. Amounts budgeted but unspent for transportation and cultural and recreational items were \$677,316 and \$184,209, respectively. Of these amounts, \$776,491 was re-appropriated to fiscal year 2024 for project completions.

**Proprietary Funds** – The Town of Tarboro's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Net position at the end of the year amounted to \$25,291,027 for the Electric Fund, \$7,803,923 for the Water and Sewer Fund, \$285,952 for the Solid Waste Fund, and \$821,467 for the Stormwater Fund. The change in net position for all four funds was (\$659,750); (\$709,027); (\$85,379) and \$26,364, respectively for a total net change of (\$1,427,792).

As mentioned previously, the ongoing economic impact of the COVID-19 pandemic continues to have effects on all operations of the Town of Tarboro, including the proprietary funds. Electric Fund operating revenues and expenditures remained in line with previous years as local industries delayed planned expansions until late in the fiscal year. The Water & Sewer Fund also reflect operating revenues and non-personnel operating expenses in line with the prior year for similar reasons. The remaining proprietary funds, Solid Waste and Stormwater, are not consumption based, and therefore are not impacted by decreased business operations to the extent that the consumption based utilities are.

## **Capital Asset and Debt Administration**

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**Capital assets** – The Town of Tarboro’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, totals \$35,824,208 (net of accumulated depreciation/amortization). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, distribution system and vehicles.

Major capital asset transactions during the year were limited and include the following:

### **Governmental Funds:**

#### **Additions**

- Braswell Park Mini-Pitch - \$175,000
- Fire Air/Rescue Truck - \$469,445
- Police Vehicles - \$111,530
- Recreation Facilities Improvements - \$211,059
- Public Safety Camera Project – \$172,946

#### **Disposals**

- Various Computer and Technology Equipment - \$392,259
- Out of Service Public Safety Equipment – \$1,019,604

### **Proprietary Funds:**

#### **Additions**

- Electric Distribution System Improvements - \$385,947
- AMI System Implementation - \$450,201
- Sanitation Trucks (2) - \$512,825

#### **Disposals**

- Various Computer and Technology Equipment - \$480,728
- Roll-out Containers - \$175,331

**Town of Tarboro, North Carolina**  
**Capital Assets**  
**Figure 8**

	Governmental	Business-type	Total	
	Activities	Activities		
	2023	2023	2023	2022
Land	\$ 1,990,807	\$ 1,285,932	\$ 3,276,739	\$ 3,205,098
Buildings & Other Improvements	3,158,748	345,696	3,504,444	3,207,225
Infrastructure	2,626,889	-	2,626,889	3,111,512
Substations, Lines, Equipment	-	13,334,602	13,334,602	14,351,580
Plant & Distribution Systems	-	8,415,635	8,415,635	8,831,015
Equipment	1,684,751	2,225,281	3,910,032	3,342,526
Construction in Progress	683,071	-	683,071	195,430
Intangible Right to Use Assets	72,796	-	72,796	195,431
Total Capital Assets (net of accumulated depreciation/amortization)	<u>\$ 10,217,062</u>	<u>\$ 25,607,146</u>	<u>\$ 35,824,208</u>	<u>\$ 38,683,899</u>

Additional information on the Town's Capital Assets can be found in Note II, Section A, beginning on page 47 of this report.

**Long-term Debt.** As of June 30, 2023, the Town of Tarboro had no bonded debt.

North Carolina General Statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town is \$78,869,795.

Additional information regarding the Town's long-term debt can be found in Note II, Section B, beginning on page 62 of this report.

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

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The following are key economic indicators of the Town. These factors have been considered when preparing the budget for fiscal year ending June 30, 2024.

- The unemployment rate for Edgecombe County was 6.2% as reported by the NC Department of Commerce at June 30, 2023. This is a 0.7% decrease in the unemployment rate compared to the prior year but remains higher than the national average.
- The Town experienced a second consecutive year of positive growth in revenues from property tax and intergovernmental sources. Total property tax revenues exceeded prior year figures, and this growth is expected to continue for the coming year as residential construction numbers continue to improve.
- Commercial business has expanded near the Highway 64 interchange with the completion of national chains which will continue to bring customers from both passing highway traffic as well as our retail trade area of over fifty-thousand residents within our surrounding rural area.

## **Budget Highlights for the Fiscal Year Ending June 30, 2024**

**Governmental Activities:** The ongoing economic impacts of the recovery from the pandemic, as well as the current political climate, continued to be at the forefront during the Town's budget process for the 2023-2024 fiscal year. The Town has always strived to budget conservatively, but during this time of crisis, difficult choices had to be made when preparing and adopting this budget. Due to the uncertainty of the impact on the Town's revenues, as well as the impact on the overall state and national economy, capital outlay was limited to essential needs, critical infrastructure, and completion of ongoing projects that could not be delayed.

The governmental fund's primary revenue sources are property taxes and intergovernmental revenues. There was an increase of five cents in the property tax rate bringing it to a rate of \$0.46 per \$100 valuation for the fiscal year ending June 30, 2024. The Town's budget contains several revenue sources that are dependent on the general economy. Among these are sales taxes, property taxes, interest income, and permit fees. The General Fund continues to have no bonded indebtedness, and the Town pay plan was adjusted by a 5% market adjustment for fiscal year 2023-2024.

**Business-type Activities:** Stormwater fees remained unchanged for fiscal year 2023-2024. However, due to rising costs of operations including materials, equipment, and third-party landfill contracts, the Electric and Water and Sewer rates, as well as the Solid Waste fee, were all increased with the adoption of the 2023-2024 budget. The Town's enterprise funds make the customers the top priority, and all efforts are made to provide the most reliable services at the lowest costs possible.

## **Requests for Information**

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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 Finance Director, Town of Tarboro, P. O. Box 220, Tarboro, NC 27886. One can also call (252) 641-4212, visit our website [www.tarboro-nc.com](http://www.tarboro-nc.com) or send an email to [annemann@tarboro-nc.com](mailto:annemann@tarboro-nc.com) for more information.



## **BASIC FINANCIAL STATEMENTS**

**Town of Tarboro, North Carolina**  
**Statement of Net Position**  
**June 30, 2023**

**Exhibit 1**  
**Page 1 of 2**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 4,635,125	\$ 14,467,641	\$ 19,102,766
Restricted cash	2,977,770	634,817	3,612,587
Taxes receivables (net)	273,194	-	273,194
Accrued interest receivable	15,159	33,337	48,496
Accounts receivable (net)	90,058	3,405,064	3,495,122
Due from other governments	1,683,347	179,908	1,863,255
Prepaid items	64,884	40,322	105,206
Inventories	90,537	1,822,866	1,913,403
Lease receivable	7,154	-	7,154
Total current assets	<u>9,837,228</u>	<u>20,583,955</u>	<u>30,421,183</u>
Non-current assets:			
Note receivable	505,566	-	505,566
Capital assets:			
Intangible right to use asset, net of amortization	72,796	-	72,796
Land and non-depreciable improvements	2,673,878	1,285,932	3,959,810
Other capital assets, net	7,470,388	24,321,214	31,791,602
Total non-current assets	<u>10,722,628</u>	<u>25,607,146</u>	<u>36,329,774</u>
<b>Total assets</b>	<u>20,559,856</u>	<u>46,191,101</u>	<u>66,750,957</u>
<b>Deferred Outflows of Resources:</b>			
Pension deferrals	2,841,259	1,890,887	4,732,146
OPEB deferrals	2,428,392	740,736	3,169,128
<b>Total deferred outflows of resources</b>	<u>5,269,651</u>	<u>2,631,623</u>	<u>7,901,274</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	762,690	1,841,549	2,604,239
Payable from restricted assets	7,926	634,817	642,743
Compensated absences - current	101,134	35,969	137,103
Current portion of long term liabilities	65,452	122,739	188,191
Total current liabilities	<u>937,202</u>	<u>2,635,074</u>	<u>3,572,276</u>
Long-term liabilities:			
Compensated absences	741,650	263,773	1,005,423
Net pension liability - LGERS	4,020,582	2,854,626	6,875,208
Total pension liability - LEO	1,567,553	-	1,567,553
Total OPEB liability	14,950,148	6,328,721	21,278,869
Due in more than one year	-	704,308	704,308
Total long-term liabilities	<u>21,279,933</u>	<u>10,151,428</u>	<u>31,431,361</u>
<b>Total liabilities</b>	<u>22,217,135</u>	<u>12,786,502</u>	<u>35,003,637</u>

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

**Town of Tarboro, North Carolina**  
**Statement of Net Position**  
**June 30, 2023**

**Exhibit 1**  
**Page 2 of 2**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Deferred Inflows of Resources:</b>			
Prepaid taxes	33,135	-	33,135
Grants	1,854,553	151,262	2,005,815
Leases	7,154	-	7,154
OPEB deferrals	4,434,052	1,546,659	5,980,711
Pension deferrals	360,513	135,932	496,445
<b>Total deferred inflows of resources</b>	<b>6,689,407</b>	<b>1,833,853</b>	<b>8,523,260</b>
<b>Net Position:</b>			
Net investment in capital assets	10,151,610	24,780,099	34,931,709
Restricted for:			
Stabilization by State statute	1,953,883	-	1,953,883
Public safety	213,430	-	213,430
Streets	1,081,591	-	1,081,591
Unrestricted	(16,477,549)	9,422,270	(7,055,279)
<b>Total net position</b>	<b>\$ (3,077,035)</b>	<b>\$ 34,202,369</b>	<b>\$ 31,125,334</b>

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

**Town of Tarboro, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

Exhibit 2  
Page 1 of 2

		Program Revenues		
		Charges for	Operating	Capital Grants
	Expenses	Services	Grants and	and
			Contributions	Contributions
<b>Functions/Programs</b>				
<b>Primary government:</b>				
Governmental Activities:				
General government	\$ 4,476,825	\$ 722,148	\$ 1,592,406	\$ 308,578
Public safety	5,776,657	-	142,456	929,544
Transportation	1,342,320	-	346,387	-
Cultural and Recreational	1,903,665	216,229	121,376	207,029
<b>Total governmental activities</b>	<b>13,499,467</b>	<b>938,377</b>	<b>2,202,625</b>	<b>1,445,151</b>
<b>Business-type activities:</b>				
Electric	21,912,669	21,180,185	1,434,965	-
Water and Sewer	5,249,842	4,398,317	59,367	-
Solid waste	1,447,191	1,343,386	8,493	-
Stormwater	546,117	563,090	-	-
<b>Total business-type activities</b>	<b>29,155,819</b>	<b>27,484,978</b>	<b>1,502,825</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 42,655,286</b>	<b>\$ 28,423,355</b>	<b>\$ 3,705,450</b>	<b>\$ 1,445,151</b>

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

**Town of Tarboro, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

**Exhibit 2**  
**Page 2 of 2**

	<b>Net (Expense) Revenue and Changes in Net Position Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Functions/Programs</b>			
<b>Primary government:</b>			
Governmental Activities:			
General government	\$ (1,853,693)	\$ -	\$ (1,853,693)
Public safety	(4,704,657)	-	(4,704,657)
Transportation	(995,933)	-	(995,933)
Cultural and Recreational	(1,359,031)	-	(1,359,031)
<b>Total governmental activities</b>	<b>(8,913,314)</b>	<b>-</b>	<b>(8,913,314)</b>
<b>Business-type activities:</b>			
Electric	-	702,481	702,481
Water and Sewer	-	(792,158)	(792,158)
Solid waste	-	(95,312)	(95,312)
Stormwater	-	16,973	16,973
<b>Total business-type activities</b>	<b>-</b>	<b>(168,016)</b>	<b>(168,016)</b>
<b>Total primary government</b>	<b>(8,913,314)</b>	<b>(168,016)</b>	<b>(9,081,330)</b>
<b>General revenues:</b>			
Taxes:			
Property taxes, levied for general purposes	3,993,941	-	3,993,941
Other taxes and licenses	201,152	-	201,152
Grants and contributions not restricted to specific programs	4,407,811	-	4,407,811
Unrestricted investment earnings	238,985	468,118	707,103
Miscellaneous	102,325	77,101	179,426
<b>Total general revenues</b>	<b>8,944,214</b>	<b>545,219</b>	<b>9,489,433</b>
Transfers	1,804,995	(1,804,995)	-
<b>Total general revenues and transfers</b>	<b>10,749,209</b>	<b>(1,259,776)</b>	<b>9,489,433</b>
<b>Change in net position</b>	<b>1,835,895</b>	<b>(1,427,792)</b>	<b>408,103</b>
<b>Net position, beginning (as previously reported)</b>	<b>(5,299,282)</b>	<b>35,630,161</b>	<b>30,330,879</b>
<b>Prior period adjustment</b>	<b>386,352</b>	<b>-</b>	<b>386,352</b>
<b>Net position, beginning (restated)</b>	<b>(4,912,930)</b>	<b>35,630,161</b>	<b>30,717,231</b>
<b>Net position, ending</b>	<b>\$ (3,077,035)</b>	<b>\$ 34,202,369</b>	<b>\$ 31,125,334</b>

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

**Town of Tarboro, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

Exhibit 3  
Page 1 of 2

	<b>Major Fund</b>		<b>Non-Major</b>	<b>Total</b>
	<b>General Fund</b>	<b>ARP Funding</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,967,170	\$ 76,039	\$ 591,916	\$ 4,635,125
Restricted cash and cash equivalents	1,077,119	1,900,651	-	2,977,770
Receivables, net:				
Taxes	273,194	-	-	273,194
Accounts	90,058	-	-	90,058
Accrued interest receivable	14,733	-	426	15,159
Due from other governments	1,369,418	10,506	303,423	1,683,347
Lease receivable	7,154	-	-	7,154
Prepays	61,175	-	3,709	64,884
Inventories	90,537	-	-	90,537
<b>Total assets</b>	<b>\$ 6,950,558</b>	<b>\$ 1,987,196</b>	<b>\$ 899,474</b>	<b>\$ 9,837,228</b>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 409,376	\$ 56,604	\$ 296,710	\$ 762,690
Payable from restricted assets	7,926	-	-	7,926
Due to other funds	(537,155)	-	537,155	-
<b>Total liabilities</b>	<b>(119,853)</b>	<b>56,604</b>	<b>833,865</b>	<b>770,616</b>
<b>Deferred Inflows of Resources:</b>				
Property taxes receivable	271,464	-	-	271,464
Special assessments, net	59,211	-	-	59,211
Prepaid taxes	33,135	-	-	33,135
Lease receivable	7,154	-	-	7,154
Deferred grants	-	1,854,553	-	1,854,553
<b>Total deferred inflows of resources</b>	<b>370,964</b>	<b>1,854,553</b>	<b>-</b>	<b>2,225,517</b>
<b>Fund Balances:</b>				
Non-spendable:				
Inventories	90,537	-	-	90,537
Prepays	61,175	-	-	61,175
Restricted:				
Stabilization by State statute	1,953,883	-	-	1,953,883
Public safety	-	-	213,430	213,430
Streets	1,081,591	-	-	1,081,591
Assigned:				
Subsequent year's expenditures	535,335	-	-	535,335
Unassigned	2,976,926	76,039	(147,821)	2,905,144
<b>Total fund balances</b>	<b>6,699,447</b>	<b>76,039</b>	<b>65,609</b>	<b>6,841,095</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,950,558</b>	<b>\$ 1,987,196</b>	<b>\$ 899,474</b>	<b>\$ 9,837,228</b>

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

**Town of Tarboro, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

**Exhibit 3**  
**Page 2 of 2**

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

Total Fund Balance, Governmental Funds		\$ 6,841,095
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	75,863,293	
Accumulated depreciation	<u>(65,719,027)</u>	10,144,266
Intangible right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		72,796
Note receivable is not a current financial asset and, therefore is not reported in the fund statements		505,566
Earned revenues considered deferred inflows of resources in fund statements.		330,675
Deferred outflows of resources related to pensions are not reported in the funds.		2,841,260
Deferred outflows of resources related to OPEB are not reported in the funds.		2,428,392
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:		
Net pension liability - LGERS	(4,020,582)	
Total pension liability - LEO	(1,567,553)	
OPEB liability	(14,950,148)	
Compensated absences	(842,784)	
Subscription liabilities	<u>(65,452)</u>	(21,446,519)
Deferred inflows of resources related to pensions are not reported in the funds.		(360,514)
Deferred inflows of resources related to OPEB are not reported in the funds.		<u>(4,434,052)</u>
Net position of governmental activities		<u><u>\$ (3,077,035)</u></u>

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

**Town of Tarboro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

Exhibit 4  
Page 1 of 2

	<b>Major Funds</b>		<b>Non-Major</b>	<b>Total</b>
	<b>General Fund</b>	<b>ARP Funding</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,075,104	\$ -	\$ -	\$ 4,075,104
Other taxes and licenses	201,152	-	-	201,152
Unrestricted intergovernmental	4,407,811	-	-	4,407,811
Restricted intergovernmental	501,206	1,373,510	1,773,060	3,647,776
Permits and fees	104,030	-	-	104,030
Sales and services	281,843	-	-	281,843
Investment earnings	157,151	76,039	5,795	238,985
Miscellaneous	136,258	-	-	136,258
Charges for services	552,504	-	-	552,504
Total revenues	<u>10,417,059</u>	<u>1,449,549</u>	<u>1,778,855</u>	<u>13,645,463</u>
<b>Expenditures:</b>				
Current:				
General government	3,083,561	-	1,570,595	4,654,156
Public safety	5,624,519	-	56,365	5,680,884
Transportation	684,621	-	-	684,621
Cultural and Recreational	1,816,088	-	-	1,816,088
Capital outlay	697,412	1,373,510	71,641	2,142,563
Total expenditures	<u>11,906,201</u>	<u>1,373,510</u>	<u>1,698,601</u>	<u>14,978,312</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,489,142)</u>	<u>76,039</u>	<u>80,254</u>	<u>(1,332,849)</u>
<b>Other Financing Sources (Uses):</b>				
Subscription liabilities issued	145,592	-	-	145,592
Transfers to other funds	(914)	-	-	(914)
Transfers from other funds	1,804,995	-	914	1,805,909
Total other financing sources (uses)	<u>1,949,673</u>	<u>-</u>	<u>914</u>	<u>1,950,587</u>
Net change in fund balance	<u>460,531</u>	<u>76,039</u>	<u>81,168</u>	<u>617,738</u>
Fund balances, beginning	<u>6,238,916</u>	<u>-</u>	<u>(15,559)</u>	<u>6,223,357</u>
Fund balances, ending	<u>\$ 6,699,447</u>	<u>\$ 76,039</u>	<u>\$ 65,609</u>	<u>\$ 6,841,095</u>

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



**Town of Tarboro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

**Exhibit 4**  
**Page 2 of 2**

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

Net changes in fund balances - total governmental funds		\$ 617,738
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay expenditures which were capitalized	2,142,563	
Depreciation and amortization expense for governmental assets	<u>(1,284,408)</u>	858,155
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities. (LGERS)		640,572
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities.		83,876
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities.		409,878
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		(81,163)
Change in unavailable revenue		(33,933)
Subscription liabilities issued and retired do not provide or use current financial resources and, therefore are not reported in the governmental funds		
• Subscriptions issued	(145,592)	
Subscriptions retired	<u>80,140</u>	(65,452)
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.		
Compensated absences	(119,204)	
Pension expense (LGERS)	(1,039,726)	
Pension expense (LEO)	(85,970)	
• OPEB (expense) benefit	531,910	
Economic development payments to be repaid to the government	<u>119,214</u>	(593,776)
Total changes in net position of governmental activities		<u><u>\$ 1,835,895</u></u>

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

**Town of Tarboro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2023**

**Exhibit 5**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Positive / (Negative)</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,004,487	\$ 4,004,487	\$ 4,075,104	\$ 70,617
Other taxes and licenses	213,000	213,000	201,152	(11,848)
Unrestricted intergovernmental	4,200,000	4,200,000	4,407,811	207,811
Restricted intergovernmental	496,072	535,572	501,206	(34,366)
Permits and fees	110,150	110,150	104,030	(6,120)
Sales and services	234,000	234,000	281,843	47,843
Investment earnings	6,250	6,250	157,151	150,901
Miscellaneous	37,750	56,750	136,258	79,508
Charges for services	552,500	552,500	552,504	4
Total revenues	<u>9,854,209</u>	<u>9,912,709</u>	<u>10,417,059</u>	<u>504,350</u>
<b>Expenditures:</b>				
Current:				
General government	3,197,367	3,477,899	3,283,146	194,753
Public Safety	5,934,824	6,067,581	5,752,861	314,720
Transportation	1,251,995	1,387,937	710,621	677,316
Cultural and Recreational	2,211,697	2,343,782	2,159,573	184,209
Total expenditures	<u>12,595,883</u>	<u>13,277,199</u>	<u>11,906,201</u>	<u>1,370,998</u>
Revenues over (under) expenditures	<u>(2,741,674)</u>	<u>(3,364,490)</u>	<u>(1,489,142)</u>	<u>1,875,348</u>
Other financing sources (uses):				
Appropriated fund balance	936,679	1,559,495	-	(1,559,495)
Subscription liabilities issued	-	-	145,592	145,592
Transfers to other funds	-	-	(914)	(914)
Transfers from other funds	1,804,995	1,804,995	1,804,995	-
Total other financing sources (uses)	<u>2,741,674</u>	<u>3,364,490</u>	<u>1,949,673</u>	<u>(1,414,817)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>460,531</u>	<u>\$ 460,531</u>
Fund balances, beginning			<u>6,238,916</u>	
Fund balances, ending			<u>\$ 6,699,447</u>	

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

**Town of Tarboro, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

**Exhibit 6**

	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 11,772,870	\$ 1,926,128	\$ 457,487	\$ 311,156	\$ 14,467,641
Restricted cash	577,867	56,950	-	-	634,817
Accounts receivable (net)	2,511,262	608,319	193,290	92,193	3,405,064
Accrued interest receivable	27,368	4,324	1,000	645	33,337
Sales tax receivable	79,957	84,882	10,453	4,616	179,908
Prepaid items	24,855	15,467	-	-	40,322
Inventories	1,744,569	78,297	-	-	1,822,866
Total current assets	<u>16,738,748</u>	<u>2,774,367</u>	<u>662,230</u>	<u>408,610</u>	<u>20,583,955</u>
Noncurrent assets:					
Capital assets:					
Land, non-depreciable improvements,	858,368	427,564	-	-	1,285,932
Other capital assets, net of	14,122,475	9,174,638	571,185	452,916	24,321,214
Capital assets (net)	<u>14,980,843</u>	<u>9,602,202</u>	<u>571,185</u>	<u>452,916</u>	<u>25,607,146</u>
Total assets	<u>31,719,591</u>	<u>12,376,569</u>	<u>1,233,415</u>	<u>861,526</u>	<u>46,191,101</u>
<b>Deferred Outflows of Resources:</b>					
Pension deferrals	819,070	788,113	198,517	85,187	1,890,887
OPEB deferrals	328,174	412,562	-	-	740,736
Total deferred outflows of resources	<u>1,147,244</u>	<u>1,200,675</u>	<u>198,517</u>	<u>85,187</u>	<u>2,631,623</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued	1,556,457	233,838	44,772	6,482	1,841,549
Payable from restricted assets	577,867	56,950	-	-	634,817
Compensated absences - current	17,321	13,485	3,773	1,390	35,969
Current portion of long-term debt	-	29,478	93,261	-	122,739
Total current liabilities	<u>2,151,645</u>	<u>333,751</u>	<u>141,806</u>	<u>7,872</u>	<u>2,635,074</u>
Non-current liabilities:					
Compensated absences	127,017	98,894	27,665	10,197	263,773
Net pension liability	1,243,054	1,218,680	291,301	101,591	2,854,626
Total OPEB liability	3,104,746	3,009,793	214,182	-	6,328,721
Non-current portion of long-term debt	-	287,569	416,739	-	704,308
Total non-current liabilities	<u>4,474,817</u>	<u>4,614,936</u>	<u>949,887</u>	<u>111,788</u>	<u>10,151,428</u>
Total liabilities	<u>6,626,462</u>	<u>4,948,687</u>	<u>1,091,693</u>	<u>119,660</u>	<u>12,786,502</u>
<b>Deferred Inflows of Resources:</b>					
OPEB deferrals	732,437	779,111	35,111	-	1,546,659
Deferred revenues	151,262	-	-	-	151,262
Pension deferrals	65,647	45,523	19,176	5,586	135,932
Total deferred inflows of resources	<u>949,346</u>	<u>824,634</u>	<u>54,287</u>	<u>5,586</u>	<u>1,833,853</u>
<b>Net Position:</b>					
Net investment in capital assets	14,980,843	9,285,155	61,185	452,916	24,780,099
Unrestricted	10,310,184	(1,481,232)	224,767	368,551	9,422,270
Total net position	<u>\$ 25,291,027</u>	<u>\$ 7,803,923</u>	<u>\$ 285,952</u>	<u>\$ 821,467</u>	<u>\$ 34,202,369</u>

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

**Town of Tarboro, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

**Exhibit 7**

	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Operating Revenues:</b>					
Charges for services	\$ 21,180,185	\$ 4,373,912	\$ 1,343,386	\$ 563,090	\$ 27,460,573
Water and sewer taps	-	24,405	-	-	24,405
Other operating revenues	1,434,965	59,367	8,493	-	1,502,825
<b>Total operating revenues</b>	<u>22,615,150</u>	<u>4,457,684</u>	<u>1,351,879</u>	<u>563,090</u>	<u>28,987,803</u>
<b>Operating Expenses:</b>					
Administration	3,275,517	2,968,844	1,364,440	134,901	7,743,702
Load management	165,336	-	-	-	165,336
Electric operations	709,802	-	-	-	709,802
Electric power purchases	16,154,554	-	-	-	16,154,554
Water treatment and distribution	-	581,861	-	-	581,861
Waste collection and treatment	-	611,829	-	-	611,829
Stormwater collection	-	-	-	359,607	359,607
Depreciation	1,607,460	1,087,308	82,751	51,609	2,829,128
<b>Total operating expenses</b>	<u>21,912,669</u>	<u>5,249,842</u>	<u>1,447,191</u>	<u>546,117</u>	<u>29,155,819</u>
<b>Operating income (loss)</b>	<u>702,481</u>	<u>(792,158)</u>	<u>(95,312)</u>	<u>16,973</u>	<u>(168,016)</u>
<b>Non-Operating Revenues (Expenses):</b>					
Investment earnings	388,106	62,875	7,817	9,320	468,118
Other non-operating revenues	54,658	20,256	2,116	71	77,101
<b>Total non-operating revenues</b>	<u>442,764</u>	<u>83,131</u>	<u>9,933</u>	<u>9,391</u>	<u>545,219</u>
<b>Income (loss) before contributions</b>	<u>1,145,245</u>	<u>(709,027)</u>	<u>(85,379)</u>	<u>26,364</u>	<u>377,203</u>
Transfers from (to) other funds	(1,804,995)	-	-	-	(1,804,995)
<b>Change in net position</b>	<u>(659,750)</u>	<u>(709,027)</u>	<u>(85,379)</u>	<u>26,364</u>	<u>(1,427,792)</u>
<b>Total net position, beginning</b>	<u>25,950,777</u>	<u>8,512,950</u>	<u>371,331</u>	<u>795,103</u>	<u>35,630,161</u>
<b>Total net position, ending</b>	<u>\$ 25,291,027</u>	<u>\$ 7,803,923</u>	<u>\$ 285,952</u>	<u>\$ 821,467</u>	<u>\$ 34,202,369</u>

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

**Town of Tarboro, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

Exhibit 8

	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 22,716,201	\$ 4,444,114	\$ 1,332,280	\$ 566,902	\$ 29,059,497
Cash paid for goods and services	(18,028,376)	(1,629,285)	(805,664)	(127,025)	(20,590,350)
Cash paid to or on behalf of employees for services	(2,515,230)	(2,464,663)	(550,859)	(358,757)	(5,889,509)
Net customer deposits	(22,093)	3,400	-	-	(18,693)
Net cash provided (used) by operating activities	<u>2,150,502</u>	<u>353,566</u>	<u>(24,243)</u>	<u>81,120</u>	<u>2,560,945</u>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Transfers to other funds	(1,804,995)	-	-	-	(1,804,995)
Other noncapital financing activities	54,658	20,256	2,116	71	77,101
Net cash provided (used) by noncapital financing activities	<u>(1,750,337)</u>	<u>20,256</u>	<u>2,116</u>	<u>71</u>	<u>(1,727,894)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(405,018)	(533,841)	(512,825)	(99,113)	(1,550,797)
Debt issued	-	-	510,000	-	510,000
Principal paid on bonds and installment purchases	-	(29,478)	-	-	(29,478)
Net cash provided (used) by capital and related financing activities	<u>(405,018)</u>	<u>(563,319)</u>	<u>(2,825)</u>	<u>(99,113)</u>	<u>(1,070,275)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest and dividends	372,792	60,722	7,321	9,011	449,846
Net cash provided (used) by investing activities	<u>372,792</u>	<u>60,722</u>	<u>7,321</u>	<u>9,011</u>	<u>449,846</u>
Net increase (decrease) in cash and	367,939	(128,775)	(17,631)	(8,911)	212,622
Balances, beginning	11,982,798	2,111,853	475,118	320,067	14,889,836
Balances, ending	<u>\$ 12,350,737</u>	<u>\$ 1,983,078</u>	<u>\$ 457,487</u>	<u>\$ 311,156</u>	<u>\$ 15,102,458</u>

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

**Town of Tarboro, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

**Exhibit 8**

	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income (loss)	\$ 702,481	\$ (792,158)	\$ (95,312)	\$ 16,973	\$ (168,016)
Adjustments to reconcile operating income					
Depreciation	1,607,460	1,087,308	82,751	51,609	2,829,128
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	180,628	(13,570)	(19,599)	3,812	151,271
(Increase) decrease in sales tax receivable	(23,251)	(33,051)	(633)	(2,027)	(58,962)
(Increase) decrease in prepaid items	(3,099)	(2,483)	-	-	(5,582)
(Increase) decrease in inventory	(321,814)	2,997	-	-	(318,817)
Increase (decrease) in accounts payable and accrued liabilities	117,571	127,235	(28,524)	(5,743)	210,539
Increase (decrease) in customer deposits	(22,093)	3,400	-	-	(18,693)
Increase (decrease) in compensated absences	17,418	8,429	5,767	(2,003)	29,611
(Increase) decrease in deferred outflows of resources - pensions	(316,665)	(301,586)	(73,721)	(43,563)	(735,535)
(Increase) decrease in deferred outflows of resources - OPEB	184,157	187,549	-	-	371,706
Increase (decrease) in net pension liability	954,928	909,455	222,312	131,365	2,218,060
Increase (decrease) in deferred inflows of resources - pensions	(503,788)	(479,798)	(117,284)	(69,303)	(1,170,173)
Increase (decrease) in deferred inflows of resources - OPEB	303,060	308,618	-	-	611,678
Increase (decrease) in deferred inflows of resources - Deferred revenue	(79,577)	-	-	-	(79,577)
Increase (decrease) in OPEB liability	(646,914)	(658,779)	-	-	(1,305,693)
Total adjustments	<u>1,448,021</u>	<u>1,145,724</u>	<u>71,069</u>	<u>64,147</u>	<u>2,728,961</u>
Net cash provided (used) by operating activities	<u>\$ 2,150,502</u>	<u>\$ 353,566</u>	<u>\$ (24,243)</u>	<u>\$ 81,120</u>	<u>\$ 2,560,945</u>

**Noncash investing, capital, and financing activities:**

None.

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

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

**I. Summary of Significant Accounting Policies**

The accounting policies of the Town of Tarboro (the Town) conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The Town is a municipal corporation, which is governed by an elected mayor and an eight-member council. Generally accepted accounting principles require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board Statement No. 14 have been considered and there are no agencies or entities in which should be presented as component units of the Town.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities; however, 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.

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

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

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

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023**

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 that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, federal and state grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, public works, and cultural and recreational services.

**ARP Fund.** This fund is used to account for American Rescue Plan Coronavirus State and Local Fiscal Recovery funds (ARP Funds) received by the Town and transfers made to other funds for eligible expenditures.

The Town reports the following non-major governmental funds:

**Emergency Telephone System Special Revenue Fund.** This fund is used to account for 911 revenues received by the State 911 Board to enhance the State's 911 emergency telephone system.

**Law Enforcement Special Revenue Fund.** This fund is used to account for drug forfeiture revenues received by the State to enhance law enforcement efforts related to illegal drug operations.

**Employee Relief Fund.** This fund is used to account for donations received after Hurricane Matthew.

**Disaster Relief Fund.** This fund is used to account for the grant and insurance revenues received after Hurricane Matthew that are restricted for use for a particular purpose.

**Disaster Recovery Project Fund.** This fund is used to account for disaster recovery funds including Hazard Mitigation and Community Development Block Grants.

**Essential Single-Family Rehabilitation Loan Pool Fund.** This fund is used to account for Essential Single-Family Rehabilitation Loan Pool Funds.

**General Grant Project Fund.** This fund is used to account for grants to be used for community revitalization projects.

**NC DOT CMAQ Fund.** This fund is used to account for Pedestrian Connectivity Funds.

**Grant Project Fund.** This fund is used to account for activity related to an EPA program to check previous industrial sites for contamination and mitigate those issues.

The Town reports the following major enterprise funds:

**Electric Fund.** This fund is used to account for the Town's electric operations.

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

**Solid Waste Fund.** This fund is used to account for the Town's solid waste operations.

**Stormwater Fund.** This fund is used to account for the Town's storm water operations.



**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**C. Measurement Focus and Basis of Accounting**

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023**

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by Edgecombe County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there 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.

**D. Budgetary Data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, special revenue funds, and enterprise funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Capital Projects Funds and the Enterprise Capital Projects Fund. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Budgetary control is exercised in all funds. Appropriations are made at the departmental (functional) level and can be amended as necessary by the governing board. The Town Manager is authorized to transfer appropriations within a fund; however, any revisions that alter total expenditures must be approved by the governing board. Budgeted amounts presented in the financial statements represent the amended budget ordinance as of June 30, 2023.

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

**1. Deposits and Investments**

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT Government Portfolio, which consists of an SEC-registered mutual fund (the Government Portfolio), is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries and government agencies, is a money market mutual fund (2a7) and maintains an AAAm rating from S&P and AAAmf by Moody's Investor Service. It is reported 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 6 months.

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2023**

**2. Cash and Cash Equivalents**

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

**3. Restricted Assets**

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are classified as restricted cash because it can be expended only for the purpose of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4.

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2022.

**5. Allowances for Doubtful Accounts**

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

**6. Lease Receivable**

The Town's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line bases over the term of the lease.

**7. Inventory and Prepaid Items**

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

The inventories of the Town's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

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

**8. Capital Assets**

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: Land, \$5,000; Buildings, improvements,

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$5,000; furniture and equipment, \$5,000; and vehicles, \$5,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported as estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. When an asset is disposed of, the related cost and accumulated depreciation are removed from the accounts.

The Town's capital assets also include certain right to use assets. These right to use assets arise association with agreements where the Town reports a lease (only applies when the Town is the lessee) or agreements where the Town reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

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 should be reported as a prepayment (asset). Such prepayments should be 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 should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be 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.

Capital assets are depreciated using the straight-line method over the following useful lives to the cost of the assets:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	25-50
Buildings	50
Improvements	30
Machinery and Equipment	5-10
Utility Work Vehicles	10
Passenger Vehicles	5

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, pension deferrals for the 2023 fiscal year and OPEB deferrals for the 2023 fiscal year. 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 assets that applies to future periods and

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

so will not be recognized as revenue until then. The Town has several items that meet this criterion for this category – prepaid taxes, special assessments, property taxes receivable, unearned grant revenues, lease receivables, OPEB deferrals and pension deferrals.

**10. Long-Term Obligations**

In the government-wide financial statements, and in the 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. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

**11. Compensated Absences**

The vacation policy of the Town provides for the accumulation of earned vacation leave with such leave being fully vested when earned. For employees hired on or after July 1, 2000, the maximum accumulation allowed is 240 hours (340 hours for fire fighters). For employees hired before that date the maximum accumulation is 480 hours (680 hours for fire fighters). For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The portion of that time is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

**12. Net Position/Fund Balances**

**Net Position**

Net position in government-wide and proprietary fund financial statements is 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, laws or regulations of other governments, or imposed by law through State statutes.

**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.

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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 certain payments to vendors applicable to future accounting periods and is, therefore, 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.

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

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain emergency telephone system and law enforcement expenditures.

Assigned Fund Balance – The portion of fund balance that the Town of Tarboro intends to use for specific purposes. The Town's governing body has the authority to assign fund balance to a specific purpose. The governing body authorizes the assignment of fund balance by the approval of a budget appropriation.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

Unassigned Fund Balance – The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive Unassigned Fund Balance.

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-Town funds, and 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

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fund balance, and, lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the Town.

**13. Defined Benefit Cost-Sharing Plans**

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

**F. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciation lives.

**II. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in 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 agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization. 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 adopted a formal policy regarding custodial credit risk for deposits and also 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, 2023, the Town's deposits had a carrying amount of \$5,472,495 and a bank balance of \$5,647,834. Of the bank balance, \$4,000,000 was covered by federal depository insurance, and the remainder was covered by collateral held under the Pooling Method. At June 30, 2023 the Town's petty cash fund totaled \$3,875.

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**2. Investments**

At June 30, 2023, the Town's investment balances were as follows:

<b>Investment by Type</b>	<b>Valuation Measurement Method</b>	<b>Book Value at 6/30/23</b>	<b>Maturity</b>	<b>Rating</b>
NC Capital Management Trust – Government Portfolio	Fair Value Level 1	\$17,238,983	N/A	AAAm

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.

*Interest Rate Risk.* The Town has no formal investment policy regarding interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's internal cash management plan limits at least half of the Town's investment portfolio to maturities of less than 121 days.

*Credit Risk.* The Town limits investments to provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The Town's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAAm-mf by Moody's Investors Service as of June 30, 2023.

**3. Receivables - Allowances for Doubtful Accounts**

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2023 are net of the following allowances for doubtful accounts:

	<u>June 30, 2023</u>
General Fund:	
Taxes receivable	\$ 79,220
Accounts receivable	485,419
Total General Fund	<u>564,639</u>
Enterprise Fund:	
Electric	145,570
Water and Sewer Fund	9,541
Solid Waste Fund	2,931
Storm Water Fund	1,228
Total Enterprise Funds	<u>159,270</u>
Total Allowance Doubtful Accounts	<u>\$ 723,909</u>



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Due from other governments consists of the following:

Local option sales tax	\$	877,524
Sales taxes		285,856
Video programming		35,014
Franchise taxes		215,287
Grants		387,441
Taxes collected by Edgecombe		
County		46,141
911 charges		8,709
Miscellaneous		7,283
	\$	<u>1,863,255</u>

**Lease Receivable**

In a previous year, the Town entered into a lease to rent 62 acres of land for \$120 per acre for year for a period of three years with rent paid annually to the Town. The lease receivable is measured at the present value of the future minimum lease payments expected to be received during the term of the lease at a discount rate of 4.0% which is the Town's incremental borrowing rate. In fiscal year 2023 the Town recognized \$6,879 of lease revenue under the lease.

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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Land	\$ 1,919,166	\$ 71,641	\$ -	\$ 1,990,807
Construction in Progress	195,431	746,061	258,421	683,071
Total capital assets not being depreciated	2,114,597	817,702	258,421	2,673,878
Capital assets being depreciated				
Buildings & Improvements	10,738,109	489,722	-	11,227,831
Infrastructure-streets	51,140,288	-	-	51,140,288
Infrastructure-sidewalk	661,067	-	-	661,067
Equipment	11,054,767	947,968	1,842,506	10,160,229
Total capital assets being depreciated	73,594,231	1,437,690	1,842,506	73,189,415
Less accumulated depreciation for				
Buildings & Improvements	7,797,449	271,634	-	8,069,083
Infrastructure-streets	48,130,791	480,171	-	48,610,962
Infrastructure-sidewalk	559,052	4,452	-	563,504
Equipment	9,862,629	455,355	1,842,506	8,475,478
Total accumulated depreciation	66,349,921	1,211,612	1,842,506	65,719,027
Total capital assets being depreciated, net	7,244,310	226,078	-	7,470,388
Capital Assets Being Amortized				
Right to use assets				
IT subscriptions	145,592	-	-	145,592
Less Accumulated Amortization for				
IT subscriptions	-	72,796	-	72,796
Total capital assets being amortized, net	145,592	(72,796)	-	72,796
Governmental activities				
Capital assets, net	\$ 9,504,499	\$ 970,984	\$ 258,421	\$ 10,217,062

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

General government	\$ 93,327
Public safety	363,743
Transportation	675,574
Cultural and recreational	151,764
	<u>\$ 1,284,408</u>

**Town of Tarboro, North Carolina**  
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<b>Business-type Activities:</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Electric Fund</b>				
Capital assets not being depreciated:				
Land	\$ 858,368	\$ -	\$ -	\$ 858,368
Construction in progress	-	-	-	-
Total	858,368	-	-	858,368
Capital assets being depreciated:				
Substation, lines & related equipment	53,505,507	385,946	4,419	53,887,034
Office & maintenance equipment	4,982,772	19,071	291,219	4,710,624
Total	58,488,279	405,017	295,638	58,597,658
Less accumulated depreciation:				
Substation, lines & related equipment	39,153,927	1,402,924	4,419	40,552,432
Office & maintenance equipment	4,009,434	204,536	291,219	3,922,751
Total	\$ 43,163,361	\$ 1,607,460	\$ 295,638	\$ 44,475,183
Total capital assets being depreciated, net	15,324,918			14,122,475
Electric Fund capital assets, net	\$ 16,183,286			\$ 14,980,843
<b>Water &amp; Sewer Fund</b>				
Capital assets not being depreciated:				
Land	\$ 427,564	\$ -	\$ -	\$ 427,564
Construction in progress	-	-	-	-
Total	427,564	-	-	427,564
Capital assets being depreciated:				
Plant & distribution system	37,948,238	450,201	-	38,398,439
Buildings	45,935	-	-	45,935
Equipment	4,234,303	83,640	378,528	3,939,415
Total	42,228,476	533,841	378,528	42,383,789
Less accumulated depreciation:				
Plant & distribution system	29,117,223	865,581	-	29,982,804
Buildings	2,488	2,297	-	4,785
Equipment	3,380,659	219,430	378,527	3,221,562
Total	\$ 32,500,370	\$ 1,087,308	\$ 378,527	\$ 33,209,151
Total capital assets being depreciated, net	9,728,106			9,174,638
Water & Sewer Fund capital assets, net	\$ 10,155,670			\$ 9,602,202

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
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<b>Business-type Activities (continued):</b>	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Solid Waste Fund</b>				
Capital assets being depreciated:				
Buildings	\$ 43,324	\$ -	\$ -	\$ 43,324
Maintenance equipment	1,199,458	512,825	198,707	1,513,576
Total	<u>1,242,782</u>	<u>512,825</u>	<u>198,707</u>	<u>1,556,900</u>
Less accumulated depreciation:				
Buildings	22,880	2,072		24,952
Maintenance equipment	1,078,791	80,679	198,707	960,763
Total	<u>1,101,671</u>	<u>\$ 82,751</u>	<u>\$ 198,707</u>	<u>985,715</u>
Total capital assets being depreciated, net	<u>141,111</u>			<u>571,185</u>
Solid Waste Fund capital assets, net	<u>\$ 141,111</u>			<u>\$ 571,185</u>
<b>Stormwater Fund</b>				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Buildings	\$ 231,358	\$ 99,113	\$ -	\$ 330,471
Maintenance equipment	287,242	-	-	287,242
Total	<u>518,600</u>	<u>99,113</u>	<u>-</u>	<u>617,713</u>
Less accumulated depreciation:				
Buildings	28,684	15,613		44,297
Maintenance equipment	84,503	35,997		120,500
Total	<u>113,187</u>	<u>\$ 51,610</u>	<u>\$ -</u>	<u>164,797</u>
Total capital assets being depreciated, net	<u>405,413</u>			<u>452,916</u>
Stormwater Fund capital assets, net	<u>405,413</u>			<u>452,916</u>
Business-type activities capital assets, net	<u>\$ 26,885,480</u>			<u>\$ 25,607,146</u>

**Town of Tarboro, North Carolina  
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**B. Liabilities**

**1. Pension Plan and Postemployment Obligations**

**a. Local Governmental Employees' Retirement System**

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

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with 5 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 5 years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with 5 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 5 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 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. The Town employees are required to contribute 6% of their compensation. Employer contributions are

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actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2023 was 13.04% of compensation for law enforcement officers and 12.14% 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 \$1,148,668 for the year ended June 30, 2023.

**Refunds of Contributions** – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to member with at least 5 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 the 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, 2023, the Town reported a liability of \$6,875,208 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing updated 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, 2022 (measurement date), the Town's proportion was .12187%, which was a increase of .00302% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of \$1,851,232. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 296,246	\$ 29,045
Changes of assumptions	685,992	-
Net difference between projected and actual earnings on pension plan investments	2,272,328	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,162	228,688
Employer contributions subsequent to the measurement date	1,146,291	-
Total	<u>\$ 4,418,019</u>	<u>\$ 257,733</u>

\$1,146,291 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a

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decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2024	915,898
2025	766,605
2026	248,912
2027	1,082,580
	<u>\$ 3,013,995</u>

**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	2.5 percent
Salary increases	3.25 to 8.25 percent, inflation and productivity factor
Investment rate of return	6.50 percent, net 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yield 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 of 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 weighing 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, 2022 are summarized in the following table:

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<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	33.0%	.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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 2.50%. All rates of return and inflation are annualized.

**Discount rate.** The discount rate used to measure the total pension liability 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 asset 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 (asset)	\$12,408,866	\$6,875,208	\$2,315,153

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

**b. Law Enforcement Officers Special Separation Allowance**

- Plan Description.** The Town of Tarboro 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 5 or more years of creditable



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service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	9
Active Members	28
Total	37

***Summary of Significant Accounting Policies:***

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

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

**2. *Actuarial Assumptions***

The entry age actuarial cost method was used in the December 31, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, inflation and productivity factor
Discount rate	4.31 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021.

All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

**3. *Contributions***

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The Town paid \$161,694, as benefits came due for the reporting period.

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

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

At June 30, 2023, the Town reported a total pension liability of \$1,567,553. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the Town recognized pension expense of \$164,237.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49,548	\$ 28,920
Changes of assumptions	180,703	209,792
Town benefit payments and plan administrative expenses made subsequent to the measurement date	83,876	-
Total	<u>\$ 314,127</u>	<u>\$ 238,712</u>

\$83,876 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2024	\$ 43,630
2025	32,177
2026	(45,395)
2027	(38,873)
	<u>\$ (8,461)</u>

***Sensitivity of the Town's total pension liability to changes in the discount rate.***

The following represents the Town's total pension liability calculated using the discount rate of 4.31 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 (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.37%)
Town's proportionate share of the net pension liability (asset)	<u>\$1,673,769</u>	<u>\$1,567,553</u>	<u>\$1,470,953</u>

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
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**Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance**

<b>Total Pension Liability as of December 31, 2021</b>	<b>\$ 1,857,307</b>
<b>Changes for the year:</b>	
Service Cost at end of year	72,059
Interest	40,039
Change in benefit terms	-
Difference between expected and actual experience	(15,982)
Changes of assumptions and other inputs	(230,235)
Benefit payments	(155,635)
Other	-
<b>Net changes</b>	<b>\$ (289,754)</b>
<b>Total Pension Liability as of December 31, 2022</b>	<b>\$ 1,567,553</b>

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

***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	\$ 1,851,232	\$ 164,237	\$ 2,015,469
Pension Liability	\$ 6,875,208	\$ 1,567,553	\$ 8,442,761
Proportionate share of the net pension liability	.12187%	N/A	

**Deferred Outflows of Resources**

Differences between expected and actual experience	\$ 296,246	\$ 49,548	\$ 345,794
Changes of assumptions	\$ 685,992	\$ 180,703	\$ 866,695
Net difference between projected and Actual earnings on plan investments	\$ 2,272,328	\$ -	\$ 2,272,328
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 17,162	\$ -	\$ 17,162
Benefit payments and administrative costs paid subsequent to the measurement date	\$ 1,146,291	\$ 83,876	\$ 1,230,167

**Deferred Inflows of Resources**

Differences between expected and actual experience	\$ 29,045	\$ 28,920	\$ 57,965
Changes of assumptions	\$ -	\$ 209,792	\$ 209,792
Changes in proportion and differences between contributions and Proportionate share of contributions	\$ 228,688	\$ -	\$ 228,688

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
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**c. Supplemental Retirement Income Plan for Law Enforcement Officers**

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

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$129,280 which consisted of \$100,299 from the Town and \$28,981 from the law enforcement officers.

**d. Other Postemployment Benefits**

**Healthcare Benefits**

**Plan Description.** Under the terms of a Town resolution, the Town administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Town Board 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.

**Benefits Provided.** Prior to August 1, 2011, retirees qualified for benefits similar to those of employees after a minimum of five years of creditable service with the Town. The Town pays the full cost of coverage for employees' benefits through private insurers and employees have the option of purchasing dependent coverage at the Town's group rates. Employees hired on or after August 1, 2011 who retire with a minimum of 20 years of creditable service also have the option of purchasing coverage for themselves and dependents at the Town's group rate. Employees hired on or after August 1, 2011 who retire with less than 20 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.

**Town of Tarboro, North Carolina**  
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Membership of the HCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	75	14
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	60	11
Total	135	25

**Total OPEB Liability**

The Town's total OPEB liability of \$21,278,869 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.25 to 8.41 percent, including inflation
Discount rate	3.54 percent
Healthcare cost trend rates	Pre-Medicare and Prescription – 7.00% decreasing to 4.5% by 2031 Medicare and Prescription – 5.125% decreasing to 4.5% by 2024

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
<b>Total OPEB Liability as of June 30, 2021</b>	<b>\$ 26,437,672</b>
<b>Changes for the year:</b>	
Service cost	476,642
Interest	574,289
Changes of benefit terms	-
Differences between expected and actual experience	4,207
Changes in assumptions or other inputs	(5,556,694)
Benefit payments	(657,247)
Other	-
<b>Net Changes</b>	<b>\$ (5,158,803)</b>
<b>Total OPEB Liability as of June 30, 2022</b>	<b>\$ 21,278,869</b>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

**Town of Tarboro, North Carolina**  
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Mortality rates were based on the MP-2019 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 2015 through December 2019.

*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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase</b>
Total OPEB Liability	\$25,107,135	\$21,278,869	\$18,273,024

*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 healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$17,962,421	\$21,278,869	\$25,544,573

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

For the year ended June 30, 2023, the Town recognized OPEB income of \$623,250. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 6,071	\$ 1,767,779
Changes of assumptions	2,618,598	4,212,932
Town benefit payments and plan administrative expenses made subsequent to the measurement date	544,459	-
Total	<b>\$ 3,169,128</b>	<b>\$ 5,980,711</b>

**Town of Tarboro, North Carolina  
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\$538,783 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 pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (1,294,999)
2025	(998,437)
2026	(1,062,606)
	<u>\$ (3,356,042)</u>

**2. Other Employment Benefits**

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

**3. Internal Revenue Code Section 457 Plans**

The Town offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all Town employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town has complied with changes in the laws, which govern the Town's Deferred Compensation Plan, requiring all assets of the plan to be held in a trust for the exclusive benefit of the participants and their beneficiaries. Total contributions for the year ended June 30, 2023 were \$34,725, which consisted of \$19,093 from the Town and \$15,632 from employees.

**4. Internal Revenue Code Section 401(k) Plan**

The Town also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). The plan is sponsored by the State of North Carolina and is governed by the Department of State Treasurer and the Plan's Board of Trustees. The Department and Board have contracted with Prudential Retirement Services to be the plan administrator.

The plan is available to all Town employees. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available

**Town of Tarboro, North Carolina**  
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until termination, retirement, death, or financial hardships. Total contributions for the year ended June 30, 2023 were \$604,104, which consisted of \$430,262 from the Town and \$173,842 from employees.

**5. Deferred Outflows and Inflows of Resources**

Deferred outflows of resources at year-end were comprised of the following:

Differences between expected and actual experience (LGERS)	\$ 296,246
Changes of assumptions (LGERS)	685,992
Net difference between projected and actual earnings on plan investments (LGERS)	2,272,328
Changes in proportion and differences between contributions and proportionate share of contributions (LGERS)	17,162
Contributions to the pension plan in the current fiscal year (LGERS)	1,146,291
Differences between expected and actual experience (LEOSSA)	49,548
Changes in assumptions (LEOSSA)	180,703
Benefit payments and administrative costs paid subsequent to the measurement date (LEOSSA)	83,876
Differences between expected and actual experience (OPEB)	6,071
Changes of assumptions (OPEB)	2,618,598
Benefit payments and administrative costs paid subsequent to measurement date (OPEB)	544,459
	<u>\$ 7,901,274</u>

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

	Statement of Net Position	Governmental Funds
Prepaid taxes (General Fund)	\$ 33,135	\$ 33,135
Special assessments receivable (General Fund)	-	59,211
Taxes receivable	-	271,464
Unearned Grant Revenues	1,854,553	1,854,553
Unearned revenues	151,262	-
Lease receivable	7,154	7,154
Difference between expected and actual experience (OPEB)	1,767,779	-
Changes in assumptions (OPEB)	4,212,932	-
Difference between expected and actual experience (LEOSSA)	28,920	-
Changes in assumptions (LEOSSA)	209,792	-
Differences between expected and actual experience (LGERS)	29,045	-
Changes in proportion and differences between contributions and proportionate share of contributions (LGERS)	228,688	-
	<u>\$ 8,523,260</u>	<u>\$ 2,225,517</u>



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**6. 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 and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees of the Plan each year. Stop loss insurance is purchased by the Board of Trustees of the Plan to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees of the Plan can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town continues to carry commercial insurance for public officials' liability and law enforcement liability. Settled claims from all risks have not exceeded insurance coverage in any of the last three fiscal years.

The Town carries flood insurance through the National Flood Insurance Plan (NFIP). Because the Town is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the Town is eligible to purchase coverage of \$500,000 per structure through the NFIP. The Town has total flood insurance coverage of \$2,500,000.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Collector are each individually bonded for \$250,000.

**7. Long-Term Obligations**

**a. ARRA Revolving Loan**

A Promissory Note in the amount of \$146,765 was executed on January 6, 2010. The Federal Revolving Loan is due in annual installments of \$7,338 through May 2, 2030 at 0.00% interest. The balance of the revolving loan as of June 30, 2023 is \$51,368. Annual debt service payments are as follows:

**Town of Tarboro, North Carolina**  
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<b>Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	
2024	\$ 7,338	\$ -	
2025	7,338	-	
2026	7,339	-	
2027	7,338	-	
2028	7,338	-	
2029-2030	14,677	-	
<b>Total</b>	<b>\$ 51,368</b>	<b>\$ -</b>	

**b. DENR Revolving Loan**

In March 2015, the Town entered into an agreement with the Department of Environmental Quality – Division of Water Infrastructure under the Water Pollution Control Revolving Fund program. Under the agreement, the original principal amount of \$937,750 is immediately reduced by 50% to \$468,875. The agreement requires annual payments in the amount of \$22,140 through May 2035 at 0.00% interest. Annual debt service payments are as follows:

<b>Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	
2024	\$ 22,140	\$ -	
2025	22,140	-	
2026	22,140	-	
2027	22,140	-	
2028	22,140	-	
2029-2033	110,699	-	
2034-2035	44,280	-	
<b>Total</b>	<b>\$ 265,679</b>	<b>\$ -</b>	

**c. Installment Purchase**

In December 2022, the Town entered into an agreement with Truist Bank for the purchase of garbage trucks. Under the agreement \$510,000 was borrowed with interest at 4.48%. Payable in annual payments of \$116,109, including interest. Annual debt service payments are as follows:

<b>Year Ending</b>			
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	
2024	\$ 93,261	\$ 22,848	
2025	97,439	18,670	
2026	101,805	14,304	
2027	106,365	9,744	
2028	111,130	4,979	
<b>Total</b>	<b>\$ 510,000</b>	<b>\$ 70,545</b>	

At June 30, 2023, the Town had a legal debt margin of \$78,869,795.

**Town of Tarboro, North Carolina**  
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**d. Subscriptions**

For the year ended June 30, 2023 the Town implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Subscriptions in affect at the end of the prior fiscal year had their assets and liabilities measured at the present value of the subscription payments expected over the remaining term of the Subscription after July 1, 2022. The Town had a total of two existing Subscriptions in the Governmental Funds.

The first agreement was in place at June 30, 2022 and is for a Subscription for the Town's financial accounting software. The initial term of the agreement was for four years with a one year renewal which is expected to be exercised. The remaining term at June 30, 2023 is 17 months. The Subscription does not have a stated interest rate. Accordingly the Town's incremental borrowing rate of 4.5% was used to discount the subscription payments. As a result, the amount of \$130,592 was added as a right-to use subscription asset and a subscription liability as of July 1, 2022. This restatement has no affect on equity. The liability balance at June 30, 2023 was \$65,452.

The second agreement was in place at June 30, 2022 and is for a Subscription for the engineering software. The initial term of the agreement was for three years. The remaining term at June 30, 2023 is 17 months. The Subscription does not have a stated interest rate. Accordingly the Town's incremental borrowing rate of 4.5% was used to discount the subscription payments. As a result, the amount of \$15,000 was added as a right-to use subscription asset and a subscription liability as of July 1, 2022. This restatement has no affect on equity. The liability balance at June 30, 2023 was \$0.

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
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**e. Changes in Long-Term Liabilities**

A summary of changes in long-term obligations follows:

	Balance			Balance	Current
	July 1, 2022	Increases	Decreases	June 30, 2023	Position
<b>Governmental Activities:</b>					
Compensated absences	\$ 723,580	\$ 560,771	\$ 441,567	\$ 842,784	\$ 101,134
IT Subscription liabilities	145,592	-	80,140	65,452	65,452
Net pension liability (LGERS)	1,186,113	3,765,986	931,517	4,020,582	-
Total pension liability (LEO)	1,857,307	-	289,754	1,567,553	-
Total OPEB liability	18,803,258	-	3,853,110	14,950,148	-
Total government activities	\$ 22,715,850	\$ 4,326,757	\$ 5,596,088	\$ 21,446,519	\$ 166,586
<b>Business-type Activities:</b>					
<b>Electric Fund:</b>					
Compensated absences	\$ 126,920	\$ 94,937	\$ 77,519	\$ 144,338	\$ 17,321
Net pension liability (LGERS)	288,126	1,267,336	312,408	1,243,054	-
Total OPEB liability	3,751,660	-	646,914	3,104,746	-
Total Electric Fund	\$ 4,166,706	\$ 1,362,273	\$ 1,036,841	\$ 4,492,138	\$ 17,321
<b>Water and Sewer Fund:</b>					
Compensated absences	\$ 103,951	\$ 74,941	\$ 66,513	\$ 112,379	\$ 13,485
ARRA Revolving Loan	58,706	-	7,338	51,368	7,338
DENR Revolving Loan	287,819	-	22,140	265,679	22,140
Net pension liability (LGERS)	309,225	1,206,919	297,464	1,218,680	-
Total OPEB liability	3,668,572	-	658,779	3,009,793	-
Total Water and Sewer Fund	\$ 4,428,273	\$ 1,281,860	\$ 1,052,234	\$ 4,657,899	\$ 42,963
<b>Solid Waste Fund:</b>					
Installment purchase contract	\$ -	\$ 510,000	\$ -	\$ 510,000	\$ 93,261
Compensated absences	25,671	14,683	8,916	31,438	3,773
Net pension liability (LGERS)	68,989	294,602	72,290	291,301	-
Total OPEB liability	214,182	-	-	214,182	-
Total Solid Waste Fund	\$ 308,842	\$ 819,285	\$ 81,206	\$ 1,046,921	\$ 97,034
<b>Stormwater Fund:</b>					
Compensated absences	\$ 13,590	\$ 7,960	\$ 9,963	\$ 11,587	\$ 1,390
Net pension liability (LGERS)	(29,774)	173,727	42,362	101,591	-
Total Solid Waste Fund	\$ (16,184)	\$ 181,687	\$ 52,325	\$ 113,178	\$ 1,390
Total Business-type Activities	\$ 8,887,637	\$ 3,645,105	\$ 2,222,606	\$ 10,310,136	\$ 158,708

Compensated absences, total OPEB liability, and net pension liability for governmental activities have typically been liquidated in the General Fund.

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
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**C. Inter-fund Balances and Activity**

Transfers to/from other funds at June 30, 2023, consist of the following:

From the Electric Fund to the General Fund	\$ 1,804,995
From the General Fund to the Emergency Telephone System Fund	914

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

Inter-fund Activity at June 30, 2023, consists of the following:

The General Fund was due \$49,918 from the NCDOT CMAQ Fund, \$444,098 from the Disaster Recovery Fund, \$28,276 from the Essential Single-Family Rehabilitation Loan Pool Fund, and \$14,863 from the Grant Project Fund. The General Fund advanced funds to assist with routine start-up costs as directed by the Town Council.

**D. Fund Balance**

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

Total Fund Balance - General Fund	\$ 6,699,447
Less restricted for:	
Inventories	90,537
Prepays	61,175
Stabilization by State Statute	1,953,883
Streets	1,081,591
Subsequent year's expenditures	535,335
Available Fund Balance	\$ 2,976,926

The Non-Major Governmental funds include three multi-year project funds with deficit fund balances as shown on page 79. The project ordinances for these funds authorize all appropriations necessary for completion of these projects in subsequent years.

**III. Jointly Governed Organization**

The Town, in conjunction with other local governments, is a member of the North Carolina Eastern Municipal Agency (the Agency). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities. Each participating government appoints one commissioner to the Agency's governing board. The 32 members, that receive power from the Agency, have signed power sales agreements to purchase a specified shared of the power generated by the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The Town's purchases of power for the year ended June 30, 2023 totaled \$16,154,554.

The Town, in conjunction with 5 counties and other municipalities, established the Upper Coastal Plain Council of Governments (Council). The participating governments established the council to coordinate various funding received from federal and State agencies. Each participating

**Town of Tarboro, North Carolina**  
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**For the Fiscal Year Ended June 30, 2023**

government appoints one member to the Council's governing board. The Town paid membership fees of \$5,058 to the Council during the fiscal year ended June 30, 2023.

**IV. Joint Ventures**

The Town participates in two joint ventures with Edgecombe County (County) as follows: Tarboro-Edgecombe Airport Authority and Edgecombe County Memorial Library.

Tarboro-Edgecombe Airport Authority

The Town, in conjunction with the County, participates in a regional airport. Each government appoints three members to the seven-member board. The seventh member is jointly appointed by both governments. The Airport is a joint venture established to facilitate economic expansion within the County and improve the quality of life for its citizens. The Airport has been in existence for twenty seven years, but it is not self-sustaining. The Town has an ongoing financial responsibility for the Airport to honor any deficiencies in the event that proceeds from other default remedies are insufficient. The Town contributed \$14,125 to the Airport during the fiscal year ended June 30, 2023. The government does not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2023. Complete financial statements for the Airport Authority can be obtained from the Airport's administrative offices at 500 Main Street, Tarboro, North Carolina 27886.

Edgecombe County Memorial Library

The Town also participates in a joint venture to operate a regional library with the County. Each government appoints three Board members to the six-member Board of the Library. The Town has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2023. In accordance with the intergovernmental agreement between governments, the Town contributed \$153,778 to the Library to supplement its activities during the year ended June 30, 2023. Complete financial statements for the Library can be obtained from the Library's offices at 909 Main Street, Tarboro, North Carolina 27886.

**V. Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

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

**VI. Subsequent Events**

The Town has evaluated events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors' report. The Town has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

**VII. Economic Development Incentive Agreement**

The Town of Tarboro entered into an Economic Development Incentive Agreement with LS Cable & System USA and Sara Lee Frozen Bakery, under North Carolina General Statutes 158-7.1. Under the Statute, counties and cities may grant appropriations to businesses to increase economic

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2023**

development. In the agreement, the Town of Tarboro is to repay LS Cable & System USA and Sara Lee Frozen Bakery 50% of its ad valorem tax base for the span of 10 years and 5 years, respectively. For the fiscal year ended June 30, 2023, the Town appropriated \$-0- to LS Cable & System USA and \$53,947 to Sara Lee Frozen Bakery.

**VIII. Prior Period Adjustments**

In a prior fiscal year the Town sold real estate to a developer and received a note receivable for the sales price. In addition, the Town agreed to pay the interest on an additional loan by the developer used to develop the property. Upon the sale of the property the original note and all interest payments made by the Town are to be repaid to the Town. As of June 30, 2022 there was \$386,352 owed to the Town for this note receivable.

**IX. Change in Accounting Principle**

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, was implemented for the current year. However, the implementation did not have an affect for the current year. Accordingly , there is no restatement to report. See Note I, Significant Accounting Policies, note E8 and Detail Notes on All Funds, note #4 for further discussion.

## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

This section includes 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 Proportionate Share of the Net Pension Liability (Asset) for Local Government Employees' Retirement System

Schedule of Contributions for Local Government Employees' Retirement System

Schedule of Changes in the Total OPEB Liability and Related Ratios



Town of Tarboro, North Carolina  
Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance  
Required Supplementary Information  
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 1,857,307	\$ 1,940,264	\$ 1,479,477	\$ 1,397,824	\$ 1,371,809	\$ 1,274,475	\$ 1,276,518
Service cost	72,059	77,064	53,764	49,360	49,045	38,309	41,375
Interest on the total pension liability	40,039	36,220	46,321	48,992	41,937	47,354	44,462
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the TPL	(15,982)	(27,207)	76,044	49,080	69,602	41,364	-
Changes of assumptions or other inputs	(230,235)	(41,841)	401,857	37,998	(45,212)	65,656	(25,697)
Benefit payments	(155,635)	(127,193)	(117,199)	(103,777)	(89,357)	(95,349)	(62,183)
Other changes	-	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 1,567,553</u>	<u>\$ 1,857,307</u>	<u>\$ 1,940,264</u>	<u>\$ 1,479,477</u>	<u>\$ 1,397,824</u>	<u>\$ 1,371,809</u>	<u>\$ 1,274,475</u>

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

Note:

The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

Town of Tarboro, North Carolina  
Schedule of Total Pension Liability as a Percentage of Covered Payroll  
Law Enforcement Officers' Special Separation Allowance  
Required Supplementary Information  
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 1,567,553	\$ 1,857,307	\$ 1,940,264	\$ 1,479,477	\$ 1,397,824	\$ 1,371,809	\$ 1,274,475
Covered-employee payroll	\$ 1,682,675	\$ 1,675,723	\$ 1,707,886	\$ 1,596,855	\$ 1,472,463	\$ 1,348,012	\$ 1,440,836
Total pension liability as a percentage of covered-employee payroll	93.16%	110.84%	113.61%	92.65%	94.93%	101.77%	88.45%

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

Note:

The pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

Town of Tarboro  
Town of Tarboro's Proportionate Share of Net Pension Liability (Asset)  
Required Supplementary Information  
Last Ten Fiscal Years\*

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tarboro's proportion of the net pension liability (asset) (%)	0.12187%	0.11885%	0.13213%	0.12414%	0.12439%	0.11665%	0.11567%	0.12727%	0.12630%	0.12700%
Tarboro's proportion of the net pension liability (asset) (\$)	\$ 6,875,208	\$ 1,822,679	\$ 4,721,568	\$ 3,390,167	\$ 2,950,956	\$ 1,782,090	\$ 2,454,905	\$ 571,181	\$ (744,850)	\$ 1,530,838
Tarboro's covered payroll	\$ 8,485,843	\$ 8,159,008	\$ 8,329,532	\$ 7,748,462	\$ 7,714,482	\$ 7,195,482	\$ 6,733,997	\$ 6,073,633	\$ 5,896,667	\$ 6,110,651
Tarboro's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	81.02%	22.34%	56.68%	43.75%	38.25%	24.77%	36.46%	9.40%	(12.63%)	25.05%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Town of Tarboro  
Town of Tarboro's Contributions  
Required Supplementary Information  
Last Ten Fiscal Years\*

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,148,668	\$ 977,876	\$ 813,391	\$ 762,355	\$ 616,588	\$ 573,242	\$ 537,323	\$ 459,711	\$ 437,582	\$ 429,301
Contributions in relation to the contractually required contribution	1,148,668	977,876	813,391	762,355	616,588	573,242	537,323	459,711	437,582	429,301
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tarboro's covered payroll	\$ 9,324,231	\$ 8,485,843	\$ 8,159,008	\$ 8,329,532	\$ 7,748,462	\$ 7,714,482	\$ 7,195,482	\$ 6,733,997	\$ 6,073,633	\$ 5,896,667
Contributions as a percentage of covered payroll	12.32%	11.52%	9.97%	9.15%	7.96%	7.43%	7.47%	6.83%	7.20%	7.28%

**Town of Tarboro, North Carolina**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**Required Supplementary Information**  
**June 30, 2023**

<b>Total OPEB Liability</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 476,642	\$ 675,136	\$ 421,973	\$ 521,000	\$ 557,224	\$ 639,330
Interest	574,289	629,484	754,071	844,897	791,569	716,306
Changes of benefit terms	-	-	498,870	-	-	-
Differences between expected and actual experience	4,207	(3,442,303)	7,966	(1,070,375)	(11,553)	(37,086)
Changes of assumptions	(5,556,694)	1,090,593	5,622,982	(310,407)	(1,284,623)	(2,344,207)
Benefit payments	(657,247)	(643,590)	(595,750)	(567,759)	(568,683)	(506,103)
<b>Net change in total OPEB liability</b>	<b>(5,158,803)</b>	<b>(1,690,680)</b>	<b>6,710,112</b>	<b>(582,644)</b>	<b>(516,066)</b>	<b>(1,531,760)</b>
<b>Total OPEB liability - beginning</b>	<b>26,437,672</b>	<b>28,128,352</b>	<b>21,418,240</b>	<b>22,000,884</b>	<b>22,516,950</b>	<b>24,048,710</b>
<b>Total OPEB liability - ending</b>	<b><u>\$ 21,278,869</u></b>	<b><u>\$ 26,437,672</u></b>	<b><u>\$ 28,128,352</u></b>	<b><u>\$ 21,418,240</u></b>	<b><u>\$ 22,000,884</u></b>	<b><u>\$ 22,516,950</u></b>
 Covered-Employee Payroll	 \$ 3,796,405	 \$ 3,796,405	 \$ 4,490,217	 \$ 4,490,217	 \$ 4,897,194	 \$ 4,897,194
 Total OPEB Liability as a percentage of covered-employee payroll	 560.50%	 696.39%	 626.44%	 477.00%	 449.25%	 459.79%

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

Changes of assumptions: Changes of assumptions 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>
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

## **MAJOR GOVERNMENTAL FUNDS**

**Town of Tarboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Year Ended June 30, 2023**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
<b>Ad valorem taxes</b>			
Taxes	\$ -	\$ 4,034,376	\$ -
Penalties and interest	-	40,728	-
Total	<u>4,004,487</u>	<u>4,075,104</u>	<u>70,617</u>
<b>Other taxes and licenses</b>			
Late listings	-	5,555	-
Cable TV franchise	-	141,740	-
Rental vehicle tax	-	6,766	-
Auto sticker fees	-	43,200	-
Miscellaneous	-	3,891	-
Total	<u>213,000</u>	<u>201,152</u>	<u>(11,848)</u>
<b>Unrestricted intergovernmental</b>			
Local option sales tax	-	3,363,311	-
Payment in lieu	-	37,246	-
Utility sales tax	-	898,086	-
Beer and wine tax	-	47,748	-
ABC profit distribution	-	61,420	-
Total	<u>4,200,000</u>	<u>4,407,811</u>	<u>207,811</u>
<b>Restricted intergovernmental</b>			
Powell Bill allocation	-	329,148	-
Federal nutrition program	-	59,219	-
Federal aging program	-	18,485	-
Other grants	-	94,354	-
Total	<u>535,572</u>	<u>501,206</u>	<u>(34,366)</u>
<b>Permits and fees</b>			
Building permits	-	70,281	-
Fees	-	33,749	-
Total	<u>110,150</u>	<u>104,030</u>	<u>(6,120)</u>
<b>Sales and Services</b>			
Recreation department fees	-	216,229	-
Sale of cemetery lots	-	48,000	-
Rent revenue	-	17,614	-
Total	<u>234,000</u>	<u>281,843</u>	<u>47,843</u>
<b>Investment earnings</b>	<u>6,250</u>	<u>157,151</u>	<u>150,901</u>
<b>Miscellaneous</b>			
Sale of materials and property	-	9,134	-
Other	-	127,124	-
Total	<u>56,750</u>	<u>136,258</u>	<u>79,508</u>

Town of Tarboro, North Carolina  
General Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Annual Budget and Actual  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Charges for Services</b>			
Electric	-	312,504	-
Water and sewer	-	187,500	-
Stormwater	-	15,000	-
Solid waste	-	37,500	-
Total	552,500	552,504	4
<b>Total revenues</b>	9,912,709	10,417,059	504,350
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Governing Body</b>			
Salaries and employee benefits	-	60,544	-
Operating expenditures	-	18,426	-
Total	82,100	78,970	3,130
<b>Administration</b>			
Salaries and employee benefits	-	122,143	-
Operating expenditures	-	706,467	-
Total	898,088	828,610	69,478
<b>Finance - Accounting</b>			
Salaries and employee benefits	-	55,885	-
Operating expenditures	-	83,139	-
Total	156,122	139,024	17,098
<b>Finance - Administration</b>			
Salaries and employee benefits	-	64,244	-
Operating expenditures	-	54,541	-
Total	124,528	118,785	5,743
<b>Finance - Collections</b>			
Salaries and employee benefits	-	76,714	-
Operating expenditures	-	28,640	-
Total	139,945	105,354	34,591
<b>Technology</b>			
Operating expenditures	-	233,028	-
Capital Outlay	-	154,562	-
Total	302,822	387,590	(84,768)
<b>Garage</b>			
Salaries and employee benefits	-	79,938	-
Operating expenditures	-	39,549	-
Capital Outlay	-	23,655	-
Total	154,065	143,142	10,923



**Town of Tarboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Year Ended June 30, 2023**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Buildings and Grounds</b>			
Salaries and employee benefits	-	452,186	-
Operating expenditures	-	279,314	-
Capital outlay	-	16,341	-
Total	793,291	747,841	45,450
<b>Planning and Economic Development</b>			
Salaries and employee benefits	-	296,188	-
Operating expenditures	-	98,855	-
Capital outlay	-	5,027	-
Total	489,655	400,070	89,585
<b>Public Works</b>			
Salaries and employee benefits	-	97,370	-
Operating expenditures	-	8,429	-
Total	109,280	105,799	3,481
<b>Payments to Outside Agencies</b>			
Tarboro-Edgecombe Airport	-	14,125	-
Edgecombe County Library	-	153,778	-
Upper Coastal Plain COG	-	5,058	-
Carolinas Gateway Partnership	-	55,000	-
Total	228,003	227,961	42
<b>Total general government</b>	3,477,899	3,283,146	194,753
<b>Public Safety:</b>			
<b>Police</b>			
Salaries and employee benefits	-	3,163,616	-
Operating expenditures	-	408,063	-
Capital outlay	-	80,617	-
Total	3,755,612	3,652,296	103,316
<b>Fire</b>			
Salaries and employee benefits	-	1,786,938	-
Operating expenditures	-	150,980	-
Capital Outlay	-	47,725	-
Total	2,196,195	1,985,643	210,552
<b>Animal Control</b>			
Salaries and employee benefits	-	92,618	-
Operating expenditures	-	22,304	-
Total	115,774	114,922	852
<b>Total public safety</b>	6,067,581	5,752,861	314,720

**Town of Tarboro, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Transportation:</b>			
<b>Streets and Highways</b>			
Salaries and employee benefits	-	327,196	-
Operating expenditures	-	357,425	-
Capital outlay	-	26,000	-
<b>Total transportation</b>	<u>1,387,937</u>	<u>710,621</u>	<u>677,316</u>
<b>Cultural and recreational:</b>			
<b>Parks and Recreation</b>			
Salaries and employee benefits	-	1,174,916	-
Operating expenditures	-	641,172	-
Capital outlay	-	343,485	-
<b>Total cultural and recreational</b>	<u>2,343,782</u>	<u>2,159,573</u>	<u>184,209</u>
<b>Total expenditures</b>	<u>13,277,199</u>	<u>11,906,201</u>	<u>1,370,998</u>
<b>Revenues over (under) expenditures</b>	<u>(3,364,490)</u>	<u>(1,489,142)</u>	<u>1,875,348</u>
Capital Outlay Reserve Appropriation			-
Appropriated fund balance	1,559,495	-	(1,559,495)
Subscription liabilities issued	-	145,592	145,592
Transfers to other funds	-	(914)	(914)
Transfers from other funds	1,804,995	1,804,995	-
<b>Total other financing sources (uses)</b>	<u>3,364,490</u>	<u>1,949,673</u>	<u>(1,414,817)</u>
<b>Revenues and other financing sources over expenditures and other financing uses</b>	<u>\$ -</u>	<u>460,531</u>	<u>\$ 460,531</u>
<b>Fund balance, beginning (as restated)</b>		<u>6,238,916</u>	
<b>Fund balance, ending</b>		<u>\$ 6,699,447</u>	

**Town of Tarboro, North Carolina**  
**ARP Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Project To Date</u>	<u>Variance</u>
<b>Revenues:</b>					
Restricted intergovernmental	\$ 3,414,843	\$ 186,780	\$ 1,373,510	\$ 1,560,290	\$ (1,854,553)
Investment earnings	-	-	76,039	76,039	76,039
Total revenues	<u>3,414,843</u>	<u>186,780</u>	<u>1,449,549</u>	<u>1,636,329</u>	<u>(1,778,514)</u>
<b>Expenditures</b>					
Capital outlay	<u>3,414,843</u>	<u>186,780</u>	<u>1,373,510</u>	<u>1,560,290</u>	<u>1,854,553</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	76,039	<u>\$ 76,039</u>	<u>\$ 76,039</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ 76,039</u>		

## **NON-MAJOR GOVERNMENTAL FUNDS**

Town of Tarboro, North Carolina  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2023

	Special Revenue				Capital Projects					Total Non-Major Governmental Funds
	Emergency Telephone System Fund	Law Enforcement Fund	Employee Relief Fund	Disaster Relief Fund	Disaster Recovery Project Fund	Essential Single-Family Rehabilitation Loan Pool Fund	NC DOT CMAQ Fund	General Grant Project Fund	Grant Project Fund	
Assets:										
Cash and cash equivalents	\$ 140,844	\$ 58,787	\$ 400	\$ 391,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 591,916
Accrued interest receivable	300	126	-	-	-	-	-	-	-	426
Due from other governments	10,514	20	-	-	-	-	-	277,561	15,328	303,423
Prepays	3,709	-	-	-	-	-	-	-	-	3,709
Total assets	155,367	58,933	400	391,885	-	-	-	277,561	15,328	899,474
Liabilities and Fund Balances:										
Liabilities:										
Accounts payable	870	-	-	-	-	17,814	-	277,561	465	296,710
Due to other funds	-	-	-	-	444,098	28,276	49,918	-	14,863	537,155
Total liabilities	870	-	-	-	444,098	46,090	49,918	277,561	15,328	833,865
Fund Balances:										
Restricted:										
Public safety	154,497	58,933	-	-	-	-	-	-	-	213,430
Unassigned	-	-	400	391,885	(444,098)	(46,090)	(49,918)	-	-	(147,821)
Total fund balances	154,497	58,933	400	391,885	(444,098)	(46,090)	(49,918)	-	-	65,609
Total liabilities and fund balances	\$ 155,367	\$ 58,933	\$ 400	\$ 391,885	\$ -	\$ -	\$ -	\$ 277,561	\$ 15,328	\$ 899,474

Town of Tarboro, North Carolina  
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Non-Major Governmental Funds  
For the Year Ended June 30, 2023

	Special Revenue				Capital Projects					Total Non-Major Governmental Funds
	Emergency Telephone System Fund	Law Enforcement Fund	Employee Relief Fund	Disaster Relief Fund	Disaster Recovery Project Fund	Essential Single-Family Rehabilitation Loan Pool Fund	NC DOT CMAQ Fund	General Grant Project Fund	Grant Project Fund	
Revenues										
Restricted intergovernmental	\$ 104,508	\$ 4,505	\$ -	\$ -	\$ 98,811	\$ 672,259	\$ -	\$ 671,078	\$ 221,899	\$ 1,773,060
Investment earnings	3,973	1,822	-	-	-	-	-	-	-	5,795
Total revenues	108,481	6,327	-	-	98,811	672,259	-	671,078	221,899	1,778,855
Expenditures										
General government	-	-	-	-	-	677,458	160	671,078	221,899	1,570,595
Public safety	50,184	6,181	-	-	-	-	-	-	-	56,365
Capital outlay	-	-	-	-	71,641	-	-	-	-	71,641
Total expenditures	50,184	6,181	-	-	71,641	677,458	160	671,078	221,899	1,698,601
Revenues over (under) expenses	58,297	146	-	-	27,170	(5,199)	(160)	-	-	80,254
Other financing sources:										
Transfer from General Fund	914	-	-	-	-	-	-	-	-	914
Excess (deficiency) of revenues and other financing sources over (under) expenditures	59,211	146	-	-	27,170	(5,199)	(160)	-	-	81,168
Fund balance, beginning	95,286	58,787	400	391,885	(471,268)	(40,891)	(49,758)	-	-	(15,559)
Fund balance, ending	\$ 154,497	\$ 58,933	\$ 400	\$ 391,885	\$ (444,098)	\$ (46,090)	\$ (49,918)	\$ -	\$ -	\$ 65,609

**Town of Tarboro, North Carolina**  
**Emergency Telephone System Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 87,275	\$ 104,508	\$ 17,233
Investment earnings	125	3,973	3,848
Total revenues	<u>87,400</u>	<u>108,481</u>	<u>21,081</u>
<b>Expenditures</b>			
Public safety	<u>87,400</u>	<u>50,184</u>	<u>37,216</u>
Revenues over expenditures	-	58,297	58,297
<b>Other Financing Sources:</b>			
Transfer from General Fund	<u>-</u>	<u>914</u>	<u>914</u>
Total revenues and other financing sources over expenditures	<u>\$ -</u>	59,211	<u>\$ 59,211</u>
Fund balance, beginning		<u>95,286</u>	
Fund balance, ending		<u>\$ 154,497</u>	

**Town of Tarboro, North Carolina**  
**Law Enforcement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 2,500	\$ 4,505	\$ 2,005
Investment earnings	50	1,822	1,772
Total revenues	<u>2,550</u>	<u>6,327</u>	<u>3,777</u>
<b>Expenditures</b>			
Public safety	<u>8,000</u>	<u>6,181</u>	<u>1,819</u>
Revenues under expenditures	(5,450)	146	5,596
<b>Other financing sources:</b>			
Appropriated fund balance	<u>5,450</u>	<u>-</u>	<u>(5,450)</u>
Deficiency of revenues and other financing sources under expenditures	<u>\$ -</u>	146	<u>\$ 146</u>
- Fund balance, beginning		<u>58,787</u>	
Fund balance, ending		<u>\$ 58,933</u>	



**Town of Tarboro, North Carolina**  
**Employee Relief Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Miscellaneous revenues	\$ -	\$ -	\$ -
<b>Expenditures</b>			
General government	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>400</u>	
Fund balance, ending		<u>\$ 400</u>	

**Town of Tarboro, North Carolina**  
**Disaster Relief Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 500,000	\$ -	\$ (500,000)
<b>Expenditures</b>			
General government	100,000	-	100,000
Electric	100,000	-	100,000
Water and Sewer	100,000	-	100,000
Solid Waste	100,000	-	100,000
Stormwater	100,000	-	100,000
Total expenditures	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Revenues over (under) expenses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>391,885</u>	
Fund balance, ending		<u>\$ 391,885</u>	

**Town of Tarboro, North Carolina**  
**Disaster Recovery Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Project To Date</u>	<u>Variance</u>
<b>Revenues:</b>					
Restricted intergovernmental	<u>\$ 2,908,560</u>	<u>\$ 1,040,959</u>	<u>\$ 98,811</u>	<u>\$ 1,139,770</u>	<u>\$ (1,768,790)</u>
<b>Expenditures</b>					
Capital Outlay	71,641	-	71,641	71,641	-
Current expenditures					
HMGP - Acquisition	832,714	575,220	-	575,220	257,494
HMGP - Elevation	830,705	234,613	-	234,613	596,092
CDBG - NR	750,000	654,101	-	654,101	95,899
SARF	423,500	48,293	-	48,293	375,207
Total expenditures	<u>2,908,560</u>	<u>1,512,227</u>	<u>71,641</u>	<u>1,583,868</u>	<u>1,324,692</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ (471,268)</u>	27,170	<u>\$ (444,098)</u>	<u>\$ (444,098)</u>
Fund balance, beginning			<u>\$ (471,268)</u>		
Fund balance, ending			<u>\$ (444,098)</u>		

**Town of Tarboro, North Carolina**  
**Essential Single-Family Rehabilitation Loan Pool Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Project To Date</u>	<u>Variance</u>
<b>Revenues:</b>					
Restricted intergovernmental	\$ 1,519,625	\$ 397,276	\$ 672,259	\$ 1,069,535	\$ (450,090)
<b>Expenditures</b>					
Contracted Services	<u>1,519,625</u>	<u>438,167</u>	<u>677,458</u>	<u>1,115,625</u>	<u>404,000</u>
Revenues under expenses	<u>\$ -</u>	<u>\$ (40,891)</u>	<u>(5,199)</u>	<u>\$ (46,090)</u>	<u>\$ (46,090)</u>
Fund balance, beginning			<u>(40,891)</u>		
Fund balance, ending			<u>\$ (46,090)</u>		

**Town of Tarboro, North Carolina**  
**NC DOT CMAQ Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Project To Date</u>	<u>Variance</u>
<b>Revenues:</b>					
Restricted intergovernmental	\$ 2,049,050	\$ -	\$ -	\$ -	\$ (2,049,050)
<b>Expenditures</b>					
Contracted services	874,840	-	160	160	874,680
Capital Outlay - Construction	1,279,210	49,758	-	49,758	1,229,452
Total expenditures	<u>2,154,050</u>	<u>49,758</u>	<u>160</u>	<u>49,918</u>	<u>2,104,132</u>
Revenues over (under) expenses	(105,000)	(49,758)	(160)	(49,918)	55,082
<b>Other financing sources (uses):</b>					
Transfer from General Fund	<u>105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,000)</u>
Deficiency of revenues and other financing sources under expenditures	<u>\$ -</u>	<u>\$ (49,758)</u>	<u>(160)</u>	<u>\$ (49,918)</u>	<u>\$ (49,918)</u>
Fund balance, beginning			<u>(49,758)</u>		
Fund balance, ending			<u>\$ (49,918)</u>		

**Town of Tarboro, North Carolina**  
**General Grant Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Project To Date</u>	<u>Variance</u>
<b>Revenues:</b>					
Restricted intergovernmental	\$ 1,010,000	\$ -	\$ 671,078	\$ 671,078	\$ (338,922)
<b>Expenditures</b>					
Contracted services	<u>1,010,000</u>	<u>-</u>	<u>671,078</u>	<u>671,078</u>	<u>338,922</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

**Town of Tarboro, North Carolina**  
**Grant Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Project To Date</u>	<u>Variance</u>
<b>Revenues:</b>					
Restricted intergovernmental	\$ 300,000	\$ 36,053	\$ 221,899	\$ 257,952	\$ (42,048)
<b>Expenditures</b>					
Contracted Services	<u>300,000</u>	<u>36,053</u>	<u>221,899</u>	<u>257,952</u>	<u>42,048</u>
Revenues over expenses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

## **ENTERPRISE FUNDS**



**Town of Tarboro, North Carolina**  
**Electric Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2023**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Operating revenues:			
Electricity sales		\$ 21,180,185	
Other operating revenues		1,434,965	
Total operating revenues	<u>23,075,568</u>	<u>22,615,150</u>	<u>(460,418)</u>
Non-operating revenues:			
Interest on investments		388,106	
Sale of equipment and materials		16,528	
Miscellaneous		38,130	
Total non-operating revenues	<u>90,038</u>	<u>442,764</u>	<u>352,726</u>
Total revenues	<u>23,165,606</u>	<u>23,057,914</u>	<u>(107,692)</u>
<b>Expenditures:</b>			
Administration and operations:			
Salaries and employee benefits		2,486,981	
Administration		796,340	
Operations		709,802	
Total administration and operations	<u>4,137,202</u>	<u>3,993,123</u>	<u>144,079</u>
Other operating expenditures:			
Load management	<u>167,000</u>	<u>165,336</u>	<u>1,664</u>
Electrical power purchases	<u>17,650,000</u>	<u>16,154,554</u>	<u>1,495,446</u>
Capital outlay:			
Distribution system		385,947	
Equipment		19,071	
Total capital outlay	<u>804,049</u>	<u>405,018</u>	<u>399,031</u>
Total expenditures	<u>22,758,251</u>	<u>20,718,031</u>	<u>2,040,220</u>
Revenues over expenditures	<u>407,355</u>	<u>2,339,883</u>	<u>1,932,528</u>

**Town of Tarboro, North Carolina**  
**Electric Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other financing sources (uses):</b>			
Capital Outlay Reserve Appropriation	\$ 282,000	\$ -	\$ (282,000)
Fund balance appropriated	1,115,640	-	(1,115,640)
Transfer to the General Fund - PILOT	(229,995)	(229,995)	-
Transfer to the General Fund	<u>(1,575,000)</u>	<u>(1,575,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(407,355)</u>	<u>(1,804,995)</u>	<u>(1,397,640)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ 534,888</u>	<u>\$ 534,888</u>

**Reconciliation from budgetary basis (modified accrual) to full accrual:**

**Revenues and other financing sources over  
expenditures and other financing uses**

\$ 534,888

Reconciling items:

Capital outlay	405,018
Depreciation	(1,607,460)
Increase in deferred outflows of resources - pensions	316,665
Increase in net pension liability	(954,928)
Increase in deferred inflows of resources - pensions	503,788
Increase in compensated absences	(17,418)
Net effect of OPEB liability	<u>159,697</u>
Total reconciling items	<u>(1,194,638)</u>

**Net income (loss)**

\$ (659,750)

**Town of Tarboro, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Operating revenues:			
Water and sewer sales		\$ 4,373,912	
Water and sewer taps		24,405	
Other operating revenues		59,367	
Total operating revenues	<u>4,322,250</u>	<u>4,457,684</u>	<u>135,434</u>
Non-operating revenues:			
Interest earnings		62,875	
Miscellaneous		20,256	
Total non-operating revenues	<u>12,500</u>	<u>83,131</u>	<u>70,631</u>
Total revenues	<u>4,334,750</u>	<u>4,540,815</u>	<u>206,065</u>
<b>Expenditures:</b>			
Water and sewer administration:			
Salaries and employee benefits		2,421,100	
Professional services		7,201	
Administration		566,655	
Capital outlay		-	
Total water and sewer administration	<u>3,141,761</u>	<u>2,994,956</u>	<u>146,805</u>
Water treatment and distribution:			
Utilities		134,482	
Other operating expenditures		447,379	
Capital outlay		512,457	
Total water treatment and distribution	<u>1,415,393</u>	<u>1,094,318</u>	<u>321,075</u>
Waste water collection and treatment:			
Utilities		164,521	
Other operating expenditures		447,308	
Capital outlay		21,384	
Total waste water collection and treatment	<u>1,004,885</u>	<u>633,213</u>	<u>371,672</u>
Debt service:			
Principal retirement	<u>29,478</u>	<u>29,478</u>	<u>-</u>
Total expenditures	<u>5,591,517</u>	<u>4,751,965</u>	<u>839,552</u>
<b>Revenues over (under) expenditures</b>	<u>(1,256,767)</u>	<u>(211,150)</u>	<u>1,045,617</u>

**Town of Tarboro, North Carolina  
Water and Sewer Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non - GAAP)  
For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other financing sources:</b>			
Fund Balance Appropriated	\$ 1,256,767	\$ -	\$ (1,256,767)
<b>Revenues and other sources over     expenditures</b>	<u>\$ -</u>	<u>\$ (211,150)</u>	<u>\$ (211,150)</u>
 <b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
<b>Revenues and other sources over expenditures</b>		\$ (211,150)	
<b>Reconciling items:</b>			
Principal repayment on long-term debt		29,478	
Capital outlay		533,841	
Depreciation		(1,087,308)	
Increase in deferred outflows of resources - pensions		301,586	
Increase in net pension liability		(909,455)	
Decrease in deferred inflows of resources - pensions		479,798	
Increase in compensated absences		(8,428)	
Net effect of OPEB liability		162,611	
Total reconciling items		<u>(497,877)</u>	
<b>Net income (loss)</b>		<u>\$ (709,027)</u>	

**Town of Tarboro, North Carolina**  
**Solid Waste Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Operating revenues:			
Solid waste collection & disposal charges		\$ 1,343,386	
Other operating revenues		8,493	
Total operating revenues	<u>1,315,750</u>	<u>1,351,879</u>	<u>36,129</u>
Non-operating revenues:			
Interest earnings		7,817	
Sale of equipment and materials		2,116	
Total non-operating revenues	<u>6,000</u>	<u>9,933</u>	<u>3,933</u>
Total revenues	<u>1,321,750</u>	<u>1,361,812</u>	<u>40,062</u>
<b>Expenditures:</b>			
Solid waste collection and disposal:			
Salaries and employee benefits		587,933	
Sanitary landfill fees		361,833	
Administration		377,600	
Total solid waste collection and disposal	<u>1,466,540</u>	<u>1,327,366</u>	<u>139,174</u>
Capital outlay	<u>693,831</u>	<u>512,825</u>	<u>181,006</u>
Total expenditures	<u>2,160,371</u>	<u>1,840,191</u>	<u>320,180</u>
<b>Revenues over (under) expenditures</b>	<u>(838,621)</u>	<u>(478,379)</u>	<u>360,242</u>
<b>Other financing sources:</b>			
Installment proceeds	525,000	510,000	(15,000)
Appropriated fund balance	313,621	-	(313,621)
Total other financing sources	<u>838,621</u>	<u>510,000</u>	<u>(328,621)</u>
<b>Revenues and other financing sources over expenditures</b>	<u>\$ -</u>	<u>\$ 31,621</u>	<u>\$ 31,621</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
<b>Revenues and other financing sources over expenditures</b>		\$ 31,621	
<b>Reconciling items:</b>			
Capital outlay		512,825	
Depreciation		(82,751)	
Increase in deferred outflows of resources - pensions		73,721	
Increase in net pension liability		(222,311)	
Decrease in deferred inflows of resources - pensions		117,284	
Increase in compensated absences		(5,768)	
Installment proceeds		(510,000)	
Total reconciling items		<u>(117,000)</u>	
<b>Net income (loss)</b>		<u>\$ (85,379)</u>	

**Town of Tarboro, North Carolina  
Stormwater Fund  
Schedule of Revenues and Expenditures  
Budget and Actual (Non - GAAP)  
For the Year Ended June 30, 2023**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
Operating revenues:			
Stormwater fee		\$ 563,090	
Total operating revenues	567,750	563,090	(4,660)
Non-operating revenues:			
Interest earnings		9,320	
Other operating revenues		71	
Total non-operating revenues	250	9,391	9,141
Total revenues	568,000	572,481	4,481
<b>Expenditures:</b>			
Stormwater collection			
Salaries and employee benefits		343,111	
Administration		134,901	
Total solid waste collection and disposal	530,535	478,012	52,523
Capital outlay	190,000	99,113	90,887
Total expenditures	720,535	577,125	143,410
<b>Revenues over (under) expenditures</b>	(152,535)	(4,644)	147,891
<b>Other financing sources:</b>			
Appropriated fund balance	152,535	-	(152,535)
<b>Revenues and other financing sources under expenditures</b>	<u>\$ -</u>	<u>\$ (4,644)</u>	<u>\$ 147,891</u>

**Reconciliation from budgetary basis (modified accrual) to full accrual:**

**Revenues and other financing sources under expenditures** \$ (4,644)

**Reconciling items:**

Capital outlay	99,113
Depreciation	(51,609)
Decrease in compensated absences	2,003
Increase in deferred outflows of resources - pensions	43,563
Increase in net pension liability	(131,366)
Decrease in deferred inflows of resources - pensions	69,304
Total reconciling items	<u>31,008</u>

**Net income (loss)** \$ 26,364

## **OTHER SUPPLEMENTAL SCHEDULES**

This section contains additional information on property taxes.

**Town of Tarboro, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2023**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2022</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-2023	\$ -	\$ 4,042,077	\$ 3,926,158	115,919
2021-2022	172,810	-	125,739	47,071
2020-2021	62,229	-	23,307	38,922
2019-2020	33,359	-	7,421	25,938
2018-2019	22,649	-	5,324	17,325
2017-2018	12,943	-	2,555	10,388
2016-2017	12,231	-	1,324	10,907
2015-2016	10,369	-	1,655	8,714
2014-2015	7,838	-	1,292	6,546
2013-2014	7,755	-	477	7,278
Prior years	60,496	-	(2,910)	63,406
	<u>\$ 402,679</u>	<u>\$ 4,042,077</u>	<u>\$ 4,092,342</u>	<u>352,414</u>
Less: allowance for uncollectible accounts General Fund				<u>(79,220)</u>
Ad valorem taxes receivable, net				<u>\$ 273,194</u>
Reconciliation with Revenues:				
Ad valorem taxes:				
General Fund				\$ 4,075,104
Reconciling items:				
Adjustments				57,966
Interest				<u>(40,728)</u>
Total reconciling items				<u>17,238</u>
Total collections and credits				<u>\$ 4,092,342</u>



**Town of Tarboro, North Carolina**  
**Analysis of Current Tax Levy**  
**Town - Wide Levy**  
**For the Fiscal Year Ended June 30, 2023**

	Town - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original levy:</b>					
Property taxed at current year's rate:					
Real estate	\$ 613,228,537	0.41	\$ 2,514,237	\$ 2,514,237	\$ -
Personal property	225,576,098	0.41	924,862	924,862	-
Gross levy	838,804,634		3,439,099	3,439,099	-
<b>Add:</b>					
Motor vehicles taxed at current year's rate	106,703,415	0.41	437,484	-	437,484
Other afterlists (1)	40,364,390	0.41	165,494	165,494	-
<b>Net levy</b>	<u><u>\$ 985,872,439</u></u>		<u><u>4,042,077</u></u>	<u><u>3,604,593</u></u>	<u><u>437,484</u></u>
Uncollected taxes at June 30, 2023			<u>115,919</u>	<u>114,188</u>	<u>1,731</u>
<b>Current year's taxes collected</b>			<u><u>\$ 3,926,158</u></u>	<u><u>\$ 3,490,405</u></u>	<u><u>\$ 435,753</u></u>
<b>Current levy collection percentage</b>			<u><u>97.13%</u></u>	<u><u>96.83%</u></u>	<u><u>99.60%</u></u>

(1) Includes public service companies; also includes discoveries at varying tax rates.

## STATISTICAL SCHEDULE

This part of the Town of Tarboro'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.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	98
<b>Revenue Capacity</b> <i>These schedules contain information that helps the reader assess the Town's most significant revenue source, the property tax.</i>	101
<b>Debt Capacity</b> <i>This schedule presents information to help the reader assess the affordability of the Town's ability to issue debt in the future.</i>	109
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	112
<b>Operating Information</b> <i>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.</i>	115

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

**Town of Tarboro, North Carolina**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities</b>										
Net investment in capital assets	14,942	13,954	10,069	12,574	11,637	11,414	10,755	9,636	9,359	10,152
Restricted	2,098	2,187	1,964	2,274	2,614	2,119	2,869	3,153	3,222	3,249
Unrestricted	766	275	3,106	(1,968)	(16,460)	(16,383)	(17,539)	(18,472)	(17,880)	(16,478)
<b>Total governmental activities net position</b>	<b>17,806</b>	<b>16,416</b>	<b>15,139</b>	<b>12,880</b>	<b>(2,209)</b>	<b>(2,850)</b>	<b>(3,915)</b>	<b>(5,683)</b>	<b>(5,299)</b>	<b>(3,077)</b>
<b>Business Type Activities</b>										
Net investment in capital assets	34,535	33,035	31,946	31,552	30,920	29,698	29,684	28,672	26,539	24,780
Restricted	-	-	1,028	-	-	-	-	-	-	-
Unrestricted	6,766	7,552	10,529	12,626	12,518	12,054	10,451	9,677	9,091	9,422
<b>Total business-type activities net position</b>	<b>41,301</b>	<b>40,587</b>	<b>43,503</b>	<b>44,178</b>	<b>43,438</b>	<b>41,752</b>	<b>40,135</b>	<b>38,349</b>	<b>35,630</b>	<b>34,202</b>
<b>Primary Government</b>										
Net investment in capital assets	49,477	46,989	42,015	44,126	42,557	41,112	40,439	38,308	35,898	34,932
Restricted	2,098	2,187	2,992	2,274	2,614	2,119	2,869	3,153	3,222	3,249
Unrestricted	7,532	7,827	13,635	10,658	(3,942)	(4,329)	(7,088)	(8,795)	(8,789)	(7,056)
<b>Total primary government net position</b>	<b>59,107</b>	<b>57,003</b>	<b>58,642</b>	<b>57,058</b>	<b>41,229</b>	<b>38,902</b>	<b>36,220</b>	<b>32,666</b>	<b>30,331</b>	<b>31,125</b>

**Town of Tarboro, North Carolina**  
**Changes in NetPosition**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General Government	3,561	2,819	3,021	4,443	3,522	3,064	3,332	4,459	4,476	4,477
Public safety	4,503	4,309	4,354	4,458	4,630	4,698	5,620	6,007	5,636	5,776
Transportation	2,397	1,932	1,992	1,945	1,936	1,902	1,696	1,226	950	1,342
Cultural and recreation	1,173	1,115	1,287	1,368	1,365	1,153	1,654	1,708	1,886	1,904
Total governmental activities expenses	11,634	10,175	10,654	12,214	11,453	10,817	12,302	13,400	12,948	13,499
Business Type Activities:										
Water & Sewer	28,399	4,844	4,771	4,853	4,778	4,960	4,861	5,176	22,494	21,913
Electric	4,684	27,883	22,397	22,998	19,424	23,400	21,435	21,035	5,056	5,250
Solid Waste	875	920	976	1,102	1,127	1,366	1,246	1,208	1,250	1,447
Stormwater	-	-	-	-	-	100	439	482	465	546
Total business-type activities expenses	33,958	33,647	28,144	28,953	25,329	29,826	27,981	27,901	29,265	29,156
Total primary government expenses	45,592	43,822	38,798	41,167	36,782	40,643	40,283	41,301	42,213	42,655
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	1,466	507	770	712	395	128	122	184	762	722
Public Safety	32	176	133	25	75	62	32	41	-	-
Cultural and recreation	185	197	154	139	156	135	96	77	176	216
Operating Grants and Contributions	624	645	440	1,765	1,319	447	854	896	1,259	2,203
Capital Grants and Contributions	-	-	-	-	-	-	-	80	187	1,445
Total governmental activities program revenues	2,307	1,525	1,497	2,641	1,945	772	1,104	1,278	2,384	4,586
Business Type Activities:										
Charges for services:										
Electric	28,510	28,956	26,117	24,095	23,308	23,040	21,851	20,722	21,861	21,180
Water & Sewer	3,883	4,088	4,314	4,403	4,321	4,430	4,213	3,931	4,057	4,398
Solid Waste	1,019	1,023	1,036	1,029	1,081	1,093	1,081	1,098	1,231	1,344
Stormwater	-	-	-	-	-	574	567	566	566	563
Operating Grants and Contributions	131	67	-	-	-	-	-	1,208	1,106	1,503
Capital Grants and Contributions	-	381	627	1,031	888	277	-	-	-	-
Total business-type activities program revenues	33,543	34,515	32,094	30,558	29,598	29,414	27,712	27,525	28,821	28,988
Total primary government revenues	35,850	36,040	33,591	33,199	31,543	30,186	28,816	28,803	31,205	33,574

(continued)

**Town of Tarboro, North Carolina**  
**Changes in NetPosition**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (expense)/revenue</b>										
Governmental activities	(9,327)	(8,650)	(9,157)	(9,573)	(9,508)	(10,045)	(11,198)	(12,122)	(10,564)	(8,913)
Business-type activities	(415)	868	3,950	1,605	4,269	(412)	(269)	(376)	(444)	(168)
Total primary government net expense	<u>(9,742)</u>	<u>(7,782)</u>	<u>(5,207)</u>	<u>(7,968)</u>	<u>(5,239)</u>	<u>(10,457)</u>	<u>(11,467)</u>	<u>(12,498)</u>	<u>(11,008)</u>	<u>(9,081)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Ad valorem taxes	3,373	3,805	3,691	3,581	3,666	3,455	3,878	3,895	3,914	3,994
Other taxes and licenses	287	234	206	239	226	394	205	203	211	201
Unrestricted intergovernmental	2,533	2,767	2,750	2,876	3,112	3,128	4,093	4,416	4,157	4,408
Unrestricted investment earnings	24	25	8	14	22	87	57	2	20	239
Miscellaneous	239	31	31	71	203	634	133	123	86	102
Transfers	1,195	1,222	1,195	1,100	1,074	1,706	1,768	1,715	1,801	1,805
Total governmental activities	<u>7,651</u>	<u>8,084</u>	<u>7,881</u>	<u>7,881</u>	<u>8,303</u>	<u>9,404</u>	<u>10,134</u>	<u>10,354</u>	<u>10,189</u>	<u>10,749</u>
Business Type Activities:										
Unrestricted investment earnings	18	14	10	25	49	299	219	12	70	468
Miscellaneous	-	-	-	41	95	148	93	292	116	77
Transfers	(1,195)	(1,271)	(1,195)	(1,100)	(1,074)	(1,706)	(1,768)	(1,715)	(1,801)	(1,805)
Total business-type activities	<u>(1,177)</u>	<u>(1,257)</u>	<u>(1,185)</u>	<u>(1,034)</u>	<u>(930)</u>	<u>(1,259)</u>	<u>(1,456)</u>	<u>(1,411)</u>	<u>(1,615)</u>	<u>(1,260)</u>
Total primary government	<u>6,474</u>	<u>6,827</u>	<u>6,696</u>	<u>6,847</u>	<u>7,373</u>	<u>8,145</u>	<u>8,678</u>	<u>8,943</u>	<u>8,574</u>	<u>9,489</u>
<b>Change in Net Position</b>										
Governmental Activities	(807)	(1,242)	(768)	(1,276)	(1,270)	(641)	(1,064)	(1,768)	(376)	1,836
Prior period adjustment - Governmental Activities	-	(795)	(624)	-	(989)	-	-	-	759	386
Business-type activities	696	(1,971)	(318)	2,915	676	(1,671)	(1,725)	(1,787)	(2,059)	(1,428)
Prior period adjustment - Business-Type Activities	-	-	-	-	-	-	-	-	(659)	-
Total primary government	<u>(111)</u>	<u>(4,008)</u>	<u>(1,710)</u>	<u>1,639</u>	<u>(1,583)</u>	<u>(2,312)</u>	<u>(2,789)</u>	<u>(3,555)</u>	<u>(2,335)</u>	<u>794</u>

**Town of Tarboro, North Carolina**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Rental Vehicle Tax</u>	<u>Animal Tax</u>	<u>Privilege License</u>	<u>Total</u>
2014	3,938	206	2	1	24	4,171
2015	3,778	197	4	1	4	3,984
2016	3,761	180	6	2	-	3,949
2017	3,666	172	7	3	-	3,848
2018	3,699	164	6	1	-	3,870
2019	3,741	160	8	1	-	3,910
2020	3,834	155	7	1	-	3,997
2021	3,917	151	7	1	-	4,076
2022	3,856	149	9	-	-	4,014
2023	4,034	142	7	-	-	4,183

**Town of Tarboro, North Carolina**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
Non-Spendable	84	41	60	49	216	48	66	77	157	152
Restricted	1,969	2,065	1,793	1,999	2,422	2,014	2,453	2,623	3,068	3,035
Assigned	333	229	232	30	133	715	742	1,092	636	535
Unassigned	3,194	3,601	3,315	3,535	2,875	1,990	1,600	1,922	2,378	2,977
<b>Total General Fund</b>	<b>5,580</b>	<b>5,936</b>	<b>5,400</b>	<b>5,613</b>	<b>5,646</b>	<b>4,767</b>	<b>4,861</b>	<b>5,714</b>	<b>6,239</b>	<b>6,699</b>
<b>All other governmental funds</b>										
Restricted	-	-	172	276	193	105	416	530	154	213
Unassigned	130	84	(200)	(130)	273	(86)	(719)	(876)	(170)	(71)
<b>Total all other governmental funds</b>	<b>130</b>	<b>84</b>	<b>(28)</b>	<b>146</b>	<b>466</b>	<b>19</b>	<b>(303)</b>	<b>(346)</b>	<b>(16)</b>	<b>142</b>

**Town of Tarboro, North Carolina**  
**Changes in Fund Balances-Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual Basis of accounting)  
(Amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	4,172	3,984	4,000	3,893	3,917	4,135	4,039	4,095	4,067	4,276
Intergovernmental	3,392	3,395	3,425	4,877	4,502	3,615	4,506	4,839	5,602	8,055
Permits and fees	78	78	57	78	76	79	73	92	122	104
Sales and services	234	228	222	211	156	183	163	172	263	282
Investment earnings	25	8	14	22	65	87	57	2	20	239
Miscellaneous	31	32	139	177	92	247	138	129	94	136
Charges for services	1,417	476	601	613	395	419	443	553	553	553
Total general fund	9,349	8,201	8,458	9,871	9,203	8,765	9,419	9,882	10,721	13,645
<b>Expenditures</b>										
General government	3,395	2,686	2,432	3,712	2,935	2,742	3,101	3,154	3,683	4,654
Public safety	4,217	4,439	4,115	4,360	4,648	4,763	5,067	5,053	5,295	5,681
Transportation	1,163	887	744	802	806	800	684	844	754	685
Culture and recreation	1,094	1,074	1,145	1,206	1,274	1,399	1,438	1,361	1,645	1,816
Economic development	-	-	163	-	-	-	1,125	404	-	-
Capital Outlay	-	-	1,608	478	856	2,093	-	-	792	2,142
Total all other governmental funds	9,869	9,086	10,207	10,558	10,519	11,797	11,415	10,816	12,169	14,978
Excess of revenues over (under) expenditures	(520)	(885)	(1,750)	(687)	(1,316)	(3,032)	(1,996)	(935)	(1,448)	(1,333)
<b>Other financing sources (uses)</b>										
Transfers in	1,222	1,195	1,100	1,074	1,670	1,706	1,768	1,715	1,877	1,806
Transfers out	-	-	-	-	-	-	-	-	(76)	(1)
Other - Subscription Issues	-	-	-	-	-	-	-	-	-	146
Total other financing sources (uses)	1,222	1,195	1,100	1,074	1,670	1,706	1,768	1,715	1,801	1,951
Net change in fund balances	702	310	(650)	387	354	(1,326)	(228)	780	353	618



**Town of Tarboro, North Carolina**  
**General Governmental Revenues by Source (1)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

Fiscal Year	Property Tax	Licenses, Permits and Fees	Other Taxes and Licenses	Inter-governmental	Sales and Services	Interest	Charge for Services	Other	Total
2014	3,938	78	234	3,391	235	25	1,417	30	9,348
2015	3,778	78	206	3,396	229	8	476	31	8,202
2016	3,761	57	239	3,425	222	14	601	139	8,458
2017	3,666	78	226	4,877	211	22	613	177	9,870
2018	3,699	76	218	4,502	156	65	395	92	9,203
2019	3,741	79	394	3,615	183	87	419	247	8,765
2020	3,834	73	205	4,067	163	56	443	138	8,979
2021	3,917	92	203	4,845	172	2	552	129	9,912
2022	3,856	122	211	5,602	263	20	553	94	10,721
2023	4,075	104	201	8,055	282	239	553	136	13,645

(1) Includes General, Special Revenue, and Capital Projects Funds

**Town of Tarboro, North Carolina**  
**Assessed Value of Property**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Real Property			Personal Property Value <sup>1</sup>	Public Service Co. Value <sup>2</sup>	Total Assessed Value	Total Direct Tax Rate Base	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Assessed Value	Less Exemptions	Net Value <sup>1</sup>						
2014	586,222	4,568	581,654	291,456	27,750	900,860	4.10	876,920	102.73%
2015	594,371	8,262	586,109	276,448	23,829	886,386	4.10	854,348	103.75%
2016	595,048	8,079	586,969	287,513	25,396	899,878	4.10	875,453	102.79%
2017	596,111	8,221	587,890	184,851	24,702	797,443	4.10	797,284	100.02%
2018	586,119	7,757	578,362	205,668	23,735	807,765	4.10	807,765	100.00%
2019	589,274	7,188	582,086	209,843	32,729	824,658	4.10	818,600	100.74%
2020	591,317	7,441	583,876	208,765	39,077	831,718	4.10	831,718	100.00%
2021	592,367	7,401	584,966	224,732	39,174	848,872	4.10	856,581	99.10%
2022	599,172	7,184	591,988	222,141	39,582	853,711	4.10	912,572	93.55%
2023	624,678	11,449	613,229	225,576	40,364	879,169	4.10	909,454	96.67%

Note: Real property is revalued once every eight years; the last occurred in 2017.

<sup>1</sup> Edgecombe Co. Tax Assessor for real and personal property value

<sup>2</sup> Public Service Co. NC Dept of Revenue

**Town of Tarboro, North Carolina  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Direct:										
Town of Tarboro	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41	0.41
Overlapping:										
Edgecombe County	0.86	0.895	0.955	0.955	0.95	0.95	0.95	0.95	0.95	0.95
Total Direct and Overlapping Rates	<u>1.27</u>	<u>1.31</u>	<u>1.37</u>	<u>1.37</u>	<u>1.36</u>	<u>1.36</u>	<u>1.36</u>	<u>1.36</u>	<u>1.36</u>	<u>1.36</u>

Source: North Carolina Department of Revenue; Property Tax Rates and Revaluation Schedules.  
Property was revalued in 2017.

Note: Overlapping rates are those of local and county governments that apply to property owners within the  
Town of Tarboro.

**Town of Tarboro, North Carolina  
Principal Property Taxpayers  
Current Year and Nine Years Ago  
(amounts expressed in thousands)**

Taxpayer	2022-2023		2013-2014	
	Taxable Assessed Value	% of Total Taxable Assessed Value	Taxable Assessed Value	% of Total Taxable Assessed Value
KSLB Holdings, LLC.	99,921	11.3%	61,103	7.9%
Carolina System Technology, Inc	63,102	7.1%	54,413	7.1%
LS Cable & System USA, Inc.	32,532	3.7%	-	-
Dominion NC Power	17,982	2.0%	-	-
Piedmont Natural Gas	16,867	1.9%	-	-
Air Systems Components LP	10,962	1.2%	9,673	1.3%
Wal-Mart Real Estate Business	8,861	1.0%	8,848	1.1%
Art Mortgage Borrower	8,663	1.0%	10,226	1.3%
EPC Trevi LLC	8,061	0.9%	-	-
Lowes Home Centers LLC	6,880	0.8%	9,367	1.2%
Carolina Tel & Tel Company	-	-	18,552	2.4%
Superior Teletec, Inc	-	-	14,118	1.8%
Kitchens of Sara Lee Corp	-	-	8,992	1.2%
Spongex, LLC	-	-	6,411	0.8%
	<u>273,831</u>	<u>30.85%</u>	<u>201,703</u>	<u>26.2%</u>

Source: Town of Tarboro Tax Records

**Town of Tarboro, North Carolina**  
**Property Tax Levies and Collections (1)**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	3,749	3,640	97.1%	102	3,742	99.8%
2015	3,674	3,587	97.6%	80	3,667	99.8%
2016	3,738	3,657	97.8%	72	3,729	99.8%
2017	3,682	3,597	97.7%	74	3,671	99.7%
2018	3,674	3,588	97.7%	76	3,664	99.7%
2019	3,790	3,662	96.6%	111	3,773	99.6%
2020	3,774	3,656	96.9%	92	3,748	99.3%
2021	3,933	3,823	97.2%	71	3,894	99.0%
2022	3,917	3,789	96.7%	81	3,870	98.8%
2023	4,042	3,926	97.1%	-	3,926	97.1%

Note: Includes ad valorem taxes, auto taxes and dog taxes, which are combined for billing and collection purposes

**Town of Tarboro, North Carolina**  
**Ratios of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmtal Activities	<u>Business-type Activities</u>		Total Primary Government	Per Customer	Per Capita
		Installment Purchases	Revolving Loans			
2014	-	484,536	117,413	601,949	99.50	53.25
2015	-	724,091	578,950	1,303,041	221.04	116.72
2016	-	550,144	523,395	1,073,539	185.12	96.16
2017	-	372,253	493,917	866,170	149.96	78.79
2018	-	190,330	464,439	654,769	111.05	60.31
2019	-	72,021	434,961	506,982	83.69	46.75
2020	-	-	405,481	405,481	64.83	37.21
2021	-	-	376,003	376,003	60.31	35.07
2022	-	-	346,525	346,525	52.27	32.77
2023	-	510,000	317,047	827,047	125.48	77.53

Note: Personal Income information is not available for the Town of Tarboro and is not an appropriate denominator for the business-type activities.

See Operating Indicators by Function for Customer Data  
See Demographic Statistics for population Data  
See NCDOR Sales Assessment Ratio Studies

**Town of Tarboro, North Carolina**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Value	856,854	886,386	900,878	885,449	885,114	910,844	919,365	951,365	954,188	985,872
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Net Assessed Value	856,854	886,386	900,878	885,449	885,114	910,844	919,365	951,365	954,188	985,872
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for FY 2023**

Assessed value	985,872
Debt limit (8%) of total assessed value)	78,870
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	78,870

Note: Under state finance law, the Town of Tarboro's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**Town of Tarboro, North Carolina**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds (in thousands)**

<b>Jurisdiction</b>	<b>Net General Obligation Bonded Debt Outstanding<sup>1</sup></b>	<b>Estimated Percentage Applicable<sup>2</sup></b>	<b>Estimate Share of Overlapping Debt</b>
Direct:			
Town of Tarboro	0.00	0.00%	0.00
Overlapping:			
Edgecombe County	6,532	28.07%	1,834

<sup>1</sup> Edgecombe County Financial Statements - June 30, 2022

<sup>2</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion the Town of Tarboro's taxable assessed value that is within Edgecombe County's boundaries and dividing it by the Town's total taxable assessed value.

Note: Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Tarboro. This process recognized that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each over-lapping government.



**Town of Tarboro, North Carolina  
Demographics Statistics  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population <sup>2</sup></u>	<u>Median Household Income <sup>2</sup></u>	<u>Median Age <sup>2</sup></u>	<u>School Enrollment <sup>1</sup></u>	<u>Unemployment Rate <sup>2</sup></u>
2014	11,305	33,168	40.90	7,401	10.6%
2015	11,164	34,366	42.10	6,332	10.1%
2016	11,164	34,267	43.20	6,451	9.0%
2017	10,994	33,349	43.60	6,100	7.8%
2018	10,856	33,107	43.60	6,047	7.3%
2019	10,844	33,542	44.40	5,836	6.4%
2020	10,896	32,532	43.40	5,998	14.1%
2021	10,721	29,738	42.20	5,625	8.7%
2022	10,575	41,223	46.70	5,347	6.9%
2023	10,668	41,281	48.00	5,467	6.2%

<sup>1</sup> Source: Edgecombe County Public Schools

<sup>2</sup> Data Commons - [datacommons.org](https://datacommons.org)

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

Name of Employer	2022-2023		2013 - 2014	
	Number of Employees	Percentage of Total Town Employment	Number of Employees	Percentage of Total Town Employees
Sara Lee Frozen Bakery	940	10.30%	700	10.77%
Edgecombe County	910	9.97%	475	7.31%
Edgecombe County Schools	622	6.81%	1,000	15.38%
Vidant Hospital	528	5.78%	610	9.38%
Air System Components	450	4.93%	485	7.46%
Keihin CST	423	4.63%	435	6.69%
Corning Incorporated	350	3.83%		-
Wal-mart Associates Inc.	350	3.83%		-
Edgecombe Community College	280	3.07%		-
Food Lion	218	2.39%		-
Barnhill Contracting			280	4.31%
General Foam Plastics			277	4.26%
Superior Telecommunications			250	3.85%
Town of Tarboro			174	2.68%

Source: NC Department of Commerce

**Town of Tarboro, North Carolina**  
**Full-time Equivalent Town Government Employees by Function**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Function</b>										
General Government										
Administration	3	3	3	3	3	3	3	3	3	3
Finance	8	8	8	9	8	8	8	8	8	8
Planning	2	2	2	3	3	3	3	4	4	5
Public Safety										
Police										
Officers	29	29	29	29	29	30	30	30	30	29
Civilians	6	6	6	6	6	6	6	6	6	6
Fire	22	22	22	22	22	22	22	22	22	22
Public Works										
Administration	2	2	2	2	2	2	2	2	2	2
Buildings and Grounds	14	14	14	14	14	12	12	13	13	13
Animal Control	1	1	1	1	1	1	1	1	1	1
Engineering	2	2	2	2	2	2	2	0	0	0
Garage	4	4	4	4	4	4	4	4	4	4
Streets	12	12	12	12	12	10	10	11	11	11
Recreation	13	13	13	12	14	16	16	17	17	17
Water and Sewer	28	28	28	27	27	28	28	28	28	28
Electric	19	19	19	22	23	22	22	22	22	22
Solid Waste	9	9	9	9	9	9	9	9	9	9
Stormwater	N/A	N/A	N/A	N/A	N/A	3	5	5	5	5
	<u>174</u>	<u>174</u>	<u>174</u>	<u>177</u>	<u>179</u>	<u>181</u>	<u>183</u>	<u>185</u>	<u>185</u>	<u>185</u>

Source: Town of Tarboro payroll records.

**Town of Tarboro, North Carolina**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>										
Physical arrests	1,815	1,834	1,681	1,598	1,574	1,507	1,188	654	499	446
Parking violations	429	409	614	1,033	852	617	168	186	75	2,523
Traffic violations	3,706	3,430	4,184	3,904	4,661	4,184	1,834	1,453	992	1,707
<b>Fire</b>										
Number of calls answered	316	316	308	333	374	322	301	313	350	277
Inspections	386	378	335	371	344	439	282*	106*	236	331
<b>Streets</b>										
Street resurfacing (miles)	-	-	2.95	-	-	2.89	2.89	2.89	3.50	1.90
Potholes repaired	8	8	15	13	20	17	25	25	30	43
<b>Sanitation</b>										
Refuse collected (tons/day)	11.26	11.17	13.38	13.56	15.29	13.03	13.63	14.83	13.87	15.20
Recyclables collected (tons/day)	0.66	0.65	0.55	0.55	0.69	0.55	0.49	0.19	0.18	0.03
<b>Recreation</b>										
Community Fitness memberships	1,043	646	563	393	478	475	140	307	309	511
County Gym passes	38	62	56	48	-	-	-	-	-	-
Utility Funds - Combined										
Total Customers	6,050	5,895	5,799	5,776	5,896	6,058	6,255	6,235	6,630	6,591
<b>Water</b>										
New connections	3	8	16	17	16	33	40	16	18	9
Water main breaks	9	7	6	4	5	4	6	2	4	1
Average daily consumptions (thousand of gallons)	2,730	2,847	2,880	2,723	2,690	2,407	3,166	2,063	2,045	2,063
<b>Wastewater</b>										
Average daily sewage treatment (thousand of gallons)	2,070	2,113	2,158	2,158	1,669	2,272	2,104	2,674	1,833	2,674

Sources: Various town departments

\* Inspections were stopped in March 2020 due to COVID

\* Inspections were limited due to COVID-2021

**Town of Tarboro, North Carolina**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety											
Police:											
Stations	1	1	1	1	1	1	1	1	1	1	1
Officers	29	29	28	28	29	29	30	30	30	29	29
K-9s	2	2	2	2	2	4	4	5	5	5	5
Fire Stations	2	2	2	2	2	2	2	2	2	2	2
Sanitation											
Collection trucks	4	4	4	4	4	4	4	4	4	4	4
Streets											
Street (miles)	96.0	96.0	96.0	96.0	96.0	96.5	96.5	96.5	96.8	96.7	96.7
Street lights	1,438	1,438	1,438	1,438	1,438	1,438	1,481	1,501	1,525	1,537	1,539
Traffic signals	32	32	32	32	32	32	32	32	32	32	32
Recreation											
Park acreage	273	273	273	273	273	273	273	273	273	273	273
Parks	11	10	10	10	10	10	10	9	9	9	9
Lakes	1	1	1	1	1	1	1	1	1	1	1
Swimming pools	2	2	2	2	2	2	2	2	*4	*4	*3
Tennis courts	8	8	8	8	8	8	8	8	8	8	8
Community Centers	4	4	4	4	4	4	4	3	3	3	3
Museums/art centers	1	1	1	1	1	1	1	1	1	1	1
Ball Fields	9	8	8	8	8	9	9	9	9	9	9
Water											
Water mains (miles)	129.4	129.4	129.5	129.7	130.0	130.0	130.0	130.0	130.0	130.0	130.0
Fire Hydrants	587	587	609	629	613	619	622	622	622	622	622
Maximum daily capacity (thousands of gallons)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Sewer											
Sanitary sewers (miles)	90.4	90.4	93.0	93.5	93.0	93.0	93.0	93.0	93.0	93.0	93.0
Storm sewers (miles)	38.0	38.0	39.0	40.0	44.0	44.0	44.0	44.0	44.0	44.0	44.0
Maximum daily treatment capacity (thousands of gallons)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Electric											
Number of Substations	5	5	5	5	5	5	5	5	5	5	5
Square miles of service lines	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5

Sources: Various town departments

\*As classified by Edge Co Health Dept for inspection purposes ( 3 pools on 1 site)

## **COMPLIANCE SECTION**

104 Brady Court, Cary, North Carolina 27511  
Phone 919-466-0946 Fax 919-466-0947

**Report on Internal Control over Financial Reporting and On Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tarboro, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statement, which collectively comprises the Town of Tarboro's basic financial statements, and have issued our report thereon dated October 30, 2023.

**Internal Control Over Financial Reporting**

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

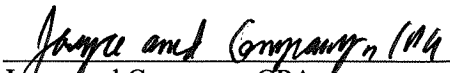
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations,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

**Report on Compliance and Other Matters**

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

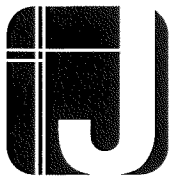
**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

  
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Joyce and Company, CPA  
Cary, North Carolina

October 30, 2023





Joyce and  
Company,  
CPA

Certified Public Accountants

104 Brady Court, Cary, North Carolina 27511  
Phone 919-466-0946 Fax 919-466-0947

**Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance: With OMB Uniform Guidance  
and the State Single Audit Implementation Act**

**Independent Auditor's Report**

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

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

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

We have audited the Town of Tarboro, North Carolina, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Tarboro's major federal programs for the year ended June 30, 2023. The Town of Tarboro's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Tarboro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. 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 of Tarboro 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 reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Tarboro's compliance with the compliance requirements referred to above.

### ***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, rule and provisions of contracts or grant agreements applicable to the Town of Tarboro'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 of Tarboro'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*, and Uniform Guidance 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 of Tarboro'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 of Tarboro'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 of Tarboro'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, but not for the purpose of expressing an opinion on the effectiveness of the Town of Tarboro's internal control over compliance. Accordingly, no such opinion is expressed.

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 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.

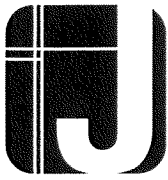
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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.

  
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JOYCE AND COMPANY, CPA  
Cary, North Carolina

October 30, 2023



Joyce and  
Company,  
CPA

Certified Public Accountants

104 Brady Court, Cary, North Carolina 27511  
Phone 919-466-0946 Fax 919-466-0947

**Report on Compliance for Each Major State Program;  
Report on Internal Control Over Compliance; With OMB Uniform Guidance  
and the State Single Audit Implementation Act**

**Independent Auditor's Report**

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

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited the Town of Tarboro, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of Tarboro's major state programs for the year ended June 30, 2023. The Town of Tarboro's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Town of Tarboro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. 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 of Tarboro 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 reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Town of Tarboro's compliance with the compliance requirements referred to above.

### ***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 of Tarboro state 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 of Tarboro'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*, and Uniform Guidance 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 of Tarboro's compliance with the requirements of each major State 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 of Tarboro'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 of Tarboro'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, but not for the purpose of expressing an opinion on the effectiveness of the Town of Tarboro's internal control over compliance. Accordingly, no such opinion is expressed.

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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in

internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. However, material weaknesses or significant deficiencies 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.

October 30, 2023

  
JOYCE AND COMPANY, CPA  
Cary, North Carolina

Town of Tarboro, North Carolina  
**Schedule of Findings and Questioned Costs**

For the year ended June 30, 2023

**Section I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency (s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statement noted

☐ yes ☒ no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification of major federal program:

<u>CFDA No(s)</u>	<u>Names of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery

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

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**

Internal control over major state program:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Identification of major state program: Building Reuse Program

**Section II. Financial Statement Findings**

None reported

**Section III. Federal Award Findings and Questioned Costs**

None reported

**Section IV. State Award Findings and Questioned Costs**

None reported

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS:**

Finding 2022-1

Untimely Audit Submission

Status: The Town has taken steps necessary to prevent future delays in its annual audit submission to the Local Government Commission.



## TOWN OF TARBORO, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assistance Number	State/Pass-through Grantor's No.	Federal (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
<b>Federal Grants:</b>					
<b>Cash Programs:</b>					
<u>U.S. Department of Transportation</u>					
Passed-through N.C. Department of Transportation State and Community Highway Safety	20.600	N/A	17,239	-	-
<u>U.S. Department of Health and Human Services</u>					
Passed-through N.C. Dept. of Health and Human Services Nutrition Services Incentive Program	93.053	N/A	10,980	-	-
Title III - C1 Congregate Meals	93.045	N/A	27,587	11,824	4,380
Title III - B HCCBG-Access	93.044	N/A	6,180	2,648	980
State Health Insurance Assistance Program	93.324	N/A	7,740	-	-
<u>United States Department of Justice</u>					
Passed-through the N.C. Dept. of Public Safety Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-22-GG-00633-JAGX	24,356	-	-
Asset Forfeiture and Money Laundering Section Federal Equitable Sharing Program	16.922	N/A	-	6,180	-
<u>U.S. Department of Housing and Urban Development</u>					
Passed-through N.C. Housing Finance Agency Essential Single Family Rehab	14.239	M16-SG370100	677,318	-	-
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Department of Public Safety Hazard Mitigation Grant Program - Elevation	97.039	4285-018-R	71,321	17,290	-
Hazard Mitigation Grant Program - Acquisition	97.039	4285-017-R	1,860	620	-
Total Hazard Mitigation Grant Program			73,181	17,910	-
<u>U.S. Environmental Protection Agency</u>					
Brownfields Assessment and Cleanup	66.818	02D08921	221,899	-	-
<u>U.S. Department of Treasury</u>					
Passed-through N.C. Pandemic Recovery Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	NC0461	1,373,510	-	-
Passed-through N.C. Department of Natural & Cultural Resources North Carolina Arts Council Grassroots Arts Program	21.027	FY2023-93648	22,358	-	-
Total Coronavirus State and Local Fiscal Recovery Funds			1,395,868	-	-
Total Assistance - Federal Programs			\$ 2,462,348	\$ 38,562	\$ 5,360
<b>State Grants:</b>					
<b>Cash Assistance:</b>					
<u>N.C. Department of Transportation</u>					
Powell Bill Funds	N/A	32570	-	157,156	-
<u>N.C. Department of Commerce</u>					
Building Reuse Program	N/A	2022-109-3201-2587	-	277,560	-
Building Reuse Program	N/A	2020-048-3201-2587	-	393,518	-
Total Building Reuse Program			-	671,078	-
<u>N.C. Department of Health and Human Services</u>					
Senior Center General Purpose Funding	N/A	N/A	-	10,745	3,582
<u>N.C. Department of Natural and Cultural Resources</u>					
Grassroots Art Program	N/A	FY2023-93394	-	21,214	-
Total State Assistance			\$ 2,462,348	\$ 898,755	\$ 8,942

**Notes to the Schedule of Expenditures of Federal and State Financial Awards:****Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the federal and state grant activity of the Town of Tarboro under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of Tarboro, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Tarboro.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting with the exception of the Department of Homeland Security Grant CFDA No. 97.039, Hazard Mitigation Grant Program - Elevation. The expenditures reported for that grant are those for which reimbursement had been approved as of June 30, 2023. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town of Tarboro has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**MINUTES OF A REGULAR MEETING OF THE TOWN COUNCIL OF THE  
TOWN OF TARBORO, HELD AT 7:00 PM ON MONDAY, NOVEMBER 13, 2023 IN  
THE COUNCIL ROOM, TOWN HALL, TARBORO, NORTH CAROLINA**

**MEMBERS PRESENT**

Mayor Mayo  
Councilman Woodard  
Councilman Taylor  
Councilman Burnette  
Councilman Brown  
Councilman Jenkins  
Councilmember Jordan  
Councilmember Bynum  
Councilman Braxton

**MEMBERS ABSENT**

**ALSO PRESENT**

Troy Lewis, Town Manager  
Leslie Lunsford, Town Clerk  
Chad Hinton, Town Attorney

**1. MEETING CALLED TO ORDER BY THE MAYOR**

**2. INVOCATION**

Councilman Taylor.

**3. PLEDGE OF ALLEGIANCE**

**4. APPROVAL OF AGENDA BY COUNCIL**

Agenda approved as presented.

Deborah Jordan made a motion, which was seconded by Alfred Braxton and Passed,  
Motion.

**5. REQUESTS AND PETITIONS OF CITIZENS**

Judith Moss, 1708 W Wilson Street - represented the senior citizens that recently participated in the State Senior Games. She recognized the seniors and gave a summary of winners. She also thanked the Recreation Department staff and Alan Miniard for their participation and help with transportation and other support.

Loretta Draughn, 2609 N Main Street - explained and answered questions regarding the United Health Care Program that provides qualified individuals with utility assistance.

**6. TOWN MANAGERS RECOMMENDATIONS**

## **Consent Items**

Consent Items approved as presented.

John Jenkins made a motion, which was seconded by Sabrina Bynum and Passed, Motion.

- (1) Approve minutes of the October 9, 2023 regular meeting.
- (2) Tax Collector's Report
- (3) 2023 Tax Levy Adjustment

## **Action Items**

### **(4) Resolution to Accept Buyout Properties**

Council adopted the resolution authorizing the Town Manager to accept individual properties under this program.

John Jenkins made a motion, which was seconded by Clarence Brown and Passed, Motion.

### **(5) Ordinance to Adopt Building Inspection and Fire Prevention Code Changes**

Council adopted the ordinance amending Chapter 4 and 7 of the Code of Ordinances to meet State Requirements.

#### Ordinance 23-13

#### AN ORDINANCE TO ADOPT CHANGES TO CODE OF ORDINANCE RELATED TO BUILDING INSPECTIONS AND FIRE PREVENTION

Leo Taylor made a motion, which was seconded by John Jenkins and Passed, Motion.

### **(6) Appointment for November - Downtown Grant Review Committee**

Council appointed Reva Flowers to serve on the Downtown Grant Review Committee. Leo Taylor made a motion, which was seconded by Sabrina Bynum and Passed, Motion.

### **(7) Appointment for November - Edgecombe County Tourism Development Authority**

Council appointed John Walker to serve on the Edgecombe County Tourism Development Authority by a 4 to 4 vote with the Mayor as the tie breaking vote.

Nominees in the first round of voting included Steve Brittain with 2 votes, John Walker with 3 votes, Leigh Ann Muse with 3 votes and Xavier Burroughs with 0 votes. Council then voted between John Walker and Leigh Ann Muse, both receiving 4 votes.

### **(8) Appointment for November - Tarboro-Edgecombe Public Arts Commission (TEPAC)**

Council appointed Rosena Ricks, Lydia Hyslop and Milton Farrar to the Tarboro-Edgecombe Public Arts Commission (TEPAC).

Vacant term for Beverly Sessoms will be appointed at the December meeting.

Clarence Brown made a motion, which was seconded by Othar Woodard and Passed, Motion.

**(9) Appointment for November - Edgecombe County Memorial Library Board of Trustees**

No action.

**7. OTHER REPORTS**

A. Town Manager

Troy Lewis introduced Bob Pike as the new President of Carolina Gateways Partnership following behind Mr. Norris Tolson.

B. Town Attorney

Chad Hinton congratulated Bob Pike on his new position.

C. Council Members

Councilman Woodard - none.

Councilman Taylor - stated that he attended the recent Veteran's Memorial service at Edgecombe Community College and that it was a touching ceremony.

Councilmember Jordan - thanked Loretta Draughn for attending the meeting to discuss United Health Care. She also stated that she was highly disappointed with the lack of progress at the splash pad and asked that the contractor attend the December Council meeting.

Councilman Jenkins - requested Council discuss/consider the portable speed hump information presented at the October Council meeting. Council agreed to discuss at the annual Council Retreat. Councilman Jenkins is in favor of using the portable devices in Tarboro.

Councilmember Bynum - wished everyone a Happy Thanksgiving.

Councilman Brown - requested Council review the current sewer adjustment policy in the case of a water leak. Council discussed and made no changes to the current policy.

Councilman Braxton - acknowledged this as his final meeting on the Town Council. He urged Council to take pride and work for all of the Town, not just a certain area of the Town. He wished Council and the Town well.

Councilman Burnette - none.

**8. ADJOURNMENT**

Meeting adjourned.

Deborah Jordan made a motion, which was seconded by Leo Taylor and Passed, Motion.

**Town of Tarboro, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**November 30, 2023**

<b>Fiscal Year</b>	<b>Uncollected Balance October 31, 2023</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance November 30, 2023</b>
2023	\$ 3,200,991	\$ -	\$ 796,497	\$ 2,404,494
2022	78,855		1,343	77,512
2021	36,915		2,284	34,631
2020	25,468		181	25,287
2019	17,032		16	17,016
2018	13,952		81	13,871
2017	9,834		-	9,834
2016	10,137		25	10,112
2015	8,301		94	8,207
2014	5,863		29	5,834
Prior years	26,488		122	26,366
	<u>\$ 3,433,836</u>	<u>\$ -</u>	<u>\$ 800,671</u>	<u>\$ 2,633,165</u>
Less: Allowance for Uncollectible Accounts:				
General Fund				
Ad valorem taxes receivable - net				<u>\$ 2,633,165</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				
Reconciling Items:				
Prior years taxes written off				-
Prior year releases				-
Interest				1,030
Fees				344
Total reconciling items				<u>1,374</u>
Total collections and credits				<u>\$ 801,701</u>

**To:** Troy Lewis, Town Manager

**From:** Anne Mann, Finance Director

**Date:** December 6, 2023

**Re:** Reallocation of Departmental Appropriations



In accordance with Section 8 of the FY 2023-2024 Budget Ordinance of the Town of Tarboro, in your capacity as the Budget Officer, you have approved certain reallocations of departmental appropriations. Such transfers are required to be reported to Town Council within sixty (60) days.

Also, in accordance with Section 8 of the FY 2023-2024 Budget Ordinance of the Town of Tarboro, in your capacity as the Budget Officer, you have approved certain transfers between departments within the same fund. Such transfers shall be reported to Town Council at its next regular meeting and entered in the minutes.

These reallocations and transfers are summarized on the attached pages for presentation to Town Council.



Town of Tarboro

# Budget Adjustment Register

## Adjustment Detail

Packet: GLPKT12932 - Substation Breaker Project

Adjustment Number	Budget Code	Description	Adjustment Date
BA0000221	Adopted by Council	Substation Breaker Project	11/8/2023

Summary Description:

Account Number	Account Name	Adjustment Description	Before	Adjustment	After
<a href="#">30-7200-4300</a>	Professional Services	Substation Breaker Project	12,200.00	12,500.00	24,700.00
July: 1,041.67	October: 1,041.67	January: 1,041.67	April: 1,041.67		
August: 1,041.67	November: 1,041.67	February: 1,041.67	May: 1,041.67		
September: 1,041.67	December: 1,041.67	March: 1,041.67	June: 1,041.63		
<a href="#">30-7210-9200</a>	Maintenance - Substations	Substation Breaker Project	75,000.00	-12,500.00	62,500.00
July: -1,041.67	October: -1,041.67	January: -1,041.67	April: -1,041.67		
August: -1,041.67	November: -1,041.67	February: -1,041.67	May: -1,041.67		
September: -1,041.67	December: -1,041.67	March: -1,041.67	June: -1,041.63		

Budget Code Summary

Budget	Budget Description	Account	Account Description	Before	Adjustment	After
As Adopted	Adopted by Council	<a href="#">30-7200-4300</a>	Professional Services	12,200.00	12,500.00	24,700.00
		<a href="#">30-7210-9200</a>	Maintenance - Substations	75,000.00	-12,500.00	62,500.00
As Adopted Total:				87,200.00	0.00	87,200.00
Grand Total:				87,200.00	0.00	87,200.00



Fund Summary

Fund	Before	Adjustment	After
Budget Code:As Adopted - Adopted by Council Fiscal: 2023-2024			
30	87,200.00	0.00	87,200.00
Budget Code As Adopted Total:	87,200.00	0.00	87,200.00
Grand Total:	87,200.00	0.00	87,200.00



## ***Town of Tarboro, North Carolina Mayor and Council Communication***

**Subject:** 2023 Tax Levy Adjustment

**Date:** 12/11/2023

**Memo Number:** 23-83

---

The Schedule of 2023 Tax Levy Adjusted as of December 11, 2023, attached hereto, lists the valuation and tax amount of one (1) afterlist.

It is recommended that Council:

1. Order the Tax Collector be charged with afterlist 31 in the amount of \$49.15, and
2. Approve the Schedule of the 2023 Tax Levy Adjusted as of December 11, 2023, in the amount of \$4,085,977.72.

**ATTACHMENTS:**

Description	Upload Date	Type
2023 Tax Levy Adjustment	12/5/2023	Cover Memo

TOWN OF TARBORO, NORTH CAROLINA  
SCHEDULE OF 2023 TAX LEVY  
December 11, 2023

**VALUATIONS**

	Real	Personal	Public Service Companies	Total
Billing November 13, 2023	621,668,756	221,035,374	44,527,564	887,231,694
After list: 31	0	9,712	0	9,712
Less Releases:	0	0	0	0
Balance as of December 11, 2023	<u>621,668,756</u>	<u>221,045,086</u>	<u>44,527,564</u>	<u>887,241,406</u>

**TAX CALCULATIONS**

	Real, Personal, & Pub. Ser. Co.	Late Listing Penalty	Auto Tax	Total
Billing November 13, 2023	4,081,266.53	4,662.04	0.00	4,085,928.57
After list: 31	44.68	4.47	0.00	49.15
Less Releases:	0.00	0.00	0.00	0.00
Balance as of December 11, 2023	<u>4,081,311.21</u>	<u>4,666.51</u>	<u>0.00</u>	<u>4,085,977.72</u>

**ITEMIZED RELEASES**

Rel. No.	Name/Description	Acct. No.	Real, Personal & Pub. Ser. Co.	Late Listing Penalty	Auto Tax	Total
Total Releases			<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

**ITEMIZED AFTERLISTS**

Afl. No.	Name/Description	Acct. No.	Real, Personal & Pub. Ser. Co.	Late Listing Penalty	Auto Tax	Total
31	Savannah Bass Personal Property		44.68	4.47	0.00	49.15
Total Afterlists			<u>44.68</u>	<u>4.47</u>	<u>0.00</u>	<u>49.15</u>



## ***Town of Tarboro, North Carolina Mayor and Council Communication***

**Subject:** Freedom Org Lease of Buyout Lots

**Date:** 12/11/2023

**Memo Number:** 23-84

---

Representatives of Freedom Org will be present to request approval of an amended lease agreement for Town-owned property to be utilized for a garden demonstration project. Working with various partners, including the University of North Carolina at Chapel Hill and North Carolina State University, Freedom Org continues to develop a more comprehensive plan for the utilization of the Town-owned property. As such, it is felt that a longer term agreement would be appropriate between the Town and Freedom Org.

It is recommended that the Tarboro Town Council enter into a long-term lease agreement with Freedom Org to develop a garden demonstration project on Town-owned property. The agreement should contain appropriate language addressing Hazard Mitigation Buyout Program deed restrictions and development standards associated with construction in the 100-year floodplain.

### **ATTACHMENTS:**

Description	Upload Date	Type
Amended Lease Agreement	12/6/2023	Cover Memo
Proposed Garden Project Map	12/6/2023	Cover Memo
Community Survey	12/6/2023	Cover Memo
Community Survey Flyer	12/6/2023	Cover Memo

NORTH CAROLINA       )  
  )  
EDGECOMBE COUNTY    )

AGREEMENT & LEASE

This Agreement & Lease is made and entered into this the \_\_\_\_ day of \_\_\_\_\_ 2023, by  
and between the Town of Tarboro, a North Carolina municipality (hereinafter "Town") and  
Freedom Org, a North Carolina non-profit corporation (hereinafter "FREEDOM ORG");

RECITALS:

WHEREAS, it is the mission of FREEDOM ORG to partner with local, state and federal  
agencies to create holistic and comprehensive community development solutions

and

WHEREAS, FREEDOM ORG has been established for the purpose, among others, of  
providing ecologically responsible land stewardship, community technical assistance, and  
promoting cultural pride

and

WHEREAS, the Town and FREEDOM ORG desire and agree that FREEDOM ORG utilize  
Town property located at East St. James Street, Tarboro, NC, whereupon vacant lots with covenants  
against residential construction are located, to carry out its stated mission, activities and programs  
to benefit the citizens of the Town of Tarboro;

WITNESSETH:

NOW THEREFORE, for and in consideration of the mutual promises and covenants  
herein, the parties agree as follows:

1.     Location

FREEDOM ORG may use the vacant lots (hereinafter "Garden"), as further  
described in **Exhibit A** attached hereto and incorporated herein by reference, for  
the purpose of carrying out its mission, programs, training and activities described  
hereinabove.

2.     Rent

In consideration of the leasing of the Garden as set forth above, FREEDOM ORG  
covenants and agrees to pay to Town the sum of One Dollar (\$1.00) per annum as

rent for the premises.

3. Term

The term of this Agreement & Lease shall be for one year, beginning January 1, 2024, and ending December 31, 2034. This Agreement & Lease may be renewed for additional ten year periods on the terms and conditions as set forth hereinabove and hereinafter and upon mutual agreement of the parties hereto. FREEDOM ORG and Town agree to give 60 days advance written notice of either Party's intent to renew or terminate this Agreement & Lease. Town reserves the right to terminate this Agreement & Lease immediately upon the occurrence of any unlawful conduct by FREEDOM ORG, its managers, staff, or agents on the premises of the Garden or upon any other Town property which the Town reasonably believes to have occurred in its sole discretion, and which may be evidenced by police reports or other first-hand accounts.

4. Accountability

FREEDOM ORG hereby agrees to report at least annually to the Town Council of the Town of Tarboro on the success of their programs at the Garden. Furthermore, FREEDOM ORG and Town agree their respective staff will cooperate and communicate at least quarterly throughout the Agreement & Lease term on the maintenance, use, and care of the Garden.

5. Sign

FREEDOM ORG may, with prior approval of the Town Manager, place a sign on the Garden property advertising the Garden is used by FREEDOM ORG for the duration of the Agreement & Lease term.

6.. Programs & Premises Use

a) *Programs* - The programs to be offered by FREEDOM ORG at the Garden shall be in accordance with **Exhibit B** attached hereto and incorporated herein by reference.

b) *Premises Use* - FREEDOM ORG shall have exclusive use of and access to public areas of the Garden for its sole use and benefit within the terms of this Agreement, excepting Town may enter upon 24 hours written notice.

c) *Maintenance* - FREEDOM ORG shall maintain the leased premises at their expense, Garden, at all times, cutting the grass as needed and keeping the area free of all garbage, litter and debris. FREEDOM ORG may install fencing to protect its

gardening activities and may install or erect temporary storage facilities for its use and benefit during the lease term. All such additional fencing or storage facilities or similar improvements made by FREEDOM ORG shall be maintained at the expense and obligation of FREEDOM ORG and removed at the conclusion of the lease term by FREEDOM ORG.

*d) Condition at Termination.* At the conclusion of the lease term, FREEDOM ORG shall return the Garden premises to Town in as similar condition as at the outset of this lease as possible, normal wear and tear excepted, free and clear of all temporary structures, garbage or debris and raked clean.

7. Supplies

FREEDOM ORG shall provide all supplies needed for programs implemented at the Garden. The Town agrees to grant use of equipment it owns that is already available for public use, if any, at the Garden to FREEDOM ORG, and may, at Town's sole discretion, utilize its public works employees and equipment to assist in FREEDOM ORG activities, in addition to providing the Garden with mulch and compost when produced and made available by the facilities operated by the Town.

8. Insurance and Safety Systems

*a) Liability Insurance* - Each party hereto agrees to inform its general liability insurer of this Agreement & Lease and obtain endorsement or other verification that this agreement for use of the Garden will not be considered a "joint venture" as used in the policy, and that the liabilities of the parties to third parties for joint or individual use of each other's premises will be determined and apportioned in accordance with the laws of the State of North Carolina. FREEDOM ORG will provide Town with a certificate of insurance covering liability for all activities and programs in a sum not less than \$1,000,000 at least seven days prior to the commencement of the initial Agreement & Lease Term, and upon FREEDOM ORG's notice of renewal of any future Term. Such insurance coverage will be provided by FREEDOM ORG through its existing policy. The cost of said insurance coverage shall be paid by FREEDOM ORG. Furthermore, FREEDOM ORG agrees to hold Town harmless from any and all liabilities, including attorney's fees, sustained by FREEDOM ORG by virtue of the use of the Garden according to this Agreement & Lease, except for any negligent acts of the Town or its employees.

*b) Property Insurance* - Town agrees to maintain its hazard insurance coverage of Town property, including the Garden, for the duration of this Agreement & Lease and any renewals hereof.

*c) Contents Insurance* - FREEDOM ORG agrees to provide adequate insurance for its personal property at the Garden.

*d) Safety Measures* - The Town agrees to maintain all street lighting and any fencing as are in operation and use at the Garden as of the date of this Agreement & Lease.

9. Waiver.

The terms of this Agreement & Lease may be waived only in writing signed by the Party waiving compliance. Any waiver granted shall be limited to the specific occurrence or obligation waived and any permanent waiver of compliance shall be made in writing signed by both Parties hereto as an amendment to this Agreement & Lease.

10. Reformation and Severability.

If any provision of this Agreement shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such decision shall not affect, impair or invalidate the remainder of this Agreement but shall be confined in its operation to the provision of this Agreement directly involved in the controversy in which the decision was rendered. The invalid or unenforceable provision shall be reformed so that each Party shall have the obligation to perform reasonably in the alternative to give the other Party the benefit of its bargain. In the event the invalid or unenforceable provision cannot be reformed, the remaining provisions of this Agreement shall be given full effect, and the invalid or unenforceable provision shall be deemed stricken.

11. Assignment.

This Agreement shall be binding upon and shall insure to the benefit of the Parties to this Agreement & Lease and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party hereto without the prior written consent of all Parties.

12. Dispute Resolution.

In the event a disagreement arises regarding any provision of this Agreement & Lease the Parties agree the FREEDOM ORG director shall first discuss the dispute with the Town Public Works Director first, with appeal to Town Manager, and attempt to resolve the dispute. The Parties agree to use good faith and reasonable business judgment to resolve the disagreement within thirty (30) days of first verbal notice of a dispute to either Party's said director. In the event that the Parties



themselves do not resolve the dispute within thirty (30) days of first verbal notice of the dispute, each Party hereto agrees to submit a written notice of dispute or disagreement to the other Party. Within thirty (30) days of receipt of the written notice, the Parties agree to refer the matter to mediation, and the Parties shall share the mediator's fee and any filing fees equally. Any disagreement that is not resolved through mediation may be submitted to the court of competent jurisdiction having jurisdiction over Tarboro, Edgecombe County, North Carolina, in accordance with this Agreement.

13. Modification.

No changes, modifications or amendments of any term shall be valid unless agreed upon by the Parties in writing, unless otherwise stated hereinabove. Any agreement between the Parties purporting to amend a term or condition of this Agreement shall, to be effective, specifically identify that term or condition's Paragraph number, and shall include the Parties' specific intent to amend that term or condition.

14. Choice of Words.

The language used in this Agreement shall be deemed to be the language chosen by the Parties to this Agreement to express their mutual intent. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, or neuter, singular or plural as the identity of the person or persons may require.

15. No Strict Construction.

Neither Party will assert that it did not draft the words used in the Agreement so that any ambiguities are resolved against the Party that drafted the Agreement so that the rule of strict construction will not be applied against either Party to this Agreement.

16. Headings.

The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

17. Notice.

All notices, demands and requests which may be given or which are required to be given by either Party to the other should be directed to the following personnel:

**Town of Tarboro**

Mr. Troy Lewis, Town Manager

Mr. Jason Nichols, Director of Public Works  
506 Dowd Street  
P.O. Box 220  
Tarboro, NC 27886  
(252) 641-4229

**Freedom Org**

Mrs. Marquette Dickens  
301 River Run Road  
Rocky Mount, NC 27801  
(919) 332-8203

18. Choice of Law and Venue.

This Agreement shall be construed in accordance with the laws of North Carolina without giving effect to the North Carolina conflict of law provisions. The Parties Agreement shall be proper only in any federal or state court located or having jurisdiction in Edgecombe County, North Carolina.

19. Signature.

Upon ratification by the Tarboro Town Council, it is agreed and understood that Troy Lewis, Town Manager of the Town of Tarboro is authorized to execute this Agreement on behalf of the Town; and, Marquette Dickens, CEO of FREEDOM ORG is authorized to execute this Agreement on behalf of FREEDOM ORG.

20. Voluntary Signature.

The Parties represent that each has carefully read this Agreement, that they know and understand the contents and consequences thereof, and that they have signed this Agreement voluntarily and with informed consent.

21. Entire Agreement.

This Agreement, together with its Exhibits, constitutes the entire agreement between the Town and FREEDOM ORG relating to the subject matter hereof. The Parties shall not be bound by or liable for any statement, writing, representation, promise, inducement or understanding not set forth herein or in an Exhibit hereto.

22. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have executed this Agreement & Lease in duplicate originals under seal on the date set forth in the opening paragraph hereof.

**TOWN OF TARBORO**

---

Troy Lewis, Town  
Manager

**FREEDOM ORG**

---

Marquetta Dickens, CEO

EXHIBIT A  
LEGAL DESCRIPTION OF LEASED PREMISES  
"The GARDEN"

Being a portion of that property located on East St. James Street, within the corporate limits of the Town of Tarboro and further identified as Edgecombe County Tax Parcel ID Numbers: 473866735900, 473866731500, 473866634100, 473866537000, 473866521600, 473866617100, 473866712400, 473866717500, 473866811900, 473866825100, 473866923600, 473866928800, 473876024700, 473876038200, 473876133400, 473876138500, 473876233700, said portion consisting of vacant lots subject to covenants not to build as a result of past Federally funded flood buyouts. The leased premises DOES NOT include the remaining portions of said property not designated on site by Town. Nothing in this description or Agreement shall give FREEDOM ORG sole use of any parking lot, street or other public grounds at any time.

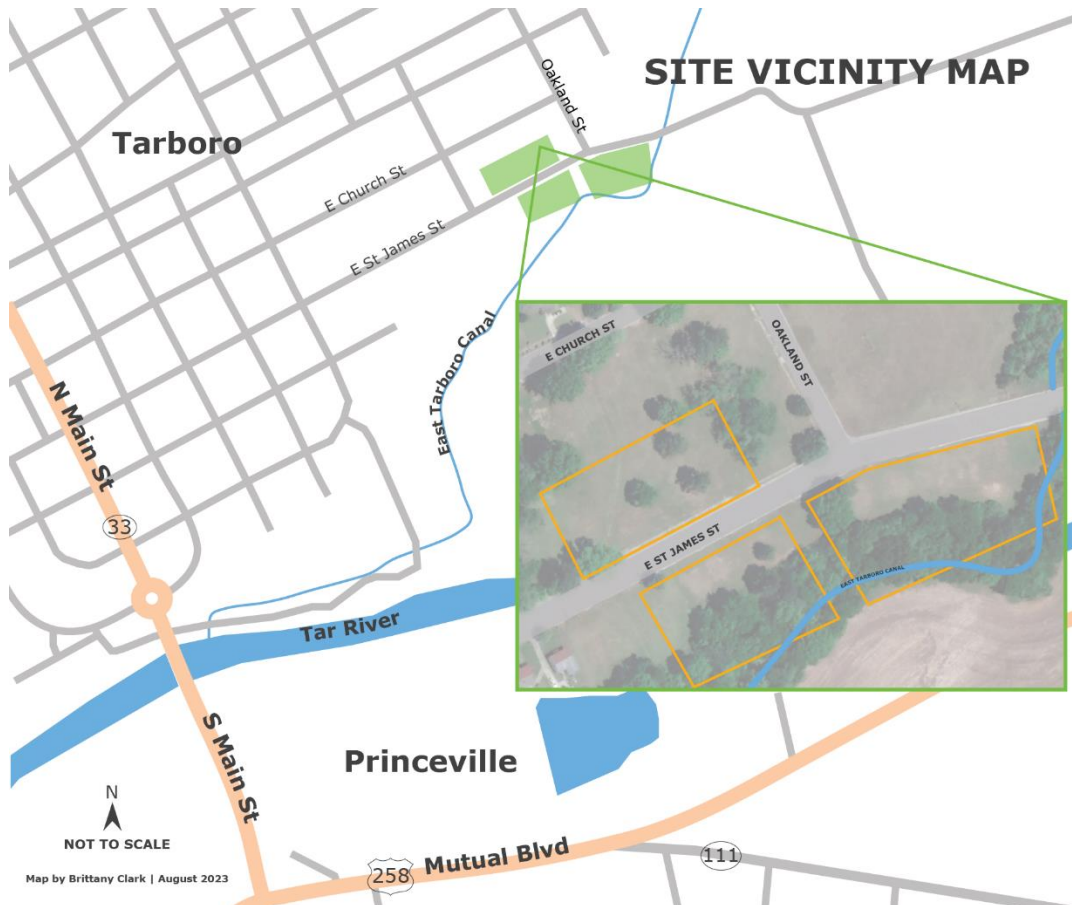


EXHIBIT B  
FREEDOM ORG  
PROGRAMMING

Programming at the Garden will consist of seasonal activities related to the planting, maintaining, and harvesting of edible and medicinal plants, native landscapes and wildlife, and the concepts of regenerative farming and gardening in relation to floodplains and stormwater mitigation as a benefit to the community of the Town of Tarboro.

Proposed areas of programming include:

Row Crop Farming Demonstration Garden- inspired by traditional farming techniques that may incorporate the use of machinery such as tillers or small tractors to produce rows for the in-ground farming of edible crops. Additional subjects covered in programming are to include crop selection, crop rotations, interplanting, composting, and soil regeneration.

Community Garden Sub-Plots- areas in which individuals, families, or community groups may reserve personal allotments with Freedom Org to grow plants of their choice for personal harvest or consumption.

Ecological Interest Gardens- areas that focus on native and perennial plants, the encouragement of pollinator habitats, and/or rain gardens that demonstrate the benefits stormwater mitigation.

Nature's Classroom and Event Space- areas in which technical assistance training, classes, or community events may take place. Members of the Garden and/or community groups may request to host events in these spaces with the express written permission of Freedom Org.

Intended outcomes of the Garden and related programming include increasing community members knowledge of the principles of gardening and farming, increasing community self-sufficiency and the number of community members involved in growing their own food, and in turn decreasing the prevalence of food insecurity and chronic illnesses within the community.

## EXHIBIT C

### Schedule of Activities:

Hours of Operation for the Garden will be from sunrise until sunset, unless otherwise stated for specific programming events, in respect to federal holidays, and/ or other reasons outlined, posted by Freedom Org or the Town.

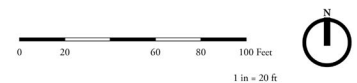
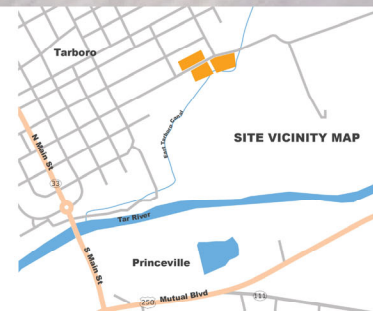
Due to the flexibility of nature-based education programs, exact dates may vary for programming. Dates for Community Garden member meetings, trainings, and volunteer opportunities will be shared via web, email, or print communication by Freedom Org.





# Tarboro Community Demonstration Garden

## Design Proposal



# Demonstration Garden Survey

Name

Town/City

Phone

Age

Email

Gender

Do you think a community demonstration garden would be beneficial for East Tarboro?

☐ Yes ☐ No ☐ Maybe

Would you be interested in participating in the demonstration garden?

☐ Yes ☐ No ☐ Maybe

What do you think are the most important purposes for a community garden?

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Growing food for personal use | <input type="checkbox"/> Meeting new people          | <input type="checkbox"/> Donating food for community needs                |
| <input type="checkbox"/> Growing food for sale         | <input type="checkbox"/> Fun and relaxation          | <input type="checkbox"/> Native plant and wildlife education/conservation |
| <input type="checkbox"/> Teaching gardening skills     | <input type="checkbox"/> Neighborhood Beautification | <input type="checkbox"/> Storm Water Mitigation best practices            |

What other activities and/or amenities would you like to see in the garden space?

- |  |  |
|--|--|
| <input type="checkbox"/> Fitness equipment | <input type="checkbox"/> Playground      |
| <input type="checkbox"/> Walking paths     | <input type="checkbox"/> Water Fountains |
| <input type="checkbox"/> Bike Rack         | <input type="checkbox"/> Shelter         |
| <input type="checkbox"/> Benches/Seating   | <input type="checkbox"/> Other:          |

How would you like to personally contribute to the garden?

- ☐ Planting a bed
- ☐ Sharing expertise about gardening and agriculture
- ☐ Donating supplies or money
- ☐ Serving on a committee to help plan and develop the garden

Below you will find a list of skills that you may have learned through experiences in the home, with the family, within the community, at your place of worship, or at your job. Please check all that you may have experience with and would be willing to share with the garden:

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Planting                    | <input type="checkbox"/> Painting             | <input type="checkbox"/> Equipment Operations           |
| <input type="checkbox"/> Raised Beds                 | <input type="checkbox"/> Demolition           | <input type="checkbox"/> Fundraising and Development    |
| <input type="checkbox"/> Composting                  | <input type="checkbox"/> Plumbing/ Irrigation | <input type="checkbox"/> Recordkeeping                  |
| <input type="checkbox"/> Weeding                     | <input type="checkbox"/> Electrical           | <input type="checkbox"/> Grant writing                  |
| <input type="checkbox"/> Fertilizing                 | <input type="checkbox"/> Masonry              | <input type="checkbox"/> Project management/ delegation |
| <input type="checkbox"/> Managing Pests              | <input type="checkbox"/> Welding              | <input type="checkbox"/> Social Media                   |
| <input type="checkbox"/> Harvesting                  | <input type="checkbox"/> Concrete / Paving    | <input type="checkbox"/> Newsletters/ email             |
| <input type="checkbox"/> Canning/Preserving          | <input type="checkbox"/> Carpentry            | <input type="checkbox"/> Other, please specify          |
| <input type="checkbox"/> Preparing and serving meals | <input type="checkbox"/> Fencing              | <input type="text"/>                                    |

Please use the space below for any additional comments



# TAKE OUR SURVEY



## COMMUNITY DEMONSTRATION GARDEN



Freedom Org has been given the opportunity to transform almost 3.5 acres of vacant land into a space that promotes community growth, learning, and healing!

SCAN  
HERE



to share your thoughts  
and join the project!

Or visit

[www.bit.ly/FreedomOrgGardenSurvey](http://www.bit.ly/FreedomOrgGardenSurvey)



[WWW.FREEDOMORG.ORG](http://WWW.FREEDOMORG.ORG)



## ***Town of Tarboro, North Carolina Mayor and Council Communication***

**Subject:** Budget Amendment Insurance Claim

**Date:** 12/11/2023

**Memo Number:** 23-85

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On August 29th, 2023, a piece of Town equipment struck a sprinkler pipe beneath the shelter above the Town's gas pumps. The loss was claimed on the Town's property insurance policy, and the reimbursement has been received in the amount of \$11,150.00. In order for the Public Works Dept. to hire contractor to make to make repairs and the insurance funds be utilized, a budget amendment is necessary.

It is recommended that council approve the attached budget amendment.

### **ATTACHMENTS:**

Description	Upload Date	Type
Budget Amendment	12/6/2023	Budget Amendment

## BUDGET RESOLUTION

### TOWN COUNCIL OF THE TOWN OF TARBORO

December 11, 2023

BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF TARBORO, NORTH CAROLINA, that the Fiscal Year 2023-2024 Budget be adjusted as follows:

<u>Account Number</u>	<u>Account Name</u>	<u>Current Budget</u>		<u>Amount of Change</u>		<u>Revised Budget</u>
<b>REVENUES</b>						
10-3200-0100	Refunds & Reimbursements	25,000	+	11,150	=	36,150
<b>EXPENDITURES</b>						
10-4260-1500	B&G - Maintenance and Repair	60,000	+	11,150	=	71,150

BE IT FURTHER RESOLVED that the Budget Officer is hereby authorized and directed to implement said budget as amended.



## ***Town of Tarboro, North Carolina Mayor and Council Communication***

**Subject:** Appointment for December - Edgecombe County Memorial Library Board of Trustees

**Date:** 12/11/2023

**Memo Number:** 23-86

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The (6) six-year term for Ronnie Daughtry will expire in December 2023.

Mr. Daughtry expressed he does wish to continue serving another term on the Edgecombe County Memorial Library Board of Trustees and his application is attached.

It is recommended that Council appoint an individual to fill the expired term at the December Council meeting.

### **ATTACHMENTS:**

Description	Upload Date	Type
Ronnie Daughtry Application	12/4/2023	Cover Memo



## Town of Tarboro Application for Boards and Commissions

Please print or type the following information:

Name: RONNIE DAUGHTRY Daytime Telephone: 823-8043  
Address: 2007 ELIZABETH Ward: 4 Zip Code: 27886  
Email: \_\_\_\_\_

Length of Residence in Tarboro: 57 years

Please indicate which board, commission, or committee on which you would like to serve: Lib

Why would you like to serve? help promote reading

Please describe how your education, work experience, and community activities are relevant to your selections: \_\_\_\_\_

Teacher, principal 40 years

Community Activities: \_\_\_\_\_

Employment History: Tarboro City Schools, Ed ge combe Co

Education: Ed BS, MA

Are you currently a member of any state, federal, or local board, commission, or committee? If so, please list below: NO

All information contained on this application is subject to public disclosure and will be reviewed by public officials. Attach any additional supporting documentation that is relevant to your qualifications to serve, i.e. resume, bio, etc.

Signature of Applicant: Ronnie Daughtry Date: 11-9-23

All information contained on this application is subject to public disclosure and will be reviewed by public officials. Attach any additional supporting documentation that is relevant to your qualifications to serve, i.e. resume, bio, etc.

Submit Application by Mail to: Town of Tarboro  
Attn: Town Manager  
P.O. Box 220  
Tarboro, NC 27886

or Fax to: 252-641-4254



## ***Town of Tarboro, North Carolina Mayor and Council Communication***

**Subject:** Appointment for December - Tarboro-Edgecombe Public Arts Commission (TEPAC)

**Date:** 12/11/2023

**Memo Number:** 23-87

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Due to health reasons, Beverly Sessoms is no longer able to serve on the Tarboro-Edgecombe Public Arts Commission leaving this position vacant and her term expires in December 2025.

Woodra Harrell and Reva Flowers expressed interest in serving in this position and their applications are attached.

It is recommended that Council appoint an individual to fill the vacant term at the December Council meeting.

### **ATTACHMENTS:**

Description	Upload Date	Type
Woodra Harrell Application	12/4/2023	Cover Memo
Reva Flowers Application	12/4/2023	Cover Memo





## Town of Tarboro

### Application for Boards and Commissions

Please print or type the following information:

Name: Wooda J Harrell Daytime Telephone: 252-414-3200

Address: 202 Barrington Dr Ward: \_\_\_\_\_ Zip Code: 27886

Email: wooda628@suddenlink.net

Length of Residence in Tarboro: 17 yrs

Please indicate which board, commission, or committee on which you would like to serve:

Tarboro-Edgemonte Public Arts Commission

Why would you like to serve? \_\_\_\_\_

To enrich my community

Please describe how your education, work experience, and community activities are relevant to your selections: \_\_\_\_\_

I have a four year degree. I have worked extensively in Human Resources and as a Staff Director

Community Activities: Community Enrichment Organization as a Board Member Furman Matheson Memorial Board

Employment History: Retired as a Staff Director for Verizon with 36 years service

Education: Graduated summa cum laude from Shaw University

Are you currently a member of any state, federal, or local board, commission, or committee? If so, please list below: \_\_\_\_\_

Community Enrichment Organization Talks Mentoring

All information contained on this application is subject to public disclosure and will be reviewed by public officials. Attach any additional supporting documentation that is relevant to your qualifications to serve, i.e. resume, bio, etc.

Signature of Applicant: Wooda J Harrell Date: 11-1-23

All information contained on this application is subject to public disclosure and will be reviewed by public officials. Attach any additional supporting documentation that is relevant to your qualifications to serve, i.e. resume, bio, etc.

Submit Application by Mail to: Town of Tarboro  
Attn: Town Manager  
P.O. Box 220  
Tarboro, NC 27886

or Fax to: 252-641-4254



## Town of Tarboro

### Application for Boards and Commissions

Please print or type the following information:

Name: Reva Flowers Daytime Telephone: 252 266-4692  
Address: 1302 Maurice Drive Ward: 2 Zip Code: 27886  
Email: revaflowers123@gmail  
Length of Residence in Tarboro: 27 years

Please indicate which board, commission, or committee on which you would like to serve:

Downtown Grant Review Committee. Tarboro-Edgecombe Public Arts Commission.

Why would you like to serve?

I would love to serve on one or both committees because of my love for Tarboro. Always wanted to see Tarboro grow. I am a caring and humble person that can help enhanced the growth.

Please describe how your education, work experience, and community activities are relevant to your selections:

I am working with Edgecombe County Schools, along with N.E.C.P. School. I assist neighbors in the area. Encourage all that I know to visit downtown Tarboro. Also, to attend the Art Center.

Community Activities:

Announcer for a church in Tarboro. Assist in keeping the street clean in the neighbor.

Employment History:

Department of Human Development-Fairfax, Va. Edgecombe School

Education: Twelve years of Middle and High School. Attended classes at Edgecombe Comm. College. Attended Nash Comm. College. Certificate for Biblical Studies- Destiny Bible School. Tarboro.

Are you currently a member of any state, federal, or local board, commission, or committee? If so, please list below: No

All information contained on this application is subject to public disclosure and will be reviewed by public officials. Attach any additional supporting documentation that is relevant to your qualifications to serve, i.e. resume, bio, etc.

Signature of Applicant: Reva Flowers Date: 11-13-23

All information contained on this application is subject to public disclosure and will be reviewed by public officials. Attach any additional supporting documentation that is relevant to your qualifications to serve, i.e. resume, bio, etc.

Submit Application by Mail to: Town of Tarboro  
Attn: Town Manager  
P.O. Box 220  
Tarboro, NC 27886

or Fax to: 252-641-4254