

# TOWN OF TARBORO, NORTH CAROLINA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR FISCAL YEAR ENDED  
JUNE 30, 2016

# **TOWN OF TARBORO, NORTH CAROLINA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended  
June 30, 2016**

Published November 30, 2016

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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

November 30, 2016

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 Comprehensive Annual Financial Report (CAFR) of the Town of Tarboro for the fiscal year ended June 30, 2016.

The CAFR 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 Petway Mills & Pearson, PA, 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, 2016, 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, 2016, 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, state mandated “Single Audit” designed to meet the special needs of 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 Town’s compliance with the requirements of laws, regulations, contracts and grants applicable to its major state programs. These auditor reports are available in the Single Audit 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.

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## **Profile of the Government**

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 11,164. 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 an electric system and a water and sewer system, providing service to approximately 6,500 households and businesses within the Town and the surrounding area. It provides a full range of municipal services, including police and fire protection, sanitation, street construction and maintenance, planning and zoning, building inspection, and recreation and parks.

---

## **Budgetary Control**

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. 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.

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## **Local economy**

The economic outlook for the Town of Tarboro continues to be optimistic. Tarboro was not immune to the effects of the downturn in the nation's economy. However, residential, commercial, and industrial construction continued throughout the downturn, simply at a slower pace. Over the last couple of years, new development of both residential and commercial properties is beginning to gain momentum, and the trend will hopefully gain strength in the years to come.

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## **Major initiatives**

Several construction projects were underway during the past year. A sewer line rehabilitation project invested nearly one million dollars into the Town's infrastructure to address known deficiencies and the severely needed replacement of aging lines along the river. A sewer line extension project will allow sewer service to be provided to a previously unserved area. Both projects are currently in their final stages.

The Town was previously awarded a grant from the North Carolina Department of Commerce Main Street Solutions Fund and in turn awarded a Tarboro Main Street Small Business Grant to a sub-recipient. This new business, along with several other retail and food-service businesses, opened during the current fiscal year and created new jobs in the downtown commercial district.

In addition, several construction projects are being negotiated at this time which will likely bring additional development, new jobs, and positive economic impact to the Town in the coming year.

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## **Financial Analysis of the Town**

### **General Fund:**

For almost ten years, the economy has been a major concern for the Town of Tarboro. For fiscal year 2015-2016, General Fund revenues from sales taxes and other intergovernmental sources have

remained steady when compared to the prior year, which had reflected some strengthening of the local economy. This continued strengthening has helped to maintain personnel and operating costs without requiring property tax increases. Personnel and benefits are one of the largest operational costs to the Town. The budget for fiscal year 2015-2016 included both a Cost of Living Adjustment (COLA) and merit increases for the employees.

#### **Enterprise Fund:**

The Water and Sewer Fund and Solid Waste Fund each maintained utility rates equal to the prior year for the 2015-2016 fiscal year. In order to facilitate some much needed repairs to the system, in 2016-2017 water and sewer rates will be increased for the first time in almost ten years.

Rates in the Electric Fund were reduced on two occasions during the year, providing some much needed relief to both commercial and residential customers. These reductions were made possible after the purchase of the assets of NC Eastern Municipal Power Agency by Duke Energy Progress in the fall of 2015. The \$1.2 billion sale of minority interest in several power plants reduced NCEMPA's debt by more than 70 percent. The remaining debt of \$492 million is scheduled to be paid off in 10 years. The debt reduction allowed the Town Council to pass the largest electric rate decrease in Tarboro's history. Electric rates were reduced by an average of ten percent in September 2015. In January 2016, the NCEMPA board voted to keep the current wholesale rates in effect through 2019 allowing the Town to pass along additional savings by further reducing the electric utility rates by an average of nine percent in June 2016.

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#### **Debt Administration**

During the fiscal year ended June 30, 2000, the Town retired the last of its remaining bonded debt. The Town has no bond rating due to the fact that it has no bonded debt. Under North Carolina law, the Town's general obligation bonded debt is subject to a legal limitation based on 8% of the total assessed value of real and personal property. As of June 30, 2016, the Town's legal debt limit is approximately \$72,058,000.

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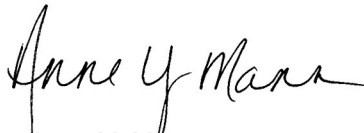
#### **Awards and Acknowledgements**

**Certificate of Achievement for Excellence in Financial Reporting Program** - The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Tarboro for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the 26th 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 comprehensive annual 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. We believe that our current comprehensive annual financial report (CAFR) continues to meet the Certificate of Achievement Program's requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments** – The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance and administration 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,

A handwritten signature in black ink, appearing to read "Anne Y. Mann". The signature is fluid and cursive, with the first name "Anne" and last name "Mann" being clearly legible, and "Y." in the middle.

Anne Y. Mann

Finance Director





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

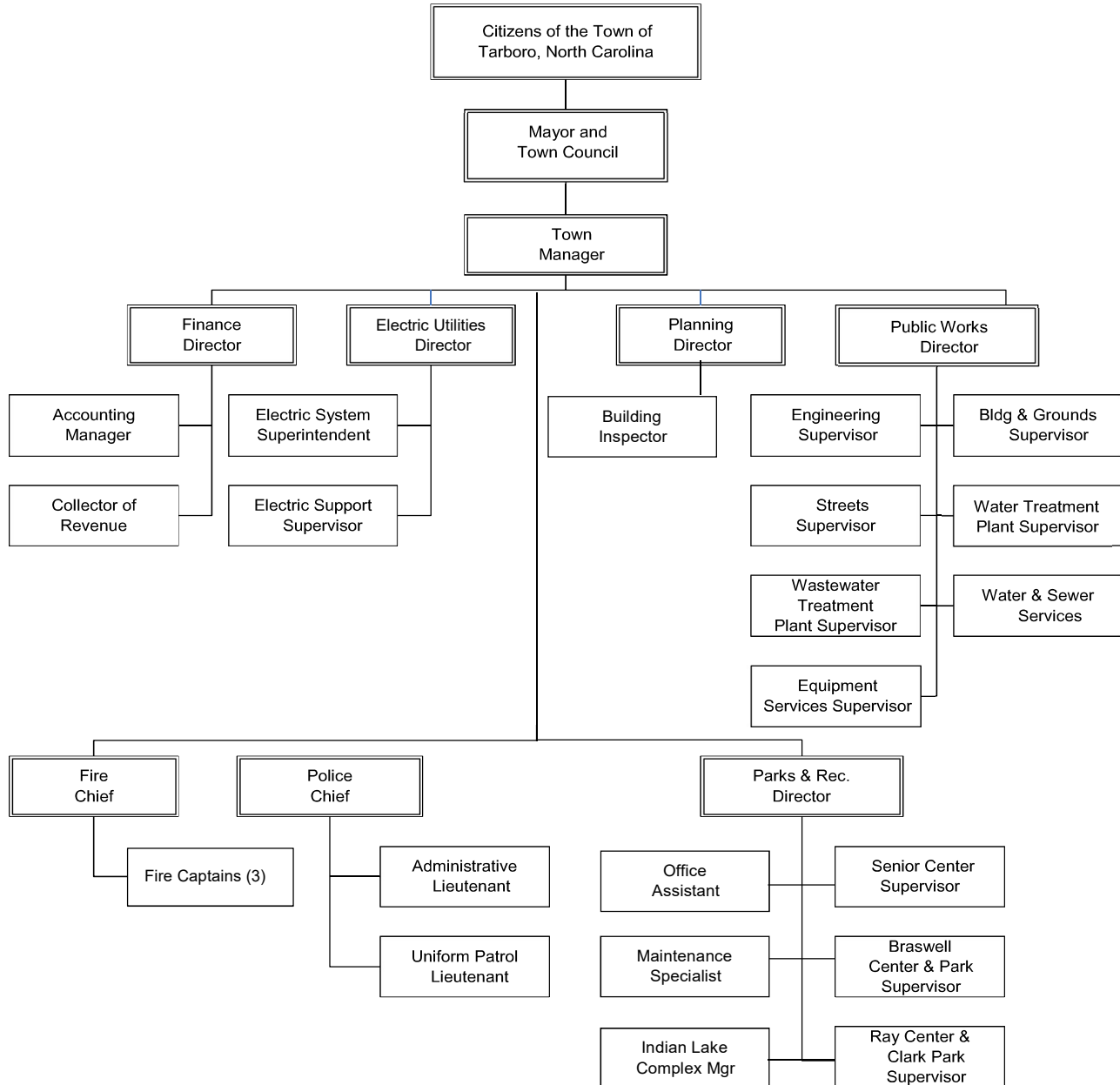
**Town of Tarboro  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

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	Open		
Councilman Ward 1	Othar Woodard	3 Years	December, 2017
Councilman Ward 2	Leo Taylor	1 Year	December, 2019
Councilman Ward 3	Stephen Burnette	3 Years	December, 2017
Councilman Ward 4	C B Brown	1 Year	December, 2019
Councilman Ward 5	John Jenkins	15 Years	December, 2017
Councilman Ward 6	Deborah Jordan	5 Years	December, 2019
Councilman Ward 7	Taro Knight	7 Years	December, 2017
Councilman Ward 8	Garland Shephard	5 Years	December, 2019

<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 R. Lewis	0 Years	16 Years
Finance Director	Anne Y. Mann	2 Years	2 Years
Police Chief	Jesse Webb	0 Years	22 Years
Public Works Director	John K. Moore	0 Years	31 Years
Electric Utilities Director	Robert Harrison III	8 Years	32 Years
Fire Chief	Frankie A. Winslow	5 Years	26 Years
Recreation Director	Travis Stigge	2 Year	2 Year
Planning Director	Catherine Grimm	1 Year	1 Year

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## **FINANCIAL SECTION**



PETWAY

MILLS &

PEARSON, PA

CERTIFIED PUBLIC ACCOUNTANTS

C. Briggs Petway, Jr.  
Phyllis M. Pearson

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**Memberships:**

North Carolina  
Association of  
Certified Public  
Accountants

American Institute  
Of Certified Public  
Accountants

Medical Group  
Management  
Association

## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tarboro, North Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Tarboro's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tarboro, North Carolina as of June 30, 2016, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress and the Health Care Plan Schedule of Funding Progress and Schedule of Employer Contributions on pages 22 through 34, and 80 through 81, respectively, the Local Government Employees' Retirement System's Schedules of Proportionate Share of the Net Pension Asset and Contributions, on pages 82 and 83, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Tarboro, North Carolina. The individual fund statements, budgetary schedules, other schedules, and Schedule of Expenditures of Federal and State Awards, as required by the Title 2 U.S. Code of Federal Regulations 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.

The individual fund statements, budgetary schedules, other schedules, and Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund 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 Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016 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, grant agreements and other matters. The purpose of the 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 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.

*Petway Mills & Pearson, PA*

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PETWAY MILLS & PEARSON, PA  
Certified Public Accountants  
Zebulon, North Carolina

*November 30, 2016*



## **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, 2016. 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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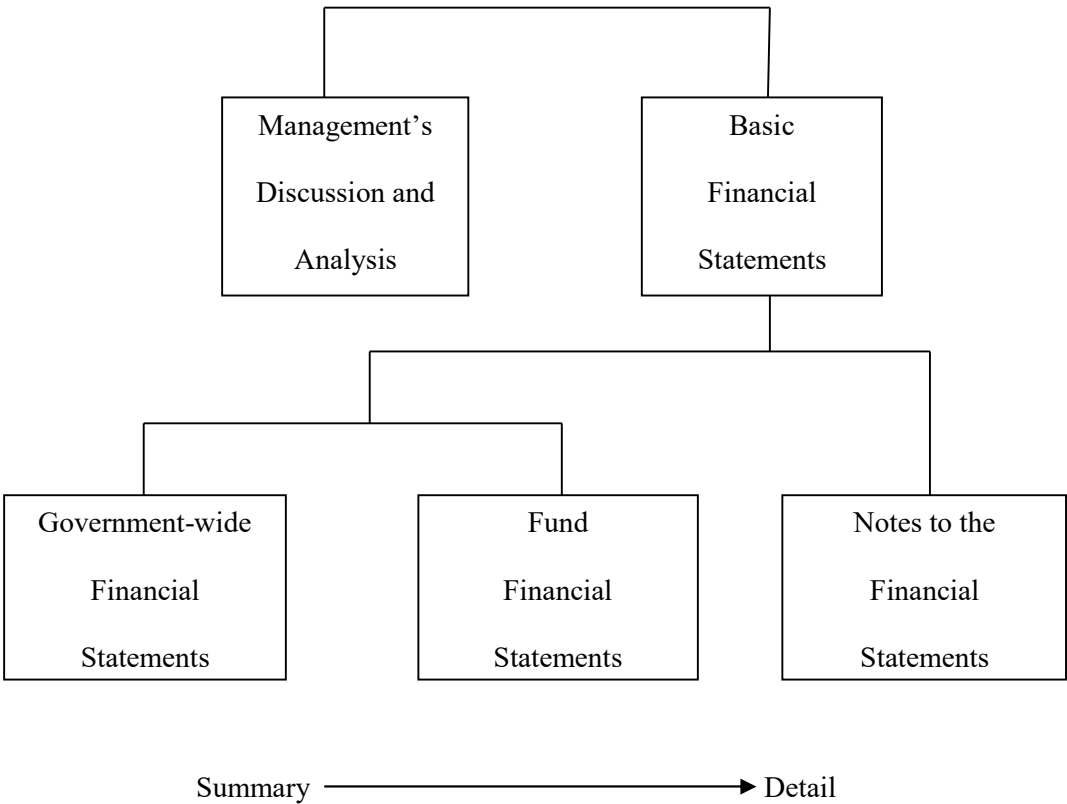
- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$58,641,892 (*net position*). The net position of the governmental activities decreased by \$1,276,484, and the net position of the business-type activities increased by \$2,915,495.
- The government's total net position increased by \$1,639,011 due in large part to conservative spending by Town departments as well as savings in wholesale electric rates related to the North Carolina Eastern Municipal Power Agency (NCEMPA) Asset sale to Duke Energy Progress.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$5,371,545, a decrease of \$649,699 in comparison with the prior year. Approximately 43.03 percent of this total amount or \$2,311,323 is non-spendable, restricted, or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,315,303, or 33.32 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 \$43,502,520, an increase of \$2,915,495.

Overview of the Financial Statements

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

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 also can be found in this part of the statements.

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

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

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 services and solid waste services offered by the Town of Tarboro. The government-wide financial statements are on Exhibits 3 and 4 of this report.

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

### **Fund Financial Statements**

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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** – The Town of Tarboro maintains three 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 and for solid waste operations. 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.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the water and sewer, electric, and solid waste activities, all of which are considered to be major funds of the Town.

**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 48 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 79 of this report.

**Interdependence with Other Entities** – The City depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the City 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.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 5,928,305	\$ 7,178,354	\$ 16,383,967	\$ 13,145,409	\$ 22,312,272	\$ 20,323,763
Capital assets	13,832,348	13,954,443	33,019,364	34,338,017	46,851,712	48,292,460
Deferred outflows						-
of resources	266,884	255,592	192,827	181,990	459,711	437,582
Total assets and deferred outflows of resources	20,027,537	21,388,389	49,596,158	47,665,416	69,623,695	69,053,805
<b>Liabilities</b>						
Long-term liabilities						
outstanding	4,378,816	3,614,418	3,270,796	3,015,230	7,649,612	6,629,648
Other liabilities	287,115	272,848	2,681,383	3,293,319	2,968,498	3,566,167
Deferred inflows	222,234	1,085,267	141,459	769,842	363,693	1,855,109
of resources						
Total liabilities and deferred inflows of resources	4,888,165	4,972,533	6,093,638	7,078,391	10,981,803	12,050,924
<b>Net Position:</b>						
Net invested in capital assets	10,069,050	13,954,443	31,945,930	33,035,195	42,014,980	46,989,638
Restricted	1,964,571	2,186,665	1,027,197	-	2,991,768	2,186,665
Unrestricted	3,105,751	274,748	10,529,393	7,551,830	13,635,144	7,826,578
Total net position	\$ 15,139,372	\$ 16,415,856	\$ 43,502,520	\$ 40,587,025	\$ 58,641,892	\$ 57,002,881

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 \$58,641,892 as of June 30, 2016. The Town's net position increased by \$1,639,011 for the fiscal year ended June 30, 2016. The largest portion reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). An additional portion of the Town's net position, \$2,991,768, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$13,635,144 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 97.83%, which is comparable to the statewide average of 98.87% for 2014.
- The Town has no bonded indebtedness since June 30, 2000.

## Changes in Net Position

The Town's total revenues and expenditures for governmental and business-type activities are reflected in Figure 3.

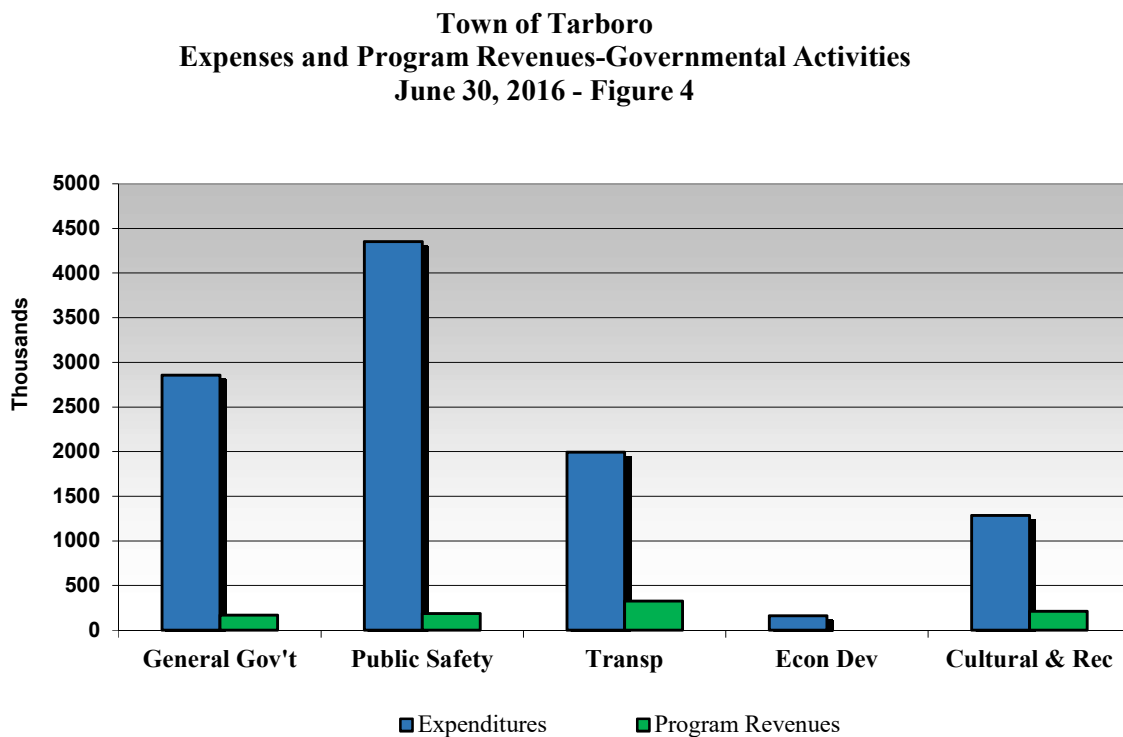
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 1,056,628	\$ 880,195	\$ 31,467,135	\$ 34,012,096	\$ 32,523,763	\$ 34,892,291
Grants & contributions:						
Operating	440,056	644,763	-	121,461	440,056	766,224
Capital	-	-	626,541	381,058	626,541	381,058
General revenues:						
Property taxes	3,580,962	3,691,092	-	-	3,580,962	3,691,092
Other taxes	239,423	206,337	-	-	239,423	206,337
Other	2,960,569	2,789,500	66,097	9,851	3,026,666	2,799,351
Total revenues	<u>8,277,638</u>	<u>8,211,887</u>	<u>32,159,773</u>	<u>34,524,466</u>	<u>40,437,411</u>	<u>42,736,353</u>
<b>Expenses:</b>						
General government	2,857,913	2,818,975	-	-	2,857,913	2,818,975
Public safety	4,353,722	4,308,531	-	-	4,353,722	4,308,531
Transportation	1,992,351	1,932,207	-	-	1,992,351	1,932,207
Economic & Physical						
Development	163,120	-	-	-	163,120	-
Culture & recreation	1,287,016	1,114,915	-	-	1,287,016	1,114,915
Water & sewer	-	-	4,771,575	4,844,420	4,771,575	4,844,420
Electric	-	-	22,397,029	27,883,048	22,397,029	27,883,048
Solid waste	-	-	975,674	920,406	975,674	920,406
Total expenses	<u>10,654,122</u>	<u>10,174,628</u>	<u>28,144,278</u>	<u>33,647,874</u>	<u>38,798,400</u>	<u>43,822,502</u>
Increase (decrease) in net position before transfers	(2,376,484)	(1,962,741)	4,015,495	876,592	1,639,011	(1,086,149)
Transfers	<u>1,100,000</u>	<u>1,194,831</u>	<u>(1,100,000)</u>	<u>(1,194,831)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(1,276,484)	(767,910)	2,915,495	(318,239)	1,639,011	(1,086,149)
Net position, July 1	16,415,856	17,807,827	40,587,025	41,349,616	57,002,881	59,157,443
Prior period adjustment	-	(624,061)	-	(444,352)	-	(1,068,413)
Net position, June 30	<u>\$ 15,139,372</u>	<u>\$ 16,415,856</u>	<u>\$ 43,502,520</u>	<u>\$ 40,587,025</u>	<u>\$ 58,641,892</u>	<u>\$ 57,002,881</u>

## Governmental Activities

Governmental activities decreased the Town's net position by \$1,276,484. Key elements of the current year governmental activities in the net position are as follows:

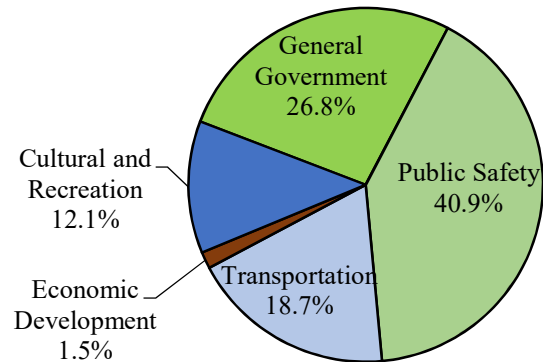
- Public safety accounts for the largest portion of total expenses for governmental activities at 40.86 percent. Program revenues for such activities are low, and as such, tax revenues are utilized for these services.
- The town recognized substantial liability increases during the year related to governmental activities for other post-employment benefits (OPEB) and pension obligations.
- Other expenses stayed relatively consistent between 2015 and 2016 which illustrates the due diligence of the Town to maintain minimum costs.

See figures 4 and 5 for governmental revenues and expenditures summary.





**Town of Tarboro**  
**Expenditures-Governmental Activities - Figure 5**



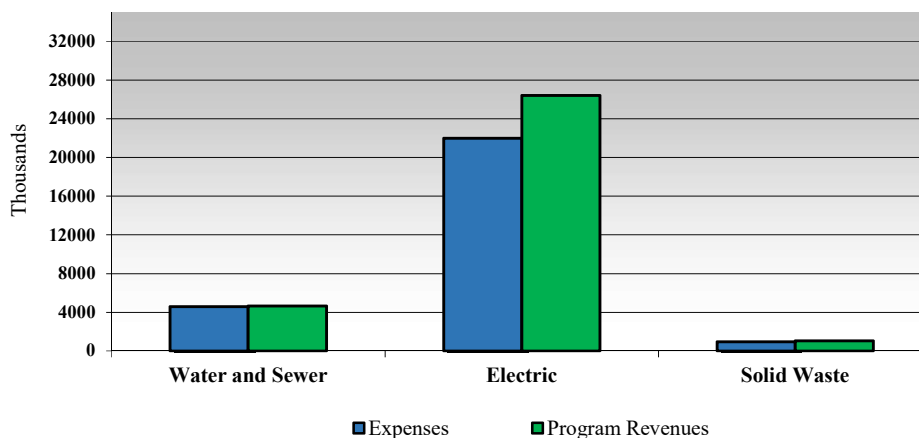
### Business-type activities

Business-type activities increased the Town's net position by \$2,915,495. Key elements of the current year's activities are as follows:

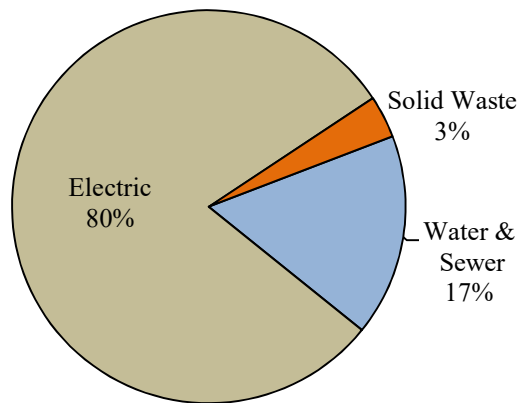
- Operating revenues decreased by \$2,599,703 due mainly to the reduction in electric utility rates in October 2015 and again in June 2016.
- Operating expenses decreased by a combined \$5,509,027, primarily from the reduced wholesale electric utility rates resulting from the NCEMPA asset sale which was finalized in July 2015.

See figures 6 and 7 for business-type revenues and expenses summary.

**Town of Tarboro**  
**Expenses and Program Revenues-Business-Type Activities**  
**June 30, 2016 - Figure 6**



**Town of Tarboro**  
**Expenses - Business-type Activities**  
**June 30, 2016 - Figure 7**



### Financial Analysis of the Town's Funds

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

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

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,315,303, while total fund balance reached \$5,400,025. The Governing Body of the Town of Tarboro has determined that the Town should maintain an available fund balance of 30% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 33.3% of general fund expenditures, while total fund balance represents 54.28% of the same amount.

As of the end of the current year, the Town's governmental funds reported combined ending fund balances of \$5,371,545, down \$649,699 in comparison with the prior year. Much of this decrease is attributed to large capital outlay expenditures during the year.

**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 the Town revised its budget throughout the year. Although expenditures were held in check overall to comply with its budgetary requirements, the Town did amend the budget in the General Fund in Transportation to account for unexpected capital outlay expenditures.

Revenues exceeded the budgeted amount by \$66,691 primarily due to an increase of sales and services and miscellaneous revenues. Expenditures were slightly below budget by \$678,451.

**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 \$29,383,937 for the Electric Fund, \$13,469,887 for the Water and Sewer Fund and \$648,696 for the Solid Waste Fund. The total change in net position for all three funds was \$2,969,807, (\$116,889) and \$62,577 respectively for a total net change of \$2,915,495. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town’s business-type activities.

## **Capital Asset and Debt Administration**

**Capital assets.** The Town of Tarboro’s investment in capital assets for its governmental and business-type activities as of June 30, 2016, totals \$46,851,712 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, distribution system and vehicles.

Major capital asset transactions during the year include the following:

### **Governmental Funds:**

#### **Additions**

- 9 Police Vehicles – \$322,875
- SCBA for Fire – \$73,880
- Truck for Planning Department – \$30,524
- Server Upgrade – \$23,348
- Truck for Building and Grounds – \$40,813
- M.A Ray Center Gym Floor – \$69,020
- Street Improvements/Pavements – \$542,040

### **Proprietary Funds:**

#### **Additions**

- ETI Service Truck – \$129,189
- Smart Grid Pilot – \$60,033
- Distribution System Improvements – \$624,101

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

	Governmental	Business-type	Total	
	Activities	Activities	2016	2015
Land	\$ 1,909,193	\$ 1,285,932	\$ 3,195,125	\$ 3,195,125
Buildings & Other				
Improvements	3,621,616	8,156	3,629,772	3,877,981
Infrastructure	6,842,502	-	6,842,502	7,353,871
Substations, Lines,				
Equipment	-	17,423,341	17,423,341	18,706,539
Plant & Distribution				
Systems	-	10,784,645	10,784,645	11,212,258
Equipment	1,459,037	915,052	2,374,089	1,789,336
Construction				
in progress	-	2,602,238	2,602,238	2,157,350
Total Capital Assets				
(net of accumulated				
depreciation)	\$ 13,832,348	\$ 33,019,364	\$ 46,851,712	\$ 48,292,460

Additional information on the Town's Capital Assets can be found in Note II, Section A, beginning on page 58 of this report.

**Long-term Debt.** As of June 30, 2016, 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 \$72,057,872.

Additional information regarding the Town's long-term debt can be found in Note II, Section B, beginning on page 72 of this report.

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

The following are key economic indicators of the Town. These factors have been considered when preparing the budget for fiscal year ending June 30, 2016.

- New initiatives are continuing will create activity, investment and positive economic returns to the Town. These include the Town's certification as a State of North Carolina Certified Retirement Community, the Façade Improvement Grant initiative for Main Street businesses, and the newly established Tourism Development Authority.

- The Town continues to pursue additional grants and initiate new programs to stimulate economic growth in the commercial, industrial and residential sectors of Tarboro.

### **Budget Highlights for the Fiscal Year Ending June 30, 2016**

**Governmental Activities:** The governmental fund's primary revenue sources are property taxes and intergovernmental revenues. There was no change in the property tax rate of \$0.41 per \$100 valuation for the fiscal year ending June 30, 2017. 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 Town employees will receive a 2.00% cost of living adjustment and the opportunity to earn a merit increase in FY 2016-2017.

**Business-type Activities:** Water and sewer rates will increase for FY 2016-2017 to help fund system repairs and improvements, and there was no rate increase for solid waste for FY 2016-2017. Electric rates were not changed for the FY 2016-2017 budget year after being reduced on two separate occasions in FY 2015-2016.

### **Requests for Information**

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the 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.

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## **BASIC FINANCIAL STATEMENTS**

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**Town of Tarboro, North Carolina**  
**Statement of Net Position**  
**June 30, 2016**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,584,733	\$ 9,800,226	\$ 13,384,959
Restricted cash	1,214,866	1,357,492	2,572,358
Taxes receivables (net)	283,347	-	283,347
Accounts receivable (net)	372,671	3,867,901	4,240,572
Due from other governments	412,863	-	412,863
Inventories	59,825	1,358,348	1,418,173
Total current assets	5,928,305	16,383,967	22,312,272
Non-current assets:			
Capital assets:			
Land, non-depreciable improvements, and construction in progress	1,909,193	3,888,169	5,797,362
Other capital assets, net of depreciation	11,923,155	29,131,195	41,054,350
Total capital assets	13,832,348	33,019,364	46,851,712
Total non-current assets	13,832,348	33,019,364	46,851,712
<b>Total assets</b>	<b>19,760,653</b>	<b>49,403,331</b>	<b>69,163,984</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Contributions to pension plan	266,884	192,827	459,711
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	209,515	1,791,766	2,001,281
Payable from restricted assets	-	570,648	570,648
Unavailable revenues	-	82,214	82,214
Compensated absences	77,600	29,387	106,987
Current portions of notes payable	-	207,368	207,368
Total current liabilities	287,115	2,681,383	2,968,498
Long-term liabilities:			
Net pension liability - LGERS	328,231	242,950	571,181
Net pension obligation - LEO	287,287	-	287,287
Due in more than one year	3,763,298	3,027,846	6,791,144
Total long-term liabilities	4,378,816	3,270,796	7,649,612
<b>Total liabilities</b>	<b>4,665,931</b>	<b>5,952,179</b>	<b>10,618,110</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid taxes	8,817	-	8,817
Pension deferrals	213,417	141,459	354,876
<b>Total deferred inflows of resources</b>	<b>222,234</b>	<b>141,459</b>	<b>363,693</b>
<b>NET POSITION</b>			
Net investment in capital assets	10,069,050	31,945,930	42,014,980
Restricted for:			
Stabilization by State statute	919,921	-	919,921
Streets	873,130	-	873,130
Public safety	171,520	-	171,520
Other restrictions	-	1,027,197	1,027,197
Unrestricted	3,105,751	10,529,393	13,635,144
<b>Total net position</b>	<b>\$ 15,139,372</b>	<b>\$ 43,502,520</b>	<b>\$ 58,641,892</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, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 2,857,913	\$ 770,095	\$ -	\$ -	\$ (2,087,818)	\$ -	\$ (2,087,818)
Public safety	4,353,722	132,946	54,334	-	(4,166,442)	-	(4,166,442)
Transportation	1,992,351	-	327,236	-	(1,665,115)	-	(1,665,115)
Economic and physical development	163,120	-	-	-	-	-	-
Cultural and Recreational	1,287,016	153,587	58,486	-	(1,074,943)	-	(1,074,943)
Interest on long-term debt	-	-	-	-	-	-	-
<b>Total governmental activities</b>	<b>10,654,122</b>	<b>1,056,628</b>	<b>440,056</b>	<b>-</b>	<b>(9,157,438)</b>	<b>-</b>	<b>(9,157,438)</b>
<b>Business-type activities:</b>							
Electric	22,397,029	26,117,379	-	300,000	-	4,020,350	4,020,350
Water and Sewer	4,771,575	4,313,529	-	326,541	-	(131,505)	(131,505)
Solid waste	975,674	1,036,227	-	-	-	60,553	60,553
<b>Total business-type activities</b>	<b>28,144,278</b>	<b>31,467,135</b>	<b>-</b>	<b>626,541</b>	<b>-</b>	<b>3,949,398</b>	<b>3,949,398</b>
<b>Total primary government</b>	<b>\$ 38,798,400</b>	<b>\$ 32,523,763</b>	<b>\$ 440,056</b>	<b>\$ 626,541</b>	<b>(9,157,438)</b>	<b>3,949,398</b>	<b>(5,208,040)</b>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					3,580,962	-	3,580,962
Other taxes and licenses					239,423	-	239,423
Grants and contributions not restricted to specific programs					2,875,567	-	2,875,567
Unrestricted investment earnings					14,226	25,244	39,470
Miscellaneous					70,776	40,853	111,629
General revenues not including transfers					6,780,954	66,097	6,847,051
Transfers					1,100,000	(1,100,000)	-
Total general revenues and transfers					7,880,954	(1,033,903)	6,847,051
<b>Change in net position</b>					<b>(1,276,484)</b>	<b>2,915,495</b>	<b>1,639,011</b>
<b>Net position, beginning</b>					<b>16,415,856</b>	<b>40,587,025</b>	<b>57,002,881</b>
<b>Net position, ending</b>					<b>\$ 15,139,372</b>	<b>\$ 43,502,520</b>	<b>\$ 58,641,892</b>

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

Exhibit 3

Town of Tarboro, North Carolina  
Balance Sheets  
Governmental Funds  
June 30, 2016

	Major Fund		
	General	Governmental Non-major Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 3,542,229	\$ 42,504	\$ 3,584,733
Restricted cash	1,096,382	118,484	1,214,866
Receivables, net:			
Taxes	283,347	-	283,347
Accounts	362,139	10,532	372,671
Due from other governments	412,863	-	412,863
Due from other funds	200,000	-	200,000
Inventories	59,825	-	59,825
Total assets	<u>\$ 5,956,785</u>	<u>\$ 171,520</u>	<u>\$ 6,128,305</u>
<b>LIABILITIES</b>			
Accounts payable - vendors	\$ 141,527	\$ -	\$ 141,527
Accounts payable - others	67,988	-	67,988
Due to other funds	-	200,000	200,000
Total liabilities	<u>209,515</u>	<u>200,000</u>	<u>409,515</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes	283,347	-	283,347
Special assessments, net	55,081	-	55,081
Prepaid taxes	8,817	-	8,817
Total deferred inflows of resources	<u>347,245</u>	<u>-</u>	<u>347,245</u>
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories	59,825	-	59,825
Restricted:			
Stabilization by State statute	919,921	-	919,921
Streets	873,130	-	873,130
Public safety	-	171,520	171,520
Assigned:			
Subsequent year's expenditures	231,846	-	231,846
Unassigned	3,315,303	(200,000)	3,115,303
Total fund balances	<u>5,400,025</u>	<u>(28,480)</u>	<u>5,371,545</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,956,785</u>	<u>\$ 171,520</u>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	13,832,348
Earned revenues considered deferred inflows of resources in fund statements.	338,428
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	266,884
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	(3,840,898)
Net pension liability - LGERS	(328,231)
Pension related deferrals	(213,417)
Net pension obligation - LEO	(287,287)
Net position of governmental activities	<u>\$ 15,139,372</u>

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

**Exhibit 4**

**Town of Tarboro, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2016**

	<b>Major Fund</b>		
	<b>General Fund</b>	<b>Governmental Non-major Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Ad valorem taxes	\$ 3,761,090	\$ -	\$ 3,761,090
Other taxes and licenses	239,254	-	239,254
Unrestricted intergovernmental	2,839,440	32,126	2,871,566
Restricted intergovernmental	439,903	112,948	552,851
Permits and fees	57,173	-	57,173
Sales and services	221,854	-	221,854
Investment earnings	13,897	330	14,227
Miscellaneous	138,730	-	138,730
Charges for services	601,023	-	601,023
Total revenues	<u>8,312,364</u>	<u>145,404</u>	<u>8,457,768</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,431,740	-	2,431,740
Public safety	4,020,291	95,093	4,115,384
Transportation	744,232	-	744,232
Economic and physical development	-	163,120	163,120
Cultural and Recreational	1,145,260	-	1,145,260
Capital outlay	1,607,731	-	1,607,731
Total expenditures	<u>9,949,254</u>	<u>258,213</u>	<u>10,207,467</u>
Excess (deficiency) of revenues over expenditures	<u>(1,636,890)</u>	<u>(112,809)</u>	<u>(1,749,699)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (to) from other funds	1,100,000	-	1,100,000
Total other financing sources (uses)	<u>1,100,000</u>	<u>-</u>	<u>1,100,000</u>
Net change in fund balance	<u>(536,890)</u>	<u>(112,809)</u>	<u>(649,699)</u>
Fund balances, beginning	5,936,915	84,329	6,021,244
Fund balances, ending	<u><u>\$ 5,400,025</u></u>	<u><u>\$ (28,480)</u></u>	<u><u>\$ 5,371,545</u></u>

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

**Exhibit 5**

**Town of Tarboro, North Carolina  
Reconciliation of the  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2016**

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

Net changes in fund balances - total governmental funds		\$ (649,699)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period		
Capital outlay expenditures which were capitalized	1,607,731	
Depreciation expense for governmental assets	<u>(1,729,827)</u>	(122,096)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		266,884
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		(180,125)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
		-
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		(34,639)
Pension expense		(151,125)
Net pension obligation		(45,526)
Other postemployment benefits		(360,158)
Total changes in net position of governmental activities		<u><u>\$ (1,276,484)</u></u>

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

**Town of Tarboro, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2016**

	General Fund			Variance with
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 3,771,100	\$ 3,771,100	\$ 3,761,090	\$ (10,010)
Other taxes and licenses	279,250	211,500	239,254	27,754
Unrestricted intergovernmental	2,811,000	3,028,500	2,839,440	(189,060)
Restricted intergovernmental	465,500	434,500	439,903	5,403
Permits and fees	72,250	72,250	57,173	(15,077)
Sales and services	140,300	66,250	221,854	155,604
Investment earnings	12,000	12,000	13,897	1,897
Miscellaneous	29,500	48,550	138,730	90,180
Charges for services	601,023	601,023	601,023	-
Total revenues	8,181,923	8,245,673	8,312,364	66,691
Expenditures:				
Current:				
General government	2,547,959	2,641,323	2,431,740	209,583
Public safety	4,184,957	4,207,106	4,020,291	186,815
Transportation	806,028	799,528	744,232	55,296
Cultural and Recreational	1,420,295	1,237,056	1,145,260	91,796
Capital Outlay	1,302,072	1,742,692	1,607,731	134,961
Total expenditures	10,261,311	10,627,705	9,949,254	678,451
Revenues over (under) expenditures	(2,079,388)	(2,382,032)	(1,636,890)	745,142
Other financing sources (uses):				
Appropriated (Unappropriated) fund balance	979,388	1,282,032	-	(1,282,032)
Transfers from (to) other funds	1,100,000	1,100,000	1,100,000	-
Total other financing sources (uses)	2,079,388	2,382,032	1,100,000	(1,282,032)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	(536,890)	\$ (536,890)
Fund balances, beginning			5,936,915	
Fund balances, ending			<u>\$ 5,400,025</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, 2016**

	Water and Sewer			
	Electric Fund	Fund	Solid Waste Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 7,680,971	\$ 1,241,844	\$ 877,411	\$ 9,800,226
Restricted cash	946,438	411,054	-	1,357,492
Accounts receivable (net)	2,748,718	976,887	142,296	3,867,901
Inventories	1,282,617	75,731	-	1,358,348
Total current assets	12,658,744	2,705,516	1,019,707	16,383,967
Noncurrent assets:				
Capital assets:				
Land, non-depreciable improvements, and construction in progress	2,261,336	1,626,833	-	3,888,169
Other capital assets, net of depreciation	17,897,821	10,991,948	241,426	29,131,195
Capital assets (net)	20,159,157	12,618,781	241,426	33,019,364
Total noncurrent assets	20,159,157	12,618,781	241,426	33,019,364
Total assets	32,817,901	15,324,297	1,261,133	49,403,331
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Contributions to pension plan	81,477	92,230	19,120	192,827
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,686,158	75,256	30,352	1,791,766
Payable from restricted assets	538,138	32,510	-	570,648
Unavailable revenues	80,923	1,291	-	82,214
Compensated absences - current	16,211	11,859	1,317	29,387
Current portion of long-term debt	43,837	96,041	67,490	207,368
Total current liabilities	2,365,267	216,957	99,159	2,681,383
Non-current liabilities:				
Other postemployment benefits	803,742	870,796	271,737	1,946,275
Compensated absences	118,881	86,963	9,661	215,505
Net pension liability	104,765	117,014	21,171	242,950
Non-current portion of long-term debt	63,758	590,839	211,469	866,066
Total non-current liabilities	1,091,146	1,665,612	514,038	3,270,796
Total liabilities	3,456,413	1,882,569	613,197	5,952,179
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals	59,028	64,071	18,360	141,459
<b>NET POSITION</b>				
Net investment in capital assets	20,051,562	11,931,901	(37,533)	31,945,930
Other restrictions	1,027,197	-	-	1,027,197
Unrestricted	8,305,178	1,537,986	686,229	10,529,393
Total net position	\$ 29,383,937	\$ 13,469,887	\$ 648,696	\$ 43,502,520

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, 2016**

	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 25,991,433	\$ 4,258,044	\$ 1,010,389	\$ 31,259,866
Water and sewer taps	-	25,112	-	25,112
Other operating revenues	125,946	30,373	25,838	182,157
<b>Total operating revenues</b>	<b>26,117,379</b>	<b>4,313,529</b>	<b>1,036,227</b>	<b>31,467,135</b>
<b>OPERATING EXPENSES</b>				
Administration	2,434,986	2,384,127	892,841	5,711,954
Load management	166,640	-	-	166,640
Electric operations	492,810	-	-	492,810
Electric power purchases	17,744,037	-	-	17,744,037
Water treatment and distribution	-	645,260	-	645,260
Waste collection and treatment	-	619,938	-	619,938
Depreciation	1,555,557	1,117,583	75,277	2,748,417
<b>Total operating expenses</b>	<b>22,394,030</b>	<b>4,766,908</b>	<b>968,118</b>	<b>28,129,056</b>
<b>Operating income (loss)</b>	<b>3,723,349</b>	<b>(453,379)</b>	<b>68,109</b>	<b>3,338,079</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment earnings	19,018	4,202	2,024	25,244
Interest and other charges	(2,999)	(4,667)	(7,556)	(15,222)
Other non-operating revenues	30,439	10,414	-	40,853
<b>Total non-operating revenue (expenses)</b>	<b>46,458</b>	<b>9,949</b>	<b>(5,532)</b>	<b>50,875</b>
<b>Income (loss) before contributions and transfers</b>	<b>3,769,807</b>	<b>(443,430)</b>	<b>62,577</b>	<b>3,388,954</b>
Capital contributions	300,000	326,541	-	626,541
Transfers from (to) other funds	(1,100,000)	-	-	(1,100,000)
<b>Change in net position</b>	<b>2,969,807</b>	<b>(116,889)</b>	<b>62,577</b>	<b>2,915,495</b>
<b>Total net position, beginning</b>	<b>26,414,130</b>	<b>13,586,776</b>	<b>586,119</b>	<b>40,587,025</b>
<b>Total net position, ending</b>	<b>\$ 29,383,937</b>	<b>\$ 13,469,887</b>	<b>\$ 648,696</b>	<b>\$ 43,502,520</b>

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



## Exhibit 9

**Town of Tarboro, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 26,919,264	\$ 4,052,500	\$ 1,008,196	\$ 31,979,960
Cash paid for goods and services	(19,196,296)	(1,409,459)	(485,250)	(21,091,005)
Cash paid to or on behalf of employees for services	(2,176,390)	(2,158,441)	(391,287)	(4,726,118)
Net customer deposits	(74,186)	6,754	-	(67,432)
Other operating revenues	156,385	40,787	25,838	223,010
Net cash provided (used) by operating activities	5,628,777	532,141	157,497	6,318,415
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	(1,100,000)	-	-	(1,100,000)
Net cash provided (used) by noncapital financing activities	(1,100,000)	-	-	(1,100,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(416,737)	(1,013,028)	-	(1,429,765)
Capital contributions	300,000	326,541	-	626,541
Proceeds from debt	-	-	-	-
Principal paid on bonds and installment purchases	(42,846)	(120,499)	(66,043)	(229,388)
Interest paid on bonds and installment purchases	(2,999)	(4,667)	(7,556)	(15,222)
Net cash provided (used) by capital and related financing activities	(162,582)	(811,653)	(73,599)	(1,047,834)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	19,018	4,202	2,024	25,244
Net cash provided (used) by investing activities	19,018	4,202	2,024	25,244
Net increase (decrease) in cash and investments	4,385,213	(275,310)	85,922	4,195,825
Balances, beginning	4,242,196	1,928,208	791,489	6,961,893
Balances, ending	\$ 8,627,409	\$ 1,652,898	\$ 877,411	\$ 11,157,718

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

**Exhibit 9**

**Town of Tarboro, North Carolina  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2016**

	<b>Electric Fund</b>	<b>Water and Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Total</b>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 3,723,349	\$ (453,379)	\$ 68,109	\$ 3,338,079
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,555,557	1,117,583	75,277	2,748,417
Non-operating revenues	30,439	10,414	-	40,853
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	927,831	(230,656)	(2,192)	694,983
(Increase) decrease in inventory	(46,565)	(934)	-	(47,499)
Increase (decrease) in accounts payable and accrued liabilities	(561,713)	10,321	4,979	(546,413)
Increase (decrease) in customer deposits	(74,186)	6,754	-	(67,432)
Increase (decrease) in compensated absences	2,750	(7,551)	(4,291)	(9,092)
Decrease in net pension asset	132,121	146,192	31,470	309,783
Increase in deferred outflows of resources - pensions	(3,859)	(6,346)	(632)	(10,837)
Increase in net pension liability	104,765	117,014	21,171	242,950
Decrease in deferred inflows of resources - pensions	(269,307)	(299,230)	(59,846)	(628,383)
Increase (decrease) in accrued other postemployment benefits	107,595	121,959	23,452	253,006
Total adjustments	1,905,428	985,520	89,388	2,980,336
Net cash provided by operating activities	<u>\$ 5,628,777</u>	<u>\$ 532,141</u>	<u>\$ 157,497</u>	<u>\$ 6,318,415</u>

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

None.

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

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**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**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. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds. 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 and investment earnings, result from non-exchange transactions or ancillary activities, such as investment earnings.

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

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.

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.

**Main Street Solutions Grant Fund.** This fund is used to account for grant funds that are restricted for use for a particular purpose.

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.

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

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide 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, entitlements, 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

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

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 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. Proceeds of general long-term debt acquisitions under capital leases are reported as other financing sources.

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise 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. 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 Special Revenue Fund, Capital Projects Fund, 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

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

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, 2016.

**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. Non-participating interest earning contracts are accounted for at cost. The NCCMT- Cash Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT- Term Portfolio's securities are valued at fair value.

**2. Cash and Cash Equivalents**

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

**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. The Town also restricts cash in the General Fund and the Water and Sewer Fund for future capital outlay. 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 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date January 1); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2014.

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2016**

**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. 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 inventory of the Town's enterprise funds consists 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.

**7. 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, 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 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition 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.

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
Buildings	50
Improvements	30
Vehicles	5
Furniture and equipment	5
Computer equipment	5

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or



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expenditure until then. The Town has one item that meets this criterion, contributions made to the pension plan in the 2016 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 position that applies to a future period and so will not be recognized as revenue until then. The Town has four items that meet this criterion for this category – prepaid taxes, special assessments, property taxes receivable, and deferrals of pension expense that result from the implementation of GASB Statement 68.

**9. 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.

**10. 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.

**11. 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.

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The governmental fund types classify fund balances as follows:

Non-spendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

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 – portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for Streets – 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 restricted by revenue source for certain emergency telephone system and law enforcement expenditures.

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

Assigned Fund Balance – The portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town's governing body (highest level of decision-making authority). Any changes require majority action in the form of a resolution by the governing body.

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

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

The Town 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 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.

The Town has adopted a fund balance policy which instructs management to conduct the business of the Town in such a manner that undesignated available fund balance will be a minimum of 30% of budgeted expenditures for the General Fund; 25% for the Electric Fund; 50% for the Water and Sewer Fund; and 50% for the Solid Waste

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Fund. Once the minimum fund balance percentage is realized, all revenue in excess of expenditures realized at the end of any given fiscal year will be credited as capital reserves.

**12. Pensions**

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, ad 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 names. 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 undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has 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.

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At June 30, 2016, the Town's deposits had a carrying amount of \$6,275,153 and a bank balance of \$6,272,775. Of the bank balance, \$750,000 was covered by federal depository insurance, and the remainder was covered by collateral held under the Pooling Method. At June 30, 2016 the Town's petty cash fund totaled \$3,325.

**2. Investments**

At June 30, 2016 the Town's investment balances were as follows:

<b>Investment by Type</b>	<b>Valuation Measurement Method</b>	<b>Book Value at 6/30/16</b>	<b>Maturity</b>	<b>Rating</b>
NC Capital Management Trust – Cash Portfolio	Amortized Cost	\$5,414,581	N/A	AAAm
NC Capital Management Trust – Term Portfolio	Fair Value Level 1	\$4,264,258	0.23 years	Unrated
Total:		\$9,678,839		

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 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). As of June 30, 2016, the Town's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's. The Town's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

**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, 2016 are net of the following allowances for doubtful accounts:

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<u>Fund</u>	<u>June 30, 2016</u>
General Fund	
Taxes receivable	\$ 66,120
Accounts receivable	349,545
Total General Fund	<u>415,665</u>
Enterprise Funds:	
Electric Fund	48,455
Water and Sewer Fund	8,629
Solid Waste Fund	2,073
Total Enterprise Funds	<u>59,157</u>
Total	<u>\$ 474,822</u>

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

Local option sales tax	\$ 309,079
Franchise tax	103,784
Total	<u>\$ 412,863</u>

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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,909,193	\$ -	\$ -	\$ 1,909,193
Total	<u>1,909,193</u>	<u>-</u>	<u>-</u>	<u>1,909,193</u>
Capital assets being depreciated:				
Buildings and improvements	9,549,354	80,821	-	9,630,175
Infrastructure - streets	49,398,399	542,040	-	49,940,439
Infrastructure - sidewalk	549,028	-	-	549,028
Equipment	8,478,767	984,870	21,049	9,442,588
Total	<u>67,975,548</u>	<u>1,607,731</u>	<u>21,049</u>	<u>69,562,230</u>
Less accumulated depreciation for:				
Buildings and improvements	5,680,237	328,321	-	6,008,558
Infrastructure - streets	42,044,528	1,053,409	-	43,097,937
Infrastructure - sidewalk	549,028	-	-	549,028
Equipment	7,656,504	348,097	21,049	7,983,552
Total	<u>55,930,297</u>	<u>\$ 1,729,827</u>	<u>\$ 21,049</u>	<u>57,639,075</u>
Total capital assets being depreciated, net	<u>12,045,251</u>			<u>11,923,155</u>
Governmental activity capital assets, net	<u>\$ 13,954,444</u>			<u>\$ 13,832,348</u>

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

General government	\$ 245,209
Public safety	121,007
Transportation	1,242,112
Cultural and recreational	121,499
	<u>\$ 1,729,827</u>

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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities:</b>				
<b>Electric Fund</b>				
Capital assets not being depreciated:				
Land	\$ 858,368	\$ -	\$ -	\$ 858,368
Construction in progress	1,347,008	55,960	-	1,402,968
Total	<u>2,205,376</u>	<u>55,960</u>	<u>-</u>	<u>2,261,336</u>
Capital assets being depreciated:				
Substations, lines, & related equipment	47,595,330	145,051	-	47,740,381
Office & maintenance equipment	3,631,423	215,726	-	3,847,149
Load management	269,713	-	-	269,713
Total	<u>51,496,466</u>	<u>360,777</u>	<u>-</u>	<u>51,857,243</u>
Less accumulated depreciation for:				
Substations, lines, & related equipment	28,888,791	1,428,249	-	30,317,040
Office & maintenance equipment	3,245,361	127,308	-	3,372,669
Load management	269,713	-	-	269,713
Total	<u>32,403,865</u>	<u>\$ 1,555,557</u>	<u>\$ -</u>	<u>33,959,422</u>
Total capital assets being depreciated, net	<u>19,092,601</u>			<u>17,897,821</u>
Electric Fund capital assets, net	<u>\$ 21,297,977</u>			<u>\$ 20,159,157</u>

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	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type Activities:</b>				
<b>Water and Sewer Fund:</b>				
Capital assets not being depreciated:				
Land	\$ 427,564	\$ -	\$ -	\$ 427,564
Construction in progress	810,342	388,928	-	1,199,270
Total	1,237,906	388,928	-	1,626,834
Capital assets being depreciated:				
Plant & distribution system	34,193,447	624,101	-	34,817,548
Office & maintenance equipment	2,081,600	-	33,835	2,047,765
Total	36,275,047	624,101	33,835	36,865,313
Less accumulated depreciation for:				
Plant & distribution system	22,981,190	1,051,713	-	24,032,903
Office & maintenance equipment	1,808,428	65,870	33,835	1,840,463
Total	24,789,618	\$ 1,117,583	\$ 33,835	25,873,366
Total capital assets being depreciated, net	11,485,429			10,991,947
Water and Sewer Fund capital assets, net	\$ 12,723,335			\$ 12,618,781



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	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Business-type Activities:</b>				
<b>Solid Waste Fund:</b>				
Capital assets				
being depreciated:				
Buildings	\$ 21,274	\$ -	\$ -	\$ 21,274
Maintenance equipment	1,070,978	-	-	1,070,978
Total	<u>1,092,252</u>	<u>-</u>	<u>-</u>	<u>1,092,252</u>
Less accumulated				
depreciation for:				
Buildings	12,409	709	-	13,118
Maintenance equipment	763,140	74,568		837,708
Total	<u>775,549</u>	<u>\$ 75,277</u>	<u>\$ -</u>	<u>850,826</u>
Solid Waste Fund capital				
assets, net	<u>316,703</u>			<u>241,426</u>
Business-type activities				
capital assets, net	<u>\$ 34,338,015</u>			<u>\$ 33,019,364</u>

**5. Construction Commitments**

The government has active construction projects as of June 30, 2016. At year-end, the government's commitments with contractors were as follows:

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Sewer System Rehabilitation Project	<u>\$ 50,960</u>	<u>\$ 1,087,310</u>

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**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2016 were as follows:

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General Fund	\$ 141,528	\$ 67,987	\$ 209,515
Total governmental activities	<u>\$ 141,528</u>	<u>\$ 67,987</u>	<u>\$ 209,515</u>
Business-type Activities:			
Electric Fund	\$ 1,665,016	\$ 21,142	\$ 1,686,158
Water and Sewer Fund	57,212	18,044	75,256
Solid Waste Fund	<u>32,420</u>	<u>(2,068)</u>	<u>30,352</u>
Total business-type activities	<u>\$ 1,754,648</u>	<u>\$ 37,118</u>	<u>\$ 1,791,766</u>

**2. Pension Plan 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 (LEOSs) 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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 for 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

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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 the North Carolina General Assembly. The Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2016 was 7.15% of compensation for law enforcement officers and 6.75% 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 \$459,711 for the year ended June 30, 2016.

**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, 2016, the Town reported a liability of \$571,181 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 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, 2015, the Town's proportion was .127%, which was a increase of .001% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Town recognized pension expense of \$243,653. At June 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 134,260
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	162,613
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	58,003
Employer contributions subsequent to the measurement date	459,711	-
Total	<u>\$ 459,711</u>	<u>\$ 354,876</u>

\$459,711 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Future amortization:

**June 30:**

2017	\$ (206,598)
2018	(206,598)
2019	(206,303)
2020	264,623
	<u>\$ (354,876)</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, inflation and productivity factor
Investment rate of return	7.25 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, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	2.2%
Global Equity	42.0%	5.8%
Real Estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation Protection	6.0%	3.4%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2014 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**Discount rate.** The discount rate used to measure the total pension liability was 7.25%. 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 asset 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 7.25 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

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	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Town's proportionate share of the net pension liability (asset) \$	3,982,918	\$ 571,181	\$ (2,303,134)

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

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

- 1. *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. The Separation Allowance is equal to .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, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	29
Total	<u>32</u>

A separate report was not issued for the plan.

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

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earning on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members.

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**Method Used to Value Investments.** No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**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 benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include post-employment benefit increases.

**Annual Pension Cost and Net Pension Obligation.** The Town's annual pension cost and net pension obligation (asset) to the Separation Allowance for the current year were as follows:

Annual required contribution	\$ 120,870
Interest on net pension obligation	12,088
Adjustment to annual required contribution	(21,245)
Annual pension cost	111,713
Contributions made	66,187
Increase (decrease) in net pension obligation	45,526
Net pension obligation beginning of year	241,761
Net pension obligation end of year	<u>\$ 287,287</u>

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2016	\$ 111,713	59.25%	\$ 287,287
6/30/2015	102,602	59.22%	241,761
6/30/2014	80,601	75.39%	199,922

**4. Funded Status and Funding Progress**

As of December 31, 2015, the most recent actuarial valuation date, the Separation Allowance was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$1,276,518. The covered payroll (annual payroll of active employees covered by the Separation Allowance) was \$1,440,836 and the ratio of the UAAL to the covered payroll was 88.60%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Separation Allowance assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2016**

**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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, 2016 were \$87,923, which consisted of \$73,076 from the Town and \$14,847 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). This plan provides postretirement health benefits to retirees of the Town who participate in the North Carolina Local Governmental Employees' Retirement System (LGERS), have at least 20 years of creditable service with LGERS, and were hired prior to August 2, 2011. The Town pays a portion of the premiums for the coverage of these benefits, up to the current rate for active employees. Also, the Town's retirees can purchase coverage for their dependents at the Town's group rates. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplement plan after qualifying for Medicare. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

	<b>General Employees</b>	<b>Law Enforcement Officers</b>
Retirees and dependents receiving benefits	63	9
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	110	20
Total	<u>173</u>	<u>29</u>

**Funding Policy.** The Town pays a portion of the cost of coverage, up to the current rate for active employees, for the healthcare benefits paid to qualified retirees under a Town ordinance that can be amended by Town Council. The Town's members pay



**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

the full cost for dependent coverage. The Town has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current Annual Required Contribution (ARC) rate is 28.10% of annual covered payroll. For the current year, the Town contributed \$462,187 or 8.6% of annual covered payroll. There were no contributions by employees for the fiscal year ended June 30, 2016. The Town's obligation to contribute to the HCB Plan is established and may be amended by the Town Council.

**Summary of Significant Accounting Policies.** Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

**Annual OPEB Cost and Net OPEB Obligation.** The Town's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation for the healthcare benefits:

Annual required contribution	\$ 1,067,258
Interest on net OPEB obligation	181,094
Adjustment to annual required contribution	<u>(173,001)</u>
Annual OPEB cost (expense)	1,075,351
Contributions made	<u>462,187</u>
Increase (decrease) in net OPEB obligation	613,164
 Net OPEB obligation, beginning of year	 <u>4,527,341</u>
 Net OPEB obligation, end of year	 <u><u>\$ 5,140,505</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2016 were as follows:

<b>For Year Ended June 30</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
2014	\$ 1,091,778	48.70%	\$ 3,855,772
2015	1,043,066	35.62%	4,527,341
2016	1,075,351	43.00%	5,140,505

**Funded Status and Funding Progress.** As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$17,815,739. The covered payroll (annual payroll of active employees covered by the plan) was \$5,403,790, and the ratio of the UAAL to the covered payroll was 329.7 percent. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

***Actuarial Methods and Assumptions.***

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 to 5.0 percent annually. The investment rate included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015, was 30 years.

**3. Other Employment Benefits**

The Town has also elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The Town has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. For the fiscal year ended June 30, 2016, the Town made contributions to the State for death benefits of \$6,221. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The Town considers these contributions to be immaterial.

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**4. 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.

**5. 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 until termination, retirement, death, or financial hardships. Total contributions for the year ended June 30, 2016 were \$474,149, which consisted of \$370,628 from the Town and \$103,521 from employees. The Town's discretionary contribution and the employees' voluntary contribution represent 6.00% Of the covered payroll amount.

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

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

	<b>Amount</b>
Contributions to pension plan in current FY	\$ 459,711
Total	<u>\$ 459,711</u>

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

Prepaid taxes (General Fund)	\$ 8,817
Special assessments receivable (General Fund)	55,081
Taxes receivable (General Fund)	283,347
Pension related deferrals	354,876
Total	<u>\$ 702,121</u>

**7. 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 City obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy,

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

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 each year. Stop loss insurance is purchased by the Board of Trustees 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 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 \$50,000.

**8. Long-Term Obligations**

**a. Revolving ARRA 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, 2016 is \$102,732. Annual debt service payments are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 7,338	\$ -
2018	7,338	-
2019	7,338	-
2020	7,338	-
2021	7,338	-
2022-2026	36,690	-
2027-2030	29,357	-
Total	<u>\$ 102,737</u>	<u>\$ -</u>

**b. Installment Purchases**

In November 2013, the Town entered into an installment purchase agreement with Branch Banking and Trust Co. to purchase specialized equipment for the enterprise funds. The agreement requires monthly principal and interest payments in the

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

amount of \$9,621 through November 2018 at 2.290% interest. Annual debt service payments are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 110,400	\$ 5,056
2018	112,955	2,501
2019	47,725	274
Total	<u>\$ 271,080</u>	<u>\$ 7,831</u>

In August 2014, the Town entered into an installment purchase agreement with Branch Banking and Trust Co. to purchase specialized equipment for the Solid Waste Fund. The agreement requires annual principal and interest payments in the amount of \$73,599 through August 2019 at 2.190% interest. Annual debt service payments are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 67,490	\$ 6,109
2018	68,968	4,631
2019	70,478	3,121
2020	72,023	1,577
Total	<u>\$ 278,959</u>	<u>\$ 15,438</u>

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 \$23,434 through May 2035 at 0.00% interest. Annual debt service payments are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>
2017	\$ 22,140	\$ -
2018	22,140	-
2019	22,140	-
2020	22,140	-
2021	22,140	-
2022-2026	110,700	-
2027-2031	110,700	-
2032-2035	88,558	-
Total	<u>\$ 420,658</u>	<u>\$ -</u>

At June 30, 2016, the Town had a legal debt margin of \$72,057,872.

**Town of Tarboro, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**c. Changes in Long-Term Liabilities**

A summary of changes in long-term obligations follows:

	Balance			Balance		Current
	July 1, 2015	Increases	Decreases	June 30, 2016		Portion of
						Balance
<b>Governmental activities:</b>						
Compensated absences	\$ 612,030	\$ 34,639	\$ -	\$ 646,669	\$ 77,600	
Net pension liability (LGERS)	-	328,231	-	328,231	-	
Net pension obligation (LEO)	241,761	45,526	-	287,287	-	
Other postemployment benefits	2,834,071	360,158	-	3,194,229	-	
Total governmental activities	\$ 3,687,862	\$ 768,554	\$ -	\$ 4,456,416	\$ 77,600	
<b>Business-type activities:</b>						
<u>Electric Fund</u>						
Compensated absences	\$ 132,342	\$ 2,750	\$ -	\$ 135,092	\$ 16,211	
Note payable	150,441	-	42,846	107,595	43,837	
Net pension liability (LGERS)	-	104,765	-	104,765	-	
Other postemployment benefits	696,147	107,595	-	803,742	-	
Total Electric Fund	978,930	215,110	42,846	1,151,194	60,048	
<u>Water and Sewer Fund</u>						
Compensated absences	106,373	-	7,551	98,822	11,859	
ARRA revolving loan	110,075	-	7,338	102,737	7,338	
DENR revolving loan	468,875	-	48,217	420,658	22,140	
Note payable	228,429	-	64,944	163,485	66,563	
Net pension liability (LGERS)	-	117,014	-	117,014	-	
Other postemployment benefits	748,838	121,958	-	870,796	-	
Total Water and Sewer Fund	1,662,590	238,972	128,050	1,773,512	107,900	
<u>Solid Waste Fund</u>						
Compensated absences	15,269	-	4,291	10,978	1,317	
Note payable	345,002	-	66,043	278,959	67,490	
Net pension liability (LGERS)	-	21,171	-	21,171	-	
Other postemployment benefits	248,285	23,452	-	271,737	-	
Total Solid Waste Fund	608,556	44,623	70,334	582,845	68,807	
Total business-type activities	\$ 3,250,076	\$ 498,705	\$ 241,230	\$ 3,507,551	\$ 236,755	

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

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2016**

**C. Interfund Balances and Activity**

**Due To/From Other Funds**

Balances due to/from other funds at June 30, 2016, consist of the following:

Due to the General Fund from the:

Main Street Solution Grant Fund	<u>\$ 200,000</u>
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The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions that are recorded in the accounting system, and (3) payments between funds are made.

Transfers to/from other funds at June 30, 2016, consist of the following:

From the Electric Fund to the General Fund	\$ 1,100,000
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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.

**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	\$ 5,400,025
Less restricted for:	
Inventories	59,825
Stabilization by State Statute	919,921
Streets	873,130
Working Capital / Fund Balance Policy	3,188,312
Available fund balance	<u>\$ 358,838</u>

The Town has adopted a fund valance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund is at least equal to or greater than 30% of budgeted expenditures.

**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, 2016 totaled \$17,744,037.

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2016**

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 government appoints one member to the Council's governing board. The Town paid membership fees of \$4,816 to the Council during the fiscal year ended June 30, 2016.

**IV. Joint Ventures**

The Town participates in three joint ventures with Edgecombe County (County) as follows: Tarboro-Edgecombe Airport Authority, Edgecombe County Memorial Library, and Edgecombe County Cultural Arts Council, Inc.

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-six 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 \$14,209 to the Airport during the fiscal year ended June 30, 2016. The government do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2016. 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, 2016. In accordance with the intergovernmental agreement between governments, the Town contributed \$146,528 to the Library to supplement its activities during the year ended June 30, 2016. Complete financial statements for the Library can be obtained from the Library's offices at 909 Main Street, Tarboro, North Carolina 27886.

Edgecombe County Cultural Arts Council, Inc.

The Town also participates in a joint venture with the County to operate a regional Arts Council. The Town appoints six members of the nineteen Board members to the Board of Arts Council. Neither participating governments has any equity interest in the Arts Council, so no equity interest has been reflected in the financial statements at June 30, 2016. The Town contributed \$35,431 to the Arts Council during the year ended June 30, 2016. Complete financial statements for the Arts Council can be obtained from the Arts Council office at 130 Bridgers 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



**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2016**

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**

Damage in certain areas of the State of North Carolina resulting from Hurricane Matthew was of sufficient severity and magnitude to warrant a major disaster declaration by the President of the United States. Hurricane Matthew struck North Carolina and caused serious flooding in several counties including Edgecombe County. While there has been damage to buildings and other assets, as of the date of this report, it is unknown as to the extent of that damage.

**Town of Tarboro, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2016**

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## **REQUIRED SUPPLEMENTAL FINANCIAL DATA**

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This section contains additional information required by generally accepted accounting principles. Presentation conforms to requirements of the Local Government Commission in North Carolina.

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Schedule of Funding Progress and Employer Contributions  
for the Law Enforcement Officers' Special Separation Allowance

Schedule of Funding Progress and Employer Contributions  
for Other Postemployment Benefits

Schedule of Proportionate Share of the Net Pension Asset for  
Local Government Employees' Retirement System

Schedule of Contributions for Local Government Employees'  
Retirement System

**Town of Tarboro, North Carolina**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2016**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (VAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2006	\$ -	\$ 521,523	\$ 521,523	0.00%	\$ 1,145,907	37.55%
12/31/2007	-	564,861	716,913	0.00%	1,256,356	38.74%
12/31/2008	-	612,936	612,936	0.00%	1,412,040	43.41%
12/31/2009	-	720,592	720,592	0.00%	1,330,873	54.14%
12/31/2010	-	723,975	723,975	0.00%	1,296,123	55.86%
12/31/2011	-	857,501	857,501	0.00%	1,166,725	73.50%
12/31/2012	-	853,359	853,359	0.00%	1,285,952	66.36%
12/31/2013	-	904,527	904,527	0.00%	1,266,449	71.42%
12/31/2014	-	950,888	950,888	0.00%	1,368,252	69.50%
12/31/2015	-	1,276,518	1,276,518	0.00%	1,440,836	88.60%

**Town of Tarboro, North Carolina**  
**Health Care Plan Allowance (Other Postemployment Benefits)**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2016**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (VAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2007	\$ -	\$ 12,029,113	\$ 12,029,113	0%	\$ 5,844,561	205.82%
12/31/2009	-	12,121,144	12,121,144	0%	6,532,708	185.55%
12/31/2011	-	14,080,314	14,080,314	0%	6,024,708	233.71%
12/31/2013	-	14,001,348	14,001,348	0%	5,765,689	242.84%
12/31/2015	-	17,815,739	17,815,739	0%	5,403,790	329.69%

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2011	\$ 986,974	29.60%
2012	977,667	58.50%
2013	965,689	146.50%
2014	1,085,885	49.00%
2015	1,036,173	35.90%
2016	1,067,258	43.31%

**Notes to the Required Schedules:**

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows:

Valuation date:	12/31/2015
Actuarial cost method:	Projected unit credit
Amortization method:	Level dollar amount, open
Remaining amortization period:	30 years
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate	
Pre-Medicare trend rate	7.75% - 5.00%
Post-Medicare trend rate	5.75% - 5.00%
Year of ultimate trend rate	2022
*Includes inflation at	3.00%

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

**Local Government Employees' Retirement System**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tarboro's proportion of the net pension liability (asset) (%)	0.12727%	0.12630%	0.12700%
Tarboro's proportion of the net pension liability (asset) (\$)	\$ 571,181	\$ (744,850)	\$ 1,530,838
Tarboro's covered-employee payroll	\$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-employee payroll	9.40%	(12.63%)	25.05%
Plan fiduciary net position as a percentage of the total pension liability**	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 Three Fiscal Years**

**Local Government Employees' Retirement System**

	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Contractually required contribution	\$ 459,711	\$ 437,582	\$ 429,301
Contributions in relation to the contractually required contribution	459,711	437,582	429,301
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Tarboro's covered-employee payroll	\$ 6,733,997	\$ 6,073,633	\$ 5,896,667
Contributions as a percentage of covered-employee payroll	6.83%	7.20%	7.28%

## **MAJOR GOVERNMENTAL FUND**



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**Town of Tarboro, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Ad valorem taxes</b>			
Taxes	\$	\$ 3,720,404	\$
Penalties and interest		40,686	
Total	<u>3,771,100</u>	<u>3,761,090</u>	<u>(10,010)</u>
<b>Other taxes and licenses</b>			
Cable TV franchise		179,919	
Rental vehicle tax		6,213	
Auto sticker fees		51,374	
Dog licenses/beer wine		1,748	
Total	<u>211,500</u>	<u>239,254</u>	<u>27,754</u>
<b>Unrestricted intergovernmental</b>			
Local option sales tax		1,811,473	
Payments in lieu of taxes - outside sources		36,553	
Utility sales tax		931,775	
Beer and wine tax		49,484	
ABC profit distribution		10,155	
Total	<u>3,028,500</u>	<u>2,839,440</u>	<u>(189,060)</u>
<b>Restricted intergovernmental</b>			
Powell Bill allocation		327,236	
Federal nutrition program		35,651	
Federal aging program		-	
Other grants		77,016	
Total	<u>434,500</u>	<u>439,903</u>	<u>5,403</u>
<b>Permits and fees</b>			
Building permits		32,260	
Fees		24,743	
Business registration fee		170	
Total	<u>72,250</u>	<u>57,173</u>	<u>(15,077)</u>
<b>Sales and Services</b>			
Recreation department fees		153,587	
Sale of cemetery lots		37,000	
Rent revenue		31,267	
Total	<u>66,250</u>	<u>221,854</u>	<u>155,604</u>
<b>Investment earnings</b>	<u>12,000</u>	<u>13,897</u>	<u>1,897</u>

**Town of Tarboro, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Miscellaneous</b>			
Sale of materials and property		26,746	
Other		111,984	
Total	48,550	138,730	90,180
<b>Charges for Services</b>			
Electric		393,705	
Water and sewer		188,299	
Solid waste		19,019	
Total	601,023	601,023	-
<b>Total revenues</b>	8,245,673	8,312,364	66,691
<b>Expenditures:</b>			
<b>General Government:</b>			
<b>Governing Body</b>			
Salaries and employee benefits		40,615	
Operating expenditures		35,574	
Total	95,175	76,189	18,986
<b>Administration</b>			
Salaries and employee benefits		162,626	
Operating expenditures		385,449	
Total	577,947	548,075	29,872
<b>Finance - Accounting</b>			
Salaries and employee benefits		59,855	
Operating expenditures		120,548	
Capital outlay		33,330	
Total	257,019	213,733	43,286
<b>Finance - Administration</b>			
Salaries and employee benefits		52,982	
Operating expenditures		32,717	
Total	90,322	85,699	4,623
<b>Finance - Collections</b>			
Salaries and employee benefits		68,583	
Operating expenditures		60,819	
Total	154,154	129,402	24,752

**Town of Tarboro, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Planning and Economic Development</b>			
Salaries and employee benefits		115,710	
Operating expenditures		74,974	
Capital outlay		48,257	
Total	296,944	238,941	58,003
<b>Public Works</b>			
Salaries and employee benefits		670,358	
Operating expenditures		321,762	
Capital Outlay		178,488	
Total	1,272,742	1,170,608	102,134
<b>Payments to Outside Agencies</b>			
Princeville fire tax reimbursement		-	
Tarboro-Edgecombe Airport		14,209	
Edgecombe County Library		146,528	
Blount-Bridgers House		35,431	
Carolinas Gateway Partnership		33,000	
Total	229,168	229,168	-
<b>Total general government</b>	2,973,471	2,691,815	281,656
<b>Public Safety:</b>			
<b>Police</b>			
Salaries and employee benefits		2,282,198	
Operating expenditures		327,552	
Capital outlay		322,875	
Total	3,033,168	2,932,625	100,543
<b>Fire</b>			
Salaries and employee benefits		1,280,858	
Operating expenditures		129,683	
Capital Outlay		86,141	
Total	1,590,861	1,496,682	94,179
<b>Total public safety</b>	4,624,029	4,429,307	194,722

**Town of Tarboro, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Transportation:</b>			
<b>Streets and Highways</b>			
Salaries and employee benefits		336,185	
Operating expenditures		408,047	
Capital outlay		813,440	
<b>Total transportation</b>	<u>1,620,928</u>	<u>1,557,672</u>	<u>63,256</u>
<b>Cultural and recreational:</b>			
<b>Parks and Recreation</b>			
Salaries and employee benefits		742,660	
Operating expenditures		402,600	
Capital outlay		125,200	
<b>Total cultural and recreational</b>	<u>1,409,277</u>	<u>1,270,460</u>	<u>138,817</u>
<b>Total expenditures</b>	<u>10,627,705</u>	<u>9,949,254</u>	<u>873,173</u>
<b>Revenues over (under) expenditures</b>	<u>(2,382,032)</u>	<u>(1,636,890)</u>	<u>939,864</u>
<b>Other financing sources (uses):</b>			
Appropriated fund balance	1,282,032	-	(1,282,032)
Transfers from other funds	1,100,000	1,100,000	-
<b>Total other financing sources (uses)</b>	<u>2,382,032</u>	<u>1,100,000</u>	<u>(1,282,032)</u>
<b>Revenues and other financing sources over expenditures and other financing uses</b>	<u>\$ -</u>	<u>(536,890)</u>	<u>\$ (536,890)</u>
<b>Fund balance, beginning</b>		5,936,915	
<b>Fund balance, ending</b>		<u>\$ 5,400,025</u>	

## **NON-MAJOR GOVERNMENTAL FUNDS**

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**Town of Tarboro, North Carolina  
Combining Balance Sheet  
Non-Major Governmental Funds  
For the Year Ended June 30, 2016**

	<b>Emergency Telephone System Fund</b>	<b>Law Enforcement Fund</b>	<b>Main Street Solutions Grant Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 118,484	\$ 42,504	\$ -	\$ 160,988
Other receivables - net	10,505	27	-	10,532
Total assets	<u>128,989</u>	<u>42,531</u>	<u>-</u>	<u>171,520</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Fund Balances:				
Restricted:				
Stabilization by State Statute	-	-	-	-
Public safety	128,989	42,531	-	171,520
Unassigned	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>
Total fund balances	<u>128,989</u>	<u>42,531</u>	<u>(200,000)</u>	<u>(28,480)</u>
Total liabilities and fund balances	<u><u>\$ 128,989</u></u>	<u><u>\$ 42,531</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 171,520</u></u>



**Town of Tarboro, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2016**

	<b>Emergency Telephone System Fund</b>	<b>Law Enforcement Fund</b>	<b>Main Street Solutions Grant Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>				
Unrestricted intergovernmental	\$ -	\$ 32,126	\$ -	\$ 32,126
Restricted intergovernmental	112,948	-	-	112,948
Investment earnings	258	72	-	330
Total revenues	<u>113,206</u>	<u>32,198</u>	<u>-</u>	<u>145,404</u>
<b>Expenditures</b>				
Public safety	81,727	13,366	-	95,093
Economic and physical development	-	-	163,120	163,120
Capital outlay	-	-	-	-
Total expenditures	<u>81,727</u>	<u>13,366</u>	<u>163,120</u>	<u>258,213</u>
Revenues over (under) expenses	31,479	18,832	(163,120)	(112,809)
Fund balance, beginning	<u>97,510</u>	<u>23,699</u>	<u>(36,880)</u>	<u>84,329</u>
Fund balance, ending	<u><u>\$ 128,989</u></u>	<u><u>\$ 42,531</u></u>	<u><u>\$ (200,000)</u></u>	<u><u>\$ (28,480)</u></u>

## **NON-MAJOR SPECIAL REVENUE FUNDS**

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**Town of Tarboro, North Carolina**  
**Emergency Telephone System Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Restricted intergovernmental	\$ 112,948	\$ 112,948	\$ -
Investment earnings	100	258	158
Total revenues	<u>113,048</u>	<u>113,206</u>	<u>158</u>
<b>Expenditures</b>			
Public safety	90,000	81,727	8,273
Capital outlay	-	-	-
Total expenditures	<u>90,000</u>	<u>81,727</u>	<u>8,273</u>
Revenues over (under) expenses	23,048	31,479	8,431
<b>Other financing sources (uses):</b>			
Appropriated fund balance	<u>(23,048)</u>	<u>-</u>	<u>23,048</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	31,479	<u>\$ 31,479</u>
Fund balance, beginning		<u>97,510</u>	
Fund balance, ending		<u>\$ 128,989</u>	

**Town of Tarboro, North Carolina**  
**Law Enforcement Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Unrestricted Intergovernmental	\$ 15,000	\$ 32,126	\$ 17,126
Investment earnings	50	72	22
Total revenues	<u>15,050</u>	<u>32,198</u>	<u>17,148</u>
<b>Expenditures</b>			
Public safety	<u>20,000</u>	<u>13,366</u>	<u>6,634</u>
Total expenditures	<u>20,000</u>	<u>13,366</u>	<u>6,634</u>
Revenues over (under) expenses	(4,950)	18,832	23,782
<b>Other financing sources (uses):</b>			
Appropriated fund balance	<u>4,950</u>	<u>-</u>	<u>(4,950)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	18,832	<u>\$ 18,832</u>
Fund balance, beginning		<u>23,699</u>	
Fund balance, ending		<u>\$ 42,531</u>	

**Town of Tarboro, North Carolina**  
**Main Street Solutions Grant Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2016**

		Acutal			
	Project Authorization	Prior Years	Current Year	Total Project To Date	Variance Favorable (Unfavorable)
<b>Revenues:</b>					
Restricted intergovernmental					
Main Street Solutions Grant	\$ 200,000	\$ -	\$ -	\$ -	\$ (200,000)
<b>Expenditures:</b>					
Economic and physical development	200,000	36,880	163,120	200,000	-
Revenues over (under) expenditures	-	(36,880)	(163,120)	(200,000)	(200,000)
Fund balance, beginning			(36,880)		
Fund balance, ending			<u>\$ (200,000)</u>		

## **ENTERPRISE FUNDS**

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**Town of Tarboro, North Carolina**  
**Electric Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Operating revenues:			
Electricity sales		\$ 25,991,433	
Other operating revenues		125,946	
Total operating revenues	<u>28,988,250</u>	<u>26,117,379</u>	<u>(2,870,871)</u>
Non-operating revenues:			
Interest on investments		19,018	
Sale of equipment and materials		28,116	
Miscellaneous		2,323	
Total non-operating revenues	<u>26,500</u>	<u>49,457</u>	<u>22,957</u>
Total revenues	<u>29,014,750</u>	<u>26,166,836</u>	<u>(2,847,914)</u>
<b>Expenditures:</b>			
Administration and operations:			
Salaries and employee benefits		1,782,684	
Administration		578,236	
Operations		492,810	
Total administration and operations	<u>2,942,676</u>	<u>2,853,730</u>	<u>88,946</u>
Other operating expenditures:			
Load management	<u>160,000</u>	<u>166,640</u>	<u>(6,640)</u>
Electrical power purchases	<u>24,403,000</u>	<u>17,744,037</u>	<u>6,658,963</u>
Capital outlay:			
Distribution system		145,051	
Equipment		215,726	
Total capital outlay	<u>381,500</u>	<u>360,777</u>	<u>20,723</u>
Debt service:			
Interest and other charges		2,999	
Principal retirement		42,846	
Total debt service	<u>45,845</u>	<u>45,845</u>	<u>-</u>
Total expenditures	<u>27,933,021</u>	<u>21,171,029</u>	<u>6,761,992</u>
Revenues over (under) expenditures	<u>1,081,729</u>	<u>4,995,807</u>	<u>(3,914,078)</u>

**Town of Tarboro, North Carolina**  
**Electric Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
<b>Other financing sources (uses):</b>			
Transfer to General Fund	(1,100,000)	(1,100,000)	-
Appropriated fund balance	18,271	-	(18,271)
Total other financing sources (uses)	<u>(1,081,729)</u>	<u>(1,100,000)</u>	<u>(18,271)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>3,895,807</u>	<u>\$ (3,895,807)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues and other sources over expenditures and other uses		3,895,807	
Reconciling items:			
Principal repayment on long-term debt		42,846	
Capital outlay		360,777	
Decrease in net pension asset		(132,121)	
Increase in deferred outflows of resources - pensions		3,859	
Increase in net pension liability		(104,765)	
Decrease in deferred inflows of resources - pensions		269,307	
Depreciation		(1,555,557)	
(Increase) decrease in compensated absences		(2,751)	
(Increase) decrease in other postemployment benefits		(107,595)	
Capital contributions		300,000	
Total reconciling items		<u>(926,000)</u>	
Net income		<u>\$ 2,969,807</u>	

**Town of Tarboro, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Water and sewer sales	\$	\$ 4,258,044	\$
Water and sewer taps		25,112	
Other operating revenues		30,373	
Total operating revenues	<u>3,931,000</u>	<u>4,313,529</u>	<u>382,529</u>
Non-operating revenues:			
Interest earnings		4,202	
Sale of equipment and materials		10,825	
Miscellaneous		(411)	
Total non-operating revenues	<u>3,100</u>	<u>14,616</u>	<u>11,516</u>
Total revenues	<u>3,934,100</u>	<u>4,328,145</u>	<u>394,045</u>
Expenditures:			
Water and sewer administration:			
Salaries and employee benefits		1,962,591	
Professional services		10,886	
Administration		338,612	
Total water and sewer administration	<u>2,435,986</u>	<u>2,312,089</u>	<u>123,897</u>
Water treatment and distribution:			
Utilities		225,823	
Other operating expenditures		419,437	
Total water treatment and distribution	<u>710,000</u>	<u>645,260</u>	<u>64,740</u>
Waste water collection and treatment:			
Utilities		220,781	
Other operating expenditures		399,157	
Total waste water collection and treatment	<u>721,383</u>	<u>619,938</u>	<u>101,445</u>
Debt service:			
Interest and other charges		4,667	
Principal retirement		120,499	
Total debt service	<u>76,951</u>	<u>125,166</u>	<u>(48,215)</u>
Capital outlay:			
Equipment		-	
Water distribution		624,101	
Sewer treatment		-	
Total capital outlay	<u>663,436</u>	<u>624,101</u>	<u>39,335</u>
Total expenditures	<u>4,607,756</u>	<u>4,326,554</u>	<u>281,202</u>
Revenues over (under) expenditures	<u>(673,656)</u>	<u>1,591</u>	<u>675,247</u>

**Town of Tarboro, North Carolina**  
**Water and Sewer Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Other financing sources (uses):			
Appropriated fund balance	673,656	-	(673,656)
Total other financing sources (uses)	673,656	-	(673,656)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 1,591	\$ 1,591
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues and other sources over expenditures and other uses		\$ 1,591	
Reconciling items:			
Principal repayment on long-term debt		120,499	
Capital outlay		624,101	
Depreciation		(1,117,583)	
Capital contributions		326,541	
Decrease in net pension asset		(146,192)	
Increase in deferred outflows of resources - pensions		6,346	
Increase in net pension liability		(117,014)	
Decrease in deferred inflows of resources - pensions		299,230	
(Increase) decrease in compensated absences		7,551	
(Increase) decrease in other postemployment benefits		(121,959)	
Total reconciling items		(118,480)	
Net income (loss)		\$ (116,889)	

**Town of Tarboro, North Carolina**  
**Solid Waste Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Ended June 30, 2016**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Solid waste collection & disposal charges	\$	\$ 1,010,389	\$
Other operating revenues		25,838	
Total operating revenues	<u>1,040,735</u>	<u>1,036,227</u>	<u>(4,508)</u>
Non-operating revenues:			
Interest earnings		2,024	
Sale of equipment and materials		-	
Total non-operating revenues	<u>1,000</u>	<u>2,024</u>	<u>1,024</u>
Total revenues	<u>1,041,735</u>	<u>1,038,251</u>	<u>(3,484)</u>
Expenditures:			
Solid waste collection and disposal:			
Salaries and employee benefits		391,288	
Sanitary landfill fees		249,569	
Administration		240,660	
Total solid waste collection and disposal	<u>954,961</u>	<u>881,517</u>	<u>73,444</u>
Debt service:			
Interest and other charges		7,556	
Principal retirement		66,043	
Total debt service	<u>131,099</u>	<u>73,599</u>	<u>57,500</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,086,060</u>	<u>955,116</u>	<u>130,944</u>
Revenues over (under) expenditures	<u>(44,325)</u>	<u>83,135</u>	<u>127,460</u>
Other financing sources (uses):			
Appropriated fund balance	<u>44,325</u>	<u>-</u>	<u>(44,325)</u>
Total other financing sources (uses)	<u>44,325</u>	<u>-</u>	<u>(44,325)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 83,135</u>	<u>\$ 83,135</u>

**Town of Tarboro, North Carolina**  
**Solid Waste Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Ended June 30, 2016**

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

Revenues and other sources over expenditures and other uses	\$ 83,135
Reconciling items:	
Principal repayment on long-term debt	66,043
Capital outlay	-
Depreciation	(75,277)
Capital contributions	-
Decrease in net pension asset	(31,470)
Increase in deferred outflows of resources - pensions	632
Increase in net pension liability	(21,171)
Decrease in deferred inflows of resources - pensions	59,846
(Increase) decrease in compensated absences	4,292
(Increase) decrease in other postemployment benefits	(23,453)
Total reconciling items	<u>(20,558)</u>
Net income (loss)	<u>\$ 62,577</u>

**Town of Tarboro, North Carolina**  
**Electric Capital Projects Fund**  
**General Foam Project**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2016**

	Actual			Total	Variance
	Project	Prior	Current	Project	Favorable
	Authorization	Years	Year	To Date	(Unfavorable)
<b>Revenues:</b>					
Contributions in Aid of Construction	\$ 300,000	\$ -	\$ 300,000	\$ 300,000	\$ -
Golden Leaf	250,000	-	-	-	(250,000)
Industrial Development Fund	750,000	\$ -	-	-	(750,000)
Total revenues	1,300,000	-	300,000	300,000	(1,000,000)
<b>Expenditures:</b>					
Professional services	25,000	-	5,000	5,000	20,000
Construction	1,275,000	-	50,960	50,960	1,224,040
Total expenditures	1,300,000	-	55,960	55,960	1,244,040
Revenues over (under) expenditures	-	-	244,040	244,040	244,040
Net change in fund balance	\$ -	\$ -	\$ 244,040	\$ 244,040	\$ 244,040

**Town of Tarboro, North Carolina**  
**Electric Capital Projects Fund**  
**Superior Essex Project**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2016**

	Actual				
	Project	Prior	Current	Total	Variance
	Authorization	Years	Year	Project	Favorable
				To Date	(Unfavorable)
<b>Revenues:</b>					
Carolinas Gateway	\$ 10,000	\$ 10,000	\$ -	\$ 10,000	\$ -
Rural Center Grant	640,000	640,000	-	640,000	-
Golden Leaf	500,000	500,000	-	500,000	-
Industrial Development Fund	250,000	250,000	-	250,000	-
Total revenues	1,400,000	1,400,000	-	1,400,000	-
<b>Expenditures:</b>					
Professional services	35,000	35,000		35,000	-
Construction	1,465,000	1,312,008	-	1,312,008	152,992
Total expenditures	1,500,000	1,347,008	-	1,347,008	152,992
Revenues over (under) expenditures	(100,000)	52,992	-	52,992	(152,992)
<b>Other financing sources (uses):</b>					
Transfer from Electric Fund	100,000	100,000	-	100,000	-
Net change in fund balance	\$ -	\$ 152,992	\$ -	\$ 152,992	\$ (152,992)



**Town of Tarboro, North Carolina**  
**Water and Sewer Capital Projects Fund**  
**Sewer System Rehabilitation Project**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2016**

	Actual			Total	Variance
	Project	Prior	Current	Project	Favorable
	Authorization	Years	Year	To Date	(Unfavorable)
<b>Revenues:</b>					
Restricted intergovernmental:					
CWSRF principal forgiveness	\$ 477,523	\$ 381,058	\$ 61,741	\$ 442,799	\$ (34,724)
<b>Expenditures:</b>					
Professional services	120,000	112,914	9,190	122,104	(2,104)
Construction	835,046	697,428	95,163	792,591	42,455
Total expenditures	955,046	810,342	104,353	914,695	40,351
Revenues over (under) expenditures	(477,523)	(429,284)	(42,612)	(471,896)	5,627
<b>Other financing sources (uses):</b>					
Clean Water SRF Loan	477,523	468,875	(26,077)	442,798	(34,725)
Transfer from Electric Fund	-	48,500	-	48,500	48,500
Total other financing sources (uses)	477,523	517,375	(26,077)	491,298	13,775
Net change in fund balance	\$ -	\$ 88,091	\$ (68,689)	\$ 19,402	\$ 19,402

**Town of Tarboro, North Carolina**  
**Water and Sewer Capital Projects Fund**  
**Sewer Line Extension Project**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**From Inception and For the Fiscal Year Ended June 30, 2016**

	Actual			Total	Variance
	Project	Prior	Current	Project	Favorable
	Authorization	Years	Year	To Date	(Unfavorable)
<b>Revenues:</b>					
Restricted intergovernmental:					
Contributions in Aid of Construction	\$ 316,144	\$ -	\$ 264,801	\$ 264,801	\$ (51,343)
<b>Expenditures:</b>					
Professional services	40,500	-	19,774	19,774	20,726
Construction	275,644	-	264,801	264,801	10,843
Total expenditures	316,144	-	284,575	284,575	31,569
Revenues over					
(under) expenditures	-	-	(19,774)	(19,774)	(19,774)
Net change in fund balance	\$ -	\$ -	\$ (19,774)	\$ (19,774)	\$ (19,774)

**CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS**

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**Town of Tarboro, North Carolina**  
**Comparative Schedule of Capital Assets by Source**  
**June 30, 2016**

	<u>2016</u>	<u>2015</u>
<b>Capital Assets:</b>		
Land	\$ 1,909,193	\$ 1,909,193
Buildings and improvements	6,242,554	6,242,554
Other improvements	3,387,620	3,107,352
Infrastructure streets	49,940,439	49,398,399
Infrastructure sidewalks	549,028	549,028
Equipment	9,442,588	8,678,214
Total capital assets	<u>\$ 71,471,422</u>	<u>\$ 69,884,740</u>
 <b>Capital Assets by Source:</b>		
General government	\$ 2,277,997	\$ 2,387,291
Public safety	9,093,727	7,588,153
Public works	55,709,651	54,134,820
Cultural and recreational	<u>4,390,047</u>	<u>5,774,476</u>
 Total capital assets by source	<u>\$ 71,471,422</u>	<u>\$ 69,884,740</u>

**Town of Tarboro, North Carolina**  
**Schedule of Capital Assets, by Function and Activity**  
**June 30, 2016**

	<u>Land</u>	<u>Buildings</u>	<u>Other Improvements</u>	<u>Infrastructure</u>		<u>CIP</u>	<u>Equipment</u>	<u>Total</u>
				<u>Streets</u>	<u>Sidewalks</u>			
<b>General Government:</b>								
Administration	\$ 1,550,692	\$ 162,178	\$ 187,726	\$ -	\$ -	\$ -	\$ 7,874	\$ 1,908,470
Finance	-	-	23,347	-	-	-	259,566	282,913
Planning	-	-	39,541	-	-	-	47,073	86,614
Total general government	<u>1,550,692</u>	<u>162,178</u>	<u>250,614</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,513</u>	<u>2,277,997</u>
<b>Public Safety:</b>								
Police	8,500	1,301,780	1,356,391	-	-	-	3,128,926	5,795,597
Fire	-	628,098	231,613	-	-	-	2,438,419	3,298,130
Total public safety	<u>8,500</u>	<u>1,929,878</u>	<u>1,588,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,567,345</u>	<u>9,093,727</u>
<b>Public Works:</b>								
Garage	-	-	-	-	-	-	45,690	45,690
Buildings and grounds	-	575,902	738,716	-	-	-	943,750	2,258,368
Administration	-	-	-	-	-	-	40,614	40,614
Engineering	-	-	822,903	-	-	-	90,414	913,317
Streets	-	-	189,741	49,940,438	-	-	1,772,455	51,902,634
Sidewalks	-	-	-	-	549,028	-	-	549,028
Total Public Works	<u>-</u>	<u>575,902</u>	<u>1,751,360</u>	<u>49,940,438</u>	<u>549,028</u>	<u>-</u>	<u>2,892,923</u>	<u>55,709,651</u>
<b>Cultural and Recreational:</b>								
Cultural and recreation	<u>350,000</u>	<u>1,669,089</u>	<u>1,703,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>667,808</u>	<u>4,390,047</u>
<b>Total Capital Assets</b>	<u>\$ 1,909,192</u>	<u>\$ 4,337,047</u>	<u>\$ 5,293,128</u>	<u>\$ 49,940,438</u>	<u>\$ 549,028</u>	<u>\$ -</u>	<u>\$ 9,442,589</u>	<u>\$ 71,471,422</u>

## **OTHER SUPPLEMENTAL SCHEDULES**

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This section contains additional information on cash balances and property taxes.

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**Town of Tarboro, North Carolina**  
**Schedule of Cash and Investment Balances**  
**June 30, 2016**

**Cash and Cash Equivalents:**

On hand	\$	3,325
In demand deposits		1,525,153
Certificates of deposit with maturities of 91 days or less		2,000,000
Certificates of deposit with maturities of over 91 days		2,750,000
North Carolina Capital Management Trust		9,678,839
Total	\$	<u>15,957,317</u>

**Distribution by Funds:**

General Fund	\$	4,638,611
Special revenue funds		160,988
Enterprise funds:		
Electric Fund		8,627,409
Water and Sewer Fund		1,652,898
Solid Waste Fund		877,411
Total	\$	<u>15,957,317</u>

**Town of Tarboro, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2016**

Fiscal Year	Uncollected Balance July 1, 2015	Additions	Collections And Credits	Uncollected Balance June 30, 2016
2015-2016	\$	\$ 3,738,127	\$ 3,657,074	\$ 81,053
2014-2015	86,648	-	21,112	65,536
2013-2014	54,497	-	5,643	48,854
2012-2013	54,138	-	6,419	47,719
2011-2012	24,568	-	1,963	22,605
2010-2011	26,283	-	2,196	24,087
2009-2010	58,353	-	33,181	25,172
2008-2009	13,191	-	1,497	11,694
2007-2008	10,126	-	369	9,757
2006-2007	9,168	-	220	8,948
Prior years	11,873		7,831	4,042
	<u>\$ 348,845</u>	<u>\$ 3,738,127</u>	<u>\$ 3,737,505</u>	<u>349,467</u>

Less: allowance for uncollectible accounts  
General Fund

(66,120)

Ad valorem taxes receivable, net

\$ 283,347

Reconciliation with Revenues:

Ad valorem taxes:

General Fund

\$ 3,761,090

Reconciling items:

Prior years taxes written off

7,925

Prior year releases

3,702

Fees

(36,271)

Licenses

1,059

Total reconciling items

(23,585)

Total collections and credits

\$ 3,737,505

**Town of Tarboro, North Carolina**  
**Analysis of Current Tax Levy**  
**Town - Wide Levy**  
**For the Fiscal Year Ended June 30, 2016**

	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					
Real estate	\$ 587,530,658	0.41	\$ 2,408,876	\$ 2,408,876	\$ -
Personal property	207,021,867	0.41	848,790	848,790	-
Gross levy	794,552,525		3,257,666	3,257,666	-
<b>Add:</b>					
Motor vehicles taxed at current					
year's rate	81,400,244	0.41	333,741	-	333,741
Other afterlists (1)	26,393,744		108,999	108,999	-
Late listing penalties	-		1,814	1,814	-
Sticker fees/dog licences	-		46,489	1,369	45,120
	902,346,513		3,748,709	3,369,848	378,861
<b>Deduct releases:</b>	(2,468,112)		(10,582)	(10,582)	-
<b>Net levy</b>	<u>899,878,401</u>		<u>3,738,127</u>	<u>3,359,266</u>	<u>378,861</u>
Uncollected taxes at June 30, 2016			(81,053)	(81,053)	-
<b>Current year's taxes collected</b>			<u>\$ 3,657,074</u>	<u>\$ 3,278,213</u>	<u>\$ 378,861</u>
<b>Current levy collection percentage</b>			<u>97.83%</u>	<u>97.59%</u>	<u>100.00%</u>

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

## STATISTICAL SECTION

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.

	Page
Contents	
Financial Trends	122
<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>	
Revenue Capacity	125
<i>These schedules contain information that helps the reader assess the Town's most significant revenue source, the property tax.</i>	
Debt Capacity	135
<i>This schedule presents information to help the reader assess the affordability of the Town's ability to issue debt in the future.</i>	
Demographic and Economic Information	140
<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>	
Operating Information	143
<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>	

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

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**TOWN OF TARBORO, NORTH CAROLINA**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Invested in capital assets, net of rela	\$ 25,025	\$ 23,969	\$ 22,134	\$ 20,560	\$ 18,800	\$ 17,418	\$ 16,224	\$ 14,942	\$ 13,954	\$ 10,232
Restricted	836	759	333	973	2,292	1,951	1,980	2,098	2,187	2,020
Unrestricted	3,036	3,084	2,436	950	(215)	570	1,641	766	275	3,050
Total governmental activities net assets	<u>\$ 28,897</u>	<u>\$ 27,812</u>	<u>\$ 24,903</u>	<u>\$ 22,483</u>	<u>\$ 20,877</u>	<u>\$ 19,939</u>	<u>\$ 19,845</u>	<u>\$ 17,806</u>	<u>\$ 16,416</u>	<u>\$ 15,302</u>
<b>Business Type Activities</b>										
Invested in capital assets, net of rela	\$ 45,835	\$ 43,879	\$ 42,450	\$ 40,408	\$ 38,195	\$ 37,230	\$ 36,361	\$ 34,535	\$ 33,035	\$ 31,946
Restricted	-	-	-	-	-	-	-	-	-	1,027
Unrestricted	5,918	5,010	4,439	4,650	5,472	5,669	6,960	6,766	7,552	10,529
Total business-type activities net assets	<u>\$ 51,753</u>	<u>\$ 48,889</u>	<u>\$ 46,889</u>	<u>\$ 45,058</u>	<u>\$ 43,667</u>	<u>\$ 42,899</u>	<u>\$ 43,321</u>	<u>\$ 41,301</u>	<u>\$ 40,587</u>	<u>\$ 43,502</u>
<b>Primary Government</b>										
Invested in capital assets, net of rela	70,860	67,848	64,584	60,968	56,995	54,648	52,585	49,477	46,989	42,178
Restricted	836	759	333	973	2,292	1,951	1,980	2,098	2,187	3,047
Unrestricted	8,954	8,094	6,875	5,600	5,257	6,239	8,601	7,532	7,827	13,579
Total primary government net assets	<u>\$ 80,650</u>	<u>\$ 76,701</u>	<u>\$ 71,792</u>	<u>\$ 67,541</u>	<u>\$ 64,544</u>	<u>\$ 62,838</u>	<u>\$ 63,166</u>	<u>\$ 59,107</u>	<u>\$ 57,003</u>	<u>\$ 58,804</u>

**TOWN OF TARBORO, NORTH CAROLINA**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 2,920	\$ 3,062	\$ 3,590	\$ 3,630	\$ 3,569	\$ 3,409	\$ 2,029	\$ 3,561	\$ 2,819	\$ 2,858
Public safety	3,751	3,938	4,477	4,386	4,518	4,413	3,969	4,503	4,309	4,354
Transportation	1,855	2,560	2,667	2,894	2,549	2,659	1,054	2,397	1,932	1,992
Economic and physical development	446	18	102	-	163	55	-	-	-	-
Cultural and recreation	1,198	1,166	1,247	1,102	1,139	1,139	2,418	1,173	1,115	1,287
Total governmental activities expenses	<u>10,170</u>	<u>10,744</u>	<u>12,083</u>	<u>12,012</u>	<u>11,938</u>	<u>11,675</u>	<u>9,470</u>	<u>11,634</u>	<u>10,175</u>	<u>10,491</u>
Business Type Activities:										
Water & Sewer	3,932	4,036	4,413	4,385	4,549	4,723	4,252	28,399	4,844	4,583
Electric	24,468	24,616	27,301	28,146	28,410	27,411	27,743	4,684	27,883	22,003
Solid Waste	688	924	1,024	1,033	1,063	1,159	975	875	920	957
Total business-type activities net assets	<u>29,088</u>	<u>29,576</u>	<u>32,738</u>	<u>33,564</u>	<u>34,022</u>	<u>33,293</u>	<u>32,970</u>	<u>33,958</u>	<u>33,647</u>	<u>27,543</u>
Total primary government expenses	<u>\$ 39,258</u>	<u>\$ 40,320</u>	<u>\$ 44,821</u>	<u>\$ 45,576</u>	<u>\$ 45,960</u>	<u>\$ 44,968</u>	<u>\$ 42,440</u>	<u>\$ 45,592</u>	<u>\$ 43,822</u>	<u>\$ 38,034</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	\$ 1,063	\$ 1,266	\$ 1,334	\$ 1,332	\$ 1,426	\$ 1,420	\$ 52	\$ 1,466	\$ 507	\$ 169
Public Safety	572	71	57	103	60	88	214	32	176	133
Transportation	350	377	333	250	164	-	-	-	-	-
Cultural and recreation	247	255	194	303	221	188	169	185	197	154
Operating Grants and Contributions	101	-	107	501	590	753	577	624	645	440
Capital Grants and Contributions	-	103	-	-	-	69	-	-	-	-
Total governmental activities program revenues	<u>2,333</u>	<u>2,072</u>	<u>2,025</u>	<u>2,489</u>	<u>2,461</u>	<u>2,518</u>	<u>1,012</u>	<u>2,307</u>	<u>1,525</u>	<u>896</u>
Business Type Activities:										
Charges for services:										
Water & Sewer	2,895	2,919	3,172	3,307	4,040	4,012	4,074	3,883	4,088	4,314
Electric	24,015	23,879	26,862	28,476	29,035	27,183	28,197	28,510	28,956	26,117
Solid Waste	739	868	945	942	958	992	1,005	1,019	1,023	1,036
Operating Grants and Contributions	-	-	-	-	-	422	177	131	67	-
Capital Grants and Contributions	664	5	594	129	205	1,080	1,390	-	381	627
Total business-type activities program revenues	<u>28,313</u>	<u>27,671</u>	<u>31,573</u>	<u>32,854</u>	<u>34,238</u>	<u>33,267</u>	<u>34,666</u>	<u>33,543</u>	<u>34,515</u>	<u>32,094</u>
Total primary government revenues	<u>\$ 30,646</u>	<u>\$ 29,743</u>	<u>\$ 33,598</u>	<u>\$ 35,343</u>	<u>\$ 36,699</u>	<u>\$ 35,785</u>	<u>\$ 35,678</u>	<u>\$ 35,850</u>	<u>\$ 36,040</u>	<u>\$ 32,990</u>

(continued)

(continued)

**TOWN OF TARBORO, NORTH CAROLINA**  
**Changes in Net Assets**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (expense)/revenue										
Governmental activities	\$ (7,837)	\$ (8,672)	\$ (10,058)	\$ (9,523)	\$ (9,477)	\$ (9,157)	\$ (8,458)	\$ (9,327)	\$ (8,650)	\$ (9,595)
Business-type activities	(775)	(1,905)	(1,165)	(710)	216	(26)	1,696	(415)	868	4,551
Total primary government net expense	<u>\$ (8,612)</u>	<u>\$ (10,577)</u>	<u>\$ (11,223)</u>	<u>\$ (10,233)</u>	<u>\$ (9,261)</u>	<u>\$ (9,183)</u>	<u>\$ (6,762)</u>	<u>\$ (9,742)</u>	<u>\$ (7,782)</u>	<u>\$ (5,044)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 3,039	\$ 3,039	\$ 3,035	\$ 3,239	\$ 3,194	\$ 3,822	\$ 3,373	\$ 3,805	\$ 3,691	\$ 3,581
Other taxes and licenses	144	179	205	230	241	271	287	234	206	239
Unrestricted intergovernmental	2,591	2,777	2,728	2,434	2,507	2,676	2,533	2,767	2,750	2,876
Unrestricted investment earnings	204	189	74	16	8	18	24	25	8	14
Miscellaneous	345	274	217	45	60	246	239	31	31	71
Transfers	111	1,129	891	1,139	1,657	1,186	1,195	1,222	1,195	1,701
Total governmental activities	<u>6,434</u>	<u>7,587</u>	<u>7,150</u>	<u>7,103</u>	<u>7,667</u>	<u>8,219</u>	<u>7,651</u>	<u>8,084</u>	<u>7,881</u>	<u>8,482</u>
Business Type Activities:										
Unrestricted investment earnings	245	170	55	17	8	21	18	14	10	25
Miscellaneous	-	-	-	-	-	-	-	-	-	41
Transfers	(111)	(1,129)	(890)	(1,139)	(1,657)	(1,186)	(1,195)	(1,271)	(1,195)	(1,701)
Total business-type activities net assets	<u>134</u>	<u>(959)</u>	<u>(835)</u>	<u>(1,122)</u>	<u>(1,649)</u>	<u>(1,165)</u>	<u>(1,177)</u>	<u>(1,257)</u>	<u>(1,185)</u>	<u>(1,635)</u>
Total primary government revenues	<u>\$ 6,568</u>	<u>\$ 6,628</u>	<u>\$ 6,315</u>	<u>\$ 5,981</u>	<u>\$ 6,018</u>	<u>\$ 7,054</u>	<u>\$ 6,474</u>	<u>\$ 6,827</u>	<u>\$ 6,696</u>	<u>\$ 6,847</u>
<b>Change in Net Assets</b>										
Governmental Activities	\$ (140)	\$ (1,085)	\$ (2,909)	\$ (2,420)	\$ (1,810)	\$ (938)	\$ (807)	\$ (1,242)	\$ (768)	\$ (1,113)
Prior period adjustment - Governmental Activities	-	-	-	-	-	-	-	(795)	(624)	-
Business-type activities	(698)	(2,864)	(2,000)	(1,831)	(1,429)	(769)	696	(1,971)	(762)	2,915
Total primary government	<u>\$ (838)</u>	<u>\$ (3,949)</u>	<u>\$ (4,909)</u>	<u>\$ (4,251)</u>	<u>\$ (3,239)</u>	<u>\$ (1,707)</u>	<u>\$ (111)</u>	<u>\$ (4,008)</u>	<u>\$ (2,154)</u>	<u>\$ 1,802</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)**

Fiscal Year	Property Tax	Franchise Tax	Rental Vehicle Tax	Animal Tax	Privilege License	Total
2007	\$ 3,021	\$ 104	\$ 9	\$ 1	\$ 30	\$ 3,165
2008	3,022	135	8	1	34	3,200
2009	3,069	169	6	1	29	3,274
2010	3,164	172	3	1	54	3,394
2011	3,154	177	3	1	59	3,394
2012	3,559	214	3	2	53	3,831
2013	3,419	206	3	2	76	3,706
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

**TOWN OF TARBORO, NORTH CAROLINA**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,584	\$ 1,329	\$ 1,504	\$ 1,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,483	2,569	1,840	1,266	-	-	-	-	-	-
Non-Spendable	-	-	-	-	68	49	90	84	41	60
Restricted	-	-	-	-	2,029	1,913	1,898	1,969	2,065	1,848
Assigned	-	-	-	-	792	897	164	333	229	232
Unassigned	-	-	-	-	617	1,456	2,774	3,194	3,601	3,260
Total General Fund	<u>\$ 4,067</u>	<u>\$ 3,898</u>	<u>\$ 3,344</u>	<u>\$ 2,809</u>	<u>\$ 3,506</u>	<u>\$ 4,315</u>	<u>\$ 4,926</u>	<u>\$ 5,580</u>	<u>\$ 5,936</u>	<u>\$ 5,400</u>
All other governmental funds										
Reserved	\$ 1	\$ 46	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	172
Unreserved, reported in:										
Special revenue funds	73	201	260	354	(36)	38	82	130	121	-
Capital projects funds	104	100	67	7	-	-	-	-	(37)	(200)
Total all other governmental funds	<u>\$ 178</u>	<u>\$ 347</u>	<u>\$ 328</u>	<u>\$ 361</u>	<u>\$ (36)</u>	<u>\$ 38</u>	<u>\$ 82</u>	<u>\$ 130</u>	<u>\$ 84</u>	<u>\$ (28)</u>

**TOWN OF TARBORO, NORTH CAROLINA**  
**Changes in Fund Balances-Governmental Funds**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Amounts expressed in thousands)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 3,166	\$ 3,200	\$ 3,274	\$ 3,394	\$ 3,395	\$ 3,830	\$ 3,706	\$ 4,172	\$ 3,984	\$ 4,000
Intergovernmental	3,542	3,258	3,168	3,115	3,232	3,492	3,110	3,392	3,395	3,425
Permits and fees	64	64	57	52	55	83	133	78	78	57
Sales and services	247	255	232	408	265	232	222	234	228	222
Investment earnings	204	189	74	16	8	17	24	25	8	14
Assessments	8	7	-	-	-	-	-	-	-	-
Miscellaneous	345	274	220	100	94	276	239	31	32	139
Charges for services	1,063	1,266	1,293	1,293	1,382	1,377	1,325	1,417	476	186
Total general fund	<u>8,639</u>	<u>8,513</u>	<u>8,318</u>	<u>8,378</u>	<u>8,431</u>	<u>9,307</u>	<u>8,759</u>	<u>9,349</u>	<u>8,201</u>	<u>8,043</u>
<b>Expenditures</b>										
General government	2,842	3,084	3,403	3,364	3,464	3,374	3,327	3,395	2,686	2,692
Public safety	3,582	4,047	4,304	4,250	4,041	3,932	3,972	4,217	4,439	4,524
Transportation	984	1,394	850	1,213	858	1,448	986	1,163	887	1,558
Culture and recreation	1,053	1,099	1,123	942	996	972	1,013	1,094	1,074	1,270
Economic Development					163	55	-	-	-	163
Capital Projects	446	17	102	250	287	74	-	-	-	-
Debt Service										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>8,907</u>	<u>9,641</u>	<u>9,782</u>	<u>10,019</u>	<u>9,809</u>	<u>9,855</u>	<u>9,298</u>	<u>9,869</u>	<u>9,086</u>	<u>10,207</u>
Excess of revenues over(under) expenditures	(268)	(1,128)	(1,464)	(1,641)	(1,378)	(548)	(539)	(520)	(885)	(2,164)
<b>Other financing sources (uses)</b>										
Transfers in	1,419	1,129	957	1,210	1,875	1,250	1,195	1,222	1,195	1,515
Transfers out	(1,308)	-	(67)	(71)	(218)	(64)	-	-	-	-
Total other financing sources (uses)	<u>111</u>	<u>1,129</u>	<u>890</u>	<u>1,139</u>	<u>1,657</u>	<u>1,186</u>	<u>1,195</u>	<u>1,222</u>	<u>1,195</u>	<u>1,515</u>
Net change in fund balances	<u>\$ (157)</u>	<u>\$ 1</u>	<u>\$ (574)</u>	<u>\$ (502)</u>	<u>\$ 279</u>	<u>\$ 638</u>	<u>\$ 656</u>	<u>\$ 702</u>	<u>\$ 310</u>	<u>\$ (649)</u>

**TOWN OF TARBORO, NORTH CAROLINA**  
**General Governmental Tax Revenues by Source (1)**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Licenses, Permits and Fees</u>	<u>Other Taxes and Licenses</u>	<u>Inter- governmental</u>	<u>Sales and Services</u>	<u>Interest</u>	<u>Special Assessments</u>	<u>Other</u>	<u>Total</u>
2007	\$ 3,022	\$ 64	\$ 144	\$ 3,215	\$ 247	\$ 204	\$ 8	\$ 345	\$ 7,249
2008	3,022	64	179	3,258	255	189	6	274	7,247
2009	3,068	57	205	3,168	232	74	0	220	7,024
2010	3,164	52	230	3,116	408	16	0	100	7,086
2011	3,154	56	241	3,230	265	8	0	95	7,049
2012	3,559	83	271	3,491	232	17	0	276	7,929
2013	3,419	133	287	3,305	222	24	0	239	7,629
2014	3,938	78	234	3,391	235	25	0	30	7,931
2015	3,778	78	206	3,395	228	8	0	31	7,724
2016	3,761	57	239	3,425	222	14	0	139	7,857

(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>						
2007	\$ 424,881	\$ 4,498	\$ 420,383	\$ 260,894	\$28,232	\$709,509	\$ 4	\$ 837,194	84.7%
2008	428,042	5,001	423,041	253,632	27,992	704,665	4.20	841,843	83.7%
2009	429,893	4,800	425,093	254,605	26,008	705,706	4.20	712,719	99.0%
2010	593,362	7,600	585,762	247,990	33,946	867,698	3.60	877,737	98.9%
2011	598,405	7,213	591,192	242,030	32,598	865,820	3.60	884,073	97.9%
2012	598,788	8,467	590,321	241,150	30,371	861,842	4.10	879,080	98.0%
2013	589,172	8,294	580,878	251,323	31,582	863,783	4.10	884,073	97.7%
2014	586,222	4,568	581,654	291,456	27,750	900,860	4.10	923,382	97.6%
2015	594,371	8,262	586,109	276,448	23,829	886,386	4.10	909,875	97.4%
2016	595,048	8,079	586,969	287,513	25,396	899,878	4.10	921,597	97.6%

Note: Real property is revalued once every eight years; the last occurred in 2009.

<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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Direct:										
Town of Tarboro	0.42	0.42	0.42	0.36	0.36	0.41	0.41	0.41	0.41	0.41
Overlapping:										
Edgecombe County	0.94	0.94	0.94	0.86	0.86	0.86	0.86	0.86	0.895	0.955

Source: Edgecombe County CAFR (6/30/16). Property was revalued in 2009.

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**  
**June 30, 2016**  
**(amounts expressed in thousands)**

Taxpayer	2015-2016			2014-2015		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Hillshire Brands	62,685	1	7.7%	61,103	1	7.4%
Sara Lee Bakery Co			0.0%			0.0%
Carolina System Technology, Inc	56,063	2	6.8%	54,414	2	6.6%
Superior Essex Energy, Inc	28,250	3	3.5%	41,014	3	5.0%
Carolina Tel & Tel Company	12,268	4	1.5%	14,239	4	1.7%
Superior Teletec, Inc	12,005	5	1.5%	14,118	5	1.7%
Superior Essex International LP	11,546	6	1.4%			
Art Mortgage Borrer Prop.	10,226	7	1.2%	10,226	6	1.2%
Air Systems Components LP	9,471	8	1.2%	9,673	7	1.2%
Lowe's Home Centers Inc.			0.0%	9,368	8	1.1%
Kitchens of Sara Lee Corp	8,992	9	1.1%	8,992	9	1.1%
Wal-Mart Real Estate Business	8,848	10	1.1%	8,848	10	1.1%

Taxpayer	2013-2014			2012-2013		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Sara Lee Bakery Co	69,931	1	8.2%	46,026	2	5.3%
Carolina System Technology, Inc	57,606	2	6.8%	66,999	1	7.8%
Carolina Tel & Tel Company	16,318	4	1.9%	18,552	3	2.1%
Superior Teletec, Inc	20,280	3	2.4%	14,133	5	1.6%
Art Mortgage Borrer Prop.	10,226	5	1.2%	10,226	6	1.2%
Air Systems Components LP	10,001	6	1.2%	9,446	8	1.1%
Lowe's Home Centers Inc.	9,693	7	1.1%	9,908	7	1.1%
Kitchens of Sara Lee Corp	8,992	8	1.1%	17,279	4	2.0%
Wal-Mart Real Estate Business	8,848	9	1.0%	8,848	9	1.0%
Spongex, LLC	6,411	10	0.8%	8,831	10	1.0%
Sunrise IV Albemarle SL LLC						0.0%

(continued)

Principal Property Taxpayers (continued)

Taxpayer	2011-2012			2010-2011		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Carolina System Technology, Inc	65,853	1	7.6%	69,274	1	8.0%
Sara Lee Bakery Co	49,166	2	5.7%	40,848	2	4.7%
Carolina Tel & Tel Company	20,116	3	2.3%	22,048	3	2.5%
Kitchens of Sara Lee Corp	17,274	4	2.0%	17,274	4	2.0%
Superior Teletec, Inc	14,584	5	1.7%	15,588	5	1.8%
Art Mortgage Borrer Prop.	10,226	6	1.2%	10,226	7	1.2%
Lowe's Home Centers Inc.	10,112	7	1.2%			
Wal-Mart Real Estate Business	8,848	8	1.0%	8,848	8	1.0%
Spongex, LLC	8,441	9	1.0%	10,368	6	1.2%
Air Systems Components LP	8,387	10	1.0%	7,789	10	0.9%
Sunrise IV Albemarle SL LLC				8,382	9	1.0%
Long Agribusiness LLC						

Taxpayer	2009-2010			2008-2009		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Carolina System Technology, Inc	71,614	1	8.3%	66,930	1	9.5%
Sara Lee Bakery Co	31,473	2	3.6%	37,408	2	5.3%
Carolina Tel & Tel Company	23,525	3	2.7%	20,193	3	2.9%
Kitchens of Sara Lee Corp	17,274	4	2.0%	11,000	5	1.6%
Superior Teletec, Inc	13,345	5	1.5%	15,533	4	2.2%
Art Mortgage Borrer Prop.	10,226	6	1.2%			
Lowe's Home Centers Inc.	9,125	7	1.1%			
Wal-Mart Real Estate Business	8,848	8	1.0%	7,607	10	1.1%
Spongex, LLC	8,325	9	1.0%	8,242	8	1.2%
Air Systems Components LP	7,789	10	0.9%	8,613	7	1.2%
Long Agribusiness LLC						
URS Real Estate LP				8,644	6	1.2%
General Foam Plastics LP				8,044	9	1.1%
Glenoit Fabrics (HG) Corporation						

(continued)



*Principal Property Taxpayers (continued)*

Taxpayer	2007-2008			2006-2007		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Carolina System Technology, Inc	66,465	1	9.4%	66,334	1	9.3%
Sara Lee Bakery Co	40,687	2	5.8%	47,558	2	6.7%
Carolina Tel & Tel Company	21,845	3	3.1%	22,368	3	3.2%
Kitchens of Sara Lee Corp	11,000	5	1.6%	11,000	5	1.6%
Superior Teletec, Inc	16,839	4	2.4%	17,333	4	2.4%
Art Mortgage Borrer Prop.						
Lowe's Home Centers Inc.						
Wal-Mart Real Estate Business	6,804	10	1.0%	7,576	8	1.1%
Spongex, LLC	8,242	8	1.0%			
Air Systems Components LP	8,644	6	1.3%	9,498	6	1.3%
Fieldcrest Cannon, Inc						
URS Real Estate LP	8,613	7	1.2%	8,644	7	1.2%
General Foam Plastics LP	8,044	9	1.0%	7,026	9	1.0%
Glenoit Fabrics (HG) Corporation				6,913	10	1.0%

Source: Town of Tarboro Tax Records

**TOWN OF TARBORO, NORTH CAROLINA**  
**Property Tax Levies and Collections (1)**  
**Last Ten Fiscal Years**  
**June 30, 2016**  
**(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
2007	\$ 3,030	\$ 2,920	96.4%	\$ 101	\$ 3,021	99.7%
2008	3,014	2,889	95.9%	113	3,003	99.6%
2009	3,027	2,930	96.8%	83	3,013	99.5%
2010	3,219	3,054	94.9%	87	3,140	97.5%
2011	3,162	3,048	96.4%	(20)	3,133	99.1%
2012	3,581	3,451	96.4%	88	3,539	98.8%
2013	3,589	3,410	95.0%	16	3,522	98.1%
2014	3,749	3,640	97.1%	86	3,670	97.9%
2015	3,674	3,587	97.6%	-	3,587	97.6%
2016	3,738	3,657	97.8%	-	3,657	97.8%

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

**TOWN OF TARBORO, NORTH CAROLINA**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Value	\$ 720,816	\$ 714,008	\$ 709,666	\$ 710,506	\$ 874,645	\$ 873,037	\$ 868,130	\$ 856,854	\$ 886,386	\$ 900,878
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Net Assessed Value	720,816	714,008	709,666	710,506	874,645	873,037	868,130	856,854	886,386	900,878
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 2016**

Assessed value	\$ 899,878
Add back: exempt real property	845
Total assessed value	<u>900,723</u>
Debt limit (8%) of total assessed value)	72,058
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 72,058</u>

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)**  
**June 30, 2016**

<b><u>Jurisdiction</u></b>	<b><u>Net General Obligation Bonded Debt Outstanding</u></b> <sup>1</sup>	<b><u>Estimated Percentage Applicable</u></b> <sup>2</sup>	<b><u>Estimate Share of Overlapping Debt</u></b>
Direct:			
Town of Tarboro	\$ 0.00	0%	\$ 0.00
Overlapping:			
Edgecombe County	9,270	27.77%	2,574

<sup>1</sup> Edgecombe County CAFR @ 6/30/15

<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 overlapping government.

**TOWN OF TARBORO, NORTH CAROLINA**  
**Top Ten Utility Customers**  
**June 30, 2016**

Customer	Total Sales 2007	% of Total	Total Sales 2008	% of Total	Total Sales 2009	% of Total	Total Sales 2010	% of Total	Total Sales 2011	% of Total
Sara Lee Bakery Company	\$2,499,965	10.41%	\$ 3,011,965	12.58%	\$ 3,360,650	12.50%	\$3,966,989	13.93%	\$ 3,692,937	12.74%
Glenoit Corporation	446,714	1.86%	442,439	1.85%	910,757	3.36%	-	0.00%	-	0.00%
General Foam Plastics Cor	960,129	4.00%	752,819	3.14%	870,501	3.24%	829,547	2.91%	825,348	2.85%
Nomaco	765,981	3.19%	764,405	3.19%	661,779	2.46%	709,850	2.49%	627,937	2.17%
Air System Components	765,981	3.19%	846,853	3.54%	658,644	2.45%	787,819	2.77%	757,343	2.61%
CST	793,938	3.31%	733,002	3.06%	-	0.00%	777,093	2.73%	765,004	2.64%
Mayo Knitting Mills	506,716	2.11%	565,417	2.36%	760,718	2.83%	519,364	1.82%	453,308	1.56%
Heritage Hospital	500,672	2.08%	589,647	2.46%	464,596	1.73%	694,596	2.44%	629,705	2.17%
Wal-mart	427,768	1.78%	415,700	1.74%	802,341	2.99%	504,389	1.77%	445,233	1.54%
Spongex	-	-	594,134	-	475,995	1.77%	589,421	2.07%	558,691	1.93%
Fountains/Albemarle	-	-	438,995	-	527,026	1.96%	476,140	1.67%	458,602	1.58%
United Refrigeration	370,781	1.54%	-	0.00%	-	0.00%	-	-	-	-
	<u>\$8,038,645</u>	<u>33.47%</u>	<u>\$ 9,155,376</u>	<u>33.92%</u>	<u>\$ 9,493,007</u>	<u>35.29%</u>	<u>\$9,855,208</u>	<u>34.60%</u>	<u>\$ 9,214,108</u>	<u>31.79%</u>

Total Revenue (Electric Fu 22,001,588                      23,310,763                      24,015,002                      23,941,497                      26,876,231

Customer	Total Sales 2012	% of Total	Total Sales 2013	% of Total	Total Sales 2014	% of Total	Total Sales 2015	% of Total	Total Sales 2016	% of Total
Sara Lee Bakery Company	\$4,393,001	16.24%	\$ 4,499,710	16.17%	\$ 4,250,209	14.96%	\$4,594,257	16.18%	\$ 3,561,407	12.54%
General Foam Plastics Cor	763,996	2.82%	690,583	2.48%	875,423	3.08%	816,642	2.88%	916,823	3.23%
Superior Essex Energy Inc.	-	0.00%	529,299	1.90%	795,830	2.80%	828,448	2.92%	1,012,013	3.56%
Air System Components	853,317	3.15%	693,502	2.49%	668,452	2.35%	666,045	2.35%	555,049	1.95%
CST	737,609	2.73%	740,011	2.66%	578,529	2.04%	742,162	2.61%	587,420	2.07%
Vidant Health (Heritage Ho	578,809	2.14%	576,094	2.07%	517,754	1.82%	528,102	1.86%	534,190	1.88%
Nomaco	509,474	1.88%	442,376	1.59%	507,626	1.79%	523,187	1.84%	-	-
Americold LLC	-	0.00%	-	0.00%	382,402	1.35%	348,312	1.23%	307,612	1.08%
Spongex	482,713	1.78%	472,878	1.70%	-	0.00%	-	0.00%	-	-
Midatlantic Warehouse	-	-	-	-	397,828	1.40%	380,338	1.34%	475,538	1.67%
Fountains/Albemarle	391,106	1.45%	460,742	1.66%	-	0.00%	-	0.00%	-	-
Glenco	-	-	-	-	-	-	-	-	293,133	1.03%
Wal-mart	484,435	1.79%	437,197	1.57%	339,942	1.20%	351,019	1.24%	369,459	1.30%
Mayo Knitting Mills	364,310	1.35%	-	0.00%	-	0.00%	-	0.00%	-	-
	<u>\$9,558,770</u>	<u>35.33%</u>	<u>\$ 9,542,392</u>	<u>34.29%</u>	<u>\$ 9,313,995</u>	<u>32.79%</u>	<u>\$9,778,512</u>	<u>34.45%</u>	<u>\$ 8,612,644</u>	<u>30.32%</u>

Total Revenue (Electric Fu 28,483,434                      28,982,295                      27,057,402                      27,833,127                      28,401,343

Source: Town of Tarboro Utility Records

**TOWN OF TARBORO, NORTH CAROLINA**  
**Water and Sewer Rates**  
**For the Year Ended June 30, 2016**

Water and sewer rates are as follows:

**IN-TOWN WATER RATE SCHEDULE**

<u>Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 " or 3/4".....	\$ 5.75 plus 2.45 per 1,000 gallons
1".....	9.35 plus 2.45 per 1,000 gallons
1 1/2".....	15.60 plus 2.19 per 1,000 gallons
2".....	23.00 plus 2.19 per 1,000 gallons
3".....	60.38 plus 2.19 per 1,000 gallons
4".....	66.13 plus 1.88 per 1,000 gallons
6".....	208.44 plus 1.88 per 1,000 gallons
8".....	359.38 plus 1.88 per 1,000 gallons

**OUT-OF-TOWN WATER RATE SCHEDULE**

<u>Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 " or 3/4".....	\$ 5.75 plus 4.90 per 1,000 gallons
1".....	9.35 plus 4.90 per 1,000 gallons
1 1/2".....	15.60 plus 4.38 per 1,000 gallons
2".....	23.00 plus 4.38 per 1,000 gallons
3".....	60.38 plus 4.38 per 1,000 gallons
4".....	66.13 plus 3.75 per 1,000 gallons
6".....	208.44 plus 3.75 per 1,000 gallons
8".....	359.38 plus 3.75 per 1,000 gallons

By contract, the water rate to the Town of Princeville and the Edgecombe County Water Districts are 1.5 times the in-town rate schedule plus applicable meter ties.

**SEWER RATE SCHEDULE**

The basic monthly charge is \$8.63. For in-town customers, the rate for collection and treatment is \$2.88 per 1,000 gallons of water used. The rate to the Town of Princeville and other out-of-town customers is \$5.75 per 1,000 gallons of water used.

**TOWN OF TARBORO, NORTH CAROLINA**  
**Solid Waste Fund Rates**  
**For the Year Ended June 30, 2016**

Solid Waste rates are as follows:

Residential	\$	19.25
Commercial		19.25

**TOWN OF TARBORO, NORTH CAROLINA**  
**Demographics Statistics**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population <sup>3</sup></u>	<u>Median Household Income <sup>3</sup></u>	<u>Median Age <sup>3</sup></u>	<u>School Enrollment <sup>1</sup></u>	<u>Unemployment Rate <sup>2</sup></u>
2007	10,686	26,605	38.00	7,499	7.9%
2008	10,585	29,052	38.25	7,800	8.8%
2009	10,585	33,556	35.30	7,579	14.2%
2010	11,425	34,628	38.00	7,290	15.6%
2011	11,335	35,840	41.60	6,939	16.3%
2012	11,324	32,299	40.90	6,645	15.2%
2013	11,315	33,168	42.10	6,748	14.5%
2014	11,305	34,366	43.20	7,401	11.5%
2015	11,164	34,267	42.10	6,332	10.5%
2016	11,164	*	43.20	6,451	13.8%

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

<sup>2</sup> Employment Security Commission of North Carolina

<sup>3</sup> U.S. Census Bureau - American Fact Finder

Data not available at 6-30-16

<http://factfinder2.census.gov>



**TOWN OF TARBORO, NORTH CAROLINA**  
**Principal Employers**  
**Current Year and Ten Years Ago**  
**As of June 30, 2016**

<u>Name of Employer</u>	<u>2015-2016</u>			<u>2005-2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment<sup>1</sup></u>
Edgecombe County Schools		1	4.98%	1100	1	-
Sara Lee Bakery		2	3.48%	930	2	-
Vidant Hospital		3	3.04%	380	7	-
Air System Components		4	2.41%	450	6	-
Edgecombe County		5	2.36%	650	3	-
Keihin Carolina System Technology		6	2.17%	500	5	-
Barnhill Contracting Company		7	1.39%	250	9	-
General Foam Plastics		8	1.38%			-
Superior Telecommunications		9	1.24%	340	8	-
Carolina Telephone/Sprint/Embarq		10	0.00%	600	4	-
Farm Trac				200	10	-

<sup>1</sup> Historical information not available  
Source: Edgecombe County CAFR

**TOWN OF TARBORO, NORTH CAROLINA**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administration	3	3	3	3	3	3	3	3	3	3
Finance	9	9	9	8	8	8	8	8	8	8
Planning	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police										
Officers	29	29	29	29	29	29	29	29	29	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	12	12	17	17	14	14	14	14	14	14
Animal Control					1	1	1	1	1	1
Engineering	2	2	2	2	2	2	2	2	2	2
Garage	4	4	4	4	4	4	4	4	4	4
Streets	14	14	14	14	12	12	12	12	12	12
Recreation	16	18	13	13	13	13	13	13	13	13
Water and Sewer	28	28	28	28	28	28	28	28	28	28
Electric	21	21	21	21	19	19	19	19	19	19
Solid Waste	9	9	9	9	9	9	9	9	9	9
	<u>179</u>	<u>181</u>	<u>181</u>	<u>180</u>	<u>174</u>	<u>174</u>	<u>174</u>	<u>174</u>	<u>174</u>	<u>174</u>

Source: Town of Tarboro payroll records.

**TOWN OF TARBOR, NORTH CAROLINA**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function</b>										
Police										
Physical arrests	2,538	2,414	1,855	1,565	1,330	1,446	2,125	1,815	1,834	1,681
Parking violations	533	233	335	505	440	581	866	429	409	614
Traffic violations	4,634	5,168	3,903	3,923	3,310	3,494	3,146	3,706	3,430	4,184
Fire										
Number of calls answered	307	237	191	227	285	286	319	316	316	308
Inspections	771	777	812	808	770	760	424	386	378	335
Streets										
Street resurfacing (miles)	0.05	-	2.95	5.19	5.19	5.19	5.19	-	-	2.95
Potholes repaired	40	-	-	5	-	-	-	8	8	15
Sanitation										
Refuse collected (tons/day)	12.05	11.83	11.33	11.78	12.01	12.26	11.44	11.26	11.17	13.38
Recyclables collected (tons/day)	0.44	0.45	0.43	0.47	0.71	0.71	0.58	0.66	0.65	0.55
Recreation										
Community center fitness membersh	1,876	2,074	2,083	1,410	1,114	1,139	1,200	1,043	646	563
County Gym passes	65	70	252	105	101	85	65	38	62	56
Water										
New connections	52	42	15	20	11	17	9	3	8	16
Water main breaks	8	7	5	2	6	4	6	9	7	6
Average daily consumptions (thousand of gallons)	2,634	2,755	2,478	2,239	2,779	2,913	2,920	2,730	2,847	2,880
Wastewater										
Average daily sewage treatment (thousand of gallons)	2,364	1,880	1,736	2,136	1,760	2,030	1,708	2,070	2,113	2,158

Sources: Various town departments

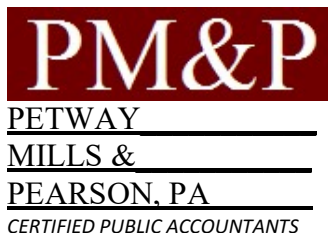
**TOWN OF TARBORO, NORTH CAROLINA**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Function</b>										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Officers	29	29	29	29	29	29	29	29	28	28
K-9s	4	4	4	4	4	3	2	2	2	2
Fire Stations	2	2	2	2	2	2	2	2	2	2
Sanitation										
Collection trucks	4	4	4	4	4	4	4	4	4	4
Streets										
Street (miles)	94.1	95.2	95.2	96.0	96.0	96.0	96.0	96.0	96.0	96.0
Street lights	1,396	1,397	1,401	1,438	1,438	1,438	1,438	1,438	1,438	1,438
Traffic signals	29	30	30	32	32	32	32	32	32	32
Recreation										
Park acreage	273	273	273	273	273	273	273	273	273	273
Parks	11	11	11	11	11	11	11	10	10	10
Lakes	1	1	1	1	1	1	1	1	1	1
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	8	8	8	8	8	8	8	8	8	8
Community Centers	4	4	4	4	4	4	4	4	4	4
Museums/art centers	1	1	1	1	1	1	1	1	1	1
Ball Fields	9	9	9	9	9	9	9	8	8	8
Water										
Water mains (miles)	125.4	125.4	126.0	129.4	129.4	129.4	129.4	129.4	129.5	129.7
Fire Hydrants	578	578	587	587	587	587	587	587	609	629
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
Sewer										
Sanitary sewers (miles)	90.4	90.4	92.2	90.4	90.4	90.4	90.4	90.4	93.0	93.5
Storm sewers (miles)	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	39.0	40.0
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
Electric										
Number of Substations	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

Sources: Various town departments

## **COMPLIANCE SECTION**

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Management  
Association

## Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*

To the Honorable Mayor and Members of the Town Council  
Town of Tarboro  
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 the 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, 2016, and the related notes to the financial statements, which collectively comprise the Town of Tarboro's basic financial statements, and have issued our report thereon dated November 30, 2016.

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

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

### Compliance and Other Matters

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

#### Purpose of this Report

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

*Petway Mills & Pearson, PA*

---

PETWAY MILLS & PEARSON, PA  
Certified Public Accountants  
Zebulon, North Carolina

November 30, 2016





PETWAY

MILLS &

PEARSON, PA

CERTIFIED PUBLIC ACCOUNTANTS

C. Briggs Petway, Jr.  
Phyllis M. Pearson

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## Independent Auditors' Report on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

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

### Report on Compliance for Each Major State Program

We have audited the Town of Tarboro's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Town of Tarboro's major State program for the year ended June 30, 2016. The Town of Tarboro's major State program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditor's Responsibility

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

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

### Opinion on Each Major State Program

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 its major State program for the year ended June 30, 2016.

### Report on Internal Control Over Compliance

Management of the Town of Tarboro is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Tarboro's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of

expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

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

*Petway Mills & Pearson, PA*

---

PETWAY MILLS & PEARSON, PA  
Certified Public Accountants  
Zebulon, North Carolina

November 30, 2016

**Town of Tarboro, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016**

**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(ies) identified  
that are not considered to be  
material weaknesses?      ☐ yes      ☒ no

Noncompliance material to financial  
statements noted      ☐ yes      ☒ no

State Awards

Internal control over financial reporting:

Material weakness(es) identified?      ☐ yes      ☒ no

Significant deficiency(ies) identified  
that are not considered to be  
material weaknesses?      ☐ yes      ☒ no

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

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

Identification of major State programs:

Program Name

NC Department of Transportation  
Powell Bill - DOT 4

**Town of Tarboro, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS**

None reported

**Town of Tarboro, North Carolina  
Corrective Action Plan  
For the Year Ended June 30, 2016**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None required

**SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS**

None required

**Town of Tarboro, North Carolina  
Summary Schedule of Prior Year's Findings  
For the Year Ended June 30, 2016**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

There were no prior year financial statement audit findings.

**SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS**

There were no prior year audit findings related to State Awards.

**Town of Tarboro, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2016**

<b>Grantor/Pass-through/ Grantor-Program Title</b>	<b>CFDA Number</b>	<b>Federal Expenditures</b>	<b>State Expenditures</b>
<b>FEDERAL AWARDS</b>			
<b>U.S. Department of Health and Human Services:</b>			
Passed through the N.C. Department of Health and Human Services:			
Passed through Upper Coastal Plain Council of Governments:			
Access:			
90% State Funds	N/A	\$ -	\$ 6,953
Title III-B	93.044	7,109	418
Congregate Nutrition:			
Title III-C1	93.045	25,757	1,515
Senior Center Development	N/A	-	3,800
NSIP Supplement (USDA)	10.570	8,379	-
Total U.S. Department of Health and Human Services		<u>41,245</u>	<u>12,686</u>
<b>U.S. Environmental Protection Agency</b>			
Passed through N.C. Department of Environmental Quality			
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clean Water State Revolving Funds	66.458	<u>61,741</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS AND STATE MATCHES</b>		<u>\$ 144,231</u>	<u>25,372</u>
<b>STATE AWARDS</b>			
<b>N.C. Department of Agriculture and Consumer Services:</b>			
Veterinary Division, Animal Welfare Section:			
NC Spay Neuter Program			1,847
<b>N.C. Department of Crime Control and Public Safety:</b>			
Governor's Crime Commission Grant			15,000
<b>N.C. Department of Transportation:</b>			
Non-State System Street - Aid Allocation (Powell Bill)			862,522
Sewer-line extension			320,801
<b>N.C. Department of Commerce:</b>			
Main Street Solutions Fund Grant Program			<u>163,120</u>
<b>TOTAL STATE AWARDS</b>			<u>\$ 1,388,662</u>

**Town of Tarboro, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2016**

**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 includes the Federal and State grant activity of the Town under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this Schedule of Expenditures of Federal and State Awards is presented in accordance with the requirements of 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 Schedule of Expenditures of Federal and State Awards are reported on the modified accrual basis of accounting.

Town of Tarboro has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

**Note 3**

**Loans Outstanding**

The Town of Tarboro had the following loan balances outstanding at June 30, 2016. The loan made during the year is included in the Schedule of Federal and State Awards in the federal expenditures presented in the schedule. Balances and transactions related to these programs are included in the Town's basic financial statements.

<u>Program Name</u>	<u>CFDA Number</u>	<u>Outstanding Amount</u>
Capitalization Grants for State Revolving Funds		
Clean Water State Revolving Funds	66.458	<u>\$    420,658</u>