

TOWN OF BELVILLE
Belville, North Carolina

FINANCIAL STATEMENTS
Year Ended June 30, 2022

TOWN OF BELVILLE

Belville, North Carolina

BOARD OF COMMISSIONERS

Mike Allen, Mayor

Chuck Bost, Mayor Pro Temp

Ryan Merrill

David Long

Morgan Mehler

ADMINISTRATIVE OFFICERS

**Athina Williams
Town Manager**

**Sharon Niemann
Town Clerk**

TOWN OF BELVILLE, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2022

		<u>Page Number</u>
Financial Section:		
	Independent Auditor's Report	1 - 3
	Management's Discussion and Analysis	4 - 8
<u>Exhibit</u>	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position	9
2	Statement of Activities	10
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds	11
4	Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund	12
4	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
5	Statements of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - General Fund	14
	Notes to the Financial Statements	15-28
	Required Supplemental Financial Data:	
	Schedule of the Proportionate Share of the Net Pension Asset - Local Government Employees' Retirement System	29
	Schedule of Contributions - Local Government Employees' Retirement System	30
	Individual Fund Schedules:	
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	31-32
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - EZ Dock Construction	33
	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - River Walk Construction	34

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - ARPA Fund	35
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Other Schedules:

Schedule of Ad Valorem Taxes Receivable	36
Analysis of Current Tax Levy - Town-Wide Levy	37

Compliance:

Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	38-39
Schedule of Findings and Responses	40-41
Corrective Action Plan	42

FINANCIAL SECTION



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Independent Auditor's Report

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Belville, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Belville, North Carolina, as of June 30, 2022, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material statement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United

States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Belville, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules, and component unit schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and component unit schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of the Town of Belville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Belville's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., P/A
Wilmington, North Carolina
November 14, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Town of Belville (the "Town"), we offer readers of the Town of Belville's financial statements this narrative overview and analysis of the financial activities of the Town of Belville for the fiscal year ended June 30, 2022. 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.

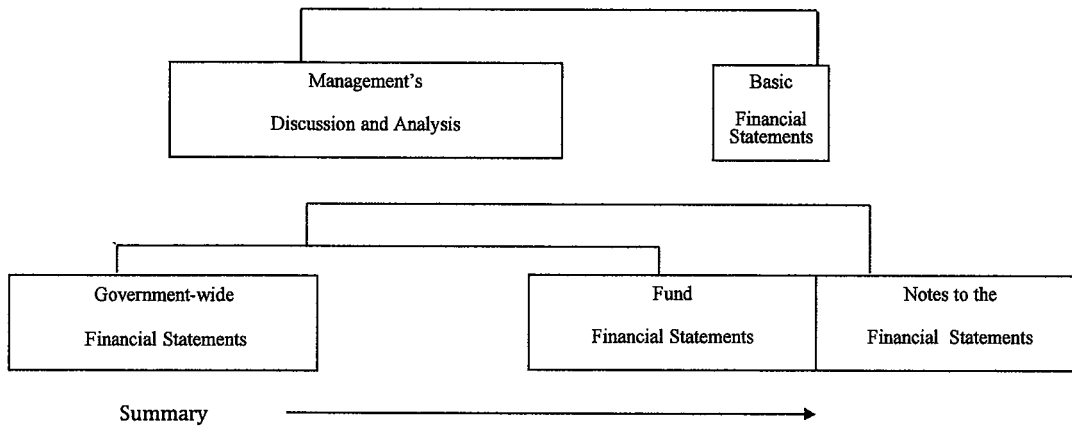
Financial Highlights

- The assets and deferred outflows of resources of the Town of Belville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,055,625 (*net position*).
- The government's total net position increased by \$992,265 primarily due to increase in tax collections.
- As of the close of the current fiscal year, the Town of Belville's governmental funds reported an ending fund balance of \$3,356,972 with a net change of \$645,492 in fund balance. Approximately 33% of this total amount, or \$1,121,467, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,235,505 or 186% of total general fund expenditures and transfer out for the fiscal year.

Overview of the Financial Statements

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

**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 5) 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 two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

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

Government-Wide Financial Statements

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

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

The government-wide statements include *governmental activities*. The governmental activities include all of the Town's basic services such as public safety, transportation, and general administration. Property taxes and sale taxes finance most of these activities.

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

Fund Financial Statements

The Fund Financial Statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Belville, 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 of Belville can be found in the governmental funds.

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

The Town of Belville 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 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.

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 follow Exhibit 5 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Belville's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 29 of this report.

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

Government-Wide Financial Analysis

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

	Governmental Activities	
	2022	2021
Current and other assets	\$ 4,789,868	\$ 2,740,067
Capital assets	4,433,811	4,134,671
Deferred outflows of resources	71,974	48,704
Total assets and deferred outflows of resources	9,295,653	6,923,442
Long-term liabilities outstanding	683,832	746,749
Deferred inflows of resources	59,743	6,135
Other liabilities	1,496,453	107,198
Total liabilities and deferred inflows of resources	2,240,028	860,082
Net position:		
Net investment in capital assets	3,763,533	3,401,060
Restricted	1,120,652	1,019,926
Unrestricted	2,171,440	1,642,374
Total net position	\$ 7,055,625	\$ 6,063,360

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Belville exceeded liabilities and deferred inflows by \$7,055,625 as of June 30, 2022. The Town's net position increased by \$992,265 for the fiscal year ended June 30, 2022. However, a portion, \$3,763,533 (53%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The Town of Belville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Belville's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Belville's net position of \$1,120,652 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,171,440 is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.04%.

**Town of Belville 's Change in Net Position
Figure 3**

	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues		
Charges for Services	\$ 16,219	\$ 16,632
Operating grants and contributions	71,716	409,781
Capital grants and contributions	326,199	-
General revenues:		
Property taxes	224,049	208,141
Other taxes	1,563,153	1,453,993
Grants and contributions not restricted to specific programs	-	-
Other	31,210	48,697
Total revenues	2,232,546	2,137,244
Expenses:		
General government	1,028,135	908,571
Public safety	-	-
Public works & transportation	67,735	255,394
Cultural & recreation	144,411	143,806
Interest	-	26,527
Total expenses	1,240,281	1,334,298
Increase (decrease) in net position	992,265	802,946
Net position, beginning as previously reported	6,063,360	5,077,898
Restatement	-	182,516
Net position, beginning restated	6,063,360	5,260,414
Net position, June 30	\$ 7,055,625	\$ 6,063,360

Governmental activities. Governmental activities increased the Town's net position by \$992,265. Key elements of this increase are as follows:

- Revenues were up this year for sales tax collections.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Belville'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 of Belville's financing requirements.

The general fund is the chief operating fund of the Town of Belville. At the end of the current fiscal year, the Town of Belville's fund balance available in the General Fund was \$2,235,505, while total fund balance reached \$3,356,157. The Town currently has an available fund balance of 186% of general fund expenditures, and total fund balance represents 280% of the same amount.

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.

Capital Asset and Debt Administration

Capital assets. The Town of Belville's investment in capital assets for its governmental activities as of June 30, 2022 totals \$4,433,811 (net of accumulated depreciation). These assets include land, vehicles, and equipment.

**Town of Belville's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities	
	2022	2021
Land	\$ 1,917,780	\$ 1,917,780
Construction in progress	50,157	-
Buildings and systems	1,473,273	1,505,372
Improvements other than buildings	856,036	638,466
Equipments and vehicles	136,565	73,053
Total	<u>\$ 4,433,811</u>	<u>\$ 4,134,671</u>

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

Long-term Debt. Please see notes for Town of Belville's long-term debt.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the Town.

- Unemployment rates remained low.
- Sales tax revenues increased over the previous year.

Requests for Information

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

Town of Belville
Finance Officer
63 River Road
Belville, NC 28451

You can also call 910-371-2456, visit their website at www.townofbelville.com, or send an e-mail to for more information.

BASIC FINANCIAL STATEMENTS

Town of Belville, North Carolina
Statement of Net Position
June 30, 2022

	<u>Primary Government</u>		Town of Belville ABC Board
	<u>Governmental Activities</u>	<u>Total</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,264,450	\$ 2,264,450	\$ 1,302,946
Restricted cash	1,876,729	1,876,729	-
Taxes receivables (net)	3,396	3,396	-
Accrued interest receivable on taxes	595	595	-
Accounts receivable (net)	644,698	644,698	-
Prepaid items	-	-	13,608
Inventories	-	-	439,098
Total current assets	<u>4,789,868</u>	<u>4,789,868</u>	<u>1,755,652</u>
Non-current assets:			
Capital assets (Note 4):			
Land, non-depreciable improvements, and construction in progress	1,967,937	1,967,937	-
Other capital assets, net of depreciation	2,465,874	2,465,874	152,652
Total capital assets	<u>4,433,811</u>	<u>4,433,811</u>	<u>152,652</u>
Total assets	<u>9,223,679</u>	<u>9,223,679</u>	<u>1,908,304</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>71,974</u>	<u>71,974</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	28,945	28,945	261,382
Compensated absence	4,215	4,215	10,115
Current-portion of long-term liabilities	63,333	63,333	-
Liabilities to be paid from Restricted Assets	1,399,960	1,399,960	-
Due to primary government	-	-	384,442
Total current liabilities	<u>1,496,453</u>	<u>1,496,453</u>	<u>655,939</u>
Long-term liabilities:			
Net pension liability	38,953	38,953	-
Compensated absence	37,934	-	-
Due in more than one year	606,945	606,945	-
Total liabilities	<u>2,180,285</u>	<u>2,142,351</u>	<u>655,939</u>
DEFERRED INFLOWS OF RESOURCES	<u>59,743</u>	<u>59,743</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	3,763,533	3,763,533	152,652
Restricted for:			
Stabilization by State statute	644,698	644,698	-
Streets	475,954	475,954	-
Working capital	-	-	207,190
Unrestricted	2,171,440	2,171,440	892,523
Total net position	<u>\$ 7,055,625</u>	<u>\$ 7,055,625</u>	<u>\$ 1,252,365</u>

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

Town of Belville, North Carolina
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Town of Belville ABC Board
					Governmental Activities	Total	
Primary government:							
Governmental Activities:							
General Government	\$ 1,028,135	\$ 16,219	\$ 14,335	\$ 191,049	\$ (806,532)	\$ (806,532)	\$ -
Public Safety	-	-	-	84,993	84,993	84,993	-
Public Works & Transportation	67,735	-	57,381	-	(10,354)	(10,354)	-
Cultural and Recreation	144,411	-	-	50,157	(94,254)	(94,254)	-
Interest	-	-	-	-	-	-	-
Total governmental activities	<u>1,240,281</u>	<u>16,219</u>	<u>71,716</u>	<u>326,199</u>	<u>(826,147)</u>	<u>(826,147)</u>	<u>-</u>
Total primary government	\$ <u>1,240,281</u>	\$ <u>16,219</u>	\$ <u>71,716</u>	\$ <u>326,199</u>	\$ <u>(826,147)</u>	\$ <u>(826,147)</u>	\$ <u>-</u>
Component unit:							
ABC Board	<u>6,375,548</u>	<u>6,969,119</u>	-	-	-	-	<u>593,571</u>
Total component unit	\$ <u>6,375,548</u>	\$ <u>6,969,119</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>593,571</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					224,049	224,049	-
Local option sales taxes					967,082	967,082	-
Other taxes					596,071	596,071	-
Grants and contributions not restricted to specific programs					-	-	-
Unrestricted investment earnings					2,089	2,089	-
Miscellaneous					29,121	29,121	-
Transfers					-	-	-
Total general revenues and transfers excluding special items					<u>1,818,412</u>	<u>1,818,412</u>	<u>-</u>
Change in net position					992,265	992,265	593,571
Net position, beginning					<u>6,063,360</u>	<u>6,063,360</u>	<u>658,794</u>
Net position, ending					\$ <u>7,055,625</u>	\$ <u>7,055,625</u>	\$ <u>1,252,365</u>

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

Town of Belville, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

	Major Fund				Total Governmental Funds
	General	EZ Dock Construction Fund	River Walk Construction Fund	ARPA Fund	
ASSETS					
Cash and cash equivalents	\$ 2,264,450	\$ -	\$ -	\$ -	\$ 2,264,450
Restricted cash	475,954	-	1,200,117	200,658	1,876,729
Receivables, net:					
Taxes	3,396	-	-	-	3,396
Accounts	644,698	-	-	-	644,698
Total assets	<u>3,388,498</u>	<u>-</u>	<u>1,200,117</u>	<u>200,658</u>	<u>4,789,273</u>
LIABILITIES					
Accounts payable and accrued liabilities	28,945	-	-	-	28,945
Unearned revenues	-	-	1,200,000	199,960	1,399,960
Total liabilities	<u>28,945</u>	<u>-</u>	<u>1,200,000</u>	<u>199,960</u>	<u>1,428,905</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	3,396	-	-	-	3,396
Total deferred inflows of resources	<u>3,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,396</u>
FUND BALANCES					
Restricted					
Stabilization by State Statute	644,698	-	-	-	644,698
Streets-Powell bill	475,954	-	-	-	475,954
Capital improvement plan	-	-	117	698	815
Unassigned	2,235,505	-	-	-	2,235,505
Total fund balances	<u>3,356,157</u>	<u>-</u>	<u>117</u>	<u>698</u>	<u>3,356,972</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,388,498</u>	<u>\$ -</u>	<u>1,200,117</u>	<u>200,658</u>	

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

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

4,433,811

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.

595

Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.

71,974

Liabilities for earned revenues considered deferred inflows of resources in fund statements.

3,396

Pension related deferrals

(59,743)

Net pension liability

(38,953)

Some liabilities are not due and payable in the current period and therefore are not reported in the funds

(712,427)

Net position of governmental activities

\$ 7,055,625

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

Town of Belville, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	Major Fund				Total Governmental Funds
	General Fund	EZ Dock Construction Fund	River Walk Construction Fund	ARPA Fund	
REVENUES					
Ad valorem taxes	\$ 226,128	\$ -	\$ -	\$ -	\$ 226,128
Other taxes and licenses	967,082	-	-	-	967,082
Unrestricted intergovernmental	596,071	-	-	-	596,071
Restricted intergovernmental	71,716	191,049	-	135,150	397,915
Sales and service	16,219	-	-	-	16,219
Investment earnings	1,274	-	117	698	2,089
Miscellaneous	29,121	-	-	-	29,121
Total revenues	<u>1,907,611</u>	<u>191,049</u>	<u>117</u>	<u>135,848</u>	<u>2,234,625</u>
EXPENDITURES					
Current:					
Administration	926,402	-	-	-	926,402
Public safety	-	-	-	-	-
Public works/transportation	65,906	-	-	-	65,906
Parks and recreation	144,411	-	-	-	144,411
Debt service	63,333	-	-	-	63,333
Capital Outlay	-	253,931	-	135,150	389,081
Total expenditures	<u>1,200,052</u>	<u>253,931</u>	<u>-</u>	<u>135,150</u>	<u>1,589,133</u>
Excess (deficiency) of revenues over expenditures	<u>707,559</u>	<u>(62,882)</u>	<u>117</u>	<u>698</u>	<u>645,492</u>
Other financing sources (uses):					
Transfer from other fund	<u>(62,882)</u>	<u>62,882</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>644,677</u>	<u>-</u>	<u>117</u>	<u>698</u>	<u>645,492</u>
Fund balances, beginning	<u>2,711,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,711,480</u>
Fund balances, ending	<u>\$ 3,356,157</u>	<u>\$ -</u>	<u>\$ 117</u>	<u>\$ 698</u>	<u>\$ 3,356,972</u>

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

Town of Belville, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

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

Net changes in fund balances - total governmental funds	\$	645,492
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays increases exceeded the book value of capital outlay decreases in fiscal year.

Capital outlay expenditures which were capitalized	389,081	
Depreciation and amortization expense for governmental asset	<u>(89,941)</u>	299,140
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		26,201
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		

Change in unavailable revenue for tax revenues		1,169
--	--	-------

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:

Pension expense		(22,269)
Change in compensated absences		(20,801)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of principal payments on long-term debt and related items.

		63,333
Total changes in net position of governmental activities	\$	<u><u>992,265</u></u>

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

Town of Belville, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2022

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Ad valorem taxes	\$ 197,500	\$ 197,500	\$ 226,128	\$ 28,628
Other taxes and licenses	715,000	715,000	967,082	252,082
Unrestricted intergovernmental	461,600	461,600	596,071	134,471
Restricted intergovernmental	242,000	1,440,500	71,716	(1,368,784)
Permits and fees	13,000	15,400	16,219	819
Investment earnings	500	2,000	1,274	(726)
Miscellaneous	14,145	34,745	29,121	(5,624)
Total revenues	<u>1,643,745</u>	<u>2,866,745</u>	<u>1,907,611</u>	<u>(959,134)</u>
EXPENDITURES:				
Current:				
General government	800,740	1,188,565	926,402	262,163
Public safety	73,473	-	-	-
Public works	160,995	160,995	65,906	95,089
Debt service	-	76,000	63,333	12,667
Parks and recreation	608,537	1,641,185	144,411	1,496,774
Total expenditures	<u>1,643,745</u>	<u>3,066,745</u>	<u>1,200,052</u>	<u>1,866,693</u>
Revenues over (under) expenditures	<u>-</u>	<u>(200,000)</u>	<u>707,559</u>	<u>907,559</u>
Other financing sources (uses):				
Transfer from other fund	-	-	(62,882)	(62,882)
Fund Balance Appropriated	-	200,000	-	(200,000)
Total other financing sources (uses)	<u>-</u>	<u>200,000</u>	<u>(62,882)</u>	<u>(262,882)</u>
Net change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>644,677</u>	<u>\$ 644,677</u>
Fund balances, beginning			<u>2,711,480</u>	
Fund balances, ending			<u>\$ 3,356,157</u>	

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

NOTES TO THE FINANCIAL STATEMENTS

Town of Belville, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Town of Belville (the "Town") is a municipal corporation that is governed by an elected mayor and a four-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. The discretely presented component unit presented below is reported in a separate column in the financial statements in order to emphasize that it is legally separate from the Town.

Town of Belville ABC Board

The members of the ABC Board's governing board are appointed by the Town. In addition, the ABC Board is required by the State statute to distribute its surpluses to the General Fund of the Town. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund (discrete presentation). Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at Town of Belville ABC Board, 44 River Road, Belville, NC 28451.

B. Basis of Presentation

Government-wide Statements : The statement of net position and the statement of activities display information about the primary government and its component unit. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. The Town only has one type of activity, its *governmental activity*. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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

Fund Financial Statements : The fund financial statements provide information about the Town's funds. The Town only has governmental funds. The emphasis of fund financial statements is on major governmental funds.

The Town reports one major governmental fund:

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, sales taxes, and various other taxes and licenses. The primary expenditures are for public safety, street maintenance and construction, and general administration.

C. Measurement Focus and Basis of Accounting

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

Government-wide Fund Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus. The government-wide 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.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. 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 Belville because the tax is levied by Brunswick 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.

Notes to the Financial Statements

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the Town and the ABC Board are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Town and the ABC Board 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 ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's and the ABC Board's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is bond fund, has no rating and is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

Town of Belville Restricted Cash

Governmental Activities		
General Fund	Streets	\$ 475,954
	American Rescue Plan	200,658
	State Grant - River Walk Project	1,200,117
Total Governmental Activities		<u>1,876,729</u>
Total Restricted Cash		<u>\$ 1,876,729</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2021. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

The inventories of the ABC Board are valued at cost (first-in, first-out), which approximates market. The ABC Board's inventory consists of product to be sold. The cost of these inventories is expensed when consumed rather than purchased.

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$5,000; buildings, improvements, \$15,000; infrastructure, \$20,000; furniture and equipment, \$1,000; and vehicles, \$10,000. Purchase or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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 Lives</u>
Buildings	50
Improvements	25
Vehicles	5
Furniture and equipment	10
Computer equipment	5

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and Equipment	10

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension plan for the 2022 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 deferrals of pension expense that result from the implementation of GASB Statement 68.

9. Compensated Absences

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

10. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Restricted for Stabilization by State statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GSAB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

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

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

Committed for Capital Improvement Plan - portion of the fund balance assigned by the Board for capital improvements.

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

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

11. Defined benefit Cost-Sharing Plans

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

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None.

Notes to the Financial Statements

2. Contractual Violations

None.

B. Deficit in Fund Balance of Individual Funds not appropriated in subsequent year's budget ordinance

None.

C. Excess of Expenditures over Appropriations

None.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town and the ABC Board 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 or the ABC Board's agents in those units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town and the ABC Board, these deposits are considered to be held by the Town's and the ABC Board's agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town, the ABC Board, or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town and the ABC Board under the Pooling Method, the potential exists for under-collateralization. This risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board has no formal policy regarding custodial credit risk for deposits.

At June 30, 2022, the Town's deposits had a carrying amount of \$3,548,956 and a bank balance of \$3,686,735. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. The carrying amount of deposits for the ABC Board was \$1,299,033 and the bank balance was \$1,310,402. Of the bank balance, \$250,000 was covered by Federal depository insurance. The rest of which was covered under the pooling method. At June 30, 2022, the Town's petty cash fund totaled to \$3,913 for the ABC Board and \$725 for the Town.

2. Investments

At June 30, 2022, the Town of Belville had \$591,498 invested with the North Carolina Capital Management Trust's Cash Portfolio, which earned a credit rating of AAA by Standard and Poor's. The Town has no policy regarding credit risk.

Notes to the Financial Statements

3. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,917,780	\$ -	\$ -	\$ 1,917,780
Construction in progress	-	50,157	-	50,157
Total capital assets not being depreciated	1,917,780	50,157	-	1,967,937
Capital assets being depreciated:				
Building	1,633,768	-	-	1,633,768
Improvements	816,002	253,931	-	1,069,933
Equipment	179,275	84,993	-	264,268
Total capital assets being depreciated	2,629,045	338,924	-	2,967,969
Less accumulated depreciation for:				
Building	128,396	32,099	-	160,495
Improvements	177,536	36,361	-	213,897
Equipment	106,222	21,481	-	127,703
Total accumulated depreciation	412,154	89,941	-	502,095
Total capital assets being depreciated, net	2,216,891			2,465,874
Governmental activity capital assets, net	\$ 4,134,671			\$ 4,433,811

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

General government	\$ 89,941
Total depreciation expense	<u>\$ 89,941</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Furniture and equipment	\$ 176,709	\$ 3,757	\$ -	\$ 180,466
Leasehold improvements	175,944	-	-	175,944
Total capital assets being depreciated	352,653	3,757	-	356,410
Less accumulated depreciation for:				
Equipment and improvements	190,085	13,673	-	203,758
Total accumulated depreciation	190,085	13,673	-	203,758
ABC capital assets, net	\$ 162,568			\$ 152,652

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. 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 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 employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2022, was 11.99% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$26,201 for the year ended June 30, 2022.

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.

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

At June 30, 2022, the Town reported a liability of \$38,953 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 (measurement date) the Town’s proportion was 0.00254%, which was an increase of 0.0004% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$19,021. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience \$	12,392	\$ -
Changes of assumptions	24,473	-
Net difference between projected and actual earnings on pension plan investments	-	55,653
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,908	4,090
Town’s contributions subsequent to the measurement date	26,201	-
Total	<u>\$ 71,974</u>	<u>\$ 59,743</u>

\$26,201 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	
2023	\$ 5,255
2024	(594)
2025	(1,600)
2026	(17,031)
2027	-
Thereafter	-
	<u>\$ (13,970)</u>

Notes to the Financial Statements

Actuarial Assumptions. The total pension liability in the December 31, 2020 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 position 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, 2020 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, 2022 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Notes to the Financial Statements

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

Sensitivity of the Town's proportionate share of the net pension 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 6.50 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1 % Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$151,214	\$38,953	(\$53,430)

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

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources reported on the Statement of Net Position is comprised of the following:

Source	Amount
Differences between expected and actual experience	\$ 12,392
Changes of assumptions	24,473
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,908
Town's contributions subsequent to the measurement date	26,201
Total	<u>\$ 71,974</u>

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

	Revenue
Pension deferrals	\$ 59,743
Taxes receivable (General Fund), less penalties	\$ 3,396

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insured values of the property policy, worker's compensation coverage up to statutory limits, and employee health coverage up to \$2 million lifetime limit. 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 the insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town does not carry flood insurance because they are not located in a flood plain.

4. Claims, Judgments, and Contingent Liabilities

At June 30, 2022, the Town was a potential plaintiff to various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

5. Long Term Obligations

a. Installment Purchases

On January 5, 2017 the Town entered into an direct placement contract for the construction of a new town hall. The contract will be paid in monthly installments of \$5,278 including interest at 2.95% annum for 15 years. The note is secured with the real property. The balance at June 30, 2022 was \$670,278.

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 63,333	\$ 21,075
2024	63,333	19,181
2025	63,333	17,251
2026	63,333	15,393
2027	63,333	13,498
2028-2032	316,667	20,504
2033-2036	36,946	-
Totals	<u>\$ 670,278</u>	<u>\$ 106,902</u>

Notes to the Financial Statements

b. Changes in Long-Term Liabilities

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental activities:					
Direct Placment Installment purchases	\$ 733,611	\$ -	\$ (63,333)	\$ 670,278	\$ 63,333
Net pension liability (LGERS)	76,471	-	(37,518)	38,953	-
Compensated absences	21,348	20,801	-	42,149	4,215
Governmental activity long-term liabilities	\$ 831,430	\$ 20,801	\$ (100,851)	\$ 751,380	\$ 67,548

At June 30, 2022, the Town had a legal debt margin of \$18,698,700.

C. Net Investment in Capital Assets

Capital assets	Governmental \$ 4,433,811
less: long term debt	(670,278)
Net investment in capital assets	<u>\$ 3,763,533</u>

D. Fund Balance

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

Total fund balance - General Fund	\$ 3,356,157
Less:	
Stabilization by State Statute	644,698
Streets - Powell Bill	475,954
Capital Improvement Plan	-
Remaining Fund Balance	2,235,505

E. Interfund Balances and Activity

Balances due to/from component unit at June 30, 2022 consist of the following:

Receivable Fund	Payable	Amount
General Fund	Due from the Belville ABC Board	\$ 328,430

IV. Summary Disclosure of Significant Deficiencies

Federal and State Assisted Programs

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

**REQUIRED
SUPPLEMENTAL FINANCIAL DATA**

**This section contains additional information required by generally accepted
accounting principals.**

**Schedule of the Proportionate Share of the Net Pension
Asset – Local Government Employees’ Retirement System**

**Schedule of Contributions – Local Government Employees’
Retirement System**

Town of Belville, North Carolina
Town of Belville's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

Local Government Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset) (%)	0.00254%	0.00214%	0.00229%	0.00292%	0.00227%	0.00199%	0.0017%	0.0018%
Town's proportion of the net pension liability (asset) (\$)	\$ 38,953	\$ 76,471	\$ 62,538	\$ 69,272	\$ 34,679	\$ 42,234	\$ 7,629	\$ (10,792)
Town's covered-employee payroll	\$ 184,671	\$ 147,474	\$ 132,468	\$ 168,690	\$ 138,962	\$ 116,437	\$ 85,960	\$ 109,856
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	21.09%	51.85%	47.21%	41.06%	24.96%	36.27%	8.88%	(9.82%)
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

* 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 Belville, North Carolina
Town of Belville's Contributions
Required Supplementary Information
Last Eight Fiscal Years

Local Government Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 26,201	\$ 19,926	\$ 14,143	\$ 11,114	\$ 13,749	\$ 10,877	\$ 8,514	\$ 6,628
Contributions in relation to the contractually required contribution	26,201	19,926	14,143	11,114	13,749	10,877	8,514	6,628
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 218,526	\$ 184,671	\$ 147,474	\$ 132,468	\$ 168,690	\$ 138,962	\$ 116,437	\$ 85,960
Contributions as a percentage of covered-employee payroll	11.99%	10.79%	9.59%	8.39%	8.15%	7.83%	7.31%	7.71%

INDIVIDUAL FUND SCHEDULES

- Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund

Town of Belville, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Ad valorem taxes:			
Taxes	\$ 196,500	\$ 226,128	\$ 29,628
Penalties and interest	1,000	-	(1,000)
Total	<u>197,500</u>	<u>226,128</u>	<u>28,628</u>
Other taxes and licenses:			
Local option sales taxes		967,082	
Total	<u>715,000</u>	<u>967,082</u>	<u>252,082</u>
Unrestricted intergovernmental:			
Utilities sales tax		65,630	
Sales tax on piped natural gas		177	
Beer and wine tax		9,608	
Telecommunications tax		1,237	
ABC profit distribution		512,437	
Video Programming Distribution		6,982	
Total	<u>461,600</u>	<u>596,071</u>	<u>134,471</u>
Restricted intergovernmental:			
Grant		14,335	
Powell Bill allocation		57,381	
Total	<u>1,440,500</u>	<u>71,716</u>	<u>(1,368,784)</u>
Permits and fees:			
Permit fees		13,466	
Rents		2,753	
Total	<u>15,400</u>	<u>16,219</u>	<u>819</u>
Investment earnings	<u>2,000</u>	<u>1,274</u>	<u>(726)</u>
Miscellaneous	<u>34,745</u>	<u>29,121</u>	<u>(5,624)</u>
Total Revenues	<u>2,866,745</u>	<u>1,907,611</u>	<u>(959,134)</u>
EXPENDITURES:			
General government:			
Salaries and benefits		28,904	
Professional services		216,327	
Other operating expenses		21,070	
Total	<u>276,612</u>	<u>266,301</u>	<u>10,311</u>

**Town of Belville, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022**

	2022		Variance Positive (Negative)
	Budget	Actual	
Administration:			
Salaries and benefits		302,744	
Contracted service		26,199	
Other operating expenses		139,182	
Total	521,601	468,125	53,476
Planning and Zoning:			
Contract Services		189,201	
Other operating expenses		2,775	
Total	389,352	191,976	197,376
Animal Control:			
Total	1,000	-	1,000
Total general government	1,188,565	926,402	262,163
Public Works:			
Street Lights		51,835	
Powell Bill		12,391	
Other operating expenses		1,680	
Total public works	160,995	65,906	95,089
Parks and recreation			
Salaries and benefits		71,789	
Other operating expenses		72,622	
Total parks & recreation	1,641,185	144,411	1,496,774
Debt			
Principal		63,333	
Interest		-	
Total	76,000	63,333	12,667
Total expenditures	3,066,745	1,200,052	1,866,693
Revenues over (under) expenditures	(200,000)	707,559	907,559
Other financing sources (uses):			
Transfer to other fund		(62,882)	(62,882)
Fund Balance Appropriated	200,000	-	(200,000)
Total	200,000	(62,882)	(262,882)
Net change in fund balance	\$ -	644,677	\$ 644,677
Fund balance, beginning		2,711,480	
Fund balance, ending		\$ 3,356,157	

Town of Belville, North Carolina
EZ Dock Construction Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Years	Current Year	Total to Date	
REVENUES:					
Ad valorem taxes:					
Non-restricted	\$ 62,882	\$ -	\$ -	\$ -	\$ (62,882)
Restricted intergovernmental	191,049	-	191,049	191,049	-
Total	<u>253,931</u>	<u>-</u>	<u>191,049</u>	<u>191,049</u>	<u>(62,882)</u>
EXPENDITURES:					
Construction	253,931	-	253,931	253,931	-
Repairs & maintenance	-	-	-	-	-
Contracted service	-	-	-	-	-
Total	<u>253,931</u>	<u>-</u>	<u>253,931</u>	<u>253,931</u>	<u>-</u>
Revenues over (under) expenditures	-	-	(62,882)	(62,882)	(62,882)
Other financing sources (uses):					
Transfer from other fund	-	-	62,882	62,882	(62,882)
Fund Balance Appropriated	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>62,882</u>	<u>62,882</u>	<u>(62,882)</u>
Revenues and other financing sources over (under) uses	-	-	-	-	(125,764)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (125,764)</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

**Town of Belville, North Carolina
River Walk Construction Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022**

	Project Authorization	Actual			Variance Favorable (Unfavorable)
		Prior Years	Current Year	Total to Date	
REVENUES:					
Ad valorem taxes:					
Interest	\$ -	\$ -	\$ 117	\$ 117	\$ 117
Restricted intergovernmental	1,200,000	-	-	-	(1,200,000)
Total	1,200,000	-	117	117	(1,199,883)
EXPENDITURES:					
Construction	1,200,000	-	-	-	1,200,000
Repairs & maintenance	-	-	-	-	-
Contracted service	-	-	-	-	-
Total	1,200,000	-	-	-	1,200,000
Revenues over (under) expenditures	-	-	117	117	117
Other financing sources (uses):					
Proceeds from installment purchases	-	-	-	-	-
Fund Balance Appropriated	-	-	-	-	-
Total	-	-	-	-	-
Revenues and other financing sources over (under) uses	-	-	117	117	117
Net change in fund balance	\$ -	\$ -	117	\$ 117	\$ 117
Fund balance, beginning			-		
Fund balance, ending			\$ 117		

Town of Belville, North Carolina
ARPA Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
REVENUES:			
Ad valorem taxes:			
Interest		\$ 698	
Restricted intergovernmental		135,150	
Total	\$ 670,221	135,848	\$ (534,373)
EXPENDITURES:			
Operating expenditures		-	
Capital outlay		135,150	
Total	670,221	135,150	535,071
Revenues over (under) expenditures	-	698	698
Other financing sources (uses):			
Proceeds from installment purchases		-	-
Fund Balance Appropriated		-	-
Total	-	-	-
Revenues and other financing sources over (under) uses	-	698	698
Net change in fund balance	\$ -	698	\$ 698
Fund balance, beginning		-	
Fund balance, ending		\$ 698	

OTHER SCHEDULES

This section includes additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable

- Analysis of Current Tax Levy

Town of Belville, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2022

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2021</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	\$	\$ 217,901	\$ (215,818)	\$ 2,083
2020-2021	837	-	(509)	328
2019-2020	1,299	-	(1,025)	274
2018-2019	492	-	(296)	196
2017-2018	448	-	(332)	116
2016-2017	357	-	(274)	83
2015-2016	130	17	-	147
2014-2015	119	22	-	141
2013-2014	147	-	(119)	28
2012-2013	736	-	(736)	-
	<u>\$ 4,565</u>	<u>\$ 217,940</u>	<u>\$ (219,109)</u>	<u>3,396</u>

Ad valorem taxes receivable - net \$ 3,396

Reconcilement with revenues:

Ad valorem taxes - General Fund	\$ 226,128
Reconciling items:	
Discounts, Releases, Refunds	(7,058)
Penalties and Interest collected	39
Total collections and credits	<u>\$ 219,109</u>

Town of Belville, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2022

	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	\$ 242,112,222	0.09	\$ 217,901	\$ 195,091	\$ 22,810
Total	<u>242,112,222</u>		<u>217,901</u>	<u>195,091</u>	<u>22,810</u>
 Total property valuation	 <u>\$ 242,112,222</u>				
 Net levy			 217,901	 195,091	 22,810
Uncollected taxes at June 30, 2022			<u>(2,083)</u>	<u>(2,083)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 215,818</u>	<u>\$ 193,008</u>	<u>\$ 22,810</u>
Current levy collection percentage			<u>99.04%</u>	<u>98.93%</u>	<u>100.00%</u>

COMPLIANCE SECTION



Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 103
Wilmington, North Carolina 28403
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Fax (910) 239-8294

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Belville for the year ended June 30, 2022, and the related notes to the financial statement, which collectively comprises the Town of Belville's basic financial statements, and have issued our report thereon dated November 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Belville's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Belville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

November 14, 2022

Town of Belville, North Carolina
Schedule of Findings and Responses
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

None.



Town of Belville, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2022

Section II - Financial Statement Findings

None.