

**TOWN OF WHITE LAKE
WHITE LAKE, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2021**

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FINANCIAL STATEMENTS
June 30, 2020

MAYOR

H. Goldston Womble, Jr.

TOWN COUNCIL

Thomas E. Riel, Mayor, Pro-Tem
Timothy G. Blount
Timothy L. Clifton
Michael J. Suggs
Dean C. Hilton
Paul A. Evans

TOWN CLERK

Brenda Clark

ATTORNEY

H. Clifton Hester

TOWN OF WHITE LAKE, NORTH CAROLINA
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FINANCIAL SECTION



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Alan W. Thompson, CPA

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of White Lake, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of White Lake, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 3 to 11), the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions (pages 42 & 43) and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll (pages 44 & 45) 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.

Supplementary and Other 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 White Lake, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules and the accompanying Schedule of Expenditures of State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, other schedules and the Schedule of Expenditures of State Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules, other schedules and the Schedule of Expenditures of State Awards 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 June 30, 2022 on our consideration of Town of White Lake's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of White Lake's internal control over financial reporting and compliance.

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

Elizabethtown, North Carolina

June 30, 2022

Town of White Lake

Management's Discussion and Analysis

As the management of the Town of White Lake, we offer readers of the Town of White Lake's financial statements this narrative overview and analysis of the financial activities of the Town of White Lake for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town of White Lake's financial statements, which follow this narrative.

Financial Highlights

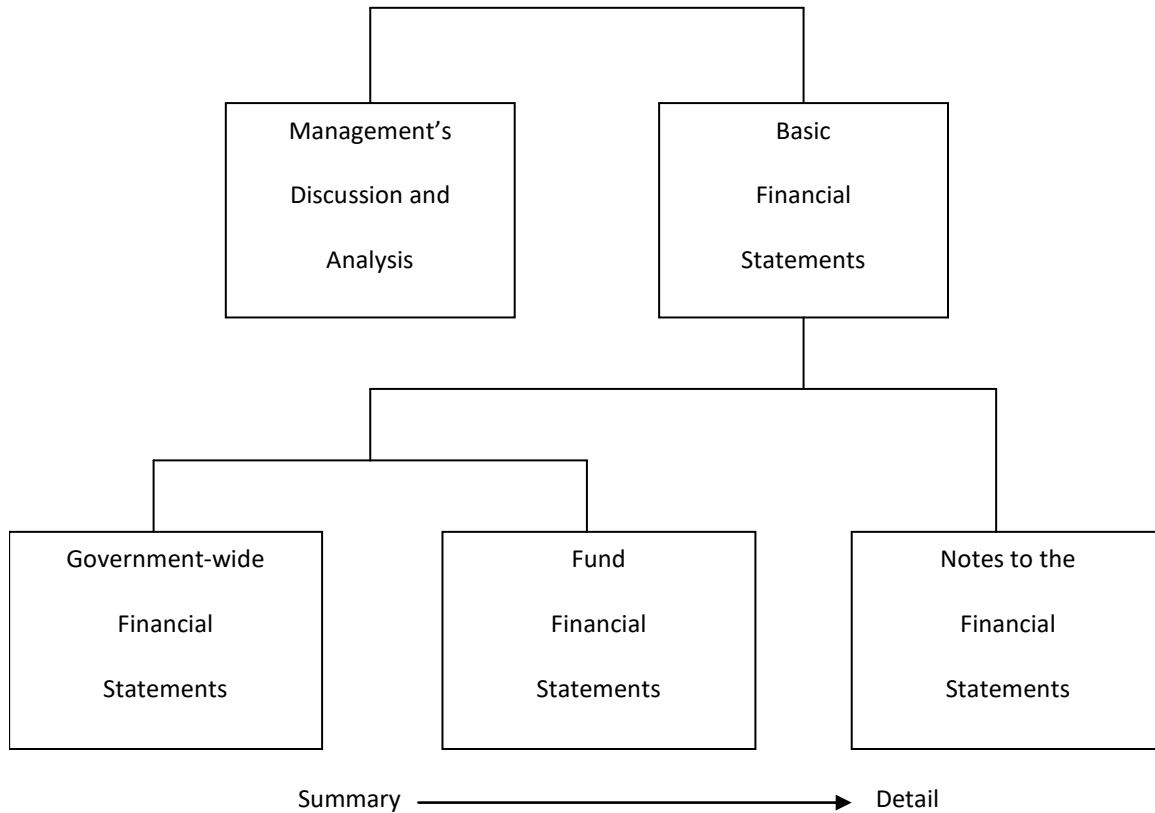
- The assets and deferred outflows of resources of the Town of White Lake exceeded its liabilities and deferred inflows or resources at the close of the fiscal year by \$10,380,830, *net position*.
- The government's total net position increased by \$799,626 due to an increase in the government-type activities along with an increase in the business – type activities' net position.
- As of the close of the current fiscal year, the Town of White Lake's governmental funds reported combined ending fund balances of \$1,670,684 an increase of \$394,488. Approximately 51 percent of this total amount, or \$733,670 is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$722,230 or 40% of total general fund expenditures for the fiscal year.
- The Town of White Lake's total debt increased \$1,487,304 during the current fiscal year due to normal debt payments made during the year net of a new loan.
- The Town of White Lake's bond rating is a 79.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Town of White Lake'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 White Lake.

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety, parks and recreation, and general administration. Property taxes, 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 and wastewater services offered by the Town of White Lake. The Town has no component units.

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 of White Lake'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 White Lake, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of White Lake can be divided into two categories: governmental funds and proprietary funds.

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

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

Proprietary Fund: The Town uses the *Enterprise Funds* to report the same functions presented as business-type activities in the government-wide financial statements. The Town of White Lake uses enterprise funds to account for its water and sewer activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 21-39 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 White Lake's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 40 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.

Government-Wide Financial Analysis

Town of White Lake's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets:	\$ 1,815,098	\$ 1,382,190	\$ 3,349,840	\$ 2,386,384	\$ 5,164,938	\$ 3,768,574
Capital Assets	2,549,580	2,764,210	5,544,755	4,198,300	8,094,335	6,962,510
Total assets	<u>4,364,678</u>	<u>4,146,400</u>	<u>8,894,595</u>	<u>6,584,684</u>	<u>13,259,273</u>	<u>10,731,084</u>
Deferred outflows of resources	<u>269,944</u>	<u>191,034</u>	<u>64,922</u>	<u>66,232</u>	<u>334,866</u>	<u>257,266</u>
Liabilities						
Long-term liabilities outstanding	408,839	409,153	1,729,002	363,275	2,137,841	772,428
Other liabilities	402,708	302,807	620,297	315,412	1,023,005	618,219
Total liabilities	<u>811,547</u>	<u>711,960</u>	<u>2,349,299</u>	<u>678,687</u>	<u>3,160,846</u>	<u>1,390,647</u>
Deferred inflows of resources	<u>48,560</u>	<u>15,283</u>	<u>3,903</u>	<u>1,216</u>	<u>52,463</u>	<u>16,499</u>
Net Position						
Net Investment in Capital Assets	2,392,102	2,604,897	3,801,933	3,944,617	6,194,035	6,549,514
Restricted for:						
Stabilization by State Statute	168,204	154,953	-	-	168,204	154,953
Transportation	139,689	117,674	-	-	139,689	117,674
Administration	118,208	-	-	-	118,208	-
Unrestricted(Deficit)	956,312	732,667	2,804,382	2,026,396	3,760,694	2,759,063
Total Net Position	<u>\$ 3,774,515</u>	<u>\$ 3,610,191</u>	<u>\$ 6,606,315</u>	<u>\$ 5,971,013</u>	<u>\$ 10,380,830</u>	<u>\$ 9,581,204</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 resources of the Town White Lake exceeded liabilities and deferred inflows by \$10,380,830 as of June 30, 2021. The Town's net position increased by \$799,626 for the fiscal year ended June 30, 2021. However, the largest portion \$6,194,035 (60%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of White Lake uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of White Lake'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 White Lake's net position, \$426,101 (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,760,694, (36%) is unrestricted.

One particular aspect of the Town's financial operations influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 97.63%, which is above the statewide average of 97.22%.

Town of White Lake's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 647,933	\$ 517,803	\$ 1,667,472	\$ 1,468,466	\$ 2,315,405	\$ 1,986,269
Grants and Entitlements	269,070	373,409	149,490	100,978	418,560	474,387
General Revenue						
Property Taxes	804,489	778,302	-	-	804,489	778,302
Grants and contributions not restricted to specific programs	475,688	443,520	-	-	475,688	443,520
Other Taxes	6,427	4,349	-	-	6,427	4,349
Investment Earnings	339	9,322	677	13,818	1,016	23,140
Other	2,556	21,870	-	-	2,556	21,870
Total Revenues	<u>2,206,502</u>	<u>2,148,575</u>	<u>1,817,639</u>	<u>1,583,262</u>	<u>4,024,141</u>	<u>3,731,837</u>
Expenses						
General Government	576,210	578,216	-	-	576,210	578,216
Public Safety	985,208	959,116	-	-	985,208	959,116
Transportation	196,764	105,574	-	-	196,764	105,574
Environmental Protection	269,942	268,221	-	-	269,942	268,221
Cultural and Recreation	10,300	14,999	-	-	10,300	14,999
Interest on Long-Term Debt	3,754	4,083	-	-	3,754	4,083
Water and Sewer Fund	-	-	1,182,337	1,182,183	1,182,337	1,182,183
Total Expenses	<u>2,042,178</u>	<u>1,930,209</u>	<u>1,182,337</u>	<u>1,182,183</u>	<u>3,224,515</u>	<u>3,112,392</u>
Increase in Net Position Before Transfers	164,324	218,366	635,302	401,079	799,626	619,445
Transfers	-	-	-	-	-	-
Increase(Decrease) in Net Position	164,324	218,366	635,302	401,079	799,626	619,445
Net position, beginning, previously reported	3,610,191	3,800,338	5,971,013	5,648,400	9,581,204	9,448,738
Restatement	-	(408,513)	-	(78,466)	-	(486,979)
Net Position, beginning, restated	<u>3,610,191</u>	<u>3,391,825</u>	<u>5,971,013</u>	<u>5,569,934</u>	<u>9,581,204</u>	<u>8,961,759</u>
Net Position, ending	<u>\$ 3,774,515</u>	<u>\$ 3,610,191</u>	<u>\$ 6,606,315</u>	<u>\$ 5,971,013</u>	<u>\$ 10,380,830</u>	<u>\$ 9,581,204</u>

Governmental activities. Governmental activities increased the Town of White Lake's net position by \$164,324.

Business-type activities: Business-type activities increased the Town of White Lake's net position by \$635,302. Key elements of the current year operating increases were:

- Increase in revenues.
- Expenses were reduced.
- Grant proceeds

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of White Lake'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 White Lake'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 White Lake. At the end of the current fiscal year, the Town of White Lake's unassigned fund balance in the General Fund was \$722,230, while total fund balance reached \$1,516,314. The Governing Body of the Town of White Lake follows the North Carolina Local Government Commission recommendation that the Town maintains an available fund balance of 8% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the Town. The Town currently has an available fund balance of 61%.

At June 30, 2021, the governmental funds of the Town of White Lake reported a combined fund balance of \$1,670,684, a \$394,488 increase.

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.

Revenues were more than the budgeted amounts primarily due to no significant reason and expenditures were held in check.

Proprietary Fund. The Town's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$2,804,382. The increase in net position for this fund was \$635,302. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town of White Lake's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$8,094,335 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, and vehicles.

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

- Various equipment was purchased.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 245,821	\$ 245,821	\$ 43,898	\$ 43,898	\$ 289,719	\$ 289,719
Construction in Progress	-	-	1,663,019	237,168	1,663,019	237,168
Buildings and Improvements	2,140,255	2,215,908	3,654,553	3,713,884	5,794,808	5,929,792
Equipment	80,479	56,154	160,568	167,214	241,047	223,368
Vehicles and Motor Equipment	83,025	246,327	22,717	36,136	105,742	282,463
	<u>\$ 2,549,580</u>	<u>\$ 2,764,210</u>	<u>\$ 5,544,755</u>	<u>\$ 4,198,300</u>	<u>\$ 8,094,335</u>	<u>\$ 6,962,510</u>

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

Long-term Debt. As of June 30, 2021, the Town of White Lake had total bonded debt outstanding of \$0.

Town of White Lake's Outstanding Debt

The Town of White Lake's total debt decreased by \$1,487,304 during this past fiscal year, primarily due to newly issued debt to finance the sewer improvement capital project.

The Town of White Lake’s bond rating remains at 79. This bond rating is a clear indication of the sound financial condition of The Town of White Lake. The Town of White Lake is one of the few towns in the country that maintains the highest financial rating from this major rating agency. This achievement is a primary factor in keeping interest costs low on the Town’s outstanding debt.

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 White Lake is \$22,231,836. The Town has \$0 in authorized bonds as of June 30, 2021.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Direct Placement						
Installment Contract	\$ 157,478	\$ 159,313	\$ 1,742,822	\$ 253,683	\$ 1,900,300	\$ 412,996
	\$ 157,478	\$ 159,313	\$ 1,742,822	\$ 253,683	\$ 1,900,300	\$ 412,996

Additional information regarding the Town of White Lake’s long-term debt can be found in the notes of this report.

Economic Factors and Next Year’s Budgets and Rates

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

The Town of White Lake is a small community located in Bladen County, (a Tier I County) with a year-round population of 879 residents as of July 1, 2019 according to the Office of State Planning. There being no industrial tax base, the Town relies on tourism as its only true industry. The commercial and tourist attractions located around the Lake itself rely entirely on seasonal dollars for their livelihoods.

Without an industrial tax base, the Town must rely solely on tax revenue collections to fund all of the required services such as police/fire protection and sanitation. The General Fund receives its operating revenues from various sources, including property (ad valorem) taxes, intergovernmental or state-shared revenues, user fees, interest income, and miscellaneous revenues.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities:

COVID-19 Pandemic

The COVID-19 pandemic had a physical impact on tourism, the Town’s only industry. Businesses related to tourism were not allowed to open during the onset of COVID-19 and at a 50% capacity later on during the pandemic. While sales tax revenues for Fiscal Year 20/21 and 21/22 did not appear to decrease as much as originally forecasted, it is anticipated the impact will continue to be felt during Fiscal Year 22/23. The North Carolina League of Municipalities recently provided a report that analyzes revenues from the months most severely impacted by the global pandemic. Even with a strong month of local sales tax revenue for sales in the month of June, sales tax revenues decreased from the 4th quarter of FY18/19, and overall growth for the fiscal year was about half what it had been through three quarters of the current fiscal year. Utility tax revenue also declined across the board to varying degrees, during a time when many utilities and private companies – either voluntarily or under executive order – eliminated penalties for late payment and promised not to disconnect service in the event of nonpayment. All of these factors will continue to have an impact on Fiscal Year 22/23. Supply chain issues have also created a complex purchasing environment, where the price of goods and services has increased dramatically and the availability of product has declined across the board.

Multi-Use Trail – Phase II

The Town has applied for grants from PARTF, EDA, N.C. Department of Commerce, and the NC Division of Water Resources to construct Phase II of the White Lake Multi-Use Path for an approximate cost of \$1,127,500. Awarding of the grants are scheduled for the end of September 2022. Available funding will determine the continuation of the project.

White Lake “Lake Water” Management Plan

The Town continues to face long-term challenges of identifying nutrient sources entering into the lake and the development of a Lake Water Management Plan. In an effort to strengthen the General Fund’s unassigned Fund Balance, keep the Town financially sound, support the ongoing cost of the studies and the development of a Lake Water Management Program in the General Fund, a \$2.00 per month, per customer Lake Water Management Fee was approved during the FY 20/21 budgeting process for the Aquatic Control Fund.

The State Treasurer’s Office determined that the Wastewater Fund may continue sharing in the cost of on-going studies currently being conducted on the Lake water and the development of a “Lake Water Management Plan”, therefore; the Wastewater Fund also contributes to the operating cost of the Lake Water Aquatic Control Fund.

Business – Type Activities:

The Town was approved for a low interest loan in FY 17/18 (\$2,037,546 at a maximum interest rate of 1.82% and 2% loan fee) for a sanitary sewer rehab project, replacement and/or repairs that will eliminate I&I entry points and reduce I&I within the Town’s wastewater collection system. This project was completed in January 2022. The loan payment for the project is \$130,857.62 and will continue until November 2041.

The Town just began construction on Phase II of the sanitary sewer rehab project in March 2022. The project cost is approximately \$2,998,667 at a maximum interest rate of \$2.16% and a 2% loan fee and is scheduled to install approximately 630 ft of 6-inch force main; replacement of 6,380 ft of 8-inch gravity sewer line, 105 ft of 10-inch gravity sewer line, 37 4-ft manholes, and 130 sewer services; rehabilitation of 2,285 ft 8-inch, 1,350 ft 10-inch, and 1,309 ft 12-inc gravity sewer lines via CIPP, and 54 VF of manholes, relocation of 3,725 ft water main and 115 water services. Construction for Phase II is scheduled to end June 2023, with the first loan payment due November 2023 and continuing until May 2043. The loan payment for the project is \$149,868.40.

In anticipation of the two loan payments and to strengthen the Water and Wastewater Fund’s unassigned fund balance, a rate study was conducted during FY 19/20 (at no cost to the Town) to determine if an increase was necessary in the upcoming fiscal year to meet the Water/Wastewater Fund’s current obligations and loan payments for the projects resulting in a \$1.00 increase on the base rate for water and wastewater and a 30% increase on each tier. In FY 20/21, another rate study determined that the Town should reduce the minimum gallons from 0 to 2000 gallons to 0 to 1000 gallons for the base rate and implement a 25% increase on all tier rates. For the upcoming fiscal year, it has been recommended by the annual rate study that there be no base rate increase with a 5% increase on all tier rates.

Requests for Information

This report is designed to provide an overview of the Town’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town’s finance officer, 1879 White Lake Dr. PMB 7250, White Lake, NC 28337 or at 910-862-4800.

Basic Financial Statements

Town of White Lake, North Carolina
Statement of Net Position
June 30, 2021

Exhibit 1

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash & Cash Equivalents	\$ 1,334,256	\$ 2,932,527	\$ 4,266,783
Restricted Cash & Cash Equivalents	257,897	174,740	432,637
Taxes receivable (Net)	48,442	-	48,442
Accrued interest receivable on taxes	6,299	-	6,299
Accounts Receivable (Net)	28,313	235,753	264,066
Due from other governments	139,891	-	139,891
Inventory	-	6,820	6,820
Total current assets	<u>1,815,098</u>	<u>3,349,840</u>	<u>5,164,938</u>
Non-current Assets:			
Capital Assets:			
Land and nondepreciable improvements	245,821	1,706,917	1,952,738
Other capital assets, net of depreciation	<u>2,303,759</u>	<u>3,837,838</u>	<u>6,141,597</u>
Total capital assets	<u>2,549,580</u>	<u>5,544,755</u>	<u>8,094,335</u>
Total assets	<u>4,364,678</u>	<u>8,894,595</u>	<u>13,259,273</u>
Deferred Outflows of Resources	<u>269,944</u>	<u>64,922</u>	<u>334,866</u>
Liabilities			
Current liabilities			
Accounts Payable and Accrued Liabilities	88,528	288,940	377,468
Accrued Interest Payable	2,879	4,933	7,812
Current Portion of Long-term Debt	73,200	151,684	224,884
Liabilities paid from Restricted Assets:			
Customer Deposits	-	174,740	174,740
Long-term Liabilities:			
Net Pension Liability	262,105	104,886	366,991
Total Pension Liability	238,101	-	238,101
Due in More Than One Year	<u>146,734</u>	<u>1,624,116</u>	<u>1,770,850</u>
Total liabilities	<u>811,547</u>	<u>2,349,299</u>	<u>3,160,846</u>
Deferred Inflows of Resources	<u>48,560</u>	<u>3,903</u>	<u>52,463</u>
Net position			
Net Investment in Capital Assets	2,392,102	3,801,933	6,194,035
Restricted for:			
Stabilization by State Statute	168,204	-	168,204
Transportation	139,689	-	139,689
Administration	118,208	-	118,208
Unrestricted	<u>956,312</u>	<u>2,804,382</u>	<u>3,760,694</u>
Total Net Position	<u>\$ 3,774,515</u>	<u>\$ 6,606,315</u>	<u>\$ 10,380,830</u>

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

Town of White Lake, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 576,210	\$ 310,419	\$ 155,000	\$ -	\$ (110,791)	\$ -	\$ (110,791)
Public Safety	985,208	32,542	90,472	-	(862,194)	-	(862,194)
Transportation	196,764	-	22,940	-	(173,824)	-	(173,824)
Environmental Protection	269,942	304,972	658	-	35,688	-	35,688
Cultural and Recreation	10,300	-	-	-	(10,300)	-	(10,300)
Interest on Long-Term Debt	3,754	-	-	-	(3,754)	-	(3,754)
Total Governmental Activities	<u>2,042,178</u>	<u>647,933</u>	<u>269,070</u>	<u>-</u>	<u>(1,125,175)</u>	<u>-</u>	<u>(1,125,175)</u>
Business-Type Activities:							
Water and Sewer Fund	<u>1,182,337</u>	<u>1,667,472</u>	<u>-</u>	<u>149,490</u>	<u>-</u>	<u>634,625</u>	<u>634,625</u>
Total Business-Type Activities	<u>1,182,337</u>	<u>1,667,472</u>	<u>-</u>	<u>149,490</u>	<u>-</u>	<u>634,625</u>	<u>634,625</u>
	<u>\$ 3,224,515</u>	<u>\$ 2,315,405</u>	<u>\$ 269,070</u>	<u>\$ 149,490</u>			
General Revenues:							
Taxes:							
Property taxes, levied for general purpose					804,489	-	804,489
Other taxes					6,427	-	6,427
Grants and contributions not restricted to specific programs					475,688	-	475,688
Investment earnings, unrestricted					339	677	1,016
Miscellaneous, unrestricted					2,556	-	2,556
Total general revenues and transfers					<u>1,289,499</u>	<u>677</u>	<u>1,290,176</u>
Change in net position					164,324	635,302	799,626
Total net position, beginning as previously reported					3,610,191	5,971,013	9,581,204
Restatement						-	-
Total net position, beginning restated					<u>3,610,191</u>	<u>5,971,013</u>	<u>9,581,204</u>
Total net position, ending					<u>\$ 3,774,515</u>	<u>\$ 6,606,315</u>	<u>\$ 10,380,830</u>

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

Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds		Total Non-Major Fund	Total Governmental Funds
	General Fund	Lake Water Restoration Capital Project		
Assets				
Cash and cash equivalents	\$ 1,179,886	\$ 142,930	\$ 11,440	\$ 1,334,256
Restricted cash	257,897	-	-	257,897
Receivables (net):				
Taxes	48,442	-	-	48,442
Accounts	28,313	-	-	28,313
Due from other governments	139,891	-	-	139,891
Total assets	\$ 1,654,429	\$ 142,930	\$ 11,440	\$ 1,808,799
Liabilities				
Liabilities:				
Accounts payable and accrued liabilities	\$ 88,528	\$ -	\$ -	\$ 88,528
Total liabilities	88,528	-	-	88,528
Deferred Inflows of Resources				
Property taxes receivable	48,442	-	-	48,442
Prepaid taxes	1,145	-	-	1,145
Total deferred Inflows of Resources	49,587	-	-	49,587
Fund Balances				
Restricted				
Stabilization by State Statute	168,204	-	-	168,204
Streets	139,689	-	-	139,689
Adminstration	118,208	-	-	118,208
Committed				
Capital Projects	367,983	142,930	-	510,913
Assigned				
Subsequent Years Expenditures	-	-	-	-
Unassigned	722,230	-	11,440	733,670
Total fund balances	1,516,314	142,930	11,440	1,670,684
Total liabilities, deferred inflows of resources and fund balances	\$ 1,654,429	\$ 142,930	\$ 11,440	1,808,799

Town of White Lake, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

Exhibit 3, continued

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balance, governmental funds	\$		1,670,684
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Gross capital assets at historical cost	\$	5,609,152	
Accumulated depreciation		<u>(3,059,572)</u>	2,549,580
Deferred outflows of resources related to pensions are not reported in the funds.			269,944
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds			6,299
Earned revenues considered deferred inflows of resources in fund statements.			48,442
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds:			
Gross long-term debt			(219,934)
Total pension liability			(238,101)
Net pension liability			(262,105)
Deferred inflows of resources related to pensions are not reported in the funds.			(47,415)
Other long-term liabilities (accrued interest) are due and payable in the current period and therefore are not reported in the funds			<u>(2,879)</u>
Net position of governmental activities	\$		<u><u>3,774,515</u></u>

Town of White Lake, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

Exhibit 4

	Major Funds		Total Non-Major Fund	Total Governmental Funds
	General Fund	Lake Water Restoration Capital Project		
Revenues:				
Ad valorem taxes	\$ 787,404	\$ -	-	\$ 787,404
Other taxes and licenses	6,427	-	-	6,427
Unrestricted intergovernmental	475,688	-	-	475,688
Restricted intergovernmental	264,247	-	-	264,247
Permits and fees	22,435	-	-	22,435
Sales and services	625,498	-	-	625,498
Other revenues	7,718	-	-	7,718
Total revenues	<u>2,189,417</u>	<u>-</u>	<u>-</u>	<u>2,189,417</u>
Expenditures:				
Current:				
General government	577,035	-	-	577,035
Public safety	778,767	-	-	778,767
Transportation	152,770	-	-	152,770
Environmental protection	269,831	-	-	269,831
Cultural and recreation	10,300	-	-	10,300
Debt service				
Principle	28,446	-	-	28,446
Interest	4,391	-	-	4,391
Total expenditures	<u>1,821,540</u>	<u>-</u>	<u>-</u>	<u>1,821,540</u>
Revenues over (under) expenditures	<u>367,877</u>	<u>-</u>	<u>-</u>	<u>367,877</u>
Other financing sources (uses):				
Proceeds From Installment Purchase	26,611	-	-	26,611
Total other financing sources (uses)	<u>26,611</u>	<u>-</u>	<u>-</u>	<u>26,611</u>
Net change in fund balance	394,488	-	-	394,488
Fund balances, beginning	1,121,826	142,930	11,440	1,276,196
Fund balances, ending	<u>\$ 1,516,314</u>	<u>\$ 142,930</u>	<u>11,440</u>	<u>\$ 1,670,684</u>

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

Town of White Lake, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

Exhibit 4, continued

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

Net changes in fund balances - total governmental funds	\$	394,488
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlay expenditures which were capitalized	106,070	
Depreciation expense for government assets	<u>(320,700)</u>	(214,630)
<p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p>		
		68,386
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue for tax revenues		17,085
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
New long-term debt issued	(26,611)	
Principal payments on long-term debt	28,446	
Change in accrued interest payable	<u>637</u>	2,472
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Pension expenses	(119,089)	
Compensated absences	<u>15,612</u>	<u>(103,477)</u>
Total changes in net position of governmental activities.	\$	<u><u>164,324</u></u>

Town of White Lake, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Fund
For the Year Ended June 30, 2021

Exhibit 5

	General Fund			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 779,784	\$ 781,384	\$ 787,404	\$ 6,020
Other taxes and licenses	4,000	2,400	6,427	4,027
Unrestricted intergovernmental	351,494	355,219	475,688	120,469
Restricted intergovernmental	29,246	117,727	264,247	146,520
Permits and fees	10,045	10,045	22,435	12,390
Sales and services	637,586	637,436	625,498	(11,938)
Other revenues	1,551	9,138	7,718	(1,420)
Total revenues	<u>1,813,706</u>	<u>1,913,349</u>	<u>2,189,417</u>	<u>276,068</u>
Expenditures:				
Current:				
General government	545,964	601,508	577,035	24,473
Public safety	783,477	844,657	778,767	65,890
Transportation	120,188	221,667	152,770	68,897
Environmental protection	343,229	345,513	269,831	75,682
Cultural and recreation	14,800	14,800	10,300	4,500
Debt service	32,839	32,839	32,837	2
Total expenditures	<u>1,840,497</u>	<u>2,060,984</u>	<u>1,821,540</u>	<u>239,444</u>
Revenues over (under) expenditures	<u>(26,791)</u>	<u>(147,635)</u>	<u>367,877</u>	<u>515,512</u>
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Transfers from other funds	-	-	-	-
Proceeds From Installment Purchase	26,791	26,791	26,611	(180)
Total other financing sources (uses)	<u>26,791</u>	<u>26,791</u>	<u>26,611</u>	<u>(180)</u>
Fund Balance Appropriated	<u>-</u>	<u>120,844</u>	<u>-</u>	<u>(120,844)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>394,488</u>	<u>\$ 394,488</u>
Fund balances, beginning			<u>1,121,826</u>	
Fund balances, ending			<u>\$ 1,516,314</u>	

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

Town of White Lake, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2021

Exhibit 6

	Water and Sewer Fund
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,932,527
Restricted Cash	174,740
Accounts receivable (net)	227,654
Accounts receivable - other	8,099
Restricted receivable	-
Inventories	6,820
Total current assets	3,349,840
Non-Current Assets:	
Capital assets:	
Land and other non-depreciable assets	1,706,917
Other capital assets, net of depreciation	3,837,838
Capital assets (net)	5,544,755
Total assets	8,894,595
Deferred Outflows of Resources	
	64,922
Liabilities	
Current liabilities:	
Accounts payable	288,940
Accrued Interest	4,933
Accrued Vacation	16,271
Current Portion of Long Term Debt	135,413
Liabilities paid from Restricted Assets:	
Customer deposits	174,740
Total liabilities	620,297
Noncurrent liabilities:	
Notes Payable	1,607,409
Net Pension Liability	104,886
Accrued Vacation	16,707
Total noncurrent liabilities	1,729,002
Total liabilities	2,349,299
Deferred Inflows of Resources	
	3,903
Net position	
Net investment in capital assets	3,801,933
Unrestricted	2,804,382
Total net position	\$ 6,606,315

Town of White Lake, North Carolina
Statements of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2021

Exhibit 7

	Water and Sewer Fund
Operating revenues:	
Water Charges	\$ 642,498
Wastewater Charges	900,659
Late Fees	39,661
Structure Fees	17,234
Impact Fees	20,400
Transfer Charges	12,290
Water and Sewer Taps	34,233
Miscellaneous	497
Total	1,667,472
Operating Expenses:	
Water	
Salaries	131,417
Employee Benefits	56,362
Professional Fees	4,048
Other Operating Expenses	188,669
Repairs	41,154
Contracted Service	7,555
Depreciation	80,973
Total Water	510,178
Wastewater	
Salaries	164,651
Employee Benefits	59,264
Professional Fees	2,344
Other Operating Expenses	312,864
Repairs	33,464
Contracted Service	8,712
Depreciation	80,973
Total Sewer	662,272
Operating income	495,022
Nonoperating revenues (expenses):	
Investment earnings	677
Loss on disposal of fixed assets	-
Interest and fees	(9,887)
Total nonoperating revenues (expenses)	(9,210)
Income (loss) before contributions	485,812
Capital Contribution	149,490
Change in net position	635,302
Total net position, beginning as previously reported	5,971,013
Total net position, ending	\$ 6,606,315

Town of White Lake, North Carolina
Statement of Cash Flows
Proprietary Fund
For The Year Ended June 30, 2021

Exhibit 8

	Water and Sewer Fund
Cash flows from operating activities:	
Cash received from customers	\$ 1,594,116
Cash paid for goods and services	(546,469)
Cash paid to employees for services	(302,619)
Customer deposits received - Net	<u>25,050</u>
Net cash provided by operating activities	<u><u>770,078</u></u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(1,508,401)
State Grants	149,490
Principal paid on bond maturities	(23,688)
Interest paid on bond maturities	(10,883)
Proceeds from Loan Proceeds	<u>1,512,827</u>
Net cash used by capital and related financing activities	<u><u>119,345</u></u>
Cash flows from investing activities:	
Interest on investments	<u>677</u>
Net increase in cash and cash equivalents	890,100
Cash and cash equivalents:	
Balances, beginning	<u>2,217,167</u>
Balances, ending	<u><u>\$ 3,107,267</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ <u>495,022</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	161,946
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(73,356)
(Increase)/decrease in deferred outflows of resources-pensions	1,310
Increase (decrease) in accounts payable and accrued liabilities	162,835
Increase/(decrease) in net pension liability	1,135
Increase/(decrease) in deferred inflows of resources-pensions	2,687
Increase (decrease) in customer deposits	25,050
Increase (decrease) in accrued vacation pay	<u>(6,551)</u>
Total adjustments	<u>275,056</u>
Net cash provided by operating activities	<u><u>\$ 770,078</u></u>

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

NOTE 1: DESCRIPTION OF UNIT

The Town of White Lake is located in the southeastern area of the State. The Town maintains its own police, fire, and sanitation departments. In addition, the Town of White Lake operates water and sewer utilities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of White Lake 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 White Lake is a municipal corporation that is governed by an elected mayor and a six-member council. The Town has no component units.

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. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies result from 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 of the general government except those 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, street maintenance and construction, and sanitation services.

Lake Water Restoration Capital Project – This fund is used to account for determination of water quality issues and treatment of the lake water.

The Town reports the following non-major governmental fund:

Sidewalk Capital Project - This is used to account for grant funds for the construction of sidewalks within the Town.

The Town reports the following major enterprise funds:

Water and Sewer Fund - This fund is used to account for the Town's water and sewer operations. A Water and Sewer Capital Projects Fund has been consolidated into the Water and Sewer Fund for financial reporting purposes. The budgetary comparison for the Water and Sewer Capital Projects Fund has been included in the supplemental information.

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, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

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, Capital Reserve Fund and the Enterprise Fund. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Project Funds. The enterprise fund capital 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 funds. The Town clerk is authorized by the budget ordinance to transfer appropriations between departments within a fund; however, any revisions that alter total expenditures of any fund must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the time until annual ordinance can be adopted.

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

Deposits and Investments - All deposits of the Town are made in board-designated official depositories and are secured as required by State law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings 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. The NCCMT-Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

In accordance with State law, the Town has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

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.

Restricted Assets – Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4. Unspent grant funds are classified as restricted until expended.

Town of White Lake Restricted Cash	
Governmental Activities	
General Fund	
Streets	\$ 139,689
Resiliency Grant Funds	118,208
Total government activities	\$ 257,897
Business-type Activities	
Water and Sewer Fund	\$ 174,740
Customer deposits	\$ 174,740
Total Business-type Activities	
Total Restricted Cash	\$ 432,637

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, 2020. As allowed by State law, the Town has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

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

Inventory - The inventories of the Town are valued at cost (first-in, first-out), which approximates market.

The inventories of the Town's enterprise fund consist of materials and supplies held for subsequent use. The cost of these inventories are recorded as an expense as the inventories are consumed.

Capital Assets - Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$1,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$1,000; infrastructure, \$50,000; furniture and equipment, \$1,000; and vehicles, \$1,000. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	40
Motor Vehicles	5
Equipment	7
Plant Assets	50

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 meet this criterion, pension deferrals for the 2021 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, and pension deferrals for the 2021 fiscal year.

Long-Term Obligations - In the government-wide financial statements and in the 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.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

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 governments-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 current portion of the accumulated vacation pay is not considered to be material; therefore, no expenditure or liability has been reported in the governmental-wide or proprietary funds.

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.

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.

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.

Restricted for Administration – portion of fund balance that is restricted for future administration cost as required by grant funds that were received.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of White Lake'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. Any changes or removal of specific purpose requires majority action by the governing body. Below is the only description of committed fund balance.

Committed for Capital Projects – portion of fund balance assigned for the purchase of fixed assets.

Assigned fund balance – portion of fund balance that Town of White Lake 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 any modifications to the original budget.

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

The Town of White Lake adheres to the North Carolina Local Government Commission's recommendation of a minimum fund balance for the general fund which instructs management to conduct the business of the Town in such a manner that available fund balance does not go below eight percent of budgeted expenditures. Any portion of the general fund balance in excess of 8% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Town in a future budget.

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

NOTE 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Noncompliance with N.C. General Statutes

Timeliness of Audit

N.C. General Statute 159-34 requires the Town to have an audit as soon as possible after the close of each fiscal year. The audit report was issued eight months after the required due date of October 31, 2021. The Town needed additional time to allow the financial statements to be prepared due delays caused by health-related issues for the preparer. This delayed the audit from being completed. This is a repeat finding from the prior year. Management is in the process of evaluating policies and procedures and expect this to be completed and not affect future audits.

NOTE 4: DETAIL NOTES ON ALL FUNDS

A. Assets

Deposits - All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in the Town's 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 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, 2021, the Town's deposits had a carrying amount of \$868,503 and a bank balance of \$924,661. All of the Town's deposits were covered by federal depository insurance. No remaining balance was covered under the pooling method. At June 30, 2021, petty cash accounts totaled \$3,095.

Investments

At June 30, 2021, the Town of White Lake had \$3,827,822 invested with the North Carolina Capital Management Trust Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no formal policy regarding credit risk.

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position are net of the following allowances for doubtful accounts:

Allowances for Doubtful Accounts

Fund	June 30, 2021
General Fund	
Taxes Receivable	\$ 15,000
Accounts Receivable	-
Total	<u>\$ 15,000</u>
Enterprise Fund	
Accounts Receivable	\$ 21,481
Total	<u>\$ 21,481</u>

Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets not Being Depreciated:				
Land	\$ 245,821	\$ -	\$ -	\$ 245,821
Total Capital Assets not Being Depreciated:	<u>245,821</u>	<u>-</u>	<u>-</u>	<u>245,821</u>
Capital Assets Being Depreciated:				
Buildings	2,142,838	-	-	2,142,838
Other Improvements	1,182,586	4,070	-	1,186,656
Equipment	573,616	63,758	-	637,374
Vehicles and Motor Equipment	1,358,221	38,242	-	1,396,463
Total Capital Assets Being Depreciated:	<u>5,257,261</u>	<u>106,070</u>	<u>-</u>	<u>5,363,331</u>
Less Accumulated Depreciation				
Buildings	952,166	53,051	-	1,005,217
Other Improvements	157,350	26,672	-	184,022
Equipment	517,462	39,433	-	556,895
Vehicles and Motor Equipment	1,111,894	201,544	-	1,313,438
Total Accumulated Depreciation	<u>2,738,872</u>	<u>\$ 320,700</u>	<u>\$ -</u>	<u>3,059,572</u>
Total Capital Assets Being Depreciated, net	<u>2,518,389</u>			<u>2,303,759</u>
Governmental Activity Capital Assets, net	<u>\$ 2,764,210</u>			<u>\$ 2,549,580</u>

Primary Government

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

General Government	\$ 36,891
Public Safety	229,865
Transportation	53,894
Environmental Protection	50
Total Depreciation Expense	<u>\$ 320,700</u>

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type Activities:				
Water and Sewer Fund				
Capital Assets not Being Depreciated:				
Land	\$ 43,898	\$ -	\$ -	\$ 43,898
Construction in Progress	237,168	1,425,851	-	1,663,019
Total Capital Assets not Being Depreciated:	281,066	1,425,851	-	1,706,917
Capital Assets Being Depreciated:				
Plant and Distribution	6,989,379	75,000	-	7,064,379
Equipment	568,556	7,550	-	576,106
Vehicles and Motor Equipment	185,212	-	-	185,212
Total Capital Assets Being Depreciated:	7,743,147	82,550	-	7,825,697
Less Accumulated Depreciation				
Plant and Distribution	3,275,495	134,331	-	3,409,826
Equipment	401,342	14,196	-	415,538
Vehicles and Motor Equipment	149,076	13,419	-	162,495
Total Accumulated Depreciation	3,825,913	\$ 161,946	\$ -	3,987,859
Total Capital Assets Being Depreciated, net	3,917,234			3,837,838
Water and Sewer Capital Assets, Net	\$ 4,198,300			\$ 5,544,755

B. Liabilities

Pension Plan Obligations

Local Governmental Employees' Retirement System

Plan Description. The Town of White Lake 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 White Lake 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 White Lake's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.25% 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 White Lake were \$94,781 for the year ended June 30, 2021.

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, 2021, the Town reported a liability of \$366,991 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 (measurement date), the Town's proportion was 0.01027%, which was a decrease of 0.00186% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$124,592. At June 30, 2021, 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	\$ 46,345	\$ -
Changes of assumptions	27,311	-
Net difference between projected and actual earnings on pension plan investments	51,645	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	7,078	13,655
Town benefit payments subsequent to the measurement date	94,781	-
Total	<u>\$ 227,160</u>	<u>\$ 13,655</u>

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

\$94,781 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30:	
2022	\$ 37,790
2023	42,405
2024	23,243
2025	15,286
2026	-
Thereafter	-
	<u>\$ 118,724</u>

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

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Discount Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 744,584	\$ 366,991	\$ 53,184

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.

Law Enforcement Officers’ Special Separation Allowance

Plan Description - The Town of White Lake 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, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	<u>5</u>
Total	<u>5</u>

A separate report was not issued for the plan.

Summary of Significant Accounting Policies:

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

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25% to 7.75%, including inflation and productivity factor
Discount Rate	1.93%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

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

Contributions

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The town paid \$0 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, 2021, the Town reported a total pension liability of \$238,101. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$26,025.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,559	\$ 31,900
Changes of assumptions	81,147	5,763
Town benefit payments and plan administrative expense made subsequent to the measurement date	-	-
	<u>\$ 107,706</u>	<u>\$ 37,663</u>

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

\$0 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date have been reported as deferred. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30:

2022	\$ 12,683
2023	12,683
2024	12,687
2025	11,496
2026	9,816
Thereafter	<u>10,678</u>
	<u>\$ 70,043</u>

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	<u>1% Decrease</u> <u>(0.93%)</u>	<u>Discount Rate</u> <u>(1.93%)</u>	<u>1% Increase</u> <u>(2.93%)</u>
Total Pension Liability	\$ 261,258	\$ 238,101	\$ 216,689

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

	<u>2021</u>
Beginning Balance	\$ 175,900
Service Cost	7,608
Interest on the total pension liability	5,734
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(32,478)
Changes of assumptions or other inputs	81,337
Benefit payments	-
Other changes	-
Ending balance of the total pension liability	<u>\$ 238,101</u>

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

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

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Ass	\$ 366,991	\$ -	\$ 366,991
Proportion of the Net Pension Liability (Asset)	0.01027%	n/a	
Total Pension Liability	\$ -	\$ 238,101	\$ 238,101
Pension Expense	\$ 127,048	\$ 13,342	\$ 140,390

Deferred Outflows of Resources

Differences between expected and actual experience	\$ 46,345	\$ 26,559	\$ 72,904
Changes of assumptions	27,311	81,147	108,458
Net difference between projected and actual earnings on pension plan investments	51,645	-	51,645
Changes in proportion and differences between County contributions and proportionate share of contributions	7,078	-	7,078
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	94,781	-	94,781

Deferred Inflows of Resources

Differences between expected and actual experience	-	31,900	31,900
Changes of assumptions	-	5,763	5,763
Changes in proportion and differences between County contributions and proportionate share of contributions	13,655	-	13,655

Supplemental Retirement Income Plan

Plan Description - The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to all qualifying employees 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.

Funding Policy – Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. For all other plan members, the Town contributes two percent. Also, plan members may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$48,473, which consisted of \$12,887 from the Town and \$35,586 from employees.

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

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

Deferred Outflows/Inflows of Resources

The Town has several deferred outflows of resources, as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension - difference between expected and actual experience		
LGERS	\$ 46,345	\$ -
LEOSSA	26,559	31,900
Changes of Assumptions	108,458	5,763
Net difference between projected and actual earnings on pension plan investments	51,645	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	7,078	13,655
Town contributions subsequent to the measurement date	94,781	-
Benefit payments for the OPEB plan paid subsequent to the measurement date		-
Total - Government Wide	<u>\$ 334,866</u>	<u>\$ 51,318</u>
Unearned Revenue	\$ -	\$ 1,145
Taxes Receivable (Net) - General	-	48,442
Total - General Fund	<u>\$ -</u>	<u>\$ 100,905</u>

Commitment – The Town is under contract with Bladen County to provide fire protection within the district described in the agreement. The term is for one year in the amount of \$32,170.

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, workers' 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 Board of Trustees each year. 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. Health insurance is obtained for employees through a different private provider.

Flood insurance coverage has been purchased those locations designated to be at risk of flooding.

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 commercial insurance coverage in any of the past three fiscal years.

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

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 and tax collector are each individually bonded for \$50,000 and \$25,000, respectively.

Claims and Judgements - There are no pending monetary suits against the Town as of June 30, 2021.

Long-Term Obligations

Notes Payable

Governmental Activities

First Bank \$237,772 dated March 2, 2016 for a direct placement contract to purchase a 2016 E-One Pumper is payable in annual payments of \$26,889 including interest at 2.75%, beginning April 2, 2016. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$130,867 with final payment expected in April 2025.

First Bank dated December 9, 2020 for a direct placement contract to purchase a 2020 Jeep Cherokee is payable in annual payments of \$9,225 including interest at 1.98% beginning December 1, 2021. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$26,611 with final payment expected in December 2023.

Business-Type Activities

BB&T \$457,993 dated December 18, 2008 for a direct placement contract to extend water lines payable in 20 annual payments of \$34,571 including interest at 4.29%, beginning December 2009. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$229,995 with final payment expected in December 2028.

NC Department of Environmental Quality \$2,214,173 dated January 14, 2021 for a Water Pollution Control Revolving Fund loan for sewer improvements payable in 20 payments of varying amounts including interest at 1.82%, beginning May 1, 2022. Principal payments are made annually, and interest payments are semi-annually. The property is pledged as collateral for the debt while the debt is outstanding. Principal balance at year-end was \$2,214,173 with final payment expected in May 2041. Debt service payments reflect the entire loan, but the balance sheet only reflects the \$1,512,827 that has been drawn down as of June 30, 2021.

The future minimum payments of the installment purchases as of June 30, 2021, separating principal and interest are as follows:

Year Ending	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
30-Jun				
2022	32,138	3,976	135,413	62,144
2023	32,953	3,161	136,473	47,090
2024	33,803	2,311	137,578	43,970
2025	25,450	1,439	138,731	40,803
2026	33,134	729	139,933	37,585
2027-2031	-	-	584,021	135,061
2032-2036	-	-	585,328	83,382
2037-2041	-	-	586,691	31,644
Total	\$ 157,478	\$ 11,616	\$ 2,444,168	\$ 481,680

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

Changes in Long Term Liabilities

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion
Governmental Activities:					
Compensated Absences	\$ 78,068	\$ 25,450	\$ (41,062)	\$ 62,456	\$ 41,062
Net pension liability (LGERS)	227,510	34,595	-	262,105	-
Total pension liability (LEO)	175,309	94,679	(31,887)	238,101	-
Direct Placement Installment Contract	159,313	26,611	(28,446)	157,478	32,138
Total Governmental Activities	\$ 640,200	\$ 181,335	\$ (101,395)	\$ 720,140	\$ 73,200
Business-Type Activities:					
Water and Sewer Fund					
Compensated Absences	\$ 39,529	\$ 9,720	(16,271)	\$ 32,978	\$ 16,271
Net pension liability (LGERS)	103,751	1,135	-	104,886	-
Direct Placement Installment Contract	253,683	1,512,827	(23,688)	1,742,822	135,413
Total Water District	\$ 396,963	\$ 1,523,682	\$ (39,959)	\$ 1,880,686	\$ 151,684

Compensated absences for governmental activities have typically been liquidated in the General Fund.

The legal debt margin of the Town at June 30, 2021 was \$22,231,836.

C. Interfund Balances and Activities

There were no transfers during the year.

D. Fund Balance

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

Total fund balance-General Fund	\$ 1,516,314
Less:	
Stabilization by State Statute	168,204
Streets - Powell Bill	139,689
Resiliency Grant Funds	118,208
Committed for Capital Projects	367,983
Appropriated Fund Balance in 2022 Budget	-
Remaining Fund Balance	\$ 722,230

NOTE 5: JOINTLY GOVERNED ORGANIZATION

The Town, along with several other counties and municipalities participate in the Lumber River Council of Governments (COG). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town paid \$140 to the Council during the fiscal year ended June 30, 2021.

TOWN OF WHITE LAKE, NORTH CAROLINA
Notes to the Financial Statements

NOTE 6: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

NOTE 7: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2022 the date which the financial statements were available for issue.

Required Supplementary Financial Data

The section contains additional information required by the generally accepted accounting principles.

Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System

Schedule of Contributions to Local Government Employees' Retirement System

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance

Town of White Lake, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years *

Local Government Employees' Retirement System								
	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset) (%)	0.01027%	0.01213%	0.01279%	0.01297%	0.00874%	0.01149%	0.01070%	0.01170%
Town's proportion of the net pension liability (asset) (\$)	\$ 366,991	\$ 331,261	\$ 303,423	\$ 198,147	\$ 185,493	\$ 51,567	\$ (63,104)	141,030
Town's covered-employee payroll	\$ 881,046	\$ 870,366	\$ 817,277	\$ 799,311	\$ 677,602	\$ 662,009	\$ 640,075	702,746
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.65%	38.06%	37.13%	24.79%	27.37%	7.79%	-9.86%	20.07%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Town of White Lake, North Carolina
Schedule of Contributions
Required Supplementary Information
Last Eight Fiscal Years

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 94,781	\$ 78,521	\$ 70,318	\$ 64,113	\$ 60,792	\$ 47,453	\$ 48,272	45,755
Contributions in relation to the contractually required contribution	\$ 94,781	\$ 78,521	\$ 70,318	\$ 64,113	\$ 60,792	\$ 47,453	\$ 48,272	45,755
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 906,446	\$ 881,046	\$ 870,366	\$ 817,277	\$ 799,311	\$ 677,602	\$ 662,009	\$ 640,075
Contributions as a percentage of covered-employee payroll	10.46%	8.91%	8.08%	7.84%	7.61%	7.00%	7.29%	7.15%

Town of White Lake, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2021

	2021	2020	2019	2018	2017
Beginning balance	\$ 175,900	\$ 133,122	\$ 133,713	\$ 87,072	\$ 81,593
Service Cost	7,608	9,190	9,409	8,861	5,714
Interest on the total pension liability	5,734	4,846	4,225	3,361	2,913
Changes of benefit terms	-	-	-	0	0
Differences between expected and actual experience in the measurement of the total pension liability	(32,478)	21,412	(6,484)	22,855	0
Changes of assumptions or other inputs	81,337	7,330	(7,741)	11,564	(3,148)
Benefit payments	-	-	-	0	0
Other changes	-	-	-	0	0
Ending balance of the total pension liability	<u>\$ 238,101</u>	<u>\$ 175,900</u>	<u>\$ 133,122</u>	<u>\$ 133,713</u>	<u>\$ 87,072</u>

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

Town of White Lake, North Carolina
 Schedule of Total Pension Liability as a Percentage of Covered Payroll
 Law Enforcement Officers' Special Separation Allowance
 June 30, 2021

	2021	2020	2019	2018	2017
Total pension liability	\$ 238,101	\$ 175,900	\$ 133,122	\$ 133,713	\$ 87,072
Covered payroll	303,842	296,714	298,009	274,323	192,588
Total pension liability as a percentage of covered payroll	78.36%	59.28%	44.67%	48.74%	45.21%

Notes to the schedules:

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

Individual Fund Statements and Schedules

Town of White Lake, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current Year		\$ 766,079	
Prior Year		15,951	
Penalties and interest		5,374	
Total	<u>\$ 781,384</u>	<u>787,404</u>	<u>\$ 6,020</u>
Other taxes and licenses:			
Vehicle tags		6,427	
Total	<u>2,400</u>	<u>6,427</u>	<u>4,027</u>
Unrestricted intergovernmental:			
Local option sales taxes		350,314	
Utility sales tax		90,830	
Telecommunications sales tax		4,574	
Video franchise tax		26,299	
Beer and wine tax		3,671	
Total	<u>355,219</u>	<u>475,688</u>	<u>120,469</u>
Restricted intergovernmental:			
Powell Bill Allocation		22,940	
FEMA Proceeds		85,649	
Solid waste disposal tax		658	
Grants		155,000	
Total	<u>117,727</u>	<u>264,247</u>	<u>146,520</u>
Permits and fees:			
Business Registration Fees		60	
Zoning Permits		22,375	
Total	<u>10,045</u>	<u>22,435</u>	<u>12,390</u>
Sales and services:			
Court Fees		59	
Administrative Fee		266,582	
Building Rent		100	
Sanitation		304,972	
Fire Protection		32,483	
Post Office Sales		21,302	
Total	<u>637,436</u>	<u>625,498</u>	<u>(11,938)</u>

Town of White Lake, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Other Revenues:			
Investment earnings		339	
Contributions		4,823	
Miscellaneous:		2,556	
Total Other Revenues	9,138	7,718	(1,420)
Total Revenues	1,913,349	2,189,417	276,068
Expenditures			
General Government:			
Governing Body			
Salaries		29,400	
Benefits		2,309	
Capital Outlay		-	
Other Operating Expenses		7,396	
Total	42,742	39,105	3,637
Administration			
Salaries		241,907	
Benefits		88,689	
Professional Expenses		16,447	
Contract Services		19,893	
Other Operating Expenses		59,961	
Capital Outlay		37,196	
Total	458,884	464,093	(5,209)
Post Office			
Salaries		8,537	
Benefits		661	
Stock Purchases		6,365	
Other Operating Supplies		4,052	
Capital Outlay		-	
Total	22,249	19,615	2,634
Zoning			
Salaries		29,534	
Benefits		13,035	
Professional Expenses		10,025	
Other Operating Expenses		1,628	
Total	77,633	54,222	23,411
Total General Government	601,508	577,035	24,473

Town of White Lake, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public safety:			
Police:			
Salaries		325,893	
Benefits		137,271	
Other Operating Expenses		62,944	
Capital Outlay		37,995	
Contract Services		2,739	
Total	<u>608,030</u>	<u>566,842</u>	<u>41,188</u>
Fire:			
Salaries		68,517	
Benefits		34,088	
Other Operating Expenses		71,084	
Contract Services		15,589	
Capital Outlay - Equipment		17,647	
Total	<u>231,627</u>	<u>206,925</u>	<u>24,702</u>
Contribution to Rescue Squad	5,000	5,000	
Total	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Public Safety	<u>844,657</u>	<u>778,767</u>	<u>65,890</u>
Transportation:			
Streets and Highways:			
Salaries		9,669	
Benefits		3,179	
Other Operating Expenses		17,106	
Capital Outlay		9,950	
Contracted Services		92,541	
Total	<u>197,792</u>	<u>132,445</u>	<u>65,347</u>
Streets - Powell Bill			
Other Operating Expenses		20,325	
Capital Outlay		-	
Contracted Services		-	
Total	<u>23,875</u>	<u>20,325</u>	<u>3,550</u>
Total Transportation	<u>221,667</u>	<u>152,770</u>	<u>68,897</u>
Environmental protection:			
Solid Waste			
Salaries		9,015	
Benefits		2,921	
Other Operating Expenses		6,140	
Contracted Services		204,249	
Capital Outlay		-	
Total Solid Waste	<u>244,670</u>	<u>222,325</u>	<u>22,345</u>

Town of White Lake, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Mosquito/Aquatic Control:			
Salaries		626	
Benefits		81	
Other Operating Expenses		3,550	
Contracted Services		43,249	
Capital Outlay		-	
Total Mosquito/Hydrilla Control	<u>100,843</u>	<u>47,506</u>	<u>53,337</u>
Total Environmental Protection	<u>345,513</u>	<u>269,831</u>	<u>75,682</u>
Culture and recreation:			
Parks and recreation:			
Contribution to Dixie Youth Baseball		800	
Contribution to Tourism		3,500	
Contribution to White Lake			
Water Festival		4,000	
Miscellaneous Contributions		2,000	
Total Culture and Recreation	<u>14,800</u>	<u>10,300</u>	<u>4,500</u>
Debt service:			
Principal retirement		28,446	
Interest and fees		4,391	
Total Debt Service	<u>32,839</u>	<u>32,837</u>	<u>2</u>
Total Expenditures	<u>2,060,984</u>	<u>1,821,540</u>	<u>239,444</u>
Revenues over (under) expenditures	<u>(147,635)</u>	<u>367,877</u>	<u>515,512</u>
Other Financing Sources (Uses):			
Transfers To/From Other Funds:			
Note Proceeds	26,791	26,611	(180)
Total Other Financing Sources(Uses)	<u>26,791</u>	<u>26,611</u>	<u>(180)</u>
Fund Balance Appropriated	<u>120,844</u>	<u>-</u>	<u>(120,844)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>394,488</u>	<u>\$ 394,488</u>
Fund Balances, beginning		1,121,826	
Fund Balances, ending		<u>\$ 1,516,314</u>	

Town of White Lake, North Carolina
Lake Water Restoration Capital Project
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Positive (Negative)
Revenues:					
Service Cost	\$ 791,724	\$ 746,389	\$ -	\$ 746,389	\$
Grant	-	125,000	-	125,000	
Donations	-	30,000	-	30,000	
Total	<u>791,724</u>	<u>901,389</u>	<u>-</u>	<u>901,389</u>	<u>109,665</u>
Expenditures:					
Contract Services		738,368	-	738,368	
Construction		20,091	-	20,091	
Total Expenditures	<u>791,724</u>	<u>758,459</u>	<u>-</u>	<u>758,459</u>	<u>33,265</u>
Revenues Over(Under) Expenditures	<u>\$ -</u>	<u>\$ 142,930</u>	-	<u>\$ 142,930</u>	<u>\$ 142,930</u>
Fund Balance					
Fund Balances, beginning			<u>142,930</u>		
Fund Balances, ending			<u>\$ 142,930</u>		

Town of White Lake, North Carolina
Sidewalk Capital Project
Schedule of Revenues, Expenditures and
Changes in Fund Balance-Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Positive (Negative)</u>
Revenues:					
Restricted Intergovernmental					
NCDOT	\$	\$ 175,000	\$ -	\$ 175,000	\$
Local Donations		-	-	-	
Total Revenue	<u>160,000</u>	<u>175,000</u>	<u>-</u>	<u>175,000</u>	<u>15,000</u>
Expenditures:					
Capital Outlay-Sidewalk		293,352	-	293,352	
Total Expenditures	<u>308,603</u>	<u>293,352</u>	<u>-</u>	<u>293,352</u>	<u>15,251</u>
Revenues Over(Under)					
Expenditures	<u>(148,603)</u>	<u>(118,352)</u>	<u>-</u>	<u>(118,352)</u>	<u>30,251</u>
Other Financing Sources(Uses)					
Transfers - In (Out)					
From/(To) General Fund	<u>148,603</u>	<u>129,792</u>	<u>-</u>	<u>129,792</u>	<u>(18,811)</u>
Total Other Financing Sources (Uses)	<u>148,603</u>	<u>129,792</u>	<u>-</u>	<u>129,792</u>	<u>(18,811)</u>
Revenues and Other Sources Over Other Uses	<u>\$ -</u>	<u>\$ 11,440</u>	<u>-</u>	<u>\$ 11,440</u>	<u>\$ 11,440</u>
Fund Balance					
Fund Balances, beginning			<u>11,440</u>		
Fund Balances, ending			<u>\$ 11,440</u>		

Town of White Lake, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Charges for services:			
Water Charges	\$	\$ 642,498	\$
Sewer Charges		900,659	
Late Fees		39,661	
Structure Fees		17,234	
Taps and Connection Fees		34,233	
Impact Fees		20,400	
Service and Transfer Charges		12,290	
Miscellaneous		497	
Total	<u>1,491,319</u>	<u>1,667,472</u>	<u>176,153</u>
Nonoperating Revenues			
Interest Earned on Investment		677	
Total	<u>2,483</u>	<u>677</u>	<u>(1,806)</u>
Total revenues	<u>1,493,802</u>	<u>1,668,149</u>	<u>174,347</u>
Expenditures:			
Water:			
Salaries		134,693	
Employee Benefits		53,745	
Professional Fees		4,048	
Other Operating Expenses		188,669	
Repairs		41,154	
Contracted Service		7,555	
Total Water	<u>487,312</u>	<u>429,864</u>	<u>57,448</u>
Wastewater:			
Salaries		167,926	
Employee Benefits		56,749	
Professional Fees		2,344	
Other Operating Expenses		312,864	
Repairs		33,464	
Contracted Service		8,712	
Total Sewer	<u>701,923</u>	<u>582,059</u>	<u>119,864</u>
Total General Expenses	<u>1,189,235</u>	<u>1,011,923</u>	<u>177,312</u>

Town of White Lake, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Fiscal Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt service:			
Interest and fees	10,884	9,887	
Principal retirement		<u>23,688</u>	
Total debt service	<u>34,572</u>	<u>33,575</u>	<u>997</u>
Capital outlay:			
Land & Equipment		<u>82,550</u>	
Total capital outlay	<u>108,000</u>	<u>82,550</u>	<u>25,450</u>
Total expenditures	<u>1,331,807</u>	<u>1,128,048</u>	<u>203,759</u>
Capital Contributions	193,957	149,490	(44,467)
Other financing sources (uses):			
Budgeted Increase to Designated Fund Balance	(447,591)	-	447,591
Fund Balance Appropriated	<u>91,639</u>	<u>-</u>	<u>(91,639)</u>
Total other financing sources (uses)	<u>(355,952)</u>	<u>-</u>	<u>355,952</u>
Revenues and other sources over expenditures and other uses	\$ <u>-</u>	\$ <u>689,591</u>	\$ <u>689,591</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over expenditures		\$ <u>689,591</u>	
Reconciling items:			
Principal retirement		23,688	
Capital outlay		82,550	
Increase/(Decrease) in deferred outflows of resources-pensions		(1,310)	
(Increase)Decrease in accrued vacation		6,551	
(Increase)/Decrease in net pension liability		(1,135)	
(Increase)/Decrease in deferred inflows of resources-pensions		(2,687)	
Depreciation		<u>(161,946)</u>	
Total reconciling items		<u>(54,289)</u>	
Change in Net Position		\$ <u>635,302</u>	

Town of White Lake, North Carolina
Individual Metering Project Capital Project
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	2021				Variance Positive (Negative)
	Project Authorization	Prior Year	Actual	Project Totals	
Revenues:					
Meter Revenue	\$ 37,024	\$ 69,952	\$ -	\$ 69,952	\$ (32,928)
Interest Earned	-	-	-	-	-
Total	<u>37,024</u>	<u>69,952</u>	<u>-</u>	<u>69,952</u>	<u>32,928</u>
Expenditures:					
Construction Project					
Construction	<u>456,882</u>	<u>464,904</u>	<u>-</u>	<u>464,904</u>	<u>(8,022)</u>
Total Expenditures	<u>456,882</u>	<u>464,904</u>	<u>-</u>	<u>464,904</u>	<u>(8,022)</u>
Other Financing Sources (Uses)					
From Water Fund	<u>419,858</u>	<u>429,294</u>	<u>-</u>	<u>429,294</u>	<u>9,436</u>
Total Transfers	<u>419,858</u>	<u>429,294</u>	<u>-</u>	<u>429,294</u>	<u>9,436</u>
Revenues Over(Under)					
Expenditures	<u>\$ -</u>	<u>\$ 34,342</u>	<u>\$ -</u>	<u>\$ 34,342</u>	<u>\$ 34,342</u>

Town of White Lake, North Carolina
Sewer Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	2021				Variance Positive (Negative)
	Project Authorization	Prior Year	Actual	Project Totals	
Revenues:					
Grant Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:					
Sewer Extension					
Other	-	-	-	-	-
Construction	<u>2,037,546</u>	<u>237,168</u>	<u>1,425,851</u>	<u>1,663,019</u>	<u>374,527</u>
Total Expenditures	<u>2,037,546</u>	<u>237,168</u>	<u>1,425,851</u>	<u>1,663,019</u>	<u>374,527</u>
Other Financing Sources (Uses)					
State Reserve Loan Proceeds	<u>2,037,546</u>	<u>-</u>	<u>1,512,827</u>	<u>1,512,827</u>	<u>(524,719)</u>
Total Transfers	<u>2,037,546</u>	<u>-</u>	<u>1,512,827</u>	<u>1,512,827</u>	<u>(524,719)</u>
Revenues Over(Under) Expenditures	<u>\$ -</u>	<u>\$ (237,168)</u>	<u>\$ 86,976</u>	<u>\$ (150,192)</u>	<u>\$ (150,192)</u>

OTHER SCHEDULES

This section includes additional information on property taxes.

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

Town of White Lake, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020 - 2021	\$	\$ 784,240	\$ 766,079	\$ 18,161
2019 - 2020	20,821	-	11,033	9,788
2018 - 2019	5,789	-	1,456	4,333
2017 - 2018	3,553	-	710	2,843
2016 - 2017	2,773	-	485	2,288
2015 - 2016	2,479	-	728	1,751
2014 - 2015	2,631	-	339	2,292
2013 - 2014	3,613	-	210	3,403
2012 - 2013	2,850	-	225	2,625
2011 - 2012	1,152	-	188	964
2010 - 2011	1,359	-	1,359	-
	<u>\$ 47,020</u>	<u>\$ 784,240</u>	<u>\$ 782,812</u>	<u>\$ 48,448</u>
			Less Allowance for Doubtful Accounts	<u>(15,000)</u>
				<u>\$ 33,448</u>
	<u>Reconcilement with revenues:</u>			
	Ad valorem taxes - General Fund			\$ 787,404
	Reconciling items:			
	Interest collected			(5,374)
	Releases			782
	Subtotal			<u>(4,592)</u>
	Total collections and credits			<u>\$ 782,812</u>

Town of White Lake, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2021

	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	\$ 281,594,286	\$ 0.28	\$ 788,464	\$ 750,591	\$ 37,873
Penalties			2,207	2,207	-
Total	281,594,286		790,671	752,798	37,873
Discoveries:					
Current year taxes	1,449,286	0.28	4,058	4,058	-
Penalties			-	-	-
Total	1,449,286		4,058	4,058	-
Releases	(3,746,071)	0.28	(10,489)	(10,489)	-
Total property valuation	\$ 279,297,500				
Net levy			784,240	746,367	37,873
Uncollected taxes at June 30, 2021			18,161	18,161	-
Current year's taxes collected			\$ 766,079	\$ 728,206	\$ 37,873
Current levy collection percentage			97.63%	97.51%	100.00%

COMPLIANCE SECTION



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R. Bryon Scott, CPA
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Alan W. Thompson, CPA

**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 White Lake, 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, each major fund, and the aggregate remaining fund information of the Town of White Lake, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Town of White Lake's basic financial statements, and have issued our report thereon dated June 30, 22.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of White Lake'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 White Lake's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

White Lake, North Carolina

June 30, 2022



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Alan W. Thompson, CPA

**Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance;
In Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Town of White Lake, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Town of White Lake's major State programs for the year ended June 30, 2021. The Town of White Lake's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of White Lake's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of State Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Town of White Lake's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of the Town of White Lake's compliance.

Opinion on Each Major State Program

In our opinion, the Town of White Lake complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town of White Lake is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of White Lake's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Elizabethtown, North Carolina

June 30, 2022

Town of White Lake, North Carolina
Schedule of Findings and Questioned Cost
For the Fiscal Year Ended June 30, 2021

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
 - Significant Deficiency(s) identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no

State Awards

Internal control over State programs reporting:

- Material weakness(es) identified? yes X no
 - Significant Deficiency(s) identified? yes X none reported
- Noncompliance material to financial statements noted? yes X no
- Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act yes X no

Identification of major State programs:

Program Name
Dept of Environmental Quality - Division of Water Infrastructure
NC Connect Bonds E-SRP-W-17-0122

Town of White Lake, North Carolina
Schedule of Findings and Questioned Cost
For the Fiscal Year Ended June 30, 2021

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – State Award Findings and Questioned Costs

None.



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Corrective Action Plan
For the Fiscal Year Ended June 30, 2021

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

Section IV – State Award Findings and Questioned Costs

None.

Town of White Lake, North Carolina
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021

Finding: 2020-001

Status: Has been corrected.

Town of White Lake, North Carolina
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>State/ Pass-through Grantor's Number</u>	<u>State Expenditures</u>	<u>Pass-through To Subrecipients</u>
State Awards:			
<u>N.C. Department of Environmental quality</u>			
Division of Water Infrastructure	E-SRP-W-17-0122	\$ 1,425,851	\$ -
Asset and Inventory Assessment Grant	E-AIA-W-20-0204	86,125	
<u>N.C. Department of Transportation</u>			
Powell Bill		950	-
<u>NC Department of Insurance</u>			
Office of the State Fire Marshal			
Volunteer Fire Department Grant		313	-
Volunteer Rescue and EMS Grant		839	-
<u>N.C. Department of Public Safety</u>			
N.C. Office of Recovery and Resiliency		40,259	-
Total Assistance - State Programs		<u>\$ 1,554,337</u>	<u>\$ -</u>

Notes to the Schedule of Expenditures of State Financial Awards:

1. Basis of Presentation

The accompanying schedule of expenditures of State awards (SESA) includes the State grant activity of the Town of White Lake under the programs of the State of North Carolina for the year ended June 30, 2021. The information in this SESA is presented in accordance with the requirements of the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Town of White Lake, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of White Lake.

2. Summary of Significant Accounting Policies

Expenditures reported in the SESA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Loans Outstanding

The Town of White Lake had the following loan balance outstanding at June 30, 2021 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2021 consist of:

<u>Program Title</u>	<u>CFDA No.</u>	<u>Pass-through Grantor's Number</u>	<u>Amount Outstanding</u>
Division of Water Infrastructure	N/A	E-SRP-W-17-0122	\$ 1,512,827