

# TOWN OF BISCOE

Comprehensive Annual Financial Report  
For Fiscal Year Ending June 30, 2019



110 West Main Street – Biscoe NC 27209

[www.townofbiscoe.com](http://www.townofbiscoe.com)



# **TOWN OF BISCOE**

**NORTH CAROLINA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT Fiscal Year Ending June 30, 2019**

Prepared by the Town of Biscoe

Finance Department:

Laura B. Morton, Town Clerk/Finance Officer

# TOWN OF BISCOE, NORTH CAROLINA

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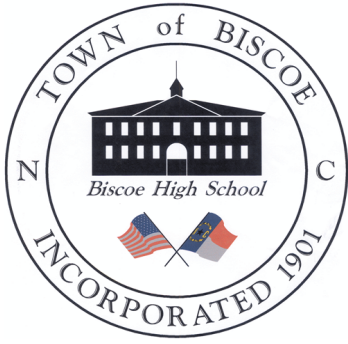
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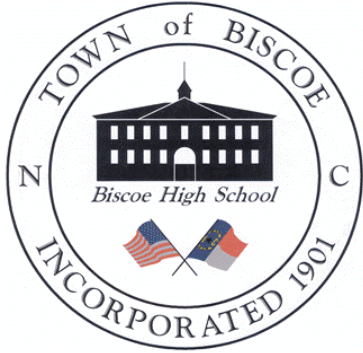
# INTRODUCTORY SECTION

Transmittal Letter

Certificate of Achievement

Principal Officials

Organizational Chart



110 West Main Street  
Post Office Box 1228  
Biscoe, North Carolina 27209  
Phone (910) 428-4112  
Fax (910) 428-3975

Honorable Mayor Blake,  
Board of Town Commissioners,  
and Citizens of Biscoe  
Biscoe, North Carolina 27209

The Comprehensive Annual Financial Report of Biscoe, North Carolina for the fiscal year ended June 30, 2018, is submitted for your review and use. The Town, like all other local governments in the state, is required by state law to publish a complete set of financial statements within five months of the close of each fiscal year. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Town. As management, we assert that, to the best of our knowledge, this financial report is complete and reliable in all material respects and is reported in a manner designed to fairly present the financial position and results of the operations of the governmental and business-type activities. All disclosures necessary to gain the maximum understanding of the Town's financial affairs have been included.

The Town's management is responsible for establishing and maintaining an internal control structure that is designed to ensure the Town's assets are protected from loss, theft or misuse, and to ensure adequate accounting data are compiled to allow for the preparation of financial statements which conform with accounting principles generally accepted in the United States of America (GAAP). Since the cost of internal controls should not outweigh their benefits, the Town's internal control structure has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

North Carolina statutes and the Town's Ordinance require an annual audit by independent certified public accountants. The accounting firm of Cannon & Company LLP, a firm of licensed certified public accountants, was selected and awarded the contract for Fiscal Year 2018. The goal of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. An independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This

transmittal letter is designed to complement the Management's Discussion & Analysis and should be read in conjunction with it. The Town's MD&A can be found immediately following the Independent Auditor's Report.

### ***The Reporting Entity and Its Services***

Incorporated in 1901, Biscoe, in the eastern Montgomery County, is located along Interstate 73/74, providing connectivity to urban centers, universities, and coastal communities. The small-town setting is located two miles from the geographic center of North Carolina and just 30 miles south of Asheboro. It's 1,800 residents have easy access to major highways easily connecting Biscoe to the rest of the state. Within Biscoe, the economy is centered on government, retail, service providers, and manufacturing. The Town is operated under the council-manager form of government. Commissioners on the five-member, nonpartisan board serve four-year staggered terms and are elected at large. The Mayor, also elected at large, serves a two-year term, chairs the board meetings, and votes when a tie occurs. The Town provides a full range of municipal services, including police, and volunteer fire protection, parks and recreation, planning and zoning, street maintenance, solid waste collection, and cemetery. Furthermore, the Town operates its own water and sewer systems.

### ***Economic Conditions and Outlook***

- The Montgomery County unemployment rate reported by the Division of Employment Security was 10.2% in June 2012, 10.2% in June 2013, 6.8% in June 2014, 6.2% in June 2015 and 5.3% in October 2016, 4.3% in June 2017, and 3.6% in May of 2018. This improvement has been noted locally as employers have created new jobs. Montgomery County remains competitive, the State's average continues to remain at 4.2% unemployment. The Town of Biscoe believes these statistics indicate a continued local recovery of the recent recession, and growth in the local economy.
- 48 unit apartment complex located in the Town limits, maintains an occupation rate of approximately 80%.
- Market Montgomery and the Chamber remain as a vital partner while promoting Town businesses and events.
- The *Heart of NC Megapark* has seen interest from a few industries but has not seen any announcements of investment by the end of the fiscal year. Additionally the site is a high priority of the County Commissioners for economic development.

### ***Debt Administration***

Biscoe's current debt burden is above the North Carolina state average and below the national average for municipalities, with net overall debt at \$83.41 per capita. This debt includes a State Revolving Fund payment which extended sewer to our Town Mega Site and a loan for an upgrade to our Industrial Pump Station. This debt incurred over recent years will support projected growth, provide vital services to the Town's new citizens, and is not atypical of a growing community like Biscoe. Responsible financial planning and revenues resulting from growth will ensure the Town maintains a stable financial position. Water and Sewer Fund has a continued emphasis on maintaining the water and sewer infrastructure of the Town.



The Town has avoided a heavy debt load, which has plagued many municipalities, in its General Fund. The General Fund has zero debt at this time.

### ***Financial Policies***

The Town of Biscoe has committed to maintain a healthy General Fund balance level above the state minimum of 8% Current Fund Balance is at 82% of operating expenditures.

The Town has diversified its investment by security type and institution to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. Without exception, no will be moved into investment accounts with prior approval from the Board of Commissioners. The Town's investment portfolio will be invested only in ways approved by the North Carolina Local Government Commission.

### ***Other Information***

In 2017 The Town joined The Government Finance Officers Association (GFOA) of the United States and Canada to further strive for Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to program standards. The annual report must satisfy both generally accepted accounting principles and applicable legal requirements. In 2017 the Town was awarded the Excellence in Financial Reporting Certificate of Achievement award from the GFOA. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will submit it to the GFOA for 2018.

### ***Acknowledgments***

We appreciate the assistance and dedication of the Finance Officer/Town Clerk and administrative staff throughout the year, especially during the preparation of this report. We would like to thank all members of the department who contributed to its preparation and to the independent certified public accountants, Cannon and Company LLP, for their assistance. The cooperation of each Town Department is appreciated, as we work together in conducting the Town's financial operations. We also express our appreciation to the Mayor and the members of the Board of Commissioners for their continued support, guidance, and advice in planning and conducting the financial activities of the Town in a responsible and progressive manner. The Town's improving financial condition in the General Fund and willingness to address the challenges facing the Water and Sewer Fund are a tribute to that involvement.

Respectfully Submitted,



Brandon Holland, Town Manager



Government Finance Officers Association

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

Presented to

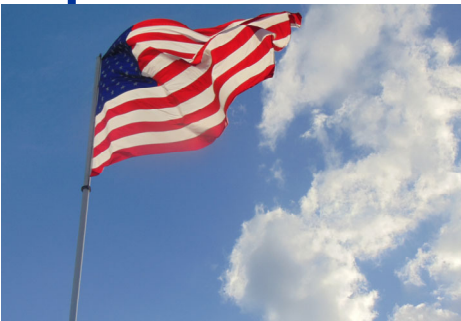
**Town of Biscoe  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO



# TOWN OF BISCOE

## Elected Officials

James E. Blake, Mayor

Jerry Smith, Mayor Pro-Tem

John Beard, Commissioner

Eugene Anderson, Commissioner

Kay Cagle-Kinch, Commissioner

Vacant Seat, Commissioner

## Appointed Officials

Brandon Holland, Town Manager

Laura B. Morton, Town Clerk

## Town Staff

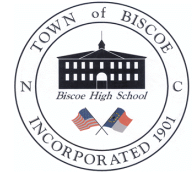
Laura Jordan, Deputy Town Clerk

Sam Stewart, Public Works Director

Brent Tedder, Police Chief

Sam Stewart, Fire Chief

# TOWN OF BISCOE 2019 ORGANIZATIONAL CHART



**CITIZENS OF BISCOE**

**Mayor, Mayor Pro-tem & Commissioners**

**TOWN MANAGER**

**POLICE CHIEF**

**PUBLIC WORKS DIRECTOR**

**TOWN CLERK  
FINANCE OFFICER**

Police Lieutenant

*Assistant  
Public Works Director*

*Deputy Clerk  
Water Billing  
Accounts Payable*

*Police  
Sergeant*

*Public Works  
Sewer Operations  
ORC*

Police Officer

Police Officer

Police Officer

Police Officer

Public Works Employee

Public Works Employee

Public Works Employee

Part Time Public Works Employee

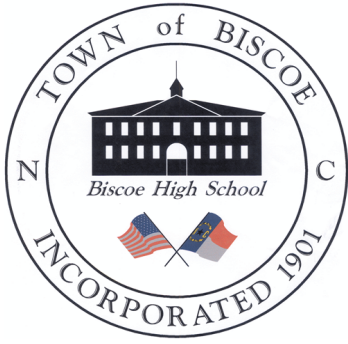
Part Time Office Assistant

Part Time Office Assistant

Part Time Office Assistant

Part Time Office Assistant

**Fire Chief Appointment by Fire Department Board & Confirmed by Town Board**



# FINANCIAL SECTION

Independent Auditors'

Report Management's Discussion and Analysis

Government-wide Financial Statements

Fund Financial Statements

Notes to the Financial Statements

Required Supplementary Data

Fund Statements



cannon&company  
Certified Public Accountants L.L.P.

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor  
and Members of the Board of Commissioners  
Town of Biscoe  
Biscoe, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Biscoe, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Biscoe, North Carolina as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Pages 8 through 16, the local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 54 and 55 and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions on pages 56 and 57, respectively, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

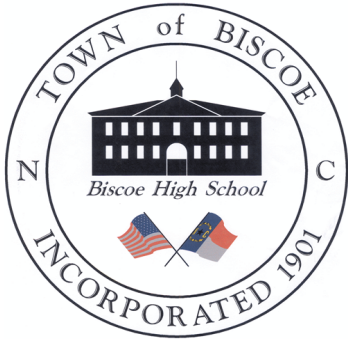
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Biscoe's basic financial statements. The introductory information, combining and individual non-major fund financial statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, budgetary schedules and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

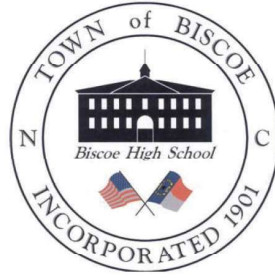
*Cannon & Company, S.P.C.*

October 31, 2019



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**





110 West Main Street  
Post Office Box 1228  
Biscoe, North Carolina 27209  
Phone (910) 428-4112  
Fax (910) 428-3975

"

### **Management's Discussion and Analysis**

As management of the Town of Biscoe (the "Town"), we offer readers of the Town of Biscoe's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

#### **Financial Highlights**

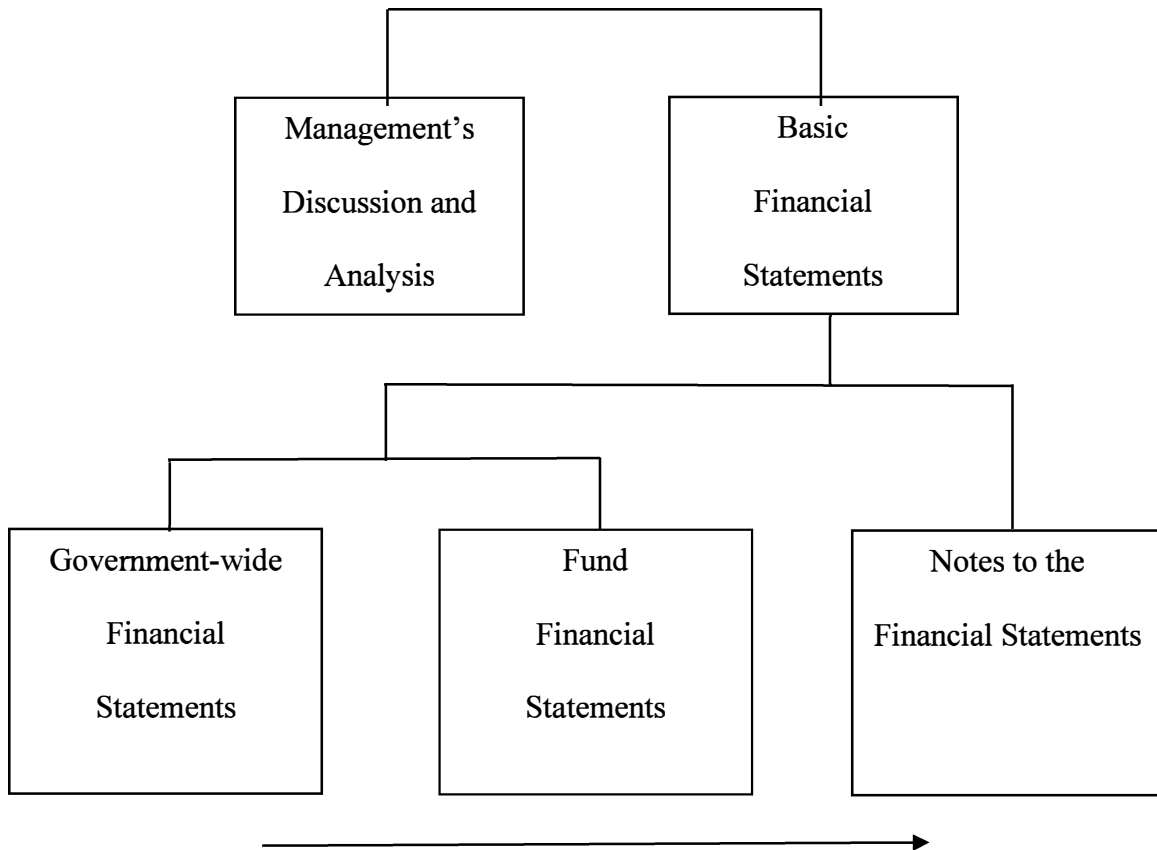
- The assets and deferred outflows of resources of the Town of Biscoe *exceeded* its liabilities and deferred inflows of resources at the close of the fiscal year by \$9,400,157 (*net position*).
- Governmental activities reported a decrease in total net position of \$88,265. Business-type activities reported an increase in the current year of \$271,459.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,499,431 an increase of \$64,275 in comparison with the prior year. Approximately 53 percent of this total amount, or \$1,314,635 is available for spending at the government's discretion (*unassigned fund balance*). The Town maintains more than a minimum of 20% of budgeted expenditures in available fund balance for cash flow and emergencies. In addition the town maintains a capital reserve fund with money dedicated to large capital expenditures.

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

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

**Required Components of Annual Financial Report**

**Figure 1**



**Basic Financial Statements**

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

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

**Government-Wide Financial Statements**

**TOWN OF BISCOE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2019

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, public works, parks, library, planning and inspections, transportation and general administration. Property taxes and intergovernmental revenues finance most of these activities. The business-type activities are those that the Town charges customers to provide. This includes the water and sewer offered by the Town.

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

### **Fund Financial Statements**

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, 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 Town's budget ordinance. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

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

The Town adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**TOWN OF BISCOE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2019

**Proprietary Funds** – The Town has one kind of proprietary fund. The *Enterprise Fund* is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its water and sewer activity. This fund is 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 30 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 55 of this report.

**Interdependence with Entities:** The Town depends on financial resources flowing from, or associated with, both the federal government and the State of North Carolina. Because of this dependency, the Town is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Government-Wide Financial Analysis**

**Town of Biscoe's Net Position**  
**Figure 2**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Current and other assets	\$ 2,559,053	\$ 2,490,788	\$ 1,807,918	\$ 1,300,296	\$ 4,366,971	\$ 3,791,084
Capital assets	1,444,593	1,609,866	5,489,577	5,728,279	6,934,170	7,338,145
Total assets	4,003,646	4,100,654	7,297,495	7,028,575	11,301,141	11,129,229
Deferred outflows of resources	150,864	102,261	74,707	45,733	225,571	147,994
Current liabilities	84,323	88,248	211,275	209,056	295,598	297,304
Long-term liabilities outstanding	491,383	456,366	1,304,327	1,281,591	1,795,710	1,737,957
Total liabilities	575,706	544,614	1,515,602	1,490,647	2,091,308	2,035,261
Deferred inflows of resources	27,134	18,366	8,113	6,633	35,247	24,999
Net position:						
Invested in capital assets	1,284,338	1,434,866	4,273,200	4,373,793	5,557,538	5,808,659
Restricted	293,456	258,839	-	-	293,456	258,839
Unrestricted	1,973,876	1,946,230	1,575,287	1,203,235	3,549,163	3,149,465
Total net position	\$ 3,551,670	\$ 3,639,935	\$ 5,848,487	\$ 5,577,028	\$ 9,400,157	\$ 9,216,963

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows by \$9,400,157 as of June 30, 2019. The Town's net position increased by \$183,194 for the fiscal year ended

**TOWN OF BISCOE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2019

June 30, 2019. However, the largest portion, (59%), reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$293,456 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,549,163 (38%) is unrestricted.

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

- Governmental activities saw an increase in expenses; we can attribute this change to a significant increase in general government and public safety expenses.
- Business-type activities saw an increase in revenues from the prior year which resulted in a small increase in net position in business-type activities.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 50,602	\$ 54,660	\$ 1,656,353	\$ 1,305,938	\$ 1,706,955	\$ 1,360,598
Operating grants and contributions	90,375	142,672	-	-	90,375	142,672
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	813,286	761,285	-	-	813,286	761,285
Local options sales tax	442,829	421,434	-	-	442,829	421,434
Unrestricted intergovernmental	276,036	277,114	-	-	276,036	277,114
Other	71,180	34,960	79,198	57,236	150,378	92,196
Total revenues	1,744,308	1,692,125	1,735,551	1,363,174	3,479,859	3,055,299
Expenses:						
General government	585,096	583,425	-	-	585,096	583,425
Public safety	803,488	826,784	-	-	803,488	826,784
Culture and recreation	266,975	246,735	-	-	266,975	246,735
Transportation	177,014	163,225	-	-	177,014	163,225
Water and sewer	-	-	1,464,092	1,352,639	1,464,092	1,352,639
Total expenses	1,832,573	1,820,169	1,464,092	1,352,639	3,296,665	3,172,808
Decrease in net position	(88,265)	(128,044)	271,459	10,535	183,194	(117,509)
Net position, beginning	3,639,935	3,767,979	5,577,028	5,566,493	9,216,963	9,334,472
Net position, June 30	\$ 3,551,670	\$ 3,639,935	\$ 5,848,487	\$ 5,577,028	\$ 9,400,157	\$ 9,216,963

**TOWN OF BISCOE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2019

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**Governmental activities:** Governmental activities decreased the Town's net position by \$88,265. Key elements of this decrease are as follows:

- As previously noted the cost of governmental activities was more than revenues. We have seen growth in intergovernmental revenues (primarily sales tax), indicating a healthier state economy.
- The decrease in net position was less than the prior year by \$39,779.
- In comparison to the previous year, operating expenses only increased by \$12,404. Where revenues increased by \$52,183.

**Business-type activities:** Business-type activities increased the Town's net position by \$271,459. Key elements of this increase are as follows:

- Our business-type activities reflected an increase in water and sewer charges.
- The industrial pump station project and associated debt payments will continue to make an impact. However, future revenues are expected to cover debt cost in future years.
- Further growth in business-type activities has been centered on investment in and maintenance of infrastructure.
- This fiscal year experienced improvements of administration billing practices for the water and sewer department including implementation of a formal fee schedule that includes tampering and reconnect fees.

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

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

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town's fund balance available in the General Fund was \$1,314,635, while total fund balance was \$2,499,431. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 78 percent of total General Fund expenditures.

At June 30, 2019 the governmental funds of Town of Biscoe reported a combined fund balance of \$2,499,431 with a net increase in fund balance of \$64,275.

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

**Proprietary Funds:** The Town's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,575,287. The fund reflected a \$271,459 increase from the prior year. Net investment in capital assets was \$4,273,200.

**TOWN OF BISCOE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2019

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**Capital Asset and Debt Administration**

**Capital Assets:** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$6,934,170 reflecting a \$403,975 decrease (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, water distribution system, and vehicles.

Major capital asset transactions during the year include the following additions:

**Governmental Funds:**

**Additions**

- 2019 Ford Utility Truck - \$28,060
- 2019 Ford Explorer - \$31,060
- 5 sets of gear for the fire department - \$10,542
- 7 APX portable kits - \$21,630
- 3 Air Pak with trackers - \$22,125
- Other miscellaneous items - \$7,705

**Retirements and Dispositions**

- None

**Proprietary Funds:**

**Additions**

- Water Storage Tank renovation - \$46,989
- 3 Grinders - \$14,205
- Camera System - \$9,710
- New Pump - \$3,219

**Retirements and Dispositions**

- None

**Town of Biscoe's Capital Assets**  
(Net of depreciation)

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 351,794	\$ 358,715	\$ 14,900	\$ 14,900	\$ 366,694	\$ 373,615
Buildings and improvements	606,846	693,950	-	-	606,846	693,950
Equipment, vehicles and infrastructure	485,953	557,201	129,413	237,657	615,366	794,858
Water distribution systems	-	-	5,345,264	5,475,722	5,345,264	5,475,722
<b>Total</b>	<b>\$ 1,444,593</b>	<b>\$ 1,609,866</b>	<b>\$ 5,489,577</b>	<b>\$ 5,728,279</b>	<b>\$ 6,934,170</b>	<b>\$ 7,338,145</b>

**TOWN OF BISCOE, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
For the Fiscal Year Ended June 30, 2019

Additional information on the Town's capital assets can be found in Note B of the Basic Financial Statements.

**Long-term Debt.** As shown in Note B, the Town has notes payable related to two enterprise capital projects totaling \$1,216,376 along with a note payable for a new ladder fire truck totaling \$160,254. These notes are backed by the full faith and credit of the Town. The principal and interest on these notes are being serviced by the Water and Sewer Fund and General Fund, respectively.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Compensated absences	\$ 29,747	\$ 33,288	\$ 24,245	\$ 23,014	\$ 53,992	\$ 56,302
Pension related debt (LGERS)	196,345	138,583	101,147	65,215	297,492	203,798
Pension related debt (LEO)	150,082	157,529	-	-	150,082	157,529
Notes payable	160,255	175,000	1,216,376	1,354,486	1,376,631	1,529,486
<b>Total</b>	<b>\$ 536,429</b>	<b>\$ 504,400</b>	<b>\$ 1,341,768</b>	<b>\$ 1,442,715</b>	<b>\$ 1,878,197</b>	<b>\$ 1,947,115</b>

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within the government's boundaries. The legal debt margin for the Town of Biscoe is \$10,788,923

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

The following key indicators reflect the economic environment of the Town.

- The Montgomery County unemployment rate reported by the Division of Employment Security was 10.2% in June 2012, 10.2% in June 2013, 6.8% in June 2014, 6.2% in June 2015, 5.3% in October 2016, 4.3% in June 2017, 3.6% in May 2018 and 3.8% in September of 2019. This improvement has been noted locally as employers have created new jobs. Montgomery County remains competitive as the State's average continues to remain at 4.2% unemployment. The Town of Biscoe believes these statistics indicate a continued local recovery of the recent recession, and growth in the local economy.
- 48 unit apartment complex located in the Town limits, maintains an occupation rate of approximately 80%.
- Business growth with the expansion of Carolina Dairy, the addition of Dairy Queen/Shell Gas Station and Burger King.



**Budget Highlights for the Fiscal Year Ending June 30, 2020**

**Governmental Activities:** The 2019-2020 Budget identifies revenue and expenditure *estimates* for Fiscal Year 2019-2020 and attempts to maintain a continuum of quality services to the citizens of Biscoe. This budget is inclusive of all financial obligations while all municipal services and positions remain funded. Revenues are projected conservatively, and expenditures are projected realistically. The highlights of the proposed budget are as follows:

**Police Department:** No capital purchases for the Police Department. The Police Department Budget will include the transfer to the LEO Separation Fund of \$25,000. The current CD has a balance of \$50,958. No capital items have been requested from the department for 2019-2020. In 2018-2019 a grant from the Governor's Highway Safety program covered half the expenses for a new vehicle.

**Fire Department:** The Fire Department's budget reflects debt payments for the Ladder Truck purchased in 2018, in addition to the 50/50 Grant project for equipment and building renovations that the Town will match (\$30,000). We will be pursuing grant funding to have a generator added at (\$40,000) to serve the Department and Town Hall during outages and emergencies.

**Parks and Recreation:** In the past couple years the park has had several upgrades; resurfacing of the tennis courts, re-plastering of the pool, renovated pool house, new playground equipment, new roof on the shelter new light poles at the ball field. The 2019-2020 budget includes funding (\$8,500) for improvements to be made at the little league dugouts.

**Business - Type Activities:** Rates are proposed to remain the same in the Water & Sewer Fund. In an effort of minimize loss, there are only a few changes. The budget includes the Water Departments share of the new truck (\$15,000), a stationary sampler for the sewer plant (\$6,800) and 3 isolation valves (\$21,000) to assist with our problem areas when there are water main breaks. Additionally, water purchases (from the county) are increased by \$50,000 to offset the additional revenues received, and a related expense being the increase of system testing and sampling. No Fund Balance is appropriated to offset the expenditures. The Water and Sewer Department is expected to continue to sustain itself. The department will continue to experience debt payments totaling \$140,560 for the SRF Loan payments and the First Bank loan for the Industrial Park Lift Station, therefore other capital spending has been limited.

**CDBG – Infrastructure Grant**

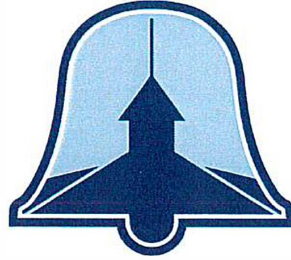
The Town was awarded \$1,865,000 of State CDBG-Infrastructure funds for the Bruton Street infrastructure improvements. A separate fund has been set up and the project is well underway. Construction is expected to begin further into 2020.

***Requests for Information***

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Clerk or Town Manager, Town of Biscoe, 110 West Main Street, Biscoe, North Carolina 27209. One can also call (910) 428-4112 or visit our website at [www.townofbiscoe.com](http://www.townofbiscoe.com).

— TOWN OF —  
BISCOE

INCORPORATED 1901



OFFICE OF THE TOWN MANAGER

October 31, 2019

Cannon & Company, L.L.P.  
2160 Country Club Road  
Winston-Salem, North Carolina 27104

This representation letter is provided in connection with your audit of the financial statements of the Town of Biscoe, North Carolina, as of June 30, 2019, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purposes of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of October 31, 2019, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 15, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial

information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters (and all audit or relevant monitoring reports, if any, received from funding sources).
  - b. Additional information that you have requested from use for the purpose of the audit.

- c. Unrestricted access to persons with the Town of Biscoe from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Town of Biscoe or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12. All material transactions have been recorded in the accounting records and are reflected in the financial statements (and the schedule of expenditures of federal awards).
- 13. We have disclosed to you our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14. We have no knowledge of any fraud or suspected fraud that affects the Town and involves-
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where fraud could have a material effect on the financial statements.
- 15. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.
- 16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18. We have disclosed to you the identity of the Town's related parties and all the related party relationships and transactions of which we are aware.

**Government – specific**

- 19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20. The Town has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
22. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
23. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
24. The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
25. The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
26. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.
27. All funds that meet the quantitative criteria in GASB No 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
28. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
29. Provisions for uncollectible receivables have been properly identified and recorded.

30. Expenses have been appropriately classified or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
31. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
32. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
33. Deposits are properly classified as to risk and are properly disclosed.
34. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and if applicable, depreciated.
35. We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
36. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one classification is available. That policy determines the fund balance classifications for financial reporting purposes.
37. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
38. With respect to the budgetary schedules and other schedules
  - a. We acknowledge our responsibility for presenting the budgetary schedules and other schedules in accordance with accounting principles generally accepted in the United States of America, and we believe the budgetary schedules and other schedules, including their form and content, are fairly presented in accordance with accounting principles generally accepting in the United States of America. The methods of measurements and presentation of the budgetary schedules and other schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Signature: 

Signature: Laura B. Morton

Title: Town Manager

Title: Town Clerk



# **BASIC FINANCIAL STATEMENTS**



**TOWN OF BISCOE, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 2,245,709	\$ 1,473,878	\$ 3,719,587
Restricted cash	89,645	1,515	91,160
Receivables, net			
Property taxes	17,744	-	17,744
Due from other governments	184,857	-	184,857
Accounts receivable	18,356	179,918	198,274
Accrued interest receivable	2,742	-	2,742
Inventories	-	26,407	26,407
Total current assets	<u>2,559,053</u>	<u>1,681,718</u>	<u>4,240,771</u>
Non-current assets:			
Capital assets (Note I):			
Land, and other non-depreciable assets	351,794	14,900	366,694
Other capital assets, net of depreciation	1,092,799	5,474,677	6,567,476
Total capital assets	<u>1,444,593</u>	<u>5,489,577</u>	<u>6,934,170</u>
Total assets	<u>4,003,646</u>	<u>7,171,295</u>	<u>11,174,941</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	150,864	74,707	225,571
Total deferred outflows of resources	<u>150,864</u>	<u>74,707</u>	<u>225,571</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued expenses	39,277	46,118	85,395
Compensated absences	29,747	24,245	53,992
Payables from restricted assets - customer deposits	-	1,515	1,515
Current portion of notes payable	15,299	139,397	154,696
Total current liabilities	<u>84,323</u>	<u>211,275</u>	<u>295,598</u>
Long-term liabilities:			
Net pension liability	196,345	101,147	297,492
Total pension liability	150,082	-	150,082
Due in more than one year	144,956	1,076,980	1,221,936
Total long-term liabilities	<u>491,383</u>	<u>1,178,127</u>	<u>1,669,510</u>
Total liabilities	<u>575,706</u>	<u>1,389,402</u>	<u>1,965,108</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	27,134	8,113	35,247
Total deferred inflows of resources	<u>27,134</u>	<u>8,113</u>	<u>35,247</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,284,338	4,273,200	5,557,538
Restricted for:			
Equitable sharing	458	-	458
Stabilization by State Statute	203,353	-	203,353
Streets	89,645	-	89,645
Unrestricted	1,973,876	1,575,287	3,549,163
Total net position	<u>\$ 3,551,670</u>	<u>\$ 5,848,487</u>	<u>\$ 9,400,157</u>

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 585,096	\$ 1,711	\$ -	\$ -	\$ (583,385)	\$ -	\$ (583,385)
Public safety	803,488	-	38,988	-	(764,500)	-	(764,500)
Transportation	266,975	-	51,387	-	(215,588)	-	(215,588)
Cultural and recreation	177,014	48,891	-	-	(128,123)	-	(128,123)
Total governmental activities	1,832,573	50,602	90,375	-	(1,691,596)	-	(1,691,596)
Business-type activities:							
Water and sewer	1,464,092	1,656,353	-	-	-	192,261	192,261
Total business-type activities	1,464,092	1,656,353	-	-	-	192,261	192,261
Total primary government	\$ 3,296,665	\$ 1,706,955	\$ 90,375	\$ -	(1,691,596)	192,261	(1,499,335)
General revenues:							
Taxes:							
Ad valorem taxes					813,286	-	813,286
Local option taxes					442,829	-	442,829
Unrestricted intergovernmental					276,036	-	276,036
Investment earnings					24,243	-	24,243
Miscellaneous					50,634	75,501	126,135
Transfers					(3,697)	3,697	
Total general revenues and transfers					1,603,331	79,198	1,682,529
Change in net position					(88,265)	271,459	183,194
Net position, beginning					3,639,935	5,577,028	9,216,963
Net position, ending					\$ 3,551,670	\$ 5,848,487	\$ 9,400,157

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

**TOWN OF BISCOE, NORTH CAROLINA**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 2,245,709	\$ 2,245,709
Restricted cash	89,645	89,645
Receivables, net		
Property taxes	17,744	17,744
Due from other governments	184,857	184,857
Accounts receivable	18,356	18,356
Accrued interest receivable	140	140
Total assets	<u>\$ 2,556,451</u>	<u>\$ 2,556,451</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>39,277</u>	<u>\$ 39,277</u>
Total liabilities	<u>39,277</u>	<u>39,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes receivable	<u>17,743</u>	<u>17,743</u>
Total deferred inflows of resources	<u>17,743</u>	<u>17,743</u>
<b>FUND BALANCES</b>		
Restricted:		
Equitable sharing	458	458
Stabilization by State Statute	203,353	203,353
Streets	89,645	89,645
Committed		
LEO Special Separation Allowance	66,611	66,611
Assigned		
Subsequent year's expenditures	80,305	80,305
Capital reserve fund	744,424	744,424
Unassigned	<u>1,314,635</u>	<u>1,314,635</u>
Total fund balances	<u>2,499,431</u>	<u>\$ 2,499,431</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 2,556,451</u>	

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2019

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

Total Fund Balance, Governmental Funds	\$	2,499,431
--	----	-----------

Capital assets used in governmental activities are not  
financial resources and therefore are not reported in the funds.

Gross capital assets at historical cost	\$	5,195,955	
Accumulated depreciation		<u>(3,751,362)</u>	1,444,593
Deferred outflows of resources related to pensions are not reported in the funds			150,864
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds			2,602
Earned revenues considered deferred inflows of resources in fund statements			17,743
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.			
Compensated absences			(29,747)
Net pension liability			(196,345)
Total pension liability			(150,082)
Total notes payable			(160,255)
Deferred inflows of resources related to pensions are not reported in the funds			<u>(27,134)</u>
Net position of governmental activities	\$		<u><u>3,551,670</u></u>

**TOWN OF BISCOE, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

	<b>Major Fund</b>	<b>Total</b>
	<b>General</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Funds</b>
<b>REVENUES</b>		
Ad valorem taxes	\$ 808,363	\$ 808,363
Unrestricted intergovernmental	718,865	718,865
Restricted intergovernmental	90,375	90,375
Permits and fees	1,711	1,711
Sales and services	48,891	48,891
Investment earnings	24,243	24,243
Other revenues	50,631	50,631
Total revenues	<u>1,743,079</u>	<u>1,743,079</u>
<b>EXPENDITURES</b>		
Current:		
General government	533,801	533,801
Public safety	767,343	767,343
Transportation	244,448	244,448
Cultural and recreation	129,515	129,515
Total expenditures	<u>1,675,107</u>	<u>1,675,107</u>
Excess of revenues over expenditures	67,972	67,972
<b>OTHER FINANCING SOURCES</b>		
Transfers to other funds	(121,786)	(121,786)
Transfers from other funds	118,089	118,089
Total other financing sources	<u>(3,697)</u>	<u>(3,697)</u>
Net change in fund balance	<u>64,275</u>	<u>64,275</u>
Fund balances, beginning as previously reported	<u>2,435,156</u>	<u>2,435,156</u>
Fund balances, ending	<u>\$ 2,499,431</u>	<u>\$ 2,499,431</u>

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

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

Net changes in fund balances - total governmental funds	\$ 64,275
<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 depreciation exceeded capital outlays in the current period.</p>	
Capital outlay expenditures which were capitalized	\$ 121,122
Depreciation expense for governmental assets	<u>(286,395)</u> (165,273)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	36,042
Benefit payments paid and administrative expenses for the LEOSSA are not included on the statement of Activities	12,069
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Change in:	
Unavailable revenue for tax revenues	4,926
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds.</p>	
Principal payments on long-term debt	14,746
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds</p>	
Change in compensated absences	3,541
Pension expense	<u>(58,591)</u>
Total changes in net position of governmental activities	<u>\$ (88,265)</u>

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2019

	Budget		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes	\$ 669,780	\$ 809,314	\$ 808,363	\$ (951)
Unrestricted intergovernmental	574,804	711,303	718,865	7,562
Restricted intergovernmental	88,292	91,021	90,375	(646)
Permits and fees	3,500	3,500	1,711	(1,789)
Sales and services	32,650	45,937	48,891	2,954
Investment earnings	1,300	15,627	24,158	8,531
Other revenues	2,600	173,828	50,631	(123,197)
<b>Total revenues</b>	<b>1,372,926</b>	<b>1,850,530</b>	<b>1,742,994</b>	<b>(107,536)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	447,531	632,512	533,801	98,711
Public safety	712,080	860,862	767,343	93,519
Transportation	283,542	292,292	244,448	47,844
Cultural and recreation	195,543	154,864	129,515	25,349
<b>Total expenditures</b>	<b>1,638,696</b>	<b>1,940,530</b>	<b>1,675,107</b>	<b>265,423</b>
<b>Revenues over (under) expenditures</b>	<b>(265,770)</b>	<b>(90,000)</b>	<b>67,887</b>	<b>157,887</b>
<b>Other financing sources (uses):</b>				
Transfers to other funds	50,000	90,000	(71,786)	(161,786)
Transfers from other funds	-	-	118,089	118,089
<b>Total other financing sources and uses</b>	<b>50,000</b>	<b>90,000</b>	<b>46,303</b>	<b>(43,697)</b>
<b>Fund balance appropriated</b>	<b>215,770</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>114,190</b>	<b>\$ 114,190</b>
<b>Fund balance, beginning</b>			<b>1,640,817</b>	
A legally budgeted Capital Reserve Fund is consolidated into the General Fund for reporting purposes:				
Investment earnings			85	
Transfers to other funds			(50,000)	
Fund balances, beginning			794,339	
<b>Fund balances, ending</b>			<b>\$ 2,499,431</b>	

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
June 30, 2019

	<b>Water and Sewer Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 1,473,878
Restricted cash	1,515
Accounts receivable (net) - billed	179,918
Due from other funds	126,200
Inventories	<u>26,407</u>
Total current assets	<u>1,807,918</u>
Noncurrent assets:	
Capital assets:	
Land and other non-depreciable assets	14,900
Other capital assets, net of depreciation	<u>5,474,677</u>
Capital assets	<u>5,489,577</u>
Total noncurrent assets	<u>5,489,577</u>
Total assets	<u>\$ 7,297,495</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension deferrals	\$ 74,707
Total deferred outflows of resources	<u>74,707</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	46,118
Compensated absences	24,245
Payable from restricted assets	1,515
Current portion of notes payable	<u>139,397</u>
Total current liabilities	<u>211,275</u>
Noncurrent liabilities:	
Net pension liability	101,147
Due to other funds	126,200
Long-term debt, less current installments	<u>1,076,980</u>
Total liabilities	<u>1,515,602</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension deferrals	8,113
Total deferred inflows of resources	<u>8,113</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,273,200
Unrestricted	<u>1,575,287</u>
Total net position	<u>\$ 5,848,487</u>

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



**TOWN OF BISCOE, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
For the Year Ended June 30, 2019

	<b>Water and Sewer Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,632,747
Water and sewer taps and connection fees	2,450
Other operating revenues	21,156
<b>Total operating revenues</b>	<u>1,656,353</u>
<b>OPERATING EXPENSES</b>	
Operating expenses:	
Salaries and employee benefits	383,519
Other operating expenditures	301,283
Water purchases resale	438,965
Depreciation	340,325
<b>Total operating expenses</b>	<u>1,464,092</u>
<b>Operating loss</b>	<u>192,261</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Other non-operating revenues	77,933
Interest and other charges	(2,432)
<b>Total nonoperating revenues (expenses)</b>	<u>75,501</u>
<b>Income (loss) before contributions and transfers</b>	267,762
Transfers to other funds	(40,000)
Transfers from other funds	43,697
<b>Change in net position</b>	271,459
<b>Beginning net position</b>	<u>5,577,028</u>
<b>Total net position, ending</b>	<u><u>\$ 5,848,487</u></u>

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2019

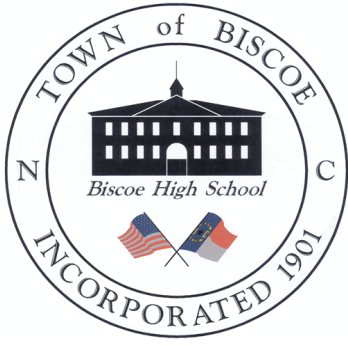
	<b>Water and Sewer Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,536,965
Cash paid for goods and services	(731,381)
Cash paid to or on behalf of employees for services	(382,288)
Customer deposits received (net)	(1,245)
Net cash provided by operating activities	<u>422,051</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash flows	77,933
Transfers from other funds	(40,000)
Transfers to other funds	43,697
Net cash provided by capital and related financing activities	<u>81,630</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(101,623)
Payments on notes payable	(138,110)
Interest on notes payable	(2,432)
Net cash used by capital and related financing activities	<u>(242,165)</u>
Net increase in cash and investments	261,516
Balances, beginning	<u>1,213,877</u>
Balances, ending	<u>\$ 1,475,393</u>

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2019

	<b>Water and Sewer Fund</b>
Reconciliation of operating earnings to net cash provided by operating activities	
Operating earnings	\$ 192,261
Adjustments to reconcile operating earnings to net cash provided by operating activities:	
Depreciation	340,325
Changes in assets and liabilities:	
Increase in accounts receivable	(119,388)
Decrease in inventories	(518)
Decrease in deferred outflows of resources - pensions	(28,974)
Decrease in net pension liability	35,932
Decrease in deferred inflows of resources - pensions	1,480
Decrease in accounts payable and accrued liabilities	947
Increase in compensated absences	1,231
Increase in customer deposits	(1,245)
Total adjustments	<u>229,790</u>
Net cash provided by operating activities	<u>\$ 422,051</u>

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



# NOTES TO THE FINANCIAL STATEMENTS

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Biscoe, North Carolina (Town) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**Reporting Entity**

The Town of Biscoe is a municipal corporation which is governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town as well as any separate entity for which the Town is financially accountable. For the year ended June 30, 2019, no other entity is included in the Town's financial statements.

**Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The Town reports the following major governmental funds:

**General Fund.** The General Fund is the general operating fund of the Town. 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, State grants, and various other taxes and licenses.

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The primary expenditures are for public safety, streets, sanitation, parks and recreations, and general government services. Under GASB 54 guidance, the Capital Reserve Fund is consolidated in the General Fund. The budgetary comparison for the Capital Reserve Fund has been included in the supplemental information.

The Town reports the following major enterprise funds:

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

**Measurement Focus and Basis of Accounting**

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

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

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

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

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

**Budgetary Data**

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Projects Funds. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, some amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the time until the annual ordinance can be adopted.

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

**Deposits and Investments**

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

State law [G. S. 159-30(c)] authorizes the Town and the Tourism Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

bankers’ acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town’s investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT—Government Portfolio, a SEC-registered (2a-7) external investment pool is measured at amortized cost, which is the NCCMT’s share price. The NCCMT Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2019, The Term portfolio has a duration of .11 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.

**Cash and Cash Equivalents**

The Town pools money from the general fund, the water and sewer fund, and all other funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Tourism Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

**Restricted Assets**

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

**Town of Biscoe Restricted Cash**

Governmental Activities General Fund	Powell Bill - Streets	<u>\$ 89,645</u>
Business-type Activities Water and Sewer Fund	Customer deposits	<u>1,515</u>
Total Restricted Cash		<u>\$ 91,160</u>

**Ad Valorem Taxes Receivable**

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

**Allowances for Doubtful Accounts**

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



**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventories**

Inventories of the Town consist of expendable parts and supplies, and are valued at cost (first in, first out), which approximates market.

**Capital Assets**

Capital assets are defined by the Town as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	29 years
Furniture and office equipment	7-10 years
Maintenance and construction equipment	5-7 years
medium and heavy motor vehicle	5-7 years
Computer software	5 years
Automobiles and light trucks	3-5 years

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion which is pension deferrals for the 2018 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meet the criterion for this category - property taxes receivable and pension deferrals.

**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 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 expensed over the life of the debt.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

**Compensated Absences**

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

**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 four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

*Prepaid assets* - portion of fund balance that is not an available resource because it represents the yearend balance of costs applicable to future accounting periods, which are not spendable resources.

*Restricted fund balance* - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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.

*Restricted for equitable sharing* - portion of fund balance that is restricted through an agreement entered into between the Federal government, the Town's police department, and the governing body.

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

*Committed fund balance* - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body. 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 LEO Special Separation Allowance* - portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

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

*Assigned for capital reserve fund* - portion of fund balance that is held in the capital reserve fund for future purposes.

*Subsequent year's expenditures* - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Town manager to modify the appropriations within funds up to \$1,000.

*Unassigned fund balance* - the portion of the fund balance that has not been restricted, committed, or assigned to specific purposes of other funds.

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Town has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Town Clerk will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-town funds, town funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. Town management has the authority to deviate from this policy if it is in the best interest of the Town.

The Town has an informal fund balance policy for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 20% of budgeted expenditures. Any portion of the general fund balance in excess of 20% of budgeted expenditures may be appropriated.

**Defined Benefit Cost-Sharing Plans**

For purposes of measuring the net pension asset, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Biscoe's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

**NOTE B – DETAIL NOTES ON ALL FUNDS**

**Assets**

**Deposits**

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no 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 Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

At June 30, 2019, the Town’s deposits had a carrying amount of \$3,182,415 and a bank balance of \$3,255,706. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder was covered under the pooling method. At June 30, 2019, the Town’s petty cash fund totaled \$200.

**Investments**

At June 30, 2019, the Town had \$628,132 invested with the North Carolina Capital Management Trust’s Government Portfolio which carried a credit rating of AAAM by Standard and Poor’s. The Town has no policy regarding credit risk.

**Receivables – Allowances for Doubtful Accounts**

The amounts presented in the Balance Sheet and the Statement of Net Position for the year June 30, 2019 are net of the following allowance for doubtful accounts:

General Fund - Ad valorem taxes	\$ 42,848
Enterprise Fund - Customers	<u>24,500</u>
Total	<u><u>\$ 67,348</u></u>

**Capital Assets**

Capital asset activity for the Primary Government for the year ended June 30, 2019 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 358,715	\$ -	\$ 6,921	\$ 351,794
Total capital assets not being depreciated	<u>358,715</u>	<u>-</u>	<u>6,921</u>	<u>351,794</u>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	2,420,575	6,921	-	2,427,496
Equipment and vehicles	2,067,232	121,122	-	2,188,354
Infrastructure	228,311	-	-	228,311
Total capital assets being depreciated	<u>4,716,118</u>	<u>128,043</u>	<u>-</u>	<u>4,844,161</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	1,726,625	94,025	-	1,820,650
Equipment and vehicles	1,622,032	179,241	-	1,801,273
Infrastructure	116,310	13,129	-	129,439
Total accumulated depreciation	<u>3,464,967</u>	<u>286,395</u>	<u>-</u>	<u>3,751,362</u>
Total capital assets being depreciated, net	<u>1,251,151</u>			<u>1,092,799</u>
<b>Governmental activity capital assets, net</b>	<u><u>\$ 1,609,866</u></u>			<u><u>\$ 1,444,593</u></u>

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

General government	\$ 42,997
Public safety	173,372
Culture and recreation	47,499
Transportation	<u>22,527</u>
Total depreciation expense	<u><u>\$ 286,395</u></u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 14,900	\$ -	\$ -	\$ 14,900
Total capital assets not being depreciated	<u>14,900</u>	<u>-</u>	<u>-</u>	<u>14,900</u>
<b>Capital assets being depreciated:</b>				
Plant, substations, lines, and related equipment	8,609,180	74,489	-	8,683,669
Equipment and vehicles	826,751	26,325	-	853,076
Total capital assets being depreciated	<u>9,435,931</u>	<u>100,814</u>	<u>-</u>	<u>9,536,745</u>
<b>Less accumulated depreciation for:</b>				
Plant, substations, lines, and related equipment	3,075,845	263,372	-	3,338,408
Equipment and vehicles	646,707	76,953	-	723,660
Total accumulated depreciation	<u>3,722,552</u>	<u>340,325</u>	<u>-</u>	<u>4,062,068</u>
Total capital assets being depreciated, net	<u>5,713,379</u>			<u>5,474,677</u>
<b>Water and Sewer fund capital assets, net</b>	<u>5,728,279</u>			<u>5,489,577</u>
<b>Business-type activity capital assets, net</b>	<u><u>\$ 5,728,279</u></u>			<u><u>\$ 5,489,577</u></u>

**Liabilities**

**Pension Plan and Postemployment Obligations**

**Local Governmental Employees' Retirement System**

**Plan Description.** The Town of Biscoe 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 governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible 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.

**Contributions.** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Biscoe employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Biscoe's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Biscoe were \$52,136 for the year ended June 30, 2019.

**Refunds of Contributions.** Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to 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.

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

At June 30, 2019, the Town reported a liability of \$297,792 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the Town’s proportion was 0.01254%, which was an increase of 0.0008% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Town recognized pension expense of \$72,153. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 45,896	\$ 1,540
Changes of assumptions	78,943	-
Net difference between projected and actual earnings on pension plan investments	40,837	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,915	22,322
Town contributions subsequent to the measurement date	52,136	-
Total	<u>\$ 219,727</u>	<u>\$ 23,862</u>

\$52,136 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2020	\$ 71,242
2021	46,244
2022	6,303
2023	19,940
2024	-
Thereafter	-



**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**Actuarial Assumptions.** The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current 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, 2018 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>	

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 For the Fiscal Year Ended June 30, 2019

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

**Discount rate.** The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Town’s proportionate share of the net pension asset to changes in the discount rate.** The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Town’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Town's proportionate share of the net pension liability (asset)	\$ 714,601	\$ 297,492	\$ (51,051)

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

**Law Enforcement Officers’ Special Separation Allowance**

**Plan Description**

The Town administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the Town’s qualified sworn law enforcement officers. 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.

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>7</u>
Total	<u><u>8</u></u>

**Summary of Significant Accounting Policies**

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

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

**Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 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, 2017.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA

**Contributions**

The Town is required by Article 12D of Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The town paid \$11,730 as benefits came due for the reporting period.

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

At June 30, 2019, the City reported a total pension liability of \$150,082. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the City recognized pension expense of \$10,970.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 4,793
Changes of assumptions	5,844	6,592
Town benefit payments and plan administrative expense made subsequent to the measurement date	-	-
Total	<u>\$ 5,844</u>	<u>\$ 11,385</u>

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2020	\$ (1,097)
2021	(1,097)
2022	(1,046)
2023	(586)
2024	(1,146)
Thereafter	(569)

**Sensitivity of the City’s total pension liability to changes in the discount rate**

The following presents the Town’s total pension liability calculated using the discount rate of 3.64%, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	<u>1% Decrease (2.64%)</u>	<u>Discount Rate (3.64%)</u>	<u>1% Increase (4.64%)</u>
Total pension liability	\$ 162,453	\$ 150,082	\$ 138,828

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

	<u>2019</u>
Beginning balance	\$ 157,529
Service cost	6,935
Interest on the total pension liability	4,793
Changes of benefit terms	-
Differences between expected and actual experience in the measurements of the total pension liability	(1,650)
Changes in assumptions or other inputs	(5,795)
Benefit payments	(11,730)
Other changes	-
Ending balance of the total pension liability	<u>\$ 150,082</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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

**NOTE B – 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	\$ 72,153	\$ 10,970	\$ 83,123
Pension Liability	297,492	150,082	447,574
Proportionate share of the net pension liability	0.01254%	n/a	
<b>Deferred of Outflows of Resources</b>			
Differences between expected and actual experience	45,896	-	45,896
Changes of assumptions	78,943	5,844	84,787
Net difference between projected and actual earnings on plan investments	40,837	-	40,837
Changes in proportion and differences between contributions and proportionate share of contributions	1,915	-	1,915
Benefit payments and administrative cost paid subsequent to the measurement date	52,136	-	52,136
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	1,540	4,793	6,333
Changes of assumptions	-	6,592	6,592
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	22,322	-	22,322

**Supplemental Retirement Income Plan for Law Enforcement Officers**

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

**Funding Policy.** Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer’s salary, and all amounts contributed are vested immediately. The law enforcement officers may also make voluntary contributions to the plan.

The town made contributions of \$15,960 for the reporting year. No amounts were forfeited.

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**Other Employment Benefits**

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

**Deferred Outflows and Inflows of Resources**

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Contributions to pension plan in current fiscal year	\$ 52,136
Differences between expected and actual experience	45,896
Changes of assumptions	84,787
Net difference between projected and actual earnings on pension plan investments	40,837
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,915
Total	<u>\$ 225,571</u>

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

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

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable (General Fund)	\$ -	\$ 17,743
Changes in assumptions	6,592	-
Differences between expected and actual experience	6,333	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	22,322	-
Total	<u>\$ 35,247</u>	<u>\$ 17,743</u>

**Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town has property, general liability, and auto liability coverage of \$1 million per occurrence, worker's compensation coverage of up to statutory limits, and employee health coverage up to \$2 million lifetime limit. The liability and property exposures are reinsured through commercial companies for claims against property, general liability, and auto liability in excess of \$500,000 and \$300,000 statutory limits for worker's compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town is not required to carry flood insurance because the Town is not in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$100,000. All other employees are covered under a \$100,000 blanket bond.



**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

**Long-Term Obligations**

**Long-Term Debt**

In March 2015, the Town entered into a promissory note with the Department of Environment and Natural Resources for improvement for the Town’s wastewater treatment plant. The note provided for funding for the project up to \$1,402,500, and as of June 30, 2019, the total balance on the note was \$1,124,640. The note carries no interest and is payable in annual installments of \$66,155 beginning May 2017 for a period of 20 years.

In November 2015, the Town entered into a \$350,000 promissory note with a financial institution for funding the Industrial Park Pump Station capital project. The financing agreement requires monthly payments of principal, plus accrued interest at 1.75%, of \$6,199 beginning December 2015 for a period of 5 years. At June 30, 2019, the balance on this note was \$91,736.

In May 2018, the Town entered into a \$175,000 promissory note with a financial institution for a new ladder fire truck. The financing agreement requires annual payments of principal, plus accrued interest at 3.75%, beginning May 2019 for a period of 10 years. At June 30, 2019, the balance on this note was \$160,254.

Annual debt service requirements to maturity for long-term debt obligations are as follows:

<b>Year ended June 30:</b>	<b>Principal</b>	<b>Interest</b>
2020	\$ 155,196	\$ 7,155
2021	100,522	5,528
2022	82,623	4,841
2023	83,240	4,223
2024	83,881	3,582
2025-2029	408,581	7,428
2030-2034	330,777	-
2035-2036	131,810	-
	<hr/>	<hr/>
Total	<b>\$ 1,376,630</b>	<b>\$ 32,757</b>
	<hr/> <hr/>	<hr/> <hr/>

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

**NOTE B – DETAIL NOTES ON ALL FUNDS (CONTINUED)**

Changes in Long-Term Liabilities

During the year ended June 30, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
<b>Governmental Activities:</b>					
Compensated absences	\$ 33,288	\$ 29,747	\$ 33,288	\$ 29,747	\$ 29,747
Net pension liability (LGERS)	138,583	57,762	-	196,345	-
Note payable	175,000	-	14,745	160,255	15,799
Total pension liability (LEO)	157,529	-	7,447	150,082	-
Total governmental activities	<u>\$ 504,400</u>	<u>\$ 87,509</u>	<u>\$ 55,480</u>	<u>\$ 536,429</u>	<u>\$ 45,546</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 23,014	\$ 24,245	\$ 23,014	\$ 24,245	\$ 24,245
Note payable	1,354,486	-	138,110	1,216,376	139,397
Net pension liability (LGERS)	65,215	35,932	-	101,147	-
Total business-type activities	1,442,715	60,177	161,124	1,341,768	163,642
Total long-term obligations	<u>\$ 1,947,115</u>	<u>\$ 147,686</u>	<u>\$ 216,604</u>	<u>\$ 1,878,197</u>	<u>\$ 209,188</u>

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within the government's boundaries. The legal debt margin for the Town of Biscoe is \$10,788,923

**NOTE C – INTERFUND TRANSFERS**

Transfers to/from other funds at June 30, 2019 consist of the following:

From the Capital Reserve fund to the General Fund as budgeted	\$ (50,000)
From the Water and Sewer Fund to the General Fund to correct for net payroll error	<u>(3,697)</u>
Total	<u>\$ (53,697)</u>

**TOWN OF BISCOE, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Fiscal Year Ended June 30, 2019

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**NOTE D – FUND BALANCE**

Total fund balance - General Fund	\$	2,499,431
Less:		
Equitable sharing		458
Stabilization by State Statute		203,353
Streets		89,645
LEO Special Separation allowance		66,611
Subsequent year's expenditures		80,305
Capital reserve fund		744,424
Remaining fund balance	\$	<u><u>1,314,635</u></u>

**NOTE E – JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION**

**Jointly Governed Organization**

The Town, in conjunction with 7 counties and 42 other municipalities, established the Piedmont Triad Regional Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town paid membership fees of \$550 to the Council during the fiscal year ended June 30, 2019.

**NOTE F – SUMMARY OF SIGNIFICANT CONTINGENCIES**

**Federal and State Assisted Programs**

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

**REQUIRED SUPPLEMENTARY  
FINANCIAL DATA**

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

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- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions to the Law Enforcement Officers' Special Separation Allowance

**TOWN OF BISCOE, NORTH CAROLINA****TOWN OF BISCOE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)****REQUIRED SUPPLEMENTARY INFORMATION**

Last Six Fiscal Years\*

<b>Local Government Employees' Retirement System</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Town of Biscoe's proportion of the net pension liability (asset) (%)	0.0125%	0.0133%	0.0115%	0.0124%	0.0131%	0.0133%
Town of Biscoe's proportion of the net pension liability (asset) (\$)	\$ 297,792	\$ 203,798	\$ 243,007	\$ 55,741	\$ (77,316)	\$ 160,316
Town of Biscoe's covered-employee payroll	\$ 642,647	\$ 648,555	\$ 581,921	\$ 653,042	\$ 591,129	\$ 577,872
Town of Biscoe's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	46.34%	31.42%	41.76%	8.54%	-13.08%	27.74%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**TOWN OF BISCOE'S CONTRIBUTIONS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
 Last Six Fiscal Years

<u>Local Government Employees' Retirement System</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 52,136	\$ 50,034	\$ 49,036	\$ 40,119	\$ 47,375	\$ 42,384
Contributions in relation to the contractually required contribution	<u>52,136</u>	<u>50,034</u>	<u>49,036</u>	<u>40,119</u>	<u>47,375</u>	<u>42,384</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Biscoe's covered payroll	\$ 650,024	\$ 642,647	\$ 648,555	\$ 581,921	\$ 653,042	\$ 591,129
Contributions as a percentage of covered-employee payroll	8.02%	7.79%	7.56%	6.89%	7.25%	7.17%

**TOWN OF BISCOE, NORTH CAROLINA**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
 June 30, 2019

<b>Law Enforcement Officers' Special Separation Allowance</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 157,529	\$ 162,168	\$ 173,519
Service cost	6,935	6,858	7,314
Interest on the total pension liability	4,793	5,853	5,819
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement	(1,650)	(5,145)	-
Changes of assumptions or other inputs	(5,795)	8,850	(3,429)
Benefit payments	(11,730)	(21,055)	(21,055)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 150,082</u>	<u>\$ 157,529</u>	<u>\$ 162,168</u>

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

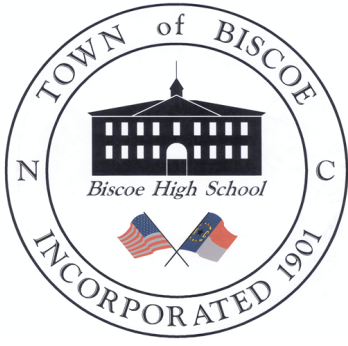
**TOWN OF BISCOE, NORTH CAROLINA**  
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL**  
 June 30, 2019

<b>Law Enforcement Officers' Special Separation Allowance</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 150,082	\$ 157,529	\$ 162,168
Covered payroll	261,751	291,268	281,857
Total pension liability as a percentage of covered payroll	57.34%	54.08%	57.54%

Notes to the schedules:

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





# **INDIVIDUAL FUND FINANCIAL STATEMENTS SECTION**

**TOWN OF BISCOE, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Ad valorem taxes:			
Taxes		\$ 804,757	
Penalties and interest		3,606	
Total	<u>\$ 809,314</u>	<u>808,363</u>	<u>\$ (951)</u>
Unrestricted intergovernmental:			
Local option sales taxes		442,829	
Telecommunications sales tax		8,273	
Utilities sales tax		230,641	
Video franchise fee		5,299	
Solid waste disposal fee		1,179	
Beer and wine tax		7,259	
Tax refunds		23,385	
Total	<u>711,303</u>	<u>718,865</u>	<u>7,562</u>
Restricted intergovernmental:			
Powell Bill allocation		51,387	
DSM revenues		260	
Grant funds		38,728	
Total	<u>91,021</u>	<u>90,375</u>	<u>(646)</u>
Permits and fees	<u>3,500</u>	<u>1,711</u>	<u>(1,789)</u>
Sales and services:			
ABC Revenue		7,762	
Cemetery lots sales		4,449	
Recreation department fees		36,680	
Total	<u>45,937</u>	<u>48,891</u>	<u>2,954</u>
Investment earnings	<u>15,627</u>	<u>24,158</u>	<u>8,531</u>

**TOWN OF BISCOE, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other revenues:</b>			
Fire department donations		16,675	
Miscellaneous		33,956	
Total	<u>173,828</u>	<u>50,631</u>	<u>(123,197)</u>
Total revenues	<u>1,850,530</u>	<u>1,742,994</u>	<u>(107,536)</u>
<b>Expenditures:</b>			
<b>General government:</b>			
<b>Administration:</b>			
Salaries and employee benefits		254,138	
Other operating expenditures		163,110	
Total administration	<u>477,871</u>	<u>417,248</u>	<u>60,623</u>
<b>Legal and professional services:</b>			
Other operating expenditures	<u>42,500</u>	<u>29,107</u>	<u>13,393</u>
<b>Public buildings and grounds:</b>			
Other operating expenditures		86,029	
Capital outlay		1,417	
Total public buildings and grounds	<u>112,141</u>	<u>87,446</u>	<u>24,695</u>
Total general government	<u>632,512</u>	<u>533,801</u>	<u>98,711</u>
<b>Public Safety:</b>			
<b>Police:</b>			
Salaries and employee benefits		444,350	
Other operating expenditures		77,568	
Capital outlay		67,414	
Total police	<u>636,769</u>	<u>589,332</u>	<u>47,437</u>

**TOWN OF BISCOE, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Fire:			
Salaries and employee benefits		15,022	
Other operating expenditures		156,407	
Capital outlay		6,582	
Total Fire	<u>224,093</u>	<u>178,011</u>	<u>46,082</u>
Total Public Safety	<u>860,862</u>	<u>767,343</u>	<u>93,519</u>
Transportation:			
Streets:			
Other operating expenditures	<u>214,362</u>	<u>182,817</u>	<u>31,545</u>
Streets - Powell Bill:			
Other operating expenditures		<u>61,631</u>	
Total streets - Powell Bill	<u>77,930</u>	<u>61,631</u>	<u>16,299</u>
Total transportation	<u>292,292</u>	<u>244,448</u>	<u>47,844</u>
Culture and recreational			
Recreation:			
Salaries and employee benefits		46,917	
Other operating expenditures		82,598	
Total cultural and recreational	<u>154,864</u>	<u>129,515</u>	<u>25,349</u>
Total expenditures	<u>1,940,530</u>	<u>1,675,107</u>	<u>265,423</u>
Revenues over (under) expenditures	<u>(90,000)</u>	<u>67,887</u>	<u>157,887</u>
<b>Other financing sources (uses)</b>			
Transfers to other funds		(71,786)	
Transfers from other funds		118,089	
Total other financing sources and uses	<u>90,000</u>	<u>46,303</u>	<u>(43,697)</u>
Revenues and other financing sources over expenditures and other uses	<u>-</u>	<u>114,190</u>	<u>114,190</u>

**TOWN OF BISCOE, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
Fund balance appropriated	-	-	-
Net change in fund balance	\$ -	114,190	\$ 114,190
Fund balance, beginning		1,640,817	
Fund balances, ending		\$ 1,755,007	
Fund balance, end of year (General Fund)		\$ 1,755,007	
Amounts reported for Revenues, Expenditures and Changes in Fund Balance (deficit) are different from the Budget and Actual Statement due to consolidation of the Capital Reserve Fund:			
Investment earnings		(49,915)	
Fund balance, beginning of year (Capital Reserve Fund)		794,339	
Fund balance, end of year (Consolidated General Fund)		\$ 2,499,431	

**TOWN OF BISCOE, NORTH CAROLINA**  
**CAPITAL RESERVE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Investment earnings	\$ 50,000	\$ 85	\$ (49,915)
<b>Other financing sources (uses)</b>			
Transfers to other funds	(50,000)	(50,000)	-
Net change in fund balance	<u>\$ -</u>	(49,915)	<u>\$ (49,915)</u>
Fund balances, beginning as previously reported		<u>794,339</u>	
Fund balances, ending		<u>\$ 744,424</u>	

**TOWN OF BISCOE, NORTH CAROLINA**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Operating revenues:			
Water and sewer charges		\$ 1,632,747	
Water and sewer taps and connection fees		2,450	
Miscellaneous revenue		21,156	
Total operating revenues	\$ 1,394,674	1,656,353	\$ 261,679
Nonoperating revenues:			
Tax refunds		13,608	
Miscellaneous		36,440	
Total nonoperating revenues	27,412	50,048	22,636
Total revenues	1,422,086	1,706,401	284,315
<b>Expenditures:</b>			
Operating expenditures			
Salaries and employee benefits		373,850	
Other operating expenditures		290,820	
Water purchases for resale		438,965	
Total administration	1,183,526	1,103,635	79,891
Debt service:			
Principal retirement		138,110	
Interest and other charges		2,432	
Total debt services	140,560	140,542	18
Capital outlay	58,000	10,902	47,098
Total expenditures	1,382,086	1,255,079	127,007
Revenues over expenditures	40,000	451,322	411,322
<b>Other financing sources</b>			
Transfers from other funds		43,697	
Transfers to other funds		(40,000)	
Total other financing sources	40,000	3,697	(36,303)
Revenues and other sources over expenditures and other uses	\$ -	\$ 455,019	\$ 375,019

**TOWN OF BISCOE, NORTH CAROLINA**  
**WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Revenues and other sources over expenditures and other uses		\$ 455,019	
Reconciling items:			
Depreciation		(340,327)	
Principal payments on debt		138,110	
Increase in accrued vacation pay		(1,231)	
Decrease in deferred outflows of resources - pension		28,974	
Decrease in net pension liability		(35,932)	
Decrease in deferred inflows of resources - pensions		(1,480)	
Increase in inventory		518	
CDBG Bruton Street Project		27,808	
Total reconciling items		<u>(183,560)</u>	
Change in net position		<u>\$ 271,459</u>	

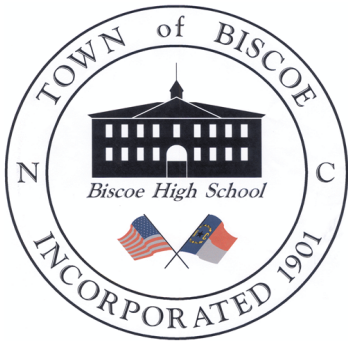


**TOWN OF BISCOE, NORTH CAROLINA**  
**ENTERPRISE CAPITAL PROJECT FUND - INDUSTRIAL PARK PUMP LIFT STATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the Year Ended June 30, 2019

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
<b>EXPENDITURES</b>					
Construction	\$ 342,500	\$ 255,127	\$ -	\$ 255,127	\$ 87,373
Bid award	4,500	8,000	-	8,000	(3,500)
Final Certification	3,000	-	-	-	3,000
Total expenditures	<u>350,000</u>	<u>263,127</u>	<u>-</u>	<u>263,127</u>	<u>86,873</u>
Revenues under expenditures	<u>(350,000)</u>	<u>(263,127)</u>	<u>-</u>	<u>(263,127)</u>	<u>86,873</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Loan proceeds	350,000	350,000	-	350,000	-
Transfers to water and sewer fund	-	(30,468)	-	(30,468)	(30,468)
Total other financing sources (uses)	<u>350,000</u>	<u>319,532</u>	<u>-</u>	<u>319,532</u>	<u>(30,468)</u>
Total revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 56,405</u>	<u>-</u>	<u>\$ 56,405</u>	<u>\$ 56,405</u>
Fund balance, beginning			<u>(9,691)</u>		
Fund balance, ending			<u>\$ (9,691)</u>		

**TOWN OF BISCOE, NORTH CAROLINA**  
**ENTERPRISE CAPITAL PROJECT FUND - CDBG BRUTON STREET PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP)**  
For the Year Ended June 30, 2019

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>					
Restricted intergovernmental					
State grant	\$ 1,865,000	\$ -	\$ 27,500	27,500	\$ 1,837,500
Investment earnings	-	-	385	385	(385)
Total revenues	<u>1,865,000</u>	<u>-</u>	<u>27,885</u>	<u>27,885</u>	<u>1,837,115</u>
<b>EXPENDITURES</b>					
Public sewer improvements	1,766,500	-	-	-	(1,766,500)
Administration	<u>98,500</u>	<u>-</u>	<u>77</u>	<u>77</u>	<u>(98,423)</u>
Total expenditures	<u>1,865,000</u>	<u>-</u>	<u>77</u>	<u>77</u>	<u>(1,864,923)</u>
Revenues under expenditures	<u>(1,865,000)</u>	<u>-</u>	<u>(77)</u>	<u>(77)</u>	<u>(27,808)</u>
Total revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>27,808</u>	<u>\$ 27,808</u>	<u>\$ (27,808)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 27,808</u>		



# OTHER SCHEDULES

*This section contains additional information on property taxes.*

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

**TOWN OF BISCOE, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2017</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2018</u>
2018-2019	\$ -	\$ 828,742	\$ 807,572	\$ 21,170
2017-2018	12,715	-	4,148	8,567
2016-2017	7,292	-	1,748	5,544
2015-2016	5,303	-	977	4,326
2014-2015	3,143	-	166	2,977
2013-2014	4,019	-	109	3,910
2012-2013	4,408	-	35	4,373
2011-2012	3,743	-	-	3,743
2010-2011	2,849	-	-	2,849
2009-2010	3,133	-	-	3,133
2008-2009	3,417	-	3,417	-
	<u>\$ 50,022</u>	<u>\$ 828,742</u>	<u>\$ 818,172</u>	<u>60,592</u>

Less: allowance for uncollectible accounts:

General Fund

42,848

Ad valorem taxes receivable - net

\$ 17,744

Reconciliation to revenues:

Ad valorem taxes - General Fund

\$ 808,363

Reconciling items:

Interest collected

(687)

Other adjustments

5,777

Taxes written off

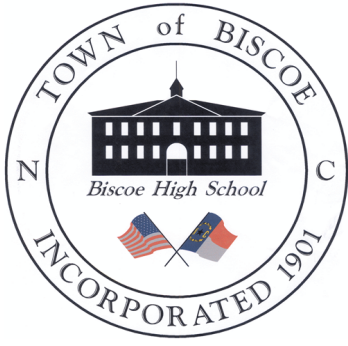
4,719

Total collections and credits

\$ 818,172

**TOWN OF BISCOE, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
**TOWN-WIDE LEVY**  
For the Fiscal Year Ending June 30, 2019

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 147,751,785	\$ 0.56	\$ 827,410	\$ 756,814	\$ 70,596
Penalty			687	687	-
	<u>147,751,785</u>		<u>828,097</u>	<u>757,501</u>	<u>70,596</u>
Discoveries: current year taxes	171,071	0.56	958	958	-
Abatements	<u>(178,100)</u>		<u>(313)</u>	<u>(313)</u>	<u>-</u>
Total property valuation	<u>\$ 147,744,756</u>				
Net levy			828,742	758,146	70,596
Uncollected taxes at June 30, 2018			<u>(21,170)</u>	<u>(21,170)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 807,572</u>	<u>\$ 736,976</u>	<u>\$ 70,596</u>
Current levy collection percentage			<u>97.45%</u>	<u>97.21%</u>	<u>100.00%</u>



# FINANCIAL TRENDS INFORMATION

**TOWN OF BISCOE, NORTH CAROLINA**

**Table 1**

**Net Position By Component**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 1,462,684	\$ 1,475,479	\$ 1,531,990	\$ 1,590,098	\$ 1,616,838	\$ 1,554,588	\$ 1,369,111	\$ 1,173,319	\$ 1,434,866	\$ <b>1,284,338</b>
Restricted	84,894	241,827	205,602	228,123	181,766	246,636	242,355	213,633	258,839	<b>293,456</b>
Unrestricted	2,468,401	2,160,452	2,065,613	1,883,669	1,867,312	1,902,002	2,104,481	2,000,815	1,946,230	<b>1,973,876</b>
Total governmental activities net position	\$ 4,015,979	\$ 3,877,758	\$ 3,803,205	\$ 3,701,890	\$ 3,665,916	\$ 3,703,226	\$ 3,715,947	\$ 3,387,767	\$ 3,639,935	\$ <b>3,551,670</b>
Business-type activities										
Net investment in capital assets	\$ 2,383,911	\$ 2,312,662	\$ 2,348,341	\$ 3,425,375	\$ 4,349,353	\$ 4,696,828	\$ 4,598,166	\$ 4,475,712	\$ 4,373,793	\$ <b>4,273,200</b>
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,622,649	1,756,541	1,791,164	993,708	965,540	1,020,728	1,086,679	1,061,525	1,203,235	<b>1,575,287</b>
Total business-type activities net position	\$ 4,006,560	\$ 4,069,203	\$ 4,139,505	\$ 4,419,083	\$ 5,314,893	\$ 5,717,556	\$ 5,684,845	\$ 5,537,237	\$ 5,577,028	\$ <b>5,848,487</b>
Primary government										
Net investment in capital assets	\$ 3,846,595	\$ 3,788,141	\$ 3,880,331	\$ 5,015,473	\$ 5,966,191	\$ 6,251,416	\$ 5,967,277	\$ 5,649,031	\$ 5,808,659	\$ <b>5,557,538</b>
Restricted	84,894	241,827	205,602	228,123	181,766	246,636	242,355	213,633	258,839	<b>293,456</b>
Unrestricted	4,091,050	3,916,993	3,856,777	2,877,377	2,832,852	2,922,730	3,191,160	3,062,340	3,149,465	<b>3,549,163</b>
Total primary government activities net position	\$ 8,022,539	\$ 7,946,961	\$ 7,942,710	\$ 8,120,973	\$ 8,980,809	\$ 9,420,782	\$ 9,400,792	\$ 8,925,004	\$ 9,216,963	\$ <b>9,400,157</b>

**TOWN OF BISCOE, NORTH CAROLINA**  
**Changes in Net Position**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

**Table 2**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities										
General government	\$ 455,746	\$ 415,614	\$ 391,805	\$ 461,713	\$ 513,692	\$ 1,163,927	\$ 483,615	\$ 509,083	\$ 583,425	\$ 585,096
Public safety	700,872	667,127	700,723	695,390	705,941	799,983	743,150	729,300	826,784	803,488
Transportation	204,194	245,590	293,008	268,557	258,072	243,926	230,675	245,616	246,735	266,975
Cultural and recreational	87,746	110,849	120,065	131,390	111,910	122,864	121,230	157,932	163,225	177,014
<b>Total governmental activities expense</b>	<b>1,448,558</b>	<b>1,439,180</b>	<b>1,505,601</b>	<b>1,557,050</b>	<b>1,589,615</b>	<b>2,330,700</b>	<b>1,578,670</b>	<b>1,641,931</b>	<b>1,820,169</b>	<b>1,832,573</b>
Business-type activities										
Water and sewer	751,006	925,923	783,495	829,767	926,471	1,096,228	1,234,190	1,258,536	1,352,639	1,464,092
<b>Total business-type activities - water and sewer</b>	<b>751,006</b>	<b>925,923</b>	<b>783,495</b>	<b>829,767</b>	<b>926,471</b>	<b>1,096,228</b>	<b>1,234,190</b>	<b>1,258,536</b>	<b>1,352,639</b>	<b>1,464,092</b>
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 2,199,564</b>	<b>\$ 2,365,103</b>	<b>\$ 2,289,096</b>	<b>\$ 2,386,817</b>	<b>\$ 2,516,086</b>	<b>\$ 3,426,928</b>	<b>\$ 2,812,860</b>	<b>\$ 2,900,467</b>	<b>\$ 3,172,808</b>	<b>\$ 3,296,665</b>
<b>Program revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 3,938	\$ 2,380	\$ 2,966	\$ 3,389	\$ 3,390	\$ 4,391	\$ 5,607	\$ 5,040	\$ 3,291	\$ 1,711
Cultural and recreation	45,285	40,882	36,560	33,213	37,275	46,258	49,726	45,254	51,369	48,891
Operating grants and contributions	123,214	82,757	100,864	102,929	163,849	81,790	77,687	62,113	142,672	90,375
Capital grants and contributions	-	23,025	28,617	95,779	4,594	778,278	25,251	-	-	-
<b>Total governmental activities program revenues</b>	<b>172,437</b>	<b>149,044</b>	<b>169,007</b>	<b>235,310</b>	<b>209,108</b>	<b>910,717</b>	<b>158,271</b>	<b>112,407</b>	<b>197,332</b>	<b>140,977</b>
Business-type activities - water and sewer										
Charges for services	618,681	852,970	863,845	945,134	978,220	980,802	1,114,438	1,093,878	1,305,938	1,656,353
<b>Total business activities program revenues</b>	<b>618,681</b>	<b>852,970</b>	<b>863,845</b>	<b>945,134</b>	<b>978,220</b>	<b>980,802</b>	<b>1,114,438</b>	<b>1,093,878</b>	<b>1,305,938</b>	<b>1,656,353</b>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 791,118</b>	<b>\$ 1,002,014</b>	<b>\$ 1,032,852</b>	<b>\$ 1,180,444</b>	<b>\$ 1,187,328</b>	<b>\$ 1,891,519</b>	<b>\$ 1,272,709</b>	<b>\$ 1,206,285</b>	<b>\$ 1,503,270</b>	<b>\$ 1,797,330</b>
<b>Net revenue (expense)</b>										
Governmental activities	\$(1,276,121)	\$(1,290,136)	\$(1,336,594)	\$(1,321,740)	\$(1,380,507)	\$(1,419,983)	\$(1,420,399)	\$(1,529,524)	\$(1,622,837)	\$(1,691,596)
Business-type activities	(132,325)	(72,953)	80,350	115,367	51,749	(115,426)	(119,752)	(164,658)	(46,701)	192,261
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>\$(1,408,446)</b>	<b>\$(1,363,089)</b>	<b>\$(1,256,244)</b>	<b>\$(1,206,373)</b>	<b>\$(1,328,758)</b>	<b>\$(1,535,409)</b>	<b>\$(1,540,151)</b>	<b>\$(1,694,182)</b>	<b>\$(1,669,538)</b>	<b>\$(1,499,335)</b>



**TOWN OF BISCOE, NORTH CAROLINA**  
**Changes in Net Position**  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

**Table 2**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues and other changes in net position										
Governmental activities										
Taxes	\$ 891,681	\$ 865,387	\$ 889,874	\$ 980,902	\$ 1,010,333	\$ 954,509	\$ 1,064,085	\$ 1,162,405	\$ 1,182,719	\$ 1,256,115
Unrestricted intergovernmental revenues	190,838	305,881	236,698	213,677	231,858	273,682	268,590	254,542	277,114	276,036
Investment earnings, unrestricted	49,132	14,284	8,877	5,686	1,823	2,148	2,376	2,632	6,632	24,243
Miscellaneous revenue	42,503	(33,637)	126,592	20,160	100,519	313,896	57,467	54,845	28,328	46,937
Total governmental activities	1,174,154	1,151,915	1,262,041	1,220,425	1,344,533	1,544,235	1,392,518	1,474,424	1,494,793	1,603,331
Business-type activities										
Investment earnings	13,034	7,723	3,798	3,301	-	-	-	-	-	-
Miscellaneous	4,696	(27,752)	(99,192)	120,910	2,473	16,279	37,041	17,050	57,236	79,198
Total business-type activities	17,730	(20,029)	(95,394)	124,211	2,473	16,279	37,041	17,050	57,236	79,198
<b>TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>	<b>\$ 1,191,884</b>	<b>\$ 1,131,886</b>	<b>\$ 1,166,647</b>	<b>\$ 1,344,636</b>	<b>\$ 1,347,006</b>	<b>\$ 1,560,514</b>	<b>\$ 1,429,559</b>	<b>\$ 1,491,474</b>	<b>\$ 1,552,029</b>	<b>\$ 1,682,529</b>
Change in net position										
Governmental activities	\$ 4,056	\$ (138,221)	\$ (74,553)	\$ (101,315)	\$ (35,974)	\$ 124,252	\$ (27,881)	\$ (55,100)	\$ (128,044)	\$ (88,265)
Business-type activities	-	62,643	70,302	279,578	895,810	433,653	(32,711)	(147,608)	10,535	271,459
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 4,056</b>	<b>\$ (75,578)</b>	<b>\$ (4,251)</b>	<b>\$ 178,263</b>	<b>\$ 859,836</b>	<b>\$ 557,905</b>	<b>\$ (60,592)</b>	<b>\$ (202,708)</b>	<b>\$ (117,509)</b>	<b>\$ 183,194</b>

**TOWN OF BISCOE, NORTH CAROLINA**  
**Fund Balances, Governmental Funds**  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

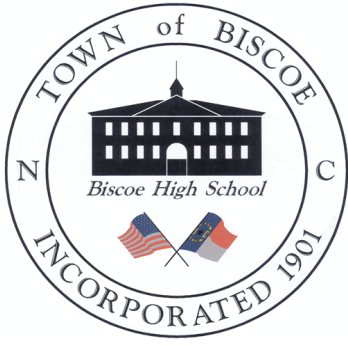
**Table 3**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 225,282	\$ 16,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	354,639	-	-	-	-	-	-	-	-	-
Nonspendable	1,110,101	-	-	-	-	-	-	3,857	-	-
Restricted	-	241,827	205,602	228,123	181,766	246,636	242,355	213,633	258,839	<b>293,456</b>
Committed	-	-	-	-	-	-	141,060	118,612	101,756	<b>66,611</b>
Assigned	-	1,629,647	1,442,442	1,208,194	1,085,067	1,045,799	861,996	901,499	859,462	<b>824,729</b>
Unassigned	814,641	475,912	583,018	582,553	669,279	803,704	1,029,977	1,174,702	1,215,099	<b>1,314,635</b>
Total general fund balance	<b>\$ 2,504,663</b>	<b>\$ 2,364,289</b>	<b>\$ 2,231,062</b>	<b>\$ 2,018,870</b>	<b>\$ 1,936,112</b>	<b>\$ 2,096,139</b>	<b>\$ 2,275,388</b>	<b>\$ 2,412,303</b>	<b>\$ 2,435,156</b>	<b>\$ 2,499,431</b>

**TOWN OF BISCOE, NORTH CAROLINA**  
**Changes in Fund Balances, Governmental Funds**  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

Table 4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>REVENUES</b>											
Ad valorem taxes	\$ 921,871	\$ 890,862	\$ 870,292	\$ 889,874	\$ 979,163	\$ 726,677	\$ 674,478	\$ 731,362	\$ 758,647	\$ 777,541	\$ 808,363
Unrestricted intergovernmental	187,572	190,838	305,881	236,696	213,677	523,978	592,659	605,726	644,377	698,548	718,865
Restricted intergovernmental	332,679	123,214	82,757	136,016	198,708	168,443	860,068	102,938	62,113	142,672	90,375
Permits and fees	5,975	3,938	2,380	2,966	3,389	3,390	4,391	5,607	5,040	3,291	1,711
Sales and services	43,398	45,285	42,857	43,633	45,205	47,220	46,258	49,726	45,254	51,369	48,891
Investment earnings	58,865	49,132	14,284	8,875	5,686	1,823	2,148	2,376	2,632	6,632	24,243
Miscellaneous	49,793	42,503	73,043	51,390	152,807	62,693	249,753	57,040	57,439	28,330	50,631
<b>TOTAL REVENUES</b>	<b>1,600,153</b>	<b>1,345,772</b>	<b>1,391,494</b>	<b>1,369,450</b>	<b>1,598,635</b>	<b>1,534,224</b>	<b>2,429,755</b>	<b>1,554,775</b>	<b>1,575,502</b>	<b>1,708,383</b>	<b>1,743,079</b>
<b>EXPENDITURES</b>											
Current:											
General government	643,945	429,179	405,672	407,378	454,926	468,910	1,180,013	474,414	470,445	542,647	533,801
Public safety	576,283	641,272	751,829	752,837	829,780	726,765	953,973	619,689	583,702	993,092	767,343
Transportation	207,024	223,655	250,344	273,242	248,790	345,933	213,853	198,964	229,434	238,980	244,448
Cultural and recreation	98,536	86,897	167,783	136,960	136,137	104,174	114,509	125,363	155,006	247,963	129,515
<b>TOTAL EXPENDITURES</b>	<b>1,525,788</b>	<b>1,381,003</b>	<b>1,575,628</b>	<b>1,570,417</b>	<b>1,669,633</b>	<b>1,645,782</b>	<b>2,462,348</b>	<b>1,418,430</b>	<b>1,438,587</b>	<b>2,022,682</b>	<b>1,675,107</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>74,365</b>	<b>(35,231)</b>	<b>(184,134)</b>	<b>(200,967)</b>	<b>(70,998)</b>	<b>(111,558)</b>	<b>(32,593)</b>	<b>136,345</b>	<b>136,915</b>	<b>(314,299)</b>	<b>67,972</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	32,627	-	43,760	-	16,322	28,800	192,620	2,302	-	175,000	118,089
Transfers out	-	-	-	-	(157,516)	-	-	-	(58,559)	-	(121,786)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>32,627</b>	<b>-</b>	<b>43,760</b>	<b>-</b>	<b>(141,194)</b>	<b>28,800</b>	<b>192,620</b>	<b>2,302</b>	<b>(58,559)</b>	<b>175,000</b>	<b>(3,697)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 106,992</b>	<b>\$ (35,231)</b>	<b>\$ (140,374)</b>	<b>\$ (200,967)</b>	<b>\$ (212,192)</b>	<b>\$ (82,758)</b>	<b>\$ 160,027</b>	<b>\$ 138,647</b>	<b>\$ 78,356</b>	<b>\$ (139,299)</b>	<b>\$ 64,275</b>



# REVENUE CAPACITY INFORMATION

**TOWN OF BISCOE, NORTH CAROLINA**

**Table 5**

**Program Revenues by Function/Program**

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Function/program</b>										
Governmental activities:										
General government	\$ 15,365	\$ 2,380	\$ 2,966	\$ 3,389	\$ 3,390	\$ 754,391	\$ 5,607	\$ 5,040	\$ 3,291	\$ <b>1,711</b>
Public safety	60,357	53,718	77,741	104,945	114,837	56,342	49,235	9,200	90,197	<b>38,988</b>
Transportation	51,430	52,064	51,740	53,220	53,606	53,726	53,703	52,913	52,475	<b>51,387</b>
Cultural and recreation	45,285	40,882	36,560	73,756	37,275	46,258	49,726	45,254	51,369	<b>48,891</b>
Total governmental activities	172,437	149,044	169,007	235,310	209,108	910,717	158,271	112,407	197,332	<b>140,977</b>
Business-type activities:										
Water and sewer	618,681	1,008,595	949,191	985,134	1,819,808	1,513,602	1,164,438	1,093,878	1,305,938	<b>1,656,353</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 791,118</b>	<b>\$ 1,157,639</b>	<b>\$ 1,118,198</b>	<b>\$ 1,220,444</b>	<b>\$ 2,028,916</b>	<b>\$ 2,424,319</b>	<b>\$ 1,322,709</b>	<b>\$ 1,206,285</b>	<b>\$ 1,503,270</b>	<b>\$ 1,797,330</b>

**TOWN OF BISCOE, NORTH CAROLINA**  
**Tax Revenue by Source, Governmental Funds** (a)  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

**Table 6**

<b>Fiscal Year</b>	<b>Ad Valorem Taxes</b>
2010	\$ 623,013
2011	621,392
2012	619,852
2013	694,637
2014	726,677
2015	674,478
2016	731,362
2017	758,647
2018	777,541
<b>2019</b>	<b>808,363</b>
Change 2010-2019	28.50%

(a) This table presents the Town's most significant sources of revenues. All other taxes and revenues are either comparatively insignificant or levied by a governmental entity other than the Town of Biscoe.

**TOWN OF BISCOE, NORTH CAROLINA**  
**Assessed Value and Actual Value of Taxable Property**  
 Last Ten Fiscal Years

**Table 7**

Fiscal Year	Assessed Value			Total Assessed Value	Total Direct Tax Rate	Assessed Value as a Percent of Actual Value
	Real Property	Personal Property	Public Service Companies			
2010	68,928,800	27,628,511	1,949,430	107,043,620	0.5800	100%
2011	68,790,200	25,462,880	1,693,996	106,790,494	0.5800	100%
2012	86,839,350	2,421,518	1,724,273	106,271,183	0.5800	100%
2013	86,459,050	27,022,458	2,388,051	125,623,883	0.5600	100%
2014	86,371,650	28,968,541	2,199,195	129,923,714	0.5600	100%
2015	89,819,529	25,430,396	2,683,604	118,144,351	0.5600	100%
2016	90,553,798	30,281,992	2,598,079	129,277,971	0.5600	100%
2017	90,841,675	41,911,523	2,896,314	135,649,512	0.5600	100%
2018	103,424,485	33,089,118	2,896,313	139,409,916	0.5600	100%
<b>2019</b>	<b>104,166,379</b>	<b>40,537,694</b>	<b>3,040,683</b>	<b>147,744,756</b>	<b>0.5600</b>	<b>100%</b>

**Source:** Annual County Report of Valuation and Property Tax Levies

\* Real property values exclude tax-exempt property.

**Note:** Property in the town is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value

**TOWN OF BISCOE, NORTH CAROLINA**  
**Property Tax Rates - Direct and Overlapping Government**  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)

**Table 8**

<b>Fiscal Year</b>	<b>Municipality Rates</b>		<b>Overlapping Rates</b>
	<b>Basic Rate</b>	<b>Total Direct</b>	<b>County</b>
2010	0.5800	0.5800	0.6700
2011	0.5800	0.5800	0.6700
2012	0.5800	0.5800	0.5700
2013	0.5600	0.5600	0.5700
2014	0.5600	0.5600	0.5700
2015	0.5600	0.5600	0.6200
2016	0.5600	0.5600	0.6200
2017	0.5600	0.5600	0.6200
2018	0.5600	0.5600	0.6200
<b>2019</b>	<b>0.5600</b>	<b>0.5600</b>	<b>0.6200</b>

**Source:** Montgomery County

**Note:** The Town's basic property tax rate may be increased only by a majority vote of the elected Town Board of Commissioners.

<sup>(a)</sup> Overlapping rates are those of local and county governments that apply to property owners within the Town of Biscoe.



**TOWN OF BISCOE, NORTH CAROLINA**  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years

**Table 9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	644,506	618,843	96.02%	22,530	641,373	99.51%
2011	619,877	593,855	95.80%	23,172	617,027	99.54%
2012	616,830	587,527	95.25%	25,370	612,897	99.36%
2013	704,960	671,734	95.29%	28,816	700,550	99.37%
2014	728,203	704,027	96.68%	19,888	723,915	99.41%
2015	663,812	647,503	97.54%	12,095	659,598	99.37%
2016	724,815	712,015	98.23%	5,473	717,488	98.99%
2017	774,730	746,981	96.42%	8,528	755,509	97.52%
2018	781,758	768,511	98.31%	-	768,511	98.31%
<b>2019</b>	<b>828,742</b>	<b>807,572</b>	<b>97.45%</b>	-	<b>807,572</b>	<b>97.45%</b>

**Source:** Montgomery County Board of Equalization and Assessment, and Montgomery County Department of Finance.

**TOWN OF BISCOE, NORTH CAROLINA**  
**Principal Property Taxpayer**  
 Current Year and Ten Years Prior

**Table 10**

Town of Biscoe  Employer	2019				2009		
	Total Town Taxable Asset Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
Wright Foods Inc.	\$ 139,409,916	\$ 15,230,930	1	10.93%	\$ -	Opened in 2014	0.00%
Grede II LLC	139,409,916	9,351,865	2	6.71%	14,041,483	2	1.83%
Wal-mart Real Estate Bus Trust	139,409,916	6,678,900	3	4.79%	5,562,993	3	0.73%
OHI Asset (NC) Biscoe LLC <i>formerly Autumn Care</i>	139,409,916	4,622,300	4	3.32%	3,288,556	5	0.43%
Dreamy Hollow Apts Co.	139,409,916	2,743,200	6	1.97%	19,190,200	1	0.29%
Mongomery Solar LLC	139,409,916	2,703,921	5	1.94%	-	Opened in 2015	0.00%
Jordan Forest Products LLC	139,409,916	2,263,883	7	1.62%	-	Opened in 2013	0.00%
Duke Energy	139,409,916	2,031,954	8	1.46%	-		0.00%
Jordan Lumber & Supply INC	139,409,916	1,840,665	9	1.32%	4,796,353	4	0.16%
Kellam Properties I LLC	139,409,916	<u>1,823,100</u>	10	1.31%	<u>954,300</u>	6	<u>0.21%</u>
Total		<u>\$ 49,290,718</u>		<u>35.36%</u>	<u>\$ 47,833,885</u>		<u>3.65%</u>

Source: Montgomery County Property Assessment Division

**TOWN OF BISCOE, NORTH CAROLINA**  
**Water Sold by Type of Customer and In and Out of Town**  
 Last Ten Fiscal Years

**Table 11**

<b>Type of Customer</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Gallons billed										
In-town residential	27,218,750	25,831,950	25,034,350	26,389,600	19,447,080	38,086,500	27,913,800	33,121,844	27,131,200	<b>24,334,800</b>
Out-of-town residential	11,948,800	9,933,700	13,766,800	9,084,000	8,448,060	12,443,100	28,589,900	12,342,200	10,712,700	<b>9,832,070</b>
In-town commercial	23,460,700	22,514,750	22,089,820	25,787,100	34,948,150	43,492,090	57,500,990	55,034,060	64,520,890	<b>66,870,600</b>
Out-of-town commercial	2,090,600	2,339,600	1,909,600	4,879,700	2,932,200	1,865,700	2,024,700	686,300	668,500	<b>606,100</b>
Total gallons billed	<u>64,718,850</u>	<u>60,620,000</u>	<u>62,800,570</u>	<u>66,140,400</u>	<u>65,775,490</u>	<u>95,887,390</u>	<u>116,029,390</u>	<u>101,184,404</u>	<u>103,033,290</u>	<b>101,643,570</b>
Total water and sewer charges (revenue)	<u>\$ 612,847</u>	<u>\$ 818,956</u>	<u>\$ 982,765</u>	<u>\$ 790,354</u>	<u>\$ 965,485</u>	<u>\$ 1,076,211</u>	<u>\$ 1,011,763</u>	<u>\$ 1,183,298</u>	<u>\$ 1,285,371</u>	<b>\$ 1,706,401</b>
Total average rate per 1,000 gallons	<u>\$ 9.47</u>	<u>\$ 13.51</u>	<u>\$ 15.65</u>	<u>\$ 11.95</u>	<u>\$ 14.68</u>	<u>\$ 11.22</u>	<u>\$ 8.72</u>	<u>\$ 11.69</u>	<u>\$ 12.80</u>	<b>\$ 11.69</b>

**Source:** Town of Biscoe, Water Billing Office.  
 Revenue collected includes late payment penalties.

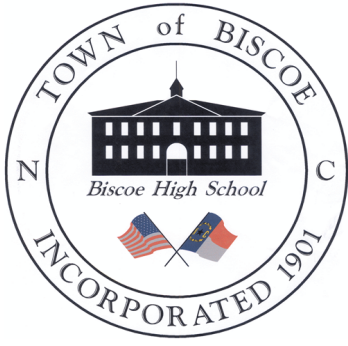
**TOWN OF BISCOE, NORTH CAROLINA**

**Table 12**

**Water and Sewer Rates**

Last Ten Fiscal Years

Fiscal Year	In-Town Water		In-Town Sewer		Out-of-Town Water		Out-of-Town Sewer	
	Rate per 0-3,000 Gallons	Rate per 1,000 Gallons	Rate per 0-3,000 Gallons	Rate per 1,000 Gallons	Rate per 0-3,000 Gallons	Rate per 1,000 Gallons	Rate per 0-3,000 Gallons	Rate per 1,000 Gallons
2010	\$ 32.00	\$ 5.50	\$ 32.00	\$ 5.50	\$ 53.00	\$ 11.00	\$ 53.00	\$ 11.00
2011	32.00	5.50	32.00	5.50	53.00	11.00	53.00	11.00
2012	32.00	5.50	32.00	5.50	53.00	11.00	53.00	11.00
2013	32.00	5.50	32.00	5.50	53.00	11.00	53.00	11.00
2014	32.00	5.50	32.00	5.50	53.00	11.00	53.00	11.00
2015	32.00	5.50	32.00	5.50	53.00	11.00	53.00	11.00
2016	32.00	5.50	32.00	5.50	53.00	11.00	53.00	11.00
2017	32.00	5.50	32.00	5.50	53.00	11.00	53.00	11.00
2018	34.00	5.50	34.00	5.50	55.00	11.00	55.00	11.00
<b>2019</b>	<b>34.00</b>	<b>5.50</b>	<b>34.00</b>	<b>5.50</b>	<b>55.00</b>	<b>11.00</b>	<b>55.00</b>	<b>11.00</b>



# DEBT CAPACITY INFORMATION

**TOWN OF BISCOE, NORTH CAROLINA**  
**Ratios of Outstanding Debt by Type**  
 Last Ten Fiscal Years

**Table 13**

Fiscal Year	Governmental -Type Activities	Business -Type Activities	Total Primary Government	Ratio of Outstanding Debt to Personal Income	Total Outstanding Debt per Capita <sup>(a)</sup>
	Installment Loans	Installment Loans			
2010	\$ -	\$ -	\$ -	\$ -	\$ -
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	655,257	655,257	1.29%	388.19
2016	-	1,621,188	1,621,188	3.10%	965.57
2017	-	1,491,332	1,491,332	2.68%	888.23
2018	175,000	1,354,486	1,529,486	2.84%	899.70
<b>2019</b>	<b>160,254</b>	<b>1,216,377</b>	<b>1,376,631</b>	<b>2.51%</b>	<b>796.66</b>

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

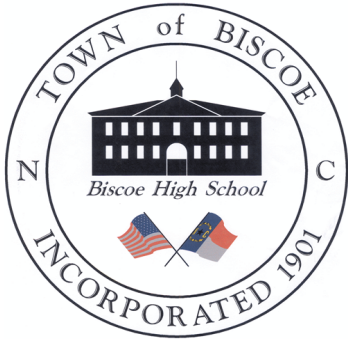
<sup>(a)</sup> See Table 15 for population data. These ratios are calculated using population for the prior calendar year.

**TOWN OF BISCOE, NORTH CAROLINA**  
**Legal Debt Margin Information**  
 Last Ten Fiscal Years

**Table 14**

<b>Legal Debt Margin Calculation for Fiscal Year 2018</b>											
		<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Assessed value	\$147,751,785										
Debt limit (8% of assessed value)	11,820,142										
Debt applicable to limit:											
Installment loans	1,376,631										
Legal debt margin	<u>\$ 10,443,511</u>										
Debt limit		\$ 8,563,490	\$ 8,543,240	\$ 8,501,695	\$ 10,049,911	\$ 10,393,897	\$ 10,281,060	\$ 8,715,396	\$ 10,851,961	\$ 11,152,792	<b>\$ 11,820,142</b>
Total net debt applicable to limit		-	-	-	-	-	655,257	1,621,188	1,491,332	1,529,486	<b>1,376,631</b>
Legal debt margin		<u>\$ 8,563,490</u>	<u>\$ 8,543,240</u>	<u>\$ 8,501,695</u>	<u>\$ 10,049,911</u>	<u>\$ 10,393,897</u>	<u>\$ 9,625,803</u>	<u>\$ 7,094,208</u>	<u>\$ 9,360,629</u>	<u>\$ 9,623,306</u>	<b><u>\$ 10,443,511</u></b>
Total net debt applicable to the limit as a percentage of debt limit		0.00%	0.00%	0.00%	0.00%	0.00%	6.37%	18.60%	13.74%	13.71%	<b>11.65%</b>

**Note:** Under state finance law, the Town's outstanding general obligation debt should not exceed 8 percent of total assessed value.



# DEMOGRAPHIC AND ECONOMIC INFORMATION



**TOWN OF BISCOE, NORTH CAROLINA**  
**Demographic and Economic Statistics**  
 Last Ten Fiscal Years

**Table 15**

<b>Fiscal Year</b>	<b>Population <sup>(1)</sup></b>	<b>Personal Income (in thousands) <sup>(2)</sup></b>	<b>Per Capita Income <sup>(3)</sup></b>	<b>Median Age <sup>(4)</sup></b>	<b>Unemployment Rate <sup>(5)</sup></b>
2010	1,697	44,222,123	26,059	37.20	12.3%
2011	1,706	45,563,848	26,708	37.30	11.8%
2012	1,694	46,278,386	27,319	37.40	10.5%
2013	1,692	47,687,328	28,184	37.50	8.2%
2014	1,681	48,562,409	28,889	37.70	6.1%
2015	1,688	50,604,552	29,979	37.80	5.7%
2016	1,679	52,263,912	31,128	37.90	5.2%
2017	1,679	55,739,442	33,198	41.00	4.6%
2018	1,700	53,850,900	31,677	31.70	3.6%
<b>2019</b>	<b>1,728</b>	<b>54,737,856</b>	<b>31,677</b>	<b>32.00</b>	<b>4.0%</b>

**Note:** Personal income, per capita personal income, median age, and unemployment are not available at the town level and is reported at the county level. Unemployment is reported for the month of June each year

**Sources:** Population and median age information provided by the State Library of North Carolina. Personal income information provided by the Montgomery County Economic Development Office. Unemployment data provided by the Employment Security Commission.

**Note:** Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

<https://www.areavibes.com/biscoe-nc/employment/>

**TOWN OF BISCOE, NORTH CAROLINA**

**Table 16**

**Principal Employers**

Current year and ten years ago.

Employer	2019		2009	
	Employees	Percentage of Total Town Population	Employees	Percentage of Total Town Population
AAM (MPG) (GREDE)	375	21.70%	350	20.77%
Wal-mart	152	8.80%	150	8.90%
Carolina Dairy ( <i>formerly Wright Foods</i> )	92	5.32%	Opened in 2014	N/A
Autumn Care of Biscoe/Saber Health	116	6.71%	100	5.93%
KM Machine Company	109	6.31%	81	4.81%
McDonalds	60	3.47%	60	3.56%
Myrick Construction	55	3.18%	55	3.26%
Town of Biscoe (Government)	56	3.24%	50	2.97%
Jordan Forest Products LLC	155	8.97%	Opened in 2013	N/A
Bojangles	27	1.56%	Opened in 2014	N/A

**Source:** Town Economic Development Division and Employment Security Commission

**Note:** Information regarding Town's total employment is not available.

**TOWN OF BISCOE, NORTH CAROLINA**

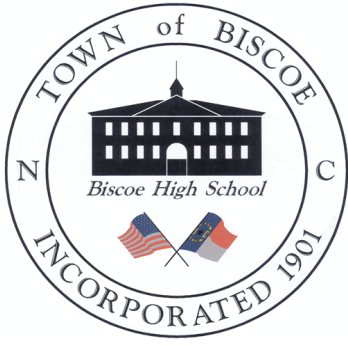
**Table 17**

**Full Time Employees by Function**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
General Government										
Administration	3	3	3	3	3	3	3	3	3	<b>3</b>
Police										
Officers	12	12	12	12	10	10	9	9	9	<b>9</b>
Civilians	1	1	1	1	1	1	1	1	1	<b>1</b>
Public Works										
Streets	3	3	3	3	4	4	4	4	4	<b>4</b>
Sanitation	1	1	1	1	1	1	1	1	1	<b>1</b>
Utilities										
Water distribution/ wastewater collection	1	1	1	1	1	1	1	1	1	<b>1</b>
Total	21	21	21	21	20	20	19	19	19	<b>19</b>

**Source:** Town Finance Office. Positions reported at June 30th are positions filled



# OPERATING INFORMATION

**TOWN OF BISCOE, NORTH CAROLINA**  
**Operating Indicators by Function/Program**  
 Last Ten Fiscal Years

**Table 18**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Police</b>										
Physical arrest	1,050	678	412	356	275	207	140	150	185	<b>543</b>
Calls for service	2,754	2,628	2,380	2,187	6,360	3,156	2,960	2,754	5,193	<b>4,337</b>
Traffic citations	604	661	822	796	2,141	1,571	1,377	1,354	1,112	<b>692</b>
Number of policeman positions	12	12	12	12	10	10	9	9	9	<b>9</b>
<b>Fire</b>										
Number of stations	1	1	1	1	1	1	1	1	1	<b>1</b>
Emergency responses	150	150	150	150	150	150	150	150	139	<b>163</b>
Fires extinguished	65	65	65	65	65	65	65	65	48	<b>48</b>
Number of volunteers	28	28	24	24	25	29	29	28	24	<b>23</b>
<b>Other public works</b>										
Street resurfacing (miles)	1.00	1.00	-	-	-	-	-	-	-	
Potholes repaired	16	15	16	19	15	16	18	20	-	<b>25.00</b>
<b>Parks and recreation</b>										
Number of parks	1	1	1	1	1	1	1	1	1	<b>1</b>
<b>Water</b>										
New connections	-	-	-	-	-	-	-	-	4	<b>10</b>
Water main breaks	8	10	8	7	8	9	10	8	12	<b>17</b>
Average daily consumption (millions of gallons per day)	0.2150	0.2350	0.2200	0.2200	0.2500	0.2500	0.0300	0.0307	0.0300	<b>0.2500</b>
Peak daily consumption (millions of gallons)	0.2420	0.2850	0.2500	0.2500	0.2300	0.2500	0.0340	0.0350	0.0370	<b>0.2520</b>
<b>Wastewater</b>										
Average daily sewage treatment (millions of gallons)	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	<b>2.5000</b>	<b>1.8000</b>

**Sources:** Various town departments

**TOWN OF BISCOE, NORTH CAROLINA**  
**Capital Asset Statistics by Function/Program**  
Last Ten Fiscal Years

**Table 19**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	13	12	11	11	11	11	11	11	11
<b>Fire</b>										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Other public works</b>										
Streets (miles) - paved	11.06	11.06	11.06	11.06	11.06	11.06	11.40	11.40	11.40	11.4
Streets (miles) - unpaved	0.21	0.21	0.21	0.21	0.21	0.21	0.18	0.18	0.18	0.18
Streetlights	285	287	285	290	285	285	285	310	310	310
Traffic signals (all state owned)	1	2	2	2	2	3	3	3	3	3
<b>Parks and recreation</b>										
Acreage	20.76	20.76	20.76	20.76	20.76	20.76	20.76	20.76	20.76	20.76
Playgrounds	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water mains (miles)	14	14	14	14	14	14	14	14	14	14
Fire hydrants	126	126	127	127	128	129	130	130	130	130
Storage capacity (thousands of gallons)	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80000
<b>Wastewater</b>										
Sanitary sewers (miles)	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22
Treatment capacity (millions of gallons)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
<b>Area (square miles)</b>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2

**Sources:** Various town departments