



City of
Creedmoor

NORTH CAROLINA

Comprehensive Annual
Financial Report



FOR THE
FISCAL YEAR ENDED
JUNE 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2023

Board of Commissioners

Robert V. Wheeler, Mayor
Emma Albright, Mayor Pro Tem
Georgana Kicinski
Edward Gleason
Robert Way
Archer Wilkins

Administrative and Financial Staff

Michael Turner, City Manager
Lee Faines, Finance Director

Prepared by:

Finance Department,
City of Creedmoor

CITY OF CREEDMOOR BOARD OF COMMISSIONERS



From Left to Right, Board of Commissioners as of June 30, 2023: Commissioner Edward Gleason, Commissioner Georgana Kicinski, Mayor Robert V. Wheeler, Mayor Pro Tem Emma Albright, Commissioner Archer Wilkins, Commissioner Robert Way.

Cover Photo: Boardwalk at Lake Rogers Park in Creedmoor, North Carolina

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INTRODUCTORY INFORMATION



CITY OF CREEDMOOR

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MAYOR
ROBERT V. WHEELER

CITY MANAGER
MICHAEL O. TURNER

COMMISSIONERS
EMMA ALBRIGHT
ED GLEASON
GEORGANA KICINSKI
ROBERT WAY
ARCHER WILKINS

October 20, 2023

City of Creedmoor, North Carolina
Post Office Box 765
Creedmoor, North Carolina 27522
www.cityofcreedmoor.org

To the Board of Commissioners and Citizens of the City of Creedmoor:

This Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023, is intended to provide in detail how the City receives, spends, and accounts for its money. Key information of the City's financial condition is included along with selected operating measures in the Statistical Section. These measurements are specific to Creedmoor and are intended to show how well the City is meeting typical city responsibilities. In keeping with management's goal, the financial indicators and benchmarks are presented in as clear a format as possible, to be more informative and useful to the citizens of Creedmoor.

The ACFR consists of management's representations concerning the finances of the City. 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, the management of the City has established a system of internal controls designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of its financial statements in accordance with generally accepted accounting principles, commonly known as "GAAP" (generally accepted accounting principles). The City's management team has also established the control system to provide reasonable assurance that the financial statements will be free from material misstatement. As members of the management team, we assert that to the best of our knowledge and belief, this seventh Comprehensive Annual Financial Report is complete to the best of our ability and is reliable in all material respects.

The City's financial statements have been audited by the independent accounting firm of Sharpe Patel PLLC, of Raleigh, North Carolina. The objective of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2023, are free of material misstatement. An audit involves performing procedures to obtain 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 controls 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. An annual financial audit is also required by North Carolina General Statute §159-34. The City's independent auditor concluded, based on the results of the audit procedures, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2022. An unmodified, or "clean," opinion is what all audited local governments should be working toward. The independent auditor's report is presented as the first component of the financial section of this report.

As required by GAAP, the Management Discussion and Analysis (MD&A) is presented in narrative form to introduce the basic financial statements and to provide an overview and analysis of the financial operations for the fiscal year ended June 30, 2023. This letter of transmittal is designed to complement and amplify the MD&A and should be read in conjunction with the MD&A. The MD&A is located immediately following the independent auditor's report and includes more illustrative tables than this letter of transmittal.

Financial Reporting Entity

The funds related to the City of Creedmoor that are included in our ACFR represent those funds for which the primary government is financially accountable. There are no other entities or organizations for which the City of Creedmoor is financially accountable that should be included in the ACFR. The criteria used in determining the reporting entity are consistent with the Government Accounting Standards Board (GASB) Statement 14, which defines a reporting entity. Based on these criteria, the various funds (being all the funds of the City) shown in the Table of Contents are included in this report.

Profile of the City of Creedmoor

The City of Creedmoor is located in the southern end of Granville County, North Carolina with the Virginia state line forming the northern border. The Raleigh-Durham-Chapel Hill metropolitan areas border the southern and southwestern parts of the City, all conveniently connected and accessible via a short commute on Interstate I-85, US Highway 15, or NC Highway 50. For the County as a whole, there has been a shift away from the traditional industries, such as tobacco production and textiles, to a more diverse industrial and service-based economy. More detailed information on this issue is in the Factors Influencing Economic Conditions section, below.

While Granville County does have major corporate employers such as Revlon, Bridgestone-Bandag, and CertainTeed, none of those businesses are located in the City of Creedmoor. A majority of Creedmoor residents work outside of the City, making a 20-25 minute commute southward to Raleigh, the State Capital, or to the southwest to Durham or Chapel Hill. The City's leaders and Business Development Department continue to actively seek businesses and industries that would benefit from Creedmoor's existing industrial sites and convenient access to highways.

The City of Creedmoor administers its financial and daily affairs using the Council/Manager form of government. Policy-making and legislative authority is vested in the Creedmoor Board of Commissioners (the Board), consisting of the non-voting Mayor and five Commissioners. The Mayor is elected every two years and the Commissioners to staggered four-year terms. The Board is responsible for governing the City by adopting local ordinances, adopting an annual budget, and establishing annual property tax rates. The Board also hires the City Manager and appoints members to various other boards and commissions. The Board may also call bond referendums, enter into contracts, and establish new programs.

The City Manager is the chief administrative officer of the City. The major responsibilities of the Manager include the day-to-day supervision of the activities of City departments, attendance at Board meetings, making recommendations on matters of business, and preparing and recommending the

annual budget. The City provides a full range of services including: economic development, public safety, general public works, street and highway maintenance, parks and recreation services, and planning and zoning. Creedmoor citizens contract individually with South Granville Water and Sewer Authority (SGWASA) for water and sewer services and with GFL for solid waste services.

The annual budget provides the foundation for the City's financial planning and control. The budget is a legally adopted ordinance, the development of which receives input from citizens, management team members, Commissioners and other interested parties. The format and required budget elements are spelled out in NC General Statute §159, Article 3, commonly known as The Local Government Budget and Fiscal Control Act. The Manager uses funding requests from all departments and agencies to develop a proposed budget that is presented to the Board of Commissioners for their review and approval.

Factors Influencing Economic Conditions

Creedmoor's proximity to the urban core of Raleigh and Durham makes it convenient for citizens to live in the City and commute throughout the region for employment. Because of this, the City has traditionally been a bedroom community attracting highly trained and skilled professionals, consistently keeping the median household income above the state average.

As described in previous ACFR's, the City of Creedmoor continues to make data collection, performance management, and analytical procedures part of the everyday operating environment. Table 19 in the Statistical Section shows some of these operational workload and performance measures. While workload measurement is rudimentary performance management, it must be done before more interpretive analytical procedures can be done.

City Initiatives

The Board of Commissioners and City staff continue to take actions intended to improve the financial condition of the City, increase the efficiency of daily operations, and improve the quality of life for its citizens. The following is a summary of achievements accomplished in the past year.

Through a partnership with the Tar River Land Conservancy (TRLC) and Granville County Government, a ribbon cutting ceremony was held on November 4, 2022 to open the Robertson Creek Greenway. The Nature Preserve offers visitors 1.9 miles of hiking trails to explore near downtown Creedmoor.

With the completion of Hwy 56 (5707) realignment project in 2021 the City partnered with NCDOT on a gateway landscaping project (5707-L) which was completed in February of 2023.

The proposed new Police Department building has been temporarily placed on hold by the City Commissioners for further discussion on a financial strategy for loan repayment.

The Creedmoor Community Center which opened in April 2021, expanded recreational opportunities for residents with; a turf-grass and irrigation system for the BC Robert's Ballfield to use for volley ball and soccer; a walking path around the exterior of the playing field; and a Sports Plaza with a ½ court for basketball or pickle ball events.

The City disposed of the 109 Park Avenue previously intended for the relocation of the Community Development Office or an incubator space for small businesses once it was declared no longer needed and declared surplus property by City Commissioners.

Progress continued in the project development, surveying and bidding for the Joe Peed Lift Station by SGWASA to increase the Gallons Per Day (GPD) capacity for future growth in Creedmoor.

City Commissioners are currently focused on a 5-Year Capital Improvement Plan that will result in a Veterans Memorial Park, the expansion of city sidewalks pending a \$320K grant request to the USDOT, public paved parking lots, renovation of City Hall, and several other projects.

Cash Management

The City's investment practices emphasize strict compliance with North Carolina General Statutes and stress safety and liquidity at all times. To maximize investment of funds, all cash is combined in a single central depository. Investments utilized by the City include the North Carolina Capital Management Trust. All investments with the Trust are approved by North Carolina General Statutes and adhere to strict oversight by the Local Government Commission (LGC) and the Securities and Exchange Commission (SEC). Deposits with the North Carolina Capital Management Trust Company are collateralized which means the Trust Company has deposit insurance, surety bonds, letters of credit or investment securities in a sufficient amount to protect the local government from failure due to default or insolvency of the depository. All county funds on deposit are FDIC insured. This insurance is backed by United States government securities.

Risk Management

The City protects itself from loss with general liability and property insurance coverage and workers' compensation coverage, both purchased through the North Carolina Association of County Commissioners Risk Management Pools.

The City further protects itself with internal policies, procedures and practices to minimize the risk of loss. Key officials bonded and all City employees are made aware of City policies and procedures that help deter fraud, waste and abuse. Professional liability bonds are purchased with the North Carolina League of Municipalities.

Awards and Accolades

City management believes that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and the ACFR will be submitted to the GFOA to determine its eligibility for another certificate.

We appreciate the assistance and dedication of all employees in carrying out the services and programs approved by the Board of Commissioners. Preparation of this report would not have been possible without the efforts of the Creedmoor Finance Department, the Creedmoor Management Team, and the independent auditors, Sharpe Patel, CPA.

Respectfully Submitted,



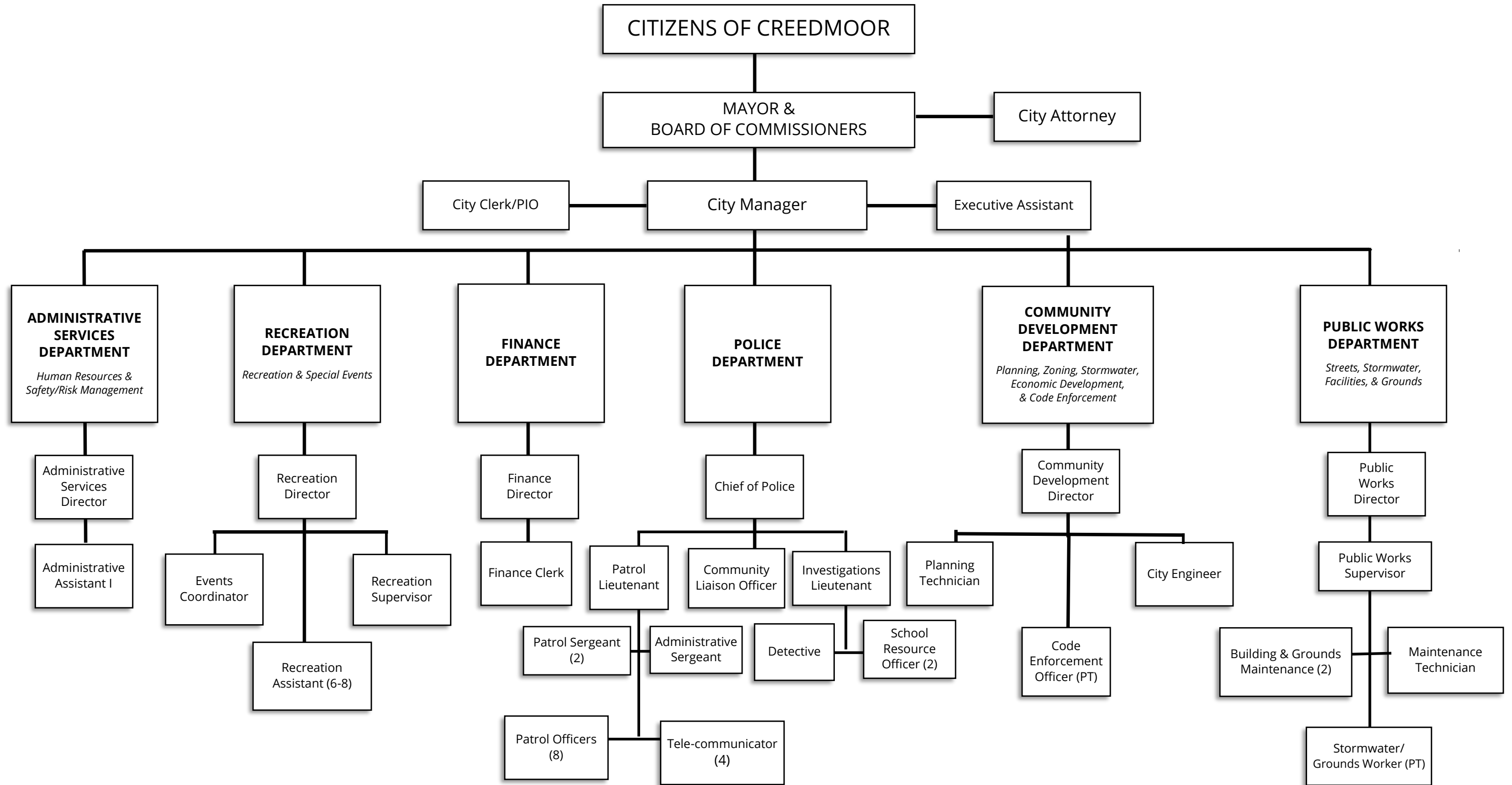
Michael O. Turner
City Manager



Lee Faines
Finance Director



City of Creedmoor ORGANIZATIONAL CHART



History

In 1885, a group of twenty five taxpayers of Granville County appeared before the Board of Commissioners for the County of Granville with a petition from the Dutchville Township. The petition made a proposition to subscribe ten thousand dollars to the capital stock of the Oxford and Clarksville Railroad Company. Under the provisions of the act of the General Assembly of North Carolina which was entitled “An Act to Incorporate,” the Oxford and Clarksville Railroad Company was notified on the 28th day of February 1885.

The proposal was thereby approved under the provisions of the General Assembly of North Carolina. As a result it was ordered that the election of subscribing the said sum of ten thousand dollars to the capital stock of the said railroad company be submitted to the qualified voters of the Dutchville Township and that an election be held in the said township at the proper voting place therein on the 8th day of October 1887.

Over the next few years, the Creedmoor served as a railroad depot between the Clarksville and Oxford Railroads and the Raleigh and Gaston Railroads.



In 1886, Thomas B. Lyon applied to the Post Office Department for a post office to be located in Creedmoor. Lyon’s request was granted on the 10th day of April 1886. John Harmon was appointed as the first postmaster. In September of that same year, Samuel C. Lyon, son of Thomas B. Lyon, was appointed postmaster.

In 1895, Creedmoor was incorporated as *Creedmore* and reincorporated in 1905 as *Creedmoor*.

At the time of incorporation, Creedmoor’s officials consisted of a mayor and five commissioners who were to be elected by the voters of the town.

Joseph L. Peed served as the first mayor. The first commissioners were Dr. J.F. Sanderford, Isaac Bullock, S. C. Lyon, Claude V. Garner, and L. H. Longmire. With the election of these men, the foundation for Creedmoor’s future was laid.

At one time Creedmoor was a larger tobacco market than Durham. Area Farmers did not limit themselves to tobacco only, but also grew cotton as a profitable crop.

In the wake of Creedmoor's tobacco era, mules came to Creedmoor. About forty train car loads of mules were pulled into the town each year. At one time, Creedmoor was considered to be the largest mule trading center in the world and was known far and wide as the "Mule Town". It was not until the mid-nineteen fifties that the town removed the slogan "One of the Largest Retail Livestock Markets in North Carolina" from its official letterhead.



In 1917, electricity came to Creedmoor when G. H. Dove and F. J. McDuffy flipped a switch in their plant which was located in Railroad Street.

Today, Creedmoor is a thriving community that serves those looking for a small town experience, within easy access of the Raleigh and Durham metropolitan areas.

In 1996, this area of Granville County was voted one of the best places to live in the nation by Money Magazine.

The City of Creedmoor remains a great place to live for residents of all ages and backgrounds.



INDEPENDENT AUDITOR'S REPORT

To the Management, the Mayor,
and Board of Commissioners
City of Creedmoor
Creedmoor, North Carolina

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Creedmoor, North Carolina as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Creedmoor's basic financial statements as listed in the table of contents.

In our opinion, 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 City of Creedmoor, North Carolina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Creedmoor's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Creedmoor's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's discussion and Analysis on pages 12 through 22, Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 64 through 65, and the Law Enforcement's Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 66 through 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Creedmoor's basic financial statements. The combining and individual fund financial statements, budget schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements 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 October 18, 2023, on our consideration of the City of Creedmoor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Creedmoor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Creedmoor's internal control over financial reporting and compliance.

Sharpe Patel PLLC

Raleigh, North Carolina
October 18, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

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

Financial Highlights

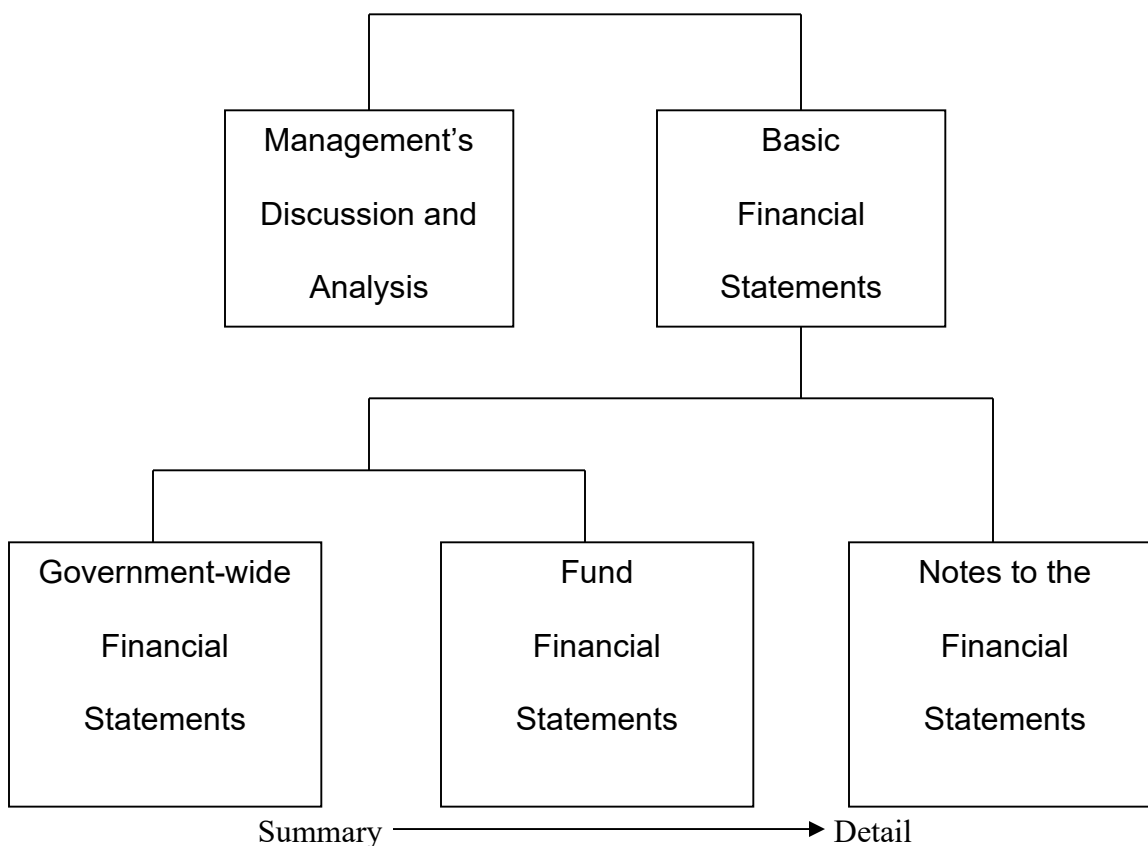
- The assets and deferred outflows of the City of Creedmoor exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$30,873,244 (*net position*).
- The government's total net position decreased by \$17,389.
- As of the close of the fiscal year, the City of Creedmoor's governmental funds reported combined ending fund balances of \$11,942,623, an increase of \$761,544 in comparison with the prior year. Of the fund balance total, approximately 79% or \$9,377,503 is unassigned.
- At the end of the current fiscal year, fund balance available for appropriation in the General Fund was \$9,377,503, or approximately 206% of total general fund expenditures for the fiscal year. This amount includes resources available for appropriation, but legally limited to certain purposes. The latest group average for municipalities of a similar size is 77.89% of General Fund spending. See Table 9 in the Statistical Section for additional discussion and detail.
- The City of Creedmoor's General Fund reported revenues over expenditures by \$771,677, before other financing sources. The General Fund had \$388,521 in income from other financing sources.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Creedmoor's basic financial statements. The City'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 City 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 City of Creedmoor.

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 City'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 City'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 City's individual funds. Budgetary information required by the North Carolina 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 City'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 City's financial status as a whole.

The two government-wide statements report the City's net position and how they have changed. Net position is the difference between the City'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 City'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 City's basic services such as public safety, public works, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the City charges customers to provide. The stormwater management operations are the City of Creedmoor's only business-type activity.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City'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 City of Creedmoor, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Creedmoor 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 City'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 City'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 City of Creedmoor 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 City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current

period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City 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 of Commissioners; 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. The budgetary comparison statement uses the budgetary basis of accounting (modified accrual) and is presented using the same format, language and classifications as the legal budget document.

Proprietary Funds – The City of Creedmoor has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Creedmoor uses enterprise funds to account for its stormwater management operation. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – 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 33 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of Creedmoor’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 66 of this report.

Interdependence with Other Entities – The City of Creedmoor 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 modification to Federal and State laws and Federal and State appropriations.

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Government-Wide Financial Analysis

City of Creedmoor's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$12,376,639	\$11,591,045	\$ 678,011	\$ 673,633	\$13,054,650	\$12,264,678
Lease receivable	191,009	302,331	-	-	191,009	302,331
Right to use asset	524,949	-	-	-	524,949	-
Capital assets	22,084,959	22,917,922	-	-	22,084,959	22,917,922
Total assets	<u>35,177,556</u>	<u>34,811,298</u>	<u>678,011</u>	<u>673,633</u>	<u>35,855,567</u>	<u>35,484,931</u>
Deferred Outflows of Resources	<u>1,366,899</u>	<u>1,211,010</u>	<u>60,669</u>	<u>15,215</u>	<u>1,427,568</u>	<u>1,226,225</u>
Other liabilities	337,613	332,690	8,680	16,127	346,293	348,817
Long-term liabilities	5,028,961	3,999,321	212,164	252,878	5,241,125	4,252,199
Total liabilities	<u>5,366,574</u>	<u>4,332,011</u>	<u>220,844</u>	<u>269,005</u>	<u>5,587,418</u>	<u>4,601,016</u>
Deferred Inflows of Resources	<u>797,782</u>	<u>1,210,257</u>	<u>24,691</u>	<u>9,250</u>	<u>822,473</u>	<u>1,219,507</u>
Net position						
Net investment in capital assets	22,084,959	22,917,922	-	-	22,084,959	22,917,922
Restricted	958,246	914,249	493,145	410,593	1,451,391	1,324,842
Unrestricted	7,336,894	6,647,869	-	-	7,336,894	6,647,869
Total net position	<u>\$30,380,099</u>	<u>\$30,480,040</u>	<u>\$ 493,145</u>	<u>\$ 410,593</u>	<u>\$30,873,244</u>	<u>\$30,890,633</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the City of Creedmoor exceeded liabilities and deferred outflows by \$30,873,244 as of June 30, 2023. The City's net position decreased by \$17,389 for the fiscal year ended June 30, 2023. The City's net investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items represents 71.5% of the net position. The City of Creedmoor uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Creedmoor's net investment in capital assets is reported net of any outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City of Creedmoor's net position (3.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$7,830,039 is unrestricted.

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

- The City continues to budget revenues and expenditures conservatively. Actual revenues were slightly higher than the budget. Most revenue categories had positive variances. Two revenue categories that saw significant revenues over budgeted amounts were Other Taxes and Licenses and Investment Earnings revenues.
- Depreciation expense increased over the prior year by approximately \$146,000 in the current fiscal year due to the completion of several capital projects at the end of fiscal year 2022.
- At year end, actual operating expenditures were under the budgeted amounts by \$1,409,959 in the General Fund. This was in large part due to the ongoing effort to minimize administrative spending wherever possible, several vacant positions, and few purchase orders that were open due to closing of capital projects.

These cumulative events resulted in an excess of expenditures over revenues. Some, of course, are infrequent events or one-time events. The City has improved its internal review procedures to better anticipate negative pressures on the budget and to have response alternatives available.

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City of Creedmoor Changes in Net position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 392,205	\$ 477,733	\$ 320,930	\$ 296,916	\$ 713,135	\$ 774,649
Operating grants and contributions	932,805	889,772	-	-	932,805	889,772
Capital grants and contributions	-	210,860	-	-	-	210,860
General revenues:						
Property taxes	2,277,101	2,254,642	-	-	2,277,101	2,254,642
Other taxes	1,679,212	1,388,234	-	-	1,679,212	1,388,234
Other	755,864	445,388	15,451	1,003	771,315	446,391
Total revenues	<u>6,037,187</u>	<u>5,666,629</u>	<u>336,381</u>	<u>297,919</u>	<u>6,373,568</u>	<u>5,964,548</u>
Expenses:						
General government	3,348,146	1,993,460	-	-	3,348,146	1,993,460
Public safety	1,648,676	2,303,128	-	-	1,648,676	2,303,128
Transportation and public works	403,046	447,507	-	-	403,046	447,507
Economic and physical development	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-
Cultural and recreation	733,951	378,549	-	-	733,951	378,549
Interest on long-term debt	3,309	-	-	-	3,309	-
Stormwater management	-	-	253,829	385,675	253,829	385,675
Total expenses	<u>6,137,128</u>	<u>5,122,644</u>	<u>253,829</u>	<u>385,675</u>	<u>6,390,957</u>	<u>5,508,319</u>
Excess (deficiency) before transfers, gains on sale, and special items	(99,941)	543,985	82,552	(87,756)	(17,389)	456,229
Transfers	-	-	-	-	-	-
Increase in net position	(99,941)	543,985	82,552	(87,756)	(17,389)	456,229
Net position, beginning as previously stated	30,480,040	29,722,143	410,593	498,349	30,890,633	30,220,492
Restatement	-	213,912	-	-	-	213,912
Net position, beginning as restated	<u>30,480,040</u>	<u>29,936,055</u>	<u>410,593</u>	<u>498,349</u>	<u>30,890,633</u>	<u>30,434,404</u>
Net position - June 30	<u>\$ 30,380,099</u>	<u>\$ 30,480,040</u>	<u>\$ 493,145</u>	<u>\$ 410,593</u>	<u>\$ 30,873,244</u>	<u>\$ 30,890,633</u>

Governmental Activities: Governmental activities decreased the City's net position by \$99,941. The ending net position for the governmental activities was \$30,380,099.

Business-Type Activities: Business-type activities increased Creedmoor's net position by \$82,552. Investment in the stormwater system in prior years is proving beneficial, decreasing the necessary maintenance costs.

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City of Creedmoor's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. The government wide statements discussed above take a longer term financial view, similar to that found in corporate accounting. The information from both perspectives is useful in assessing the City of Creedmoor's financing requirements. Specifically, unassigned fund balance can be a useful measure 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 City of Creedmoor. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,377,503, while total fund balance increased to \$10,846,832. The increased fund balance in the general fund is a result of a continued effort to spend conservatively on City-wide operating expenditures. Revenues exceeded expenditures in the General Fund before other financing sources (use) by \$771,677. As a measure of the General Fund's solvency, fund balance available for appropriation is calculated in accordance with North Carolina General Statute 159-8(a). The fund balance legally available is compared to the total expenditures and transfers out from the General Fund. This calculation is promulgated by the staff of the Local Government Commission and is a generally accepted benchmark in the state. The City of Creedmoor's legal, calculated fund balance available is \$9,004,851 in the General Fund, which is 202% of the annual spending and transfers out from the fund. The latest group average for similar municipalities in the state is 77.89%. A *very general* interpretation of this percentage is that if it had to, the City could continue to function at its current level for about 2 years on the cash and investments available. The cash reserves are due to the sale of the City's water and sewer system. These funds are intended to help the City to continue operating at similar service levels without the benefit of utility revenues. See Table 9 for more details on the statutory calculation of fund balance available for appropriation.

The General Capital Project Fund reported a net decrease in fund balance of \$219,498.

At June 30, 2023, the governmental funds of City of Creedmoor reported a combined fund balance of \$11,942,623, an increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the City 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 became 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.

Revenues were higher than the budgeted amount by \$692,663 and expenditures for operational functions were under budget by \$1,409,959. The policy of taking a very conservative approach to budgeting has continued to prove its worth. The Other Taxes and Licenses alone had actual revenue \$319,212 higher than budgeted. Investments have continued to perform well. General Fund expenditures were under

budget, partly due to open positions in the Police Department, general government projects not completed before June 30, 2023 and unused Powell Bill allocations.

Proprietary Funds. The City of Creedmoor has one proprietary fund, the Stormwater Fund. As of June 30, 2023, revenues in the fund exceeded expenditures by \$82,552. There were no transfers in or out of the Stormwater Fund during the year. At June 30, 2023, net position was \$493,145.

Capital Asset and Debt Administration

Capital Assets. The City of Creedmoor’s investment in capital assets for its governmental activities as of June 30, 2023, totaled \$22,084,959 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, park facilities, and vehicles.

The major capital asset transactions during the year include the following:

- The majority of the decrease to construction in progress is due to the completion of the Creedmoor Community Center.

**City of Creedmoor’s Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,978,539	\$ 4,978,539	\$ -	\$ -	\$ 4,978,539	\$ 4,978,539
Construction in progress	458,396	172,233	-	-	458,396	172,233
Buildings and system	13,414,639	14,038,144	-	-	13,414,639	14,038,144
Machinery and equipment	160,986	213,792	-	-	160,986	213,792
Vehicles and motorized equipment	39,293	82,002	-	-	39,293	82,002
Infrastructure	3,033,106	3,126,160	-	-	3,033,106	3,126,160
Total capital assets, net	\$ 22,084,959	\$ 22,610,870	\$ -	\$ -	\$ 22,084,959	\$ 22,610,870

Additional information on the City’s capital assets can be found in Note III.A.5 of the Basic Financial Statements, beginning on page 47 of this document.

Long-Term Debt. As of June 30, 2023, the City of Creedmoor had no bonded debt outstanding.

**City of Creedmoor’s
Outstanding Debt**

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Notes payable	\$ 348,250	\$ 398,000	\$ -	\$ -	\$ 348,250	\$ 398,000
Capital leases payable	206,108	-	-	-	-	-
Subscription liability	55,727	-	-	-	-	-
Accrued vacation	100,730	100,730	5,228	5,302	105,958	106,032
Net pension liability - LGERS	1,588,513	309,614	83,606	96,482	1,672,119	406,096
Total pension liability - LEO	578,404	614,720	-	-	578,404	614,720
Other post employment benefits	2,231,448	2,656,476	128,558	156,396	2,360,006	2,812,872
Total outstanding long-term liabilities	\$ 5,109,180	\$ 4,079,540	\$ 217,392	\$ 258,180	\$ 5,064,737	\$ 4,337,720

Pension related debt is the Law Enforcement Officers’ Special Separation Allowance. This and the Other Post-Employment Benefits are included in the interest of full disclosure and transparency. These amounts are actuarial estimates, for payment over multiple years.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue up to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for City of Creedmoor is \$30,433,333.

Additional information regarding the City of Creedmoor’s long-term debt can be found in Note III.B.10 beginning on page 61 of this report.

Economic Factors and Next Year’s Budgets and Rates

The following key economic indicators and factors affect the growth of the City.

- The City of Creedmoor is located in the southern part of Granville County, within commuting distance of the Raleigh and Durham metropolitan centers. The new subdivision is now complete and available for residents to move in.
- The Local Option Sales Tax is the City’s second biggest revenue stream and can be a measurement of economic recovery in Granville County and statewide. The City of Creedmoor had an increase in Local Option Sales Tax Collections of 21% from Fiscal Year 2022 to Fiscal Year 2023.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities: The tax rate in Creedmoor remained at 61.5¢ per \$100 of assessed value. Recreation opportunities continue to grow and develop. The City adopted a \$5.55 million dollar budget for fiscal year 2024 compared to \$4.78 in fiscal year 2023, with a 15.98% increase in General Fund expenditures.

Business - Type Activities: Fiscal Year 2024 will be the fourteenth year of operation for the Stormwater Management Fund. Because of the interlocal agreement with Stem, Butner, Granville County and Person County, the Creedmoor stormwater fees are collected by the Granville County tax collector and remitted monthly to the City. Creedmoor contracts with an independent third-party for stormwater consulting on statewide permitting matters. City-wide work on identified stormwater issues continues. The Creedmoor staff are working to correct these problems “beginning upstream and going down.” Correction of problems where the stormwater begins to flow continues to reduce problems later in the water’s flow to Falls Lake. Operations are expected to continue at this level for the foreseeable future. Drainage maintenance activities continue throughout the jurisdiction with a few potentially large-scale repairs of public infrastructure looming under city-maintained streets.

Requests for Information

This report is designed to provide an overview of the City’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, City of Creedmoor, P.O. Box 765, Creedmoor, NC 27522.

FINANCIAL SECTION

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Net Position
June 30, 2023

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 11,065,633	\$ 676,901	\$ 11,742,534
Restricted cash	777,393	-	777,393
Taxes receivables (net)	29,395	-	29,395
Accrued interest receivable on leases	1,308	-	1,308
Accounts receivable (net)	931	-	931
Lease receivable	125,198	-	125,198
Due from other governments	375,702	1,110	376,812
Prepaid items	1,079	-	1,079
Total current assets	<u>12,376,639</u>	<u>678,011</u>	<u>13,054,650</u>
Non-current assets:			
Lease receivable, non-current	191,009	-	191,009
Right to use asset, net of amortization	524,949	-	524,949
Capital assets:			
Land and construction in progress	5,495,574	-	5,495,574
Other capital assets, net of depreciation	16,589,385	-	16,589,385
Total capital assets	<u>22,084,959</u>	<u>-</u>	<u>22,084,959</u>
Total assets	<u>35,177,556</u>	<u>678,011</u>	<u>35,855,567</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	1,277,955	56,387	1,334,342
OPEB deferrals	88,944	4,282	93,226
Total deferred outflows of resources	<u>1,366,899</u>	<u>60,669</u>	<u>1,427,568</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	198,630	3,452	202,082
Current portion of long-term liabilities	50,000	-	50,000
Accrued salaries	58,764	-	58,764
Accrued vacation	30,219	5,228	35,447
Total current liabilities	<u>337,613</u>	<u>8,680</u>	<u>346,293</u>
Long-term liabilities:			
Accrued vacation	70,511	-	70,511
Long-term debt	560,085	-	560,085
Net pension liability - LGERS	1,588,513	83,606	1,672,119
Total pension liability - LEO	578,404	-	578,404
Other postemployment benefits	2,231,448	128,558	2,360,006
Total long-term liabilities	<u>5,028,961</u>	<u>212,164</u>	<u>5,241,125</u>
Total liabilities	<u>5,366,574</u>	<u>220,844</u>	<u>5,587,418</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	20,721	-	20,721
Pension deferrals	130,456	24,691	155,147
Lease	304,819	-	304,819
OPEB deferrals	341,786	-	341,786
Total deferred inflows of resources	<u>797,782</u>	<u>24,691</u>	<u>822,473</u>
NET POSITION			
Net investment in capital assets	22,084,959	-	22,084,959
Restricted for:			
Public safety	2,839	-	2,839
Streets	582,755	-	582,755
Stabilization by State Statue	372,652	-	372,652
Unrestricted	7,336,894	493,145	7,830,039
Total net position	<u>\$ 30,380,099</u>	<u>\$ 493,145</u>	<u>\$ 30,873,244</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Activities
For the year ended June 30, 2023

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,348,146	\$ 23,538	\$ 734,917	\$ -	\$ (2,589,691)	\$ -	\$ (2,589,691)
Public safety	1,648,676	74,000	-	-	(1,574,676)	-	(1,574,676)
Transportation	403,046	-	136,486	-	(266,560)	-	(266,560)
Environmental protection	-	-	4,809	-	4,809	-	4,809
Cultural and recreation	733,951	294,667	56,593	-	(382,691)	-	(382,691)
Interest on long-term debt	3,309	-	-	-	(3,309)	-	(3,309)
Total governmental activities	<u>6,137,128</u>	<u>392,205</u>	<u>932,805</u>	<u>-</u>	<u>(4,812,118)</u>	<u>-</u>	<u>(4,812,118)</u>
Business-type activities:							
Stormwater management	<u>253,829</u>	<u>320,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,101</u>	<u>67,101</u>
Total primary government	<u>\$ 6,390,957</u>	<u>\$ 713,135</u>	<u>\$ 932,805</u>	<u>\$ -</u>	<u>(4,812,118)</u>	<u>67,101</u>	<u>(4,745,017)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,277,101	-	2,277,101
Sales taxes					1,679,212	-	1,679,212
Unrestricted intergovernmental					283,869	-	283,869
Unrestricted investment earnings					419,768	15,451	435,219
Gain (loss) on sale of assets					(57,336)	-	(57,336)
Miscellaneous					109,563	-	109,563
Transfers					-	-	-
Total general revenues and transfers					<u>4,712,177</u>	<u>15,451</u>	<u>4,727,628</u>
Change in net position					(99,941)	82,552	(17,389)
Net position, beginning					<u>30,480,040</u>	<u>410,593</u>	<u>30,890,633</u>
Net position, ending					<u>\$ 30,380,099</u>	<u>\$ 493,145</u>	<u>\$ 30,873,244</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA

Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2023

	Major Fund				Total Non-Major Funds	Total Governmental Funds
	General	General Capital Projects Fund	American Rescue Plan Fund	Capital Reserve Fund		
ASSETS						
Cash and cash equivalents	\$ 10,125,204	\$ -	\$ -	\$ -	\$ 940,429	\$ 11,065,633
Restricted cash	585,594	-	9,113	182,686	-	777,393
Receivables, net:						
Taxes	29,395	-	-	-	-	29,395
Accounts	931	-	-	-	-	931
Due from other governments	371,721	104	3,877	-	-	375,702
Prepaid assets	1,079	-	-	-	-	1,079
Total assets	<u>\$ 11,113,924</u>	<u>\$ 104</u>	<u>\$ 12,990</u>	<u>\$ 182,686</u>	<u>\$ 940,429</u>	<u>\$ 12,250,133</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ 198,630	\$ -	\$ -	\$ -	\$ -	\$ 198,630
Due to other funds	(40,418)	40,418	-	-	-	-
Accrued salaries and fringe benefits	58,764	-	-	-	-	58,764
Total liabilities	<u>216,976</u>	<u>40,418</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,394</u>
DEFERRED INFLOWS OF RESOURCES						
Property taxes receivable	29,395	-	-	-	-	29,395
Other deferred inflows	20,721	-	-	-	-	20,721
Total deferred inflows of resources	<u>50,116</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,116</u>
FUND BALANCES						
Nonspendable:						
Prepaid assets	1,079	-	-	-	-	1,079
Restricted:						
Public safety	2,839	-	-	-	-	2,839
Stabilization by State Statute	372,652	-	-	-	-	372,652
ARPA	-	-	12,990	-	-	12,990
Streets	582,755	-	-	-	-	582,755
Committed:						
Capital projects	-	-	-	182,686	-	182,686
Economic development	-	-	-	-	940,429	940,429
Assigned:						
Subsequent year's expenditures	312,716	-	-	-	-	312,716
Public safety	12,970	-	-	-	-	12,970
Recreation	184,318	-	-	-	-	184,318
Capital projects	-	(40,314)	-	-	-	(40,314)
Unassigned	9,377,503	-	-	-	-	9,377,503
Total fund balances	<u>10,846,832</u>	<u>(40,314)</u>	<u>12,990</u>	<u>182,686</u>	<u>940,429</u>	<u>11,942,623</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,113,924</u>	<u>\$ 104</u>	<u>\$ 12,990</u>	<u>\$ 182,686</u>	<u>\$ 940,429</u>	<u>\$ 12,250,133</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2023

Exhibit 3

Amounts reported for governmental activities in the Statement of Net Position (exhibit 1) are different because:

Total Fund Balance, Governmental Funds	\$ 11,942,623
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Gross capital assets at historical cost	26,554,954
Accumulated depreciation	<u>(3,945,046)</u> 22,609,908
Deferred inflows of resources related to pensions are not reported in the funds	(130,456)
Deferred inflows of resources related to OPEB are not reported in the funds	(341,786)
Deferred outflows of resources related to pensions are not reported in the funds	1,277,955
Deferred outflows of resources related to OPEB are not reported in the funds	88,944
Differences between lease receivable and deferred inflows related to leases	12,696
Earned revenues considered deferred inflows of resources in fund statements	29,395
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and therefore not recorded in the fund statements	
Long-term debt included as net position (includes the addition of long-term debt and principal payments during the year)	(610,085)
Compensated absences	(100,730)
Net pension liability - LGERS	(1,588,513)
Total pension liability - LEO	(578,404)
OPEB liability	<u>(2,231,448)</u>
Net position of governmental activities	<u><u>\$ 30,380,099</u></u>

The accompanying notes to the financial statements are an integral part of these statements

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023

Exhibit 4

	Major Funds			Total Non-Major Funds	Total Governmental Funds
	General Fund	General Capital Projects Fund	American Rescue Plan Fund		
REVENUES					
Ad valorem taxes	\$ 2,277,101	\$ -	\$ -	\$ -	\$ 2,277,101
Other taxes and licenses	1,679,212	-	-	-	1,679,212
Unrestricted intergovernmental revenues	283,869	-	-	-	283,869
Restricted intergovernmental revenues	271,888	-	734,917	-	1,006,805
Permits and fees	56,766	-	-	-	56,766
Sales and services	318,205	-	-	-	318,205
Investment earnings	382,976	1,651	-	8,410	27,064
Miscellaneous	52,800	-	-	-	52,800
Total revenues	<u>5,322,817</u>	<u>1,651</u>	<u>734,917</u>	<u>8,410</u>	<u>27,064</u>
EXPENDITURES					
Current:					
General government	1,659,764	-	740,731	-	2,400,495
Public safety	1,546,556	-	-	-	1,546,556
Transportation and public works	352,771	-	47,585	-	400,356
Cultural and recreational	744,187	-	-	-	744,187
Capital outlay	180,277	382,380	-	-	562,657
Debt Service:					
Principal	67,585	-	-	-	67,585
Total expenditures	<u>4,551,140</u>	<u>382,380</u>	<u>788,316</u>	<u>-</u>	<u>5,721,836</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>771,677</u>	<u>(380,729)</u>	<u>(53,399)</u>	<u>8,410</u>	<u>27,064</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	-	161,231	-	-	161,231
Transfers from (to) other funds	(96,959)	-	-	(64,272)	(161,231)
IT subscription agreements	73,562	-	-	-	73,562
Sales of capital assets	314,959	-	-	-	314,959
Total other financing sources (uses)	<u>291,562</u>	<u>161,231</u>	<u>-</u>	<u>(64,272)</u>	<u>388,521</u>
Net change in fund balance	1,063,239	(219,498)	(53,399)	(55,862)	27,064
Beginning fund balances	<u>9,783,593</u>	<u>179,184</u>	<u>66,389</u>	<u>238,548</u>	<u>913,365</u>
Fund balances, ending	<u>\$10,846,832</u>	<u>\$ (40,314)</u>	<u>\$ 12,990</u>	<u>\$ 182,686</u>	<u>\$ 940,429</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund balance
Governmental Funds
For the Year Ended June 30, 2023

Exhibit 4

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

Net changes in fund balances- total governmental funds (Exhibit 4)	\$	761,544
<p>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.</p>		
Capital outlay expenditures which were capitalized	\$	342,521
Depreciation expense for governmental assets		<u>(585,923)</u>
This is the amount by which right to use leased asset capital outlays exceeded amortization in the current period.		159,047
This is the amount by which subscriptions exceeded amortization in the current period.		(60,140)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		280,100
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities		(15,907)
Benefit payments paid and administrative expense for the retirees are not included on the Statement of Activities		(74,723)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Changes in earned revenues considered deferred inflows of resources		
<p>The issuance of long-term debt provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governments 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.</p>		
		(3,309)
<p>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.</p>		
Loss on sale of fixed assets	(372,295)	
Pension obligations - LEO	(36,196)	
Pension obligations - LGERS	<u>(494,660)</u>	<u>(903,151)</u>
Total changes in net position of governmental activities		<u>\$ (99,941)</u>

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

General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023**

	General Fund			Variance with Final Budget - Positive (Negative)
	Budget		Actual Amounts	
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 2,255,822	\$ 2,255,822	\$ 2,277,101	\$ 21,279
Other taxes and licenses	1,360,000	1,360,000	1,679,212	319,212
Unrestricted intergovernmental revenues	360,000	360,000	283,869	(76,131)
Restricted intergovernmental revenues	228,450	268,450	271,888	3,438
Permits and fees	76,840	76,840	56,766	(20,074)
Sales and services	277,265	277,265	318,205	40,940
Investment earnings	3,100	3,100	382,976	379,876
Miscellaneous	20,750	28,677	52,800	24,123
Total revenues	<u>4,582,227</u>	<u>4,630,154</u>	<u>5,322,817</u>	<u>692,663</u>
Expenditures:				
Current:				
General government	1,921,244	2,056,488	1,659,764	396,724
Public safety	2,148,213	2,225,893	1,546,556	679,337
Transportation and public works	558,759	559,301	352,771	206,530
Cultural and recreational	589,778	808,537	744,187	64,350
Capital outlay	245,477	260,880	180,277	80,603
Debt Service	50,000	50,000	67,585	(17,585)
Total expenditures	<u>5,513,471</u>	<u>5,961,099</u>	<u>4,551,140</u>	<u>1,409,959</u>
Revenues over (under) expenditures	<u>(931,244)</u>	<u>(1,330,945)</u>	<u>771,677</u>	<u>2,102,622</u>
Other financing sources (uses):				
Transfers to other funds	45,737	(231,209)	(96,959)	134,250
Sale of capital assets	1,000	1,000	314,959	313,959
IT subscription agreements	-	-	73,562	73,562
Appropriated fund balance	884,507	1,561,154	-	(1,561,154)
Total other financing sources (uses)	<u>931,244</u>	<u>1,330,945</u>	<u>291,562</u>	<u>(1,039,383)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,063,239	<u>\$ 1,063,239</u>
Fund balance, beginning			<u>9,783,593</u>	
Fund balance, ending			<u>\$ 10,846,832</u>	

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit 6

	Stormwater Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 676,901
Due from other governments	1,110
Total current assets	678,011
 DEFERRED OUTFLOWS OF RESOURCES	
OPEB deferrals	60,669
Total deferred outflows of resources	60,669
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	3,452
Current portion of accrued vacation	5,228
Total current liabilities	8,680
Noncurrent liabilities:	
Net pension liability	83,606
Total OPEB liability	128,558
Total noncurrent liabilities	212,164
Total liabilities	220,844
 DEFERRED INFLOWS OF RESOURCES	
OPEB deferrals	24,691
Total deferred inflows of resources	24,691
 NET POSITION	
Unrestricted	493,145
Total net position	\$ 493,145

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

CITY OF CREEDMOOR, NORTH CAROLINA
Statement of Revenues, Expenses, and Change in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

Exhibit 7

	Stormwater Fund
OPERATING REVENUES	
Charges for services	\$ 320,930
Total operating revenues	320,930
OPERATING EXPENSES	
Stormwater management	253,829
Total operating expenses	253,829
Operating income (loss)	67,101
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	15,451
Total nonoperating revenues (expenses)	15,451
Change in net position	82,552
Total net position, beginning	410,593
Total net position, ending	\$ 493,145

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

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Major Enterprise Fund
	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 319,857
Cash paid for goods and services	(170,411)
Cash paid to or on behalf of employees for services	(161,592)
Net cash provided (used) by operating activities	(12,146)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	15,451
Net cash provided (used) by investing activities	15,451
Net increase (decrease) in cash and cash equivalents	3,305
Balances, beginning	673,596
Balances, ending	\$ 676,901
Reconciliation of operating income (loss) to net cash provided by operating activities	
Operating income (loss)	\$ 67,101
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease (increase) in due from other governments	(1,073)
Decrease (increase) in deferred outflows of resources - OPEB	(45,454)
Increase (decrease) in net pension liability	(12,876)
Increase (decrease) in net OPEB liability	(27,838)
Increase (decrease) in deferred inflows of resources - OPEB	15,441
Increase (decrease) in accounts payable and accrued liabilities	(7,447)
Increase (decrease) in accrued vacation	-
Total adjustments	(79,247)
Net cash provided by operating activities	\$ (12,146)

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies

The accounting policies of the City of Creedmoor (“the City”) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The City of Creedmoor is a municipal corporation that is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, a legally separate entity for which the City is financially accountable. The City as of June 30, 2023 had no component units.

B. Basis of Presentation

Government-wide Financial 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. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. 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 City and for each function of the City’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 City’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. The City has no fiduciary funds to report.

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The City reports the following major governmental fund:

General Fund. The General Fund is the general operating fund of the City. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, grants and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction.

General Capital Projects Fund. This fund is used to account for capital projects benefiting the City as a whole.

American Rescue Plan Fund. This fund accounts for the transactions related to the American Rescue Plan Funds.

Capital Reserve Fund. This fund was established in FY15, in accordance with Article 3, Part 2, of North Carolina General Statute 159 (GS 159-18 through 159-22). The funds set aside here may only be used for future capital asset acquisition of construction. The money may not legally be returned to the General Fund for routine operations. The initial \$8,000,000 funding came from utility system sale proceeds.

The City reports the following non-major governmental funds:

Water Economic Development Fund – These funds have been set aside to fund water infrastructure costs as part of economic development. The funding came from prior earnings from water operations. There are no external restrictions on this money.

Sewer Economic Development Fund – These funds have been set aside to fund sewer infrastructure costs as parts of economic development. The funding came from the prior earnings from sewer operations. There are no external restrictions on this money.

The City reports the following major enterprise fund:

Stormwater Fund. This fund is used to account for the City’s stormwater management operations.

C. Measurement Focus and Basis of Accounting

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

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Non-exchange transactions, in which the City 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 in which all eligibility requirements have been satisfied.

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

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

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

The City 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 for the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Creedmoor because the tax is levied by Granville County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenue rather than program revenue. Any grant revenues which are unearned at year-end are recorded as deferred inflows of resources. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City'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 City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the General Capital Projects Fund, the Capital Reserve, the American Rescue Plan Fund, the Water Economic Development Fund, and the Sewer Economic Development Fund. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual budget ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the City are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The City may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City 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 City to invest in obligations of the United State 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 City's investments are generally reported at fair value.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT- Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2023, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income and minimize banking fees. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted because Powell Bill funds may only be expended for the purpose of maintaining, repairing, constructing, reconstructing, or widening of local streets per F.S. 136-41.1 through 136-41.4. The resources on the Capital Reserve Fund are restricted by State law for capital asset purchase or construction. The specific usage of the Capital Reserve money may be amended by Board action. As with Powell Bill funds, the Stormwater funds are restricted to the management of storm runoff and drainage. The funds shown in the Water and Sewer Funds are unrestricted funds. The Board of Commissioners could, by Board action, close those funds and reassign the balance of funds.

City of Creedmoor Restricted Cash

Governmental Activities:	
Capital Reserve Fund	\$ 182,686
ARPA	9,113
Streets (Powell Bill)	582,755
Public Safety (Police Dept.)	2,839
Total Governmental Activities	777,393
Total Restricted Cash	\$ 777,393

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2018. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Lease Receivable

The City's lease receivables are measure at the present value of lease payments expected to be received during the lease terms. Under the lease agreements, the City receives monthly lease payments, increasing by 3% annually. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the leases in an amount equal to the initial recording of the lease receivables. The deferred inflow of resources is amortized on a straight-line basis over the term of the leases.

6. Prepaid Items

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, buildings, improvements, furniture, equipment, vehicles and other plant and distribution systems, \$5,000; infrastructure, \$50,000. Donated capital assets received prior to June 15, 2016 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. 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.

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

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

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

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	40 years
Buildings	40 years
Improvements	40 years
Furniture and equipment	7 years
Computer software	5 years
Vehicles	5 years

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 expenditure until then. The City of Creedmoor has one item that meets this criterion: pension deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has three items that meet the criterion for this category – prepaid property taxes, prepaid stormwater fees, and pension deferrals.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

9. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs (if any), are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expenses over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

The vacation policy of the City provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the City'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 City has assumed a last-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The City's sick leave policy provide 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 City has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Reimbursements for Pandemic-Related Expenditures

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and to replace lost revenue for eligible state, local, territorial, and tribal governments. The City was allocated \$1,469,833 of fiscal recovery funds to be paid in two equal installments. The first installment of \$734,916 was received during the year ended June 30, 2022. The second installment of \$734,917 was received during the fiscal year. City staff and the Board of Commissioners have elected to use the ARPA funds for salaries, benefits, and capital project expenditures.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

12. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State Statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable 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.

Prepaid assets – Portion of fund balance that is not an available resource because it represents payment costs associated with activities better matched to the following fiscal year.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Public Safety – Portion of fund balance that is restricted by revenue source for law enforcement efforts. The \$2,839 represents the balance of Unauthorized Substance Tax revenue sent to the City by the State of North Carolina.

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.*

Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the unexpended Powell Bill funds, less obligations to be paid with Powell Bill money.

Committed Fund Balance – This classification represents the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the City of Creedmoor’s Board of Commissioners. 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.

Committed for Capital Projects – portion of fund balance committed by the Board for future capital asset acquisition or construction.

Committed for Economic Development – portion of fund balance committed by the Board for future water and sewer projects to promote economic development. The amount committed to future water utility projects is \$381,364 and the amount committed to future sewer utility projects is \$531,001.

Assigned Fund Balance – This classification represents that portion of fund balance that the City of Creedmoor intends to use of a specific purpose. The City Manager makes recommendations to the governing board regarding any revenue streams or fund balance assigned for a particular purpose. Fund balance assignments are discussed with the Finance and Intergovernmental Relations (FAIR) committee. As part of Creedmoor’s operational policies, the FAIR committee makes the recommendations regarding assignments to the full Board of Commissioners. No formal action by the Board is required.

Assigned for Public Safety – portion of fund balance that is assigned to support future capital needs for the Creedmoor Volunteer Fire Department (CVFD). The City contractually provides annual operations support. Some years the CVFD requests additional funding for capital asset needs.

Assigned for Recreation – portion of fund balance that is assigned to support recreation opportunities within the City of Creedmoor.

Assigned by Capital Projects – portion of fund balance that is assigned to support capital projects.

Assigned for Subsequent Year’s Expenditures – portion of fund balance that has been appropriated in the subsequent year’s annual budget. The Board of Commissioners approves the appropriation as part of the annual budget process and would have to take formal action to change the appropriation.

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

I. Summary of Significant Accounting Policies (Continued)

The City of Creedmoor will use resources in the following hierarchy; as such funds may be available: debt proceeds, federal funds, State funds, local non-city funds, and city funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and finally unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is determined to be in the best interest of the City.

The City of Creedmoor has established the goal to have the Fund Balance Available (FAB) for Appropriation at 100% of that year's expenditures. FBA for Appropriation will be calculated annually in accordance with G.S. 159-8(a) and guidance provided by the State and Local Government Finance Division of the Department of the State Treasurer. This calculation will be made and reported to the Board of Commissioners as part of the annual audit presentation by the City's independent auditor. If the FAB is below 100%, the Finance Director will provide the Board with an analysis of the factors causing the drop. The Finance Director's report will include suggested steps to rebuild the fund balance to the 100% target within the next 36 months, or sooner. Amounts above 100% goal may be transferred to the Capital Reserve Fund if that is the Board's direction.

Once the forty percent (40%) goal is realized, all revenue in excess of expenditures realized at the end of any given fiscal year will be credited as capital reserves.

13. Defined Benefit Cost-Sharing Plans

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

II. Stewardship, Compliance, and Accountability

A. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2023, the City debt service expenditures were \$17,585 greater than the budgeted amount.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the City 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 City's agents in these units' 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 City, these deposits are considered to be held by the City's agents in their names. 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 City or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The City has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2023, the City's deposits had a bank balance of \$869,473 and a book balance (reconciled balance) of \$843,236. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2023, the City's petty cash fund totaled \$616.

2. Investments

At June 30, 2023, the City of Creedmoor's investment balances were as follows:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/23</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust Fund - Government Portfolio	Fair Value Level 1	<u>\$ 11,675,164</u>	N/A	AAAm
Total		<u><u>\$ 11,675,164</u></u>		

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

All investments are measured using the market approach: using prices and other relevant information generate by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Credit Risk. The City has no formal policy regarding credit risk but has internal management procedures that limits the City’s investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in the Federal Home Loan Bank is rated AAA by Standard and Poor’s and AAA by Moody’s Investors Service. The City’s investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM.

3. Receivables

Receivables presented in the Balance Sheet and the Statement of Net Position at June 30, 2023, were as follows:

Governmental Funds:	
<u>General Fund</u>	
Property Taxes Receivable	\$ 29,395
Franchise Tax Receivable	22,716
Sales Tax Receivable	276,323
Solid Waste Tax Receivable	985
Due from Other Governments - other	71,697
Accounts Receivable	931
Total General Fund	402,047
 <u>General Capital Projects Fund</u>	
Due From Other Governments	104
Total General Capital Projects	104
 <u>American Rescue Plan</u>	
Due From Other Governments	3,877
Total General Capital Projects	3,877
Total Governmental Funds	\$ 406,028
 Enterprise Funds:	
Stormwater Fees Receivable	\$ 1,110
Total Enterprise Funds	1,110
Total	\$ 407,138

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

4. Lease Receivable

In July 2021, the City entered into a lease with a cell service vendor. Under the lease, the vendor pays the City monthly, with payments increasing by 3% annually. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.78%, which is the average small business loan rate at the time of calculation.

In July 2021, the City entered into a lease with another cell service vendor. Under the lease, the vendor pays the City monthly, with payments increasing by 3% annually. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.78%, which is the average small business loan rate at the time of calculation.

In December 2021, the City entered into a lease with another cell service vendor. Under the lease, the vendor pays the City monthly, with payments increasing by 3% annually. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 4.78%, which is the average small business loan rate at the time of calculation.

In fiscal year 2023, the City recognized \$115,460 of lease revenue and \$18,138 of interest revenue under the leases. In addition, the City recognized \$(1,577) in variable lease revenue.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

5. Capital Assets

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

<i>Governmental activities:</i>	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land	\$ 4,978,539	\$ -	\$ -	\$ 4,978,539
Construction in progress	172,233	398,013	111,850	458,396
Total capital assets not being depreciated:	<u>5,150,772</u>	<u>398,013</u>	<u>111,850</u>	<u>5,436,935</u>
<u>Capital assets being depreciated:</u>				
Buildings	14,887,572	111,850	372,295	14,627,127
Other improvements	58,639	-	-	58,639
Equipment	954,299	34,294	-	988,593
Vehicles and motorized equipment	731,156	-	-	731,156
Infrastructure	4,187,555	-	-	4,187,555
Total capital assets being depreciated:	<u>20,819,221</u>	<u>146,144</u>	<u>372,295</u>	<u>20,593,070</u>
<u>Less accumulated depreciation for:</u>				
Buildings	896,868	370,311	8,532	1,258,647
Other improvements	11,199	1,281	-	12,480
Equipment	740,507	87,100	-	827,607
Vehicles and motorized equipment	649,154	42,709	-	691,863
Infrastructure	1,061,395	93,054	-	1,154,449
Total accumulated depreciation	<u>3,359,123</u>	<u>594,455</u>	<u>8,532</u>	<u>3,945,046</u>
Total capital assets being depreciated, net	<u>17,460,098</u>			<u>16,648,024</u>
Governmental activities capital assets, net	<u>\$ 22,610,870</u>			<u>\$ 22,084,959</u>

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

General government	\$ 61,942
Public safety	124,776
Transportation	245,748
Cultural and recreation	161,989
	<u>\$ 594,455</u>

7. Construction Commitments

The City has no active construction commitments as of June 30, 2023.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

B. Liabilities

1. Pension Plan and Postemployment Obligations

Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. 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 five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Creedmoor employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Creedmoor's contractually required contribution rate for the year ended June 30, 2023, was 12.10% of compensation for law enforcement officers and 11.35% for general employees, 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 City of Creedmoor were \$280,100 for the year ended June 30, 2023.

Refunds of Contributions – City 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 members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2023, the City reported a liability of \$1,672,119 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the City's proportion was 0.02964%, which was a decrease of 0.00316% from its proportion as of June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense of \$491,476. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 72,050	\$ 7,064
Changes of assumptions	166,840	-
Net difference between projected and actual earnings on pension plan investments	552,653	-
Changes in proportion and differences between City contributions and proportionate share of contributions	56,087	15,125
City contributions subsequent to the measurement date	280,100	-
Total	<u>\$ 1,127,730</u>	<u>\$ 22,189</u>

\$280,100 was reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 265,371
2025	221,645
2026	75,131
2027	263,294
2028	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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

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

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 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%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.25%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

Sensitivity of the City’s proportionate share of the net pension asset to changes in the discount rate. The following presents the City’s proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the City’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 3,017,960	\$ 1,672,119	\$ 563,068

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

2. Law Enforcement Officers Special Separation Allowance

a. Plan Description

The City of Creedmoor administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the City’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 City are covered by the Separation Allowance. At December 31, 2022, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	1
Active plan members	17
Total	18

b. Summary of Significant Accounting Policies

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

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

c. Actuarial Assumptions

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

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

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

Mortality rates are based on the Pub-2010 Mortality tables with adjustments for mortality improvements based on Scale AA.

d. Contributions

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. The City’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$15,907 as benefits came due for the reporting period.

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

At June 30, 2023, the City reported a total pension liability of \$578,404. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the City recognized pension expense of \$68,380.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 122,817	\$ 12,240
Changes of assumptions and other inputs	83,795	97,136
Benefit payments and administrative expenses subsequent to the measurement date	-	-
Total	\$ 206,612	\$ 109,376

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$	26,285
2025		21,380
2026		18,952
2027		17,305
2028		16,336
Thereafter		9,118

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 2.25 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	(3.31%)	(4.31%)	(5.31%)
Total Pension Liability	\$ 624,248	\$ 578,404	\$ 536,316

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

Beginning balance	\$	614,720
Service Cost		37,288
Interest on the total pension liability		13,652
Changes of benefit terms		-
Differences between expected and actual experience in the measurement of the total pension liability		27,439
Changes of assumptions or other inputs		(98,788)
Benefit payments		(15,907)
Other changes		-
Total	<u>\$</u>	<u>578,404</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2019.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 491,476	\$ 68,380	\$ 559,856
Pension Liability	1,672,119	578,404	2,250,523
Proportionate share of the net pension liability	0.02964%	n/a	
 Deferred Outflows of Resources			
Differences between expected and actual experience	72,050	122,817	194,867
Changes of assumptions	166,840	83,795	250,635
Net difference between projected and actual earnings on plan investments	552,653	-	552,653
Changes in proportion and differences between City contributions and proportionate share of contributions	56,087	-	56,087
City benefit payments and plan administrative expense made subsequent to the measurement date	280,100	-	280,100
 Deferred Inflows of Resources			
Differences between expected and actual experience	7,064	12,240	19,304
Changes of assumptions	-	97,136	97,136
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between City contributions and proportionate share of contributions	15,125	-	15,125

3. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City 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 City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The City of Creedmoor voluntarily contributes an amount equal to six percent of each officer's salary. Also, the law enforcement officers may make voluntary contributions to the Plan. The City made contributions of \$72,752 for the year ended June 30, 2023. No amounts were forfeited.

4. Supplemental Retirement Income Plan for General Employees

Plan Description. The City 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 City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. The City of Creedmoor voluntarily contributes an amount equal to six percent of each employee's salary. Also, the employees may make voluntary contributions to the Plan. The City made contributions of \$127,633 for the year ended June 30, 2023. No amounts were forfeited.

5. Other Postemployment Benefits

Healthcare Benefits

Plan Description. Employees who retire under the provisions of the North Carolina Local Government Employees' Retirement System (NCLGERS) and meet one of the following criteria are eligible to receive premium reimbursement for healthcare coverage obtained outside of the City's healthcare plan:

1. Age 62 or older with at least ten (10) years of permanent full time City service
2. Age 55 or older with at least twenty (20) years of permanent full time City service
3. Thirty (30) or more years of permanent full time City service

Those employees hired on or after July 1, 2013 will not be eligible to receive premium reimbursement for healthcare coverage upon retirement.

Funding Policy – Pre-65 retirees are not allowed to remain on the City's healthcare plan, but the City will contribute toward the cost of individual health insurance premiums. For retirees who are not yet eligible for Medicare, the City identifies a health plan and will provide a reimbursement equivalent to the premium for this coverage or use the reimbursement toward the purchase of coverage of his or her choosing. The retiree will continue to receive this reimbursement until eligible for Medicare.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

Upon eligibility for Medicare, the City provides a Medicare supplement plan for those retirees hired on or before July 1, 2011. Retirees that were hired after July 1, 2011 and before July 1, 2013 will receive benefits until eligible for Medicare. Retirees that were hired on or after July 1, 2013 will not be eligible to participate in the plan.

Health care and prescription drug coverage are obtained outside of the City’s group health insurance plan. If a retiree was hired on or before July 1, 2011, coverage is transferred to a Medicare Supplement once the retiree is eligible for Medicare. Dental and Vision coverage is available at the retiree’s expense.

Summary of Significant Accounting Policies – Postemployment 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 administrative costs. These expenditures are paid as they come due.

As of June 30, 2022 (latest available information), membership in the plan consisted of:

	General Employees:	Law Enforcement Officers:
Retirees and dependents receiving benefits	6	6
Active plan members	5	4
Total	11	10

Total OPEB Liability

The City’s total OPEB liability of \$2,360,006 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.25 – 8.41 percent, average, including inflation – General Employees 3.25 – 7.90 percent, average, including inflation – Law Enforcement Officers
Discount rate	3.54 percent
Healthcare cost trend rates	Pre-Medicare – 7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031 Medicare – 5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024.

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

Changes in the Total OPEB Liability

Beginning balance	\$ 2,812,872
Service Cost	62,446
Interest	61,304
Changes of benefit terms	-
Differences between expected and actual experience	1,322
Changes of assumptions or other inputs	(503,215)
Benefit payments	(74,723)
Total	\$ 2,360,006

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

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 2015 through December 2019 adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(2.54%)	(3.54%)	(4.54%)
Total OPEB Liability	\$ 2,709,268	\$ 2,360,006	\$ 2,076,091

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 2,041,632	\$ 2,360,006	\$ 2,753,923

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$81,903. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 817	\$ 54,220
Changes of assumptions and other inputs	92,409	311,148
Benefit payments and administrative expenses subsequent to the measurement date	-	-
Total	\$ 93,226	\$ 365,368

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ (153,373)
2025	(118,769)
2026	-
2027	-
2028	-
Thereafter	-

Other Employment Benefits

The City provides death benefits to law enforcement officers 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 officers who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The City considers these contributions to be immaterial.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

For the fiscal year ended June 30, 2023, the City made contributions to the State for death benefits of \$1,344. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.06% and 0.06% of covered payroll, respectively.

6. Deferred Outflows and Inflows of Resources

For the fiscal year ended June 30, 2023, the City had several deferred outflows of resources:

Source

Contributions to pension plan in current fiscal year	\$ 280,100
Benefit payments made and administrative expenses for LEOSSA	-
Differences between expected and actual experience	195,684
Changes of assumptions	343,044
Net difference between projected and actual earnings	552,653
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>56,087</u>
Total Deferred Outflows of Resources	<u>\$ 1,427,568</u>

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

Source	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Deferred revenue	\$ 20,721	\$ 20,721
Leases	304,819	
Differences between expected and actual experience	73,524	-
Changes of assumptions	408,284	-
Net difference between projected and actual earnings on pension plan investments	-	
Changes in proportion and differences between City contributions and proportionate share of contributions	15,125	-
Property taxes receivable	-	29,395
Total	<u>\$ 822,473</u>	<u>\$ 50,116</u>

7. Risk Management

The City 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 City 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 \$1,000,000 per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The 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 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 audited financial statements are available to the City upon request.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

The City carried builders risk insurance, through a commercial agent, as part of the USDA water and sewer rehabilitation project. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The project is complete.

In accordance with G.S. 159-29, the finance officer is bonded for \$100,000 and the Tax Collector is bonded for \$10,000. Employees that have access to \$100 or more at any given time of the City's funds are covered by an employees' dishonesty blanket policy, with coverage up to \$50,000.

8. Claims, Judgments and Contingent Liabilities

During the year ended June 30, 2023, the City consulted attorneys on various legal matter. In the opinion of the City's management and City attorney, the ultimate effect of these legal matters will not have a material adverse effect on the City's financial position.

9. Commitments

The City has one commitment to the Creedmoor Volunteer Fire Department Inc. The commitment is for fire protection for fiscal year 2024 in the amount of \$277,029.

10. Long-Term Obligations

a. Leases

The City has entered into agreements to lease several vehicles. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The City entered into five lease agreements during the fiscal year. The first agreement was executed on November 22, 2022, to lease a vehicle and requires 61 monthly payments of \$846. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 8.25%, which is the state rate in the lease agreement.

The second agreement was executed on January 31, 2023, to lease a vehicle and requires 60 monthly payments of \$834. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 8.25%, which is the state rate in the lease agreement.

The third agreement was executed on June 19, 2023, to lease a vehicle and requires 61 monthly payments of \$872. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 8.25%, which is the state rate in the lease agreement.

The fourth agreement was executed on June 19, 2023, to lease a vehicle and requires 61 monthly payments of \$837. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 8.25%, which is the state rate in the lease agreement.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

The fifth agreement was executed on June 19, 2023, to lease a vehicle and requires 61 monthly payments of \$837. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 8.25%, which is the state rate in the lease agreement.

The liability balance of these leases as of June 30, 2023 is \$206,108. The future minimum lease obligations on the net present value of these minimum lease payments as of June 30, 2023 were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 35,306	\$ 15,402	\$ 50,708
2025	38,330	12,376	50,706
2026	41,615	9,091	50,706
2027	45,181	5,526	50,707
2028	39,662	1,798	41,460
Thereafter	6,014	18	6,032
	\$ 206,108	\$ 44,211	\$ 250,319

b. Installment agreement

On April 20, 2020 The City entered in an agreement with the Creedmoor Volunteer Fire Department to pay for half of the total cost of a new fire truck, up to a maximum of \$500,000. The final agreed upon amount to be paid by the City was \$497,500. Beginning July 31, 2020, the City is to make 10 annual payments to the Fire Department with the final payment due July 31, 2029. The balance at June 30, 2023 was \$348,250. Future payments under the agreement are as follows:

For the year ended June 30, 2024	\$ 50,000
For the year ended June 30, 2025	50,000
For the year ended June 30, 2026	50,000
For the year ended June 30, 2027	50,000
For the year ended June 30, 2028	50,000
Thereafter	98,250
Total payments	\$ 348,250

c. Subscriptions

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

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

During the current year the City entered into a new subscription agreement for the City’s Police Department body worn and in-car camera system. This agreement was entered to help ensure transparency and aid in court proceedings as well as any complaints received. The term of the agreement is four years. The agreement does not have a stated interest rate. Accordingly, the City’s estimated incremental borrowing rate of 8.25% was used to discount the subscription payments. The initial liability for the subscription was \$73,562. The liability balance remaining at June 30, 2023 was \$55,727.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 12,276	\$ 4,737	\$ 17,013
2025	13,319	3,693	17,012
2026	14,452	2,561	17,013
2027	15,680	1,333	17,013
2028	-	-	-
Thereafter	-	-	-
	<u>\$ 55,727</u>	<u>\$ 12,324</u>	<u>\$ 68,051</u>

d. Changes in General Long-Term Liabilities

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
General Fund					
Total pension liability (LEO)	\$ 614,720	\$ -	\$ 36,316	\$ 578,404	\$ -
Net pension liability (LGERS)	309,614	1,278,899	-	1,588,513	-
Total OPEB liability	2,656,476	-	425,028	2,231,448	-
Installment agreement	398,000	-	49,750	348,250	50,000
Capital leases payable	-	206,108	-	206,108	-
Subscription liability	-	73,562	17,835	55,727	-
Compensated absences	100,730	-	-	100,730	30,219
Governmental activity long-term liabilities	<u>\$ 4,079,540</u>	<u>\$ 1,558,569</u>	<u>\$ 528,929</u>	<u>\$ 5,109,180</u>	<u>\$ 80,219</u>
Business-type activities:					
Stormwater Fund					
Net pension liability (LGERS)	\$ 96,482	\$ -	\$ 12,876	\$ 83,606	\$ -
Total OPEB liability	156,396	-	27,838	128,558	-
Compensated absences	5,302	-	74	5,228	5,228
Business activity long-term liabilities	<u>\$ 258,180</u>	<u>\$ -</u>	<u>\$ 40,788</u>	<u>\$ 217,392</u>	<u>\$ 5,228</u>

Net pension liability, total pension liability, and total other postemployment liability for governmental activities are all typically liquidated in the General Fund. Compensated absences for governmental activities typically have been liquidated in the General Fund and accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. Net pension liability and total other postemployment liability for business-type activities are generally liquidated by the Stormwater Fund.

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

III. Detail Notes on All Funds (Continued)

e. 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	<u>\$ 11,942,623</u>
Less:	
Prepaid assets	1,079
Stabilization by State Statute	372,652
Appropriated in subsequent year	312,716
Streets - Powell Bill *	582,755
Public safety *	2,839
ARPA	12,990
Assigned funds	156,974
Committed funds	<u>1,123,115</u>
Undesignated Fund Balance	<u><u>\$ 9,377,503</u></u>

The items above, marked with an *, may be appropriated in the City’s budget, but only for limited purposes.

The City’s Board of Commissioners adopted a formal fund balance policy in July 2015 which sets a goal of maintaining 100% Fund Balance Available for Appropriation in the General Fund. The calculation will be done in accordance with General Statute 159-8(a) and in guidance from the Local Government Commission.

Encumbrances

Outstanding encumbrances are amounts needed to pay any commitments related to open purchase orders and contracts which remain unperformed at year end.

<u>General Fund</u>	\$ 132,828
<u>Stormwater Fund</u>	\$ 46,846
<u>Recreation Fund</u>	\$ 6,294

IV. Transfers to/from Other Funds

Interfund transfers for the fiscal year ended are summarized in the matrix following:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	General Capital Projects	\$ 150,000	To fund capital project
General Fund	General Capital Projects	\$ 11,231	To fund City Hall project

CITY OF CREEDMOOR, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2023

V. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

VI. Significant Effects of Subsequent Events

Subsequent events have been evaluated through October 18, 2023, the date which the financial statements were available to be issued. There were no recognized events meriting disclosure.

SUPPLEMENTARY INFORMATION

CITY OF CREEDMOOR, NORTH CAROLINA
City of Creedmoor's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years*

Schedule 1

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Creedmoor's proportion of the net pension liability (asset) (%)	0.02964%	0.02648%	0.02706%	0.02551%	0.02826%	0.02902%	0.02714%	0.02813%	-0.02660%	0.02570%
Creedmoor's proportion of the net pension liability (asset) (\$)	\$ 1,672,119	\$ 406,096	\$ 966,969	\$ 614,731	\$ 670,424	\$ 443,345	\$ 576,002	\$ 126,246	\$ (156,872)	\$ 309,784
Creedmoor's covered-employee payroll	\$ 2,069,100	\$ 1,906,486	\$ 1,715,542	\$ 1,669,721	\$ 1,778,460	\$ 1,694,817	\$ 1,615,520	\$ 1,612,971	\$ 1,492,642	\$ 1,364,249
Creedmoor's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	80.81%	21.30%	56.37%	36.82%	37.70%	26.16%	35.65%	7.83%	-10.51%	22.71%
Plan fiduciary net position as a percentage of the total pension liability **	84.14%	91.63%	94.18%	91.47%	98.09%	99.07	102.64%	94.35%	96.45%	96.45%

* The amount 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.

CITY OF CREEDMOOR, NORTH CAROLINA
City of Creedmoor's Contributions
Required Supplementary Information
Last Ten Fiscal Years
Local Government Employees' Retirement System

Schedule 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 280,100	\$ 240,904	\$ 201,895	\$ 159,488	\$ 135,180	\$ 138,629	\$ 128,012	\$ 110,879	\$ 109,786	\$ 106,883
Contributions in relation to the contractually required contribution	<u>280,100</u>	<u>240,904</u>	<u>201,895</u>	<u>159,488</u>	<u>135,180</u>	<u>138,629</u>	<u>128,012</u>	<u>110,879</u>	<u>116,141</u>	<u>106,883</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,355</u>	<u>\$ -</u>
Clinton's covered-employee payroll	\$2,240,236	\$2,069,100	\$ 1,906,486	\$1,715,542	\$1,669,721	\$1,778,460	\$1,694,817	\$1,615,520	\$1,612,971	\$1,492,642
Contribution as a percentage of covered-employee payroll	12.50%	11.64%	10.59%	9.30%	8.10%	7.79%	7.55%	6.86%	7.20%	7.16%

CITY OF CREEDMOOR, NORTH CAROLINA
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2023

Schedule 3

Law Enforcement Officers' Special Separation Allowance							
	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 614,720	\$ 495,366	\$ 306,456	\$ 301,018	\$ 259,981	\$ 324,532	\$ 309,056
Service Cost	37,288	36,449	20,854	18,503	19,829	15,655	23,176
Interest on the total pension liability	13,652	9,330	9,817	10,763	8,047	12,321	10,843
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	27,439	113,019	24,122	(22,257)	35,381	(96,747)	-
Changes of assumptions or other inputs	(98,788)	(15,551)	144,765	9,077	(11,572)	14,868	(7,895)
Benefit payments	(15,907)	(23,893)	(10,648)	(10,648)	(10,648)	(10,648)	(10,648)
Other changes	-	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 578,404</u>	<u>\$ 614,720</u>	<u>\$ 495,366</u>	<u>\$ 306,456</u>	<u>\$ 301,018</u>	<u>\$ 259,981</u>	<u>\$ 324,532</u>

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

CITY OF CREEDMOOR, NORTH CAROLINA
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2023

Schedule 4

Law Enforcement Officers' Special Separation Allowance

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 578,404	\$ 614,720	\$ 495,366	\$ 306,456	\$ 301,018	\$ 259,981	\$ 324,532
Covered payroll	964,789	933,118	823,407	809,400	745,707	648,786	918,561
Total pension liability as a percentage of covered payroll	59.95%	65.88%	60.16%	37.86%	40.37%	40.07%	35.33%

Notes to the schedules:

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

CITY OF CREEDMOOR, NORTH CAROLINA
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2023

Schedule 5

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 62,446	\$ 61,562	\$ 41,275	\$ 50,250	\$ 52,896	\$ 59,116
Interest	61,304	61,561	78,741	81,636	76,056	67,780
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	1,322	(227,412)	(5,069)	62,531	5,980	12,158
Changes of assumptions	(503,215)	230,078	475,999	(9,364)	(107,164)	(194,879)
Benefit payments	(74,723)	(73,398)	(77,186)	(73,195)	(58,111)	(61,134)
Net change in total OPEB liability	<u>(452,866)</u>	<u>52,391</u>	<u>513,760</u>	<u>111,858</u>	<u>(30,343)</u>	<u>(116,959)</u>
Total OPEB liability - beginning	<u>2,812,872</u>	<u>2,760,481</u>	<u>2,246,721</u>	<u>2,134,863</u>	<u>2,165,206</u>	<u>2,282,165</u>
Total OPEB liability - ending	<u>\$ 2,360,006</u>	<u>\$ 2,812,872</u>	<u>\$ 2,760,481</u>	<u>\$ 2,246,721</u>	<u>\$ 2,134,863</u>	<u>\$ 2,165,206</u>
Covered payroll	* n/a	n/a	n/a	n/a	578,578	578,578
Total OPEB liability as a percentage of covered payroll	* n/a	n/a	n/a	n/a	368.98%	374.23%

Notes to Schedule

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

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

*Covered payroll is not provided since there are fewer than 10 participants in the plan

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 6

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Ad valorem taxes:			
Taxes		\$ 2,268,585	
Interest and penalties		8,516	
Total	<u>\$ 2,255,822</u>	<u>2,277,101</u>	<u>\$ 21,279</u>
Other taxes and licenses:			
Local option sales tax		1,679,212	
Total	<u>1,360,000</u>	<u>1,679,212</u>	<u>319,212</u>
Unrestricted intergovernmental:			
Utility franchise tax		261,606	
Beer and wine tax		22,263	
Total	<u>360,000</u>	<u>283,869</u>	<u>(76,131)</u>
Restricted intergovernmental:			
"State Street Aid" grant		136,486	
South Granville SRO		74,000	
Solid waste disposal tax		4,809	
Granville County recreation grant		56,593	
Total	<u>268,450</u>	<u>271,888</u>	<u>3,438</u>
Permits and fees:			
City tags		42,131	
Zoning & plan reviews		14,380	
Beer and wine permits		255	
Total	<u>76,840</u>	<u>56,766</u>	<u>(20,074)</u>
Sales and services:			
Local ABC revenues		12,384	
Police officer fees		11,154	
Rent - gym		60,271	
Membership fees		52,651	
Sponsorship donation fees		9,040	
Concessions and boat rental		12,031	
Participant registration fees		22,014	
Lease revenue		138,660	
Total	<u>277,265</u>	<u>318,205</u>	<u>40,940</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 6

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2023
 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Investment earnings:			
General fund		\$ 352,949	
Powell bill		20,744	
Recreation fund		9,283	
Total	<u>\$ 3,100</u>	<u>382,976</u>	<u>\$ 379,876</u>
Miscellaneous:			
Music festival		18,890	
Miscellaneous		33,910	
Total	<u>28,677</u>	<u>52,800</u>	<u>24,123</u>
Total revenues	<u>4,630,154</u>	<u>5,322,817</u>	<u>692,663</u>
Expenditures:			
General government:			
Business development:			
Other operating expenditures		103,661	
Total	<u>129,580</u>	<u>103,661</u>	<u>25,919</u>
Governing body:			
Salaries and benefits		54,267	
Other operating expenditures		31,866	
Total	<u>115,062</u>	<u>86,133</u>	<u>28,929</u>
City manager:			
Salaries and benefits		267,970	
Other operating expenditures		3,222	
Total	<u>308,152</u>	<u>271,192</u>	<u>36,960</u>
City clerk:			
Salaries and benefits		102,603	
Other operating expenditures		9,976	
Total	<u>126,800</u>	<u>112,579</u>	<u>14,221</u>
Administrative:			
Salaries and benefits		140,878	
Other operating expenditures		415,995	
Total	<u>637,924</u>	<u>556,873</u>	<u>81,051</u>
Legal services:			
Other operating expenditures		52,327	
Total	<u>75,000</u>	<u>52,327</u>	<u>22,673</u>
Financing:			
Salaries and benefits		197,568	
Other operating expenditures		67,018	
Total	<u>339,456</u>	<u>264,586</u>	<u>74,870</u>

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2023
 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Planning and development:			
Salaries and benefits		\$ 166,760	
Other operating expenditures		45,653	
Total	<u>\$ 324,514</u>	<u>212,413</u>	<u>\$ 112,101</u>
Total general government	<u>2,056,488</u>	<u>1,659,764</u>	<u>396,724</u>
Public safety:			
Police:			
Salaries and benefits		1,105,359	
Vehicle maintenance		33,489	
Other operating expenditures		204,030	
Public safety - fire		271,262	
Capital outlay		153,592	
Total public safety	<u>2,510,058</u>	<u>1,767,732</u>	<u>742,326</u>
Transportation and public works:			
Public works:			
Salaries and benefits		104,345	
Street & sidewalk, construction and maintenance		2,305	
Vehicle maintenance		3,796	
Refuse collection		4,898	
Other operating expenditures		186,699	
Total	<u>448,016</u>	<u>328,728</u>	<u>119,288</u>
Powell bill:			
Salaries and benefits		33,075	
Other operating expenditures		17,650	
Total	<u>138,000</u>	<u>50,725</u>	<u>87,275</u>
Total transportation and public works	<u>586,016</u>	<u>379,453</u>	<u>206,563</u>
Cultural and recreational:			
Parks and recreation:			
Salaries and benefits		262,901	
Programming		79,185	
Site specific operations		28,623	
Capital outlay		373,478	
Total cultural and recreational	<u>808,537</u>	<u>744,187</u>	<u>64,350</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 6

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2023
 (Continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Total expenditures	\$ 5,961,099	\$ 4,551,136	\$ 1,409,963
Revenues over (under) expenditures	(1,330,945)	771,681	2,102,626
Other financing sources (uses):			
Transfers to other funds:			
Capital projects	(231,209)	(96,963)	134,246
IT subscription agreements	-	73,562	73,562
Sale of equipment	1,000	314,959	313,959
Fund balance appropriated	1,561,154	-	(1,561,154)
Total other financing sources	<u>1,330,945</u>	<u>291,558</u>	<u>(1,039,387)</u>
Net change in fund balance	<u>\$ -</u>	1,063,239	<u>\$ 1,063,239</u>
Fund balance, beginning		<u>9,783,593</u>	
Fund balance, ending		<u>\$ 10,846,832</u>	

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 7

General Capital Projects Fund

Statement of Revenues, Expenditures, and Budget and Actual (Non-GAAP)

From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Years	Current Year	Total to Date	
Revenues - General Government Projects:					
Restricted Intergovernmental					
Investment earnings	\$ 43,840	\$ 46,138	\$ 1,651	\$ 47,789	\$ 3,949
Total revenues	43,840	46,138	1,651	47,789	3,949
Expenditures - General Government Projects:					
Cross City Trail	193,840	-	-	-	193,840
City Hall Expansion	540,734	76,079	382,317	458,396	82,338
Creedmoor Community Center	-	-	63	63	(63)
Total expenditures	734,574	76,079	382,380	458,459	276,115
Revenues over (under) expenditures	(690,734)	(29,941)	(380,729)	(410,670)	(272,166)
Other Financing Sources (Uses)					
Transfer from General Fund	690,734	209,125	161,231	370,356	320,378
Total other financing sources (uses)	690,734	209,125	161,231	370,356	320,378
Revenues and other financing sources over expenditures	\$ -	\$ 179,184	\$ (219,498)	\$ (40,314)	\$ (40,314)

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 8

American Rescue Plan Fund

**Statement of Revenues, Expenditures, and Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
American Rescue Plan Grant	\$1,469,833	\$ 734,916	\$ 734,917	\$1,469,833	\$ -
Investment earnings	-	874	(334)	540	540
Total revenues	<u>1,469,833</u>	<u>735,790</u>	<u>734,583</u>	<u>1,470,373</u>	<u>540</u>
Expenditures:					
General government salaries	1,460,433	724,637	735,796	1,460,433	-
General government benefits	9,400	4,799	4,601	9,400	-
Capital project expenditures	544,500	122,360	47,585	169,945	374,555
Total expenditures	<u>2,014,333</u>	<u>851,796</u>	<u>787,982</u>	<u>1,639,778</u>	<u>374,555</u>
Revenues over (under) expenditures	<u>(544,500)</u>	<u>(116,006)</u>	<u>(53,399)</u>	<u>(169,405)</u>	<u>375,095</u>
Other Financing Sources (Uses)					
Transfers in (out)					
General Fund	544,500	182,395	-	182,395	(362,105)
Total other financing sources (uses)	<u>544,500</u>	<u>182,395</u>	<u>-</u>	<u>182,395</u>	<u>(362,105)</u>
Revenues and other financing sources over expenditures	<u><u>\$ -</u></u>	<u><u>\$ 66,389</u></u>	<u><u>\$ (53,399)</u></u>	<u><u>\$ 12,990</u></u>	<u><u>\$ 12,990</u></u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 9

Capital Reserve Fund

Statement of Revenues and Expenditures Budget and Actual (Non-GAAP)

From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues - Capital Reserve Fund:					
Investment earnings	\$ 340,139	\$ 340,160	\$ 8,410	\$ 348,570	\$ 8,431
Expenditures - Capital Reserve Fund:					
Economic development facilities	18,351	-	-	-	(18,351)
Revenues over (under) expenditures	321,788	340,160	8,410	348,570	26,782
Other Financing Sources (Uses)					
Transfer from Water Operations	3,698,305	3,698,305	-	3,698,305	-
Transfer from Sewer Operations	2,465,537	2,465,537	-	2,465,537	-
Transfer from General Capital Projects	439,966	439,966	-	439,966	-
Transfer to General Capital Projects	(6,925,596)	(6,705,420)	(64,272)	(6,769,692)	155,904
Total other financing sources (uses)	(321,788)	(101,612)	(64,272)	(165,884)	155,904
Revenues and other financing sources (uses)	<u>\$ -</u>	<u>\$ 238,548</u>	<u>\$ (55,862)</u>	<u>\$ 182,686</u>	<u>\$ 182,686</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 10

**Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended June 30, 2023**

	Water Economic Development Fund	Sewer Economic Development Fund	Total Non-Major Governmental Funds
ASSETS			
Restricted cash and cash equivalents	\$ 390,977	\$ 549,452	\$ 940,429
Total assets	<u>\$ 390,977</u>	<u>\$ 549,452</u>	<u>\$ 940,429</u>
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Economic Development	<u>390,977</u>	<u>549,452</u>	<u>940,429</u>
Total fund balances	<u>390,977</u>	<u>549,452</u>	<u>940,429</u>
Total liabilities and fund balance	<u>\$ 390,977</u>	<u>\$ 549,452</u>	<u>\$ 940,429</u>

CITY OF CREEDMOOR, NORTH CAROLINA
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the Year Ended June 30, 2023

Schedule 11

	Water Economic Development Fund	Sewer Economic Development Fund	Total Non-Major Governmental Funds
REVENUES			
Investment earnings	\$ 8,613	\$ 18,451	\$ 27,064
Total revenues	<u>8,613</u>	<u>18,451</u>	<u>27,064</u>
OTHER FINANCING SOURCES (USES)			
Transfer to General Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	8,613	18,451	27,064
Fund balances, beginning	<u>382,364</u>	<u>531,001</u>	<u>913,365</u>
Fund balances, ending	<u><u>\$ 390,977</u></u>	<u><u>\$ 549,452</u></u>	<u><u>\$ 940,429</u></u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 12

Water Economic Development Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

From Inception and For the Year Ended June 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues - Water Project:					
Restricted Intergovernmental					
Water economic development	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Investment earnings	-	22,364	8,613	30,977	30,977
	<u>500,000</u>	<u>522,364</u>	<u>8,613</u>	<u>530,977</u>	<u>30,977</u>
Other Financing Sources (Uses)					
Transfer to General Capital Projects	<u>(500,000)</u>	<u>(140,000)</u>	<u>-</u>	<u>(140,000)</u>	<u>360,000</u>
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Appropriated Fund Balance, and other financing sources (uses)	<u>\$ -</u>	<u>\$ 382,364</u>	<u>\$ 8,613</u>	<u>\$ 390,977</u>	<u>\$ 390,977</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 13

Sewer Economic Development Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

From Inception and For the Year Ended June 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues - Sewer Project:					
Restricted Intergovernmental					
Sewer economic development	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
Investment earnings	-	31,001	18,451	49,452	49,452
	<u>500,000</u>	<u>531,001</u>	<u>18,451</u>	<u>549,452</u>	<u>49,452</u>
Expenditures - Sewer Project:					
Capital Outlay	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Other Financing Sources (Uses)					
Transfer from Sewer Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, Appropriated Fund Balance, and other financing sources (uses)	<u>\$ -</u>	<u>\$ 531,001</u>	<u>\$ 18,451</u>	<u>\$ 549,452</u>	<u>\$ 549,452</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 14

Stormwater Management Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Fiscal Year Ended June 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Operating revenues:			
Stormwater assessments	\$ 294,600	\$ 318,368	\$ 23,768
Prior year stormwater assessments	-	1,760	1,760
Penalties & interest	-	802	802
Total operating revenues	<u>294,600</u>	<u>320,930</u>	<u>26,330</u>
Nonoperating revenues:			
Interest earnings	50	15,451	15,401
Total revenues	<u>294,650</u>	<u>336,381</u>	<u>41,731</u>
Expenditures:			
Operating expenditures:			
Stormwater administration			
Salaries & employee benefits		90,865	
Other operating expenditures		77,445	
Total stormwater administration	<u>190,466</u>	<u>168,310</u>	<u>22,156</u>
Stormwater repair and maintenance			
Salaries & employee benefits		65,277	
Drainage maintenance		58,301	
Other operating expenditures		10,048	
Total stormwater repair and maintenance	<u>148,951</u>	<u>133,626</u>	<u>15,325</u>
Stormwater common operating expenditures			
Other operating expenditures		22,620	
Total stormwater common operating expenditures	<u>30,700</u>	<u>22,620</u>	<u>8,080</u>
Total operating expenditures	<u>370,117</u>	<u>324,556</u>	<u>45,561</u>
Revenues over (under) expenditures	(75,467)	11,825	87,292
Other financing sources (uses):			
Fund balance appropriated	<u>75,467</u>	<u>-</u>	<u>(75,467)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>11,825</u>	<u>\$ 11,825</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Increase in deferred outflows of resources - OPEB		45,454	
Decrease in OPEB liability		27,838	
Increase in deferred inflows of resources - OPEB		(15,441)	
Decrease in net pension liability		12,876	
Total reconciling items		<u>70,727</u>	
Change in net position		<u>\$ 82,552</u>	

CITY OF CREEDMOOR, NORTH CAROLINA
Supplementary Information
Schedule of Ad Valorem Taxes Receivable
June 30, 2023

Schedule 15

<u>Fiscal Year</u>	Uncollected Balance June 30, 2022	Additions	Collections And Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 2,386,850	\$ 2,374,347	\$ 12,503
2021-2022	9,138	-	4,668	4,470
2020-2021	4,098	-	1,981	2,117
2019-2020	2,095	-	225	1,870
2018-2019	2,738	-	435	2,303
2017-2018	2,445	-	1,263	1,182
2016-2017	734	-	98	636
2015-2016	1,084	-	-	1,084
2014-2015	467	-	5	462
2013-2014	2,264	-	-	2,264
2012-2013	2,339	-	1,835	504
2011-2012	1,993	-	1,993	-
	<u>\$ 29,395</u>	<u>\$ 2,386,850</u>	<u>\$ 2,386,850</u>	<u>\$ 29,395</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund	\$ 2,277,101
Discounts allowed	21,630
Taxes written off and other adjustments	88,119
Subtotal	<u>2,386,850</u>
Less interest and penalties collected	-
Total collections and credits	<u>\$ 2,386,850</u>

CITY OF CREEDMOOR, NORTH CAROLINA

Schedule 16

Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2023

	City-Wide		Total Levy		
	Property	Rate	Total	Property	Registered
	Valuation		Levy	excluding	Motor
				Registered	Motor
				Vehicles	Vehicles
Original levy:					
Property taxed at current rate	\$ 329,667,642	0.615	\$ 2,027,456	\$ 2,027,456	-
Registered motor vehicles taxed at current year's rate	<u>50,787,763</u>	0.615	<u>\$ 312,732</u>	<u>-</u>	<u>\$ 312,732</u>
Total levy	380,455,405		2,340,188	2,027,456	312,732
Abatements and discoveries	<u>\$ 7,587,317</u>	0.615	<u>46,662</u>	<u>46,662</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 388,042,722</u></u>		2,386,850	2,074,118	312,732
Uncollected taxes at June 30, 2023			<u>(12,503)</u>	<u>(12,104)</u>	<u>(399)</u>
Current year's taxes collected			<u><u>\$ 2,374,347</u></u>	<u><u>\$ 2,062,014</u></u>	<u><u>\$ 312,333</u></u>
Current levy collection percentage			<u><u>99.48%</u></u>	<u><u>99.42%</u></u>	<u><u>99.87%</u></u>

STATISTICAL INFORMATION

STATISTICAL SECTION

The unaudited statistical section presents comparative statistical data and other pertinent information for the City. Due to various circumstances, certain data is not available. This section may be further divided as follows:

Financial Trends (Tables 1 to 3), containing trend information to help the reader understand how the City's financial performance and standing have changed over time.

Revenue Capacity (Tables 4 to 7), containing information to help the reader assess the City's tax base.

Debt Capacity (Tables 8 to 12), containing schedules to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

STATISTICAL SECTION

Demographic and Economic Information (Tables 13 to 15), containing demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place. This information also enhances comparisons over different time periods and comparisons with other local government units.

Operating Information (Tables 16 to 19), containing information about the City's operation and resources, specific to Creedmoor, to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

CITY OF CREEDMOOR, NORTH CAROLINA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net investment in capital assets	\$ 4,585,965	\$ 7,919,141	\$ 8,210,882	\$ 10,525,310	\$ 10,890,129	\$ 12,077,746	\$ 21,689,393	\$ 22,850,854	\$ 22,917,922	\$ 22,084,959
Restricted	596,197	8,673,716	7,407,260	6,805,838	6,815,150	796,290	874,315	860,628	914,249	958,246
Unrestricted	2,990,879	7,381,804	9,841,979	8,079,408	6,741,362	12,678,737	7,086,483	6,010,661	6,647,869	7,336,894
Total governmental activities net position	\$ 8,173,041	\$ 23,974,661	\$ 25,460,121	\$ 25,410,556	\$ 24,446,641	\$ 25,552,773	\$ 29,650,191	\$ 29,722,143	\$ 30,480,040	\$ 30,380,099
Business-type Activities										
Net investment in capital assets	\$ 8,068,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	232,610	109,607	171,305	159,710	142,217	251,997	432,244	498,349	410,593	493,145
Unrestricted	2,855,744	1,000,094	-	-	-	-	-	-	-	-
Total business-type activities net position	\$ 11,157,147	\$ 1,109,701	\$ 171,305	\$ 159,710	\$ 142,217	\$ 251,997	\$ 432,244	\$ 498,349	\$ 410,593	\$ 493,145
Primary Government										
Net investment in capital assets	\$ 12,654,758	\$ 7,919,141	\$ 8,210,882	\$ 10,525,310	\$ 10,890,129	\$ 12,077,746	\$ 21,689,393	\$ 22,850,854	\$ 22,917,922	\$ 22,084,959
Restricted	828,807	8,783,323	7,578,565	6,965,548	6,957,367	1,048,287	1,306,559	1,358,977	1,324,842	1,451,391
Unrestricted	5,846,623	8,381,898	9,841,979	8,079,408	6,741,362	12,678,737	7,086,483	6,010,661	6,647,869	7,336,894
Total primary government net position	\$ 19,330,188	\$ 25,084,362	\$ 25,631,426	\$ 25,570,266	\$ 24,588,858	\$ 25,804,770	\$ 30,082,435	\$ 30,220,492	\$ 30,890,633	\$ 30,873,244

Note:

The terminology has been updated in accordance with GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

CITY OF CREEDMOOR, NORTH CAROLINA
Government-wide Revenues
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General Government	\$ 1,206,037	\$ 1,200,962	\$ 1,176,457	\$ 1,234,843	\$ 1,295,994	\$ 1,347,193	\$ 1,308,964	\$ 1,977,910	\$ 1,993,460	\$ 3,348,146
Public Safety	1,381,334	1,565,786	1,527,302	1,562,651	1,560,820	1,669,492	2,273,108	1,867,545	2,303,128	1,648,676
Transportation and Public Works	747,318	692,788	588,099	629,857	659,022	570,293	571,596	434,914	447,507	403,046
Economic Development	7,455	9,226	107,260	13,515	14,377	-	-	-	-	-
Cultural and Recreation	180,976	364,657	295,899	254,625	232,419	248,575	202,617	188,827	378,549	733,951
Environmental Protection	-	15,600	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	3,309
Total governmental activities expenses	\$ 3,523,120	\$ 3,849,019	\$ 3,695,017	\$ 3,695,491	\$ 3,762,632	\$ 3,835,553	\$ 4,356,285	\$ 4,469,196	\$ 5,122,644	\$ 6,137,128
Business-type Activities										
Water	\$ 1,392,565	\$ 1,425,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	1,615,703	1,520,237	-	-	-	-	-	-	-	-
Stormwater	218,457	298,298	228,334	419,313	210,481	181,801	128,987	236,934	385,675	253,829
Total business-type activities expenses	\$ 3,226,725	\$ 3,244,470	\$ 228,334	\$ 419,313	\$ 210,481	\$ 181,801	\$ 128,987	\$ 236,934	\$ 385,675	\$ 253,829
Total Primary Government expenses	\$ 6,749,845	\$ 7,093,489	\$ 3,923,351	\$ 4,114,804	\$ 3,973,113	\$ 4,017,354	\$ 4,485,272	\$ 4,706,130	\$ 5,508,319	\$ 6,390,957
Program Revenues										
Governmental Activities:										
Charges for service:										
General Government	\$ 73,319	\$ 92,040	\$ 99,118	\$ 58,302	\$ 79,560	\$ 7,160	\$ 18,722	\$ 19,876	\$ 25,274	\$ 23,538
Public Safety	63,764	60,021	60,021	61,795	62,269	63,489	67,876	-	72,839	74,000
Transportation and Public Works	391,929	120,342	-	-	-	-	-	-	-	-
Cultural and Recreation	110,429	97,342	105,721	125,000	132,957	132,389	127,778	142,436	379,620	294,667
Environmental Protection	-	-	3,241	3,329	3,031	3,417	3,551	-	-	-
Operating grants and contributions	201,584	281,303	323,724	134,667	142,204	152,057	143,451	326,508	889,772	932,805
Capital grants and contributions	13,000	15,000	250,000	17,860	40,000	614,994	4,215,850	10,000	210,860	-
Total governmental activities program revenue	\$ 854,025	\$ 666,048	\$ 841,825	\$ 400,953	\$ 460,021	\$ 973,506	\$ 4,577,228	\$ 498,820	\$ 1,578,365	\$ 1,325,010
Business-type Activities										
Charges for service:										
Water	\$ 1,460,290	\$ 1,265,048	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	1,611,220	1,400,833	-	-	-	-	-	-	-	-
Stormwater	294,118	287,263	288,873	285,272	285,188	283,947	301,673	302,898	296,916	320,930
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	280,228	461,663	-	-	-	-	-	-	-	-
Total business-type activities program revenue	\$ 3,645,856	\$ 3,414,807	\$ 288,873	\$ 285,272	\$ 285,188	\$ 283,947	\$ 301,673	\$ 302,898	\$ 296,916	\$ 320,930
Net (expense)/revenue:										
Governmental activities	\$ (2,669,095)	\$ (3,182,971)	\$ (2,853,192)	\$ (3,294,538)	\$ (3,302,611)	\$ (2,862,047)	\$ 220,943	\$ (3,970,376)	\$ (3,544,279)	\$ (4,812,118)
Business-type activities	419,131	170,337	60,539	(134,041)	74,707	102,146	172,686	65,964	(88,759)	67,101
Total primary government net revenue/(expense)	\$ (2,249,964)	\$ (3,012,634)	\$ (2,792,653)	\$ (3,428,579)	\$ (3,227,904)	\$ (2,759,901)	\$ 393,629	\$ (3,904,412)	\$ (3,633,038)	\$ (4,745,017)

Fiscal Year

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes to Net Position										
Governmental Activities:										
Taxes:										
Property taxes, general	\$ 2,073,246	\$ 2,021,066	\$ 1,958,169	\$ 1,995,394	\$ 1,969,219	\$ 2,055,914	\$ 2,043,856	\$ 2,132,807	\$ 2,254,642	\$ 2,277,101
Other taxes	1,045,352	1,201,829	1,260,267	1,349,576	1,407,742	1,474,251	1,523,046	1,681,802	1,732,580	1,963,081
Unrestricted investment earnings	3,314	3,766	47,319	118,076	208,763	348,046	207,280	2,524	15,463	419,768
Gain (loss) on sale of assets	-	-	-	-	-	-	-	158,674	950	(57,336)
Miscellaneous	11,172	302,957	72,803	82,940	165,978	94,163	102,293	66,521	84,629	109,563
Transfers	-	15,636,373	-	(120,000)	-	-	-	-	-	-
Total governmental activities	<u>3,133,084</u>	<u>19,165,991</u>	<u>3,338,558</u>	<u>3,425,986</u>	<u>3,751,702</u>	<u>3,972,374</u>	<u>3,876,475</u>	<u>4,042,328</u>	<u>4,088,264</u>	<u>4,712,177</u>
Business-type activities:										
Unrestricted investment earnings	3,208	5,509	1,159	2,446	4,178	8,323	7,561	141	1,003	15,451
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	(15,636,373)	-	120,000	-	-	-	-	-	-
Special item gain (loss)	-	5,431,677	-	-	-	-	-	-	-	-
Total business-type activities	<u>3,208</u>	<u>(10,199,187)</u>	<u>1,159</u>	<u>122,446</u>	<u>4,178</u>	<u>8,323</u>	<u>7,561</u>	<u>141</u>	<u>1,003</u>	<u>15,451</u>
Total primary government	<u>\$ 3,136,292</u>	<u>\$ 8,966,804</u>	<u>\$ 3,339,717</u>	<u>\$ 3,548,432</u>	<u>\$ 3,755,880</u>	<u>\$ 3,980,697</u>	<u>\$ 3,884,036</u>	<u>\$ 4,042,469</u>	<u>\$ 4,089,267</u>	<u>\$ 4,727,628</u>
Change in Net Position:										
Governmental Activities	\$ 463,989	\$ 15,983,020	\$ 485,366	\$ 131,448	\$ 449,091	\$ 1,110,327	\$ 4,097,418	\$ 71,952	\$ 543,985	\$ (99,941)
Business-type activities:	422,339	(10,028,850)	61,698	(11,595)	78,885	110,469	180,247	66,105	(87,756)	82,552
Total primary government	<u>\$ 886,328</u>	<u>\$ 5,954,170</u>	<u>\$ 547,064</u>	<u>\$ 119,853</u>	<u>\$ 527,976</u>	<u>\$ 1,220,796</u>	<u>\$ 4,277,665</u>	<u>\$ 138,057</u>	<u>\$ 456,229</u>	<u>\$ (17,389)</u>

Note:

Education revenue shown in earlier years as program revenue have been combined with Operating Grants to conform to the latest presentation.

Transportation and Environmental Protection have been combined as Transportation and Public Works to conform with current accounting practices in the City.

Economic Development and General Government have been combined to conform with current accounting practices in the City

CITY OF CREEDMOOR, NORTH CAROLINA
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

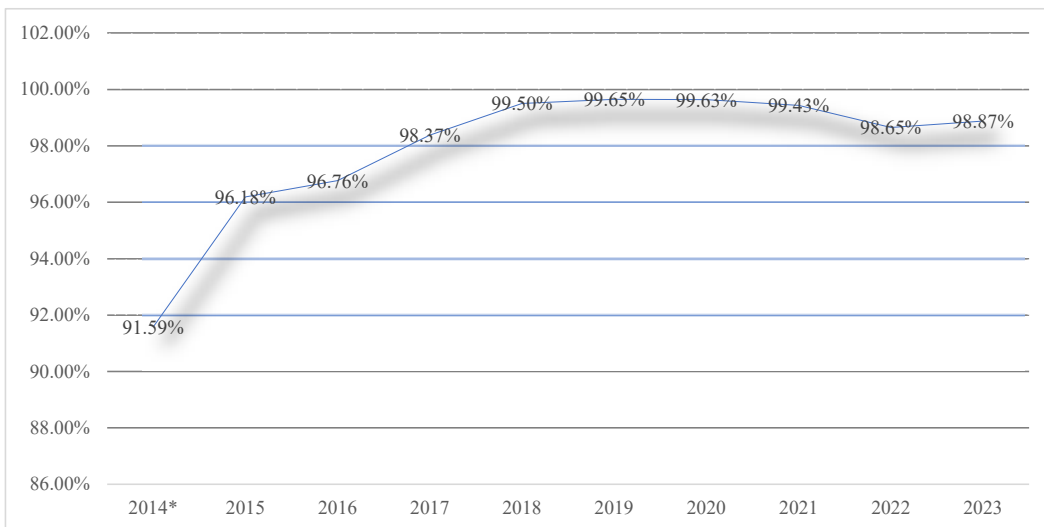
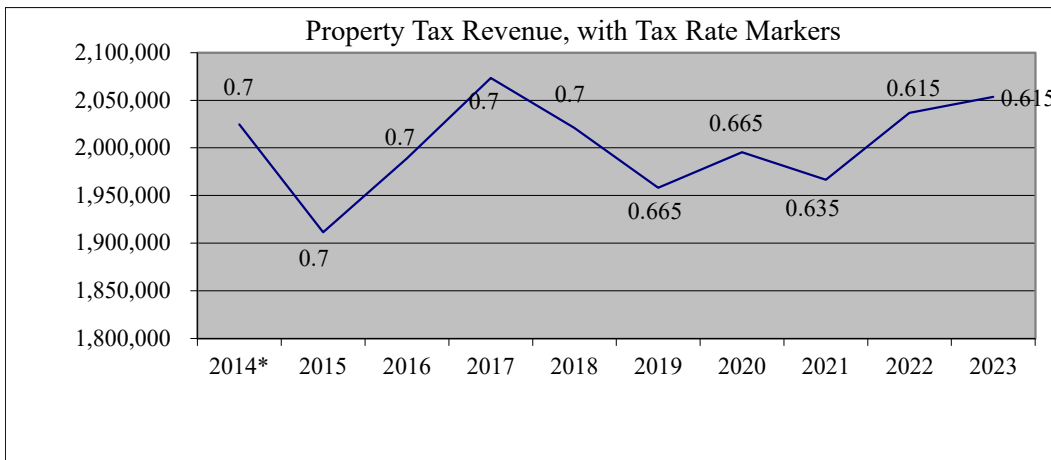
	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Ad valorem taxes	\$ 2,101,734	\$ 2,047,425	\$ 1,974,347	\$ 1,996,408	\$ 1,966,473	\$ 2,036,694	\$ 2,053,393	\$ 2,153,166	\$ 2,259,690	\$ 2,277,101
Other taxes and licenses	717,193	787,411	842,863	963,820	1,025,838	1,096,278	1,162,138	1,329,669	1,388,234	1,679,212
Unrestricted intergovernmental revenue	328,160	414,418	417,404	385,756	381,904	377,973	360,908	352,133	344,346	283,869
Restricted intergovernmental revenue	246,763	458,568	383,467	213,930	196,141	814,652	4,420,170	336,508	1,173,471	1,006,805
Permits and fees	118,369	129,136	135,709	95,840	116,633	45,108	57,704	53,143	52,286	56,766
Sales and service	459,864	350,772	370,642	143,005	157,417	157,491	149,000	162,312	285,242	318,205
Investment earnings	3,332	3,803	47,319	118,076	105,100	348,046	207,280	2,524	15,463	420,101
Miscellaneous	41,517	28,370	23,492	21,864	27,231	42,741	52,306	12,071	32,345	52,800
Total revenues	4,016,932	4,219,903	4,195,243	3,938,699	3,976,737	4,918,983	8,462,899	4,401,526	5,551,077	6,094,859
Expenditures										
General Government	1,091,276	1,153,785	1,211,024	1,140,848	1,240,637	1,278,802	1,343,093	1,569,231	2,217,421	2,400,495
Public Safety	1,292,624	1,402,298	1,404,074	1,445,315	1,479,080	1,574,718	2,132,767	1,758,088	1,538,047	1,546,556
Transportation and public works	739,558	778,220	568,772	566,249	564,954	437,572	427,925	430,212	447,509	400,356
Economic and physical dev.	7,455	24,825	107,260	13,515	14,377	-	-	-	-	-
Cultural and recreation	157,780	164,308	155,090	201,439	175,058	187,358	142,286	188,827	400,549	744,187
Capital outlay	366,696	642,284	464,170	2,526,551	163,461	1,490,021	9,844,388	1,424,647	190,692	562,657
Debt service:										
Principal	-	-	-	-	-	-	-	49,750	49,750	67,585
Interest	-	-	-	-	-	-	-	-	-	-
	3,655,389	4,165,720	3,910,390	5,893,917	3,637,567	4,968,471	13,890,459	5,420,755	4,843,968	5,721,836
Excess of revenues over / (under) expenditures	361,543	54,183	284,853	(1,955,218)	339,170	(49,488)	(5,427,560)	(1,019,229)	707,109	373,023
Other financing sources / (uses)										
Transfers in	147,300	12,892,203	489,035	-	-	-	-	-	242,395	161,231
Transfers out	(147,300)	(114,750)	(489,035)	(120,000)	-	-	-	-	(242,395)	(161,231)
Sale of capital assets	-	2,131	9,393	14,396	88,577	13,677	9,946	308,700	950	314,959
IT subscription agreements	-	-	-	-	-	-	-	-	-	73,562
Total other financing sources or (uses)	-	12,779,584	9,393	(105,604)	88,577	13,677	9,946	308,700	950	388,521
Net change in fund balance	\$ 361,543	\$ 12,833,767	\$ 294,246	\$ (2,060,822)	\$ 427,747	\$ (35,811)	\$ (5,417,614)	\$ (710,529)	\$ 708,059	\$ 761,544
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.26%	1.08%	1.33%

* = City Hall installment purchase settled 3 years early. See also Table 13.

CITY OF CREEDMOOR
 Governmental Activities, Property Tax Revenue
 Last Ten Fiscal Years
 (accrual basis of accounting)

Table 4

Fiscal Year	Tax Rate	Property Tax	Tax Base	Collection Rate Current Fiscal Year
2014*	0.700	2,073,246	296,899,857	98.37%
2015	0.700	2,021,066	290,091,850	99.50%
2016	0.665	1,958,169	296,689,924	99.65%
2017	0.665	1,995,394	302,637,895	99.63%
2018	0.635	1,966,473	312,606,457	99.43%
2019	0.615	2,036,694	336,420,651	98.65%
2020	0.615	2,053,393	334,848,618	98.87%
2021	0.615	2,153,166	357,477,099	99.47%
2022	0.615	1,388,234	384,483,499	99.61%
2023	0.615	1,679,212	388,042,722	99.48%

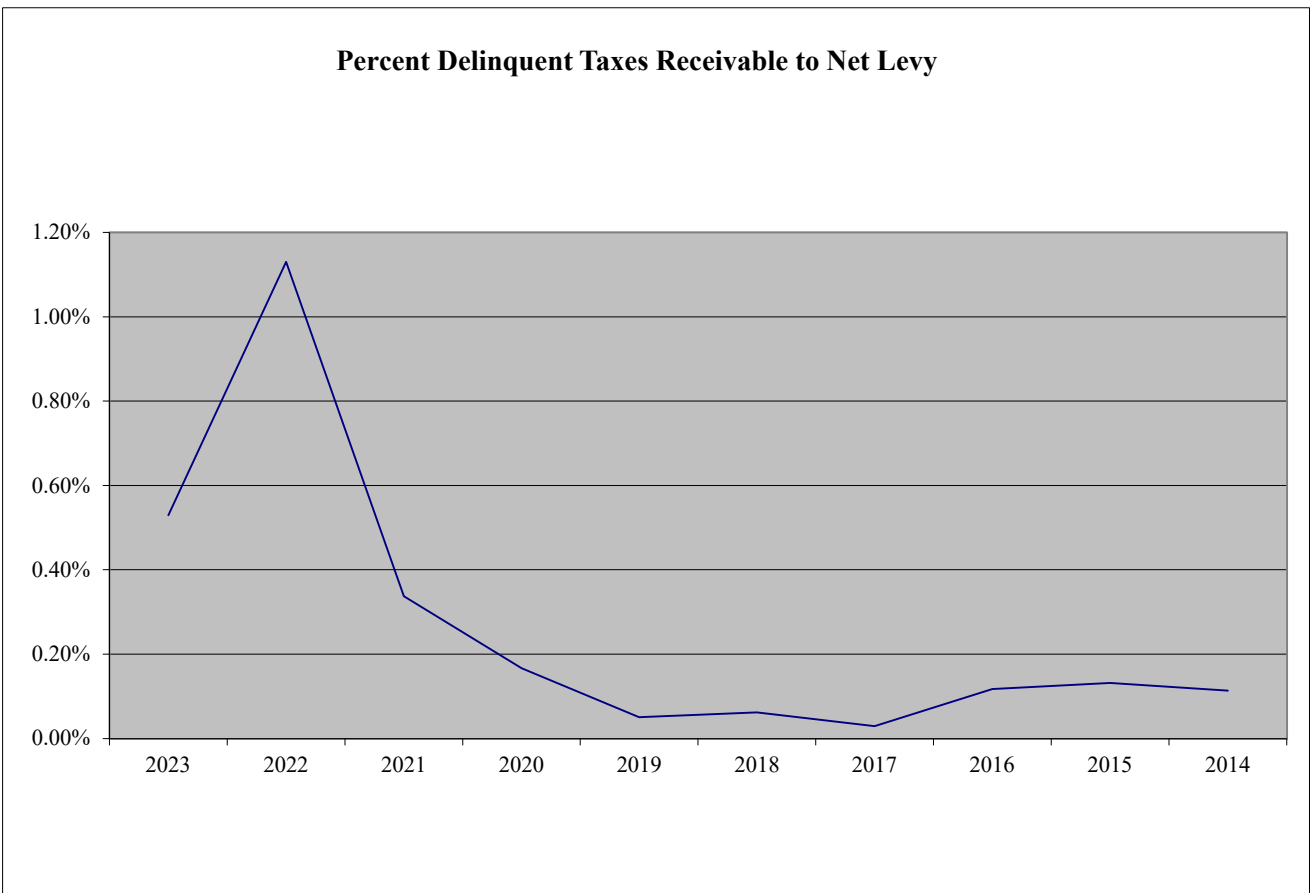


Note:

* = Because of a change in motor vehicle property tax collection procedures, overlapping collection efforts are included in this fiscal year. This is a one time event in the year of implementation.

CITY OF CREEDMOOR, NORTH CAROLINA
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Net Levy	Current Year's Taxes Collected	Percent of Net Levy Collected	Collections -- Prior Years	Total Collections and Credits	Percent of Total Tax Collections to Net Levy	Ad Valorem Taxes Receivable Balance as of June 30, 2023	Percent Delinquent Taxes to Net Levy
2023	\$ 2,386,850	\$ 2,374,347	99.48%	-	\$ 2,374,347	99.48%	\$ 12,503	0.52%
2022	2,365,600	2,356,462	99.61%	-	2,356,462	99.61%	9,138	0.39%
2021	2,198,107	2,186,474	99.47%	-	2,186,474	99.47%	11,633	0.53%
2020	2,059,319	2,036,044	98.87%	-	2,036,044	98.87%	23,275	1.13%
2019	2,068,987	2,041,004	98.65%	21,000	2,062,004	99.66%	6,983	0.34%
2018	1,985,051	1,981,101	99.80%	636	1,981,737	99.83%	3,314	0.17%
2017	2,012,542	2,009,782	99.86%	1,734	2,011,516	99.95%	1,026	0.05%
2016	1,972,988	1,971,083	99.90%	682	1,971,765	99.94%	1,223	0.06%
2015	2,030,716	2,029,398	99.94%	726	2,030,124	99.97%	592	0.03%
2014	2,078,299	2,075,094	99.85%	759	2,075,853	99.88%	2,446	0.12%



CITY OF CREEDMOOR
 Assessed Value of Taxable Property
 Last Ten Fiscal Years

Table 6

Fiscal Year	Assessed Value (1)					Ratio of Assessed Value to Actual Value	Property Tax Rate (per \$100 Assessed Value)
	Real Property	Personal Property (2)	Public Service Property	Abatements and Adjustments	Total		
2023	\$ 329,667,642	\$ 50,787,763	\$ -	\$ 7,587,317	\$ 388,042,722	100%	0.615
2022	328,102,927	48,078,458	-	8,302,114	384,483,499	100%	0.615
2021	295,177,724	45,642,465	-	16,656,910	357,477,099	100%	0.615
2020	287,982,455	39,231,870	8,181,447	(547,154)	334,848,618	100%	0.615
2019	290,133,900	38,240,976	8,268,864	(223,089)	336,420,651	100%	0.615
2018 (3)	266,894,170	37,202,677	8,553,232	(43,622)	312,606,457	100%	0.635
2017	259,021,298	35,360,602	8,275,243	(19,248)	302,637,895	100%	0.665
2016	255,353,677	32,829,474	8,612,638	(105,865)	296,689,924	100%	0.665
2015	251,727,143	30,221,429	8,143,977	(99,919)	289,992,630	100%	0.700
2014	261,462,375	28,246,714	7,910,197	(719,429)	296,899,857	100%	0.700

Note:

- (1) Assessed value provided by NC Department of Revenue, per North Carolina TR-2 reports.
- (2) Personal property includes motor vehicle values.
- (3) Revaluation effective January 1 of the revaluation year. The increase to the tax base is effective in the following year's budget.

Property Tax Rates - Direct and Overlapping (4)
 Last Ten Fiscal Years

Table 7

Fiscal Year	City of Creedmoor Tax Rate	Granville County Tax Rate	Combined Tax Rate Per \$100 of Assessed Valuation
2023	\$ 0.615	\$ 0.840	\$ 1.455
2022	0.615	0.840	1.455
2021	0.615	0.840	1.455
2020	0.615	0.840	1.455
2019	0.615	0.840	1.455
2018 (3)	0.635	0.880	1.515
2017	0.665	0.880	1.545
2016	0.665	0.830	1.495
2015	0.700	0.830	1.530
2014	0.700	0.830	1.530

(3) Revaluation effective January 1 each year. The increase to the tax base is effective in the following year's budget.

(4) Overlapping rates are those of the local municipality and the county government that apply to property owners within the City of Creedmoor

CITY OF CREEDMOOR, NORTH CAROLINA
Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 8

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Fund Balance:										
Nonspendable	\$ 24,410	\$ 30,220	\$ 44,083	\$ 43,356	\$ 52,872	\$ 49,256	\$ 94,278	\$ 14,620	\$ 1,079	\$ 1,079
Restricted	596,197	672,957	614,314	576,434	664,543	795,173	820,602	860,628	914,249	958,246
Committed	254,907	304,536	333,041	-	-	-	-	-	-	-
Assigned	294,688	414,359	425,903	442,388	448,984	483,394	564,716	483,481	926,178	510,004
Unassigned	2,568,474	6,214,349	6,204,349	6,773,955	7,094,581	7,497,470	6,995,768	7,883,504	7,942,087	9,377,503
Total General Fund	\$ 3,738,676	\$ 7,636,421	\$ 7,621,690	\$ 7,836,133	\$ 8,260,980	\$ 8,825,293	\$ 8,475,364	\$ 9,242,233	\$ 9,783,593	\$ 10,846,832
All Other Governmental Funds										
Fund Balance:										
Restricted	\$ -	\$ 8,000,759	\$ 7,655,331	\$ 7,097,730	\$ 3,607	\$ 1,117	\$ 53,713	\$ -	\$ 66,389	\$ 12,990
Committed	-	-	-	-	7,030,291	6,642,311	2,130,342	1,150,374	1,151,913	1,123,115
Assigned	217,143	1,152,406	2,806,905	1,089,241	844,596	634,942	26,630	80,413	179,184	(40,314)
Total All Other Governmental Funds	\$ 217,143	\$ 9,153,165	\$ 10,462,236	\$ 8,186,971	\$ 7,878,494	\$ 7,278,370	\$ 2,210,685	\$ 1,230,787	\$ 1,397,486	\$ 1,095,791

CITY OF CREEDMOOR, NORTH CAROLINA

Statutory Calculation of Fund Balance

Available for Appropriation, in Accordance with State Statute

Table 9

	Fiscal Year Ended 6/30/2023
	Total
<u>Calculation</u>	
<u>Fund Balance Available for Appropriation - G.S. §159-8(a)</u>	
Unrestricted Cash and Investments	\$ 10,125,204
Restricted cash and investments (This would normally include Powell Bill, Bond Proceeds, consolidated funds such as capital reserve funds or tax revaluation funds)	585,594
Liabilities excluding those to be paid from restricted cash	216,976
Liabilities to be paid from restricted cash not included above	---
Encumbrances at June 30 (listed in the notes).....	---
Deferred or Unearned Revenues Arising from Cash Receipts	20,721
Fund Balance Available for Appropriation	\$ 10,473,101
Total Fund Balance (From Audited Financial Statements)	10,846,832
Total Restricted by State Statute.....	\$ 373,731
<u>Restricted by State Statute Presented on Financial Statements</u>	
<u>Less</u> Non Spendable - Inventory	---
Non Spendable - Prepays	1,079
Other Non Spendable amounts	---
Restricted - Stabilization by State Statute (LGC calculation)	\$ 372,652
Restricted - Stabilization by State Statute (From Audited Financial Statements)	\$ 372,652
<u>Analysis</u>	
	Total
<u>Expenditures - General Fund</u>	
Total Expenditures - General Fund	\$ 4,551,140
<u>Adjustments</u>	
Transfers Out	96,959
Issuance of Capital Leases & Installment Purchases	---
Total Expenditures (As Adjusted)	\$ 4,648,099
Fund Balance Available as % of Expenditures	225.32 %

CITY OF CREEDMOOR, NORTH CAROLINA
Fund Balance Available as a Percentage
of General Fund Annual Expenditures
Past 10 fiscal years, modified accrual basis of accounting

Fiscal Year									
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
92.47%	179.77%	174.64%	201.66%	214.23%	232.20%	173.31%	197.24%	230.06%	225.32%
72.50%	73.14%	72.91%	75.93%	81.60%	77.89%	Not Available	Not Available	Not Available	Not Available

Latest group average for municipalities with populations
between, 2,500 and 9,999. 77.89%

The calculation presented on the facing page is to illustrate the calculation of Fund Balance Available as a Percentage of Expenditures (FBA%). This ratio is a common North Carolina benchmark for the strength of a local government's financial reserves. The schedule on the facing page is modified from a template available from the State and Local Government Finance Division of the NC Department of State Treasurer. Department staff review each audit and publish the FBA% for all North Carolina municipalities and counties annually. Thus, comparisons can be made to nearby local government units, as well as similar sized units

The FBA% is the ratio of year end fund balance, less receivables and other fund obligations, divided by annual General Fund spending, excluding debt supported expenditures. The percentage is sometimes explained as an indication of how long a local government might be able to function on reserves alone. I.E. a fund balance available percentage of 84% is roughly equal to ten months of spending. Again, that is a general analogy to gauge the amount of fund balance in the local government.

CITY OF CREEDMOOR, NORTH CAROLINA
 Legal Debt Margin Information
 Last Ten Fiscal Years

Table 10

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt Limit	\$ 23,751,989	\$ 23,207,348	\$ 23,735,194	\$ 24,211,032	\$ 25,008,517	\$ 26,913,652	\$ 26,787,889	\$ 28,598,168	\$ 30,758,680	\$ 30,433,333
Total debt applicable to limit	<u>5,519,864</u>	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 18,232,125</u>	<u>\$ 23,207,348</u>	<u>\$ 23,735,194</u>	<u>\$ 24,211,032</u>	<u>\$ 25,008,517</u>	<u>\$ 26,913,652</u>	<u>\$ 26,787,889</u>	<u>\$ 28,598,168</u>	<u>\$ 30,758,680</u>	<u>\$ 30,433,333</u>
Total net debt applicable to the limit, as a percentage of the total debt limit.	23.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Assessed Value --- June 30, 2023	<u>\$ 388,042,722</u>
Debt Limit --- 8 percent of total assessed value	31,043,418
Total Debt Applicable to Limitation: Bonded Debt Outstanding:	<u>-</u>
Total Debt Applicable to Limitation	<u>-</u>
Legal Debt Margin	<u>\$ 31,043,418</u>

Note:
 Under North Carolina General Statutes, the legal debt limit should not exceed 8% of the total assessed property value.

CITY OF CREEDMOOR, NORTH CAROLINA
Ratio of Net Bonded Debt to
Assessed Value and Governmental Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Total Primary Government	Debt as a Percentage of Assessed Valuation	Assessed Valuation	Governmental Activities			Debt, as a percentage of estimated personal income
	Installment Purchases	General Obligation Bonds	Business-Type Activities			Governmental Debt per Capita				(1) Population	(1) Per Capita Income		
			Installment Purchases *	Revenue Bond Anticip. Note	Revenue Bond *								
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ 388,042,722	\$ -	\$ 5,174	\$ 32,304	0.00%	
2022	-	-	-	-	-	-	0.00%	384,483,499	-	\$ 5,017	\$ 31,346	0.00%	
2021	447,500	-	-	-	-	447,500	0.13%	357,477,099	92	\$ 4,866	\$ 35,672	0.00%	
2020	-	-	-	-	-	-	0.00%	334,848,618	-	(2)	(2)	0.00%	
2019	-	-	-	-	-	-	0.00%	336,420,651	-	(2)	(2)	0.00%	
2018	-	-	-	-	-	-	0.00%	312,606,457	-	4,429	\$ 29,071	0.00%	
2017	-	-	-	-	-	-	0.00%	302,637,895	-	4,372	\$ 29,096	0.00%	
2016	-	-	-	-	-	-	0.00%	296,689,924	-	4,353	\$ 25,204	0.00%	
2015	-	-	-	-	-	-	0.00%	290,091,850	-	4,289	\$ 23,933	0.00%	
2014	-	-	673,864	-	4,846,000	5,519,864	0.00%	296,899,857	-	4,228	\$ 20,399	0.00%	

(1) Information from American Community Survey on US Census website.

(2) Information not available

During Fiscal Year 2012, the City of Creedmoor made advance payments to repay the installment purchase note for City Hall and to repay the Sewer General Obligations Bonds.

* = During Fiscal Year 2015, the City sold its water and sewer utility system to the South Granville Water and Sewer Authority (SGWASA). The debt was repaid by SGWASA as part of the negotiated sale. By the terms of the sale, SGWASA assumed responsibility for the debt service in terms similar to that held by the City.

CITY OF CREEDMOOR
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2023

Table 12

Governmental Unit	General Obligation Debt Outstanding	Estimated Percentage Applicable to the City	Estimated Share of Overlapping Debt
Debt repaid with property taxes, Granville County	\$ 44,915,953	7.38%	\$ 3,314,797
Subtotal, overlapping debt portion			3,314,797
City of Creedmoor direct debt			---
Total, direct and overlapping debt			\$ 3,314,797

Prior Years Fiscal Years Ending June 30	Percentage Reported	Creedmoor Debt	Estimated Share of Overlapping Debt
2023	7.38%	-	\$ 3,314,797
2022	6.80%	-	3,115,828
2021	6.98%	-	3,611,243
2020	6.55%	-	1,533,287
2019	6.93%	-	3,809,560
2018	6.79%	-	1,591,386
2017	6.73%	-	1,771,668
2016	6.46%	-	1,905,312
2015	6.76%	-	2,195,986
2014	6.91%	-	2,465,143

CITY OF CREEDMOOR
Demographic Statistics
Last Ten Fiscal Years

Table 13

Fiscal Year	Population	(1) Personal Income (thousands of dollars)	(4) Creedmoor Personal Income, Imputed	As a % of County Personal Income	(1) Per Capita Income	(2) Unemployment Rate, as a percentage
2023	\$ 5,174	\$ 2,882,582	\$ 240,611,696	0.00%	\$ 46,504	3.2%
2022	(3)	(3)	(3)	(3)	(3)	(3)
2021	4,866	\$ 2,589,195	(3)	0.00%	\$ 42,807	5.1%
2020	4,666	(3)	(3)	0.00%	(3)	6.2%
2019	4,600	(3)	(3)	0.00%	(3)	3.9%
2018	4,518	\$ 2,323,593	\$ 174,629,736	7.52%	\$ 38,652	3.2%
2017	4,498	\$ 2,188,055	\$ 165,760,296	7.58%	\$ 36,852	3.6%
2016	4,425	\$ 2,099,824	\$ 158,295,525	7.54%	\$ 35,773	4.5%
2015	4,325	\$ 2,007,609	\$ 149,238,450	7.43%	\$ 34,506	5.5%
2014	4,289	\$ 1,935,051	\$ 143,098,196	7.40%	\$ 33,364	6.8%

Notes:

All income and unemployment information is for Granville County as a whole. No City specific information is available at this time.

(1) Information from federal Bureau of Economic Analysis

(2) Information from the NC Department of Commerce, Division of Employment Security

(3) Information not available

(4) Personal income for the City of Creedmoor is not available on the Bureau of Economic Analysis web site. This column, and the corresponding percentage, is estimated by multiplying the municipal population by the per capita income amount.

CITY OF CREEDMOOR
Principal Taxpayers
for the year ended June 30, 2023

Table 14	Taxpayer (1)	Type of Enterprise	2023			2014		
			Assessed Valuation	Percentage of Total Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation	Rank
	DR Horton INC	Real Estate			0	---	---	
	Creedmoor Crossing LLC	Real Estate	5,410,655	1.39%	1	4,927,371	1.66%	1
	PC Highland LLC	Real Estate	4,892,527	1.26%	2	4,460,859	1.50%	
	Duke Energy Carolinas LLC	Energy	3,078,786	0.79%	3	3,212,469	1.08%	3
	Wilton Place LP	Real Estate	2,512,366	0.65%	4	-	---	
	AW North Carolina INC	Manufacturing	2,426,505	0.63%	5	-	---	
	Remed LSC Realty LLC	Real Estate	2,351,385	0.61%	6	---	---	
	Time Warner Cable Southeast LLC	Telecommunications	2,223,948	0.57%	7	1,826,161	0.62%	4
	TRM Warehouse Group LLC	Warehouse	2,080,513	0.54%	8	-	---	
	Walgreen Co	Pharmacy	1,838,255	0.47%	9	---	---	
	LGI Homes NC LLC	Real Estate	1,544,396	0.40%	10			
	Strongwater LLC	Real Estate	---	---		1,679,635	0.57%	6
	Linda Vista Farms Assoc Inc (Dollar Tree)	Retail	-	---		---	---	
	TAU NC1 LP (CVS)	Retail	-	---		-	---	
	Public Service Co of NC Inc	Energy	-	---		1,254,104	0.42%	8
	Creedmoor Business Park LLC	Real Estate	-	---		1,387,858	0.47%	7
	RWG Limited Partnership	Real Estate	-	---		1,099,292	0.37%	10
	Driftwood Apartments LLC	Real Estate	-	---		-	---	
	Baymor Associates	Real Estate	-	---		---	---	
	Watson Martin Properties, LLC	Real Estate	---	---		-	0.00%	2
	Verizon South, Inc.	Telecommunications	-	---		2,135,721	0.72%	5
	Lake Glad Road Commercial (Millridge)	Real Estate	---	---		-	---	
	Wake Electric Membership Corp.	Energy	---	---		1,115,811	0.38%	9
	Wellons, Inc	Real Estate	-	---		-	---	
	BDG Fontaine Associates (2)	Real Estate	-	---		-	---	
	Hardison Limited Partnership (2)	Real Estate	-	---		-	---	
	Total, Top 10 taxpayers		\$ 28,359,336	11.25%		\$ 23,099,281	7.78%	
	Total Assessed Value		\$ 388,042,722			\$ 296,899,857		

Notes:

- (1) Data obtained from the Granville County Tax Department, unless otherwise noted.
- (2) Data from review of Granville County GIS System.

CITY OF CREEDMOOR
Principal Employers
Current Year and Ten Years Ago

Table 15 Employer	2023			2014		
	Reported Employees (1)	Percentage of Total Area Employment	Rank	Reported Employees (1)	Percentage of Total Area Employment	Rank
Granville County Board of Education*	969	60.45%	1	126	6.53%	1
Metech Recycling				65	3.37%	2
RHA Group Homes - no longer in Creedmoor				50	2.59%	3
City of Creedmoor **	42	2.62%	2	36	1.86%	4
Christian Faith Center	30	1.87%	6 tie	25	1.29%	5
Learning Services	31	1.93%	5	---	---	5
Builder Services	21	1.31%	9	---	---	
Endure Productive	20	1.25%	10	---	---	
First Baptist Academy	40	2.50%	3	18	0.93%	8
Rountree Chevrolet (Formerly Ellington-Brim Chevrolet)	33	2.06%	4	16	0.83%	7
Food Lion	23	1.43%	8	12	0.62%	10
Creedmoor Fuel Service	15	0.94%		15	0.0078	8
Creedmoor Family Dentistry				14	0.0073	9
Southern States	7	0.44%		---	---	
CVS Drug Store	---	---		---	---	
Total Employees	<u>1,261</u>	<u>78.67%</u>		<u>377</u>	<u>13.02%</u>	
Total estimated area employees (2)	<u>1,603</u>			<u>3,227</u>		

* Includes Creedmoor Elementary & South Granville High School. GC BOE moved out of Administrative Building on Park Ave in FY 2019.

** Only regularly employed staff included. See Table 17 for more detailed employment information.

*** Prior to FY 2021, the number of employees listed for RHA Group Homes included multiple sites that were not in the city limits of Creedmoor

--- Information not available or not applicable

(1) Information obtained from survey calls to area businesses. Number of Full Time employees requested.

If employer is unresponsive, prior year information is used unless known major changes exist.

(2) Information provided through US Census Bureau web site. From the 2020 Census, information is available and identified as "Creedmoor City, North Carolina" in the Census web pages. Most recent labor force statistic available on Census website from 2016 used for estimated area employees.

CITY OF CREEDMOOR, NORTH CAROLINA
 Relative Cost of Governmental Activities
 aka, "How \$1.00 of Ad Valorem Tax is Spent"

Table 16

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Expenditures										
General Administration	\$ 0.386	\$ 0.305	\$ 0.330	\$ 0.315	\$ 0.332	\$ 0.446	\$ 0.293	\$ 0.429	\$ 0.429	\$ 0.516
Public Safety	0.497	0.477	0.516	0.459	0.461	0.588	0.573	0.487	0.487	0.332
<i>Police and Fire Protection Contract</i>										
Transportation	0.061	0.095	0.160	0.148	0.152	\$(0.097)	0.089	0.054	0.054	0.005
<i>Street Maintenance</i>										
Professional Services and Governing	0.049	0.049	0.057	0.053	0.056	0.058	0.046	0.044	0.044	0.036
Debt Service	-	-	-	-	-	-	-	-	-	0.001
Economic Development ⁽¹⁾	0.003	0.003	(0.020)	0.004	0.005	0.003	-	-	-	-
Parks and Recreation	0.00	0.066	(0.040)	0.021	(0.004)	0.003	0.000	(0.014)	(0.014)	0.112
Environmental Protection	N/A	0.005	(0.002)	(0.001)	(0.001)	(0.001)	(0.001)	-	-	(0.001)
	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>

Note: Some amounts may have been rounded for presentation purposes

\$\$ = Expenses incurred, but registered below 1/10th of 1%.

= Parks and Recreation was supported by donations and rental fees from cellular telephone providers.

The City has leased antenna space on its water towers to three cell phone service providers.

An expanded Parks and Recreation department began operations in FY13, supported in part by tax revenue.

+ = Sufficient charges for service and/or grants received to make the function self-supporting for the year.

(1) = Included with General Administration beginning with Fiscal Year 2020

√ = Did not include Capital Grants & Contributions for Fiscal Years 2020, 2021 and 2022.

Including these amounts would skew all of the other departments.

N/A = Program not yet established, or not applicable in some fashion

For Fiscal Years 2013 to 2022, the City had no Governmental Activity Debt.

CITY OF CREEDMOOR
City Employee Statistics
as of Fiscal Year End

Table 17

Fiscal Year	Administrative Team (1)	City Clerk (2)	Police	Maintenance	Inspections (3)	Planning	Business Dev./ Transportation	Finance	Recreation	Total per Fiscal Year
2023	4.00	1.00	21.00	5.00	-	3.50	-	2.00	5.00	41.50
2022	4.00	1.00	21.00	5.00	-	3.50	-	2.50	6.00	43.00
2021	4.00	1.00	21.00	5.00	-	3.50	-	2.50	5.00	42.00
2020	4.00	1.00	19.00	5.00	-	2.50	-	2.00	1.00	34.50
2019	4.00	1.00	18.00	5.00	-	2.50	-	2.00	1.00	33.50
2018	3.75	1.00	19.00	5.00	2.00	3.00	-	2.00	1.00	36.75
2017	3.75	1.00	19.00	5.00	2.00	2.00	-	2.00	1.00	35.75
2016	3.75	1.00	19.00	4.00	2.00	2.00	-	2.00	1.00	34.75
2015	3.75	1.00	19.00	4.00	1.75	2.00	1.00	2.00	1.00	35.50
2014	2.50	1.00	18.00	5.00	1.75	2.30	1.00	3.75	1.00	36.30

Notes:

(1) The "Administrative Team" includes the City Manager and the Administrative Services Dept. staff.

(2) In Fiscal Years 2012 through 2013, the City Clerk duties were fulfilled by a member of the Administrative Services Dept. or the Finance Dept.

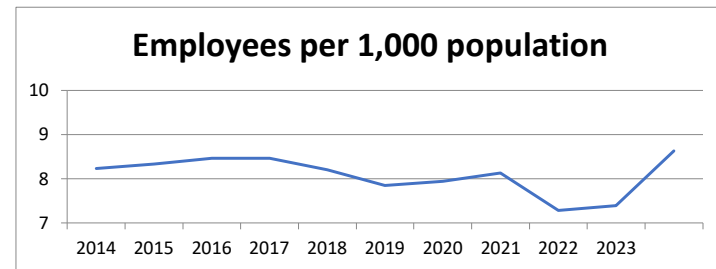
(2) Inspection services are performed by Granville County beginning in Fiscal Year 2019

Employees included on this chart are regularly employed by the City, unless otherwise noted. "Regularly employed" in this context means working more than 1,000 hours per year for the City.

Recreation staffing is provided through part-time staff and seasonal labor provided through a staffing agency. With seasonal demand and participation variations, no FTE amount is a better estimate than another. A full time position was included in Fiscal Year 2014.

No reliable information is available for prior years. This information will be maintained and used for service effort and accomplishment purposes in the future. This measurement is intended as an "internal" measurement. Because different municipalities may have different staffing needs, comparisons to other municipalities have limited benefits.

	Estimated Population For Fiscal Year	Employees per 1,000 population
2014	4,289	8.46
2015	4,325	8.21
2016	4,425	7.85
2017	4,498	7.95
2018	4,518	8.13
2019	4,600	7.28
2020	4,666	7.39
2021	4,866	8.63
2022	5,017	8.27
2023	5,174	8.31



CITY OF CREEDMOOR, NORTH CAROLINA
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Table 18

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administrative (1)										
City Hall	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public Safety (1)										
Police Stations	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Police Vehicles (2)	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>13.00</i>	<i>12.00</i>	<i>12.00</i>
Fire Stations (3)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Transportation										
Street Mileage	17.88	17.84	17.84	17.84	17.95	17.95	17.88	17.88	17.88	17.88
Other City vehicles	---	10.00	10.00	10.00	10.00	9.00	8.00	8.00	8.00	8.00
Culture and Recreation										
Parks	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Ballfields (4)	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-
Community Center (5)	1.00	1.00	1.00	1.00	1.00	-	-	1.00	1.00	1.00
Community Gym (5)	1.00	1.00	1.00	1.00	1.00	-	-	1.00	1.00	1.00
Cross-City Trails Mileage(6)	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	3.67	3.67
Hiking Trails Mileage (7)	NA	NA	1.10	1.10	1.10	1.10	1.57	1.57	1.57	1.57
Public Utilities (8)										
Water	1.00									
Water Line Mileage	41.00									
Sewer	1.00									
Sewer Line Mileage	44.10									

Notes:

NA = Not Available

--- = Information to be Presented Prospectively

(1) The Police Department and City Administration staff (City Manager, Finance, HR, City Clerk, etc.) have shared space in City Hall. This is best represented by showing one half of the building as designated for the respective functions.

(2) Years in italics indicate years with vehicle(s) on loan from Law Enforcement Support

(3) The Fire Station is the property of the Creedmoor Volunteer Fire Department. Because the City provides significant funding for the Department, it is included here to provide a more complete picture of public safety in Creedmoor.

(4) As a part of the construction of the Creedmoor Community Center, the ballfields are being repurposed into a single multi-purpose field as of the end of Fiscal Year 2019.

(5) The Gym & Senior Center were closed for renovation & new construction as of the end of Fiscal Year 2019. Will include again once the project is complete and buildings reopen for business.

(6) The Cross City Trails are those additions installed as part of a multi-phase plan. This does not include pre-existing downtown sidewalks. This data is intended to help show Creedmoor's growing commitment to recreation opportunities.

(7) Hiking Trails include Gaudette's Gauntlet and the Lake Rogers Park Trails

(8) Assets of the Water and Sewer Funds were sold to the South Granville Water and Sewer Authority in March 2015. This section will be deleted in future years.

CITY OF CREEDMOOR, NORTH CAROLINA
 Operating Indicators by Function
 Last Ten Fiscal Years

Table 19

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Finance Department										
Audited Financial Stmts. delivered to NC Local Govt. Commission. Due Oct. 31st each year (3)	12/8/14 10/31/14	11/25/15 10/31/15	12/22/16 10/31/16	11/29/17 10/31/17	11/21/18 10/31/18	11/8/19 10/31/19	11/20/20 1/31/21	12/1/21 10/31/21	1/13/23 10/31/22	10/31/23 10/31/23
Days (Early)/Past Due Date	38	25	52	29	21	8	(72)	31	74	0
CAFR delivered to GFOA Due 12/31 for NC governments	12/22/14 12/31/14	12/21/15 12/31/15	12/30/16 12/31/16	12/15/17 12/31/17	12/28/18 12/31/18	12/4/19 12/31/19	12/31/20 12/31/20	12/31/21 12/31/21	1/13/23 12/31/22	10/31/23 12/31/23
Days (Early)/Past Due Date	(9)	(10)	(1)	(16)	(3)	(27)	0	0	13	(61)
Debt Set Off (Collection Efforts)										
Total Debt Submitted	\$ 52,925	\$ 46,002	\$ 38,822	\$ 33,408	\$ 31,783	\$ 33,807	\$ 31,121	\$ 31,121	\$ 30,228	\$ 29,786
Successful Collections	32	11	17	14	9	4	-	5	2	1
Amount Received	\$ 4,284	\$ 1,927	\$ 2,046	\$ 1,469	\$ 1,431	\$ 686	\$ -	\$ 989	\$ 336	\$ 140
% of submitted	8.09%	4.19%	5.27%	4.40%	4.50%	2.03%	0.00%	3.18%	1.11%	0.47%
Average per Collection	\$ 133.88	\$ 175.20	\$ 120.36	\$ 104.91	\$ 159.00	\$ 171.41	\$ -	\$ -	\$ -	\$ -
Planning, Zoning, and Inspections (4)										
Permits Issued										
Residential Zoning Permits	32	72	89	57	29	74	85	82	111	115
Residential Construction Permits	221	366	360	317	21	N/A	N/A	N/A	N/A	N/A
Commercial Zoning Permits	14	16	18	20	11	23	21	20	22	2
Commercial Construction Permits	77	54	60	61	1	N/A	N/A	N/A	N/A	N/A
Builders' Est. Cost-Residential	\$ 1,457,695	\$ 5,229,876	\$ 6,837,022	\$ 3,604,317	\$ 1,903,220	N/A	N/A	N/A	N/A	N/A
Builders' Est. Cost-Commercial	\$ 3,993,226	\$ 1,422,521	\$ 2,304,229	\$ 260,404	\$ 8,500	N/A	N/A	N/A	N/A	N/A
Permit Revenue	\$ 73,319	\$ 91,841	\$ 99,076	\$ 58,276	\$ 79,560	\$ 5,240	\$ 13,230	\$ 9,985	\$ 7,110	\$ 8,390
Police Department										
Total calls to Police Dept.	5,961	11,489	17,036	22,288	21,588	24,407	23,050	24,934	24,349	26,321
Calls generating open cases	347	377	369	505	398	450	326	297	597	333
Cases Closed or Determined Unfounded	231	268	231	339	254	353	252	250	546	275
Percent of cases closed	66.6%	71.1%	62.6%	67.1%	63.8%	78.4%	77.3%	84.2%	91.5%	82.6%
Patrol miles driven	81,113	130,187	126,295	129,754	135,339	157,423	163,075	160,864	147,275	141,440
Solid Waste and Recycling Efforts (1)										
(Tons collected)										
Municipal Solid Waste	1,305.05	1,291.02	1,318.28	1,329.20	1,299.26	1,276.13	1,356.39	1,476.13	1,472.00	1,499.45
Residential Recycling (tons)										
Plastic	16.68	17.10	22.93	23.95	24.52	21.94	21.48	21.28	21.49	23.26
Paper	111.22	114.08	152.87	159.63	163.43	146.28	143.23	141.86	143.26	155.09
Glass	37.07	38.03	50.96	53.21	54.48	48.76	47.74	47.29	47.75	51.70
Aluminum	11.12	11.40	15.29	15.96	16.34	14.63	14.32	14.19	14.33	15.51
Metal Cans	9.27	9.50	12.74	13.30	13.62	12.19	11.94	11.82	11.94	12.92
Total Recycle Tonnage	185.36	190.11	254.79	266.05	272.39	243.80	238.72	236.44	238.77	258.49
Administrative Services										
Web Site Development/Management (2)										
Users	23,329	27,255	31,699	45,105	42,568	40,652	41,219	40,181	50,300	52,929
New Visitors (As a % of all users)	44.2%	44.3%	46.3%	66.6%	83.4%	83.2%	84.0%	83.5%	85.5%	84.5%
Page Views	182,909	176,811	222,316	187,248	178,150	158,265	147,332	139,502	170,359	170,223

Notes:

- (1) Solid waste and recycling services provided by Waste Industries, Inc., on a contract basis. Recycling breakdown based on percentages from prior years. Waste Industries does not track the individual types of recycling materials any longer.
- (2) Redesigned web site went live in January 2013. A smaller scale redesign went live in late Fiscal Year 2018.
- (3) While the stated due date for the audit report is October 31st, the NC Department of the State Treasurer often issues a "grace period". Unless otherwise noted above, the audit was submitted within the grace period. Fiscal Year 2020 deadline was pushed back to January 31, 2021 due to COVID-19.
- (4) Granville County assumed Building Inspection operations for the City beginning in Fiscal Year 2019

COMPLIANCE SECTION



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Management, the Mayor,
and Board of Commissioners
City of Creedmoor
Creedmoor, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Creedmoor, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City of Creedmoor’s basic financial statements, and have issued our report thereon dated October 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Creedmoor’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Creedmoor’s internal control. Accordingly, we do not express an opinion on the effectiveness of City of Creedmoor’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 to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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.

Sharpe Patel PLLC

Raleigh, North Carolina
October 18, 2023

CITY OF CREEDMOOR, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified?	_____	yes	_____ x _____	no
Significant deficiency(s) identified that are not considered to be material weaknesses?	_____	yes	_____ x _____	none reported
Noncompliance material to financial statements noted	_____	yes	_____ x _____	no

Federal Awards

Identification of major Federal programs:

There are no major Federal awards.

State Awards

Identification of major State programs:

There are no major State awards.

CITY OF CREEDMOOR, NORTH CAROLINA
Summary Schedule of Prior Year Audit Finding
For the Year Ended June 30, 2023

No findings noted in the prior year.