

**TOWN OF BUTNER
BUTNER, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2022**

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June 30, 2022**

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INTRODUCTORY SECTION

Town of Butner
P. O. Box 270
Butner, NC 27509
Tel 919-575-3032 Fax 919-575-3034
www.butnenc.org

Terry Turner, Mayor



Thomas S. Marrow, Manager

November 30, 2022

To the Honorable Mayor, Members of the Town Council, and Citizens of the Town of Butner

State law requires that every general-purpose local government publish within four months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that is has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide a reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Thompson, Price, Scott, Adams & Co., Certified Public Accountants, have issued an opinion, based on their audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Butner, North Carolina as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The Town of Butner, incorporated in 2007, is located in the north central piedmont area of North Carolina. It currently occupies 6.6 square miles and serves a population of 7,764. The Town of Butner is empowered to levy a property tax on both real property and some personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by voluntary annexation.

The Town of Butner has operated under a council-manager form of government since its incorporation in 2007. Policy-making and legislative authority are vested in a governing Council consisting of the mayor and six other members, elected on a non-partisan basis. The Council appoints the government's manager, who in turn appoints the heads of various departments. Council members serve four-year terms, with three members elected every two years. The mayor is elected for a two-year term. The Mayor and all Council members are elected at large.

The Town of Butner provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; planning and zoning services; and certain recreational and cultural activities.

The Council is required to adopt a final budget no later than June 30th. This annual budget serves as the foundation for the Town of Butner's financial planning and control. The budget is prepared by fund, function, and department. Department heads may use resources within a department as they see fit. Transfers between departments, however, need special approval from the Council.

Local Economy

Major industries located within the Town's boundaries or in close proximity include manufactures of aerial trucks, and automobile components. The state and federal governments also provide a significant economic presence thanks to major correctional facilities and two large mental health facilities. These facilities provide a combined employment to more than 3,000 staff.

During the last ten years, unemployment rose from 5.7% in 2005 to as much as 11% in 2009. Currently the unemployment rate is 3.5%, as businesses have aggressively hired workers as they have begun to resume normal operations after many were forced to close or scale back operations during the pandemic. Several industries in the area have plans for expansion of their current operations. Butner is in a prime area for industrial development: we are located on Interstate 85 and within an hour of the Research Triangle Park, North Carolina State University, Duke University, and the University of North Carolina at Chapel Hill.

A master plan is currently in the works for a new mixed use space in Butner. It will be located on a large parcel of property that borders Interstate 85. The plan is for the construction residential and retail buildings in addition restaurants and a hotel. At this time a Developer has not show interest in the plan the Town is creating, so there no specific time frame that this project may come to fruition.

The Town has acquired a large property in a prime area of town and is seeking input from the public and economic development professionals as to how best develop the property. Plans are also being considered to develop a Town Center to draw in residents and visitors and encourage commerce in the area.

The Town's revenue from charges for services has remained relatively flat for the last several years. Our revenue from the local option sales and use tax has steadily increased over the past five years but other revenues remain stagnant. There are currently no new sources of revenue for the Town.

Long-term financial planning

Unreserved, unrestricted Fund Balance in the general fund (percent of total general fund revenues) is above the requirement of 30 percent set by the Council in the Town's Fund Balance Policy. The North Carolina Local Budget Commission recommends a minimum of 8 percent unrestricted fund balance.

Major initiatives

The Falls Lake Rules were adopted in January 2011 to restore water quality in the lake by reducing the amount of pollution entering upstream. The rules are a staged nutrient management strategy designed to reduce nutrient discharges to the lake from various sources, including stormwater runoff from new and existing development, wastewater treatment plants and agriculture. The Town is about to begin the most cost intensive phase of the implementation of the Rules - the removal of illegal discharges and identification of stormwater retrofits.

Acknowledgements

We would like to express our appreciation to all members of the Town staff who assisted and contributed to the preparation of this report. Credit must also be given to the mayor and governing council for the unwavering support for maintaining the highest standards of professionalism in the management of the Town of Butner's finances.

Respectfully submitted,



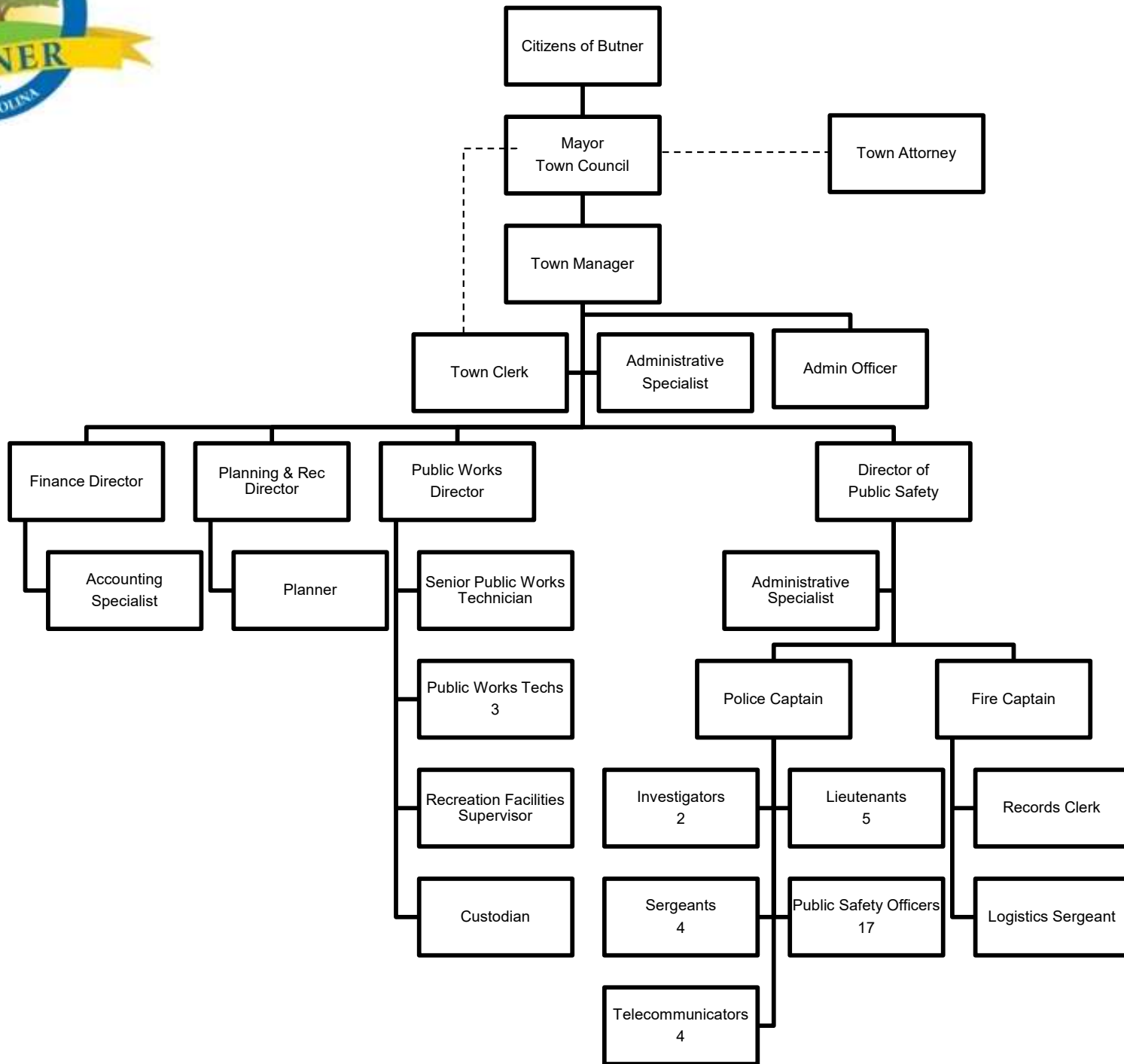
Thomas S. Marrow
Town Manager



Susan C. Hiscocks
Finance Director



Town of Butner Organizational Chart



Town of Butner
List of Elected and Appointed Officials
June 30, 2022

Elected Officials

Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member
Council Member
Council Member

Terry Turner
William J. McKellar
Michel D. Branch
Judy Cheek
Linda Jordon
Thomas W. Lane
Vickie Smoak

Appointed Officials

Manager
Attorney
Clerk
Finance Director
Planning & Recreation Director
Public Safety Director
Public Works Director

Thomas S. Marrow
James C. Wrenn Jr.
Barbara Rote
Susan Hiscocks
Michael Ciriello
James Champion
Reid Daniel



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Butner
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co, P.A.

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1626 S. Madison Street
Whiteville, NC 28472
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Fax (910) 642-5958

Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA

Independent Auditors' Report

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

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Butner, 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Butner, North Carolina as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. The financial statements of Town of Butner were not audited in accordance with *Governmental Auditing Standards*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), 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 Butner and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

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

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements, 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 not a guarantee that an audit conducted in accordance with GAAS will always detect material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than the 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 we:

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Butner'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 Butner'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 other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identify during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11, the Other Post Employment Benefit's Schedule of Changes in the Total OPEB Liability and Related Ratios on page 44, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, on page 45, and the Law Enforcement officers' Special Separation Allowance's Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, on page 46, 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 consider it be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 Butner, North Carolina. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules and statistical section 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 subject to audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, and statistical section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the introductory section and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, North Carolina
November 29, 2022

Town of Butner
Management's Discussion and Analysis

As management of the Town of Butner (the "Town"), we offer the readers of the Town of Butner's financial statements this narrative overview and analysis of the financial activities of the Town of Butner 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

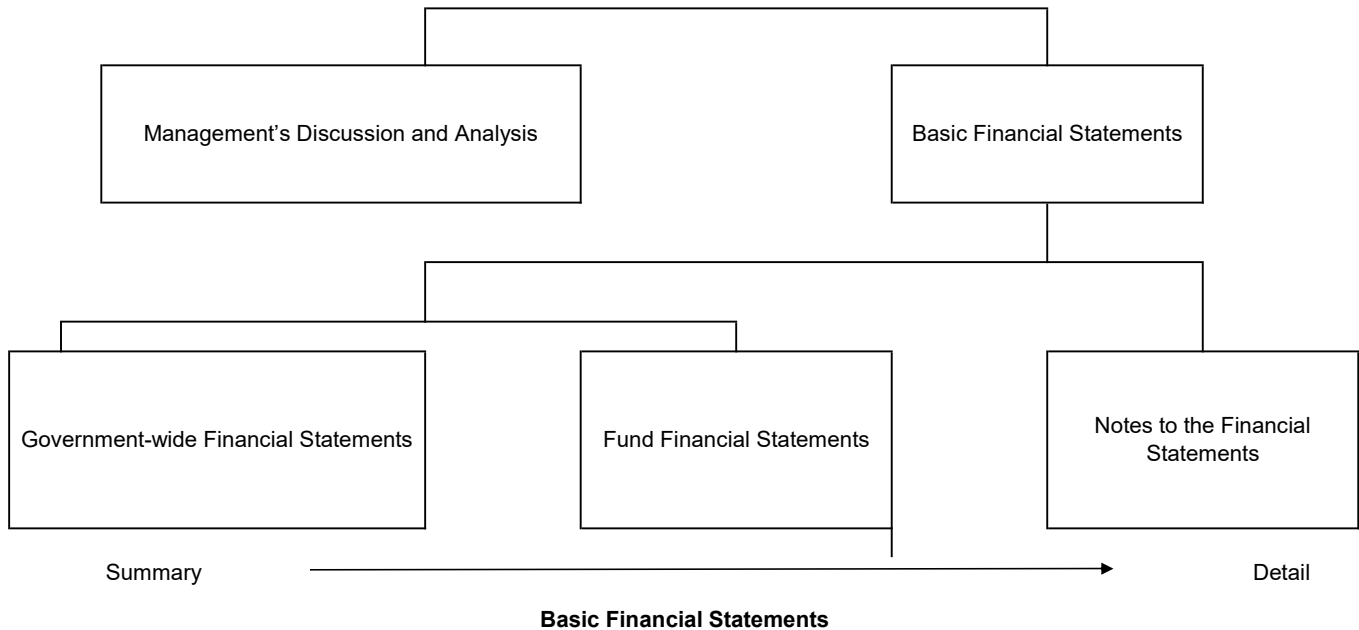
- The assets and deferred outflows of resources of the Town of Butner exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$37,238,828 (net position).
- The government's total net position increased by \$558,316, primarily due to decreases in long-term liabilities recognized for the full accrual basis of accounting. Additionally, a prior period adjustment was recorded that increased fund balance by an additional \$204,723.
- As of the close of the current fiscal year, the Town of Butner's governmental funds reported combined ending fund balances of \$11,043,732 with a net increase of \$1,067,348 in fund balance. Approximately 18 percent of this total amount, or \$2,032,762, is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,905,437, or 113 percent of total general fund expenditures and transfers out for the fiscal year.
- The Town of Butner's total debt decreased by \$1,144,989 (33%) during the fiscal year. The key factors in this decrease were decreases in the net pension liabilities for the Local Government Retirement System (LGERS) and planned debt service payments of \$1,080,269 and \$100,000, respectively. Decreases were offset by an increase in the Total Pension Liability (LEOSSA) of \$45,468.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Town of Butner'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 Butner.

Required Components of Annual Financial Report

Figure 1



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

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

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

Government-Wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. Currently the Town's only business type-activity is related to stormwater services under the Falls Lake Rules.

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 Butner, 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 Town of Butner can be divided into two categories: governmental funds and proprietary funds.

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22 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 Butner’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 44 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 Butner's Net Position

Figure 2

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 12,611,074	\$ 10,029,264	\$ 1,292,565	\$ 1,144,031	\$ 13,903,639	\$ 11,173,295
Capital assets and right to use assets	26,297,891	26,953,522	435,644	452,399	26,733,535	27,405,921
Other non-current assets	440,112	-	-	-	440,112	-
Deferred outflows of resources	1,657,384	1,532,676	31,263	26,384	1,688,647	1,559,060
Total assets	41,006,461	38,515,462	1,759,472	1,622,814	42,765,933	40,138,276
Long-term liabilities outstanding	1,983,465	3,380,096	21,484	55,398	2,004,949	3,435,494
Other liabilities	1,752,740	164,283	15,689	8,005	1,768,429	172,288
Deferred inflows of resources	1,729,186	53,725	31,788	980	1,760,974	54,705
Total liabilities & deferred inflows of resources	5,465,391	3,598,104	68,961	64,383	5,534,352	3,662,487
Net position:						
Net investments in capital assets	26,300,322	26,853,586	435,644	452,399	26,735,966	27,305,985
Restricted	2,032,762	2,254,021	-	-	2,032,762	2,254,021
Unrestricted	7,215,233	5,809,751	1,254,867	1,106,032	8,470,100	6,915,783
Total net position	\$ 35,548,317	\$ 34,917,358	\$ 1,690,511	\$ 1,558,431	\$ 37,238,828	\$ 36,475,789

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of the Town of Butner exceeded liabilities and deferred inflows by \$37,238,828 as of June 30, 2022. The Town’s net position increased by \$558,316 for the fiscal year ended June 30, 2022. However, the largest portion reflects the Town’s net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Butner uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Butner’s net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town’s net position, \$2,032,762 represents resources that are subject to external restrictions on how they may be used.

Several 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 98.46%. The statewide average in fiscal year 2021 was 99.13%.
- Increased sales tax revenues of approximately \$380,000 due to residents shopping closer to home and on-line during the pandemic.

The Town of Butner's Changes in Net Position

Figure 3

	Governmental Activities		Business Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 129,860	\$ 1,089,536	\$ 371,843	\$ 387,293	\$ 501,703	\$ 1,476,829
Operating grants & contributions	273,628	989,892	-	-	273,628	989,892
Capital grants & contributions	(87,490)	201,115	-	-	(87,490)	201,115
General revenues:						
Property taxes	2,528,527	2,463,021	-	-	2,528,527	2,463,021
Other taxes	10,386	34,695	-	-	10,386	34,695
Grants and contributions not restricted to specific programs	4,660,625	2,774,038	-	-	4,660,625	2,774,038
Other	95,215	46,433	1,745	177	96,960	46,610
Total revenues	<u>7,610,751</u>	<u>7,598,730</u>	<u>373,588</u>	<u>387,470</u>	<u>7,984,339</u>	<u>7,986,200</u>
Expenses:						
General government	1,835,973	1,768,721	-	-	1,835,973	1,768,721
Public safety	4,327,024	4,452,833	-	-	4,327,024	4,452,833
Environmental protection	33,279	807,342	-	-	33,279	807,342
Economic & physical development	174,932	686,043	-	-	174,932	686,043
Cultural and recreational	677,089	140,256	-	-	677,089	140,256
Transportation	132,948	37,046	-	-	132,948	37,046
Interest on Long-term Debt	3,270	12,550	-	-	3,270	12,550
Stormwater	-	-	241,508	229,867	241,508	229,867
Total expenses	<u>7,184,515</u>	<u>7,904,791</u>	<u>241,508</u>	<u>229,867</u>	<u>7,426,023</u>	<u>8,134,658</u>
Increase (decrease) in net position	426,236	(306,061)	132,080	157,603	558,316	(148,458)
Net position, July 1	34,917,358	35,223,419	1,558,431	1,400,828	36,475,789	36,624,247
Prior Period Adjustment	204,723	-	-	-	204,723	-
Net position, June 30	<u>\$ 35,548,317</u>	<u>\$ 34,917,358</u>	<u>\$ 1,690,511</u>	<u>\$ 1,558,431</u>	<u>\$ 37,238,828</u>	<u>\$ 36,475,789</u>

Governmental activities. Governmental activities increased the Town's net position by \$426,236, and business-type activities increased net position by \$132,080. The increase in net position within the governmental activities was driven by increases in revenues and significant decreases in expenses. Additionally, many full accrual liabilities decreased this year. Town management continued to reduce non-essential programs to a minimum and implemented cost saving strategies across Town departments. Certain nonrecurring expenses were postponed or renegotiated to maintain a healthy net position. Management believes healthy investment in the Town will result in additional revenues, adding to the Town's net position by investing in capital assets which are largely funded by cultural, recreational, and economic development grant revenues. Increased efforts by the Granville County Tax Administrator to maximize tax collections also contributed to the favorable net position. Though many of the Town's residents were hit hard by the recession, tax revenue remained steady. Town management acknowledges that 2022 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Business-type activities: Business-type activities increased the Town of Butner's net position by \$132,080. A key element of this increase was due to the delay in retrofitting stormwater retention systems located within the Town.

Financial Analysis of the City's Funds

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

The general fund is the chief operating fund of the Town of Butner. At the end of the current fiscal year, Town of Butner's fund balance available of the General Fund was \$7,955,437, while total fund balance of the general fund balance reached \$10,505,830. The Governing Body of Town of Butner has determined that the Town should maintain an available fund balance of 30% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 112% of general fund expenditures, and total fund balance represents 148% of the same amount.

At June 30, 2022, the governmental funds reported a combined fund balance of \$11,043,732 with a net increase in fund balance of \$1,067,348. Factors that resulted in net increases in fund balance included the following:

- Sales tax revenues in the General Fund increased by approximately \$380,000 due to residents shopping closer to home and on-line during the pandemic.
- Public Safety expenditures in the General Fund were below budgeted totals by approximately \$755,000, in part as a result of the unavailability of police vehicles and ammunition during the fiscal year. This also resulted in increases in open budget encumbrances at year-end, representing the majority of the approximately \$189,000 in General Fund encumbrances at June 30, 2022.
- The General Fund recognized approximately \$213,000 in Powell Bill street funding, however no significant street expenditures were incurred during the fiscal year. The Town plans a major sidewalk project that will utilize Powell Bill funding for the June 30, 2023 fiscal year.

The most significant factor that increased governmental fund balances was the decrease of expenditures due to a lack of a CBDG Grant project.

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

There were several reasons the Town revised its budget throughout the year. The Town received several grants mid fiscal year. Although expenditures were compliant with budgetary requirements, the Town did amend the budget in the General Fund in General Government to account for unexpected capital outlay expenditures and to update the Land Development Ordinance.

Proprietary Funds. The Town of Butner's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position for the Stormwater Fund at the end of the fiscal year amounted to \$1,254,867. The total change in net position for the Stormwater Fund was a \$132,080 increase. The change in net position in the Stormwater Fund is a result of delays to retrofitting existing stormwater retention devices.

Capital Assets and Debt Administration

Capital Assets. The Town of Butner's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totals \$26,733,535 (net of accumulated depreciation). These assets include buildings, and roads, land, machinery and equipment, park facilities, and vehicles.

Town of Butner's Capital Assets

Figure 4
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 15,187,943	\$ 15,225,956	\$ -	\$ -	\$ 15,187,943	\$ 15,225,956
Buildings and distribution systems	6,285,466	6,568,763	-	-	6,285,466	6,568,763
Improvements other than buildings	3,526,184	3,845,602	435,644	452,399	3,961,828	4,298,001
Equipment & furniture	543,359	635,035	-	-	543,359	635,035
Infrastructure	367,668	393,436	-	-	367,668	393,436
Vehicles and motorized equipment	335,834	284,730	-	-	335,834	284,730
Construction in Progress	51,437	-	-	-	51,437	-
Total	<u>\$ 26,297,891</u>	<u>\$ 26,953,522</u>	<u>\$ 435,644</u>	<u>\$ 452,399</u>	<u>\$ 26,733,535</u>	<u>\$ 27,405,921</u>

Major capital asset transactions during the year include the following:

- Disposals of vehicles totaling \$111,195 (mainly public safety vehicles)
- Partial work on two CIP projects totaling \$51,437.
- Purchase of two vehicles of Butner Public Safety and two vehicles for the Town Public Works Department, totaling \$168,325.

Additional information on the City's capital assets can be found in Note II.A.5. of the Basic Financial Statements.

Long-Term Debt

As of June 30, 2022, the Town of Butner had no bonded debt. The Town's only outstanding debts are leases totaling \$4,816. This debt is backed by the full faith and credit of the Town.

Town of Butner Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Direct placement installment purchase	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Leases	4,816	-	-	-	4,816	-
Total OPEB liability	241,236	245,891	-	-	241,236	245,891
Net pension liability (LRS)	808,958	1,861,281	21,484	49,430	830,442	1,910,711
Total pension liability (LEO)	930,853	885,385	-	-	930,853	885,385
Compensated absences	276,886	287,539	6,270	5,966	283,156	293,505
	<u>\$ 2,262,749</u>	<u>\$ 3,380,096</u>	<u>\$ 27,754</u>	<u>\$ 55,396</u>	<u>\$ 2,290,503</u>	<u>\$ 3,435,492</u>

Town of Butner's Outstanding Debt. The Town of Butner's total debt decreased by \$1,144,989 (33%) during the current fiscal year. The key factors in this decrease were the decreases in LGERS net pension liability of \$1,080,269 and planned debt service principal payments of \$100,000; offset by increases in Total Pension Liabilities (LEOSSA) of \$45,468.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Town of Butner is \$53,988,574. The Town has no bonds authorized but unissued at June 30, 2022.

Additional information regarding the Town of Butner's long-term debt can be found in Note III.B.6 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- Businesses and industries are having difficulty hiring workers because of the very low unemployment rate in the area.
- Several industries have done major expansions this year or have planned expansions.
- The ability to collect sales tax on online purchases has had a tremendous positive affect on the revenues of the Town.
- \$2.5 million received from the American Rescue Plan Act will be used as revenue replacement in the General Fund, thereby freeing up funds for other purposes.
- Planning for a mixed use development on the Umstead Corrections property that was donated to the Town by the State.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities: The Town is taking advantage of the American Rescue Plan Funds received to make large purchases that have been postponed due to economic uncertainty caused by the Covid-19 pandemic. The Town has also renegotiated the annual contract to provide police and fire services to property owned by the NC Department of Health and Human Services. The contract revenue increased by 6.92%. Because of supply chain issues, purchase orders for several police vehicles remained open at June 30, 2022 and will be reappropriated in FY 2022-2023. In addition to those vehicles, another 14 new vehicles will be ordered for the Public Safety Department in FY 22-23. The FY 2022-2023 budget also appropriates funds for a service truck for the Public Works Department, the construction of a stage in Gazebo Park and a shed at the Butner Athletic Park, replacement of the concrete apron behind the Public Safety Station and the purchase of a new ladder truck for Public Safety.

Budgeted expenditures in the General Fund are expected to increase approximately 51.19% to \$10,954,922. In addition to the increase in capital outlay and normal operating expenses, there will be increases in employee compensation, including compensation and benefits adjustments.

The Town has appropriated \$456,682 of fund balance from the General Fund in the fiscal year 2023 budget. Management chose to budget revenues conservatively. The Town has elected to increase property tax rates by \$0.06 to \$0.425 in the upcoming fiscal year.

Business – type Activities: The stormwater fees in the Town will remain unchanged. The total budget will increase by \$2,102,244,586 of Fund Balance was appropriated as part of the FY 2022-2023 budget.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Town of Butner, P.O. Box 270, Butner, NC 27509. One can also call (919)-575-3032, visit our website www.butnernc.org or send an email to shiscocks@butnernc.org for more information.

BASIC FINANCIAL STATEMENTS

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

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash and Investments	\$ 11,113,265	\$ 1,229,749	\$ 12,343,014
Restricted Cash and Investments	448,834	3,000	451,834
Accounts Receivable	18,452	58,884	77,336
Taxes Receivable	34,711	-	34,711
Leases Receivable	55,510	-	55,510
Accrued Interest Receivable on Taxes	1,939	-	1,939
Due from Other Governments	938,363	932	939,295
Total Current Assets	12,611,074	1,292,565	13,903,639
Non-current Assets:			
Right to Use Assets	7,247	-	7,247
Lease Receivable Non-current	440,112	-	440,112
Capital Assets:			
Land and Construction in Progress	15,239,380	-	15,239,380
Other Capital Assets, Net of Depreciation	11,058,511	435,644	11,494,155
Total Capital Assets	26,297,891	435,644	26,733,535
Total Non-current Assets	26,745,250	435,644	27,180,894
Total Assets	39,356,324	1,728,209	41,084,533
DEFERRED OUTFLOWS OF RESOURCES			
OPEB deferrals	3,626	-	3,626
Pension deferrals	1,653,758	31,263	1,685,021
Total deferred outflows of resources	1,657,384	31,263	1,688,647
Liabilities			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	218,360	6,419	224,779
Unearned Revenue	1,252,321	-	1,252,321
Customer Deposits	2,775	3,000	5,775
Current Portion of Long-term Liabilities	279,284	6,270	285,554
Total current liabilities	1,752,740	15,689	1,768,429
Long-Term Liabilities:			
Due in more than one year	1,983,465	21,484	2,004,949
Total Liabilities	3,736,205	37,173	3,773,378
DEFERRED INFLOWS OF RESOURCES			
Prepaid revenues	1,726	-	1,726
Leases	495,622	-	495,622
Pension deferrals	1,231,838	31,788	1,263,626
Total deferred inflows of resources	1,729,186	31,788	1,760,974
Net Position			
Net investment in capital assets	26,300,322	435,644	26,735,966
Restricted for:			
Stabilization by State Statute	1,140,180	-	1,140,180
Transportation (Powell Bill)	892,582	-	892,582
Unrestricted	7,215,233	1,254,867	8,470,100
Total Net Position	\$ 35,548,317	\$ 1,690,511	\$ 37,238,828

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

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 1,835,973	\$ 17,128	\$ 34,470	\$ (87,490)	\$ (1,871,865)	\$ -	\$ (1,871,865)
Public safety	4,327,024	-	-	-	(4,327,024)	-	(4,327,024)
Environmental protection	33,279	59,146	-	-	25,867	-	25,867
Economic & physical development	174,932	-	120	-	(174,812)	-	(174,812)
Cultural and recreational	677,089	53,586	25,885	-	(597,618)	-	(597,618)
Transportation	132,948	-	213,153	-	80,205	-	
Interest on long-term debt	3,270	-	-	-	(3,270)	-	(3,270)
Total governmental activities	7,184,515	129,860	273,628	(87,490)	(6,868,517)	-	(6,868,517)
Business-type activities:							
Stormwater	241,508	371,843	-	-	-	130,335	130,335
Total business-type activities	241,508	371,843	-	-	-	130,335	130,335
Total primary government	\$ 7,426,023	\$ 501,703	\$ 273,628	\$ (87,490)	(6,868,517)	130,335	(6,738,182)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					2,528,527	-	2,528,527
Other taxes					10,386	-	10,386
Grants and contributions not restricted to specific program					4,660,625	-	4,660,625
Unrestricted investment earnings					17,862	1,745	19,607
Gain on disposal of assets					59,146	-	59,146
Other revenue					18,207	-	18,207
Total general revenues					7,294,753	1,745	7,296,498
Change in net position					426,236	132,080	558,316
Net position, beginning					34,917,358	1,558,431	36,475,789
Prior Period Adjustment (see Note 6)					204,723	-	204,723
Net position, beginning, restated					35,122,081	1,558,431	36,680,512
Net position, ending					\$ 35,548,317	\$ 1,690,511	\$ 37,238,828

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

Exhibit 3

	Major Funds			Total Governmental Funds
	General Fund	Fiscal Recovery CARES Act	Non-Major Funds	
ASSETS				
Cash and investments	\$ 9,409,869	1,254,325	\$ 449,071	\$ 11,113,265
Restricted cash and investments	448,834	-	-	448,834
Accounts receivable	18,452	-	-	18,452
Taxes receivable	34,711	-	-	34,711
Leases Receivable	495,622	-	-	495,622
Due from other governments	932,172	-	6,191	938,363
Due from other funds	-	-	85,970	85,970
Total assets	\$ 11,339,660	\$ 1,254,325	\$ 541,232	\$ 13,135,217
LIABILITIES				
Accounts payable and accrued liabilities	\$ 213,026	\$ -	\$ 5,334	\$ 218,360
Liabilities payable from restricted assets:				
Customer deposits	2,775	-	-	2,775
Unspent Grant Proceeds	-	1,252,321	-	1,252,321
Due to other funds	85,970	-	-	85,970
Total liabilities	301,771	1,252,321	5,334	1,559,426
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	34,711	-	-	34,711
Prepaid taxes	1,726	-	-	1,726
Lease receivable	495,622	-	-	495,622
Total deferred inflows of resources	532,059	-	-	532,059
FUND BALANCES				
Restricted:				
Stabilization by State Statute	1,140,180	-	-	1,140,180
Streets - Powell Bill	892,582	-	-	892,582
Committed:				
Capital projects	37,705	-	443,737	481,442
Transportation	-	-	92,161	92,161
Assigned:				
Capital projects	23,244	-	-	23,244
Economic development	50,000	-	-	50,000
Subsequent year's expenditures	456,682	-	-	456,682
Unassigned	7,905,437	2,004	-	7,907,441
Total fund balances	10,505,830	2,004	535,898	11,043,732
Total liabilities, deferred inflows of resources and fund balances	\$ 11,339,660	\$ 1,254,325	\$ 541,232	\$ 13,135,217

(continued)

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

Exhibit 3

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

Total Fund Balance, Governmental Funds	\$	11,043,732
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	\$ 34,264,120	
Accumulated depreciation	<u>(7,966,229)</u>	26,297,891
Right to use assts used in governmental activities are not financial resources and therefore are not reported in the funds (net of amortization)		
		7,247
Deferred outflows of resources related pensions are not reported in the funds		
		1,653,758
Deferred outflows of resources related to OPEB are not reported in the funds		
		3,626
Other long-term assets are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.		
Accrued interest on taxes receivable		1,939
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		
Property taxes receivable		34,711
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.		
Long-term debt	(4,816)	
Compensated absences	(276,886)	
OPEB liability	(241,236)	
Net pension liability - LGERS	(808,958)	
Total pension liability - LEOSSA	<u>(930,853)</u>	(2,262,749)
Deferred inflows of resources related to pensions are not reported in the funds		
		<u>(1,231,838)</u>
Net position of governmental activities	\$	<u><u>35,548,317</u></u>

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

Exhibit 4

	Major Fund		Total Non-Major Funds	Total Governmental Funds
	General Fund	Fiscal Recovery CARES Fund		
REVENUES				
Ad valorem taxes	\$ 2,528,527	\$ -	\$ -	\$ 2,528,527
Other taxes and licenses	33,945	-	34,127	68,072
Unrestricted intergovernmental	4,660,625	-	-	4,660,625
Restricted intergovernmental	273,508	-	120	273,628
Permits and fees	17,128	-	-	17,128
Sales and Service	112,732	-	-	112,732
Investment earnings	15,858	2,004	-	17,862
Other revenue	18,207	-	-	18,207
Total revenues	7,660,530	2,004	34,247	7,696,781
EXPENDITURES				
Current:				
General government	1,721,445	-	-	1,721,445
Public safety	4,238,890	-	-	4,238,890
Environmental protection	29,275	-	-	29,275
Economic and physical development	144,689	-	33,885	178,574
Cultural and recreational	406,654	-	-	406,654
Tranportation	2,918	-	-	2,918
Debt Service:				
Principal	102,438	-	-	102,438
Interest & other charges	3,270	-	-	3,270
Total expenditures	6,649,579	-	33,885	6,683,464
Excess (deficiency) of revenues over expenditures	1,010,951	2,004	362	1,013,317
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	107,873	-	-	107,873
Lease liabilities	7,254	-	-	7,254
Insurance proceeds	26,394	-	-	26,394
Return of excess non-federal contribution	-	-	(87,490)	(87,490)
Transfers (to) from other funds	(475,000)	-	475,000	-
Total other financing sources (uses)	(333,479)	-	387,510	54,031
Net change in fund balance	677,472	2,004	387,872	1,067,348
Fund balances, beginning	9,623,635	-	148,026	9,771,661
Prior Period Adjustment (see Note VI)	204,723	-	-	204,723
Fund balances, ending	\$ 10,505,830	\$ 2,004	\$ 535,898	\$ 11,043,732

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

Exhibit 4
(continued)

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

Net changes in fund balances - total governmental funds		\$ 1,067,348
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	238,215	
Close-out of non-capitalized projects		
Depreciation expense for governmental assets	(818,725)	
Cost basis of assets sold	<u>(75,121)</u>	(655,631)
<p>Right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the</p>		
Right to use assets at historical cost	7,254	
Accumulated amortization	<u>(7)</u>	7,247
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.</p>		
		408,428
<p>LEOSSA benefit payments paid and administrative costs made subsequent to the measurement date are not included on the statement of activities</p>		
		36,934
<p>OPEB benefit payments and administrative costs made in the current fiscal year are not included on the statement of activities</p>		
		3,626
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue for tax revenues	(38,259)	
Change in accrued interest on taxes receivable	(16,362)	
Change in unavailable revenue for special assessments	<u>(3,065)</u>	(57,686)
<p>The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
New long-term debt issued	(7,254)	
Principal payments on long-term debt	102,438	
Amortization expense for debt issuance costs	(64)	
Decrease in accrued interest payable	<u>2,768</u>	97,888
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	10,653	
Pension expense - LGERS	(332,410)	
Pension expense - LEOSSA	(161,789)	
Other postemployment benefits	<u>1,628</u>	(481,918)
Total adjustments		
Total changes in net position of governmental activities		<u>\$ 426,236</u>

Town of Butner, North Carolina
General Fund

Exhibit 5

Statement of Revenues, Expenditures, and Changes in Fund Balances - 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	\$ 2,339,743	\$ 2,339,743	\$ 2,528,527	\$ 188,784
Other taxes and licenses	28,000	28,000	33,945	5,945
Unrestricted intergovernmental	4,292,242	4,292,242	4,660,625	368,383
Restricted intergovernmental	200,515	217,404	273,508	56,104
Permits and fees	16,850	16,850	17,128	278
Sales and Services	128,820	128,820	112,732	(16,088)
Investment earnings	880	880	15,858	14,978
Other revenue	2,500	37,500	18,207	(19,293)
Total revenues	<u>7,009,550</u>	<u>7,061,439</u>	<u>7,660,530</u>	<u>599,091</u>
Expenditures:				
Current:				
General government	1,726,657	1,945,684	1,721,445	224,239
Public safety	4,697,690	4,994,202	4,238,890	755,312
Environmental protection	37,000	52,000	29,275	22,725
Economic and physical development	259,878	261,035	144,689	116,346
Cultural and recreation	435,918	473,012	406,654	66,358
Transportation	427,000	31,000	2,918	28,082
Debt Service:				
Principal	103,270	100,000	102,438	(2,438)
Interest and other charges	-	3,270	3,270	-
Total expenditures	<u>7,687,413</u>	<u>7,860,203</u>	<u>6,649,579</u>	<u>1,210,624</u>
Revenues over/(under) expenditures	<u>(677,863)</u>	<u>(798,764)</u>	<u>1,010,951</u>	<u>1,809,715</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	16,000	16,000	107,873	91,873
Lease liabilities	-	-	7,254	7,254
Insurance proceeds	-	20,400	26,394	5,994
Transfers (to) other funds	-	(475,000)	(475,000)	-
Total other financing sources (uses)	<u>16,000</u>	<u>(438,600)</u>	<u>(333,479)</u>	<u>105,121</u>
Fund balance appropriated	<u>661,863</u>	<u>1,237,364</u>	<u>-</u>	<u>(1,237,364)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>677,472</u>	<u>\$ 677,472</u>
Fund balance, beginning of year			9,623,635	
Prior Period Adjustment (see Note VI)			<u>204,723</u>	
Fund balance, end of year			<u>\$ 10,505,830</u>	

Town of Butner, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2022

Exhibit 6

	Major Enterprise Fund Stormwater Fund
Assets	
Current assets:	
Cash and investments	\$ 1,229,749
Restricted cash and investments	3,000
Accounts receivable	58,884
Due from other governments	932
Total current assets	1,292,565
Noncurrent assets:	
Other capital assets, net of depreciation	435,644
Total Assets	1,728,209
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	31,263
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	6,419
Customer Deposits	3,000
Compensated absences	6,270
Total Current Liabilities	15,689
Long-term liabilities:	
Net Pension Liability	21,484
Total Liabilities	37,173
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	31,788
Total deferred inflows of resources	31,788
Net Position	
Net investment in capital assets	435,644
Unrestricted	1,254,867
Total Net Position	\$ 1,690,511

Town of Butner, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

Exhibit 7

	Major Enterprise Fund Stormwater Fund
OPERATING REVENUES:	
Stormwater fees	\$ 371,843
OPERATING EXPENSES	148,364
Administration	93,144
Operating	
Total operating expenses	241,508
Operating income (loss)	130,335
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	1,745
Change in Net Position	132,080
Total Net Position, Beginning	1,558,431
Total Net Position, Ending	\$ 1,690,511

Town of Butner, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

Exhibit 8

	Major Enterprise Fund Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cashed received from customers	\$ 371,906
Cash paid for goods and services	(98,681)
Cash paid to or on behalf of employees for services	(126,071)
Net cash provided by (used in) operating activities	147,154
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
(Increase) in due from other funds	33
Net cash provided by (used) by non-capital financing activities	33
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	1,745
Net cash provided (used) by investing activities	1,745
Net increase (decrease) in cash and cash equivalents	148,932
Cash and cash equivalents, July 1	1,083,817
Cash and cash equivalents, June 30	\$ 1,232,749
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 130,335
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	16,756
Changes in assets and liabilities:	
(Increase) decrease in due from other governments	365
(Increase) decrease in deferred outflows of resources - pension	(4,879)
Increase (decrease) in net pension liability	(27,949)
Increase (decrease) in deferred inflows of resources - pension	30,808
Increase (decrease) in accounts payable and accrued liabilities	1,414
Increase (decrease) in compensated absences	304
Total adjustments	16,819
Net cash provided by (used in) operating activities	\$ 147,154

TOWN OF BUTNER, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Butner 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 Butner is a municipal corporation that is governed by an elected mayor and a six member council. The financial statements present only the financial operations of the Town.

B. Basis of Presentation

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

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

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

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

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town of Butner. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State-shared revenues, State grants, and various other taxes and licenses. The primary expenditures are for primary expenditures are for streets and highways, public safety, and general governmental services. The Town maintains a separate Powell Bill fund for accounting purposes. This fund has been consolidated into the General Fund for reporting purposes.

The Town reports the following non-major governmental funds:

CDBG Grant Project Special Fund. This fund is used to account for the administration of grant funds that are restricted for the construction of a veteran's shelter. The primary funding source for the project is Community Development Block Grant funding, and the Town is the grant Applicant. When completed, the shelter will be operated by the grant Subrecipient: Veterans Life Center of North Carolina, a nonprofit organization.

Street Improvements Special Revenue Fund. This fund is used to account for the proceeds of local motor vehicle taxes that are committed to be used for road improvements on streets not supported by NC DOT funding.

Capital Project Fund. This fund is used to account for the acquisition and construction of the government's major capital facilities.

The Town reports the following major enterprise fund:

Stormwater Fund. The Stormwater Fund is used for the Town's stormwater operations.

C. Measurement Focus and Basis of Accounting

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

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

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of general long-term debt and acquisitions under 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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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. Project ordinances are adopted for the Grant Project Special Revenue Funds and Capital Project Funds. All budgets are prepared using the modified accrual basis of accounting, and are prepared by fund, function, and department. Management may make transfers of appropriations within a department. Amendments are required for any revisions that alter total expenditures of any department. All amendments must be approved by the governing board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers acceptances; and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. Because the NCCMT Government Portfolio, a SEC-registered (2a-y) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating, and is measured at fair value. As of June 30, 2022, the Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

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

3. Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Unexpended grant revenues in the Grant Projects and Capital Projects Funds are classified as restricted when the use of such funds is subject to external restriction.

Town of Butner Restricted Cash	
Governmental Activities	
General Fund	
Transportation (Powell Bill)	\$ 446,059
Customer Deposits	<u>2,775</u>
Total Governmental activities	<u>\$ 448,834</u>
Business-type Activities	
Stormwater Fund	
Customer Deposits	\$ 3,000
Total business-type activities	<u>\$ 3,000</u>
Total Restricted Cash	<u>\$ 451,834</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. Leases Receivable

The Town's leases receivable is measured as the present value of lease payments expected to be received during the lease term.

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

6. Prepaid Expenses

Certain prepayments to vendors reflect costs applicable to future accounting periods and are classified as prepaid expenses 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 \$5,000 for all categories of capital assets. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost.

Capital assets of the Town are depreciated on a straight--line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	30-40 Years
Improvements	15 Years
Infrastructure	30 Years
Vehicles	5 years
Furniture and equipment	7 Years
Computer equipment	5 Years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has several items that meet this criterion: deferred charges on debt issuance, and pension related deferrals, including contributions made to the pension plan in the current 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 several items that meet the criterion for this category: property taxes, property taxes receivable, lease receivables and pension deferrals.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance cost are reported as deferred changes and amortized over the term of the related debt.

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to 240 hours of earned vacation leave with such leave being fully vested when earned. For the Town's government-wide funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Leases - portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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

- Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature 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 state at the close of the fiscal year next preceding the budget*. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.
- Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.
- Restricted for Development Grant Projects – Portion of fund balance that is restricted for revenue sources for use in economic and physical development grant projects. This is currently comprised of funding received for use in the construction of veteran's shelter.

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 Butner's Town Council. The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

- Committed for Capital Projects - portion of the fund balance committed by the Town Council for capital project expenditures.
- Committed for Public Safety - LEO Special Separation Allowance - portion of the fund balance committed by the Town Council for the purpose of Law Enforcement Officers' Special Separation Allowance (LEOSSA) contributions.
- Committed for General Government - portion of fund balance that is committed for the future establishment of a community center for the citizens of the Town.
- Committed for Cultural and Recreational - portion of the fund balance that is committed for the establishment of a museum about the history of the Town and Camp Butner.
- Transportation - portion of the fund balance that is committed to be used for road improvements on streets not supported by NC DOT funding.

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

- Assigned for Capital Projects - portion of the fund balance assigned by management for use in future capital projects. Fund balance of \$23,244 has been assigned for future sidewalk improvements.
- Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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

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

The governing body of the Town of Butner has determined that the Town should maintain an available fund balance of 30% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town.

12. 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 of Butner's employer contributions are recognized when due and the Town of Butner 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. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in their names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The Town relies on the State Treasurer to monitor those financial institutions. The Town analyzes the financial soundness of any other financial institute used by the Town. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2022, the Town's deposits had a carrying amount of \$683,118 and a bank balance of \$767,134. Of the Town's bank balance, \$500,000 was covered by FDIC and the excess deposits were collateralized under the pooling method. At June 30, 2022, the Town's petty cash fund totaled \$300, not included in the carrying amount.

2. Investments

At June 30, 2022, the City's investment balances were as follows:

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at 6/30/22</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust:				
Government Portfolio	Fair Value Level 1	\$ 12,111,430	N/A	AAAm

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

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

Interest Rate Risk and Credit Risk

The Town of Butner's Cash Management and Investment Policy specifies that the objectives of the Town's investment plan are to provide safety and liquidity of money and at the same time optimize investment earnings on idle funds. This policy limits the Town's investments to the provisions of G.S. 159-30 and specifies criteria, ranked in order of importance, for investing the Town's funds:

1. Safety Investments must be secure such that the principal amounts of the Town's portfolio are preserved.
2. Liquidity The liquidity of an investment shall be a conditional consideration of its appropriateness.
3. Yield The yield shall be sufficient to provide a fair market rate of return on the investment.

The Town's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAAm-mf by Moody's Investors Service as of June 30, 2022.

3. Accounts Receivable and Due From Other Governments

The amounts presented in the Statement of Net Position are shown below:

Governmental activities:	
General Fund	
Tax and assessment collections	\$ 34,711
Local option sales tax	724,570
NCVTS	54,426
Utility tax distribution	104,646
Solid waste tax	1,466
Sales tax refund	23,192
Other receivables	42,324
Total: General Fund	<u>985,335</u>
Street Improvements Fund	
Vehicle fee collections	<u>6,191</u>
Business-type activities	
Stormwater Fund	
Stormwater fee collections	<u>59,816</u>
Total due from other governments	<u>\$ 1,051,342</u>

4. Leases Receivable

On 07/01/2021, Town of Butner entered into a 118 month lease as Lessor for the use of 415B Central Avenue. An initial lease receivable was recorded in the amount of \$547,395. As of 06/30/2022, the value of the lease receivable is \$495,622. The lessee is required to make monthly fixed principal and interest payments of \$5,000. The lease has an interest rate of 1.7220%.

In fiscal year 2022 the Town of Butner recognized lease revenue of \$51,773 and \$8,227 of interest revenue under the lease.

5. Capital Assets

Capital asset activity for the Town of Butner for the year ended June 30, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 15,225,956	\$ -	\$ 38,013	\$ 15,187,943
Construction in Progress	-	51,437	-	51,437
Total capital assets not being depreciated	15,225,956	51,437	38,013	15,239,380
Capital assets being depreciated				
Improvements	6,055,757	-	-	6,055,757
Buildings	9,073,698	14,918	26,288	9,062,328
Infrastructure	535,125	-	-	535,125
Equipment	1,380,690	3,535	-	1,384,225
Computer software	214,396	-	-	214,396
Vehicles	1,715,779	168,325	111,195	1,772,909
Total capital assets being depreciated	18,975,445	186,778	137,483	19,024,740
Less accumulated depreciation for:				
Improvements	2,210,155	319,418	-	2,529,573
Buildings	2,504,935	271,927	-	2,776,862
Infrastructure	141,689	25,768	-	167,457
Equipment	745,655	95,211	-	840,866
Computer software	214,396	-	-	214,396
Vehicles	1,431,049	106,401	100,375	1,437,075
Total accumulated depreciation	7,247,879	\$ 818,725	\$ 100,375	7,966,229
Total capital assets being depreciated, net	11,727,566			11,058,511
Governmental activity capital assets, net	\$ 26,953,522			\$ 26,297,891

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

General Government	\$ 137,021
Public Safety	221,309
Environmental Protection	471
Cultural & Recreational	292,077
Transportation	167,847
Total Depreciation Expense	<u>\$ 818,725</u>

Business-type activities:

Stormwater Fund

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Improvements	\$ 502,666	\$ -	\$ -	\$ 502,666
Total capital assets being depreciated	502,666	-	-	502,666
Less accumulated depreciation for:				
Improvements	50,267	16,755	-	67,022
Total accumulated depreciation	50,267	\$ 16,755	\$ -	67,022
Total capital assets being depreciated, net	452,399			435,644
Stormwater fund capital assets, net	\$ 452,399			\$ 435,644

6. Right to Use Leased Assets

The Town has recorded one right to use asset. The asset is right to use asset for leased copiers. The related lease is discussed in the Leases subsection of the Liabilities section of these notes. The right to use lease asset is amortized on a straight-line basis over the terms of the related lease.

	Beginning Balances	Increases	Decreases	Ending Balance
Right to use assets				
Equipment	\$ -	\$ 7,254	\$ -	\$ 7,254
Total right to use assets	-	7,254	-	7,254
Less accumulated amortized for:				
Equipment	-	7	-	7
Total accumulated amortization	-	\$ 7	\$ -	7
Right to use assets, net	\$ -			\$ 7,247

B. - Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Butner employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of Butner's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers and 11.48% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Butner were \$419,275 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 \$830,442 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, 2019. 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 asset 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 .05415%, which was an increase of .00068% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$341,242. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 264,194	\$ -
Changes of assumptions	521,730	-
Net difference between projected and actual earnings on pension plan investments	-	1,186,452
Changes in proportion and differences between Town contributions and proportionate share of contributions	3,239	42,280
Town contributions subsequent to the measurement date	419,275	-
Total	<u>\$ 1,208,438</u>	<u>\$ 1,228,732</u>

\$419,275 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	\$	62,726
2024		(41,979)
2025		(97,257)
2026		(363,062)
2027		-
Thereafter		-
	\$	<u>(439,572)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary 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 review for LGERS for the period January 1, 2015 through December 31, 2019.

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

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 3,223,708	\$	830,442 \$ (1,139,076)

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

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description.

The Town of Butner administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

For the reporting date of June 30, 2022, the Separation allowance has an actuarial valuation date of December 31, 2020 and a measurement date of December 31, 2021.

All full-time sworn law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	4
Terminated plan members entitled to but no yet receiving benefits	0
Active Plan Members	32
Total	36

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies:

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

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

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2020 valuation. 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	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25 percent, including inflation

The discount rate used to measure the TPL is the S&P Municipal Bond 20-year High Grade Rate Index. For the December 31, 2021 measurement date, the discount rate used increased from 1.93 percent to 2.25 percent.

All mortality rates use Pub-2010 amount-weighted tables, projected from 2010 to the valuation date using generational improvement with Scale MP-2019.

4. Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the general fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The City paid \$67,721 as benefits came due for the reporting period.

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

At June 30, 2022, the Town reported a total pension liability of \$930,853. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the Town recognized pension expense of \$161,789.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 268,257	\$ 2,754
Changes of assumptions	171,392	32,140
Net difference between projected and actual earnings on pension plan investments	-	-
Town benefit payments and plan administrative expense made subsequent to the measurement date	36,934	-
Total	<u>\$ 476,583</u>	<u>\$ 34,894</u>

\$36,934 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources and will be recognized as a decrease of the total pension liability in the year ended June 30, 2022.

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

Year ended June 30:	
2022	\$ 94,584
2023	94,746
2024	93,690
2025	76,244
2026	44,404
Thereafter	1,087
	<u>\$ 404,755</u>

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

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 1,024,847	\$ 930,853	\$ 846,144

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

Beginning Balance	\$ 885,385
Service Cost	81,502
Interest on the total pension liability	16,490
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	38,478
Changes of assumptions or other inputs	(29,039)
Benefit payments	(61,963)
Other changes	-
Ending balance of the total pension liability	<u>\$ 930,853</u>

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study obtained by the North Carolina Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019, and are in the aggregate reasonably related to the experience under the benefit program and to reasonable expectations of anticipated experience under the program.

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 341,242	\$ 161,789	\$ 503,031
Pension Liability	830,442	930,853	1,761,295
Proportionate share of the net pension liability	0.05415%	n/a	

Deferred Outflows of Resources

Differences between expected and actual experience	264,194	268,257	532,451
Changes of assumptions	521,730	171,392	693,122
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,239	-	3,239
Benefit payments and administrative costs paid subsequent to the measurement date	419,275	36,934	456,209

Deferred Inflows of Resources

Differences between expected and actual experience	-	2,754	2,754
Changes of assumptions	-	32,140	32,140
Net difference between projected and actual earnings on plan investments	1,186,452	-	1,186,452
Changes in proportion and differences between contributions and proportionate share of contributions	42,280	-	42,280

c. Supplemental Retirement Income Plan

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The Town additionally provides 401(k) benefits for its full and permanent part-time general employees at a percentage of salary as designated by the Town Council. General and law enforcement employees may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2022 were \$250,087 which consisted of \$176,926 from the Town and \$73,161, from general employees and law enforcement officers.

e. Other Postemployment Benefit

Healthcare Benefits

Plan Description. By the terms of employment contracts as approved by the Town's governing body, the Town is obligated to provide postretirement health care benefits to two potential retirees of the Town, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least five years of creditable service with the Town at the time of retirement. This plan is a single-employer defined benefit plan. This benefit is not an element of the Town's current personnel policy, and is not available for current or new hires other than the two individuals noted above. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

The Town will contribute the complete cost of coverage for eligible retiree Medical and Prescription Drug coverage. Eligible retirees participate in the Town's health plan administered by Cigna until eligible for Medicare, at which point the Town will cover the cost of a Blue Cross Blue Shield Plan F Medicare supplement with Part D prescription drug coverage. Additionally, the Town offers a deductible reimbursement program for such retirees until eligible for Medicare. The retiree is responsible for the first \$1,000 of in-network expenses, at which point the Town will reimburse up to the remaining \$4,000.

Membership of the plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

General Employees:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	1
Total	2

Total OPEB Liability

The Town's total OPEB liability of \$241,236 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases	3.25% - 8.41%, including inflation
Discount rate-	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Healthcare cost trend rates-	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.125% for 2021 decreasing to an ultimate rate of 4.50% by 2024

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

Changes in the Total OPEB Liability

Balance at July 1, 2021	\$	245,891
Changes for the year		
Service Cost		4,853
Interest		5,508
Changes in benefit terms		-
Difference between expected and actual experience		(24,598)
Changes of assumptions or other inputs		12,609
Benefit payments		(3,027)
Net Changes		<u>(4,655)</u>
Total OPEB Liability at June 30, 2022	\$	<u>241,236</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) and 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 279,178	\$ 241,236	\$ 209,710

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 - 3.5 percent, 4.125 - 3.5 percent) and 1-percentage-point higher (8.0 - 5.5 percent, 6.125 - 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease	Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 208,360	\$ 241,236	\$ 280,518

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

For the year ended June 30, 2022, the Town recognized OPEB expense (revenue) of (\$1,628). At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Benefit payments and administrative costs made subsequent to the measurement date	3,626	-
Total	\$ 3,626	\$ -

\$3,626 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2023. There were no other amounts reported as deferred inflows of resources related to OPEB as of June 30, 2022.

2. Pension Other Employment Benefits

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

3. Deferred Outflows and Inflows of Resources

Deferred outflows of resources is comprised of the following:

	<u>Statement of Net Position</u>
Government-wide:	
Contributions to LGERS plan in current fiscal year	\$ 419,275
Benefit payments and administrative expenses for LEOSSA made subsequent to the measurement date	36,934
Benefit payments and administrative expenses for OPEB made subsequent to the measurement date	3,626
Differences between expected and actual experience	532,451
Changes in assumption	693,122
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,239
Total Deferred Outflows	<u>\$ 1,688,647</u>

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

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Government-wide:		
Differences between expected and actual experience	\$ 2,754	\$ -
Changes in assumptions	32,140	-
Net difference between projected and actual earnings	1,186,452	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,280	-
General Fund:		
Prepaid property taxes	1,726	1,726
Property taxes receivable	-	34,711
Lease Receivable	495,622	495,622
Total Deferred Inflows	<u>\$ 1,760,974</u>	<u>\$ 532,059</u>

4. 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 two self-funded risk-financing pools administered by the North Carolina League of Municipalities.

Through these pools, the Town obtains liability coverages as follows:

	Occurrence Limit	Aggregate Limit
Commercial general liability	\$ 3,000,000	N/A
Employee benefits liability	1,000,000	1,000,000
Public officials liability	1,000,000	3,000,000
Employment practices liability	1,000,000	3,000,000
Police professional liability	1,000,000	3,000,000
Auto liability	3,000,000	N/A
Inland marine coverage (varies by category)	150,000 - 428,493	
		N/A
Building and personal property (blanket)	11,278,505	N/A

The pools are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance and excess policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

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

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance director is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond agreement. The blanket bond agreement covers employee dishonesty up to \$50,000, forgery or alteration up to \$50,000, theft of money inside the premises up to \$10,000 and theft of money outside the premises up to \$10,000.

The Town has made the decision that the cost of carrying flood insurance outweighs the risk.

5. Claims, Judgments and Contingent Liabilities

During the year ended June 30, 2022, the Town consulted attorneys on various legal matters. 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.

6. Long-Term Obligations

a. Leases

The Town has entered into a lease agreement. The lease agreement qualifies as other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception.

On 07/01/2021, Town of Butner entered into a 31 month lease as Lessee for the use of Ricoh - Copier. An initial lease liability was recorded in the amount of \$7,254. As of 06/30/2022, the value of the lease liability is \$4,815. Town of Butner is required to make annual fixed principal and interest payments of \$2,438. The lease has an interest rate of 0.8450%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$4,499 with accumulated amortization of \$2,755 is included with Equipment on the Lease Class activities table found above.

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 2,398	\$ 41
2024	2,418	20
Total	\$ 4,816	\$ 61

b. Installment Purchase

In August 2011, the Town entered into a direct borrowing installment purchase for \$1,000,000 to finance the construction of an athletic park. The loan requires 10 principal payments beginning in fiscal year 2013 with an interest rate of 3.27 percent. The athletic park is pledged as collateral for the debt. The debt was paid in full as of June 30, 2022.

c. Changes in Long – Term Liabilities

Changes in the government's long-term liabilities for the year ended June 30, 2022 are as follows:

	Balance July 01, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion Balance
Governmental Activities:					
Direct borrowing					
installment purchases	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
Lease liability	-	7,254	2,438	4,816	2,398
Compensated absences	287,539	-	10,653	276,886	276,886
Total OPEB Liability	245,891	-	4,655	241,236	-
Net pension liability-					
LGERS	1,861,281	-	1,052,323	808,958	-
Total pension liability-					
LEOSSA	885,385	45,468	-	930,853	-
Governmental activity					
Long-term liabilities	<u>\$ 3,380,096</u>	<u>\$ 52,722</u>	<u>\$ 1,170,069</u>	<u>\$ 2,262,749</u>	<u>\$ 279,284</u>
Business-type Activities:					
Compensated Absences	\$ 5,966	\$ 304	\$ -	\$ 6,270	\$ 5,966
Net pension liability-					
LGERS	49,430	-	27,946	21,484	-
Business-type activity					
long-term liabilities	<u>\$ 55,396</u>	<u>\$ 304</u>	<u>\$ 27,946</u>	<u>\$ 27,754</u>	<u>\$ 5,966</u>

The liabilities for pensions, other postemployment benefits (OPEB), and compensated absences in governmental activities have typically been liquidated by the General Fund. In the coming years, these liabilities are expected to continue to be liquidated by the General Fund.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2022 consist of the following:

Due (from) the General Fund to the Street Improvements Special Revenue Fund	<u>\$ (85,970)</u>
Net amount due to the General Fund	<u>\$ (85,970)</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers to/from other funds for the fiscal year ended June 30, 2022 consisted of the following:

To the Capital Project Fund from the Powell Bill Fund to begin new D-12-E Streets Sidewalk project	\$ 475,000
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Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided for as matching funds for various grant programs.

D. Fund Balance

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

Total fund balance - General Fund	\$ 10,505,830
Less:	
Stabilization by State Statute	1,140,180
Streets - Powell Bill	892,582
Capital Projects	37,705
Fund balance assigned for capital projects	23,244
Fund balance assigned for economic incentives	50,000
Appropriated fund balance in 2022-2023 budget	456,682
Remaining Fund Balance	<u>\$ 7,905,437</u>

The Governing Body of the Town has determined that the Town should maintain an available fund balance of 30% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The encumbrances at year-end totaled \$189,556 for the General Fund.

III. Joint Ventures

The Town and the members of the Town's fire department (an element of Butner Public Safety) each appoint two members to the five-member local board of trustees for the Firemen's Relief Fund. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firemen's Relief Fund is funded by a portion of the fire and lightning insurance premiums that insurers remit to the State. The State passes these monies to the local board of the Firemen's Relief Fund. The funds are used to assist fire fighters in various ways. The Town obtains an ongoing financial benefit from the Fund for the on-behalf of payments for salaries and fringe benefits made to members of the Towns fire department by the board of trustees. The Town does not report revenues or expenditures for payments made by the Firemen's Relief Fund. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2022. The Firemen's Relief Fund does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firemen's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina, 27603.

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

Commitments and Contingencies

With Senate Bill 491, of the 2005-06 Legislative Session entitled "AN ACT TO TRANSFER THE ASSETS OF THE BUTNER WATER AND SEWER SYSTEM TO THE SOUTH GRANVILLE WATE AND SEWER AUTHORITY, AND TO PROVIDE THAT BUTNER PUBLIC SAFETY SHALL BE CONSIDERED THE EQUIVALENT OF A MUNICIPAL POLICE DEPARTMENT FOR PURPOSES OF THE LAWS PROVIDING FOR COOPERATION BETWEEN LAW ENFORCEMENT AGENCIES AND ASSISTANCE TO THE STATE LAW ENFORCEMENT AGENCIES", the General Assembly of North Carolina enacted that South Granville Water and Sewer Authority shall pay to the Department of Health and Human Services a monthly sum to be used by the Department to support the operations of the Butner Reservation. If the majority of the functions of the Butner Reservation are assumed by a municipal corporation (Town of Butner) organized pursuant to the laws of the State of North Carolina, SGWASA shall pay to such municipal corporation (Town of Butner) the sum of forty-one thousand six hundred sixty-six dollars and sixty-seven cents (\$41,666.67) per month for a period of 240 months from the date of said incorporation. The amount received by the Town of Butner for the year ended in June 30, 2022 was \$500,000.

V. SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS

The Town has evaluated events and transactions that occurred between June 30, 2022, and November 29, 2022, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

VI. PRIOR PERIOD ADJUSTMENT

Prior period adjustments were made to the General Fund that increased fund balance by \$204,723. These adjustments were to record the June 2021 local option sales tax receivable, which increased fund balance by \$220,075; this was offset by an adjustment to remove uncollectible accounts receivable from FEMA in the amount of \$15,353.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

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

- Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Changes in Total Pension Liability and Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)
- Schedule of Total Pension Liability as a Percentage of Covered Payroll
- Schedule of Changes in the Total OPEB Liability and Related Ratios

Town of Butner, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Required Supplementary Information
Last Five Fiscal Years

	2022	2021	2020	2019	2018
Service Cost	\$ 4,853	\$ 3,109	\$ 2,828	\$ 3,032	\$ 3,490
Interest on the total pension liability	5,508	7,054	14,188	13,823	12,940
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total OPEB liability	(24,598)	(2,518)	(169,984)	(5,995)	(14,237)
Changes of assumptions or other inputs	12,609	41,238	(2,949)	(16,198)	(30,166)
Benefit payments	(3,027)	(2,838)	(17,781)	(18,619)	(8,773)
Net change in total OPEB liability	\$ (4,655)	\$ 46,045	\$ (173,698)	\$ (23,957)	\$ (36,746)
Total OPEB Liability - beginning	\$ 245,891	\$ 199,846	\$ 373,544	\$ 397,501	\$ 434,247
Total OPEB Liability - ending	\$ 241,236	\$ 245,891	\$ 199,846	\$ 373,544	\$ 397,501
Covered payroll	N/A**	\$ 167,361	\$ 156,509	\$ 148,134	\$ 142,634
Total pension liability as a percentage of covered payroll	N/A	146.92%	127.69%	252.17%	278.69%

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

Notes to the Schedule

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

Fiscal year	Rate
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

**Town of Butner, North Carolina
Local Government Employees' Retirement System
Required Supplementary Information
Last Nine Fiscal Years***

Schedule of the Proportionate Share of Net Pension Liability (Asset)

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Butner's proportion of the net pension liability (asset) (%)	0.05415%	0.05347%	0.05159%	0.05446%	0.05003%	0.05226%	0.05131%	0.03623%	0.00980%
Butner's proportion of the net pension liability (asset) (\$)	\$ 830,442	\$ 1,910,711	\$ 1,408,883	\$ 1,291,977	\$ 764,320	\$ 1,109,132	\$ 230,276	\$ (213,665)	\$ 118,128
Butner's covered payroll	\$ 3,403,220	\$ 3,236,269	\$ 3,097,943	\$ 3,026,852	\$ 2,788,716	\$ 2,775,110	\$ 2,522,162	\$ 2,183,759	\$ 574,263
Butner's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.40%	59.04%	45.48%	42.68%	27.41%	39.97%	9.13%	-9.78%	20.57%
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%	94.35%

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

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

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 419,275	\$ 361,453	\$ 306,183	\$ 256,303	\$ 242,964	\$ 217,218	\$ 195,410	\$ 186,111	\$ 156,854
Contributions in relation to the contractually required contribution	419,275	361,453	306,183	256,303	242,964	217,218	195,410	186,111	156,854
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Butner's covered payroll	\$ 3,546,462	\$ 3,403,220	\$ 3,236,269	\$ 3,097,943	\$ 3,026,852	\$ 2,788,716	\$ 2,775,110	\$ 2,522,162	\$ 2,183,759
Contributions as a percentage of covered payroll	11.82%	10.62%	9.46%	8.27%	8.03%	7.79%	7.04%	7.38%	7.18%

Town of Butner, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Last Six Fiscal Years*

Schedule of Changes in Total Pension Liability

	2022	2021	2020	2019	2018	2017
Beginning Balance	\$ 885,385	\$ 452,757	\$ 273,439	\$ 247,513	\$ 192,127	\$ 158,195
Service Cost	81,502	54,020	44,130	45,801	33,710	34,696
Interest on the total pension liability	16,490	13,634	9,052	7,480	7,416	5,648
Differences between expected and actual experience in the measurement of the total pension liability	38,478	210,576	159,278	10,317	(10,754)	-
Changes of assumptions or other inputs	(29,039)	223,462	16,363	(16,040)	25,014	(6,412)
Benefit payments liability	(61,963)	(69,064)	(49,505)	(21,632)	-	-
	<u>\$ 930,853</u>	<u>\$ 885,385</u>	<u>\$ 452,757</u>	<u>\$ 273,439</u>	<u>\$ 247,513</u>	<u>\$ 192,127</u>

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll

	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 930,853	\$ 885,385	\$ 452,757	\$ 273,439	\$ 247,513	\$ 192,127
Covered payroll	2,118,455	2,046,168	1,978,878	2,011,260	1,801,109	1,845,648
Total pension liability as a percentage of covered payroll	43.94%	43.27%	22.88%	13.60%	13.74%	10.41%

Notes to the Schedules

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

December 31, 2021 Measurement Date: The Municipal Bond Index Rate increased from 1.93% to 2.25%.

December 31, 2020 Measurement Date: The Municipal Bond Index Rate decreased from 3.26% to 1.93%.

December 31, 2019 Measurement Date: The Municipal Bond Index Rate decreased from 3.64% to 3.26%.

December 31, 2018 Measurement Date: The Municipal Bond Index Rate increased from 3.16% to 3.64%.

December 31, 2017 Measurement Date: The Municipal Bond Index Rate decreased from 3.86% to 3.16%. The assumed inflation rate was reduced from 3.00% to 2.50% and assumed wage inflation was increased from 0.5% to 1.0%.

December 31, 2016 Measurement Date: The Municipal Bond Index Rate increased from 3.57% to 3.86%.

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Town of Butner, North Carolina
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Ad Valorem taxes:			
Current year	\$ 2,335,043	\$ 2,492,207	\$ 157,164
Prior years	-	25,206	25,206
Penalties and interest	4,700	11,114	6,414
Total	<u>2,339,743</u>	<u>2,528,527</u>	<u>188,784</u>
Other taxes and licenses:			
Motor vehicle tax	<u>28,000</u>	<u>33,945</u>	<u>5,945</u>
Unrestricted intergovernmental:			
ABC profit distribution	20,000	22,806	2,806
Local option sales tax	2,279,232	2,646,301	367,069
Utilities sales distributions	453,000	443,764	(9,236)
Fire protection funding	156,324	158,242	1,918
DHHS public safety service contract	842,606	849,836	7,230
Contract for SGWASA	500,000	500,000	-
Solid waste tax	5,950	6,334	384
Beer and wine tax	35,130	33,342	(1,788)
Total	<u>4,292,242</u>	<u>4,660,625</u>	<u>368,383</u>
Restricted intergovernmental revenues:			
Granville County recreation funding	25,885	25,885	-
Granville County grant funding	11,250	15,000	3,750
Powell Bill allocation	163,380	213,153	49,773
Federal grant income	16,889	19,470	2,581
Total	<u>217,404</u>	<u>273,508</u>	<u>56,104</u>
Permits and fees:			
Court facilities fees	2,000	1,953	(47)
Planning and zoning fees	5,000	6,255	1,255
Alarm fees	9,200	7,900	(1,300)
Other fees	650	1,020	370
Total	<u>16,850</u>	<u>17,128</u>	<u>278</u>
Sales and services:			
Recreation department	62,820	53,586	(9,234)
SGWASA facility lease	66,000	59,146	(6,854)
Total	<u>128,820</u>	<u>112,732</u>	<u>(16,088)</u>
Investment earnings			
General Fund	780	14,753	13,973
Powell Bill interest	100	1,105	1,005
Total	<u>880</u>	<u>15,858</u>	<u>14,978</u>

Town of Butner, North Carolina
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Other revenues			
Special assessments	2,000	2,002	2
Non-governmental grants	-	4,986	4,986
Refunds of prior year expenditures	-	1,873	1,873
Miscellaneous	35,500	9,346	(26,154)
Total	<u>37,500</u>	<u>18,207</u>	<u>(19,293)</u>
 Total Revenues	 <u>7,061,439</u>	 <u>7,660,530</u>	 <u>599,091</u>
 Expenditures			
General Government:			
Governing body:			
Salaries and employee benefits	60,557	60,557	-
Ad valorem collection fee	41,380	44,868	(3,488)
Other operating expenditures	110,285	89,781	20,504
Repairs and maintenance	-	529	(529)
Total	<u>212,222</u>	<u>195,735</u>	<u>16,487</u>
 Executive department			
Salaries and employee benefits	482,997	482,952	45
Repairs and maintenance	2,000	1,349	651
Operating expenditures	75,214	59,833	15,381
Total	<u>560,211</u>	<u>544,134</u>	<u>16,077</u>
 Finance department			
Salaries and employee benefits	214,079	211,976	2,103
Other operating expenditures	34,793	28,775	6,018
Total	<u>248,872</u>	<u>240,751</u>	<u>8,121</u>
 Legal department			
Salaries and employee benefits	11,636	11,636	-
Other operating expenditures	100,000	61,210	38,790
Total	<u>111,636</u>	<u>72,846</u>	<u>38,790</u>
 Public works facility			
Salaries and employee benefits	319,331	302,160	17,171
Other operating expenditures	66,350	56,962	9,388
Repairs and maintenance	28,000	21,508	6,492
Capital outlay	-	-	-
Total	<u>413,681</u>	<u>380,630</u>	<u>33,051</u>
 EMS building			
Other operating expenditures	1,000	903	97
Repairs and Maintenance	400	-	400
Total	<u>1,400</u>	<u>903</u>	<u>497</u>

Town of Butner, North Carolina
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Christmas decorations			
Professional fees	6,000	-	6,000
Other operating expenditures	17,500	12,676	4,824
Total	<u>23,500</u>	<u>12,676</u>	<u>10,824</u>
Non-departmental			
Salaries and employee benefits	7,400	6,228	1,172
Information technology	90,000	77,686	12,314
Insurance	130,079	109,105	20,974
Landscape and beautification	15,300	7,163	8,137
Capital outlay	13,300	7,254	6,046
Other operating expenditures	19,204	14,705	4,499
Total	<u>275,283</u>	<u>222,141</u>	<u>53,142</u>
Town hall			
Repairs and maintenance	12,000	9,936	2,064
Other operating expenditures	42,207	36,889	5,318
Total	<u>54,207</u>	<u>46,825</u>	<u>7,382</u>
600 central avenue			
Other operating expenditures	4,000	2,624	1,376
Umstead correctional property			
Repairs and maintenance	1,500	137	1,363
Other operating expenditures	4,172	2,043	2,129
Total	<u>5,672</u>	<u>2,180</u>	<u>3,492</u>
Sales Tax	30,000	-	30,000
Sales Tax on Contracts	5,000	-	5,000
Total general government	<u>1,945,684</u>	<u>1,721,445</u>	<u>224,239</u>
Public safety:			
Fire and police			
Salaries and employee benefits	3,978,599	3,617,043	361,556
Other operating expenditures	404,997	340,496	64,501
Repairs and maintenance	109,000	85,806	23,194
Capital outlay	486,406	183,243	303,163
Total	<u>4,979,002</u>	<u>4,226,588</u>	<u>752,414</u>
BPS training center			
Repairs and maintenance	3,000	1,095	1,905
Other operating expenditures	12,200	11,207	993
Total	<u>15,200</u>	<u>12,302</u>	<u>2,898</u>
Total public safety	<u>4,994,202</u>	<u>4,238,890</u>	<u>755,312</u>

Town of Butner, North Carolina
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Environmental protection:			
Recycling center operations	31,000	18,988	12,012
Forestry and nursery operations	21,000	10,287	10,713
Total	<u>52,000</u>	<u>29,275</u>	<u>22,725</u>
Economic and physical development:			
Planning and zoning			
Salaries and employee benefits	143,235	122,238	20,997
Other operating expenditures	67,800	21,919	45,881
Repairs and maintenance	-	532	(532)
Total	<u>211,035</u>	<u>144,689</u>	<u>66,346</u>
Economic development			
Contracts, grants, and subsidies	50,000	-	50,000
Total economic and physical development	<u>261,035</u>	<u>144,689</u>	<u>116,346</u>
Cultural & Recreational:			
Non-departmental			
Other operating expenditures	25,000	25,000	-
Total	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Gazebo park			
Other operating expenditures	6,700	4,029	2,671
Repairs and maintenance	6,000	4,139	1,861
Total	<u>12,700</u>	<u>8,168</u>	<u>4,532</u>
Sports arena			
Operating expenditures	25,200	20,174	5,026
Repairs and maintenance	10,500	10,096	404
Total	<u>35,700</u>	<u>30,270</u>	<u>5,430</u>
Lake holt			
Other operating expenditures	4,000	1,991	2,009
Repairs and maintenance	4,000	4,214	(214)
Total	<u>8,000</u>	<u>6,205</u>	<u>1,795</u>
Butner athletic park			
Salaries and employee benefits	182,362	170,636	11,726
Other operating expenditures	98,050	87,645	10,405
Repairs and maintenance	42,500	39,032	3,468
Capital outlay	40,000	17,672	22,328
Total	<u>362,912</u>	<u>314,985</u>	<u>47,927</u>

Town of Butner, North Carolina
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2022

Exhibit B-1

	2022		Variance Positive (Negative)
	Final Budget	Actual	
D Street Ball Field			
Other operating expenditures	2,500	1,962	538
Repairs and maintenance	1,000	52	948
Total	<u>3,500</u>	<u>2,014</u>	<u>1,486</u>
Community events			
Operating expenditures	25,200	20,012	5,188
Total culture and recreation	<u>473,012</u>	<u>406,654</u>	<u>66,358</u>
Transportation:			
Operating expenditures	29,000	2,918	26,082
Repairs and maintenance	2,000	-	2,000
Total	<u>31,000</u>	<u>2,918</u>	<u>28,082</u>
Debt Service:			
Principal retirement	100,000	102,438	(2,438)
Interest and other charges	3,270	3,270	-
Total	<u>103,270</u>	<u>105,708</u>	<u>(2,438)</u>
Total expenditures	<u>7,860,203</u>	<u>6,649,579</u>	<u>1,210,624</u>
Revenues over (under) expenditures	<u>(798,764)</u>	<u>1,010,951</u>	<u>1,809,715</u>
Other Financing Sources (Uses):			
Proceeds from sale of capital assets	16,000	107,873	91,873
Lease liabilities	-	7,254	7,254
Insurance proceeds	20,400	26,394	5,994
Transfers (to) from Capital Project Funds	(475,000)	(475,000)	-
Total	<u>(438,600)</u>	<u>(333,479)</u>	<u>105,121</u>
Fund balance appropriated	<u>1,237,364</u>	<u>-</u>	<u>(1,237,364)</u>
Net change in fund balance	<u>\$ -</u>	<u>677,472</u>	<u>\$ 677,472</u>
Fund balance:			
Beginning of year, July 1		9,623,635	
Prior Period Adjustment (see Note VI)		<u>204,723</u>	
End of year, June 30		<u>\$ 10,505,830</u>	

Town of Butner, North Carolina
 Fiscal Recovery CARES Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 From Inception and for the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ -	\$ 2,004	\$ 2,004	\$ 2,004
ARPA Grant	204,644	-	-	-	(204,644)
Total Revenues	<u>204,644</u>	<u>-</u>	<u>2,004</u>	<u>2,004</u>	<u>(202,640)</u>
Expenditures:					
COVID-19 Vaccine Incentives	204,644	-	-	-	204,644
Total expenditures	<u>204,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,644</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>2,004</u>	<u>2,004</u>	<u>2,004</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,004</u>	<u>\$ 2,004</u>	<u>\$ 2,004</u>
Fund balances:					
Beginning of year, July 1			<u>-</u>		
End of year, June 30			<u>\$ 2,004</u>		

Town of Butner, North Carolina
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2022

	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>CDBG Grant</u>	<u>Street Improvements</u>	<u>Capital Project Fund</u>	
ASSETS				
Cash and investments	\$ -	\$ -	\$ 449,071	\$ 449,071
Due from other governments	-	6,191	-	6,191
Due from other funds	-	85,970	-	85,970
Total assets	<u>-</u>	<u>92,161</u>	<u>449,071</u>	<u>541,232</u>
LIABILITIES				
Accounts payable and accrued liabilities	-	-	5,334	5,334
Total liabilities	<u>-</u>	<u>-</u>	<u>5,334</u>	<u>5,334</u>
FUND BALANCES				
Committed:				
Capital projects	-	-	443,737	443,737
Transportation	-	92,161	-	92,161
Total fund balances	<u>-</u>	<u>92,161</u>	<u>443,737</u>	<u>535,898</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 92,161</u>	<u>\$ 449,071</u>	<u>\$ 541,232</u>

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

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	CDBG Grant	Street Improvements	Capital Project Fund	
Revenues				
Other taxes and licenses	\$ -	\$ 33,760	\$ 367	\$ 34,127
Restricted intergovernmental	120	-	-	120
Total revenues	<u>120</u>	<u>33,760</u>	<u>367</u>	<u>34,247</u>
Expenditures				
Economic and physical development	120	-	33,765	33,885
Total expenditures	<u>120</u>	<u>-</u>	<u>33,765</u>	<u>33,885</u>
Revenues over (under) expenditures	<u>-</u>	<u>33,760</u>	<u>(33,398)</u>	<u>362</u>
Other Financing Sources (Uses)				
Return of excess non-federal contribution	(87,490)	-	-	(87,490)
Transfers (to) from General Fund	-	-	475,000	475,000
Total other financing sources (uses)	<u>(87,490)</u>	<u>-</u>	<u>475,000</u>	<u>387,510</u>
Net change in fund balance	(87,490)	33,760	441,602	387,872
Fund balance:				
Beginning of year, July 1	<u>87,490</u>	<u>58,401</u>	<u>2,135</u>	<u>148,026</u>
End of year, June 30	<u>\$ -</u>	<u>\$ 92,161</u>	<u>\$ 443,737</u>	<u>\$ 535,898</u>

Town of Butner, North Carolina
 Non-major Special Revenue Fund - Grant Project - CDBG Grant
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 From Inception and for the Fiscal Ended June 30, 2022

	Project Authorization	Actual			Total to Date	Variance Positive (Negative)
		Prior Years	Current Years	Closed Project		
Revenues:						
Restricted intergovernmental:						
CDBG Grant	\$ 7,857,497	\$ 7,856,498	\$ 120	\$ (7,856,618)	\$ -	\$ (879)
Non-federal grants and contributions:						
Golden LEAF Foundation	120,000	120,000	-	(120,000)	-	-
Veterans Life Council of NC	544,951	444,951	(87,490)	(357,461)	-	(187,490)
Total revenues	<u>8,522,448</u>	<u>8,421,449</u>	<u>(87,370)</u>	<u>(8,334,079)</u>	<u>-</u>	<u>(188,369)</u>
Expenditures:						
Economic and physical development:						
Professional services - legal	80,000	77,904	-	(77,904)	-	2,096
Professional services - engineering	5,000	6,560	-	(6,560)	-	(1,560)
Professional services - other	210,000	211,701	-	(211,701)	-	(1,701)
Professional services - accounting	20,000	8,715	-	(8,715)	-	11,285
Postage	2,000	-	-	-	-	2,000
Legal advertising	8,000	8,236	120	(8,356)	-	(356)
Capital projects expenditures	108,400	8,469	-	(8,469)	-	99,931
General contractor	7,112,259	7,133,035	-	(7,133,035)	-	(20,776)
Architect fee	586,641	584,076	-	(584,076)	-	2,565
Bank fees	1,600	1,186	-	(1,186)	-	414
Other administrative expenses	133,979	84,727	-	(84,727)	-	49,252
Clearance	208,850	208,850	-	(208,850)	-	-
Contingency	45,719	500	-	(500)	-	45,219
Total expenditures	<u>8,522,448</u>	<u>8,333,959</u>	<u>120</u>	<u>(8,334,079)</u>	<u>-</u>	<u>188,369</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 87,490</u>	<u>(87,490)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:						
Beginning of year, July 1			<u>87,490</u>			
End of year, June 30			<u>\$ -</u>			

Town of Butner, North Carolina
 Non-Major Special Revenue Fund - Street Improvements
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Other taxes and licenses:			
Motor vehicle tax	\$ 29,850	\$ 33,760	\$ 3,910
Expenditures			
Transportation:			
Street improvement expenses	29,850	-	(29,850)
Revenues over (under) expenditures	-	33,760	33,760
Net change in fund balance	<u>\$ -</u>	33,760	<u>\$ 33,760</u>
Fund balance:			
Beginning of year, July 1		<u>58,401</u>	
End of year, June 30		<u>\$ 92,161</u>	

Town of Butner, North Carolina
 Non-Major Capital Project Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 From Inception and for the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Years	Total to Date	Variance Positive (Negative)
Revenues:					
Investment earnings	\$ -	\$ 2,135	\$ 367	\$ 2,502	\$ 2,502
Expenditures:					
D-12-E Streets Sidewalk Project					
Capital Outlay					
Professional services - legal	5,000	-	-	-	5,000
Professional services - architect, engineering & surveying	80,000	-	33,765	33,765	46,235
General contractor	340,000	-	-	-	340,000
Contingency	50,000	-	-	-	50,000
Total expenditures	<u>475,000</u>	<u>-</u>	<u>33,765</u>	<u>33,765</u>	<u>441,235</u>
Revenues Over (Under) Expenditures	<u>(475,000)</u>	<u>2,135</u>	<u>(33,398)</u>	<u>(31,263)</u>	<u>443,737</u>
Other Financing Sources (Uses)					
D-12-E Streets Sidewalk Project					
Transfers from (to) Powell Bill Funds	<u>475,000</u>	<u>-</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>
Total other financing sources (uses)	<u>475,000</u>	<u>-</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 2,135</u>	441,602	<u>\$ 443,737</u>	<u>\$ 443,737</u>
Fund balances:					
Beginning of year, July 1			<u>2,135</u>		
End of year, June 30			<u>\$ 443,737</u>		

Town of Butner, North Carolina
 Stormwater Fund
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 For the Year Ended June 30, 2022

	2022		Variance Positive (Negative)
	Final Budget	Actual	
Revenues			
Stormwater fees	\$ 387,856	\$ 371,843	\$ (16,013)
Investment earnings	200	1,745	1,545
Total	<u>388,056</u>	<u>373,588</u>	<u>(14,468)</u>
Expenditures			
Administration:			
Salaries and employee benefits	57,477	50,293	7,184
Professional services	63,475	32,320	31,155
Legal services	12,000	7,054	4,946
Other operating expenditures	53,450	44,793	8,657
Total	<u>186,402</u>	<u>134,460</u>	<u>51,942</u>
Operating:			
Salaries and employee benefits	118,283	77,493	40,790
Repairs and maintenance	92,500	14,514	77,986
Other operating expenditures	25,000	-	25,000
Total	<u>235,783</u>	<u>92,007</u>	<u>143,776</u>
Capital Outlay	<u>198,993</u>	<u>-</u>	<u>198,993</u>
Total expenditures	<u>621,178</u>	<u>226,467</u>	<u>394,711</u>
Revenues over (under) expenditures	<u>(233,122)</u>	<u>147,121</u>	<u>380,243</u>
Fund balance appropriated	<u>233,122</u>	<u>-</u>	<u>(233,122)</u>
Revenues and fund balance appropriated over (under) expenditures	<u>\$ -</u>	<u>\$ 147,121</u>	<u>\$ 147,121</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and fund balance appropriated over (under) expenditures		\$ 147,121	
Reconciling items:			
Depreciation expense		(16,756)	
(Increase) decrease in accrued vacation pay		(304)	
(Increase) decrease in net pension liability		27,948	
Increase (decrease) in deferred outflows of resources - pensions		4,879	
(Increase) decrease in deferred inflows of resources - pensions		(30,808)	
Total reconciling items		<u>(15,041)</u>	
Change in net position		<u>\$ 132,080</u>	

OTHER SCHEDULES

This section contains additional information on property taxes.

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

Town of Butner, North Carolina
 General Fund
 Schedule of Ad Valorem Taxes Receivable
 June 30, 2022

Fiscal Year	Uncollected Balance June 30, 2021	Additions	Collections And Credits	Uncollected Balance June 30, 2022
2020-2021	\$ -	\$ 2,560,727	\$ 2,521,274	\$ 39,453
2019-2020	37,714	-	18,788	18,926
2018-2019	7,407	-	3,295	4,112
2017-2018	3,625	-	1,051	2,574
2016-2017	3,273	-	815	2,458
2015-2016	3,877	-	919	2,958
2014-2015	2,516	-	787	1,729
2013-2014	5,918	-	308	5,610
2012-2013	3,655	-	187	3,468
2011-2012	2,724	-	301	2,423
2010-2011	2,377	-	2,377	-
Totals	<u><u>\$ 73,086</u></u>	<u><u>\$ 2,560,727</u></u>	<u><u>\$ 2,550,102</u></u>	<u><u>83,711</u></u>
				<u>(49,000)</u>
				<u><u>\$ 34,711</u></u>
<u>Reconciliation with revenues:</u>				
				\$ 2,528,527
	<u>Reconciling items:</u>			
	Interest collected			(11,114)
	Collections of previously written off taxes			(8)
	Refunds			8,866
	Discounts			21,624
	Releases			-
	Taxes written off			2,207
	Subtotal			<u>21,575</u>
				<u><u>\$ 2,550,102</u></u>

Town of Butner, North Carolina
 Analysis of Current Tax Levy
 Town - Wide Levy
 For the 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	\$ 680,631,233	0.365	\$ 2,484,304	\$ 2,212,342	\$ 271,962
Penalties	-		3,156	3,156	-
Total	680,631,233		2,487,460	2,215,498	271,962
Discoveries:					
Current year taxes	54,398,904	0.365	198,556	198,556	-
Total	54,398,904		198,556	198,556	-
Abatements:					
Current year taxes	(34,325,753)	0.365	(125,289)	(125,289)	-
Total Property Valuation	\$ 700,704,384				
Net levy			2,560,727	2,288,765	271,962
Uncollected taxes at June 30, 2022			39,453	39,453	-
Current year's taxes collected			\$ 2,521,274	\$ 2,249,312	\$ 271,962
Current levy collection percentage			98.46%	98.28%	100.00%

STATISTICAL SECTION

This part of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	61-67
These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	
Revenue Capacity	68-71
These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.	
Debt Capacity	72-75
These schedules present information to help the reader assess the affordability of the Town's current level of outstanding debt and the Town's ability to issue additional debt in the future.	
Demographic and Economic Information	76-77
These schedules present information to help the reader understand the environment within which the Town's financial activities take place.	
Operating Information	78-80
These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and	

TABLE 1

TOWN OF BUTNER, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 21,292,289	\$ 24,268,264	\$ 24,540,380	\$ 24,805,361	\$ 24,578,387	\$ 25,429,983	\$ 26,023,677	\$ 27,292,688	\$ 26,853,586	\$ 26,300,322
Restricted	1,253,196	1,248,881	1,486,718	839,116	1,272,441	991,386	1,582,047	1,385,757	2,254,021	2,032,762
Unrestricted	5,259,198	6,133,100	6,114,066	7,032,529	6,854,840	6,619,643	5,891,600	6,544,974	5,809,751	7,215,233
Total governmental activities net position	<u>\$ 27,804,683</u>	<u>\$ 31,650,245</u>	<u>\$ 32,141,164</u>	<u>\$ 32,677,006</u>	<u>\$ 32,705,668</u>	<u>\$ 33,041,012</u>	<u>\$ 33,497,324</u>	<u>\$ 35,223,419</u>	<u>\$ 34,917,358</u>	<u>\$ 35,548,317</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 23,600	\$ 502,666	\$ 485,910	\$ 469,155	\$ 452,399	\$ 435,644
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	194,753	391,273	583,370	763,856	948,705	619,644	796,792	931,673	1,106,032	1,254,867
Total business-type activities net position	<u>\$ 194,753</u>	<u>\$ 391,273</u>	<u>\$ 583,370</u>	<u>\$ 763,856</u>	<u>\$ 972,305</u>	<u>\$ 1,122,310</u>	<u>\$ 1,282,702</u>	<u>\$ 1,400,828</u>	<u>\$ 1,558,431</u>	<u>\$ 1,690,511</u>
Primary government										
Net investment in capital assets	\$ 21,292,289	\$ 24,268,264	\$ 24,540,380	\$ 24,805,361	\$ 24,601,987	\$ 25,932,649	\$ 26,509,587	\$ 27,761,843	\$ 27,305,985	\$ 26,735,966
Restricted	1,253,196	1,248,881	1,486,718	839,116	1,272,441	991,386	1,582,047	1,385,757	2,254,021	2,032,762
Unrestricted	5,453,951	6,524,373	6,697,436	7,796,385	7,803,545	7,239,287	6,688,392	7,476,647	6,915,783	8,470,100
Total primary government net position	<u>\$ 27,999,436</u>	<u>\$ 32,041,518</u>	<u>\$ 32,724,534</u>	<u>\$ 33,440,862</u>	<u>\$ 33,677,973</u>	<u>\$ 34,163,322</u>	<u>\$ 34,780,026</u>	<u>\$ 36,624,247</u>	<u>\$ 36,475,789</u>	<u>\$ 37,238,828</u>

TABLE 2

TOWN OF BUTNER, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
General government	\$ 1,460,223	\$ 1,446,897	\$ 1,659,989	\$ 1,378,065	\$ 1,415,122	\$ 1,325,556	\$ 1,457,056	\$ 1,484,034	\$ 1,768,721	\$ 1,835,973
Culture and recreation	125,997	207,853	202,301	723,733	664,814	680,951	694,356	629,900	686,043	677,089
Public safety	1,907,351	3,184,394	3,172,236	3,395,811	3,622,067	3,910,829	3,887,602	4,109,691	4,452,833	4,327,024
Environmental protection	19,168	4,947	4,860	20,678	34,328	20,324	28,115	38,596	37,046	33,279
Economic and physical development	109,651	150,102	423,459	292,565	749,632	659,726	1,958,188	4,824,140	807,342	174,932
Transportation	4,572	22,388	-	144,535	100,132	125,313	112,206	140,678	140,256	132,948
Interest on long-term debt	73,952	-	-	-	-	45,323	35,117	23,852	12,550	3,270
Total governmental activities expenses	<u>3,700,914</u>	<u>5,016,581</u>	<u>5,462,845</u>	<u>5,955,387</u>	<u>6,586,095</u>	<u>6,768,022</u>	<u>8,172,640</u>	<u>11,250,891</u>	<u>7,904,791</u>	<u>7,184,515</u>
Business-type activities										
Stormwater	145,912	167,796	174,230	159,677	155,825	230,004	234,650	264,873	229,867	241,508
Total business-type activities	<u>145,912</u>	<u>167,796</u>	<u>174,230</u>	<u>159,677</u>	<u>155,825</u>	<u>230,004</u>	<u>234,650</u>	<u>264,873</u>	<u>229,867</u>	<u>241,508</u>
Total expenses	<u>3,846,826</u>	<u>5,184,377</u>	<u>5,637,075</u>	<u>6,115,064</u>	<u>6,741,920</u>	<u>6,998,026</u>	<u>8,407,290</u>	<u>11,515,764</u>	<u>8,134,658</u>	<u>7,426,023</u>
Program Revenues										
Governmental Activities										
Charges for services:										
General government	262,172	58,641	69,319	981,131	975,565	68,456	68,372	84,015	81,688	17,128
Culture and recreation	-	80,854	99,217	-	-	106,304	115,076	62,068	54,575	53,586
Public safety	-	738	801,815	-	-	837,135	868,625	888,100	908,602	-
Environmental protection	-	-	4,987	-	-	5,239	5,912	6,081	6,054	59,146
Economic and physical development	-	78,313	127,729	-	-	607,556	11,325	10,649	4,105	-
Transportation	-	-	-	-	-	-	-	23,889	34,512	-
Operating grants and contributions										
General government	500,000	541,219	500,345	771,216	771,253	525,000	502,574	534,730	510,423	34,470
Culture and recreation	40,000	-	-	-	-	5,000	-	-	6,116	25,885
Public safety	-	869,484	88,998	-	-	86,481	84,324	98,015	297,484	-
Environmental protection	4,322	4,703	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	120
Transportation	181,080	183,396	183,643	-	-	191,205	192,805	182,489	175,869	213,153
Capital grants and contributions										
General government	-	-	-	120,173	591,262	-	-	958,158	-	(87,490)
Culture and recreation	57,082	50,000	-	-	-	-	-	-	-	-
Public safety	-	3,302	121,869	-	-	6,062	5,654	2,093	192,100	-
Economic and physical development	-	-	-	-	-	231,713	1,833,365	5,083,850	-	-
Transportation	-	278,612	-	-	-	-	36,654	23,681	9,015	-
Total governmental activities program revenue	<u>1,044,656</u>	<u>2,149,262</u>	<u>1,997,922</u>	<u>1,872,520</u>	<u>2,338,080</u>	<u>2,670,151</u>	<u>3,724,686</u>	<u>7,957,818</u>	<u>2,280,543</u>	<u>315,998</u>
Business-type activities										
Stormwater	340,583	364,316	365,275	340,163	364,274	374,034	381,833	372,146	387,293	371,843
Total business-type activities program revenue	<u>340,583</u>	<u>364,316</u>	<u>365,275</u>	<u>340,163</u>	<u>364,274</u>	<u>374,034</u>	<u>381,833</u>	<u>372,146</u>	<u>387,293</u>	<u>371,843</u>
Total program revenues	<u>\$ 1,385,239</u>	<u>\$ 2,513,578</u>	<u>\$ 2,363,197</u>	<u>\$ 2,212,683</u>	<u>\$ 2,702,354</u>	<u>\$ 3,044,185</u>	<u>\$ 4,106,519</u>	<u>\$ 8,329,964</u>	<u>\$ 2,667,836</u>	<u>\$ 687,841</u>

TABLE 2,
CONTINUED

TOWN OF BUTNER, NORTH CAROLINA
CHANGES IN NET POSITON
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
Net (expense) revenue										
Governmental Activities										
General government	\$ (698,051)	\$ (847,037)	\$ (1,090,325)	\$ 494,455	\$ 922,958	\$ (732,100)	\$ (886,110)	\$ 92,869	\$ (1,176,610)	\$ (1,871,865)
Culture and recreation	(28,915)	(76,999)	(103,084)	(723,733)	(664,814)	(569,647)	(579,280)	(567,832)	(625,352)	(597,618)
Public safety	(1,907,351)	(2,310,870)	(2,159,554)	(3,395,811)	(3,622,067)	(2,981,151)	(2,928,999)	(3,121,483)	(3,054,647)	(4,327,024)
Environmental protection	(14,846)	(244)	127	(20,678)	(34,328)	(15,085)	(22,203)	(32,515)	(30,992)	25,867
Economic development	(109,651)	(71,789)	(295,730)	(292,565)	(749,632)	179,543	(113,498)	270,359	(803,237)	(174,932)
Transportation	176,508	439,620	183,643	(144,535)	(100,132)	65,892	117,253	89,381	79,140	80,205
Interest on long-term debt	(73,952)	-	-	-	-	(45,323)	(35,117)	(23,852)	(12,550)	(3,270)
Total governmental activities	<u>(2,656,258)</u>	<u>(2,867,319)</u>	<u>(3,464,923)</u>	<u>(4,082,867)</u>	<u>(4,248,015)</u>	<u>(4,097,871)</u>	<u>(4,447,954)</u>	<u>(3,293,073)</u>	<u>(5,624,248)</u>	<u>(6,868,637)</u>
Business-type activities										
Stormwater	194,671	196,520	191,045	180,486	208,449	144,030	147,183	107,273	157,426	130,335
Total business-type activities	<u>194,671</u>	<u>196,520</u>	<u>191,045</u>	<u>180,486</u>	<u>208,449</u>	<u>144,030</u>	<u>147,183</u>	<u>107,273</u>	<u>157,426</u>	<u>130,335</u>
Total net (expense) revenue	<u>\$(2,461,587)</u>	<u>\$(2,670,799)</u>	<u>\$(3,273,878)</u>	<u>\$(3,902,381)</u>	<u>\$(4,039,566)</u>	<u>\$(3,953,841)</u>	<u>\$(4,300,771)</u>	<u>\$(3,185,800)</u>	<u>\$(5,466,822)</u>	<u>\$(6,738,302)</u>
General Revenues, Transfers and Changes in Net Position										
Governmental Activities										
Property taxes	\$ 1,932,652	\$ 2,041,262	\$ 2,004,461	\$ 2,046,260	\$ 2,099,492	\$ 2,162,115	\$ 2,315,455	\$ 2,345,910	\$ 2,463,021	\$ 2,528,527
Grants and contributions not restricted to specific programs	1,649,993	1,742,899	1,901,548	2,022,008	2,203,479	2,274,342	2,390,093	2,491,842	2,774,038	4,660,625
Other taxes and licenses	-	-	-	-	-	-	-	24,055	34,695	10,386
Other	17,831	1,447	5,773	20,696	14,883	44,870	32,465	49,570	44,556	18,207
Unrestricted investment earnings	3,238	11,004	1,616	17,252	43,550	103,665	166,253	107,791	1,877	17,862
Special and extraordinary items	-	2,916,269	-	481,659	24,556	-	-	-	-	59,146
Total general revenues and transfers	<u>3,603,714</u>	<u>6,712,881</u>	<u>3,913,398</u>	<u>4,587,875</u>	<u>4,385,960</u>	<u>4,584,992</u>	<u>4,904,266</u>	<u>5,019,168</u>	<u>5,318,187</u>	<u>7,294,753</u>
Total governmental activities	<u>3,603,714</u>	<u>6,712,881</u>	<u>3,913,398</u>	<u>4,587,875</u>	<u>4,385,960</u>	<u>4,584,992</u>	<u>4,904,266</u>	<u>5,019,168</u>	<u>5,318,187</u>	<u>7,294,753</u>
Business-type activities										
Stormwater										
Investment earnings	-	-	-	-	-	5,975	13,209	10,853	177	1,745
Other	82	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>82</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,975</u>	<u>13,209</u>	<u>10,853</u>	<u>177</u>	<u>1,745</u>
Total general revenues and transfers	<u>3,603,796</u>	<u>6,712,881</u>	<u>3,913,398</u>	<u>4,587,875</u>	<u>4,385,960</u>	<u>4,590,967</u>	<u>4,917,475</u>	<u>5,030,021</u>	<u>5,318,364</u>	<u>7,296,498</u>
Restatements (1)										
Governmental Activities	-	-	42,444	30,834	(109,283)	(151,777)	-	-	-	204,723
Business-type activities	-	-	1,052	-	-	-	-	-	-	-
Total restatements	<u>-</u>	<u>-</u>	<u>43,496</u>	<u>30,834</u>	<u>(109,283)</u>	<u>(151,777)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,723</u>
Change in Net Position										
Governmental activities	947,456	3,845,562	490,919	535,842	28,662	335,344	456,312	1,726,095	(306,061)	630,839
Business-type activities	194,753	196,520	192,097	180,486	208,449	150,005	160,392	118,126	157,603	132,080
Total primary government	<u>\$ 1,142,209</u>	<u>\$ 4,042,082</u>	<u>\$ 683,016</u>	<u>\$ 716,328</u>	<u>\$ 237,111</u>	<u>\$ 485,349</u>	<u>\$ 616,704</u>	<u>\$ 1,844,221</u>	<u>\$ (148,458)</u>	<u>\$ 762,919</u>

(1) Restatements include the application of new GASB pronouncements pertaining to Pension and Other Postemployment Benefit plans in 2014, 2017, and 2018, and a correction to accumulated depreciation effective July 1, 2016.

**TOWN OF BUTNER, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

Fiscal Year Ended June 30	Property	Local Sales	Franchise	Beer and Wine	Other	Total
2013	1,932,652	1,199,372	391,184	30,975	4,322	3,558,505
2014	2,041,262	1,255,958	416,794	33,673	4,991	3,752,678
2015	2,004,461	1,375,636	452,684	36,858	1,987	3,871,626
2016	2,046,260	1,452,434	495,961	34,154	-	4,028,809
2017	2,099,492	1,681,889	466,955	35,250	225	4,283,811
2018	2,165,115	1,763,437	464,105	34,130	5,239	4,432,026
2019	2,315,455	1,873,195	472,381	34,381	5,912	4,701,324
2020	2,345,910	1,979,291	454,548	34,563	30,136	4,844,448
2021	2,463,021	2,266,336	451,115	33,780	40,749	5,255,001
2021	2,463,021	2,266,336	451,115	33,780	40,749	5,255,001

TABLE 4

TOWN OF BUTNER, NORTH CAROLINA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 10	\$ 10	\$ 10	\$ -	\$ 12,629	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Stabilization by state statute	569,239	420,806	747,778	474,185	744,524	627,322	1,081,021	853,583	1,459,449	1,140,180
Streets - Powell Bill	676,836	539,703	712,289	364,931	527,917	364,064	501,026	532,174	707,082	892,582
Committed:										
Capital Projects	5,000	-	-	49,400	49,400	49,400	49,400	29,400	-	37,705
General government	52,018	54,024	119,244	93,464	93,861	94,975	97,001	98,273	98,292	-
Cultural and recreational	76,955	76,963	76,977	77,146	77,474	78,394	80,066	81,115	81,131	-
Public Safety - LEO Special Separation Allowance	-	75,001	150,017	225,353	301,368	377,452	385,501	390,556	325,311	-
Transportation	-	-	-	48,479	-	-	-	-	-	-
Assigned										
Subsequent year's expenditures	-	-	153,429	1,383,961	1,106,250	671,448	72,074	369,159	334,415	456,682
Economic development incentives	-	-	-	-	-	-	-	-	-	50,000
Capital projects	-	-	-	-	-	23,244	23,244	23,244	23,244	23,244
Unassigned	5,263,520	6,151,384	5,810,818	5,383,135	5,886,356	6,178,760	5,699,795	6,239,679	6,594,711	7,905,437
Total general fund	<u>\$ 6,643,578</u>	<u>\$ 7,317,891</u>	<u>\$ 7,770,562</u>	<u>\$ 8,100,054</u>	<u>\$ 8,799,779</u>	<u>\$ 8,465,059</u>	<u>\$ 7,989,128</u>	<u>\$ 8,617,183</u>	<u>\$ 9,623,635</u>	<u>\$ 10,505,830</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Streets - Powell Bill	-	-	-	-	-	-	-	-	-	-
Grant Projects	166	2,203	(12,941)	-	-	-	-	-	87,490	-
Capital Projects	6,955	-	-	-	-	-	-	-	-	-
Committed:										
Capital Projects	(41,003)	244,880	26,667	33,089	33,200	59,343	100,702	33,812	2,135	443,737
Grant Projects	-	41,289	266	4	227	-	456,121	518,185	-	-
Transportation	-	-	-	-	-	-	-	23,889	58,401	92,161
Assigned:	-	-	-	-	-	-	-	-	-	-
Unassigned:	19,660	-	-	-	-	-	-	-	-	2,004
Total all other governmental funds	<u>\$ (14,222)</u>	<u>\$ 288,372</u>	<u>\$ 13,992</u>	<u>\$ 33,093</u>	<u>\$ 33,427</u>	<u>\$ 59,343</u>	<u>\$ 556,823</u>	<u>\$ 575,886</u>	<u>\$ 148,026</u>	<u>\$ 537,902</u>

TOWN OF BUTNER, NORTH CAROLINA
CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2021
Revenues										
Ad Valorem taxes	\$ 2,021,134	\$ 2,028,498	\$ 2,040,171	\$ 2,037,659	\$ 2,187,877	\$ 2,222,011	\$ 2,303,270	\$ 2,348,313	\$ 2,441,867	\$ 2,528,527
Other taxes and licenses	-	-	-	-	-	-	-	47,944	69,207	33,945
Unrestricted intergovernmental revenues	1,649,993	3,117,086	3,296,097	3,397,379	3,577,896	3,701,784	3,847,145	3,966,064	4,267,821	4,660,625
Restricted intergovernmental revenues	784,540	549,466	342,849	365,460	825,775	834,632	1,992,002	4,823,919	629,374	273,508
Sales and services	89,459	88,926	96,409	87,352	85,100	123,176	127,013	104,918	97,273	112,732
Permits and fees	172,713	95,464	164,509	45,021	52,844	45,923	13,684	28,550	18,668	17,128
Investment earnings	3,238	11,004	1,616	17,253	43,550	110,931	176,297	107,790	1,877	15,858
Other revenue	7,980	41,662	8,921	14,153	8,354	181,264	171,815	575,620	48,518	18,207
Total Revenues	<u>4,729,057</u>	<u>5,932,106</u>	<u>5,950,572</u>	<u>5,964,277</u>	<u>6,781,396</u>	<u>7,219,721</u>	<u>8,631,226</u>	<u>12,003,118</u>	<u>7,574,605</u>	<u>7,660,530</u>
Expenditures										
Current:										
General government	1,024,191	2,084,667	1,624,870	1,204,686	1,230,871	1,228,670	1,338,792	1,485,507	1,587,860	1,714,191
Public safety	1,907,351	2,947,543	3,046,514	3,281,569	3,263,389	4,152,720	3,779,659	3,755,958	4,019,161	4,055,647
Environmental protection	19,168	4,947	4,860	19,751	24,620	14,614	17,674	20,462	20,551	29,275
Economic and physical development	108,805	150,214	289,854	182,074	157,607	144,737	1,947,982	4,815,322	696,878	144,689
Culture and recreation	142,728	176,983	312,707	348,216	362,412	589,313	364,653	288,960	269,878	406,654
Transportation	4,572	22,388	-	534,201	141,387	693,751	20,258	158,976	1,075	2,918
Capital outlay	1,385,106	365,303	180,470	186,760	589,116	593,295	761,341	447,990	-	190,497
Debt service:										
Issuance cost	-	-	-	-	-	-	-	-	-	-
Principal	300,000	300,000	300,000	300,000	300,000	398,802	399,643	401,555	300,000	102,438
Interest	85,350	78,422	68,720	59,370	49,941	45,323	35,117	23,852	12,550	3,270
Total expenditures	<u>4,977,271</u>	<u>6,130,467</u>	<u>5,827,995</u>	<u>6,116,627</u>	<u>6,119,343</u>	<u>7,861,225</u>	<u>8,665,119</u>	<u>11,398,582</u>	<u>6,907,953</u>	<u>6,649,579</u>
Excess of revenues over (under) expenditures	<u>(248,214)</u>	<u>(198,361)</u>	<u>122,577</u>	<u>(152,350)</u>	<u>662,053</u>	<u>(641,504)</u>	<u>(33,893)</u>	<u>604,536</u>	<u>666,652</u>	<u>1,010,951</u>
Other financing sources (uses)										
Debt proceeds	-	-	-	-	-	300,000	-	-	-	-
Proceeds from sale of capital assets	15,775	20,457	38,854	4,000	5,762	10,608	25,714	9,147	3	107,873
Insurance proceeds	-	198,220	16,860	15,284	7,688	22,092	29,728	33,435	11,937	26,394
Return of excess non-federal contribution	-	-	-	-	-	-	-	-	(100,000)	-
Lease liabilities	-	-	-	-	-	-	-	-	-	7,254
Transfers out to other funds	-	-	-	-	-	-	-	-	-	(475,000)
Total other financing sources (uses)	<u>15,775</u>	<u>218,677</u>	<u>55,714</u>	<u>19,284</u>	<u>13,450</u>	<u>332,700</u>	<u>55,442</u>	<u>42,582</u>	<u>(88,060)</u>	<u>(333,479)</u>
Special and Extraordinary Items										
Acquisition of Butner Public Safety	-	956,591	-	-	-	-	-	-	-	-
Proceeds from sale of timber	-	-	-	114,430	24,556	-	-	-	-	-
Transfers in (State of North Carolina)	-	-	-	367,229	-	-	-	-	-	-
Total special and extraordinary items	<u>-</u>	<u>956,591</u>	<u>-</u>	<u>481,659</u>	<u>24,556</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (232,439)</u>	<u>\$ 976,907</u>	<u>\$ 178,291</u>	<u>\$ 348,593</u>	<u>\$ 700,059</u>	<u>\$ (308,804)</u>	<u>\$ 21,549</u>	<u>\$ 647,118</u>	<u>\$ 578,592</u>	<u>\$ 677,472</u>
Debt service as a percentage of noncapital expenditures	12.02%	7.03%	6.98%	6.45%	6.76%	6.51%	5.82%	4.04%	4.74%	1.66%

TOWN OF BUTNER, NORTH CAROLINA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Fiscal Year Ended June 30	Property	Local Sales	Franchise	Beer and Wine	Other	Total
2013	2,021,134	1,199,372	391,184	30,975	4,322	3,646,987
2014	2,028,498	1,255,958	416,794	33,673	4,991	3,739,914
2015	2,040,171	1,375,636	452,684	36,858	1,987	3,907,336
2016	2,011,967	1,452,434	495,961	34,154	-	3,994,516
2017	2,157,423	1,681,889	466,955	35,250	225	4,341,742
2018	2,222,011	1,763,437	464,105	34,130	5,239	4,488,922
2019	2,303,270	1,873,195	472,381	34,381	5,912	4,689,139
2020	2,348,313	1,979,291	454,548	34,563	30,136	4,846,851
2021	2,441,867	2,266,336	451,115	33,780	40,749	5,233,847
2022	2,528,527	2,646,301	443,764	33,342	40,279	5,692,213

**TOWN OF BUTNER, NORTH CAROLINA
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	Property Excluding Motor Vehicles	Motor Vehicles	Plus Discoveries	Less Abatements	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable/Market Value	Assessed Value as a Percentage of Market Value
2013	512,679,645	41,645,961	5,587,480	(772,289)	559,140,797	0.350	1,956,993	1,684,971	86.10%
2014	518,924,855	57,463,753	8,418,431	(476,029)	584,331,010	0.350	2,045,159	1,760,881	86.10%
2015	519,880,571	46,065,127	8,298,000	(1,367,143)	572,876,555	0.350	2,005,068	1,726,363	86.10%
2016	523,384,465	51,855,543	7,634,511	(252,531)	582,621,988	0.350	2,039,177	1,755,731	86.10%
2017	584,944,123	53,964,920	13,167,373	(3,227,115)	648,849,301	0.365	2,368,300	2,039,106	86.10%
2018	545,938,166	53,016,712	12,363,882	(675,704)	610,643,056	0.365	2,228,847	1,961,385	88.00%
2019	568,403,100	59,287,155	15,141,519	(1,742,022)	641,089,752	0.365	2,339,978	2,059,180	88.00%
2020	568,589,506	58,638,975	19,776,021	(425,271)	646,579,231	0.365	2,360,014	2,076,812	88.00%
2021	578,624,070	69,538,603	27,328,003	(534,348)	674,956,328	0.365	2,463,591	2,463,591	100.00%
2022	606,121,096	74,510,137	54,398,904	(34,325,753)	700,704,384	0.365	2,557,571	2,557,571	100.00%

Source: Granville County Tax Department

**TOWN OF BUTNER, NORTH CAROLINA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Town of Butner	Granville County	Combined Rate Per \$100 of Assessed Valuation
2013	0.350	0.795	1.145
2014	0.350	0.830	1.180
2015	0.350	0.830	1.180
2016	0.365	0.830	1.195
2017	0.365	0.880	1.245
2018	0.365	0.880	1.245
2019	0.365	0.840	1.205
2020	0.365	0.840	1.205
2021	0.365	0.840	1.205
2022	0.365	0.840	1.205

**TOWN OF BUTNER, NORTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2022
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

	2022			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<u>Taxpayer</u>						
ADUSA Distribution LLC CD 09 *	\$ 42,190,553	1	6.83%	10,172,379	7	
Altec Industries Inc.	33,010,150	2	5.35%	10,070,167	8	
Safway LLC ^	30,773,040	3	4.98%	11,791,087	5	
Delhaize American Corporation #	19,315,850	4	3.13%	19,598,899	1	
ADUSA Transportation LLC	15,706,603	5	2.54%			
Goldsboro Properties, LLC	14,625,926	6	2.37%	13,924,160	4	
NWI Butner Limited Partnership	14,146,411	7	2.29%	15,021,509	3	
Newton Instrument Company Inc.	11,934,899	8	1.93%			
BIP Butner LLC @	11,349,618	9	1.84%	10,769,183	6	
Ritchie Bros. Properties Inc.	8,225,265	10	1.33%			
Carefusion				15,795,590	2	
Flextronics				9,673,941	9	
Maysteel Real Properties LLC				8,973,340	10	
Totals	<u>\$ 201,278,315</u>			<u>\$ 125,790,255</u>		

Source: Granville County Tax Department

^ Previously listed as Carolina Sunrock, LLC

@ Previously listed as ABP NC Butner, LLC

* Previously listed as Food Lion LLC DC9

Previously listed as Butner Acquisition Company., LLC

**TOWN OF BUTNER, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Tax Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	1,958,941	1,903,000	97.14%	54,421	1,957,421	99.92%
2013	1,956,993	1,907,598	97.48%	43,558	1,951,156	99.70%
2014	2,045,159	1,998,222	97.70%	14,305	2,012,527	98.40%
2015	2,040,819	2,031,468	99.54%	7,622	2,039,090	99.92%
2016	2,207,707	2,194,490	99.40%	10,259	2,204,749	99.87%
2017	2,238,221	2,226,958	99.50%	8,805	2,235,763	99.89%
2018	2,342,201	2,319,468	99.03%	20,159	2,339,627	99.89%
2019	2,360,344	2,341,096	99.18%	15,136	2,356,232	99.83%
2020	2,477,561	2,439,847	98.48%	18,788	2,458,635	99.24%
2021	2,560,727	2,521,274	98.46%		2,521,274	98.46%

Source: Granville County Tax Department

**TOWN OF BUTNER, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Governmental Activities						
Fiscal Year	General Obligation Bonds	Installment Obligations	Capital Leases	Total Primary Government	Per Capita	Percentage of Personal Income
2013	-	2,500,000	-	2,500,000	323.50	1.58%
2014	-	2,200,000	-	2,200,000	284.68	1.54%
2015	-	1,900,000	-	1,900,000	244.72	1.20%
2016	-	1,600,000	-	1,600,000	208.31	1.01%
2017	-	1,300,000	-	1,300,000	167.14	0.79%
2018	-	1,201,198	-	1,201,198	153.61	0.72%
2019	-	801,555	-	801,555	99.75	0.46%
2020	-	400,000	-	400,000	49.46	0.21%
2021	-	100,000	-	100,000	11.91	0.05%
2022	-	-	-	-	-	0.00%

Note 1: Details of the town's outstanding debt can be found in the notes to the financial statements.

Note 2: Population amounts are as of July 1 of the fiscal year.

**TOWN OF BUTNER, NORTH CAROLINA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF JUNE 30, 2022
 (UNAUDITED)**

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Granville County	\$ 78,545,708	13.87%	\$ 10,898,055
Town of Butner direct debt			-
Total direct and overlapping debt			10,898,055

Sources: Outstanding debt and applicable percentages are esimated based on information provided by each governmental unit.

Note: Overlapping governments are those that coincide, at lease in part, with geographic boundries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by th eproperty taxpayers of the Town of Butner. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**TOWN OF BUTNER, NORTH CAROLINA
RATIOS OF GENERAL BONDED DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Personal Income	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2013	\$ -	\$ -	\$ -	0.00%	0.00%	0
2014	-	-	-	0.00%	0.00%	0
2015	-	-	-	0.00%	0.00%	0
2016	-	-	-	0.00%	0.00%	0
2017	-	-	-	0.00%	0.00%	0
2018	-	-	-	0.00%	0.00%	0
2019	-	-	-	0.00%	0.00%	0
2020	-	-	-	0.00%	0.00%	0
2021	-	-	-	0.00%	0.00%	0
2022	-	-	-	0.00%	0.00%	0

Note: Population amounts are as of July 1 of the fiscal year.

**TOWN OF BUTNER, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 39,731,264	\$ 42,346,481	\$ 42,030,124	\$ 42,819,201	\$ 44,987,503	\$ 45,513,994	\$ 49,684,070	\$ 50,926,338	\$ 53,796,506	\$ 54,450,499
Total net debt applicable to limit	2,500,000	2,200,000	1,900,000	1,600,000	1,300,000	1,201,198	801,555	400,000	100,000	-
Legal debt margin	<u>\$ 42,231,264</u>	<u>\$ 44,546,481</u>	<u>\$ 43,930,124</u>	<u>\$ 44,419,201</u>	<u>\$ 46,287,503</u>	<u>\$ 46,715,192</u>	<u>\$ 50,485,625</u>	<u>\$ 51,326,338</u>	<u>\$ 53,896,506</u>	<u>\$ 54,450,499</u>
Total net debt applicable to the limit as a percentage of debt limit	6.29%	5.20%	4.52%	3.74%	2.89%	2.64%	1.61%	0.79%	0.19%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2010										
Assessed value	\$559,140,797	\$584,331,010	\$572,876,556	\$575,240,008	\$594,843,783	\$598,954,878	\$641,089,752	\$646,579,231	\$674,956,328	\$680,631,233
Add back: exempt real property	-	-	-	-	-	-	-	-	-	-
Total assessed value	<u>559,140,797</u>	<u>584,331,010</u>	<u>572,876,556</u>	<u>575,240,008</u>	<u>594,843,783</u>	<u>598,954,878</u>	<u>641,089,752</u>	<u>646,579,231</u>	<u>674,956,328</u>	<u>680,631,233</u>
Debt limit (8% of total assessed value)	44,731,264	46,746,481	45,830,124	46,019,201	47,587,503	47,916,390	51,287,180	51,726,338	53,996,506	54,450,499
Debt applicable to the limit:										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Installment Obligations	2,500,000	2,200,000	1,900,000	1,600,000	1,300,000	1,201,198	801,555	400,000	100,000	-
Lease Financing Agreements - Governmental Activities	-	-	-	-	-	-	-	-	-	-
Lease Financing Agreements - Business-type Activities	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	<u>2,500,000</u>	<u>2,200,000</u>	<u>1,900,000</u>	<u>1,600,000</u>	<u>1,300,000</u>	<u>1,201,198</u>	<u>801,555</u>	<u>400,000</u>	<u>100,000</u>	<u>-</u>
Legal debt margin	<u>\$ 42,231,264</u>	<u>\$ 44,546,481</u>	<u>\$ 43,930,124</u>	<u>\$ 44,419,201</u>	<u>\$ 46,287,503</u>	<u>\$ 46,715,192</u>	<u>\$ 50,485,625</u>	<u>\$ 51,326,338</u>	<u>\$ 53,896,506</u>	<u>\$ 54,450,499</u>

**TOWN OF BUTNER, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	(1) Population	(2) Per Capita Personal Income	Personal Income	(4) Percent High School Graduate	(4) Percent Bachelor's Degree or Higher *	(5) School Enrollment [^]	(3) Unemployment Rate
2013	7,728	20,530	158,655,840	77.1	15.0	924	9.80%
2014	7,728	18,495	142,929,360	79.0	15.0	963	6.80%
2015	7,764	20,347	157,974,108	83.8	17.7	1,321	4.90%
2016	7,681	20,670	158,766,270	83.2	17.7	1,424	5.10%
2017	7,778	21,029	163,563,562	84.3	17.6	1,551	3.60%
2018	7,820	21,397	167,324,599	81.1	19.4	1,700	3.30%
2019	8,036	21,771	174,955,413	82.5	19.4	2,010	3.20%
2020	8,088	23,014	186,137,232	77.8	18.0	1,995	6.20%
2021	8,397	23,767	199,571,499	75.9	15.5	2,005	3.60%
2022	8,422	24,698	208,006,556	80.4	20.1	2,252	3.20%

Source 1: North Carolina Department of the State Demographer

Source 2: United States Bureau of Economic Analysis
2018 and 2019 based on an estimated 1.75% increase per year based on history.
2020 based on Esri forecast derived from U.S. Census Bureau data.

Source 3: North Carolina Division of Employment Security

Source 4: 2010 - 2019: North Carolina Department of Public Instruction
2020 based on Esri forecast derived from U.S. Census Bureau data.

Source 5: Granville County Schools

* Based on Granville County Schools as a whole.

[^] In 2014 Falls Lake Academy Charter School opened. The Charter School is included in enrollment for 2014 and later years.

**TOWN OF BUTNER, NORTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

2022			2012		
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>
NC DHHS (Murdoch Center)	1,500	1	NC DHHS	1,650	1
Food Lion Distribution Center	1,000	2	Flextronics	350	2
Altec	900	3	Altec	250	3
AMT Group	173	4	Food Lion Distribution	300	4
Falls Lake Academy	130	5	Newton Instruments	200	5
Carolina Sunrock	129	6	PalletOne of North Carolina	165	6
Nugget	100	7	Carolina Sunrock	125	7
Granville County Schools	92	8	Granville County Schools	120	8
Pallet One	80	9			
United Parcel Service	76	10			
	<u>4,180</u>			<u>3,160</u>	

*Formerly AW North Carolina

Source: Information from Granville Economic Development Commission

**TOWN OF BUTNER, NORTH CAROLINA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
General government	4.00	5.00	5.00	5.00	5.00	5.00	5.00	8.00	8.00	8.00
Economic Development	1.75	1.75	1.75	1.75	1.75	1.80	1.80	2.00	2.00	2.00
Culture and recreation	1.00	3.75	1.98	1.98	2.00	2.00	2.00	2.00	2.00	2.00
Public safety	0.00	38.00	38.00	38.00	38.00	42.00	42.00	42.50	42.50	42.50
Transportation	6.00	6.00	6.67	6.67	6.00	6.00	6.00	5.00	5.00	5.00
Total	12.75	54.50	53.40	53.40	52.75	56.80	56.80	59.50	59.50	59.50

Source: Town of Butner Finance Department

**TOWN OF BUTNER, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN YEARS
(UNAUDITED)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
Public Safety ^										
Incident Reports	N/A	664	670	633	492	621	664	556	785	822
Arrests	N/A	272	240	202	237	272	251	318	314	379
Court Papers	N/A	1,031	1,078	1,239	1,339	1,183	1,106	712	849	640
Number of Fire Calls Answered	N/A	339	386	433	404	420	443	443	437	448
Planning/Zoning #										
Number of Zoning Permits Issued	72	54	50	79	91	81	102	100	100	98

Source: Town of Butner Planning Department & Butner Public Safety

^ Butner Public Safety became a department of the Town on July 1, 2013

**TOWN OF BUTNER, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS
(UNAUDITED)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
Public Safety										
Public Safety stations	N/A	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (miles)	14	14	14	16.96	16.96	16.96	16.96	17	17	17
Culture and recreation										
Parks	2	2	2	2	2	2	2	2	2	2
Gyms	1	1	1	1	1	1	1	2	2	2

Source: Town of Butner Finance Department

^ Butner Public Safety became a department of the Town on July 1, 2013