

Town of Oak Ridge, North Carolina

Financial Statements

Year Ended June 30, 2022

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Town of Oak Ridge, North Carolina

List of Principal Officials

Mayor

Ann Schneider

Council Members

Jim Kinneman

George McClellan

Spencer Sullivan

Martha Pittman

Officials

Ann Schneider.....Mayor

Jim KinnemanMayor Pro-Tem

Bill Bruce, AICP.....Town Manager

Samuel K. Anders, CPA, MSAFinance Officer

Sean Taylor.....Planning Director

Terry Lannon.....Parks and Recreation Director

J. Michael ThomasTown Attorney

Sandra SmithTown Clerk

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Independent Auditor's Report

Honorable Mayor and Members of the Town Council
Town of Oak Ridge
Oak Ridge, NC

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Town of Oak Ridge, North Carolina (the "Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the remaining aggregate fund information of the Town as of June 30, 2022, and the budgetary comparison for the General Fund for the year 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). 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Local Government Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 4 through 11, and 38 and 39, respectively, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

FORVIS

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Oak Ridge, North Carolina. The individual fund statement, 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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied by us 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, based on our audit and the procedures performed as described above, the individual fund statement, budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

FORVIS,LLP

**High Point, NC
October 31, 2022**

Management's Discussion and Analysis

As management of the Town of Oak Ridge, we offer readers of the Town of Oak Ridge's financial statements this narrative overview and analysis of the financial activities of the Town of Oak Ridge for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

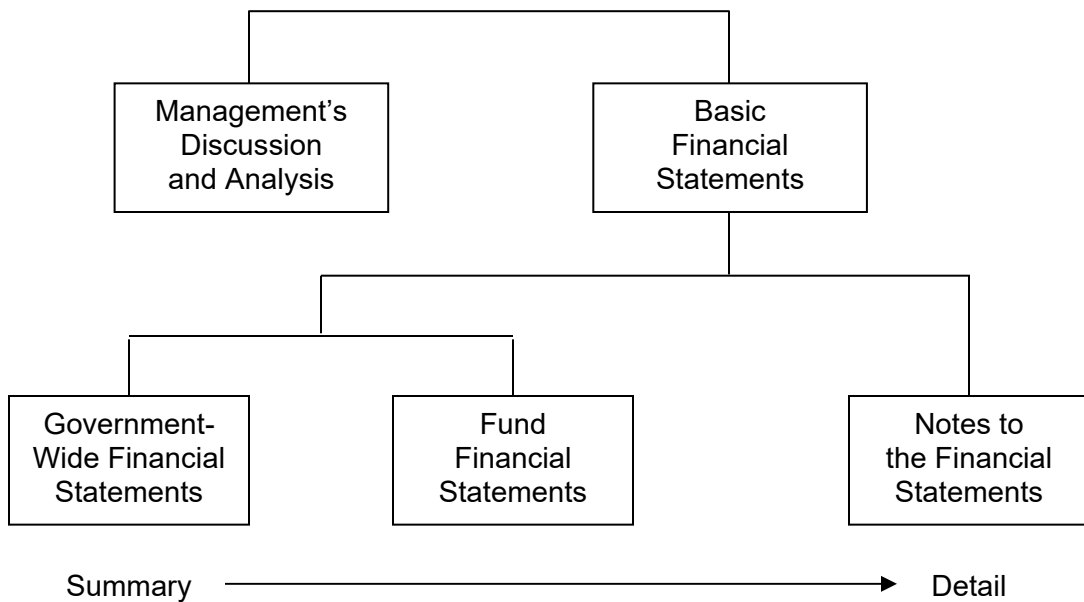
Financial Highlights

- The assets and deferred outflows of resources of the Town of Oak Ridge exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,114,523 (net position).
- The government's total net position increased by \$455,590. This result was primarily due to an increase in revenues from restricted and unrestricted intergovernmental sources as well as increased property tax collections on an increased tax base over the prior year. The increases were unexpected as the economic rebound after the demise of COVID-19 was stronger than forecasted and the receipt of state grants was totally unexpected.
- As of the close of the current fiscal year, the Town of Oak Ridge's governmental fund reported a fund balance of \$3,863,090, a decrease of \$134,305 in comparison with the prior year. Current year operating expenditures were higher than the prior year because of inflationary increases. A capital project for parks and recreation was deferred to FY 2022-2023 due to design delays pertaining to water access holding up required approvals. These expense increases were not totally offset by savings from delays in other projects or the increases in revenues, resulting in the decrease in fund balance.
- The Town maintained its tax rate to 8.00 cents per hundred-dollar tax valuation.

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the Town of Oak Ridge'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 Oak Ridge.

Required Components of Annual Financial Report
Figure 1



Basic financial statements

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

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: (1) the governmental funds statements and (2) the budgetary comparison statements.

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

Government-wide financial statements

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

The two government-wide statements report the Town's net position and how they have 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 comprised of governmental activities. The governmental activities include most of the Town's basic services, such as cultural and recreational, and general administration. Property taxes, charges for services, and unrestricted intergovernmental revenues finance most of these activities.

Town of Oak Ridge, North Carolina Management's Discussion and Analysis

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 Oak Ridge, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Oak Ridge can be placed into one category: governmental funds.

Governmental funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town of Oak Ridge'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 Oak Ridge 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 Council 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 council; (2) the final budget as amended by the 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.

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 are on pages 23 through 36 of this report.

**Government-Wide Financial Analysis
The Town of Oak Ridge's Net Position
Figure 2**

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$ 4,778,756	\$ 4,074,183	\$ 4,778,756	\$ 4,074,183
Capital assets	8,456,999	8,071,082	8,456,999	8,071,082
Deferred outflows of resources	<u>149,543</u>	<u>116,322</u>	<u>149,543</u>	<u>116,322</u>
Total assets and deferred outflows of resources	<u>13,385,298</u>	<u>12,261,587</u>	<u>13,385,298</u>	<u>12,261,587</u>
Long-term liabilities outstanding	1,181,026	1,458,249	1,181,026	1,458,249
Other liabilities	969,787	139,890	969,787	139,890
Deferred inflows of resources	<u>119,962</u>	<u>4,515</u>	<u>119,962</u>	<u>4,515</u>
Total liabilities and deferred inflows of resources	<u>2,270,775</u>	<u>1,602,654</u>	<u>2,270,775</u>	<u>1,602,654</u>
Net position:				
Net investment in capital assets	7,376,999	6,811,082	7,376,999	6,811,082
Restricted	252,574	222,823	252,574	222,823
Unrestricted	<u>3,484,950</u>	<u>3,625,028</u>	<u>3,484,950</u>	<u>3,625,028</u>
Total net position	<u>\$ 11,114,523</u>	<u>\$ 10,658,933</u>	<u>\$ 11,114,523</u>	<u>\$ 10,658,933</u>

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 Oak Ridge exceeded liabilities and deferred inflows by \$11,114,523 as of June 30, 2022. The Town's net position increased by \$455,590 for the fiscal year ended June 30, 2022. The largest portion of net position (66.4%) reflects the Town's net investment in capital assets (e.g., land, buildings, machinery and equipment). The Town of Oak Ridge uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Oak Ridge's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay the 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 Oak Ridge's net position, \$252,574, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,484,950 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position: (1) the Town levied the minimum property tax for the 2021-2022 fiscal year that was projected to be sufficient to cover budgeted expenditures and was applied to an increased tax base; (2) the Town received increased intergovernmental tax revenues and restricted grants; and (3) expenditures, while higher than in the prior year due to increased expenses and inflation, were lower than budgeted due to a capital improvement being delayed due to design delays and water access issues. These reduced expenditures in conjunction with the increases above resulted in overall net position increasing.

**The Town of Oak Ridge Changes in Net Position
Figure 3**

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:				
Program revenues:				
Charges for services	\$ 48,214	\$ 47,367	\$ 48,214	\$ 47,367
Operating grants and contributions	67,563	26,285	67,563	26,285
Capital grants and contributions	50,000	2,478	50,000	2,478
General revenues:				
Property taxes	941,717	897,132	941,717	897,132
Other taxes	-	-	-	-
Grants and contributions not restricted to specific programs	889,040	849,385	889,040	849,385
Other	46,196	20,330	46,196	20,330
Total revenues	<u>2,042,730</u>	<u>1,842,977</u>	<u>2,042,730</u>	<u>1,842,977</u>
Expenses:				
General government	821,277	832,111	821,277	832,111
Cultural and recreational	765,863	768,458	765,863	768,458
Total expenses	<u>1,587,140</u>	<u>1,600,569</u>	<u>1,587,140</u>	<u>1,600,569</u>
Increase in net position	455,590	242,408	455,590	242,408
Net position, July 1	<u>10,658,933</u>	<u>10,416,525</u>	<u>10,658,933</u>	<u>10,416,525</u>
Net position, June 30	<u>\$ 11,114,523</u>	<u>\$ 10,658,933</u>	<u>\$ 11,114,523</u>	<u>\$ 10,658,933</u>

Governmental activities. Governmental activities increased the Town's net position by \$455,590, thereby accounting for the total increase in the net position of the Town of Oak Ridge. Key elements of this increase are as follows:

- Tax revenues increased due to the Town receiving increased intergovernmental revenues based on population as well as property taxes levied on an increased tax base.
- Town expenditures were less than budgeted for 2021-2022.

Financial analysis of the Town's funds

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

Governmental funds. The focus of the Town of Oak Ridge'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 Oak Ridge's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town of Oak Ridge. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$466,951, while total fund balance reached \$3,863,090. The Town currently has an available fund balance of 168% of total General Fund expenditures.

**Town of Oak Ridge, North Carolina
Management’s Discussion and Analysis**

At June 30, 2022, the governmental fund of the Town of Oak Ridge reported a combined fund balance of \$3,863,090, with an decrease of \$134,305.

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

General government expenditures were amended for adjustments to previous budgeted amounts as actual performance differed from the performance estimates used in budget preparation. Other amendments were needed for capital projects involving the Mountain to Sea Trail, equipment improvements and additions to operate the increased park footprint.

Revenues were more than the budgeted amounts primarily because of increased income from continued small increases in the property tax base and better than forecasted franchise and sales tax collections. Revenues exceeded budgeted amounts due to the economic impact of COVID-19 continuing to lessen. Planning, zoning, and inspection fee income from new construction increased this fiscal year due to excess inventory of prior approved buildable lots decreasing below demand and the economic effects of COVID-19 continuing to decline. Expenditures were under the approved budget due to budgeted operating expenditures being less than budgeted amounts due to continued tightening of operational expenditures and a delay in a capital improvement that was expected in the fiscal year.

Capital asset and debt administration

Capital assets. The Town of Oak Ridge’s investment in capital assets for its governmental activities as of June 30, 2022, totals \$8,456,999 (net of accumulated depreciation). These assets include land, land improvements, buildings, and machinery and equipment.

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

- Mountains to Sea Trail expenditures in the amount of \$326,120.
- Final acquisition of easements for trails in the amount of \$5,425.
- Replacement equipment and improvements for the park in the amount of \$100,137.
- Construction of park property of \$150,629.

**The Town of Oak Ridge’s Capital Assets
(Net of Depreciation)
Figure 4**

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land and other non-depreciable assets	\$ 4,435,075	\$ 3,883,985	\$ 4,435,075	\$ 3,883,985
Land improvements	2,394,405	2,502,703	2,394,405	2,502,703
Buildings and improvements	1,295,174	1,327,334	1,295,174	1,327,334
Computer, equipment, and software	21,605	32,631	21,605	32,631
Furniture, fixtures, equipment and vehicles	310,740	324,429	310,740	324,429
Total	<u>\$ 8,456,999</u>	<u>\$ 8,071,082</u>	<u>\$ 8,456,999</u>	<u>\$ 8,071,082</u>

Town of Oak Ridge, North Carolina Management's Discussion and Analysis

Additional information on the Town of Oak Ridge's capital assets can be found in Note 2.A.4 of the Basic Financial Statements.

Long-term debt. The Town of Oak Ridge's total debt decreased by \$180,000 (14.3%) during the current fiscal year. This decrease was due to the principal payment of \$180,000 on the Town's direct installment purchase agreement related to the purchase of the Whitaker property for the Town park. The original purchase price was \$1,800,000 during the year ended June 30, 2020. At closing, a down payment of \$180,000 was tendered with the remaining principal balance of \$1,620,000 due as follows: Nine annual installments of \$180,000 together with accrued interest at a rate of 6%, beginning July 16, 2019 and continuing annually thereafter until paid in full.

Additional information regarding the Town of Oak Ridge's long-term debt can be found in Note 2.B.4 beginning on page 34.

Economic factors and next year's budgets and rates

Budgets and rates for 2022-2023 were held essentially the same. This was due to the economic environment not being affected as negatively as expected by the effects of COVID-19 coupled with additional federal economic stimulus programs that the Town qualified for. Revenues have historically been driven by property tax increases based on new residential and some new commercial construction entering the tax base. In past fiscal years, these increases were at a rate which was sufficient to cover increased cost caused by increased demands for Town services. 2017-2018 was the first fiscal year where a reduced property tax rate reduced property tax collections below the prior year's collections. 2018-2019 growth in the property tax base was sufficient to cause a 3% growth in collections over 2017-2018 reversing the prior year's downward trend. 2019-2020 growth in the property tax base was sufficient to cause a 2% growth in collections continuing the growth trend. Increased intergovernmental tax collections coupled with increased property tax revenues added to the net increase in revenues. New construction previously approved entered the tax base in 2020-2021 as well as additional new construction based on increased demand. This unexpected increase in demand bolstered the tax base. The expectation of future increases is based on the large number of planning and zoning approvals made during 2020-2021 that are breaking ground now after supply chain delays. Given these trends continuing as forecasted coupled with a higher property tax revaluation, the Town maintained the \$0.0800 tax rate for a sixth year. In order to hold the property tax rate while funding increased demands for services and capital projects, the Town has endeavored to continue to hold down expenditures for operations as much as prudently possible while seeking grants for some capital projects and planning the use of CARES and ARPA funding from the federal government.

Budget highlights for the fiscal year ending June 30, 2023

Governmental activities: The Town budget for the 2022-2023 fiscal year was based on the best information from the North Carolina State Treasurer's office and the Guilford County Tax Department to quantify the effects of the COVID-19 pandemic on future economic activity as the economy continues to recover and reopen. Increases in property taxes are forecasted due to increased demand for the completion of property and unexpectedly stronger tax collections continuing. The data indicates the potential for a large increase in tax collections as well as large charitable donations for the construction of a veteran's memorial. The Town is expecting a 323.6% increase in budgeted revenue as compared to fiscal year 2021-2022. Despite the expected increase in revenues, the Town will continue to limit operational expenditures prudently, investigate ways of increasing investment returns, and fund capital expenditures from grants and fund balance as well as financing with loans at preferred governmental interest rates.

**Town of Oak Ridge, North Carolina
Management's Discussion and Analysis**

Budgeted expenditures in the General Fund are expected to increase 27.9% from the modified fiscal year 2021-2022 budget to \$1,503,968. Appropriation from Fund Balance in the adopted 2022-2023 budget is expected to be \$1,473,565. The 2022-2023 budget is expected to be amended, reflecting a decision from Town Council to move forward with construction of Heritage Farm Park despite delays caused by locating sufficient water access and inflation increasing probable costs that exceeded earlier estimates. Council also determined that concentrating development initially scheduled for three years into one year would lead to operational and cost efficiencies. This decision continues to be contingent on a competitive financing bid process and a competitive construction bid process.

Requests for Information

This report is designed to provide an overview of the Town of Oak Ridge's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Samuel K. Anders, CPA, MSA, c/o Town of Oak Ridge, Post Office Box 374, Oak Ridge, North Carolina 27310, or by telephone at 336.643.7577, or by e-mail at sam@samanderscpa.com.

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Basic Financial Statements

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Town of Oak Ridge, North Carolina
Statement of Net Position
June 30, 2022

Exhibit 1

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 3,676,525
Receivables:	
Taxes receivable, net	6,987
Accrued interest receivable, property taxes	1,712
Accounts receivable	1,435
Due from other governments	249,034
Restricted cash	<u>843,063</u>
Total current assets	<u>4,778,756</u>
Noncurrent assets:	
Capital assets:	
Land and other non-depreciable assets	4,435,075
Other capital assets, net of depreciation	<u>4,021,924</u>
Total noncurrent assets	<u>8,456,999</u>
Total assets	<u>13,235,755</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	<u>149,543</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	66,009
Accrued interest payable	62,820
Current portion of long-term liabilities	198,365
Unearned revenue	828,051
Payable from restricted assets - performance bond deposits	<u>12,907</u>
	1,168,152
Noncurrent liabilities:	
Net pension liability	82,661
Due in more than one year	<u>900,000</u>
Total liabilities	<u>2,150,813</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>119,962</u>
NET POSITION	
Net investment in capital assets	7,376,999
Restricted for:	
Stabilization by state statute	250,469
Dog park	2,105
Unrestricted	<u>3,484,950</u>
Total net position	<u>\$ 11,114,523</u>

See accompanying notes.

Town of Oak Ridge, North Carolina
Statement of Activities
Year End June 30, 2022

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 821,277	\$ 24,445	\$ 67,563	\$ 50,000	\$ (679,269)
Cultural and recreational	765,863	23,769	-	-	(742,094)
Total governmental activities	<u>\$ 1,587,140</u>	<u>\$ 48,214</u>	<u>\$ 67,563</u>	<u>\$ 50,000</u>	<u>(1,421,363)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					941,717
Unrestricted intergovernmental					889,040
Investment earnings, unrestricted					20,252
Miscellaneous					23,295
Gain on disposal of capital assets					2,649
Total general revenues					<u>1,876,953</u>
Change in net position					455,590
Net position, beginning					<u>10,658,933</u>
Net position, end of year					<u>\$ 11,114,523</u>

Town of Oak Ridge, North Carolina
 Balance Sheet
 Governmental Fund
 June 30, 2022

Exhibit 3
 (2 pages)

	<u>Major Fund</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>
		<u>Fund</u>
ASSETS		
Cash and cash equivalents	\$ 3,676,525	\$ 3,676,525
Restricted cash	843,063	843,063
Taxes receivable, net	6,987	6,987
Accounts receivable	1,435	1,435
Due from other governments	249,034	249,034
	<u>4,777,044</u>	<u>4,777,044</u>
Total assets	<u>\$ 4,777,044</u>	<u>\$ 4,777,044</u>
LIABILITIES		
Accounts payable	\$ 50,258	\$ 50,258
Accrued liabilities	15,751	15,751
Payable from restricted assets - performance bond deposits	12,907	12,907
Unearned revenue	828,051	828,051
	<u>906,967</u>	<u>906,967</u>
Total liabilities	<u>906,967</u>	<u>906,967</u>
DEFERRED INFLOWS OF RESOURCES		
Ad valorem taxes receivable	6,987	6,987
	<u>6,987</u>	<u>6,987</u>
Total deferred inflows of resources	<u>6,987</u>	<u>6,987</u>
FUND BALANCE		
Restricted for:		
Stabilization by state statute	250,469	250,469
Dog Park	2,105	2,105
Committed:		
Capital projects	1,670,000	1,670,000
Assigned:		
Subsequent year's expenditures	1,473,565	1,473,565
Unassigned	466,951	466,951
	<u>3,863,090</u>	<u>3,863,090</u>
Total fund balance	<u>3,863,090</u>	<u>3,863,090</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 4,777,044</u>	<u>\$ 4,777,044</u>

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

Total fund balance, governmental funds	\$	3,863,090
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds		8,456,999
Deferred outflows of resources related to pensions are not reported in the funds		149,543
Liabilities for earned revenues considered deferred inflows of resources in fund statements		6,987
Accrued interest receivable from property taxes is not available to pay for current-period expenditures and therefore are deferred in the funds		1,712
Deferred inflows of resources related to pensions are not reported in the funds		(119,962)
Some liabilities, including debt and compensated absences are not due and payable in the current period and therefore are not reported in the funds		(1,098,365)
Net pension liability		(82,661)
Other long-term liabilities (accrued interest) are not due and payable in the current period and therefore are not reported in the funds		(62,820)
		<hr/>
Net position of governmental activities	\$	<u>11,114,523</u>

Town of Oak Ridge, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Year End June 30, 2022

Exhibit 4
(2 pages)

	<u>Major Fund</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>
		<u>Fund</u>
Revenues		
Ad valorem taxes	\$ 943,206	\$ 943,206
Unrestricted intergovernmental	889,040	889,040
Restricted intergovernmental	50,000	50,000
Permits and fees	48,214	48,214
Investment earnings	20,252	20,252
Miscellaneous	67,563	67,563
	<u>2,018,275</u>	<u>2,018,275</u>
Total revenues		
Expenditures		
General government	749,479	749,479
Cultural and recreational	1,150,501	1,150,501
Debt service:		
Principal	180,000	180,000
Interest and other charges	75,600	75,600
	<u>2,155,580</u>	<u>2,155,580</u>
Total expenditures		
Revenues over expenditures	<u>(137,305)</u>	<u>(137,305)</u>
Other financing sources:		
Sales of capital assets	3,000	3,000
	<u>3,000</u>	<u>3,000</u>
Total other financing sources		
Net change in fund balance	(134,305)	(134,305)
Fund balance, beginning of year	<u>3,997,395</u>	<u>3,997,395</u>
Fund balance, end of year	<u>\$ 3,863,090</u>	<u>\$ 3,863,090</u>

Town of Oak Ridge, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Year End June 30, 2022

Exhibit 4
(2 pages)

Reconciliation of the governmental funds statement of revenues, expenditures and changes in fund balance to the statement of activities:

Total net change in fund balance - governmental funds	\$ (134,305)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays (\$633,725) as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were less than depreciation (\$270,752) in the current period.	362,973
Contributions to the pension plan in the current fiscal year are not included in the statement of activities.	51,908
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in unavailable revenue for tax revenues	(1,149)
Change in accrued interest receivable, property taxes	(340)
Proceeds from the sale of capital assets	(3,000)
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 and, therefore are not reported as expenditures in governmental funds:	
Principal payments on long-term debt	180,000
Decrease in accrued interest payable	10,470
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Pension expense	(40,941)
Compensated absences	4,071
Donated capital asset	23,254
Gain on disposal of capital assets	2,649
	<hr/>
Changes in net position of governmental activities	<u>\$ 455,590</u>

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual

Year End June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Ad valorem taxes	\$ 916,559	\$ 916,559	\$ 943,206	\$ 26,647
Unrestricted intergovernmental	863,927	863,927	889,040	25,113
Restricted intergovernmental	-	-	50,000	50,000
Permits and fees	20,000	42,500	48,214	5,714
Investment earnings	21,500	21,500	20,252	(1,248)
Miscellaneous	91,550	69,050	67,563	(1,487)
	<u>1,913,536</u>	<u>1,913,536</u>	<u>2,018,275</u>	<u>104,739</u>
Expenditures				
General government	762,680	834,530	749,479	85,051
Cultural and recreation	1,607,879	1,963,437	1,150,501	812,936
Debt service	255,600	255,600	255,600	-
	<u>2,626,159</u>	<u>3,053,567</u>	<u>2,155,580</u>	<u>897,987</u>
Revenues under expenditures	<u>(712,623)</u>	<u>(1,140,031)</u>	<u>(137,305)</u>	<u>1,002,726</u>
Other financing sources				
Sales of capital assets	-	-	3,000	3,000
	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Appropriation from fund balance	<u>712,623</u>	<u>1,140,031</u>	<u>-</u>	<u>(1,140,031)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(134,305)</u>	<u>\$ (134,305)</u>
Fund balance, beginning of year			<u>3,997,395</u>	
Fund balance, end of year			<u>\$ 3,863,090</u>	

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Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Oak Ridge (the "Town") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting entity

The Town of Oak Ridge is an incorporated town which is governed by a five-member town council. A mayor is elected by the members of the Town Council. For financial reporting purposes, the Town of Oak Ridge includes all funds, agencies, boards, commissions, and authorities which are controlled by or are financially dependent upon 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for 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 schedules provide information about the Town's funds.

The Town reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and state-shared revenues. The primary expenditures are for general government and cultural and recreational services.

C. Measurement focus and basis of accounting

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

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

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year end on behalf of the Town are recognized as revenue. Generally, intergovernmental revenues and sales and services are not susceptible to accrual because they are not measurable until received in cash. Grant revenues which are unearned at year end are recorded as unearned 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. All annual appropriations lapse at the fiscal year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for all revisions and must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, liabilities, deferred outflows/inflows of resources and fund equity

(1) Deposits

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

Town of Oak Ridge, North Carolina
Notes to Financial Statements

(2) Restricted cash

Cash that represents donations that are restricted by donors for improvements to the dog park, as well as cash received for payments in lieu of obtaining performance bonds for ongoing construction projects, which are held by the Town until satisfactory completion of the related obligations. In addition, unexpended funds of the American Rescue Plan Act of 2021, which are to be used for specific purposes are included in restricted cash.

(3) 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 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020. 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.

(4) Allowance for doubtful accounts

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

(5) Capital assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain amount and an estimated useful life in excess of two years.

Minimum capitalization costs are as follows:

	<u>Cost</u>
Land	\$ 100
Land improvements	500
Buildings and improvements	500
Vehicles, furniture and equipment	500

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at time of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized.

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

	<u>Useful Life</u>
Land improvements	7 to 40 years
Buildings and improvements	15 to 40 years
Computer equipment and software	3 to 5 years
Furniture, fixtures, equipment and vehicles	5 to 7 years

Town of Oak Ridge, North Carolina
Notes to Financial Statements

(6) Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial 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's contributions made to the pension plan in the 2022 fiscal year meet this criterion. In addition to liabilities, the statement of net 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 the following items that meet the criterion for this category - ad valorem taxes receivable and pension deferrals.

(7) Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In fund financial statements, the face amount of debt issued is reported as other financing sources.

(8) Compensated absences

The vacation policy of the Town provides for the accumulation of up to one year's earned vacation leave with such leave being fully vested when earned. The only exception to the terms of this vacation policy will be in the instance of the Town Council hiring an employee under an employment contract. In such an instance, the terms of the contract as negotiated and agreed to will govern the contracted employee's vacation leave. For the Town's government-wide activities, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

(9) Net position/fund balances

Net position in government-wide financial statements is 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 may be composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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

Town of Oak Ridge, North Carolina
Notes to Financial Statements

Restricted for stabilization by state statute - Portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for dog park - Portion of fund balance that is restricted by donors for improvements to the dog park.

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

Committed for capital projects - Portion of fund balance that is set aside by the Board for capital projects.

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

Assigned for subsequent year's expenditures - Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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

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

(10) Pensions

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

**Town of Oak Ridge, North Carolina
Notes to Financial Statements**

2. Detail Notes on All Funds

A. Assets

(1) Deposits

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

At June 30, 2022, the Town’s deposits had a carrying amount of \$4,519,488 and a bank balance of \$4,569,206. Of the bank balance, \$3,647,889 was covered by federal depository insurance. The Town had \$100 of petty cash on hand at June 30, 2022.

(2) Receivables - allowance for doubtful accounts

The amounts presented in the Balance Sheet and Statement of Net Position for the year ended June 30, 2022 are net of the following allowance for doubtful accounts, which is based on historical percentages of receivables not expected to be collected:

General Fund:	
Taxes receivable	\$ <u>1,626</u>

(3) Due from other governments

Amounts due from other governments at June 30, 2022 consist of the following:

	<u>Other</u>	<u>State</u>	<u>Total</u>
General Fund:			
ABC distribution	\$ 52,979	\$ -	\$ 52,979
Sales tax refund	-	9,107	9,107
Property taxes	19,876	-	19,876
Utilities franchise, piped natural gas and telecommunication taxes	-	69,615	69,615
Local option sales tax	-	97,002	97,002
Other	<u>455</u>	<u>-</u>	<u>97,002</u>
Total General Fund	<u>\$ 73,310</u>	<u>\$ 175,724</u>	<u>\$ 249,034</u>

Town of Oak Ridge, North Carolina
Notes to Financial Statements

(4) Capital assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 3,883,985	\$ 551,090	\$ -	\$ 4,435,075
Total capital assets not being depreciated	<u>3,883,985</u>	<u>\$ 551,090</u>	<u>\$ -</u>	<u>4,435,075</u>
Capital assets being depreciated:				
Land improvements	3,499,250	\$ 26,620	\$ -	3,525,870
Buildings and improvements	2,191,628	37,073	-	2,228,701
Computer equipment and software	85,404	-	(12,433)	72,971
Furniture, fixtures, equipment and vehicles	<u>912,215</u>	<u>42,237</u>	<u>(12,868)</u>	<u>941,584</u>
Total capital assets being depreciated	<u>6,688,497</u>	<u>\$ 105,930</u>	<u>\$ (25,301)</u>	<u>6,769,126</u>
Less accumulated depreciation for:				
Land improvements	996,547	\$ 134,918	\$ -	1,131,465
Buildings and improvements	864,294	69,233	-	933,527
Computer equipment and software	52,773	11,026	(12,433)	51,366
Furniture, fixtures, equipment and vehicles	<u>587,786</u>	<u>55,575</u>	<u>(12,517)</u>	<u>630,844</u>
Total accumulated depreciation	<u>2,501,400</u>	<u>\$ 270,752</u>	<u>\$ (24,950)</u>	<u>2,747,202</u>
Total capital assets being depreciated, net	<u>4,187,097</u>			<u>4,021,924</u>
Governmental activity capital assets, net	<u>\$ 8,071,082</u>			<u>\$ 8,456,999</u>

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

General government	\$ 89,543
Parks and recreation	<u>181,209</u>
	<u>\$ 270,752</u>

B. Liabilities and deferred outflows/inflows of resources

(1) Pension plan obligations

(a) Local Government Employees' Retirement System

Plan description. The Town of Oak Ridge 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 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 (ACFR) for the state of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or www.osc.nc.gov.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2022, was 11.35% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$51,908 for the year ended June 30, 2022.

Refunds of contributions. Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

Town of Oak Ridge, North Carolina
Notes to Financial Statements

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2022, the Town reported a liability of \$82,661 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the Town's proportion was 0.00539%, which was a slight increase of 0.00047% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Town recognized pension expense of \$40,983. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 26,297	\$ -
Changes of assumptions	51,932	-
Net difference between projected and actual earnings on pension plan investments	-	118,097
Changes in proportion and differences between Town contributions and proportionate share of contributions	19,406	1,865
Town contributions subsequent to the measurement date	<u>51,908</u>	<u>-</u>
Total	<u>\$ 149,543</u>	<u>\$ 119,962</u>

\$51,908 of the amount reported as deferred outflows of resources related to Town contributions subsequent to the measurement date that will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30

2023	\$ 13,772
2024	5,447
2025	(5,408)
2026	(36,139)
2027	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Town of Oak Ridge, North Carolina
Notes to Financial Statements

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	<u>100.0%</u>	

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

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

Town of Oak Ridge, North Carolina
Notes to Financial Statements

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

	<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Town's proportionate share of the net pension Liability (asset)	\$ 320,882	\$ 82,661	\$ (113,382)

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

(2) Deferred outflows and inflows of resources

The Town has deferred outflows of resources, which are comprised of \$51,908 of current-year LGERS pension contributions and \$97,635 of pension deferrals.

The Town has deferred inflows of resources, which are comprised of pension deferrals of \$119,962.

Deferred inflows of resources for the General Fund at June 30, 2022, consists of unavailable revenues arising from property tax receivables of \$6,987.

(3) Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$5 million and \$5 million per occurrence, respectively, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage up to a \$2 million lifetime limit. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Excess insurance coverage is purchased by the Board of Trustees to protect against large workers' compensation claims that exceed certain dollar cost levels. Medical stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and 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 in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town carries flood insurance through the Interlocal Risk Financing Fund of North Carolina. The Town has coverage of \$5,000,000 for a single occurrence and a \$5,000,000 annual aggregate limit.

In accordance with G.S.159-29, the Town's employees that have access to \$100 or more of the Town's funds at any given time are performance-bonded through a commercial surety bond. The finance officer is bonded for \$50,000 and the remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

Town of Oak Ridge, North Carolina
Notes to Financial Statements

(4) Long-term obligations

(a) Direct borrowing installment purchase agreement - land - General Fund

The Town has a direct borrowing installment purchase agreement for land. The installment purchase note payable at June 30, 2022, is as follows:

Effective July 16, 2018, the Town purchased approximately 53.8 acres of land to be used for future expansion of the town park, known as the Whitaker property. The agreed upon purchase price of the land was \$1,800,000, and the majority of the purchase was financed through a promissory note to the seller, Frank Whitaker, in the amount of \$1,620,000. The note is secured by a first lien security interest in the property. In accordance with the promissory note, the Town shall pay nine annual installments of \$180,000 together with accrued interest at a rate of 6%, beginning July 16, 2019 and continuing annually thereafter until paid in full. The note may not be prepaid in full or in part at any time without the prior written consent of the seller. At the date of sale, the land purchased was being leased by the family of the Town's Finance Director, Samuel K. Anders, for farming purposes. As a condition to the purchases and sale agreement with the seller, the Town must continue leasing the land to Samuel K. Anders and family until such time as the land is needed for expansion of the park (see Note 4).

Annual debt service payments of the installment purchase for fiscal years subsequent to June 30, 2022 are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 180,000	\$ 64,800
2024	180,000	54,000
2025	180,000	43,200
2026	180,000	32,400
2027	180,000	31,600
2028	<u>180,000</u>	<u>10,800</u>
Total	<u>\$ 1,080,000</u>	<u>\$ 226,800</u>

(b) Changes in long-term liabilities

During the year ended June 30, 2022, the following changes occurred in long-term obligations:

	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>	<u>Current Portion of Balance</u>
Compensated absences	\$ 22,436	\$ 27,650	\$ 31,721	\$ 18,365	\$ 18,365
Net pension liability (LGERS)	175,813	-	93,152	82,661	-
Installment purchases	<u>1,260,000</u>	<u>-</u>	<u>180,000</u>	<u>1,080,000</u>	<u>180,000</u>
Total	<u>\$ 1,458,249</u>	<u>\$ 27,650</u>	<u>\$ 304,873</u>	<u>\$ 1,181,026</u>	<u>\$ 198,365</u>

Compensated absences have typically been liquidated in the General Fund.

Town of Oak Ridge, North Carolina
Notes to Financial Statements

(5) Long-term contract

The Town has a contract to lease a portion of the Town Park Maintenance Building, athletic fields, a paved parking lot, and all other athletic support amenities at the Town Park to the Oak Ridge Youth Association, Inc. (“ORYA”). The lease term was for a period of one year beginning in January 1, 2022 and ending December 31, 2022. The Town will subsidize the ORYA annually through in-kind support in the amount of up to \$30,000, in the form of credits against usage fees or like non-monetary support. Cash payments will be required for any cumulative fees in excess of the \$30,000 credit. The ORYA may renew the agreement annually by providing written request for renewal not less than 90 days prior to the expiration of the agreement each year, along with providing financial statements covering the prior year of the agreement, a statement of achievements in relation to its goals set for the immediate past term of the agreement, and a statement of ORYA’s goals for the upcoming year, and how they are proposed to be accomplished. Cumulative fee revenue in excess of the \$30,000 credit amounted to \$1,208 for the year ended June 30, 2022, all of which is included in accounts receivable at June 30, 2022.

C. Fund balance

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

Total fund balance, General Fund	\$ 3,863,090
Less:	
Stabilization by state statute	250,469
Dog park	2,105
Capital projects	1,670,000
Appropriated fund balance in 2022 budget	<u>1,473,565</u>
Remaining fund balance, General Fund	<u>\$ 466,951</u>

3. Coronavirus Local Fiscal Recovery Funds

In accordance with funding provided by the American Rescue Plan Act of 2021, effective August 4, 2021, the Town agreed to its terms for receiving an allocation of funds from the U.S. Department of Treasury, through the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund. The Town’s total estimated grant award is \$1,656,102, which is to be provided in two equal disbursements of \$828,051. The first disbursement was received on August 19, 2021, while the second disbursement was received in August 2022. The Town will have until December 31, 2024 to use or encumber the funds, and if encumbered, has until December 31, 2026 to finish any associated work. As of June 30, 2022, \$828,051 is included as an unearned revenue liability.

4. Related-Party Transactions

In accordance with the terms of the loan agreement (see Note 2.B.4), effective July 16, 2018, the Town entered into a lease agreement with Samuel K. Anders and family. Under the terms of the lease agreement, the lessee may use the land for farming operations and hunting. The lessee must maintain the farm roads and maintain the look of the farm by keeping all of the open land in cultivation and by keeping all field edges, roads, and unused land mowed, and provide security by posting signs to discourage unauthorized trespassing, dumping and hunting, and shall check the property on regular and irregular schedules to discourage any illegal third-party activity thereon. The term of the lease is for one year at a rate of \$1 annually, and automatically renews for one-year terms annually thereafter on July 15th. Either party may terminate the lease at any time, subject to providing written notice upon no less than 30 days' notice prior to the effective date of the termination.

5. Jointly Governed Organization

The Town, along with six other municipalities and Forsyth County, is a participating member of the Triad Municipal ABC Board. This organization was established under North Carolina Alcoholic Beverage laws to operate liquor stores. The Town of Oak Ridge appoints one member to a nine-member governing board. The Town also receives a portion of the income distributed by the Board. This distribution amounted to \$217,414 during the fiscal year ended June 30, 2022.

Required Supplementary Financial Data

- Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System

Town of Oak Ridge, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Required Supplementary Information
Last Eight Fiscal Years*

Exhibit A-1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Oak Ridge's proportion of the net pension liability (asset) (%)	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%
Oak Ridge's proportion of the net pension liability (asset) (\$)	\$ 82,661	\$ 175,813	\$ 132,723	\$ 83,032	\$ 79,289	\$ 122,883	\$ 23,786	\$ (23,943)
Oak Ridge's covered-employee payroll	\$ 425,293	\$ 384,570	\$ 365,453	\$ 305,907	\$ 336,055	\$ 341,124	\$ 335,912	\$ 239,364
Oak Ridge's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	19.44%	45.72%	36.32%	27.14%	23.59%	36.02%	7.08%	-10.00%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

**Town of Oak Ridge, North Carolina
Schedule of Contributions
Local Government Employees' Retirement System
Required Supplementary Information
Last Eight Fiscal Years**

Exhibit A-2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 51,908	\$ 43,167	\$ 34,419	\$ 27,409	\$ 22,943	\$ 24,364	\$ 22,753	\$ 23,749
Contributions in relation to the contractually required contribution	<u>51,908</u>	<u>43,167</u>	<u>34,419</u>	<u>27,409</u>	<u>22,943</u>	<u>24,364</u>	<u>22,753</u>	<u>23,749</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Oak Ridge's covered-employee payroll	\$ 457,342	\$ 425,293	\$ 384,570	\$ 365,453	\$ 305,907	\$ 336,055	\$ 341,124	\$ 335,912
Contributions as a percentage of covered-employee payroll	11.35%	10.15%	8.95%	7.50%	7.50%	7.25%	6.67%	7.07%

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Individual Fund Schedules

Town of Oak Ridge, North Carolina
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year End June 30, 2022

Schedule 1
 (3 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes:			
Taxes	\$ 916,559	\$ 943,206	\$ 26,647
Unrestricted intergovernmental:			
Local option sales tax		340,528	
Utilities franchise tax		203,885	
Piped natural gas		23,045	
Telecommunication tax		10,764	
Local video programming		58,040	
Local ABC revenues		217,414	
Solid waste disposal tax		5,646	
Beer and wine excise tax		29,718	
Total	<u>863,927</u>	<u>889,040</u>	<u>25,113</u>
Restricted intergovernmental:			
CARES Act grant revenue		50,000	
Total	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Permits and fees:			
Inspection fee income	20,000	24,445	4,445
Park fees	22,500	23,769	1,269
Total	<u>42,500</u>	<u>48,214</u>	<u>5,714</u>
Investment earnings	<u>21,500</u>	<u>20,252</u>	<u>(1,248)</u>
Miscellaneous:			
Dog park donations		-	
Historic preservation committee donations	35,000	57,562	
Other	34,050	10,001	
Total	<u>69,050</u>	<u>67,563</u>	<u>(1,487)</u>
Total revenues	<u>1,913,536</u>	<u>2,018,275</u>	<u>104,739</u>

Town of Oak Ridge, North Carolina
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year End June 30, 2022

Schedule 1
 (3 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
General government:			
Advertising		\$ 2,995	
Direct deposit fees		2,102	
Dues and subscriptions		31,089	
Education		4,565	
Equipment lease		6,613	
Historical committee		8,669	
Insurance - life		1,749	
Insurance - disability		1,175	
Insurance - health		70,097	
Insurance - liability		8,021	
Insurance - workers compensation		1,938	
Wages		268,958	
Miscellaneous expense		5,248	
Mileage reimbursement		1,490	
MST committee		106	
Office supplies		4,242	
Ordinance conversion		4,033	
Postage and delivery		805	
Professional fees		215,106	
Property maintenance		7,653	
Retirement contributions		36,270	
Security monitoring		348	
Taxes - Medicare		3,755	
Taxes - social security		16,055	
Taxes - unemployment		309	
Telephone		6,150	
Town Hall		6,044	
Travel and entertainment		768	
Utilities - electricity		14,880	
Utilities - web hosting fees		5,508	
Special events		6,944	
Capital outlay		5,794	
	<u>\$ 834,530</u>	<u>749,479</u>	<u>\$ 85,051</u>
Total general government			

Town of Oak Ridge, North Carolina
 General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Year End June 30, 2022

Schedule 1
 (3 pages)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Cultural and recreation:			
Contributions to other agencies		\$ 7,837	
Wages		233,516	
Retirement contributions		27,966	
Insurance - life		1,353	
Insurance - disability		1,067	
Insurance - health		52,378	
Insurance - liability		7,285	
Insurance - workers compensation		4,744	
Operations and maintenance		145,699	
Taxes - Medicare		3,384	
Taxes - social security		14,469	
Taxes - unemployment		323	
Special events		22,549	
Capital outlay		627,931	
	<u>\$ 1,963,437</u>	<u>1,150,501</u>	<u>\$ 812,936</u>
Debt service:			
Principal retirement		180,000	
Interest and other charges		75,600	
	<u>\$ 255,600</u>	<u>255,600</u>	<u>\$ -</u>
Total expenditures	<u>3,053,567</u>	<u>2,155,580</u>	<u>897,987</u>
Revenues under expenditures	<u>(1,140,031)</u>	<u>(137,305)</u>	<u>1,002,726</u>
Other financing sources:			
Sales of capital assets	-	3,000	3,000
	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Appropriation from fund balance	<u>1,140,031</u>	<u>-</u>	<u>(1,140,031)</u>
Net change in fund balance	<u>\$ -</u>	<u>(134,305)</u>	<u>\$ (134,305)</u>
Fund balance, beginning of year		<u>3,997,395</u>	
Fund balance, end of year		<u>\$ 3,863,090</u>	

Other Schedules

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

Town of Oak Ridge, North Carolina
 Schedule of Ad Valorem Taxes Receivable
 General Fund
 Year End June 30, 2022

Schedule 2

Fiscal Year	Uncollected Balance at June 30, 2021	Additions	Collections and Credits	Uncollected Balance at June 30, 2022
Year of levy:				
2021 - 2022	\$ -	\$ 903,129	\$ 899,919	\$ 3,210
2020 - 2021	3,428	-	2,123	1,305
2019 - 2020	1,531	-	927	604
2018 - 2019	775	-	304	471
2017 - 2018	539	-	161	378
2016 - 2017	767	-	110	657
2015 - 2016	364	-	111	253
2014 - 2015	437	-	94	343
2013 - 2014	570	-	94	476
2012 - 2013	1,013	-	97	916
2011 - 2012	603	-	603	-
	10,027	<u>\$ 903,129</u>	<u>\$ 904,543</u>	8,613
Less allowance for uncollectible accounts:				
General Fund	(1,891)			(1,626)
	<u>\$ 8,136</u>			<u>\$ 6,987</u>
Reconciliation with Revenues				
Taxes - Ad Valorem - General Fund				\$ 943,206
Reconciling items:				
Discounts, releases and refunds				<u>(38,663)</u>
Total collections and credits				<u>\$ 904,543</u>

Town of Oak Ridge, North Carolina
 Analysis of Current Tax Levy
 Town-Wide Levy
 Year End June 30, 2022

Schedule 3

	Town-Wide		Total Levy		
	Property Valuation*	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	<u>\$ 1,128,911,479</u>	<u>\$ 0.0800</u>	\$ 903,129	\$ 804,424	\$ 98,705
Net levy			903,129	804,424	98,705
Uncollected taxes at June 30, 2022			<u>(3,210)</u>	<u>(3,210)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 899,919</u>	<u>\$ 801,214</u>	<u>\$ 98,705</u>
Current levy collection percentage			<u>99.64%</u>	<u>99.60%</u>	<u>100.00%</u>

* Property tax valuation prior to the discoveries and abatements