Town of Plymouth
Financial Statements
June 30, 2023

Jeff Best, CPA, P.L.L.C.
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Plymouth, North Carolina as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Plymouth'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 Plymouth's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 12, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and

Contributions on pages 51 and 52, respectively, and the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 53 and 54, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2024 on our consideration of the Town of Plymouth's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Plymouth's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Plymouth's internal control over financial reporting and compliance.

Jeff Best, CPA, PLLC

Belhaven, North Carolina
January 2, 2024

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

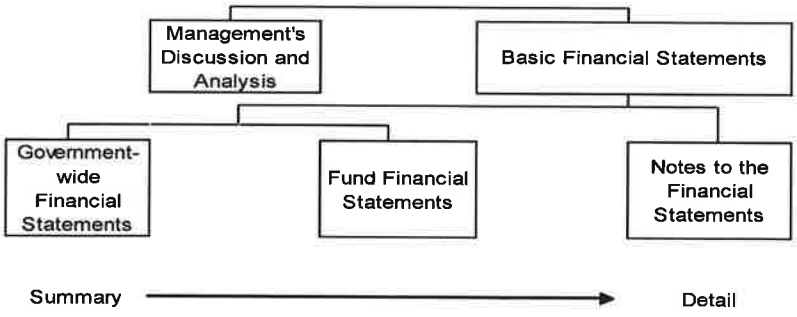
Financial Highlights

- The assets and deferred outflows of resources of the Town of Plymouth exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $16,258,952 *(net position).*
- The government's total net position increased by $552,181, primarily due to an increase in the governmental activities net position.
- As of the close of the current fiscal year, the Town of Plymouth's governmental funds reported combined ending fund balances of $1,897,329 with a net change of $352,378 in fund balance. Approximately 81.19 percent of this total amount, or $1,540,395, is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $1,537,545, or 73.44 percent of total general fund expenditures for the fiscal year.
- The Town of Plymouth's total debt increased by $280,206 (10.66%) during the current fiscal year. The key factors in this increase was an increase in the Town's LGERS net pension liability.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Plymouth'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 Plymouth.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

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

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, cultural and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water, sewer, sanitation, and stormwater services offered by the Town of Plymouth.

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 Plymouth, 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 Plymouth can be divided into two categories: governmental funds and proprietary funds.

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

The Town of Plymouth 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 Town Council; 2) the final budget as amended by the Town Council; 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. The Town of Plymouth 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 Plymouth uses enterprise funds to account for its water, sewer, and sanitation / stormwater operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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 23 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 Plymouth's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 51 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 government and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

The Town of Plymouth's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 3,273,405	$ 2,524,690	$ 1,534,940	$ 1,584,340	$ 4,808,345	$ 4,109,030
Capital assets	2,888,180	2,918,073	11,974,658	13,396,361	14,862,838	16,314,434
Deferred outflows of resources	393,719	316,017	206,580	151,001	600,299	467,018
Total assets and deferred outflows of resources	6,555,304	5,758,780	13,716,178	15,131,702	20,271,482	20,890,482
Long-term liabilities outstanding	822,552	565,892	1,829,095	1,766,919	2,651,647	2,332,811
Other liabilities	291,041	211,258	425,923	724,017	716,964	935,275
Deferred inflows of resources	629,974	770,252	13,944	145,373	643,918	915,625
Total liabilities and deferred inflows of resources	1,743,567	1,547,402	2,268,962	2,636,309	4,012,529	4,183,711
Net position:						
Net investment in capital assets	2,668,250	2,598,039	10,337,867	10,585,036	13,006,117	13,183,075
Restricted	290,528	313,655	-	-	290,528	313,655
Unrestricted	1,852,959	1,299,684	1,109,348	910,357	2,962,307	2,210,041
Total net position	$ 4,811,737	$ 4,211,378	$11,447,215	$11,495,393	$16,258,952	$15,706,771

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 Plymouth exceeded liabilities and deferred inflows by $16,258,952 as of June 30, 2023. The Town's net position increased by $552,181 for the fiscal year ended June 30, 2023. However, the largest portion, 79.99% reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of Plymouth uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Plymouth'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 of Plymouth's net position, $290,528, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $2,962,307 is unrestricted.

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

- The Town's collection of property taxes at 74.13% compares unfavorably with the State-wide average of 99.12%; however, this is comparable to the prior fiscal year.

Town of Plymouth Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 164,484	$ 166,943	$ 2,897,105	$ 2,627,223	$ 3,061,589	$ 2,794,166
Operating grants and contributions	152,760	110,501	-	-	152,760	110,501
Capital grants and contributions	584,059	26,552	7,448	576,548	591,507	603,100
General revenues:						
Property taxes	1,400,437	1,140,376	-	-	1,400,437	1,140,376
Other taxes	80	195	-	-	80	195
Grants and contributions not restricted to specific programs	809,159	757,298	-	-	809,159	757,298
Other	148,109	32,331	3,272	11,893	151,381	44,224
Total revenues	3,259,088	2,234,196	2,907,825	3,215,664	6,166,913	5,449,860
Expenses:						
General government	518,810	517,459	-	-	518,810	517,459
Public safety	940,323	989,506	-	-	940,323	989,506
Transportation	408,654	400,104	-	-	408,654	400,104
Economic and physical development	399,019	(11,252)	-	-	399,019	(11,252)
Special appropriations	121,042	58,994	-	-	121,042	58,994
Planning	112,297	154,276	-	-	112,297	154,276
Interest on long-term debt	9,361	11,616	-	-	9,361	11,616
Water	-	-	1,268,442	1,227,263	1,268,442	1,227,263
Sewer	-	-	1,168,549	1,079,195	1,168,549	1,079,195
Sanitation / Stormwater	-	-	668,235	647,698	668,235	647,698
Total expenses	2,509,506	2,120,703	3,105,226	2,954,156	5,614,732	5,074,859
Increase in net position	600,359	113,493	(48,178)	261,508	552,181	375,001
Net position, July 1	4,211,378	4,097,885	11,495,393	11,233,885	15,706,771	15,331,770
Net position, June 30	$ 4,811,737	$ 4,211,378	$ 11,447,215	$ 11,495,393	$ 16,258,952	$ 15,706,771

Governmental activities: Governmental activities increased the Town net assets by $600,359. Key elements of the increase are as follows:

- During the current fiscal year, the Town increased the revenues and expenditures. The Town stayed within the approved budget.

Business-type activities: Business-type activities decreased the Town of Plymouth's net position by $48,178. Key elements of this decrease are as follows:

- The Town received a grant/loan from the NC Division of Water Infrastructure not to exceed $1,000,000; $750,000 Grant and $250,000 loan with zero percent interest for at Water System Improvement Project. The final amount of the loan was $146,787, with debt service starting in 2021.
- The Town received a loan from the NC Division of Water Infrastructure in the amount of $2,042,500, with $500,000 forgiven and $1,542,500 a loan with zero percent interest for the

Wastewater Treatment Rehabilitation and Line Replacement Project, with debt service starting in May 2021.

- Total depreciation for business-type activities increased from $543,126 in 2022 to $623,878 in 2023 due to the completion and depreciation of the Water System Project and the Wastewater Treatment Rehabilitation and Line Replacement Project.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of Plymouth. At the end of the current fiscal year, the Town of Plymouth's fund balance available in the General Fund was $1,537,545, while total fund balance reached $1,894,479. The Town currently has an available fund balance of 73.44% of general fund expenditures, while total fund balance represents 90.49% of the same amount.

At June 30, 2023, the governmental funds of the Town of Plymouth reported a combined fund balance of $1,897,329 with a net increase in fund balance of $352,378.

General Fund Budgetary Highlights

During the fiscal year, the Town revised the budget on two 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.

Proprietary funds. The Town of Plymouth's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water Fund, Sewer Fund, and Sanitation / Stormwater Fund at the end of the fiscal year amounted to $978,259, $(46,533), and $177,622, respectively. The total change in net position for all three funds was $(196,875), $144,186, and $4,511, respectively.

Capital Asset and Debt Administration

Capital assets. The Town of Plymouth's investment in capital assets for its governmental and business–type activities as of June 30, 2023, totaled $14,827,908 (net of accumulated depreciation).

These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

Major capital assets transactions during the year included the following:

- Wastewater Treatment Plant Rehabilitation and Line Replacement Project. Project is complete.
- Purchase of equipment and vehicles in the General Fund and equipment in the Sewer Fund.

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 614,515	$ 614,515	$ 107,630	$ 107,630	$ 722,145	$ 722,145
Buildings and systems	915,020	879,911	11,576,859	12,125,994	12,491,879	13,005,905
Improvements other than buildings	937,499	1,046,810	-	-	937,499	1,046,810
Machinery and equipment	215,108	164,709	501,545	372,130	716,653	536,839
Vehicles and motorized equipment	121,922	126,113	(211,376)	(209,393)	(89,454)	(83,280)
Right to use assets	34,930	51,327	-	-	34,930	51,327
Construction in progress	49,186	34,688	-	-	49,186	34,688
Total	$ 2,888,180	$ 2,918,073	$ 11,974,658	$ 12,396,361	$ 14,862,838	$ 15,314,434

Additional information on the Town's capital assets can be found in Note III.A.4 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2023, the Town of Plymouth had installment purchases debt outstanding of $185,000, which was used to finance two fire trucks and Town Hall renovation; and had revolving loans debt outstanding of $1,636,790, used to finance the construction of a wastewater treatment plant and the extension of water and sewer lines.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Plymouth is $20,761,030.

Additional information regarding the Town of Plymouth's long-term debt can be found in Note IIIB.6 beginning on page 46 of this report.

Town of Plymouth's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Installment purchases	$ 185,000	$ 268,707	$ -	$ 23,105	$ 185,000	$ 291,812
Revolving loans	-	-	1,636,790	1,788,220	1,636,790	1,788,220
Lease asset	33,083	50,198	-	-	33,083	50,198
Compensated absences	60,049	42,385	44,092	41,788	104,141	84,173
Pension related debt (LGERS)	506,213	152,683	310,665	98,827	816,878	251,510
Pension related debt (LEO)	133,564	163,337	-	-	133,564	163,337
Total	$ 917,909	$ 677,310	$ 1,991,547	$ 1,951,940	$ 2,909,456	$ 2,629,250

The Town of Plymouth's total debt increased by $280,206 (10.66%) during the past fiscal year, primarily due to an increase in the Town's LGERS net pension liability.

Economic Factors and Next Year's Budgets and Rates

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

- Wastewater Treatment Plant Project, funded with a $2,042,500 CWSRF loan with $500,000 forgiven from the NC Division of Water Infrastructure. The proposed scope of improvements includes rehabilitation and replacement of aged and failing units at the wastewater treatment plant and the addition of chlorination and dichlorination processes to meet new regulatory limits.
- Water System Improvement Project, FY 15 Community Development Block Grant- Infrastructure (CDBG-I) project for the installation of a brine tank and SCADA system at the Water Treatment Plant (WTP) and installation of approximately 1800 liner feet of raw water line. The project is financed with grant in the amount of $504,000 from Division of Water Quality Community Development Block Grant program.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities: The Town's property tax rate remained at .0054.

Business – type Activities: All utility rates will remain the same except for the garbage and landfill. The garbage rate increased from $21.64 to $24.60 and the landfill rate increased from $11.97 to $14.00.

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 Dorenda Wallace, Finance Officer, Town of Plymouth, 124 East Water Street, Plymouth, NC 27962. You may also call (252) 793-9101.

Town of Plymouth, North Carolina
Statement of Net Position
June 30, 2023
Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,352,321	$ 802,750	$ 3,155,071
Taxes receivables (net)	597,230	-	597,230
Accounts receivable (net)	-	558,956	558,956
Grant receivable	14,222	-	14,222
Internal balances	45,437	(45,437)	-
Due from other governments	261,922	10,520	272,442
Inventories	-	9,062	9,062
Restricted cash and cash equivalents	2,273	199,089	201,362
Total current assets	3,273,405	1,534,940	4,808,345
Non-current assets:			
Capital assets:			
Land, non-depreciable improvements, and construction in progress	663,701	107,630	771,331
Other capital assets, net of depreciation	2,189,549	11,867,028	14,056,577
Total capital assets	2,853,250	11,974,658	14,827,908
Right to use leased assets, net of amortization	34,930	-	34,930
Total assets	$ 6,161,585	$ 13,509,598	$ 19,671,183
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	393,719	206,580	600,299
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	$ 195,684	$ 64,382	$ 260,066
Customer deposits	-	199,089	199,089
Current portion of long-term liabilities	95,357	162,452	257,809
Total current liabilities	291,041	425,923	716,964
Long-term liabilities:			
Due in more than one year	822,552	1,829,095	2,651,647
Total liabilities	1,113,593	2,255,018	3,368,611
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	5,687	-	5,687
Pension deferrals	46,812	13,944	60,756
Unearned grant revenue	577,475	-	577,475
Total deferred inflows of resources	629,974	13,944	643,918
NET POSITION			
Net investment in capital assets	2,668,250	10,337,867	13,006,117
Restricted for:			
Stabilization by State Statute	288,255	-	288,255
Streets	2,273	-	2,273
Unrestricted	1,852,959	1,109,348	2,962,307
Total net position	$ 4,811,737	$ 11,447,215	$ 16,258,952

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

Town of Plymouth, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2023
Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	$ 518,810	$ 3,865	$ -	$ -	$ (514,945)	$ -	$ (514,945)
Public safety	940,323	124,724	45,487	26,170	(743,942)	-	(743,942)
Transportation	408,654	690	107,273	-	(300,691)	-	(300,691)
Economic and physical development	399,019	-	-	507,889	108,870	-	108,870
Special appropriations	121,042	35,205	-	50,000	(35,837)	-	(35,837)
Planning	112,297	-	-	-	(112,297)	-	(112,297)
Interest on long-term debt	9,361	-	-	-	(9,361)	-	(9,361)
Total governmental activities	2,509,506	164,484	152,760	584,059	(1,608,203)	-	(1,608,203)
Business-type activities:							
Water	1,268,442	1,063,464	-	7,448	-	(197,530)	(197,530)
Sewer	1,168,549	1,163,512	-	-	-	(5,037)	(5,037)
Sanitation / Stormwater	668,235	670,129	-	-	-	1,894	1,894
Total business-type activities	3,105,226	2,897,105	-	7,448	-	(200,673)	(200,673)
Total primary government	$ 5,614,732	$ 3,061,589	$ 152,760	$ 591,507	$ (1,608,203)	$ (200,673)	$ (1,808,876)
General revenues:							
Taxes:							
Property taxes, levied for general purpose					1,400,437	-	1,400,437
Other taxes					80	-	80
Grants and contributions not restricted to specific programs					809,159	-	809,159
Unrestricted investment earnings					81,313	-	81,313
Miscellaneous					66,796	3,272	70,068
Total general revenues not including transfers					2,357,785	3,272	2,361,057
Transfers					(149,223)	149,223	-
Total general revenues and transfers					2,208,562	152,495	2,361,057
Change in net position					600,359	(48,178)	552,181
Net position, beginning					4,211,378	11,495,393	15,706,771
Net position, ending					$ 4,811,737	$ 11,447,215	$ 16,258,952

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

Town of Plymouth, North Carolina
Balance Sheet and Reconciliation of the Balance Sheet to the Statement of Net Position– Governmental Funds
June 30, 2023
Exhibit 3

	Major Funds			
	General Fund	Coronavirus State and Local Fiscal Recovery	OSBM Special Appropriations Fire	Total
ASSETS				
Cash and cash equivalents	$ 1,766,434	$ 555,666	$ 30,221	$ 2,352,321
Restricted cash	2,273	-	-	2,273
Receivables, net:				
Taxes	597,230	-	-	597,230
Due from other funds	49,989	-	-	49,989
Due from other governments	238,266	21,809	1,847	261,922
Grants receivable	-	14,222	-	14,222
Total assets	$ 2,654,192	$ 591,697	$ 32,068	$ 3,277,957
LIABILITIES				
Liabilities:				
Accounts payable and accrued liabilities	$ 152,244	$ 14,222	$ 29,218	$ 195,684
Unearned revenue	-	577,475	-	577,475
Due to other funds	4,552	-	-	4,552
Total liabilities	156,796	591,697	29,218	777,711
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	597,230	-	-	597,230
Prepaid taxes	5,687	-	-	5,687
Total deferred inflows of resources	602,917	-	-	602,917
FUND BALANCES				
Restricted				
Stabilization by State Statute	288,255	-	-	288,255
Streets	2,273	-	-	2,273
Committed				
Town Promotion	20,000	-	-	20,000
Assigned				
Subsequent years' expenditures	46,406	-	-	46,406
Unassigned	1,537,545	-	2,850	1,540,395
Total fund balances	1,894,479	-	2,850	1,897,329
Total liabilities, deferred inflows of resources and fund balances	$ 2,654,192	$ 591,697	$ 32,068	

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

Town of Plymouth, North Carolina
Balance Sheet and Reconciliation of the Balance Sheet to the Statement of Net Position– Governmental Funds
June 30, 2023
Exhibit 3

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Total Fund Balances, Governmental Funds		1,897,329
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	7,615,228	
Accumulated depreciation	(4,761,978)	2,853,250
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross right to use assets at historical cost	67,662	
Accumulated amortization	(32,732)	34,930
Net pension liability		(506,213)
Total pension liability		(133,564)
Deferred outflows of resources related to pensions are not reported in the funds		393,719
Liabilities for earned revenues considered deferred inflows of resources in fund statements		597,230
Deferred inflows of resources related to pensions are not reported in the funds		(46,812)
Some liabilities, including installment purchases and compensated absences, are not due and payable in the current period and therefore are not reported in the funds		(278,132)
Net position of governmental activities		$ 4,811,737

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

Town of Plymouth, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2023
Exhibit 4

	Major Funds				
	General Fund	CAMA Waterfront Park	Coronavirus State and Local Fiscal Recovery	OSBM Special Appropriations Fire	Total
REVENUES					
Ad valorem taxes	$ 1,142,424	$ -	$ -	$ -	$ 1,142,424
Other taxes and licenses	80	-	-	-	80
Unrestricted intergovernmental	809,159	-	-	-	809,159
Restricted intergovernmental	301,112	-	507,889	50,000	859,001
Permits and fees	38,206	-	-	-	38,206
Sales and services	4,096	-	-	-	4,096
Investment earnings	81,313	-	-	-	81,313
Miscellaneous	66,796	-	-	-	66,796
Total revenues	2,443,186	-	507,889	50,000	3,001,075
EXPENDITURES					
Current:					
General government	418,273	-	-	-	418,273
Public safety	1,048,808	-	-	-	1,048,808
Transportation	370,113	-	-	-	370,113
Economic and physical development	-	-	358,666	-	358,666
Special appropriations	33,984	-	-	47,150	81,134
Planning	112,297	-	-	-	112,297
Debt service:					
Principal retirement	100,822	-	-	-	100,822
Interest and other charges	9,361	-	-	-	9,361
Total expenditures	2,093,658	-	358,666	47,150	2,499,474
Excess (deficiency) of revenues over (under) expenditures	349,528	-	149,223	2,850	501,601
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	3,061	-	-	-	3,061
Transfers to other funds	-	(3,061)	(149,223)	-	(152,284)
Total other financing sources (uses)	3,061	(3,061)	(149,223)	-	(149,223)
Net change in fund balance	352,589	(3,061)	-	2,850	352,378
Fund balances, beginning	1,541,890	3,061	-	-	1,544,951
Fund balances, ending	$ 1,894,479	$ -	$ -	$ 2,850	$ 1,897,329

The accompanying footnotes are an integral part of these financial statements.

Town of Plymouth, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Governmental Funds
For the Fiscal Year Ended June 30, 2023
Exhibit 5

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	$	352,378
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay expenditures which were capitalized		209,395
Depreciation expense for governmental assets		(222,891)
Total		(13,496)
Amortization expense for intangible assets		(16,397)
Total		(16,397)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		84,727
Benefit payments paid and administrative expenses for the LEOSSA are not included on the Statement of Activities.		11,639
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		258,013
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment on long-term debt and related items.		
Principal payments on long-term debt		100,822
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(17,664)
Pension expense		(159,663)
Total changes in net position of governmental activities	$	600,359

The accompanying footnotes are an integral part of these financial statements.

Town of Plymouth, North Carolina
General Fund Statement of Revenues, Expenditures, and Change in Fund Balance –Budget and Actual
For the Fiscal Year Ended June 30, 2023
Exhibit 6

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes	$ 1,051,000	$ 1,051,000	$ 1,142,424	$ 91,424
Other taxes and licenses	-	-	80	80
Unrestricted intergovernmental	710,500	710,500	809,159	98,659
Restricted intergovernmental	257,182	302,182	301,112	(1,070)
Permits and fees	36,500	36,500	38,206	1,706
Sales and services	5,100	5,100	4,096	(1,004)
Investment earnings	8,000	35,000	81,313	46,313
Miscellaneous	5,000	71,520	66,796	(4,724)
Total revenues	2,073,282	2,211,802	2,443,186	231,384
EXPENDITURES				
Current:				
General government	463,011	408,718	418,273	(9,555)
Public safety	1,244,296	1,126,135	1,048,808	77,327
Transportation	388,896	371,678	370,113	1,565
Special appropriations	39,900	44,900	33,984	10,916
Planning	131,356	168,114	112,297	55,817
Debt Service:				
Principal retirement	-	83,621	100,822	(17,201)
Interest and other charges	-	8,636	9,361	(725)
Total expenditures	2,267,459	2,211,802	2,093,658	118,144
Revenues over (under) expenditures	(194,177)	-	349,528	349,528
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	-	-	3,061	3,061
Total other financing sources (uses)	-	-	3,061	3,061
Fund balance appropriated	194,177	-	-	-
Net change in fund balance	$ -	$ -	352,589	$ 352,589
Fund balance, beginning			1,541,890	
Fund balance, ending			$ 1,894,479	

The accompanying footnotes are an integral part of these financial statements.

Town of Plymouth, North Carolina
Statement of Fund Net Position – Proprietary Funds
June 30, 2023
Exhibit 7

	Major Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation / Stormwater Fund	Total
ASSETS				
Current assets:				
Cash and equivalents	$ 202,661	$ 398,165	$ 201,924	$ 802,750
Restricted cash	199,089	-	-	199,089
Accounts receivables (net)	228,807	217,100	113,049	558,956
Due from other funds	733,129	8,167	26,253	767,549
Due from other governments	7,637	2,808	75	10,520
Inventories	8,156	906	-	9,062
Total current assets	1,379,479	627,146	341,301	2,347,926
Noncurrent assets:				
Capital assets:				
Land and construction in progress	53,815	53,815	-	107,630
Other capital assets, net of depreciation	4,422,631	7,395,543	48,854	11,867,028
Capital assets (net)	4,476,446	7,449,358	48,854	11,974,658
Total assets	5,855,925	8,076,504	390,155	14,322,584
DEFERRED OUTFLOWS OF RESOURCES	184,183	-	22,397	206,580
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	41,512	8,414	14,456	64,382
Due to other funds	17,442	665,265	130,279	812,986
Compensated absences - current	9,486	-	1,537	11,023
Customer deposits	199,089	-	-	199,089
Revolving loan - current	74,304	77,125	-	151,429
Total current liabilities	341,833	750,804	146,272	1,238,909
Noncurrent liabilities:				
Compensated absences - noncurrent	28,458	-	4,611	33,069
Net pension liability	276,984	-	33,681	310,665
Revolving loan - noncurrent	251,362	1,234,000	-	1,485,362
Total noncurrent liabilities	556,804	1,234,000	38,292	1,829,096
Total liabilities	898,637	1,984,804	184,564	3,068,005
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	12,432	-	1,512	13,944
Total deferred inflows of resources	12,432	-	1,512	13,944
NET POSITION				
Net investment in capital assets	4,150,780	6,138,233	48,854	10,337,867
Unrestricted	978,259	(46,533)	177,622	1,109,348
Total net position	$ 5,129,039	$ 6,091,700	$ 226,476	$ 11,447,215

The accompanying footnotes are an integral part of these financial statements.

Town of Plymouth, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
For the Fiscal Year Ended June 30, 2023
Exhibit 8

	Major Enterprise Funds			
	Water Fund	Sewer Fund	Sanitation / Stormwater Fund	Total
OPERATING REVENUES				
Charges for service	$ 1,062,464	$ 1,163,512	$ 670,129	$ 2,896,105
Water and sewer taps	1,000	-	-	1,000
Total operating revenues	1,063,464	1,163,512	670,129	2,897,105
OPERATING EXPENSES				
Salaries and benefits	784,479	-	101,354	885,833
Supplies	79,368	8,874	1,081	89,323
Maintenance and repair	100,304	30,623	690	131,617
Expense reimbursement to General Fund	310,000	310,000	219,937	839,937
Expense reimbursement to (from) Water Fund	(403,256)	376,875	26,381	-
Other operating expense	105,361	104,318	88,972	298,651
Contracted service	-	-	160,032	160,032
Landfill availability	-	-	59,674	59,674
Depreciation	275,905	337,859	10,114	623,878
Total operating expenses	1,252,161	1,168,549	668,235	3,088,945
Operating income (loss)	(188,697)	(5,037)	1,894	(191,840)
NONOPERATING REVENUES (EXPENSES)				
Interest and fees	(8,833)	-	-	(8,833)
Asset Inventory project expenses	(7,448)	-	-	(7,448)
Miscellaneous revenues	655	-	2,617	3,272
Total nonoperating revenues (expenses)	(15,626)	-	2,617	(13,009)
Income (loss) before contributions and transfers	(204,323)	(5,037)	4,511	(204,849)
Capital contributions	7,448	-	-	7,448
Transfers from other funds	-	149,223	-	149,223
Change in net position	(196,875)	144,186	4,511	(48,178)
Net position, beginning	5,325,914	5,947,514	221,965	11,495,393
Net position, ending	$ 5,129,039	$ 6,091,700	$ 226,476	$ 11,447,215

The accompanying footnotes are an integral part of these financial statements.

Town of Plymouth, North Carolina
Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended June 30, 2023
Exhibit 9

	Major Enterprise Fund			
	Water Fund	Sewer Fund	Sanitation / Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 1,073,371	$ 1,188,368	$ 688,496	$ 2,950,235
Cash paid for goods and services	(317,251)	(138,876)	(312,030)	(768,157)
Cash paid for interfund goods and services used	(310,000)	(686,875)	(246,318)	(1,243,193)
Cash received for interfund goods and services used	403,256	-	-	403,256
Cash paid to or on behalf of employees for services	(758,877)	-	(99,822)	(858,699)
Customer deposits received and returned, net	2,470	-	-	2,470
Net cash provided (used) by operating activities	92,969	362,617	30,326	485,912
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers (to) from other funds	-	149,223	-	149,223
Net cash provided (used) by noncapital financing activities	-	149,223	-	149,223
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term borrowings	(97,226)	(77,125)	-	(174,351)
Interest paid on long-term borrowings	(8,833)	-	-	(8,833)
Acquisition and construction of capital assets	(32,073)	(419,275)	-	(451,348)
Miscellaneous revenue	655	-	2,617	3,272
Capital contributions - Federal and State grants	33,132	192,469	-	225,601
Net cash provided (used) by capital and related financing activities	(104,345)	(303,931)	2,617	(405,659)
Net increase (decrease) in cash and cash equivalents	(11,376)	207,909	32,943	229,476
Balances, beginning	413,126	190,256	168,981	772,363
Balances, ending	$ 401,750	$ 398,165	$ 201,924	$ 1,001,839
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (188,697)	$ (5,037)	$ 1,894	$ (191,840)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	275,905	337,859	10,114	623,878
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	9,907	24,856	18,367	53,130
(Increase) decrease in deferred outflows of resources - pensions	(50,591)	-	(4,988)	(55,579)
Increase (decrease) in net pension liability	189,550	-	22,288	211,838
Increase (decrease) in deferred inflows of resources - pensions	(116,181)	-	(15,248)	(131,429)
Increase (decrease) in accounts payable and accrued liabilities	(32,218)	4,939	(1,581)	(28,860)
Increase (decrease) in compensated absences	2,824	-	(520)	2,304
Increase (decrease) in customer deposits	2,470	-	-	2,470
Total adjustments	281,666	367,654	28,432	677,752
Net cash provided by operating activities	$ 92,969	$ 362,617	$ 30,326	$ 485,912

The accompanying footnotes are an integral part of these financial statements.

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Plymouth conform to generally accepted accounting principles applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Plymouth is a municipal corporation that is governed by an elected mayor and a six-member council. As required by generally accepted accounting principles, these financial statements present the financial information 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 Town has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

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

The Town reports the following major governmental funds:

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

CAMA Waterfront Park Project Fund. This fund is used to account for grant funds used for a kayak launch, piers, boardwalk, and parking construction.

Coronavirus State and Local Fiscal Recovery Fund. This fund is used to account for grant funds that are restricted for a particular purpose.

OSMB Special Appropriations Fire Fund. This fund is used to account for grant funds that are restricted for a particular purpose.

The Town reports the following major enterprise funds:

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

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

Sanitation / Stormwater Fund. This fund is used to account for the Town's sanitation and stormwater operations.

Asset Inventory Assessment H-AIA-D-20-0194 Project Fund. This fund is used to account for grant funds that are restricted for a particular purpose. This fund is combined with the water fund for reporting purposes.

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's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

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

unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances were adopted for the CAMA Waterfront Park Project Fund, the Coronavirus State and Local Fiscal Recovery Fund, the OSBM Special Appropriations Fire Fund, and the Asset Inventory Assessment H-AIA-D-20-0194 Project Fund. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. The Town Manager has the authority to amend appropriations within departments. All other amendments must be approved by the governing board.

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

2. Cash and Cash Equivalents

The 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

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening local streets per G.S. 136-41.1 through 136-41.4. Customer deposits are classified as restricted cash because they must be returned to the customer at the conclusion of service.

Governmental Activities:		
General Fund: Streets	$	2,273
Total governmental cash		2,273
Business-type Activities:		
Customer deposits		199,089
Total business-type cash		199,089
Total restricted cash	$	201,362

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, 2022. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventory

The inventories of the Town are valued at cost (first-in, first-out), which approximates market. The inventories of the Town's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2017 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2017 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and

repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Town does not have any Information Technology Subscriptions to account for under the requirement of GASB 96.

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

Infrastructure	30 years
Buildings	50 years
Improvements	25 years
Vehicles	6 years
Furniture and equipment	10 years
Computer equipment	3 years

8. Right to Use Assets

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

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

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

9. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, pension deferrals for the 2023 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—prepaid taxes, property taxes receivable, unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), pension deferrals, and unearned grant revenue.

10. Long-Term Obligations

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

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.

11. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out, method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for the unlimited accumulation of earned sick leave. Sick leave does not vest, except for the sick leave that was earned between June 2003 and March 2005. During this time period, there was a possible 168 hours earned per employee, which will be paid upon termination of employment. Except for the period mentioned, any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made, except for the time period between June 2003 and March 2005.

As of June 30, 2023, the Town has accrued compensatory time of $2,856. This time will be paid to the employee upon termination of employment. Exempt employees do not accrue compensatory

time. Nonexempt employees, with the exception of law enforcement and firefighters, working over 40 hours per week accrue compensatory time at a rate of 1.5 hours for each hour worked. Law enforcement and firefighters earn compensatory time for hours worked over 171 hours in a 28-day cycle and for hours worked over 212 hours in a 28 day cycle, respectively. Compensatory time can be accumulated up to 80 hours with the remaining balance paid to the employee, unless the Town Manager approves otherwise. Compensatory time must be used before sick or vacation time.

12. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Town does not have any nonspendable fund balances for the governmental fund types.

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

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

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 Plymouth's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or otherwise revise the limitation.

Committed for Town Promotion – portion of fund balance assigned by the Town Council for Town promotion.

Assigned Fund Balance – portion of fund balance that the Town of Plymouth intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation, and all modifications must be board approved.

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

At this time, the Town does not have a revenue spending policy or a minimum fund balance policy in place.

13. Defined Benefit Cost-Sharing Plan

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

14. Subsequent Events – Date of Management Evaluation

Management has evaluated subsequent events through January 2, 2024, the date on which the financial statements were available to be issued.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2023, the expenditures made in the Town's General Fund general government and debt service exceeded the authorized appropriations made by the governing board by $9,555 and $17,926, respectively. This over-expenditure occurred because the Town did not properly adjust their budget.

NOTE III – DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2023, the Town's deposits had a carrying amount of $773,914 and a bank balance of $809,105. Of the bank balance, $250,000 was covered by federal depository insurance. At June 30, 2023, the Town's petty cash fund totaled $600.

2. Investments

At June 30, 2023, the Town of Plymouth had $2,581,919 invested with the North Carolina Capital Management Trust's Governmental Portfolio which carried a credit rating of AAAm by Standard and Poor's. The Town has no formal policy regarding credit risk of its investments.

3. Receivables – Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2023 are net of the following allowances for doubtful accounts:

Fund	June 30, 2023
General Fund:	
Taxes receivable	$ 82,092
Total General Fund	82,092
Enterprise Funds:	
Water fund - accounts receivable	247,683
Sewer fund - accounts receivable	201,576
Sanitation / Stormwater fund - accounts receivable	121,405
Total Enterprise Funds	570,664
Total	$ 652,756

4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 614,515	$ -	$ -	$ 614,515
Construction in progress	34,688	14,498	-	49,186
Total capital assets not being depreciated	649,203	14,498	-	663,701
Capital assets being depreciated:				
Buildings	1,881,784	69,317	-	1,951,101
Other improvements	2,287,178	-	-	2,287,178
Equipment	740,472	80,298	-	820,770
Vehicles and motorized equipment	1,847,192	45,282	-	1,892,474
Total capital assets being depreciated	6,756,626	194,897	-	6,951,523
Less accumulated depreciation for:				
Buildings	1,001,873	34,208	-	1,036,081
Other improvements	1,240,368	109,311	-	1,349,679
Equipment	575,763	29,899	-	605,662
Vehicles and motorized equipment	1,721,079	49,473	-	1,770,552
Total accumulated depreciation	4,539,083	222,891	-	4,761,974
Total capital assets being depreciated, net	2,217,543			2,189,549
Governmental activity capital assets, net	$ 2,866,746			$ 2,853,250

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

General government	$	60,678
Public safety		43,411
Transportation		38,541
Economic and physical development		40,353
Special appropriations		39,908
Total depreciation expense	$	222,891

Business-Type Activities. Capital asset activity for the Business-Type Activities for the year ended June 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities: Water Fund				
Capital assets not being depreciated:				
Land	$ 53,815	$ -	$ -	$ 53,815
Total capital assets not being depreciated	53,815	-	-	53,815
Capital assets being depreciated:				
Plant and distributions systems	7,485,910	-	-	7,485,910
Equipment	769,892	-	-	769,892
Vehicles	47,997	-	-	47,997
Total capital assets being depreciated	8,303,799	-	-	8,303,799
Less accumulated depreciation for:				
Plant and distributions systems	2,657,827	260,624	-	2,918,451
Equipment	684,755	15,281	-	700,036
Vehicles	262,681	-	-	262,681
Total accumulated depreciation	3,605,263	275,905	-	3,881,168
Total capital assets being depreciated, net	4,698,536			4,422,631
Water fund capital assets, net	$ 4,752,351			$ 4,476,446

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities: Sewer Fund				
Capital assets not being depreciated:				
Land	$ 53,815	$ -	$ -	$ 53,815
Total capital assets not being depreciated	53,815	-	-	53,815
Capital assets being depreciated:				
Plant and distributions systems	11,634,036	-	-	11,634,036
Equipment	534,939	202,175	-	737,114
Vehicles	114,599	-	-	114,599
Total capital assets being depreciated	12,283,574	202,175	-	12,485,749
Less accumulated depreciation for:				
Plant and distributions systems	4,336,125	288,511	-	4,624,636
Equipment	306,914	47,365	-	354,279
Vehicles	109,308	1,983	-	111,291
Total accumulated depreciation	4,752,347	337,859	-	5,090,206
Total capital assets being depreciated, net	7,531,227			7,395,543
Sewer fund capital assets, net	$ 7,585,042			$ 7,449,358

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities: Sanitation / Stormwater Fund				
Capital assets being depreciated:				
Equipment	$ 111,296	$ -	$ -	$ 111,296
Vehicles	70,067	-	-	70,067
Total capital assets being depreciated	181,363	-	-	181,363
Less accumulated depreciation for:				
Equipment	52,328	10,114	-	62,442
Vehicles	70,067	-	-	70,067
Total accumulated depreciation	122,395	10,114	-	132,509
Total capital assets being depreciated, net	58,968			48,854
Sanitation / Stormwater fund capital assets, net	$ 58,968			$ 48,854
Business-type activity capital assets, net	$ 12,396,361			$ 11,974,658

5. Right to Use Leased Assets

The Town has recorded two right to use leased assets. The assets are right to use assets for leased camera and copier equipment. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

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

	Beginning Balances	Increases	Decreases	Ending Balances
Right to use assets				
Leased camera equipment	$ 54,551	$ -	$ -	$ 54,551
Leased copier equipment	13,111	-	-	13,111
Total right to use assets	67,662	-	-	67,662
Less accumulated amortization for:				
Leased camera equipment	10,910	10,638	-	21,548
Leased copier equipment	5,425	5,759	-	11,184
Total accumulated amortization	16,335	16,397	-	32,732
Right to use assets, net	$ 51,327	$ (16,397)	$ -	$ 34,930

B. Liabilities

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of Plymouth 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 Plymouth 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 Plymouth's contractually required contribution rate for the year ended June 30, 2023, was 13.10% of compensation for law enforcement officers and 12.10% 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 Plymouth were $153,547 for the year ended June 30, 2023.

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, 2023, the Town reported a liability of $816,878 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the Town's proportion was 0.01448%, which was an decrease of 0.00192% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town recognized pension expense of $226,715. At June 30, 2023, 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	$ 35,199	$ 3,451
Changes in assumptions	81,506	-
Net difference between projected and actual earnings on pension plan investments	269,987	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	2,952	33,213
Town contributions subsequent to the measurement date	153,547	-
Total	$ 543,191	$ 36,664

$153,547 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2024	$ 111,510
2025	91,159
2026	21,684
2027	128,627
2028	-
Thereafter	-
	$ 352,980

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

Inflation	2.5 percent
Salaries 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 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, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	100.0%	

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

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 liability (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)	1,474,361	816,878	275,075

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

Plan Description

The Town of Plymouth 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time law enforcement officers of the Town are covered by the Separation Allowance. At December 31, 2021, the valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Active plan members	4
Total	5

Summary of Significant Account Policies

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

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

Actuarial Assumptions

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

Inflation	2.50 percent
Salaries increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.31 percent

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

Mortality rates are based on the MP-2015 Mortality tables.

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 paid by the general fund. The Town paid $11,639 as benefits came due for the reporting period.

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

At June 30, 2023, the Town reported a total pension liability of $133,564. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the Town recognized pension expense of $26,604.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 36,651	$ 6,196
Changes of assumptions	20,457	17,896
Total	$ 57,108	$ 24,092

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

Year ended June 30:	
2024	$ 18,204
2025	14,597
2026	4,405
2027	(4,190)
2028	-
Thereafter	-
Total	$ 33,016

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 4.31 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (4.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	$ 142,276	$ 133,564	$ 125,518

Beginning balance	$ 163,337
Service cost	4,852
Interest on the total pension liability	3,544
Differences between expected and actual experience	(7,809)
Changes of assumptions or other inputs	(18,721)
Benefit payments	(11,639)
Ending balance of the total pension liability	$ 133,564

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

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

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	$ 226,715	$ 26,604	$ 253,319
Pension Liability	816,878	133,564	950,442
Proportionate share of the net pension liability	0.01448%	N/A	
Deferred Outflows of Resources			
Differences between expected and actual experience	35,199	36,651	71,850
Changes of assumptions	81,506	20,457	101,963
Net difference between projected and actual earnings on plan investments	269,987	-	269,987
Changes in proportion and differences between contributions and proportionate share of contributions	2,952	-	2,952
Benefit payments and administrative costs paid subsequent to the measurement date	153,547	-	153,547
Deferred Inflows of Resources			
Differences between expected and actual experience	3,451	6,196	9,647
Changes of assumptions	-	17,896	17,896
Changes in proportion and differences between contributions and proportionate share of contributions	33,213	-	33,213

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 law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the 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 for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were $32,793, which consisted of $24,373 from the Town and $8,420 from the law enforcement officers. No amounts were forfeited.

The Town has also elected to contribute to the Supplemental Retirement Income Plan (Plan) for general full-time employees. The Town contributes each month a minimum of 1.50% of each employee's salary and matches voluntary employee contributions up to 5% of each employee's salary. All amounts contributed are vested immediately. Contributions for the year ended June 30, 2023 were $51,272, which consisted of $31,945 from the Town and $19,327 from the general employees. No amounts were forfeited.

2. Other Employment Benefits

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

Source	Amount
Contributions to pension plan in current fiscal year	$ 153,547
Difference between expected and actual experience	71,850
Changes of assumptions	101,963
Net difference between projected and actual earnings on pension plans and investments	269,987
Changes in proportion and difference between employer contributions and proportionate share of contributions	2,952
Total	$ 600,299

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

	Statement of Net Position	General Fund Balance
Taxes receivable (General Fund)	$ -	$ 597,230
Prepaid taxes (General Fund)	5,687	5,687
Difference between expected and actual experience	9,647	-
Changes of assumptions	17,896	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	33,213	-
Unearned grant revenue	577,475	
Total	$ 643,918	$ 602,917

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 three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of $1 million per occurrence, property coverage up to the total insured values of the property policy, and worker's compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Town Council each year. Stop loss insurance is purchased by the Town Council to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of reinsurance, excess and stop loss policies purchased by the Town Council 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 been no significant reductions in insurance coverage from the prior year, and settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The Town carries flood insurance through the North Carolina League of Municipalities. Because the Town is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the Town is eligible to purchase coverage of $500,000 per structure through the National Flood Insurance Plan. The Town also is eligible to purchase commercial flood insurance for another $1,500,000 of coverage per structure. As of June 30, 2023, the Town does not carry any additional flood insurance. In accordance with G.S. 159-29, the Town's employees that have access to $100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The finance officer is bonded for $50,000 and the tax collector is bonded for $15,000. The remaining employees that have access to funds are bonded under blanket bond for $15,000.

5. Claims, Judgments, and Contingent Liabilities

The Town is involved in legal and regulatory matters arising in the ordinary course of operations. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management and the Town attorney that the resolution of outstanding matters will not have a material adverse effect on the financial position or results of operations of the Town with one exception. There is one case pending and discovery has not yet started, that the Town's attorney indicates is is premature to determine potential outcomes or the possibility of settlement.

6. Long-Term Obligations

a. Leases

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

The first agreement was executed in June 2022 to lease public safety cameras and requires 5 annual payments of $12,000. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a net book value of $33,003 at June 30, 2023. The right to use asset is discussed in more detail in the right to use asset section of the notes.

The second agreement was executed in August 2018 to lease copier equipment and requires 60 monthly payments of $495. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 5%, which is the stated rate in the lease agreement. As a result of the lease, the Town has recorded a right to use asset with a net book value of $1,737 at June 30, 2023. The right to use asset is discussed in more detail in the right to use asset section of the notes.

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

	Cameras		Copiers		Totals	
Year Ending June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 10,884	$ 1,634	$ 1,961	$ 20	$ 12,845	$ 1,654
2025	10,366	1,116	-	-	10,366	1,116
2026	9,872	571	-	-	9,872	571
Total	$ 31,122	$ 3,321	$ 1,961	$ 20	$ 33,083	$ 3,341

b. Installment Purchases

Serviced by the Governmental Activities:

In February 2016, the Town entered into a $550,000 installment contract to purchase two fire trucks. The financing contract requires ten annual principal payments of $55,000, plus interest.

Payments begin in February 2017. The interest rate is 2.29%. The outstanding balance at June 30, 2023 is $110,000.

In October 2018, the Town entered into a $125,000 installment contract for the purchase and improvements of a municipal building and land. The financing contract requires ten annual payments of $12,500, plus interest. Payments begin in October 2019. The interest rate is 4.49%. The outstanding balance at June 30, 2023 is $75,000.

Annual debt service payments of the installment purchases as of June 30, 2023, including $15,577 of interest, are as follows:

	Governmental Activities		Totals	
Year Ending June 30	Principal	Interest	Principal	Interest
2024	$ 67,500	$ 5,887	$ 67,500	$ 5,887
2025	67,500	4,077	67,500	4,077
2026	12,500	2,245	12,500	2,245
2027	12,500	1,684	12,500	1,684
2028	12,500	1,123	12,500	1,123
2029-2033	12,500	561	12,500	561
Total	$ 185,000	$ 15,577	$ 185,000	$ 15,577

c. Revolving Loan

Serviced by the Business-type Activities:

The Town's revolving loans issued to finance the construction of a wastewater treatment plant and the extension of the water and sewer lines are reported as long-term debt in the Water and Sewer Fund. All revolving loans are collateralized by the full faith, credit and taxing power of the Town. Principal and interest requirements are appropriated when due.

Revolving loans payable at June 30, 2023 are comprised of the following issues:

$1,339,309 2005 Drinking Water revolving loan due in annual installments of $66,965 through May 2026, interest at 2.87%. Payments began in 2007.	$ 200,896
$146,787 Drinking Water revolving loan due in annual installments of $7,339 through May 2040, interest at 0.0%. Payments began in 2021.	124,769
$2,042,500 Sanitary Sewer revolving loan due in annual installments of $77,125 through May 2040, interest at 0.0%. $500,000 was forgiven. Payments began in 2021.	1,311,125
Total	$ 1,636,790

The future payments of the revenue bond are as follows:

Year Ending June 30	Principal	Interest
2024	$ 151,429	$ 5,766
2025	151,430	3,844
2026	151,429	1,921
2027	84,464	-
2028	84,464	-
2029-2033	422,322	-
2034-2038	422,322	-
2039-2040	168,930	-
Total	$ 1,636,790	$ 11,531

d. Changes in Long-Term Liabilities

	Balance July 01, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion of Balance
Governmental activities:					
Installment purchase	$ 268,707	$ -	$ 83,707	$ 185,000	$ 67,500
Compensated absences	42,385	17,664	-	60,049	15,012
Leases	50,198	-	17,115	33,083	12,845
Net pension liability (LGERS)	152,683	353,530	-	506,213	-
Net pension liability (LEOSSA)	163,337	-	29,773	133,564	-
Governmental activity long-term liabilities	$ 677,310	$ 371,194	$ 130,595	$ 917,909	$ 95,357
Business-type activities:					
Installment purchase	$ 23,105	$ -	$ 23,105	$ -	$ -
Revolving loans	1,788,220	-	151,430	1,636,790	151,429
Compensated absences	41,788	2,304	-	44,092	11,023
Net pension liability (LGERS)	98,827	211,838	-	310,665	-
Business-type activity long-term liabilities	$ 1,951,940	$ 214,142	$ 174,535	$ 1,991,547	$ 162,452

At June 30, 2023, the Town of Plymouth had a legal debt margin of $20,761,030.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2023, consist of the following:

Due to the General Fund for operating costs from:		
Sewer Fund	$	8,518
Sanitation Fund		41,026
Stormwater Fund		445
Total	$	49,989
Due to the Water Fund for operating costs from:		
General Fund	$	4,552
Sewer Fund		647,936
Sanitation Fund		80,641
Total	$	733,129
Due to the Sewer Fund for operating costs from:		
Sanitation Fund	$	8,167
Total	$	8,167
Due to the Sanitation / Stormwater Fund for operating costs from:		
Water Fund	$	17,442
Sewer Fund		8,811
Total	$	26,253

The interfund balances resulted from the time lag between 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 at June 30, 2023, consist of the following:

From the CAMA Waterfront Park to the General Fund to close out the project fund	$	3,061
From the Coronavirus State and Local Fiscal Recovery Fund to the Sewer Fund for assets purchased with grant monies.		149,223
Total	$	152,284

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	$ 2,853,250	$ 11,974,658
less: long-term debt	185,000	1,636,791
Net investment in capital assets	$ 2,668,250	$ 10,337,867

E. Fund Balance

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

Total fund balance - General Fund	$ 1,894,479
Less:	
Stabilization by State Statute	288,255
Streets - Powell Bill	2,273
Town promotion	20,000
Subsequent year's expenditures	46,406
Remaining Fund Balance	$ 1,537,545

NOTE IV –RELATED ORGANIZATION

The five-member board of the Town of Plymouth Housing Authority is appointed by the mayor of the Town of Plymouth. The Town is accountable for the Housing Authority because it appoints the governing board; however, the Town is not financially accountable for the Housing Authority. The Town of Plymouth is also disclosed as a related organization in the notes to the financial statements for the Town of Plymouth Housing Authority.

NOTE V –SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Town has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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.

Town of Plymouth, North Carolina
Local Governmental Employees' Retirement System
Schedule of Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Ten Fiscal Years
Schedule 1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Plymouth's proportion of the net pension liability (asset) (%)	0.01448%	0.01640%	0.01680%	0.01714%	0.01724%	0.01583%	0.01251%	0.01070%	-0.01116%	0.01410%
Plymouth's proportion of the net pension liability (asset) ($)	$ 816,878	$ 251,510	$ 600,336	$ 468,080	$ 408,992	$ 241,839	$ 265,504	$ 48,021	$ (65,618)	$ 169,959
Plymouth's covered-employee payroll	$ 1,183,027	$ 1,132,902	$ 1,310,834	$ 1,414,764	$ 1,342,786	$ 1,027,992	$ 898,742	$ 829,914	$ 802,580	$ 802,580
Plymouth's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69.05%	22.20%	45.80%	33.09%	30.46%	23.53%	29.54%	5.79%	-8.18%	21.18%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	95.35%

Town of Plymouth, North Carolina
Local Governmental Employees' Retirement System
Schedule of the Town's Contributions
Required Supplementary Information
Last Ten Fiscal Years
Schedule 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 153,547	$ 137,240	$ 118,231	$ 121,102	$ 100,087	$ 88,854	$ 77,658	$ 62,302	$ 74,487	$ 83,859
Contributions in relation to the contractually required contribution	153,547	137,240	118,231	121,102	100,087	88,854	77,658	62,302	74,487	83,859
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plymouth's covered-employee payroll	$ 1,241,313	$ 1,183,027	$ 1,132,902	$ 1,310,834	$ 1,414,764	$ 1,342,786	$ 1,027,992	$ 898,742	$ 829,914	$ 802,580
Contributions as a percentage of covered-employee payroll	12.37%	11.60%	10.44%	9.24%	7.07%	6.62%	7.55%	6.93%	8.98%	10.45%

Town of Plymouth, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
June 30, 2023
Schedule 3

	2023	2022	2021	2020	2019	2018	2017
Beginning balance	$ 163,337	$ 192,148	$ 81,584	$ 67,765	$ 39,821	$ 37,200	$ 35,380
Service Cost	4,852	10,026	8,771	6,658	7,551	4,592	5,660
Interest on the total pension liability	3,544	3,225	2,660	2,467	1,258	1,388	1,185
Differences between expected and actual experience in the measurement of the total pension liability	(7,809)	12,228	54,907	2,699	22,005	(8,805)	-
Changes of assumptions or other inputs	(18,721)	(4,147)	44,226	1,995	(2,870)	7,954	(677)
Benefit payments	(11,639)	(50,143)	-	-	-	(2,508)	(4,348)
Ending balance of the total pension liability	$ 133,564	$ 163,337	$ 192,148	$ 81,584	$ 67,765	$ 39,821	$ 37,200

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

Town of Plymouth, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
June 30, 2023
Schedule 4

	2023	2022	2021	2020	2019	2018	2017
Total pension liability	$ 133,564	$ 163,337	$ 192,148	$ 81,584	$ 67,765	$ 39,821	$ 37,200
Covered payroll	194,659	393,261	346,495	304,206	334,216	228,620	274,585
Total pension liability as a percentage of covered payroll	68.61%	41.53%	55.45%	26.82%	20.28%	17.42%	13.55%

Notes to the schedules:

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

Town of Plymouth, North Carolina
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2023
Schedule 5

	Budget	Actual	Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes		$ 1,116,107	
Interest		26,317	
Total	$ 1,051,000	1,142,424	$ 91,424
Other taxes and licenses:			
Privilege licenses		80	
Total	-	80	80
Unrestricted intergovernmental:			
Local option sales taxes		562,851	
Payments in lieu of taxes		24,644	
Franchise taxes		195,423	
Beer and wine taxes		14,783	
Washington County ABC Board		11,458	
Total	710,500	809,159	98,659
Restricted intergovernmental:			
Powell Bill allocation		107,273	
COPS grant		45,000	
Volunteer fire department fund grant		26,170	
Washington Co. Fire Department contribution		122,182	
Controlled substance tax		487	
Total	302,182	301,112	(1,070)
Permits and fees:			
Zoning permits		2,200	
Police report fees		111	
Code violation fees		690	
Vehicle tags		35,205	
Total	36,500	38,206	1,706
Sales and services:			
Court costs		231	
Rent		3,865	
Total	5,100	4,096	(1,004)

Town of Plymouth, North Carolina
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2023
Schedule 5

	Budget	Actual	Variance Positive (Negative)
Investment earnings	35,000	81,313	46,313
Miscellaneous	71,520	66,796	(4,724)
Total revenues	2,211,802	2,443,186	231,384
Expenditures:			
General government:			
Governing body:			
Mayor and councilmen		31,003	
Travel and training		473	
Operating expense		3,075	
Expense reimbursement from proprietary funds		(31,306)	
Total		3,245	
Administration:			
Salaries and benefits		351,351	
Professional services		69,845	
Operating expenditures		74,311	
Expense reimbursement from proprietary funds		(333,571)	
Total		161,936	
Attorney:			
Foreclosures		5,281	
Other		86,122	
Expense reimbursement from proprietary funds		(74,469)	
Total		16,934	
Information technology:			
Contracted services		29,700	
Operating expense		99,346	
Capital outlay		3,349	
Expense reimbursement from proprietary funds		(101,960)	
Total		30,435	
Building and grounds:			
Salaries and benefits		151,716	
Operating expenditures		146,942	
Capital Outlay		763	
Expense reimbursement from proprietary funds		(93,697)	
Total		205,724	
Total general government	408,718	418,273	(9,555)

Town of Plymouth, North Carolina
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2023
Schedule 5

	Budget	Actual	Variance Positive (Negative)
Public Safety:			
Police:			
Salaries and benefits		762,757	
Operating expense		57,318	
Capital outlay		36,832	
Total		856,907	
Fire:			
Pension fund		13,224	
Operating expense		73,677	
Capital outlay		105,000	
Total		191,901	
Total public safety	1,126,135	1,048,808	77,327
Transportation:			
Streets:			
Street lights		132,464	
Operating expenses		152,189	
Total		284,653	
Fleet:			
Salaries and benefits		63,578	
Operating expenses		226,815	
Expense reimbursement from proprietary funds		(204,933)	
Total		85,460	
Total transportation	371,678	370,113	1,565
Special appropriations:			
Museum		12,400	
Plymouth promotion		20,934	
Christmas parade		650	
Total		33,984	
Total special appropriations	44,900	33,984	10,916

Town of Plymouth, North Carolina
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2023
Schedule 5

	Budget	Actual	Variance Positive (Negative)
Planning:			
Salaries and benefits		63,055	
Operating expenses		31,593	
Contracted services		17,649	
Total		112,297	
Total planning	168,114	112,297	55,817
Debt Service:			
Principal retirement		100,822	
Interest and other charges		9,361	
Total		110,183	
Total debt service	92,257	110,183	(17,926)
Total expenditures	2,211,802	2,093,658	118,144
Revenues over (under) expenditures	-	349,528	349,528
Other financing sources (uses)			
Transfers from other funds:			
From CAMA Waterfront Park	-	3,061	3,061
Total other financing sources (uses)	-	3,061	3,061
Net change in fund balance	$ -	352,589	$ 352,589
Fund balance, beginning		1,541,890	
Fund balance, ending		$ 1,894,479	

Town of Plymouth, North Carolina
CAMA Waterfront Park Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2023
Schedule 6

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
REVENUES:					
State Grant	$ 107,500	$ 107,500	$ -	$ 107,500	$ -
Total revenues	107,500	107,500	-	107,500	-
EXPENDITURES:					
Current:					
Economic and physical development	119,444	113,564	-	113,564	5,880
Total expenditures	119,444	113,564	-	113,564	5,880
Revenue over (under) expenditures	(11,944)	(6,064)	-	(6,064)	5,880
OTHER FINANCING SOURCES (USES):					
Town Match	11,944	9,125	(3,061)	6,064	(5,880)
Total other financing sources (uses)	11,944	9,125	(3,061)	6,064	(5,880)
Net change in fund balance	$ -	$ 3,061	(3,061)	$ -	$ -
Fund balance, beginning			3,061		
Fund balance, ending			$ -		

Town of Plymouth, North Carolina
Coronavirus State and Local Fiscal Recovery Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2023
Schedule 7

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Federal grant - ARP Local Fiscal Recovery	$ 1,071,142	$ -	$ 507,889	$ 507,889	$ (563,253)
Total revenues	1,071,142	-	507,889	507,889	(563,253)
Expenditures:					
Current:					
Economic and physical development:	921,919	-	358,666	358,666	563,253
Total expenditures	921,919	-	358,666	358,666	563,253
Revenue over (under) expenditures	149,223	-	149,223	149,223	-
OTHER FINANCING SOURCES (USES):					
Transfer to Sewer Fund	(149,223)	-	(149,223)	(149,223)	-
Revenue over (under) expenditures	$ -	$ -	$ -	$ -	$ -

Town of Plymouth, North Carolina
OSBM Special Appropriations Fire Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
From Inception and For the Fiscal Year Ended June 30, 2023
Schedule 8

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
State grant - Office of State Budget and Management	$ 50,000	$ -	$ 50,000	$ 50,000	$ -
Total revenues	50,000	-	50,000	50,000	-
Expenditures:					
Current:					
Special appropriations	50,000	-	47,150	47,150	2,850
Total expenditures	50,000	-	47,150	47,150	2,850
Revenue over (under) expenditures	$ -	$ -	$ 2,850	$ 2,850	$ 2,850

Town of Plymouth, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2023
Schedule 9

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Water sales		$ 1,062,464	
Water taps	-	1,000	
Total operating revenues	$ 1,147,948	1,063,464	$ (84,484)
Nonoperating revenues:			
Miscellaneous income		655	
Total nonoperating revenues	-	655	655
Total revenues	1,147,948	1,064,119	(83,829)
Expenditures:			
Operating expenditures:			
Salaries and benefits		758,877	
Expense reimbursement from Sewer and Stormwater		(403,256)	
Supplies		79,368	
Maintenance and repairs		100,304	
Expense reimbursement to General Fund		310,000	
Asset Inventory project expenses		7,448	
Other operating expenditures		105,361	
Total operating expenditures	1,041,706	958,102	83,604
Debt service:			
Principal retirement		97,226	
Interest and fees		8,833	
Total debt service	106,242	106,059	183
Total expenditures	1,147,948	1,064,161	83,787
Revenues over (under) expenditures	$ -	(42)	$ (42)

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

Reconciling items:	
Principal retirement	97,226
Capital contributions	7,448
(Increase) decrease in compensated absences	(2,824)
Increase (decrease) in deferred outflows of resources - pensions	50,591
(Increase) decrease in net pension liability	(189,550)
(Increase) decrease in deferred inflows of resources - pensions	116,181
Depreciation	(275,905)
Total reconciling items	(196,833)
Changes in net position	$ (196,875)

Town of Plymouth, North Carolina
Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2023
Schedule 10

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Sewer charges		$ 1,163,512	
Total operating revenues	$ 1,297,550	1,163,512	$ (134,038)
Total revenues	1,297,550	1,163,512	$ (134,038)
Expenditures:			
Operating expenditures:			
Supplies		8,874	
Maintenance and repairs		30,623	
Expense reimbursement to General Fund		310,000	
Expense reimbursement to Water Fund		376,875	
Other operating expenditures		104,318	
Total operating expenditures	1,228,925	830,690	398,235
Debt service:			
Principal retirement		77,125	
Total debt service	77,125	77,125	-
Total expenditures	1,306,050	907,815	398,235
Revenues over (under) expenditures	(8,500)	255,697	264,197
Fund balance appropriated	8,500	-	(8,500)
Other financing sources (uses):			
Transfers from Coronavirus State and Local Fiscal Recovery Fund		149,223	
Total other financing sources (uses)	-	149,223	149,223
Revenues over (under) expenditures	$ -	404,920	$ 404,920

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

Reconciling items:	
Principal retirement	77,125
Depreciation	(337,859)
Total reconciling items	(260,734)
Changes in net position	$ 144,186

Town of Plymouth, North Carolina
Sanitation / Stormwater Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2023
Schedule 11

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Landfill revenue		$ 203,922	
Garbage revenue		367,959	
Stormwater revenue		98,248	
Total operating revenues	$ 704,000	670,129	$ (33,871)
Nonoperating revenues:			
Miscellaneous revenues		2,617	
Total nonoperating revenues	2,500	2,617	117
Total revenues	706,500	672,746	(33,754)
Expenditures:			
Operating expenditures:			
Salaries and benefits		99,822	
Supplies		1,081	
Maintenance and repairs		690	
Contracted services		160,032	
Landfill availability		59,674	
Expense reimbursement to General Fund		219,937	
Expense reimbursement to Water Fund		26,381	
Other operating expenditures		88,972	
Total operating expenditures	706,500	656,589	49,911
Total expenditures	706,500	656,589	49,911
Revenues over (under) expenditures	$ -	16,157	$ 16,157

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

Reconciling items:	
(Increase) decrease in compensated absences	520
Increase (decrease) in deferred outflows of resources - pensions	4,988
(Increase) decrease in net pension liability	(22,288)
(Increase) decrease in deferred inflows of resources - pensions	15,248
Depreciation	(10,114)
Total reconciling items	(11,646)
Changes in net position	$ 4,511

Town of Plymouth, North Carolina
Asset Inventory Assessment H-AIA-D-20-0194 Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Fiscal Year Ended June 30, 2023
Schedule 12

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
State grant - H-AIA-D-20-0194	$ 150,000	$ 142,552	$ 7,448	$ 150,000	$ -
Total revenues	150,000	142,552	7,448	150,000	-
Expenditures:					
Current:					
Economic and physical development:					
Engineering	157,500	142,552	7,448	150,000	7,500
Total expenditures	157,500	142,552	7,448	150,000	7,500
Other financing sources (uses):					
Town match	7,500	-	-	-	(7,500)
Total other financing sources	7,500	-	-	-	(7,500)
Revenue and other financing sources (uses) over (under) expenditures	$ -	$ -	$ -	$ -	$ -

Town of Plymouth, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2023
Schedule 13

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	$ -	$ 1,413,857	$ 1,048,154	$ 365,703
2021-2022	181,427	30,051	71,778	139,700
2020-2021	73,831	119	17,230	56,720
2019-2020	32,311	-	8,018	24,293
2018-2019	17,384	-	3,447	13,937
2017-2018	14,842	-	3,356	11,486
2016-2017	37,118	-	3,911	33,207
2015-2016	18,879	-	1,014	17,865
2014-2015	8,968	-	1,039	7,929
2013-2014	8,948	-	466	8,482
2012-2013	8,249	-	8,249	-
Totals	$ 401,957	$ 1,444,027	$ 1,166,662	679,322
Less allowance for uncollectible accounts:				
General Fund				82,092
Ad valorem taxes receivable - net				$ 597,230

Reconcilement with revenues:

Ad valorem taxes - General Fund	$ 1,142,424
Stormwater revenue collected on property tax bills	44,720
Reconciling items:	
Taxes written off	7,778
Adjustments	(1,943)
Interest collected	(26,317)
Subtotal	(20,482)
Total collections and credits	$ 1,166,662

Town of Plymouth, North Carolina
Analysis of Current Tax Levy – Town-Wide Levy
June 30, 2023
Schedule 14

	Town-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	$ 181,994,259	0.54	$ 982,769	$ 887,586	$ 95,183
Discoveries	80,429,074	0.54	434,317	434,317	-
Abatements	(597,963)	0.54	(3,229)	-	(3,229)
Total property valuation	261,825,370				
Net levy			1,413,857	1,321,903	91,954
Uncollected taxes at June 30, 2023			(365,703)	(365,703)	-
Current year's taxes collected			$ 1,048,154	$ 956,200	$ 91,954
Current levy collection percentage			74.13%	72.34%	100.00%

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Plymouth, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the Town of Plymouth's basic financial statements, and have issued our report thereon dated January 2, 2024.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies as items 23-01 through 23-03 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Plymouth's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 23-03.

Town of Plymouth's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Plymouth's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

Jeff Best

Jeff Best, CPA, PLLC
Belhaven, North Carolina
January 2, 2024

Material Weakness

23-01 Improper Utility Billing

Criteria: The Town should have a procedure in place to ensure that utility customers are billed at the correct rate.

Condition: A sample of forty utility customers were selected for testing. Two utility customers' bills were calculated incorrectly. This is a condition that has existed in previous years.

Effect: Two commercial utility Customers were billed incorrectly. The financial statements were misstated.

Cause: There were two utility customers that were billed at the incorrect rate. This resulted in incorrect bills for the utility customers.

Recommendation: The Town should implement a procedure to ensure that the billing rates are entered correctly.

Management Response: The Town agrees with this finding and has implemented the recommendation.

23-02 ORBIT Retirement System Enrollment

Criteria: All employees are eligible to participate in the Local Government Employees Retirement System (LGERS) at the time they are hired.

Condition: Eight new employees were not enrolled in the retirement system in a timely manner.

Effect: The Town did not withhold the employees' contribution amounts from their paychecks. The Town is responsible for remitting the employees' and the Town's contribution amounts to the retirement system. The employees' contributions amounted to $16,975.23 and the Town's share amounted to $36,146.91.

Cause: Town employees were unfamiliar with the LGERS enrollment rules.

Recommendation: We recommend the Town carefully review the rules for participation in LGERS and withhld and submit the appropriate amounts to ORBIT in a timely manner.

Management Response: The Town agrees with this finding and has implemented the recommendation.

Material Noncompliance / Material Weakness

23-03 Excess of Expenditures over Appropriations

Criteria: GS 159-8(a) states all monies received or expended by a local government or public authority should be included in the budget or project ordinance.

Condition: The Town expended $9,555 more in general government and $17,926 more in debt service in the General Fund than appropriated in the annual budget ordinance.

Effect: Monies were spent that had not been appropriated.

Cause: Budget amendments were not adopted to account for excess expenditures.

Recommendation: Budget amendments should be made periodically to ensure that all expenditures are properly appropriated. Disbursements should be periodically reviewed and budget amendments adopted to ensure that monies will not be spent until appropriated.

Management Response: The Town agrees with this finding and has implemented the recommendation.

Findings:

22-01 Meter Readings with Zero Usage

Status: Corrected

22-02 Improper Utility Billing

Status: Not Corrected - See Finding 23-01

22-03 Adjustment of the Capital Project - Wastewater Treatment Plant Rehabilitation and Line Replacement

Status: Corrected

22-04 ORBIT Retirement System Enrollment

Status: Not Corrected - See Finding 23-02

22-05 Timely Financial Reporting

Status: Corrected

22-06 Excess of Expenditures over Appropriations

Status: Not Corrected - See Finding 23-03