



**Village Council
Agenda for Regular Meeting of October 22, 2024
Assembly Hall
395 Magnolia Road, Pinehurst, NC 28374
Pinehurst, North Carolina
4:30 PM**

1. Call to Order
2. Invocation and Pledge of Allegiance
3. Reports
 - A. Manager
 - B. Council
4. Motion to Approve Consent Agenda

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

- A. Approval of Village Council Meeting Minutes
 1. October 08, 2024, Regular Meeting Minutes
 2. October 08, 2024, Work Session Minutes
 3. October 08, 2024, Closed Session Minutes
 4. October 14, 2024, Special Meeting Minutes

End of Consent Agenda

5. Public Comments
6. Resolutions
 - A. Resolution 24-33 Appointing Mr. Matt Jones as Chairperson for the Planning & Zoning Board
 - B. Resolution 24-35 Appointing Ms. Sara Hilliard to the Bicycle and Pedestrian Advisory Committee
7. Ordinances

- A. Ordinance 24-18 An ordinance amending Chapter 92 of the Village of Pinehurst municipal code regarding the regulation of sound levels and light pollution in residential neighborhoods

8. Regular Business

- A. Consider a Special Intensity Allocation for 4 Clark Court (Office Building Development)
- B. Consider Bids for FY25 Road Resurfacing Project
- C. Presentation of the FY 2024 Annual Comprehensive Financial Report
- D. Receive Risk Management Committee Annual Report and Consider Employee Health Benefit Recommendations for 2025

9. Other Business

10. Motion to Adjourn

Vision: The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions.

Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values: Service, Initiative, Teamwork, and Improvement.



October 08, 2024, Regular Meeting Minutes
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council;
DATE OF MEMO: 10/14/2024

MEMO DETAILS

ATTACHMENTS

1. 10.08.2024 DRAFT Regular Meeting Minutes



**Village Council
Minutes for the Regular Meeting of October 08, 2024
Assembly Hall
395 Magnolia Road
Pinehurst, North Carolina
4:30 p.m.**

The Pinehurst Village Council held a Regular Meeting at 04:30 p.m., Tuesday, October 08, 2024, in the Assembly Hall of Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:

Mr. Patrick Pizzella, Mayor
Dr. Jeff Morgan, Councilmember
Ms. Barb Ficklin, Councilmember
Mr. John Taylor, Mayor Pro Tem
Mr. Jack Farrell, Councilmember
Mr. Doug Willardson, Village Manager
Ms. Shannon Konstantinou, Village Clerk
Mr. Paul Conners, IT Systems Specialist
Ms. JoEllen Richter, IT Technician

And approximately 14 attendees in addition to 8 staff and 1 press.

1. Call to Order.

Mayor Pizzella called the Village Council meeting to order at 04:31 p.m.

2. Invocation by Father John Forbes and Pledge of Allegiance by Benson Schiro.

3. Reports:

Village Manager

- Mr. Doug Willardson reported on the Village Hall donation drive and collection point for supplies to help those impacted by Hurricane Helene in Western NC (donations were taken to the Moore County Airport for transportation west); on the Village Firefighters and Police Officers who have gone to Western NC to assist the departments and communities there; on the October 11, 2024, Live After 5 event; and on the October 19, 2024, Holly Arts and Crafts Festival.

Village Council

- Mayor Pizzella reported on the Western NC relief efforts by Village staff and residents and thanked the Village staff who are travelling west to help; on the October 4, 2024, Moore Economic Development Partnership's Moore County Manufacturing Day Breakfast at Sandhills Community College; on the Moore County Mayors and Managers meeting held the week of October 01, 2024 and the upcoming December 2024 meeting to be held in Robbins, NC; on the September 19, 2024 Tri-Cities Managers meeting; and on the September 28, 2024, Flutterby Festival.

- Councilmember Morgan thanked Mr. Tim and Ms. Carla St. Germaine of the Sandhills Farmers Market for their dedication to operating the Village Green Farmers Market and noted the successful 2024 season the Farmers Market had; thanked Mr. Marty and Ms. Susan McKenzie for their work to gather and transport donations and supplies to those impacted by Hurricane Helene in Western NC; and reported on the update received from Major General Shane Buzza, Chief of Staff U.S. Army Forces Command, regarding the deployment of troops from Fort Liberty to Western NC and the process that has to be followed for states to accept / receive aid from federal forces.
- Mayor Pro Tem Taylor reported on the Moore County Mayors and Managers meeting held the week of October 01, 2024, and the upcoming December 2024 meeting to be held in Robbins, NC.
- Councilmember Ficklin reported on the October 07, 2024, Beautification Committee Meeting and on the beginning of Early Voting on October 17, 2024, which ends on November 02, 2024.
- Councilmember Farrell reported on an October 07, 2024, discussion with four residents regarding the Pinehurst Traffic Circle.

4. Motion to Approve Consent Agenda.

All items listed below are considered routine or have been discussed at length in previous meetings and will be enacted by one motion. No separate discussion will be held unless requested by a member of the Village Council.

A. Approval of Village Council Meeting Minutes

- September 24, 2024, Special Meeting Minutes
- September 24, 2024, Regular Meeting Minutes
- September 24, 2024, Work Session Minutes

End of Consent Agenda.

Upon a motion by Councilmember Farrell, seconded by Councilmember Ficklin, Council unanimously approved the Consent Agenda by a vote of 5-0.

5. Public Comments.

None.

6. Appointments.

A. Resolution 24-31 Reappointment of Ms. Louise Mercuro to the Planning & Zoning Board and Board of Adjustment

Mr. Willardson provided background on Ms. Louise Mercuro's service on the Village's Planning & Zoning Board and Board of Adjustment during her first term and previous experience working in the Planning field.

Upon a motion by Councilmember Farrell, seconded by Councilmember Morgan, Council unanimously approved Resolution 24-31 Reappointment of Ms. Louise Mercuro to the Planning & Zoning Board and Board of Adjustment effective November 01st, 2024, until October 31st, 2026, by a vote of 5-0.

RESOLUTION #24-31:

A RESOLUTION REGARDING A RE-APPOINTMENT TO THE PINEHURST PLANNING & ZONING BOARD AND BOARD OF ADJUSTMENT.

THAT WHEREAS, the Village of Pinehurst has established a Planning & Zoning Board and a Board of Adjustment as required by its Development Ordinance and authorized by North

Carolina General Statutes 160D-301 and 160D-302; and

WHEREAS, on the 13th day of March 2012, the Pinehurst Village Council adopted Ordinance #12-10 to amend Chapter 31 of the Pinehurst Municipal Code to combine the Planning & Zoning Board and the Board of Adjustment; and

WHEREAS, the term of Ms. Louise Mercuro will expire on October 31st, 2024; and

WHEREAS, Ms. Mercuro and the Village Council of Pinehurst are desirous of her continuing to serve as a member of the Planning & Zoning Board and the Board of Adjustment for an additional term; and

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 8th day of October 2024, as follows:

SECTION 1. That the following appointment is hereby made to the Planning & Zoning Board and the Board of Adjustment for the term indicated:

Ms. Louise Mercuro is re-appointed as a member of the Planning & Zoning Board and the Board of Adjustment effective November 01, 2024, to serve at the pleasure of the Council until the end of her term on October 31, 2026.

THIS RESOLUTION passed and adopted this 8th day of October 2024.

B. Resolution 24-32 Appointment of Ms. Carol Higgins to the Neighborhood Advisory Committee (Doral Woods)

Mr. Willardson provided background on Ms. Carol Higgins' involvement in the community.

Upon a motion by Councilmember Ficklin, seconded by Councilmember Farrell, Council unanimously approved Resolution 24-32 Appointment of Ms. Carol Higgins to the Neighborhood Advisory Committee (Doral Woods) effective October 08th, 2024, until June 30th, 2026, by a vote of 5-0.

RESOLUTION #24-32:

A RESOLUTION APPOINTING THE NEIGHBORHOOD ADVISORY COMMITTEE REPRESENTATIVE FOR DORAL WOODS.

WHEREAS, the Village of Pinehurst established a Neighborhood Advisory Committee (NAC) in 2008; and

WHEREAS, the Village of Pinehurst officially reorganized the Neighborhood Advisory Committee (NAC) under the leadership of the Village Council of the Village of Pinehurst on the 11th day of April 2023; and

WHEREAS, there is a need to fill a vacancy on the Neighborhood Advisory Committee to represent the Doral Woods designated area; and

WHEREAS, Mrs. Carol Higgins and the Village Council of Pinehurst are desirous of Mrs. Carol Higgins serving as a representative of the Doral Woods area on the Neighborhood Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of

Pinehurst, North Carolina in a Regular Meeting assembled this 8th day of October 2024 as follows:

SECTION 1. That the following appointment is hereby made to the Neighborhood Advisory Committee for the term indicated:

Mrs. Carol Higgins is appointed as a representative of the Doral Woods area on the Neighborhood Advisory Committee, effective October 8th, 2024, said term to expire June 30th, 2026.

THIS RESOLUTION passed and adopted this the 8th day of October 2024.

7. Ordinances.

A. Ordinance 24-19 Amending the FY 2025 Budget for the Microsoft Enterprise SBITA

Ms. Dana Van Nostrand, Financial Services Director, reviewed a memo detailing the requested amendments and answered questions from Council regarding the frequency of payments for the Microsoft subscription and how the subscription is utilized by the Village.

Upon a motion by Councilmember Morgan, seconded by Councilmember Taylor, Council unanimously approved Ordinance 24-19 Amending the FY 2025 Budget for the Microsoft Enterprise SBITA by a vote of 5-0.

ORDINANCE #24-19:

AN ORDINANCE AMENDING THE ORDINANCE APPROPRIATING FUNDS FOR OPERATIONS OF THE VILLAGE OF PINEHURST FOR FISCAL YEAR 2025, REGARDING REVENUES AND EXPENDITURES OF THE GENERAL FUND (SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS REPORTING REQUIREMENTS UNDER GASB STATEMENT NO. 96)

THAT WHEREAS, the Governmental Accounting Standards Board (GASB) released Statement No. 96 entitled Subscription-Based Information Technology Arrangements which was adopted in the fiscal year beginning July 1, 2022 (FY 2023); and

WHEREAS, Ordinance 24-11, adopted on June 4, 2025, appropriated funds for the FY 2025 General Fund budget based on the subscription-based information technology arrangements (SBITAs) known at the time; and

WHEREAS, an amendment is needed to increase expenditure appropriations and amend anticipated revenues in the General Fund for a SBITA that was not included in Ordinance 24-11 for a Microsoft office software subscription;

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina, in the regular meeting assembled this 8th day of October 2024, as follows:

SECTION 1. To amend the FY 2025 General Fund budgeted expenditures, the following amounts are to be added to the expenditure appropriations:

GENERAL FUND EXPENDITURES:

Administration	\$ 9,570
Financial Services	3,200
Human Resources	9,570
Police	26,570

Fire	19,130
Inspections	3,190
Public Services Administration	5,320
Streets & Grounds	4,260
Solid Waste	3,190
Planning	8,510
Recreation	6,380
Library & Archives	4,260
Harness Track	1,070
Fair Barn	2,130
Debt Service	<u>55,650</u>

TOTAL EXPENDITURES AMENDMENT \$162,000

SECTION 2. To amend the General Fund budgeted revenues, the following amount should be added to the original estimated revenues for FY 2025:

GENERAL FUND REVENUES:

Other Financing Sources \$162,000

TOTAL REVENUES AMENDMENT \$162,000

SECTION 3. Copies of this budget amendment shall be furnished to the Village Clerk, Village Manager, and Financial Services Director for their direction and implementation.

THIS ORDINANCE passed and adopted this 8th day of October 2024.

B. Ordinance 24-18 An ordinance amending Chapter 92 of the Village of Pinehurst municipal code regarding the regulation of sound levels and light pollution in residential neighborhoods

Mr. Willardson reviewed the proposed amendments to Chapter 92, Sections 92.16 (Sound Levels) and 92.18 (Light Pollution).

Council and Mr. Willardson discussed Section 92.16 being enforceable Village-wide and Section 92.18 being enforceable in residential areas only, the discretionary nature of Section 92.16.D.2, the ability for the Police Department to log in the CAD system when a property has been visited but no penalty issued to track the frequency of visits to a specific property, penalties issued to property owners for violations committed by renters / occupants, how light levels are measured, the frequency of light pollution complaints, Section 92.18.C.2 pertaining to follow up being done by Code Enforcement when the Police Department responds but is unable to make contact and allows property owners time to comply, and the enforceability of Chapter 92 as amended.

Council debated approving amendments to Section 92.16 and Section 92.18 separately.

Councilmember Morgan made a motion to approve Ordinance 24-18 amending Chapter 92, Sections 92.16 (Sound Levels) and 92.18 (Light Pollution) of the Pinehurst Municipal Code. No second. Motion failed.

Council agreed to have Mr. Willardson make further revisions to Ordinance 24-18 amending Chapter 92 of the Pinehurst Municipal Code and to present the revised ordinance to Council for consideration at the October 22, 2024, meeting.

ORDINANCE #24-18:

AN ORDINANCE AMENDING CHAPTER 92 OF THE VILLAGE OF PINEHURST MUNICIPAL CODE REGARDING THE REGULATION OF SOUND LEVELS AND LIGHT POLLUTION IN RESIDENTIAL NEIGHBORHOODS.

WHEREAS, the Village Council of the Village of Pinehurst adopted an ordinance dated October 20, 1980, establishing and implementing certain authorized police powers for the purpose of prescribing regulations governing conditions detrimental to the health, safety, and welfare of its citizens; and

WHEREAS, on September 13, 2011, the Village Council of the Village of Pinehurst adopted Ordinance 11-25 which established the general ordinances of the Village of Pinehurst as revised, amended, restated, codified, and compiled in book form and declared that these shall constitute the "Village of Pinehurst, North Carolina Municipal Code"; and

WHEREAS, the Municipal Code will be subsequently amended from time to time as conditions warrant; and

WHEREAS, the Village of Pinehurst is committed to preserving the quality of life for its residents by managing and mitigating excessive noise that disrupts the peace and tranquility of the community. It is necessary to establish specific noise regulations to prevent disturbances and ensure a harmonious living environment; and

WHEREAS, the Village of Pinehurst aims to enhance the quality of life for its residents by managing residential lighting to prevent excessive glare and light pollution. It is necessary to set specific limits on residential lighting to protect the tranquility of our community and the enjoyment of private properties; and

WHEREAS, the Village Council has determined that it is in the best interest of the citizens of Pinehurst to amend Chapter 92, Sections 92.16 and 92.18 in the Pinehurst Municipal Code to further promote and protect quality of life in Pinehurst's various residential neighborhoods.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in Regular Meeting assembled this 24th day of September 2024 as follows:

SECTION 1. That the following amendment be made to Chapter 92. Chapter 92.16 be eliminated in its entirety and replaced with the following:

§ 92.16 REGULATING UNREASONABLY LOUD, DISTURBING SOUND LEVELS.

A. Definitions:

1. Noise: Any sound that is loud or disruptive enough to interfere with the normal activities of residents or to cause a disturbance.
2. Nuisance Noise: Noise that exceeds permissible levels as defined in this ordinance and that creates a disturbance or annoyance to neighboring properties.
3. Decibel (dB): A unit used to measure the intensity of sound.

B. General Noise Standards:

1. Permissible Noise Levels:

- a. Sustained noise levels exceeding 80 decibels (dB) during the hours of 7:00 AM to 10:00 PM and exceeding 65 decibels (dB) between 10:00 PM and 7:00 AM, as measured from any nearby residential property are subject to violation. Sustained is defined as a continuous measurement over the threshold for at least ten seconds, or at

least 15 instances of measurements over the threshold in a 60-second period.

b. Construction or maintenance activities are permissible between the hours of 7:00 a.m. and 7:00 p.m. on Monday through Saturday, excluding holidays. This restriction shall not pertain to the following:

i. On Sundays and holidays, home maintenance and improvement tasks may be performed by home occupants with or without unpaid/un- contracted assistance, between the hours of 10:00 a.m. and 7:00 p.m. using power and hand tools that are generally available for retail sale from home improvement and hardware stores as long as said work does not produce noise that a reasonably prudent person would recognize as likely to unreasonably disturb persons on adjacent property or in the vicinity.

ii. Upon receipt of prior written approval from the Village Planning and Inspections Department, any construction, demolition, alteration or repair not otherwise allowed by this restriction may be performed. This provision is intended to accommodate work that is in the best interests of the village as a whole, as well as work contracted or paid for by a home occupant that must be done on a Sunday or holiday for valid reasons.

c. For the use of any automobile, motorcycle or other vehicle, permissible sustained noise levels exceeding 80 decibels (dB) at 25 feet from the vehicle, or in a manner as to create unreasonably loud, disturbing sounds are subject to violation.

C. Exceptions:

1. Emergency Exceptions:

a. Noise resulting from emergency activities, including but not limited to police, fire, and medical emergency operations, is exempt from the provisions of this ordinance.

b. Stand-by power generators in operation during periods of utility power outages and test periods.

c. Emergency repairs to dwellings or structures that are needed to protect health or property.

2. Permits for Special Events: Public or private events requiring noise levels above the permitted limits must obtain a special event permit from the Village. The application must include a detailed noise management plan and a schedule of the event. Permits may be issued with specific conditions to mitigate potential disturbances.

3. Other Exceptions: Property owners may request an exception from the noise level limits by submitting a written request to the Village Manager. The application must include a detailed explanation for the variance and any proposed measures to mitigate potential nuisance impacts.

D. Enforcement and Compliance:

1. Inspection and Complaint Process: The Village of Pinehurst may conduct inspections or investigations in response to noise complaints. Residents may file noise complaints with the Police Department's Non-Emergency Dispatch which will assess and document the complaint.

2. Penalties: If determined to be in violation of this ordinance, violators may be issued a notice of civil infraction subject to a maximum penalty of \$500 and/or may be guilty of a Class 3 misdemeanor and subject to a fine of \$100 or imprisonment not to exceed 30 days. Civil penalties will start at \$100 for the first infraction within a 24-month period and will escalate by \$100 for each subsequent infraction within a 24-month period up to the maximum of \$500. For penalty purposes each violation recorded and subsequently abated on any distinct enforcement officer visit shall constitute a separate offense. If a property owner is not the violator, they may still be subject to civil penalties for failing to control noise on their property (See G.S. § 14-4(a) and § 160A-175).

SECTION 2. That the following additional amendment be made to Chapter 92. Chapter 92.18 be eliminated in its entirety and replaced with the following:

§ 92.18 REGULATING LIGHT POLLUTION IN RESIDENTIAL NEIGHBORHOODS

A. Definitions:

1. Residential Lighting: Any lighting installed for single-family residential purposes, including security lights, landscape lighting, decorative lights, and outdoor fixtures.
2. Foot-Candles: A measure of light intensity falling on a surface area.
3. Nuisance Lighting: Lighting that creates excessive glare or light trespass, interfering with the quality of life of neighboring properties.
4. Light Trespass: Light that spills over from one property to another, creating discomfort or interference with the use and enjoyment of the neighboring property.
5. Glare: Excessive brightness that causes visual discomfort or impairs vision.

B. Lighting Standards:

1. Foot-Candle Measurements: The intensity of lighting onto an adjacent single family residential property shall not exceed 2.0 foot-candles above ambient lighting. This measurement shall be taken on the property line, not at the source of the lighting. Ambient lighting levels shall be assessed by eliminating any light spillage from the potential violating light source or by shielding the measuring instrument from the spillage light to obtain the most accurate ambient light reading possible.
2. Exceptions:
 - a. Security Lighting. Security lighting must be motion-activated by a motion sensor and aimed or shielded in such a manner as to prevent glare and light trespass. The light shall only go on when activated and go off within five minutes of activation. Motion sensor activated lighting shall not be triggered by any movement or activity located off the property on which the light is located.
 - b. Property owners may apply for an exception by submitting a request to the Village Manager. The request must include reasons for the exception and proposed measures to mitigate potential nuisance effects.

C. Compliance and Enforcement:

1. Inspection and Complaints: The Village of Pinehurst may conduct inspections in response to complaints about nuisance lighting. Property owners are required to grant access for inspections if requested by Village officials.
2. Notice of Violation: Property owners found in violation of this ordinance will receive a written notice detailing the nature of the violation and a specified deadline for compliance. The property owner must remedy the violation within the timeframe given.
3. Penalties: If determined to be in violation of this ordinance, violators may be issued a notice of civil infraction subject to a maximum penalty of \$500 and/or may be guilty of a Class 3 misdemeanor and subject to a fine of \$100 or imprisonment not to exceed 30 days. Civil penalties will start at \$100 for the first infraction within a 24-month period and will escalate by \$100 for each subsequent infraction within a 24-month period up to the maximum of \$500. For penalty purposes each violation recorded and subsequently abated on any distinct enforcement officer visit shall constitute a separate offense. (See G.S. § 14-4(a) and § 160A-175).

SECTION 3. If any provision of this ordinance is found to be invalid by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

SECTION 4. This ordinance shall take effect on upon adoption and all residential lighting must comply with its provisions within 90 days.

SECTION 5. That all ordinances or sections thereof in conflict herewith are hereby repealed and declared null and void from and after the date of adoption of this ordinance.

SECTION 6. That this Ordinance shall be and remain in full force and effect from and after the date of its adoption.

8. Regular Business.

Councilmember Farrell asked Council if a presentation by residents of well-developed and researched solutions to the Pinehurst Traffic Circle to be considered for submission to NCDOT for review would be an agreeable item for a future Work Session. Council agreed to wait on NCDOT's response to the recent letter Council sent before considering further discussion on or presentations of resident developed solutions.

A. Report on the State of the Village and Community Survey Results

Mr. Willardson reviewed and discussed with Council a PowerPoint presentation on the FY24 Initiative Action Plan Review containing information on the FY 2024 VOP Strategy Map, FY24 Initiative Action Plans, Future Year IAPs, Balanced Score Card Results, and 2024 Resident Survey Results.

Mayor Pro Tem Taylor provided Council with a handout on Survey Question #2: Area of Greatest Focus – Next 2 Years and proposed Council and Staff discuss ways to condense the survey to prevent respondent and reviewer fatigue at an upcoming Strategic Planning meeting.

9. Motion to Adjourn.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Morgan, Council unanimously approved to adjourn the Regular Meeting by a vote of 5-0 at 06:40 p.m.

Respectfully Submitted,

Shannon Konstantinou
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

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October 08, 2024, Work Session Minutes

ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council;
DATE OF MEMO: 10/14/2024

MEMO DETAILS

ATTACHMENTS

1. 10.08.2024 DRAFT Work Session Minutes



**Village Council
Minutes for the Work Session of October 08, 2024
Assembly Hall
395 Magnolia Road
Pinehurst, North Carolina
04:30 p.m.**

The Pinehurst Village Council held a Work Session Meeting at 06:40 p.m., Tuesday, October 08, 2024, in the Assembly Hall of Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in Assembly Hall:

Mr. Patrick Pizzella, Mayor
Dr. Jeff Morgan, Councilmember
Ms. Barb Ficklin, Councilmember
Mr. John Taylor, Mayor Pro Tem
Mr. Jack Farrell, Councilmember
Mr. Doug Willardson, Village Manager
Ms. Shannon Konstantinou, Village Clerk
Mr. Paul Conners, IT Specialist
Ms. JoEllen Richter, IT Technician

And approximately 0 attendees in addition to 1 staff and 1 press.

1. Call to Order.

Mayor Pizzella called the Village Council Work Session to order at 06:50 p.m.

2. General Business.

A. Discussion on Parking in the Downtown Area

Mr. Willardson reviewed a memo detailing historical data on, current issues with, and possible solutions for parking in the Downtown area.

Council spoke in favor implementing 3-hour timed parking within the Downtown area, the importance of pursuing cost-effective solutions to parking that are also enforceable, increasing the fine for parking violations to help deter violators, and the possibility of once again considering a parking structure within or near the Downtown area.

Mr. Willardson stated timed parking would be done by zones so those at the 3-hour time limit would have to relocate their vehicle to a different zone if they wished to continue parking in the Downtown area.

Council and Mr. Willardson discussed what signage would be required for timed parking zones, resident vs. visitor parking usage, increased monitoring of delivery vehicles using drop-off areas, private vs. public parking enforcement, and Downtown business sentiments on timed parking.

Council agreed to have Mr. Willardson begin researching timed parking technology and solutions used by communities comparable in size and character to the Village.

3. Closed Session.

A. Closed Session Pursuant to NCGS § 143-318.11(a)(5)

Upon a motion by Councilmember Morgan, seconded by Mayor Pro Tem Taylor, Council unanimously approved to recess the Work Session and enter into a Closed Session pursuant to NCGS § 143-318.11(a)(5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract by a vote of 5-0 at 07:16 p.m.

4. Motion to Adjourn.

Upon a motion by Councilmember Morgan, seconded by Councilmember Ficklin, Council unanimously approved to adjourn the Work Session by a vote of 5-0 at 07:44 p.m.

Respectfully submitted,

Shannon Konstantinou
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

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Values: Service, Initiative, Teamwork, and Improvement



October 08, 2024, Closed Session Minutes
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 10/14/2024

MEMO DETAILS

ATTACHMENTS

1. 10.08.2024 DRAFT CLS Minutes



October 14, 2024, Special Meeting Minutes
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council; Doug Willardson
DATE OF MEMO: 10/14/2024

MEMO DETAILS

ATTACHMENTS

1. 10.14.2024 DRAFT Special Meeting Minutes



**Village Council
Minutes for the Special Meeting of October 14, 2024
Fallon Council Conference Room
395 Magnolia Road
Pinehurst, North Carolina
9:00 a.m.**

The Pinehurst Village Council held a Special Meeting at 09:00 a.m., Monday, October 14, 2024, in the Fallon Council Conference Room of Village Hall, 395 Magnolia Road, Pinehurst, North Carolina.

The following were in attendance in the Fallon Council Conference Room:

Mr. Patrick Pizzella, Mayor
Dr. Jeff Morgan, Councilmember
Ms. Barb Ficklin, Councilmember
Mr. John Taylor, Mayor Pro Tem
Mr. Jack Farrell, Councilmember
Mr. Doug Willardson, Village Manager
Mr. Alex Cameron, Planning & Inspections Director
Ms. Shannon Konstantinou, Village Clerk

And approximately 2 attendees in addition to 1 staff.

1. Call to Order.

Mayor Pizzella called the Village Council meeting to order at 08:59 a.m.

2. Regular Business.

A. 09:00 a.m. Inspire Placemaking

Ms. Sarah Sinatra Gould, Project Manager, Mr. Robbie Addington, Planner, and Mr. David Henning, Senior Planner, introduced themselves and reviewed a PowerPoint presentation outlining the experience of Inspire Placemaking and the ways the firm will be able to assist the Village of Pinehurst with the update of the Pinehurst Development Ordinance (PDO).

Council and the representatives of Inspire Placemaking discussed the use of traffic impact analysis; the role and composition of steering committees; the branding aspect of the project; the role and scope of public engagement; how historic districts are taken into consideration; the firm's adherence to the AICP code of ethics regarding conflicts of interest; how small area plans are taken into consideration; the project timeline; the difference between Public Open Houses, Pop Up Events, and Workshops; the role of the project's custom website; the level of Council involvement in the process; how form-based guidance is included in a code in a way that is enforceable; how rezonings or conditional rezonings will be included; what indicates to the firm that a project will be successful; and what the Village's goal is for the project.

B. 10:30 a.m. Freese & Nichols

Mr. Charles Archer, Principal-In-Charge, Mr. Chance Sparks, Group Manager, Mr. Danny Wilson, Urban Planning Manager, Mr. Chris Kennedy, Public Engagement, Ms. Alexis Garcia, Urban Planning Project Manager, introduced themselves and reviewed a PowerPoint presentation outlining the experience of Freese & Nichols and the ways the firm will be able

to assist the Village of Pinehurst with the update of the Pinehurst Development Ordinance (PDO).

Council and the representatives of Freese & Nichols discussed the public and private experience of the team, the number of municipalities similar in size to the Village that the firm has worked with, the role of public engagement, the lack of short-term rental type uses being defined in other development ordinance projects the firm has worked on, the timeline of the project realistically being between 10-14 months, how project management will ensure the timeline is kept on track, what the firm believes to be the most difficult aspect of the development ordinance project process, what the firm believes to be the major challenges for the Village in relation to the PDO update project, how the team divides project tasks and time, how many other projects the team members are involved with, what the role of each team member will be on the Village's project, how the enforcement of codes is taken into consideration, the firm's experience with Extra-Territorial Jurisdiction code, and what the Village believes a successful PDO update project will look like.

C. Selection of a Consultant for the Update of the Pinehurst Development Ordinance

Council asked Staff for their feedback on the merits of each of the four consultants (CPL Team, Inspire Placemaking Collective, Kimley Horn, and Freese & Nichols) and deliberated on which of the consultants would be the best option and fit for the Village's PDO update project.

Council used the PDO Comprehensive Update spreadsheet criteria to determine the top two consultants (Kimley Horn and Inspire Placemaking Collective).

Council agreed to provide both Kimley Horn and Inspire Placemaking Collective with a more definitive scope of work that the Village is expecting from the firms on the PDO Update project and to see what each firm responds before making the final selection of which firm to begin contract negotiations with.

Council and Staff further discussed factors that may potentially impact the timeline for delivery of the completed PDO Update document.

3. Motion to Adjourn.

Upon a motion by Mayor Pro Tem Taylor, seconded by Councilmember Morgan, Council unanimously approved to adjourn the Special Meeting by a vote of 5-0 at 12:20 p.m.

Respectfully Submitted,

Shannon Konstantinou
Village Clerk

A videotape of this meeting is located on the Village website: www.vopnc.org

Vision: The Village of Pinehurst is a charming, vibrant community, which reflects our rich history and traditions.

Mission: Promote, enhance, and sustain the quality of life for residents, businesses, and visitors.

Values: Service, Initiative, Teamwork, and Improvement



Resolution 24-33 Appointing Mr. Matt Jones as Chairperson for the Planning & Zoning Board
ADDITIONAL AGENDA DETAILS:

FROM: Shannon Konstantinou, Village Clerk
CC: Village Council;
DATE OF MEMO: 10/11/2024

MEMO DETAILS

As you know, the current Chairperson's term on the Planning & Zoning Board will end on October 31, 2024.

I recommend appointing Mr. Matt Jones as Chairperson, effective November 1, 2024. He will serve at the pleasure of the Council until his term concludes on October 31, 2026.

Mr. Jones has extensive knowledge and experience in community planning and development, making him an outstanding candidate to lead the Board. As the current vice-chair, he demonstrates a level-headed approach and a strong commitment to our community. His collaborative style will greatly enhance our planning initiatives.

Thank you for considering this recommendation.

ATTACHMENTS

1. DRAFT Resolution 24-33 Appoint P&Z Chair (Jones)

RESOLUTION #24-33:

**A RESOLUTION APPOINTING A CHAIRPERSON FOR THE VILLAGE OF
PINEHURST PLANNING & ZONING BOARD.**

THAT WHEREAS, the Village of Pinehurst has established a Planning and Zoning Board and a Board of Adjustment as required by its Development Ordinance and authorized by North Carolina General Statutes 160D-301 and 160D-302; and

WHEREAS, on the 13th day of March 2012, the Pinehurst Village Council adopted Ordinance #12-10 to amend Chapter 31 of the Pinehurst Municipal Code to combine the Planning and Zoning Board and the Board of Adjustment; and

WHEREAS, the Chairperson seat for the Planning & Zoning Board needs to be filled as the previous Chairperson's term expires on October 31, 2024; and

WHEREAS, the Village Council of the Village of Pinehurst is desirous of making an appointment to fill the vacant seat of Chairperson of the Planning & Zoning Board.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 22nd day of October 2024, as follows:

Mr. Matt Jones shall be appointed as Chairperson of the Planning & Zoning Board, effective November 01, 2024, to serve at the pleasure of the Council until the end of his Chairperson term on October 31, 2026.

THIS RESOLUTION passed and adopted this 22nd day of October 2024.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
Patrick Pizzella, Mayor

Attest:

Approved as to Form:

Shannon Konstantinou, Acting Village Clerk

Michael J. Newman, Village Attorney



Resolution 24-35 Appointing Ms. Sara Hilliard to the Bicycle and Pedestrian Advisory Committee

ADDITIONAL AGENDA DETAILS:

FROM: Doug Willardson, Village Manager
CC: Village Council;
DATE OF MEMO: 10/15/2024

MEMO DETAILS

Angie Whisnant and I interviewed Sara Hilliard for a position on the Bicycle and Pedestrian Advisory Committee (BPAC). Attached is her resume for your review. Sara impressed us with her knowledge and innovative ideas for the committee. As a triathlete, she has extensive experience on trails and bike paths. After moving here three years ago, she sought a way to volunteer and give back to the community, which led her to discover BPAC on our website. We recommend that the Council appoint her to serve on BPAC.

ATTACHMENTS

1. DRAFT Resolution 24-35 Appoint BPAC (Hilliard)
2. SJHilliard_Redacted

RESOLUTION #24-35:

**A RESOLUTION REGARDING AN APPOINTMENT TO THE BICYCLE AND
PEDESTRIAN ADVISORY COMMITTEE.**

WHEREAS, the Village of Pinehurst has established a Bicycle and Pedestrian Advisory Committee by Resolution 15-28; and

WHEREAS, there is a need to fill a vacancy on the Bicycle and Pedestrian Advisory Committee.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a Regular Meeting assembled this 22nd day of October 2024 that the following appointment is hereby made to the Bicycle and Pedestrian Advisory Committee for the term indicated:

Ms. Sara Hilliard is appointed as a member of the Bicycle and Pedestrian Advisory Committee, effective October 22, 2024, said term to expire October 31, 2027.

THIS RESOLUTION passed and adopted this 22nd day of October 2024.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
Patrick Pizzella, Mayor

Attest:

Approved as to Form:

Shannon Konstantinou, Village Clerk

Michael J. Newman, Village Attorney

SARA J. HILLIARD

Resident, Pinehurst #6

[linkedin.com/in/sarajhilliard](https://www.linkedin.com/in/sarajhilliard)

PROFILE

I am a seasoned marketing leader with over 20 years of experience with global consumer products companies. Sustaining an active lifestyle is a personal passion that is well-aligned with the Bicycle and Pedestrian Advisory Committee's mission. I believe that safe and accessible transportation pathways are essential for fostering a healthy, connected and vibrant community. I welcome the opportunity to collaborate with other committee members to enhance the Village's infrastructure and promote initiatives that inspire residents to engage with our community through biking and walking.

PROFESSIONAL EXPERIENCE

PERRIGO COMPANY	CHARLOTTESVILLE, VA
Head of Marketing, Oral Electrolytes Portfolio	2023 – 2024
INFIRST HEALTHCARE, INC	WESTPORT, CT
Senior Director of Marketing, Pediatric Products	2015 – 2023
NESTLÉ WATERS NORTH AMERICA	STAMFORD, CT
Group Marketing Manager, Ready-to-Drink Tea	2012 – 2015
PEPSICO	PURCHASE, NY
Various Marketing Roles (Associate Manager to Senior Manager)	2004 – 2012
CAMPBELL SOUP COMPANY / PEPPERIDGE FARM	NORWALK, CT
Associate Marketing Manager	2002 – 2004

EDUCATION

BOSTON COLLEGE, CARROLL GRADUATE SCHOOL OF MANAGEMENT	CHESTNUT HILL, MA
▪ MBA - Marketing concentration	May 2002
WESTERN CONNECTICUT STATE UNIVERSITY	DANBURY, CT
▪ Bachelor of Arts - Graphic Design	May 1992

PERSONAL INTERESTS

Endurance Racing: Finisher of multiple long-distance triathlon, swimming, cycling and running events
Yoga: Registered Yoga Teacher (RYT-200, Pursuing RYT-500)
Golf & Tennis (Beginner): Member Pinehurst Country Club
Fitness: Member FirstHealth Fitness
Volunteer Work: 2024 Pinehurst Triathlon, 2020 US Open, 2016 USGA Amateur Four-Ball, Past Coach & Mentor for Leukemia & Lymphoma Society's *Team in Training*

PINEHURST REFERENCES



Ordinance 24-18 An ordinance amending Chapter 92 of the Village of Pinehurst municipal code regarding the regulation of sound levels and light pollution in residential neighborhoods

ADDITIONAL AGENDA DETAILS:

FROM: Doug Willardson, Village Manager
CC: Village Council;
DATE OF MEMO: 10/01/2024

MEMO DETAILS

Based on feedback received, please consider the revised changes to the proposed ORDINANCE #24-18: AN ORDINANCE AMENDING CHAPTER 92 OF THE VILLAGE OF PINEHURST MUNICIPAL CODE REGARDING THE REGULATION OF SOUND LEVELS AND LIGHT POLLUTION IN RESIDENTIAL NEIGHBORHOODS. A red-lined version as well as a final copy have been attached.

ATTACHMENTS

1. DRAFT Ordinance 24-18 Amending Chapter 92 of the Municipal Code 3.0 FINAL
2. DRAFT Ordinance 24-18 Amending Chapter 92 of the Municipal Code 3.0 redlined

ORDINANCE #24-18:

AN ORDINANCE AMENDING CHAPTER 92 OF THE VILLAGE OF PINEHURST MUNICIPAL CODE REGARDING THE REGULATION OF SOUND LEVELS AND LIGHT POLLUTION IN RESIDENTIAL NEIGHBORHOODS.

WHEREAS, the Village Council of the Village of Pinehurst adopted an ordinance dated October 20, 1980, establishing and implementing certain authorized police powers for the purpose of prescribing regulations governing conditions detrimental to the health, safety, and welfare of its citizens; and

WHEREAS, on September 13, 2011, the Village Council of the Village of Pinehurst adopted Ordinance 11-25 which established the general ordinances of the Village of Pinehurst as revised, amended, restated, codified, and compiled in book form and declared that these shall constitute the "Village of Pinehurst, North Carolina Municipal Code"; and

WHEREAS, the Municipal Code will be subsequently amended from time to time as conditions warrant; and

WHEREAS, the Village of Pinehurst is committed to preserving the quality of life for its residents by managing and mitigating excessive noise that disrupts the peace and tranquility of the community. It is necessary to establish specific noise regulations to prevent disturbances and ensure a harmonious living environment; and

WHEREAS, the Village of Pinehurst aims to enhance the quality of life for its residents by managing residential lighting to prevent excessive glare and light pollution. It is necessary to set specific limits on residential lighting to protect the tranquility of our community and the enjoyment of private properties; and

WHEREAS, the Village Council has determined that it is in the best interest of the citizens of Pinehurst to amend Chapter 92, Sections 92.16 and 92.18 in the Pinehurst Municipal Code to further promote and protect quality of life in Pinehurst's various residential neighborhoods.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in Regular Meeting assembled this 22nd day of October 2024 as follows:

SECTION 1. That the following amendment be made to Chapter 92. Chapter 92.16 be eliminated in its entirety and replaced with the following:

§ 92.16 REGULATING UNREASONABLY LOUD, DISTURBING SOUND LEVELS.

A. Definitions:

- 1. Noise:** Any sound that is loud or disruptive enough to interfere with the normal activities of residents or to cause a disturbance.
- 2. Nuisance Noise:** Noise that exceeds permissible levels as defined in this ordinance and that creates a disturbance or annoyance to neighboring properties.
- 3. Decibel (dB):** A unit used to measure the intensity of sound.

B. General Noise Standards:

1. Permissible Noise Levels:

- a. Single-occurrence noise levels exceeding 80 decibels (dB) during the hours of 7:00 AM to 10:00 PM and exceeding 65 decibels (dB) between 10:00 PM and 7:00 AM or sustained noise levels exceeding 75 decibels (dB) during the hours of 7:00 AM to 10:00 PM and exceeding 60 decibels (dB) between 10:00 PM and 7:00 AM, as measured from any nearby residential property are subject to violation. Sustained is defined as a continuous measurement over the threshold for at least ten seconds, or at least 15 instances of measurements over the threshold in a 60-second period.
- b. Construction or maintenance activities are permissible between the hours of 7:00 a.m. and 7:00 p.m. on Monday through Saturday, excluding holidays. This restriction shall not pertain to the following:
 - i. On Sundays and holidays, home maintenance and improvement tasks may be performed by home occupants with or without unpaid/uncontracted assistance, between the hours of 10:00 a.m. and 7:00 p.m. using power and hand tools that are generally available for retail sale from home improvement and hardware stores as long as said work does not produce noise that a reasonably prudent person would recognize as likely to unreasonably disturb persons on adjacent property or in the vicinity.
 - ii. Upon receipt of prior written approval from the Village Planning and Inspections Department, any construction, demolition, alteration or repair not otherwise allowed by this restriction may be performed. This provision is intended to accommodate work that is in the best interests of the village as a whole, as well as work contracted or paid for by a home occupant that must be done on a Sunday or holiday for valid reasons.
- c. For the use of any automobile, motorcycle or other vehicle, permissible sustained noise levels exceeding 80 decibels (dB) at 25 feet from the vehicle, or in a manner as to create unreasonably loud, disturbing sounds are subject to violation.

C. Exceptions:

1. Emergency Exceptions:

- a. Noise resulting from emergency activities, including but not limited to police, fire, and medical emergency operations, is exempt from the provisions of this ordinance.
- b. Stand-by power generators in operation during periods of utility power outages and test periods.
- c. Emergency repairs to dwellings or structures that are needed to protect health or property.

- 2. **Permits for Special Events:** Public or private events requiring noise levels above the permitted limits must obtain a special event permit from the Village. The application must include a detailed noise management plan and a schedule of the

event. Permits may be issued with specific conditions to mitigate potential disturbances.

3. **Other Exceptions:** Property owners may request an exception from the noise level limits by submitting a written request to the Village Manager. The application must include a detailed explanation for the variance and any proposed measures to mitigate potential nuisance impacts.

D. Enforcement and Compliance:

1. **Inspection and Complaint Process:** The Village of Pinehurst may conduct inspections or investigations in response to noise complaints. Those wishing to file noise complaints should call the Police Department's Non-Emergency Dispatch which will assess and document the complaint.
2. **Penalties:** Please see § 92.99 for penalties.

SECTION 2. That the following additional amendment be made to Chapter 92. Chapter 92.18 be eliminated in its entirety and replaced with the following:

§ 92.18 REGULATING LIGHT POLLUTION IN RESIDENTIAL NEIGHBORHOODS

A. Definitions:

1. **Residential Lighting:** Any lighting installed for single-family residential purposes, including security lights, landscape lighting, decorative lights, and outdoor fixtures.
2. **Foot-Candles:** A measure of light intensity falling on a surface area.
3. **Nuisance Lighting:** Lighting that creates excessive glare or light trespass, interfering with the quality of life of neighboring properties.
4. **Light Trespass:** Light that spills over from one property to another, creating discomfort or interference with the use and enjoyment of the neighboring property.
5. **Glare:** Excessive brightness that causes visual discomfort or impairs vision.

B. Lighting Standards:

1. **Foot-Candle Measurements:** The intensity of lighting onto an adjacent single family residential property shall not exceed 2.0 foot-candles above ambient lighting. This measurement shall be taken on the property line, not at the source of the lighting. Ambient lighting levels shall be assessed by eliminating any light spillage from the potential violating light source or by shielding the measuring instrument from the spillage light to obtain the most accurate ambient light reading possible.
2. **Exceptions:**
 - a. **Security Lighting.** Security lighting must be motion-activated by a motion sensor and aimed or shielded in such a manner as to prevent glare and light trespass. The light shall only go on when activated and go off within five minutes of activation. Motion sensor activated lighting shall not be triggered by any movement or activity located off the property on which the light is located.

- b. Property owners may apply for an exception by submitting a request to the Village Manager. The request must include reasons for the exception and proposed measures to mitigate potential nuisance effects.

C. Compliance and Enforcement:

1. **Inspection and Complaints:** The Village of Pinehurst may conduct inspections in response to complaints about nuisance lighting. Property owners are required to grant access for inspections if requested by Village officials. Those wishing to file noise complaints should call the Police Department's Non-Emergency Dispatch which will assess and document the complaint.
2. **Notice of Violation:** Property owners found in violation of this ordinance will receive a written notice detailing the nature of the violation and a specified deadline for compliance. The property owner must remedy the violation within the timeframe given.
3. **Penalties:** Please see § 92.99 for penalties.

SECTION 3. That the following additional amendment be made to Chapter 92. Chapter 92.99 be amended as follows:

§ 92.99 PENALTY.

(A) All provisions of § 92.16 will be enforced by the Chief of Police and the Police Department's assigned officers.

(B) Any person, or business entity (business entity includes but is not limited to a sole proprietorship, limited partnership, limited liability company, and corporation) violating any of the provisions of §§ 92.16(B) or failing or neglecting or refusing to comply with the same, shall be issued a notice of civil infraction subject to a maximum penalty of \$500 and/or shall be guilty of a Class 3 misdemeanor and subject to a fine of \$100 or imprisonment not to exceed 30 days. Civil penalties will start at \$100 for the first infraction within a 12-month period, and will escalate by \$100 for each subsequent infraction within a 12-month period up to the maximum of \$500. For penalty purposes each violation recorded and subsequently abated on any distinct enforcement officer visit shall constitute a separate offense (See G.S. § 14-4(a) and § 160A-175).

(C) In cases where violations of §§ 92.16(B) are committed by a person or persons under contract (rental or otherwise) with the legal owner of the property on which the violation occurs and the legal owner of the property is not present during the offense, the owner is subject to civil penalty under § 92.99(B). This provision does not prevent additional penalty enforcement against the person or persons under contract or other code violators on the property (See G.S. § 14-4(a) and § 160A-175).

(D) In all other cases under Chapter 92, violators are subject to penalty, under § 10.99.

SECTION 4. If any provision of this ordinance is found to be invalid by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

SECTION 5. This ordinance shall take effect on upon adoption and all residential lighting must comply with its provisions within 90 days.

SECTION 6. That all ordinances or sections thereof in conflict herewith are hereby repealed and declared null and void from and after the date of adoption of this ordinance.

SECTION 7. That this Ordinance shall be and remain in full force and effect from and after the date of its adoption.

Adopted this 22nd day of October 2024.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
Patrick Pizzella, Mayor

Attest:

Approved as to Form:

Shannon Konstantinou, Village Clerk

Michael J. Newman, Village Attorney

ORDINANCE #24-18:

AN ORDINANCE AMENDING CHAPTER 92 OF THE VILLAGE OF PINEHURST MUNICIPAL CODE REGARDING THE REGULATION OF SOUND LEVELS AND LIGHT POLLUTION IN RESIDENTIAL NEIGHBORHOODS.

WHEREAS, the Village Council of the Village of Pinehurst adopted an ordinance dated October 20, 1980, establishing and implementing certain authorized police powers for the purpose of prescribing regulations governing conditions detrimental to the health, safety, and welfare of its citizens; and

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WHEREAS, the Municipal Code will be subsequently amended from time to time as conditions warrant; and

WHEREAS, the Village of Pinehurst is committed to preserving the quality of life for its residents by managing and mitigating excessive noise that disrupts the peace and tranquility of the community. It is necessary to establish specific noise regulations to prevent disturbances and ensure a harmonious living environment; and

WHEREAS, the Village of Pinehurst aims to enhance the quality of life for its residents by managing residential lighting to prevent excessive glare and light pollution. It is necessary to set specific limits on residential lighting to protect the tranquility of our community and the enjoyment of private properties; and

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 - ii. Upon receipt of prior written approval from the Village Planning and Inspections Department, any construction, demolition, alteration or repair not otherwise allowed by this restriction may be performed. This provision is intended to accommodate work that is in the best interests of the village as a whole, as well as work contracted or paid for by a home occupant that must be done on a Sunday or holiday for valid reasons.
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2. **Permits for Special Events:** Public or private events requiring noise levels above the permitted limits must obtain a special event permit from the Village. The application must include a detailed noise management plan and a schedule of the

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(C) In cases where violations of §§ 92.16(B) are committed by a person or persons under contract (rental or otherwise) with the legal owner of the property on which the violation occurs and the legal owner of the property is not present during the offense, the owner is subject to civil penalty under § 92.99(B). This provision does not prevent additional penalty enforcement against the person or persons under contract or other code violators on the property (See G.S. § 14-4(a) and § 160A-175).

(D) In all other cases under Chapter 92, violators are subject to penalty, under § 10.99.

SECTION 4. If any provision of this ordinance is found to be invalid by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

SECTION 5. This ordinance shall take effect on upon adoption and all residential lighting must comply with its provisions within 90 days.

SECTION 6. That all ordinances or sections thereof in conflict herewith are hereby repealed and declared null and void from and after the date of adoption of this ordinance.

SECTION 7. That this Ordinance shall be and remain in full force and effect from and after the date of its adoption.

Adopted this 22nd day of October 2024.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: _____
Patrick Pizzella, Mayor

Attest:

Approved as to Form:

Shannon Konstantinou, Village Clerk

Michael J. Newman, Village Attorney



Consider a Special Intensity Allocation for 4 Clark Court (Office Building Development)

ADDITIONAL AGENDA DETAILS:

FROM: Alex Cameron, Planning & Inspections Director
CC: Village Council; Doug Willardson
DATE OF MEMO: 10/15/2024

MEMO DETAILS

The purpose of this agenda item is to consider a request for a Special Intensity Allocation (SIA) for a 1.01 acre parcel at 4 Clark Court. The property is located within the Trotter Hills Office Park just west of NC Highway 5. The property is zoned OP (Office Professional) and includes a proposed new development of a professional office building and related site and infrastructure improvements. The subject property is located within the WS II Drowning Creek - Lumber River Balance of Watershed Protection District which limits non-residential development to 12% built-upon area unless a SIA is granted. The Village has approximately 748 acres of area remaining to allocate for future projects in this Watershed Protection District. The proposed development meets or exceeds all applicable requirements of the Pinehurst Development Ordinance (PDO), the Engineering Standards and Specifications Manual (ESSM) as well as the Village's Watershed Intensity Allocation Policy (Resolution 13-13).

ATTACHMENTS

1. Staff Report
2. Site Layout
3. Grading & Erosion Control Plan
4. Infiltration Plan



PLANNING AND INSPECTIONS DEPARTMENT STAFF REPORT

To: Mayor Pizzella and Village Council
From: Alex Cameron, Planning Supervisor
Maria Carpenter, Planner
CC: Doug Willardson, Village Manager
Shannon Konstantinou, Village Clerk
Date: October 22, 2024
Subject: Request for Special Intensity Allocation of 1.01 acre (44,167 square feet) for an office building at 4 Clark Court (PID # 96000372).

Background

Council is being asked to approve a Special Intensity Allocation (SIA) of 1.01 acres involving 1 parcel of undeveloped land within the Trotter Hills business park in the Pinehurst South area just west of NC Highway 5. The property is zoned OP (Office Professional) which permits up to 70% impervious area or 30,492 square feet. The parcel is also located within the WS II Drowning Creek – Lumber River Balance of Watershed, which limits non-residential development to 12% built upon area unless a Special Intensity Allocation (SIA) is granted by the Village Council pursuant to Section 8.3.3.5(B) of the Pinehurst Development Ordinance (PDO).

If the SIA is granted, it would permit construction of a 3,397 square foot single story office building with associated surface parking. The proposed impervious area is 25.66% (11,332 square feet) and under the impervious limitation of 70% maximum in the OP district.

Section 8.3.3.5(B)(2) of the PDO states that up to ten (10%) percent of the balance of the watershed may be developed for nonresidential and multi-family uses, allowing up to seventy (70%) percent built-upon area on a project by project basis. The Technical Review Committee is currently reviewing the proposed improvements as a Minor Site Plan and this SIA allocation needs to be granted prior to issuing building and development permits for construction. The SIA allocation is the remaining issue before the TRC may issue site plan approval and construction can commence.

Property Owner	Property Location	Moore County PID#	Project Area
Michael Kostich	4 Clark Court	96000372	1.01

Zoning and Proposed Use

Current Zoning	OP-Office Professional
Watershed Protection District	WS II Drowning Creek-Lumber River BW
Within Corporate Limits	Yes
Existing Use	Vacant Lot
Proposed Use	Commercial with related surface improvements.
Proposed Imperious Area	11,332 square feet or approximately 25.66% (up to 70% permitted)

Project Analysis

The proposed office development appears to meet all PDO and ESSM requirements. A total of 15 parking spaces are proposed and 11 required. Stormwater will be managed on-site using two (2) infiltration basins constructed on the western portion of the property. The design of this system is compliant with the State's Stormwater Best Management Practice (BMP) Manual, and the Village's standard that the post-development runoff rate shall not exceed the pre-development runoff rate during a 10-year storm event. Note that the proposed design exceeds the Village standard by also reducing the runoff rate during a 25-year design storm.

This SIA would grant relief from the WS-II BW Watershed Protection District maximum impervious built upon area of twelve percent (12%) identified in Section 8.3.3.5(B)(1) of the PDO, which is permitted up to 70% impervious coverage for non-residential uses. Per Section 8.3.3.5(B)(2)(a) the total acreage of the tract involved in the request will be counted in the SIA which also includes pervious surfaces, which totals 1.01 acres in this case.

In accordance with Section 8.3.3.5(B)(2) of the PDO, ten percent (10%) of the WS-II BW Watershed Protection District can be granted a Special Intensity Allocation (SIA). This yields a total area of 819.84 acres eligible to receive a Special Intensity Allocation in the WS-II BW Watershed Protection District. **The Village has allocated approximately 71.773 acres since 1993 leaving 748 acres of allocation remaining for future projects.**

The property is located within the corporate limits of the Village of Pinehurst and complies with the Village Council's Watershed Intensity Allocation Policy contained in Resolution 13-13 that states, "It shall be the policy of the Village of Pinehurst to only allocate special intensity allocations to properties that are located within the corporate limits of Pinehurst or to properties which have an active voluntary annexation petition to the Village of Pinehurst."

The table below outlines activity in the WS-II Watershed Protection District since 1996.

Date of Council Action	Project	Area Approved by Council for SIA (Acres)	Balance of WS-II (Acres)
6/21/1993	Creation of WS-II (Drowning Creek)	N/A	198.300
12/16/1996	MOWASA (Moore County Water and Sewer Authority)	0.150	198.150
1/21/1997	Love Grove Freewill Baptist Church	0.060	198.090
2/17/1997	Moore County Landfill	2.580	195.510
6/16/1997	Quail Haven Village	6.700	188.810
7/21/1997	Deep Creek Baptist Church	0.260	188.550
7/21/1997	Pinehurst Resort Parking Lot	0.500	188.050
8/18/1997	Boles Funeral Home	0.690	187.360
3/16/1998	Quail Haven	0.000	187.360
6/15/1998	Quail Haven	0.006	187.354
8/17/1998	Golf Course #1 Restrooms	0.017	187.337
10/26/1998	Congregational Church	0.870	186.467
10/26/1998	Pinehurst Resort Improvements	12.830	173.637
10/26/1998	Pinehurst Resort Golf Learning Center	1.860	171.777
10/26/1998	Moore County Landfill	0.150	171.627
3/15/1999	Congregational Church	0.023	171.604
3/15/1999	Harness Track	2.290	169.314
4/19/1999	Pinehurst Track Restaurant	0.010	169.304
6/21/1999	Quail Haven Village	0.010	169.294
5/30/2000	Pinehurst Resort Green House	0.870	168.424
1/23/2001	The Pinehurst Company	0.020	168.404
1/23/2001	The Pinehurst Company	0.590	167.814
1/23/2001	Bretton Woods Pool Pavilion	0.598	167.216
5/22/2001	Quail Haven Village	0.022	167.194
7/24/2001	Trotter Hills Development	1.560	165.634
10/8/2001	Pinehurst Hardware	0.350	165.284
1/16/2004	Moore County ABC Store	0.377	164.907
8/2/2004	Rudd Office Building	0.340	164.567
12/16/2008	Community One Bank	1.440	163.127
5/5/2011	Village Chapel	1.440	161.687
1/10/2012	Quality Care Pharmacy	1.440	160.247
6/12/2012	Moore County Transfer of WS-II Acreage	+ 621.537	781.784

1/8/2013	Village Green	6.630	775.154
11/18/2013	Terry Riney Office	1.140	774.014
9/8/2015	Sandhills Alliance Church	1.540	772.474
6/28/2016	Kirkpatrick Office Building	1.000	771.474
8/13/2019	LaForet Townhomes	6.950	764.524
8/13/2019	Pinehurst Coin Exchange	1.440	763.084
1/14/2020	Pinehurst Resort Beach Club Improvements	5.810	757.274
9/8/2020	Huntley Office Building	1.000	756.274
4/27/2021	Hwy 5 Retail Development	0.850	755.424
4/27/2021	Vieta Dermatology	3.350	752.074
8/10/21	95 Trotter Hills NC Child Development Services	1.04	751.034
10/26/2021	Veteran's Guardian Association Parking Lot	0.94	750.094
2/28/2023	Veterans Guardian Parking*	1.03	749.064
2/28/2023	35 Trotter Hills Ron Talis Medical Office*	1.0	748.064
*10/22/2024	4 Clark Court	1.01	747.054

* Tentative until approved by Village Council

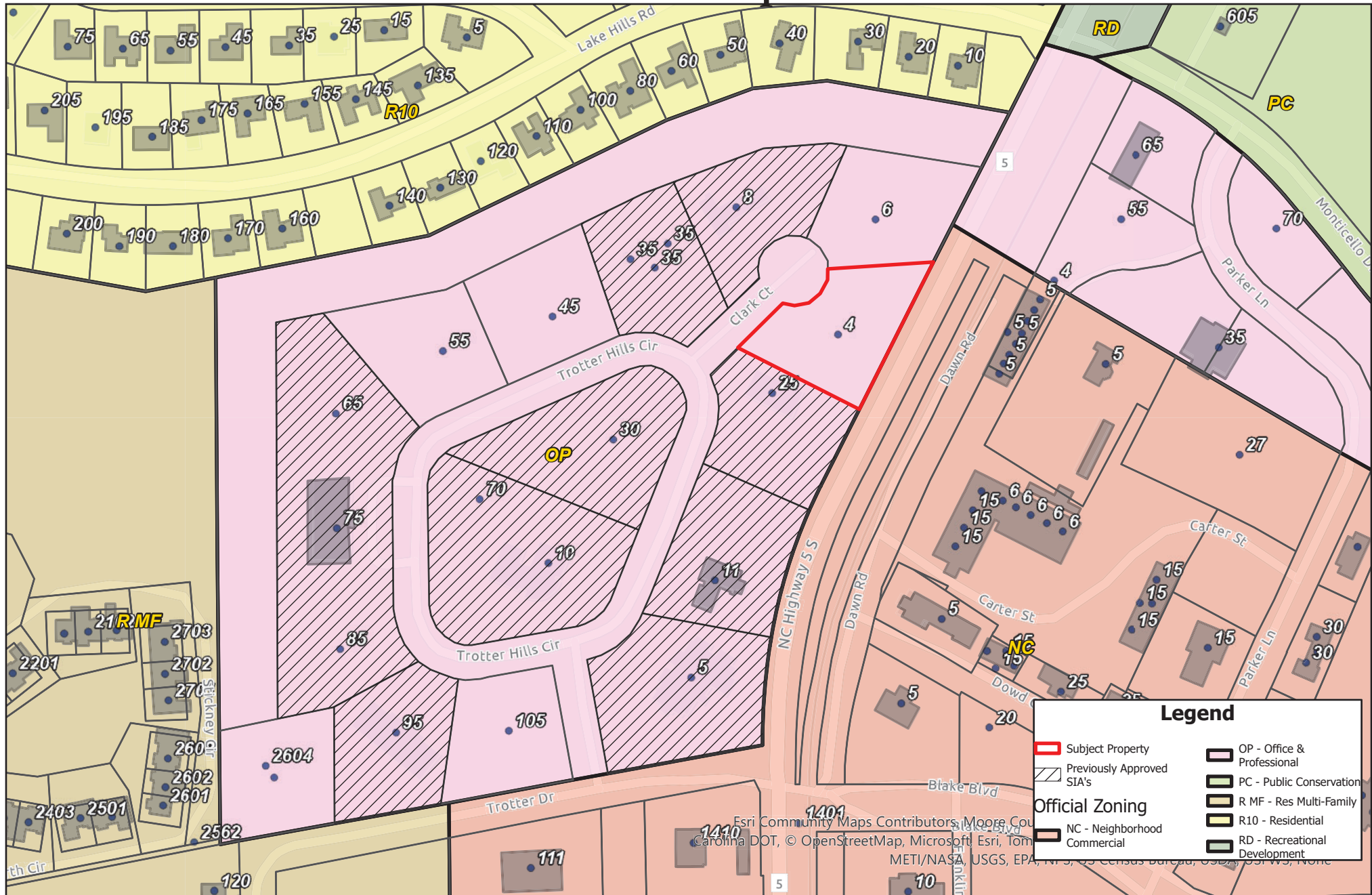
Associated Approvals

As previously mentioned in this memo, the Technical Review Committee is currently reviewing the proposed improvements as a Minor Site Plan and a SIA allocation would need to be granted prior to issuing site plan approval for construction. The SIA is the remaining issue before the TRC may issue site plan approval and construction can commence.

Staff Recommendation

As the project will meet all PDO and ESSM requirements as well as the Council adopted Watershed Intensity Allocation Policy, staff recommends approval of the SIA from the WS-II Watershed Protection District of 1.01 acres as proposed, which Council can approve by motion.

Area Map



0 335 670 Feet

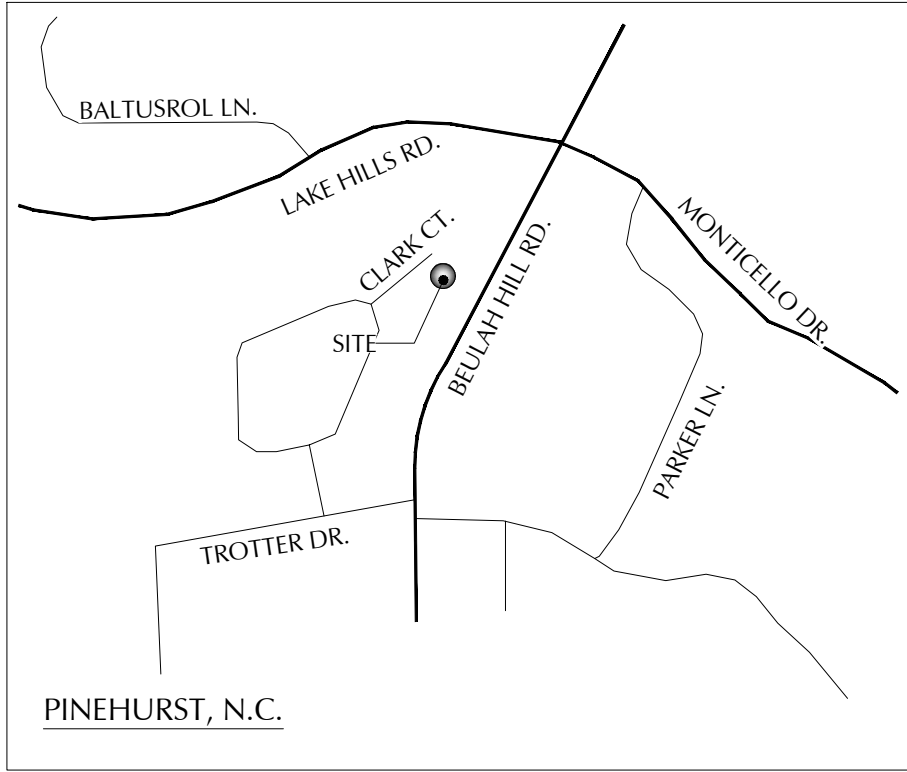
Village of Pinehurst Disclaimer: It is understood that the data contained herein is subject to constant change and that its accuracy cannot be guaranteed.
The maps have been created from information provided by various government and private sources at various levels of accuracy.
The data is provided to you "as is" with no warranty, representation or guaranty as to the content, sequence, accuracy, timeliness or completeness of any of the information provided herein.
It is the responsibility of the user of the data to be aware of the data's limitations and to utilize the data in an appropriate manner.
Any resale of this data is strictly prohibited in accordance with North Carolina General Statutes 132-10.
Gnd is based on North Carolina State Plane Coordinate System NAD83 (feet).

10/10/2024

Trotter Hills Office Park Special Intensity Allocation (SIA) Request



S:\Kostich, Michael\23035 Commercial Building, 4 Clark Court\CAD\23035\DWG\Plan Set\Current\Plan Set\23035_02.0 Site.dwg, Site Plan, Oct. 11, 2024 -- 10:20:41 AM



VICINITY MAP (N.T.S.)

SITE NOTES

- 1. INSTALL HEAVY DUTY ASPHALT PAVEMENT 8" ABC OVER COMPACTED BASE & 2" S9.5C TO NCDOT STANDARDS (±2,650 SF HATCHED AREA)
- 2. INSTALL 24" CURB AND GUTTER (SEE VOP DETAIL 4.03)
- 3. ADA TRUNCATED DOME (SEE VOP DETAIL 5.12-A FOR TRUNCATED DOME)
- NOTE: ALL SLOPES IN ADA ACCESS AREA ARE LESS THAN 2%.
- 4. DUMPSTER ENCLOSURE SEE ARCHITECTURAL PLANS
- 5. DOUBLE BRICK WALLS-MATCHING BUILDING.
- 6. 4" HIGH, INTERIOR OF 4.5' DEEP AND 6' WIDE.
- 7. INSTALL 4" HIGH WHITE VINYL CLAD DOUBLE SWING DOORS THAT CAN BE SECURED IN OPEN POSITION.
- 8. 5' WIDE SIDEWALK (SEE VOP DETAIL 4.02)
- 9. INSTALL PAVEMENT MARKINGS AND STRIPING (SEE CDC DETAIL 1.1815)
- 10. NSTALL WOODEN SIGN (4.5 WIDE X 5' HIGH)
- 11. SIGN PLAN TO BE SUBMITTED SEPARATELY TO COMPLY WITH SECTION 9.7 OF PDO.
- 12. FENCE PERMIT FOR SCREENING WALLS FOR DUMPSTER AND HVAC TO BE SUBMITTED SEPARATELY
- 13. INSTALL 4" BRICK LATTICE SCREENING WALL
- 14. INSTALL LIGHT DUTY PAVEMENT 6" ABC OVER COMPACTED BASE & 2" S9.5C TO NCDOT STANDARDS
- 15. SPILL-OFF CURB (SEE CDC DETAIL 1.1207)

ADDITIONAL NOTES

1. ALL GENERAL NOTES, ABBREVIATIONS, SYMBOLS, AND OTHER INFORMATION INDICATED ON THE COVER SHEET SHALL APPLY TO THIS PLAN
2. ALL ELEVATIONS SHOWN ARE IN REFERENCE TO THE BENCHMARK AND MUST BE VERIFIED BY THE GENERAL CONTRACTOR WITH THE SURVEYOR OF RECORD PRIOR TO BEGINNING CONSTRUCTION. BENCHMARK IS A SANITARY MANHOLE LOCATED IN THE CENTER OF THE CUL-DE-SAC ON CLARK CT. WITH COORDINATES (N 391.6325, E 2739.4359 AND HAVING AN ELEVATION OF 513.20.
3. SITE INFORMATION

PARCEL ID:96000372
PIN: 855108981666
DB/PG: 5272/58
1.01 ACRES (44,167.36 SF)
LIMIT OF CONSTRUCTION / DISTURBANCE = 0.60 AC
ZONED: OP
PROPOSED USE: FINANCIAL OFFICE (ALLOWED USAGE IN OP)
SIZE BLDG: 3,397 SF
TYPE CONSTRUCTION: VB
SETBACK YARDS FROM DEVELOPMENT ORDINANCE / PLAT MAP 6-160:
-FRONT = 25' / 40'
-SIDE=15' / 20'
-REAR=20' / 40'
APPENDIX B, NC FIRE CODE, TABLE B105.1(2) REQ'D FIRE FLOW=1,500 GPM F/ 2 HOURS
AVAILABLE FLOW= 2,301 @ 20 PSI
REQ'D PARKING = 3,397 / 300 SF/SPACE = 11.3, 15 PROVIDED INCL. 1 ADA SPACE
IMPERVIOUS SURFACE
EXISTING: 0.00 SF, 0.00%
PROPOSED: 11,332 SF, 25.66%

INFRASTRUCTURE INSPECTION NOTICE TO CONTRACTOR

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1. Subgrade inspection/proof rolling (streets, sidewalks, firelanes, etc.) Density tests from an approved geotechnical engineering firm may be required.
2. Placement and inspection of base course materials including proof-rolling. Density tests from a Village-approved geotechnical engineering firm may be required/accepted by the Village.
3. Placement and compaction of pavement materials including concrete and asphalt surface courses. Includes stringlines/grade control, paving & rolling operations, material inspections.
4. Installation of water and sewer mains and services including pressure testing, pipe laying, chlorination of water mains, bacterial testing, mandrel pulls, etc. necessary to meet the Village's Utility ordinances. NOTE: The Contractor shall also contact Moore County Public Utilities Department Engineering Division at 947-6315 to schedule utility inspections as required by MCPUD.
5. Installation of formwork and placement of concrete (sidewalks, curb & gutter, etc.) within the public right of way.
6. Installation of storm drainage systems (pipes, trenches, catch basins, frames/grates, outlet protection, etc.)

Failure to schedule the required inspections shall be grounds for rejection of all work not inspected and issuance of a stop-work order until the project is in compliance



Know what's below.
Call before you dig.

Site Data Table		
Owner:	San Toki, LLC (under Development Agreement w/ Michael Kostich	
Zoning:	OP, located in Village of Pinehurst	
Watershed	Drowning Creek (WS-1IP)	
Area:	1.01 acres	
	Existing	Proposed
Building (sf)	0	3,397
Impervious Area (sf)	0	11,332
	Req'd	Provided
Parking Spaces (1/300sf)	11.3	15 (1/300 SF for office =11.32)
ADA Spaces (1/25 spaces)	1	1 (includes 1 van space)
	-	-
Landscape Area (10%)	512	
Large Trees (512"/3/250)	1.4	2
Understory Tree (512/3/125)	1.4	2
Pkg Perimeter Front (55 LF)	-	-
Long Leaf Pine (1/20)	3	3
Evergreen Shrub (1/3)	18	18
Pkg Perimeter Side (63 LF)	-	-
Long Leaf Pine (1/20)	3	3 EX
Evergreen Shrub (1/3)	21	21
Pkg Perimeter Rear (93 LF)	-	-
Long Leaf Pine (1/20)	5	5
Evergreen Shrub (1/3)	31	31
Street Trees (220' /40)	6	6
Rear Buffer (30' /8346 sf)	-	-
Large Trees (1/200)	42	22
Understory Tree (2/500)	93	16
Shrubs (1/75)	111	111

*Ex. 16" pine counts for two large trees.

TALIS REALTY, LLC
ID: 96000375
PIN: 855108888736
DB: 5917, PG: 258
ZONE: OP
35 TROTTER HILLS CR.
VACANT

SAN TOKI, LLC
ID: 96000371
PIN: 855108980459
DB: 4877, PG: 600
ZONE: OP
25 TROTTER HILLS CR.
PINEHURST DENTAL

HUNTLEY INVESTMENTS, LLC
ID: 96000374
PIN: 855108980818
DB: 5230, PG: 281
ZONE: OP
8 CLARK CT.
HUNTLEY DESIGN BUILD

BM
TOP MANHOLE
ELEV.=513.2' (NAVD88)
N 391.6325
E 2739.4359

ITE TRIP GENERATION					
CATEGORY	DESCRIPTION	UNIT (SF)	PEAK AM	PEAK PM	TRIP/DAY
712	SMALL OFFICE	1,000	1.67	2.16	14.39
4 CLART COURT:		3,397	6	7	49

WILLIAMSON, CILE H. & FRED T. VINSON
ID: 96000373
PIN: 855108982847
DB: 5640, PG: 371
ZONE: OP
6 CLARK CT.
VACANT

NOTE: EASEMENT FROM PLAT BK 6, SLIDE 160
(NO PURPOSE STATED OR KNOWN UTILITIES IN EASEMENT)

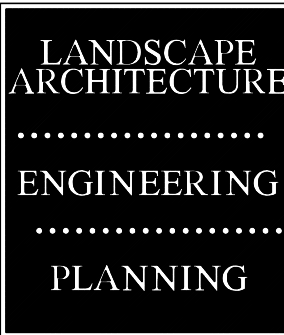
NOTE:
ADA AREA SHALL HAVE NO SLOPES GREATER THAN 5%
AND NO SLOPES GREATER THAN 2% IN PARKING
SPACE AND 5X5' TRANSITION IN FRONT OF DOOR.

Village of Pinehurst
Construction Plan Approval

All Construction Methods and Materials shall be in accordance with the Village of Pinehurst, Moore County Public Utilities, and NCDOT Standards and Specifications. In the event of a conflict between standards, the more stringent shall govern unless a written waiver is issued by the Village Engineer. Utility Installations and other Public Facilities, including streets, sidewalks, and handicap ramps, have been approved by the Village of Pinehurst and shall be so installed unless a change is authorized by prior written approval. Public Sanitary Sewer and Utility Easements shall be recorded prior to final acceptance and/or issuance of a Certificate of Occupancy by the Village.

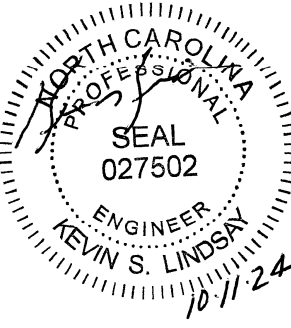
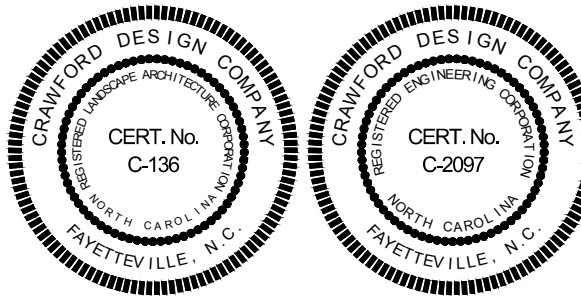
Plan Approval Number PLN-2024-00110

Engineering
Fire Department
Planning
Moore Co. Public Utilities



Landscape Architecture " Fayetteville, NC
Civil Engineering " Southern Pines, NC

2300 W. Pennsylvania Ave. " Southern Pines, NC 28387
Voice: 910-725-1107
www.crawforddsn.com



0	mm-dd-yy	Description

MICHAEL KOSTICH
4 CLARK CT. COMMERCIAL BUILDING

SITE LAYOUT PLAN

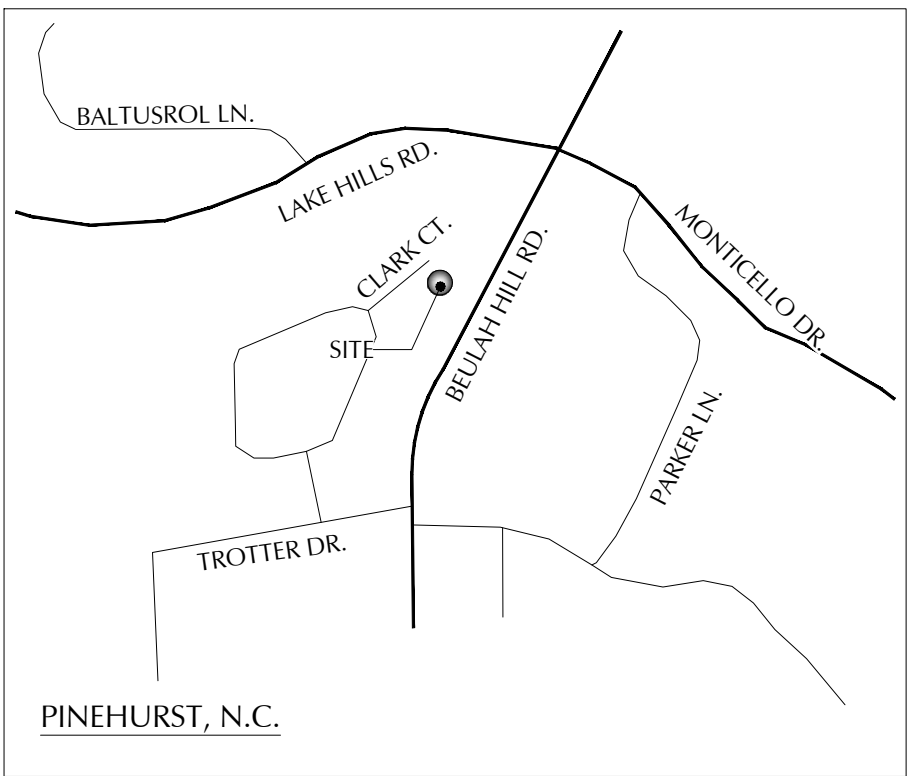
Project Manager: KSL
CAD Technician: RFN/GER
Reviewed / Approved By:
Project Number: 23035

Full Scale: Horiz.: 1" = 20'
Half Scale: Horiz.: 1" = 40'

03/05/2024

C2.0

S:\Vostitch, Michael\23035 Commercial Building, 4 Clark Court\CAD\23035\DWG\Plan Set\Current Plan Set\23035a_C3.0 Grading.dwg, Grading Plan, Oct. 01, 2024 - 12:59:37 PM



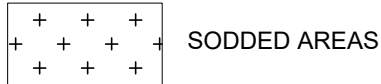
VICINITY MAP (N.T.S.)

GRADING / EROSION CONTROL NOTES

1. INSTALL GRAVEL CONSTRUCTION ENTRANCE (SEE CDC DETAIL 2.1001)
2. INSTALL SEDIMENT FENCE (SEE CDC DETAIL 2.1204)
3. INSTALL SEDIMENT OUTLET PROTECTION (SEE CDC DETAIL 2.1405)

ADDITIONAL NOTES

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4. SEE DETAIL SHEETS FOR EROSION CONTROL MEASURES & MAINTENANCE. CONTACT PERSON: KEVIN LINDSAY -CRAWFORD DESIGN CO. - (910)-920-7661
6. PARCEL IDENTIFICATION NUMBER(S): 855108981666
7. CONTRACTOR SHALL REMOVE TEMPORARY EROSION CONTROL MEASURES ONLY AFTER REMOVAL HAS BEEN APPROVED BY DENR.
8. CONTRACTOR SHALL BE RESPONSIBLE FOR PROVIDING EROSION AND SEDIMENTATION CONTROL MONITORING ACCORDING TO NPDES PERMIT REQUIREMENTS.
9. SEE DETAIL SHEETS FOR TEMPORARY & PERMANENT SEEDING REQUIREMENTS.



SODDED AREAS

EROSION CONTROL CONSTRUCTION SEQUENCE

1. OBTAIN ALL NECESSARY PERMITS AND APPROVALS AND HOLD PRE-CONSTRUCTION CONFERENCE.
2. INSTALL GRAVEL CONSTRUCTION ENTRANCE.
3. INSTALL TEMPORARY SEDIMENT FENCE AND FENCE OUTLETS.
4. CLEAR AND GRUB ALL UNSUITABLE MATERIALS WITHIN THE LOC.
5. CONSTRUCT INFILTRATION BASINS AND WEIRS.
6. GRADE SITE.
7. INSTALL STORM DRAINS AND RIP-RAP DISSIPATORS.
8. COMPLETE SITE WORK AND STABILIZE ALL DISTURBED AREAS.
9. ONCE SITE IS STABILIZED, REMOVE ALL SEDIMENT FROM BASINS AND INSTALL BERMLUDA SOD WITHOUT CLAYS OR SILTS IN BASINS (SEE SCM DETAIL)

DWQ Construction General Permit Ground Stabilization Requirements		
Site Area Description	Stabilization Time Frame	Stabilization Time Frame Exceptions
Perimeter dikes, swales, ditches and slopes	7 days	None
High Quality Water (HQW) Zones	7 days	None
Slopes steeper than 3:1	7 days	If slopes are 10' or less in length and are not steeper than 2:1, 14 days are allowed
Slopes 3:1 or flatter	14 days	7-days for slopes greater than 50 feet in length
All other areas with slopes flatter than 4:1	14 days	None (except for perimeters and HQW Zones)
*Extensions of time may be approved by the permitting authority based on weather or other site-specific conditions that make compliance impracticable * (Section II B(2)(b))		

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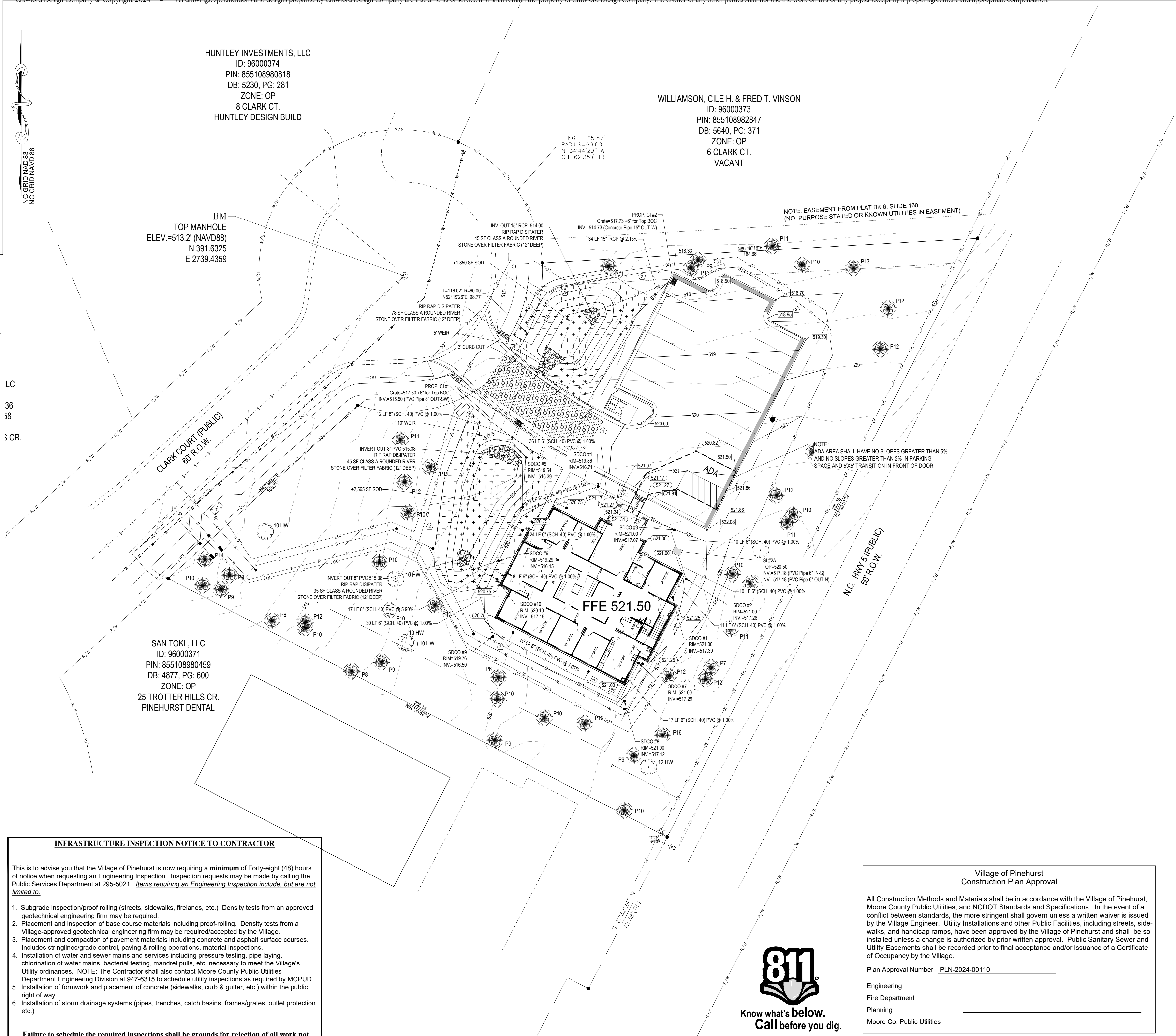
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Plan Approval Number PLN-2024-00110

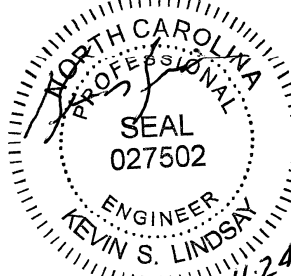
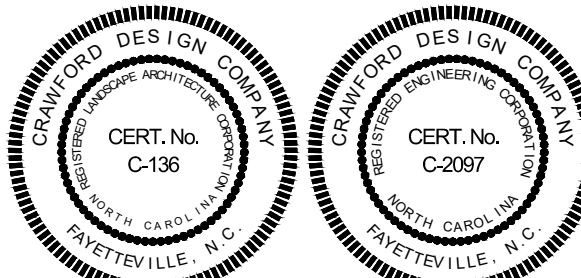
Engineering _____
Fire Department _____
Planning _____
Moore Co. Public Utilities _____

**Crawford
Design Company**

LANDSCAPE
ARCHITECTURE
ENGINEERING
PLANNING

Landscape Architecture " Fayetteville, NC
Civil Engineering " Southern Pines, NC

230C W. Pennsylvania Ave. " Southern Pines, NC 28387
Voice: 910-725-1107
www.crawforddesign.com



0	mm-yy-dd	Description

MICHAEL KOSTICH
4 CLARK CT. COMMERCIAL BUILDING

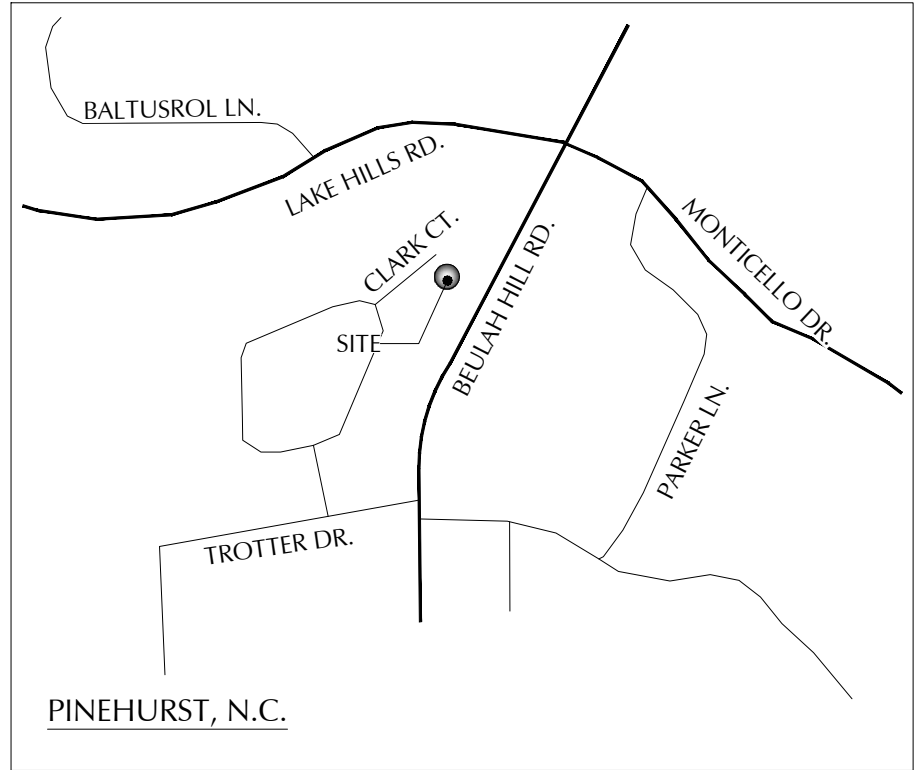
GRADING AND EROSION CONTROL PLAN

Project Manager: KSL
CAD Technician: RFN/CGR
Reviewed / Approved By: _____
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03/05/2024

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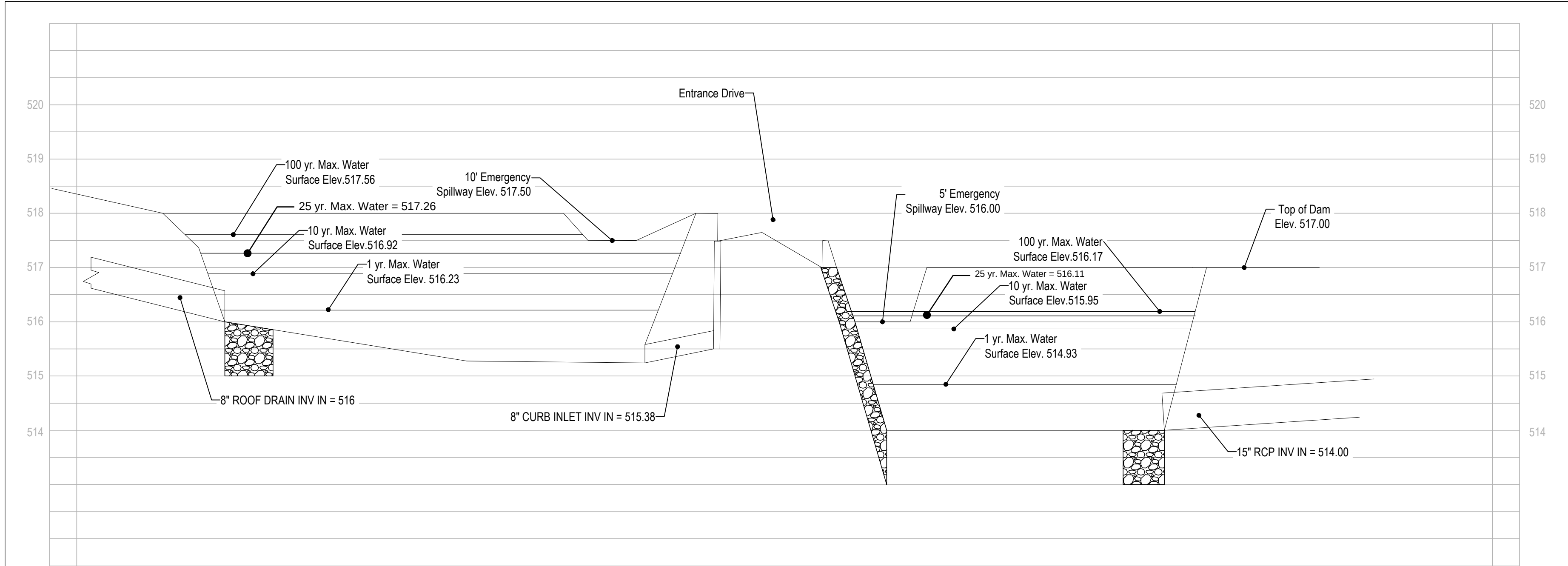


VICINITY MAP (N.T.S.)



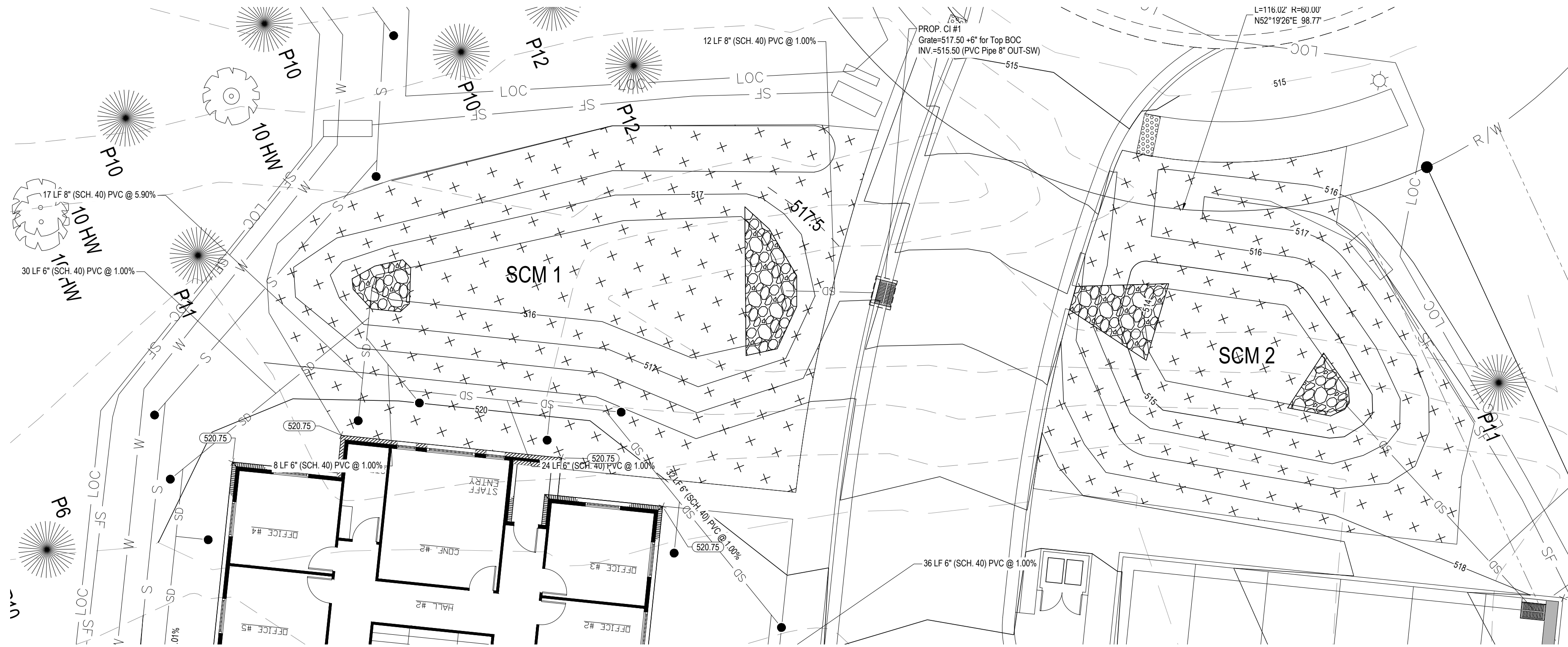
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NC GRID NAD 83
NC GRID NAVD 88



Notes:

- Embankment shall be constructed of clean structural soil, free of roots, vegetation, rocks, and other objectionable material.
- Scarify surfaces before placing any required fill, which is to be placed in lifts of 6"-8", then compacted.



BASIN CONSTRUCTION SEQUENCE

- GRADE BASIN AND INSTALL INLET PIPES, WEIRS, AND DISSIPATORS.
- AVOID COMPACTION OF BASIN BOTTOM DURING CONSTRUCTION.
- SOD BASIN BOTTOM AND SIDES AND WEIRS WITH BERBERA SOD FREE OF SILTS AND CLAYS.
- CONFIRM DIMENSIONS OF BASIN AND ESPECIALLY WEIR PRIOR TO SODDING.
- MONITOR BASIN AFTER ALL RAIN EVENTS AND REPAIR SOD DAMAGE, ANY OTHER DAMAGE, AND REMOVE SEDIMENT.

DWQ Construction General Permit Ground Stabilization Requirements		
Site Area Description	Stabilization Time Frame	Stabilization Time Frame Exceptions
Perimeter dikes, swales, ditches and slopes	7 days	None
High Quality Water (HQW) Zones	7 days	None
Slopes steeper than 3:1	7 days	If slopes are 10' or less in length and are not steeper than 2:1, 14 days are allowed
Slopes 3:1 or flatter	14 days	7-days for slopes greater than 50 feet in length
All other areas with slopes flatter than 4:1	14 days	None (except for perimeters and HQW Zones)

* Extensions of time may be approved by the permitting authority based on weather or other site-specific condition that make compliance impracticable. (Section II.B(2)(b))



Know what's below.
Call before you dig.

INFRASTRUCTURE INSPECTION NOTICE TO CONTRACTOR

This is to advise you that the Village of Pinehurst is now requiring a **minimum** of Forty-eight (48) hours of notice when requesting an Engineering Inspection. Inspection requests may be made by calling the Public Services Department at 295-5021. **Items requiring an Engineering Inspection include, but are not limited to:**

- Subgrade inspection/proof rolling (streets, sidewalks, firelanes, etc.) Density tests from an approved geotechnical engineering firm may be required.
- Placement and inspection of base course materials including proof-rolling. Density tests from a Village-approved geotechnical engineering firm may be required/accepted by the Village.
- Placement and compaction of pavement materials including concrete and asphalt surface courses. Includes stringlines/grade control, paving & rolling operations, material inspections.
- Installation of water and sewer mains and services including pressure testing, pipe laying, chlorination of water mains, bacterial testing, mandrel pulls, etc. necessary to meet the Village's Utility ordinances. NOTE: The Contractor shall also contact Moore County Public Utilities Department Engineering Division at 947-6315 to schedule utility inspections as required by MCPUD.
- Installation of formwork and placement of concrete (sidewalks, curb & gutter, etc.) within the public right of way.
- Installation of storm drainage systems (pipes, trenches, catch basins, frames/grates, outlet protection, etc.)

Failure to schedule the required inspections shall be grounds for rejection of all work not inspected and issuance of a stop-work order until the project is in compliance

Hydraulic Calculations Summary					
Item	Existing		Post Development		
	WS-1	1-WO SCM	WS-1 wSCM	WS-2 SCM	WS-3 No SCM
Drainage Area (ac)	1.01	0.269	0.202	0.54	1.01
Curve Number	40	64	77	42	55
C-Value	0.15	0.49	0.65	0.18	0.36
Q, 1-yr Storm (cfs)	0.81	0.70	0.00	0.71	0.50
Q, 10-yr Storm (cfs)	1.23	1.06	0.00	1.08	0.76
Q, 25-Yr Storm (cfs)	1.36	1.17	0.00	1.20	0.84
Q, 100-Yr Storm (cfs)	1.52	1.31	0.46	1.34	0.94

Structures and Max. Water Surface Elevation	SCM-1		SCM-2		Notes/F reeboard
	Elevation	Notes/F reeboard	Elevation	d	
Emergency Weir EL	517.50	10' wide	516.00	5' wide	
Top of Berm	518.00	5' wide	517.00	5' wide	
Max 1 Yr WSE	516.23	1.77	514.93	2.07	
Max 10 Yr WSE	516.92	1.08	515.95	1.05	
Max 25 Yr WSE	517.26	0.74	516.11	0.89	
Max 100 Yr WSE	517.56	0.44	516.17	0.83	



Village of Pinehurst
Construction Plan Approval

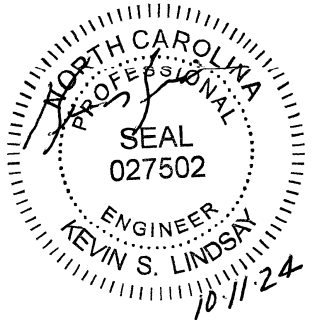
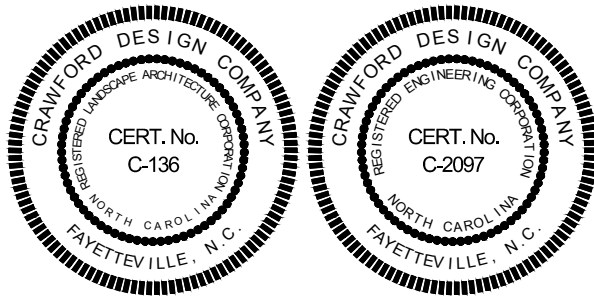
All Construction Methods and Materials shall be in accordance with the Village of Pinehurst, Moore County Public Utilities, and NCDOT Standards and Specifications. In the event of a conflict between standards, the more stringent shall govern unless a written waiver is issued by the Village Engineer. Utility Installations and other Public Facilities, including streets, sidewalks, and handicap ramps, have been approved by the Village of Pinehurst and shall be so installed unless a change is authorized by prior written approval. Public Sanitary Sewer and Utility Easements shall be recorded prior to final acceptance and/or issuance of a Certificate of Occupancy by the Village.

Plan Approval Number PLN-2024-00110

Engineering _____
Fire Department _____
Planning _____
Moore Co. Public Utilities _____



Landscape Architecture " Fayetteville, NC
Civil Engineering " Southern Pines, NC
230C W. Pennsylvania Ave. " Southern Pines, NC 28387
Voice: 910-725-1107
www.crawforddsn.com



0	mm-dd-yy	Description

MICHAEL KOSTICH
4 CLARK CT. COMMERCIAL BUILDING

INFILTRATION BASIN

Project Manager: KSL
CAD Technician: RFN/GER
Reviewed / Approved By: _____
Project Number: 23035

03/05/2024

C3.1



Consider Bids for FY25 Road Resurfacing Project

ADDITIONAL AGENDA DETAILS:

Consider bids for FY25 Road Resurfacing project

FROM: Mike Apke, Public Services & Engineering Director
CC: Village Council;
DATE OF MEMO: 10/14/2024

MEMO DETAILS

This item is to consider bids for the Village's annual road resurfacing project.

Three (3) licensed contractors submitted unit pricing on 10/15/24 to resurface approximately 4.5 miles of Village streets, plus alternate bids to re-establish striping on the roadways. A list of the streets included in the bid package is attached for reference, along with a Bid Tabulation that summarizes all bids received.

The low base bid (resurfacing only) was submitted by Turner Asphalt from Raleigh in the total amount of \$1,327,700. When the alternate bids for re-striping are added to the base bids, the low bidder is Barnhill Contracting from Fayetteville in the total amount of \$1,493,908. Our FY25 Powell Bill budget for road resurfacing is \$1.5 million.

Turner Asphalt and Barnhill Contracting are both reputable contractors that have successfully completed road resurfacing projects for the Village in the past. The project bidding documents allow us to award the contract to the bidder determined to be in the best interest of the Village, and "may be made based solely on the base bid or the base bid with any combination of any alternate bids."

After reviewing the bids, staff recommends that the Village award the FY25 resurfacing project to Turner Asphalt for the base bid amount of \$1,327,700, and that we not accept Turner's alternate bid price for re-striping work. Staff instead proposes to re-bid the striping work as a standalone project, to be completed after the road resurfacing.

In keeping with previous practice, staff also requests that the motion include that the Village Manager is authorized to execute change orders and add additional quantities at the original unit pricing with the overall amount not to exceed \$1.5 million (FY25 Powell Bill Fund budget).

Please note that the actual contract is not attached as the Contractor typically does not obtain performance bonds or payment bonds that go with the contract until after Council authorizes the execution.

ATTACHMENTS

1. FY 25 Road Resurfacing Bid Tabulation Sheet
2. FY25 Resurfacing Overall
3. FY 25 Proposed Resurfacing Street Listing

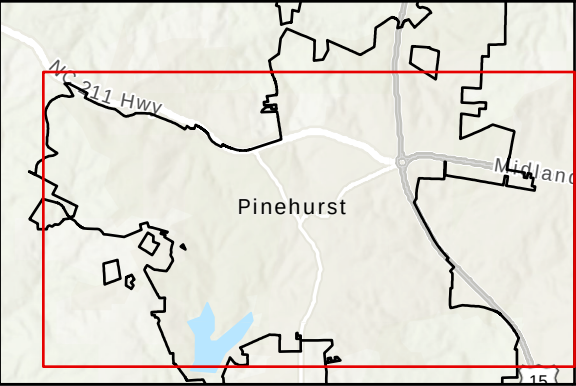
Bid Tabulation Sheet
 Village of Pinehurst
 FY25 Annual Street Resurfacing & Improvement Project

Bidder	Total Base Bid (Resurfacing)	Alternate Bid No. 1 (Pavement Markings)	Total Base and Alternate Bids
Turner Asphalt	\$1,327,700.00	\$342,071.00	\$1,669,771.00
Barnhill Contracting	\$1,413,000.00	\$80,908.00	\$1,493,908.00
Fred Smith Company	\$1,704,000.00	\$78,250.00	\$1,782,250.00



Legend

FY25 Paving



Public Services - FY-25 Resurfacing Overall

Esri, NASA, NGA, USGS, Moore County GIS (NC), Esri, TomTom, Garmin, SafeGraph, METI/NASA, USGS, EPA, NPS, USDA, USFWS, Moore County GIS (NC), State of North Carolina DOT, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, USFWS

2024

Coordinate System: NAD 1983 StatePlane North Carolina FIPS 3200 Feet

02,5005,000

Feet

05001,000

Meters

FY25 Annual Street Resurfacing Improvement Project - Street Listing			
Street	Beginning Description	End Description	Approximate Length (ft)
<u>Village Acres Area</u>			
Gun Club Drive	Highway 211	Garner Lane	3470
Forrest Drive	Longleaf Dr E	Highway 15-501	1100
Total Length in Neighborhood:			4570
Street	Beginning Description	End Description	Approximate Length (ft)
<u>Pinedale Area</u>			
Woodburn Road	Thorne Road	Airport Road	779
Total Length in Neighborhood:			779
Street	Beginning Description	End Description	Approximate Length (ft)
<u>Pinehurst Lake Area</u>			
Diamondhead Drive	Traffic Circle	Starlit Lane	3887
Ivy Way	Diamondhead Dr	Diamondhead Dr	1232
Weldon Court	Diamondhead Dr	CDS	139
St. Andrews Drive	Wilson Road	Lake Forest Dr	3058
Total Length in Neighborhood:			8316
Street	Beginning Description	End Description	Approximate Length (ft)
<u>Morganton/Monticello Area</u>			
Monticello Drive	RR Tracks	Blake Blvd	2165
Blake Boulevard	Monticello	Divided Road	1852
Canter Lane	Monticello	Monticello	2704
Total Length in Neighborhood:			6721
Street	Beginning Description	End Description	Approximate Length (ft)
<u>Old Town</u>			
Rattlesnake Trail	Highway 211	McCaskill Road	2300
Total Length in Neighborhood:			2300
Street	Beginning Description	End Description	Approximate Length (ft)
<u>Donald Ross Area</u>			
McDonald Road W	Highway 5	Donald Ross Drive	962
Total Length in Neighborhood:			962



Presentation of the FY 2024 Annual Comprehensive Financial Report ADDITIONAL AGENDA DETAILS:

FROM: Dana Van Nostrand, Financial Services Director
CC: Village Council;
DATE OF MEMO: 10/14/2024

MEMO DETAILS

I am pleased to present to you the Village's Annual Comprehensive Financial Report (ACFR) as of and for the year ended June 30, 2024. These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with Government Auditing Standards by a firm of licensed certified public accountants (Forvis Mazars, LLP).

Mr. Chad Cook of Forvis Mazars, LLP will present the firm's opinion on these statements.

Included with your copy of the ACFR is information required by professional auditing standards which explains the auditor's responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of the audit that is required to be communicated to those charged with governance.

There were no proposed audit adjustments. One change was made from the unaudited Q4 quarterly financial statements presented to Council on September 10, 2024. I discovered a correction to the calculation of the General Fund fund balance restricted for stabilization by state statute which increased the stabilization by state statute fund balance by \$32,265 to \$3,129,262. This correction decreased fund balance committed for future capital by \$32,265 to \$9,674,900.

ATTACHMENTS

1. Village of Pinehurst - FY 2024 Report to the Village Council
2. 2024 Annual Comprehensive Financial Report

Forvis Mazars Report to the Village Council and Management

Village of Pinehurst

Results of the 2024 Financial Statement Audit, Including Required Communications

June 30, 2024

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	This report covers audit results related to your financial statements and supplementary information: • As of and for the year ended June 30, 2024. • Conducted in accordance with our contract dated March 14, 2024.
Our Responsibilities	Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
Audit Scope & Inherent Limitations to Reasonable Assurance	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States (GAGAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.

Matter	Discussion
Distribution Restriction	This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties: • Village Council and Management

Government Auditing Standards

Matter	Discussion
Additional GAGAS Reporting	We also provided reports as of June 30, 2024, on the following as required by GAGAS: • Internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with GAGAS
Reporting Limitations	Our consideration of internal control over financial reporting and our tests of compliance were not designed with an objective of forming an opinion on the effectiveness of internal control or on compliance, and accordingly, we do not express such an opinion.

State Single Audit Implementation Act Overview & Responsibilities

Matter	Discussion
Scope of Our Audit	We also provided reports as of June 30, 2024, on the following as required by the North Carolina State Single Audit Implementation Act: • Opinion on compliance for each major state award program • Report on internal control over compliance • Schedule of Expenditures of Federal and State Awards
Audit Scope & Inherent Limitations to Reasonable Assurance	A compliance audit performed in accordance with the State Single Audit Implementation Act is designed to obtain reasonable, rather than absolute, assurance about whether noncompliance with the types of compliance requirements described in the <i>Audit Manual for Governmental Auditors in North Carolina</i> that could have a direct and material effect on a major state award program occurred.

Other Information Accompanying the Audited Financial Statements

The audited financial statements are presented along with management's annual comprehensive financial report. Management, or those charged with governance, is responsible for preparing the annual comprehensive financial report.

We were not engaged to audit the other information contained in the annual comprehensive financial report, comprised of the introductory information and the statistical sections, and as a result, our opinions do not provide assurance as to the completeness and accuracy of the other information contained therein.

As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Auditor Objectives Related to Other Information

Our objectives related to the other information accompanying the audited financial statements were to:

- Consider whether a material inconsistency exists between the other information and the financial statements

- Remain alert for indications that:
 - A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, or
 - A material misstatement of fact exists or the other information is otherwise misleading
- Respond appropriately when we identify that such material inconsistencies appear to exist or when we otherwise become aware that other information appears to be materially misstated. Potential responsive actions would include requesting management to correct the identified inconsistency
- Include the appropriate communication in our auditor's report, disclosing the procedures performed on the Other Information, as well as the results obtained

Qualitative Aspects of Significant Accounting Policies & Practices

Significant Accounting Policies

Significant accounting policies are described in Note 1 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Management's estimate of the useful lives of depreciable assets
- Management's estimate of the terms and discount rates used for discounting lease receivables, lease liabilities, and SBITA liabilities, which are based on assumptions surrounding the Village's incremental borrowing rates
- Management's estimates of the liabilities related to the pension plans, as well as the related deferred inflows and outflows of resources, are based on actuarial assumptions and projections that are provided by third parties based on information provided by management

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Disclosure of pension plans and postemployment obligations in Note 6 to the financial statements

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are listed below.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Current-Period Uncorrected Misstatements

- No current-period uncorrected misstatements

Other Required Communications

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

Consultation with Individuals Outside of the Engagement Team

During our audit, we encountered the following matters, for which we consulted the views of individuals outside of the engagement team:

- No matters are reportable

Consultation with Other Accountants

During our audit, we became aware that management had consulted with other accountants about the following auditing or accounting matters:

- No matters are reportable

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- No matters are reportable

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Significant Related-Party Findings

We would like to communicate the following significant findings or issues that arose during our audit, related to the Entity's related-party activity:

- No matters are reportable

Identified Fraud

During the audit process, we identified the following fraud or obtained information that indicates that the following fraud may exist:

- No matters are reportable

Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments)

Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Attachment A

Management Representation Letter



HISTORY, CHARM, AND SOUTHERN HOSPITALITY_____

Representation of:
Village of Pinehurst
395 Magnolia Road
Pinehurst, North Carolina 28374

Provided to:
Forvis Mazars, LLP
Certified Public Accountants
100 N. Main Street, Suite 2300
Winston-Salem, North Carolina 27101

The undersigned ("We") are providing this letter in connection with Forvis Mazars' audit of our financial statements as of and for the year ended June 30, 2024 .

Our representations are current and effective as of the date of Forvis Mazars' report: October 17, 2024.

Our engagement with Forvis Mazars is based on our contract for services dated: March 14, 2024.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to Forvis Mazars' report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
3. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of the Village Council meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the Village Council, if applicable, and maintained as part of our records.
 - e. All significant contracts.
4. We have responded fully and truthfully to all your inquiries.

Government Auditing Standards

5. We acknowledge that we are responsible for compliance with applicable laws, regulations, and provisions of contracts and grant agreements.
6. We have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.
7. We have identified and disclosed to you any violations or possible violations of laws, regulations, including those pertaining to adopting, approving, and amending budgets, and provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.
8. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts, or violations of provisions of contracts or grant agreements that you or other auditors report.
9. We have a process to track the status of audit findings and recommendations.
10. We have identified to you any previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other studies.
11. We have provided our views on any findings, conclusions, and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

State Awards Programs (State Single Audit Implementation Act)

12. We have identified in the schedule of expenditures of federal and state awards all assistance provided (either directly or passed through other entities) by state agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations, or in any other form.

13. We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.
14. We have reconciled the schedule of expenditures of federal and state awards (SEFSA) to the financial statements.
15. State awards-related revenues and expenditures are fairly presented, both in form and content, in accordance with the applicable criteria in the entity's financial statements.
16. We have evaluated all recipient organizations that received state funding and have correctly identified all subrecipients on the schedule of expenditures of state awards.
17. We have identified the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, regarding cross cutting; activities allowed or unallowed; allowable costs principles; cash management; conflict of interest; eligibility; equipment and real property management; matching; level of effort, earmarking; period of performance; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our state awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.
18. We are responsible for complying, and have complied, with the requirements of the State Single Audit Implementation Act.
19. We are responsible to understand and comply with the requirements of state statutes, regulations, and the terms and conditions of state awards related to each of our state awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the entity has complied with all applicable compliance requirements.
20. We are responsible for the design, implementation, and maintenance of internal controls over compliance that provide reasonable assurance we have administered each of our state awards programs in compliance with state statutes, regulations, and the terms and conditions of the state awards.
21. We have made available to you all state awards (including amendments, if any) and any other correspondence or documentation relevant to each of our state awards programs and to our compliance with applicable requirements of those programs.
22. The information presented in state awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.
23. The costs charged to state awards are in accordance with applicable cost principles.
24. The reports provided to you related to state awards programs are true copies of reports submitted or electronically transmitted to the state awarding agency, the applicable payment system, or pass-through entity in the case of a subrecipient.
25. We have disclosed to you any communications from state awarding agencies and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our state awards programs, including any communications received from the end of the

period of your audit through the date of this letter.

26. We have identified to you any previous compliance audits, attestation engagements, and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements, or other monitoring.
27. No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance subsequent to the period covered by the auditor's report.

Misappropriation, Misstatements, & Fraud

28. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
29. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.
30. We understand that the term "fraud" includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity's assets where the effect of the theft causes the financial statements not to be presented in conformity with accounting principles generally accepted in the United States of America.
31. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short-sellers, or others.
32. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

33. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management's plans not yet fully implemented and concluded substantial doubt does not exist.

Related Parties

34. We have disclosed to you the identity of all of the entity's related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

35. We understand that the term related party refers to:

- Affiliates
- Entities for which investments are accounted for by the equity method
- Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management
- Management and members of their immediate families
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings & Regulations

36. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.
37. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
38. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
39. There are no regulatory examinations currently in progress for which we have not received examination reports.

40. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

Nonattest Services

41. You have provided nonattest services, including the following, during the period of this engagement:
- Limited assistance with preparation of the financial statements and SEFSA
 - Uploading of data input worksheet and financial statements to the North Carolina State Treasurer's website
42. With respect to these services:
- a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
 - c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - d. We have evaluated the adequacy of the services performed and any findings that resulted.
 - e. We have established and maintained internal controls, including monitoring ongoing activities.
 - f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

43. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
44. With regard to supplementary information:
- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
 - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

45. With regard to other information that is presented in the form of our annual report:
- a. We confirm that the annual comprehensive financial report comprises the annual report for the entity.
 - b. We have provided you with the final draft of the annual report.

Transactions, Records, & Adjustments

46. All transactions have been recorded in the accounting records and are reflected in the financial statements.
47. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
48. We have everything we need to keep our books and records.
49. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
50. There are no uncorrected misstatements or omitted disclosures.

Governmental Accounting & Disclosure Matters

51. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
52. With regard to deposit and investment activities:
- a. All deposit, repurchase and reverse repurchase agreements, and investment transactions have been made in accordance with legal and contractual requirements.
 - b. Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
 - c. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.
 - d. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.
53. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
54. We have identified and evaluated all potential fiduciary activities. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended, as applicable.
55. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned)

are properly classified and, if applicable, approved.

56. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
57. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance is available and have determined that net position is properly recognized under the policy.
58. The entity has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in debt agreements related to significant default or termination events with finance-related consequences, and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
59. The entity's ability to continue as a going concern was evaluated and that appropriate disclosures are made in the financial statements as necessary under GASB requirements.
60. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis (budgetary comparisons, modified approach to infrastructure, pension, and other postemployment benefit information), has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions, and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.
61. With regard to pension and other postretirement benefits (OPEB):
 - a. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We have provided you with the entity's most current pension plan instrument for the audit period, including all plan amendments.
 - c. The participant data provided to you related to pension plans are true copies of the data submitted or electronically transmitted to the plan's actuary.
 - d. The participant data that we provided the plan's actuary for the purposes of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statements were complete.

General Government Matters

62. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
63. All funds that meet the quantitative criteria in in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and*

Analysis-for State and Local Governments: Omnibus—an Amendment of GASB Statements No. 21 and No. 34, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

64. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
65. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
66. We have appropriately disclosed that the entity is following either its established accounting policy regarding which governmental fund resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes and have determined that fund balance is properly recognized under the policy.
67. We have exercised due care in the preparation of the introductory and statistical sections included in our annual comprehensive financial report (ACFR) and are not aware of any information contained therein that is inconsistent with the information contained in our basic financial statements.

Accounting & Disclosure

68. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
69. Except as reflected in the financial statements, there are no:
 - a. Plans or intentions that may materially affect carrying values or classifications of assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or fund balance.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements.
 - g. Guarantees, whether written or oral, under which the entity is contingently liable.
 - h. Known or anticipated asset retirement obligations.

- i. Supplier finance arrangements.

70. Except as disclosed in the financial statements, the entity has:

- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
- b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

71. We agree with the findings of specialists in evaluating the pension liabilities and have adequately considered the qualification of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.

Revenue, Accounts Receivable, & Inventory

72. Adequate provisions and allowances have been accrued for any material losses from:

- a. Uncollectible receivables.
- b. Excess or obsolete inventories.
- c. Sales commitments, including those unable to be fulfilled.
- d. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

73. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.

74. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations, which refer to volumes of business, revenues, available sources of supply, or markets, loans, investments, or deposits, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

75. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:

- a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.
- b. The measurement methods and significant assumptions used in determining fair value are

appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.

- c. The significant assumptions appropriately reflect market participant assumptions.
- d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Pension & Postretirement Benefits

76. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.



Doug Willardson, Village Manager



Dana Van Nostrand, Financial Services Director

Village of Pinehurst, North Carolina

Annual Comprehensive Financial Report



For the Fiscal Year Ended
June 30, 2024

Prepared by
Financial Services Department

Dana Van Nostrand, CPA
Financial Services Director

INTRODUCTORY SECTION

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Village of Pinehurst, North Carolina

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LETTER OF TRANSMITTAL

October 17, 2024

Dear Mayor, Members of the Village Council, and Residents:

The Annual Comprehensive Financial Report of the Village of Pinehurst, North Carolina (Village) is submitted for your review and use. This report was prepared by the Village's Financial Services Department, and it is the comprehensive publication of the Village's financial position and results of operations for the fiscal year ended June 30, 2024. The Village, like all other local governments in the State, is required by State law to publish a complete set of financial statements within four months of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report is published to fulfill that requirement for the fiscal year ended June 30, 2024, and to provide further accountability to residents and other interested parties by providing a more comprehensive report in lieu of the minimum basic financial statement requirements.

As an annual comprehensive financial report, this document provides financial detail and historical trends beyond the basic financial statements in the Financial Section. The Supplementary Information provides details on the Village's pension plans. The Statistical Section provides trend information on financial performance, revenue capacity, debt capacity, demographic and economic indicators, and operating information. A Compliance Section includes documentation on federal and state grants and awards compliance.

Village management is responsible for both the accuracy of the data and the completeness and fairness of the report. To ensure reliability of the information, Village management has established a comprehensive framework of internal controls. Internal controls protect the Village's assets from loss, theft and misuse and provide reliable information for the preparation of this report. Because the cost of internal controls should not outweigh their benefits, the Village's controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, to the best of our knowledge and belief, this financial report is complete, accurate and reliable in all material respects.

As noted earlier, the Village is required by state law to have an annual independent financial audit. FORVIS, LLP, Certified Public Accountants, conducted the audit and concluded that there was a reasonable basis for rendering an unmodified ("clean") opinion that the Village's financial statements for the fiscal year ended June 30, 2024 are fairly presented in conformity with GAAP. The independent auditor's report on the basic financial statements is located at the beginning of the Financial Section of this report.

In addition to the independent audit of the financial statements, a compliance audit on state financial assistance is also required by the State Single Audit Implementation Act. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of state awards. These reports are in the Compliance Section of this Annual Comprehensive Financial Report.

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

Profile of the Village

"The Village of Pinehurst is a charming, vibrant community which reflects our rich history and traditions." This vision statement adopted by the Village Council is reflective of what we aspire to be as a community. Our mission is to "promote, enhance, and sustain the quality of life for residents, businesses, and visitors." The Village was incorporated in 1980 and is located in the Sandhills Region of North Carolina. The Village has a land area of

approximately 17 square miles, and an estimated population of over 18,000. Pinehurst is the largest of eleven municipalities in Moore County. The Village is empowered to levy a property tax on both real estate and personal properties located within its boundaries. It also is empowered, by state statute, to extend its corporate limits by annexation on a limited basis.

The Village has operated under the Council-Manager form of government since its incorporation in 1980. Policy making and legislative authority are vested in the Village Council consisting of the mayor and four other members. The Village Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Village's manager and attorney. The Village Manager is responsible for carrying out the policies and ordinances of the Village Council, overseeing the day-to-day operations of the Village, and appointing the heads of the various departments. Four members of the Village Council and the Mayor are elected to four-year staggered terms. The Council then selects the Mayor Pro-tem and Treasurer from within the Council membership.

The Village provides a full range of services, including police and fire protection, maintenance of streets and infrastructure, planning and building inspections, solid waste services, and recreational activities.

The Pinehurst Village Council is required to adopt a budget by July 1 of each year. The Village's budget ordinance creates a legal limit on spending authorizations and serves as the foundation for Pinehurst's financial planning and control. The budget is prepared by fund and department. The budget ordinance authorizes the Village Manager to make all budget transfers within a department and transfers up to \$25,000 between departments in a single budget amendment within the same fund. This authority is granted to facilitate budget execution consistent with Council intent.

Local Economy

The Village is primarily a residential community with a historically strong growth rate in residential development. Over the past year, the Village saw a steady local housing market. In fiscal year (FY) 2024, 76 new homes were permitted for construction in the Village (including the extraterritorial jurisdiction), which is an increase from the 42 home construction permits in the previous year.

The tourism industry contributes significantly to the economic well-being of the Village. Moore County ranks tenth out of one-hundred North Carolina counties in tourism, with an estimated \$805 million in annual tourism generated revenues according to *The Economic Impact of Travel on North Carolina Counties* study prepared for Visit North Carolina by Tourism Economics. This is due primarily to the world-renowned reputation of Pinehurst Resort, which is owned by the privately held company Pinehurst, LLC. The resort's golf, hotel, and spa amenities draw tourists from all over the world because of its exceptional quality. Pinehurst Resort is the Village's largest taxpayer and employs nearly 1,400 people. Pinehurst Resort hosted the 1999, 2005, 2014, and 2024 U.S. Open Golf Championships. In 2024, the United States Golf Association (USGA) opened its second headquarters in Pinehurst, named Golf House Pinehurst, as part of a multi-million dollar incentive package. Pinehurst No. 2 is the first anchor site for future U.S. Open championships with five men's championship events scheduled over the next 25 years.

The Village also claims a top-notch regional health facility, FirstHealth of the Carolinas. FirstHealth is a private, not-for-profit health care system based in Pinehurst which serves 15 counties. FirstHealth is the County's largest private employer, employing over 4,600 health care professionals and staff. Their commitment to quality is evidenced by FirstHealth's flagship hospital, Moore Regional, being consistently named among the Top 100 Hospitals in the country.

Long-Term Financial Planning and Major Initiatives

The Village is committed to maintaining a strong financial condition. The Village Council's adopted fund balance policy requires the Village to maintain a minimum unassigned General Fund balance of 15% of actual expenditures as reported in the Village's annual comprehensive financial report. In addition, when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance of at least 30%. The policy also states that when total fund balance at June 30 is in excess of 40% of actual General Fund expenditures, Council may commit excess fund balance for future capital needs. At June 30, 2024, the General Fund's unassigned fund balance of \$3.7 million represented 15% of General Fund actual expenditures and total fund balance of \$23.5 million was 81% of budgeted expenditures. In FY 2024, Council approved a resolution to commit excess funds for future capital needs totaling \$9.7 million.

In FY 2025, the Village adopted its twelfth Strategic Operating Plan (SOP). This strategic planning process was adopted as a part of implementing the Malcolm Baldrige Performance Excellence Framework and is designed to

provide an integrated approach to organizational performance management. The SOP includes a one-year budget and a five-year financial forecast that incorporates a five-year capital improvement plan (CIP). The SOP is a strategic, results-driven approach to resource allocation that is closely aligned with the Village Council's strategy and achieving the results articulated in the Village's balanced scorecard.

The Village Council maintains nine organizational goals for the FY 2025 Strategic Operating Plan to achieve its mission. These overarching community goals are as follows: (1) safeguard the community, (2) support high-quality neighborhoods, development, and appearance, (3) support a thriving business community, (4) support and promote transportation mobility and connectivity, (5) preserve quality of the environment, (6) promote active living and cultural opportunities, (7) professionally manage a high-performing organization, (8) attract and retain an engaged workforce, and (9) maintain a healthy financial condition.

Major initiatives of the FY 2025 Strategic Operating Plan to address these goals include:

- Update the Pinehurst Development Ordinance
- Relocation of the Public Services Complex to allow for redevelopment of Village Place
- Retrofit current athletic fields with synthetic turf
- Expand and renovate Given Memorial Library and Tufts Archives

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 31st consecutive year the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended June 30, 2024. This was our 17th consecutive year receiving this award. We were awarded the Special Performance Measures Recognition in five of those years. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Financial Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the Village Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Village's finances.

Respectfully submitted,



Doug Willardson
Village Manager



Dana Van Nostrand
Financial Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

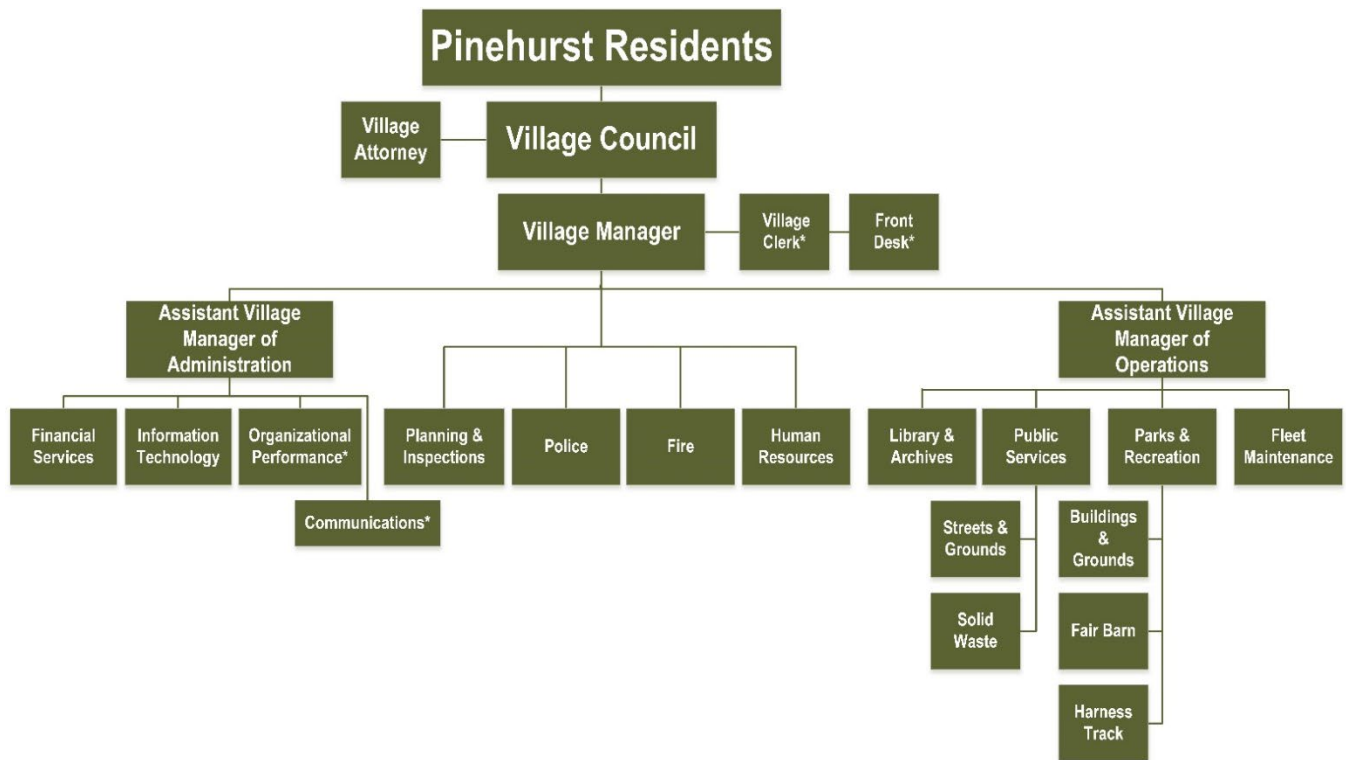
**Village of Pinehurst
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Village of Pinehurst, North Carolina

Organizational Chart June 30, 2024



* This function is included in the Administration Department.

**Village of Pinehurst, North Carolina
List of Principal Officials
As of June 30, 2024**

Elected Officials

Patrick Pizzella	Mayor
John Taylor	Mayor Pro-Tem
Barb Ficklin	Treasurer
Jeff Morgan	Council Member
Jack Farrell	Council Member

Appointed Officials

Jeffrey M. Sanborn	Village Manager
Carlton Cole	Assistant Village Manager
Doug Willardson	Assistant Village Manager
Michael J. Newman	Village Attorney
Shannon Konstantinou	Village Clerk
Dana Van Nostrand	Financial Services Director
Matthew McKirahan	Organizational Performance Director
Angela Kantor	Human Resources Director
Jason Whitaker	Chief Information Officer
Glen Webb	Police Chief
Derrick Clouston	Interim Fire Chief
Alex Cameron	Planning & Inspections Director
Mike Apke	Public Services & Engineering Director
Angie Whisnant	Parks & Recreation Director
Audrey Moriarty	Library & Archives Director

Independent Auditor's Report

The Honorable Mayor and
Members of the Village Council
Village of Pinehurst
Pinehurst, North Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Pinehurst, North Carolina ("the Village") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise of the Village's basic financial statements listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village as of June 30, 2024, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and the Sandhills Metropolitan Planning Organization Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Audit of the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 17, Local Government Employees' Retirement System Schedule of the Proportionate Share of the Net Pension Liability (Asset) on page 51, Local Government Employees' Retirement System Schedule of Contributions on page 52, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and the Total Pension Liability as a Percentage of Covered-Employee Payroll on pages 53 and 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the Village. The individual fund statements, budgetary schedules, and other schedules, as well as the accompanying schedule of expenditures of federal and state awards, as required by the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund statements, budgetary schedules, other schedules, and schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2024, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Forvis Mazars, LLP

Winston-Salem, North Carolina
October 17, 2024

Management's Discussion and Analysis

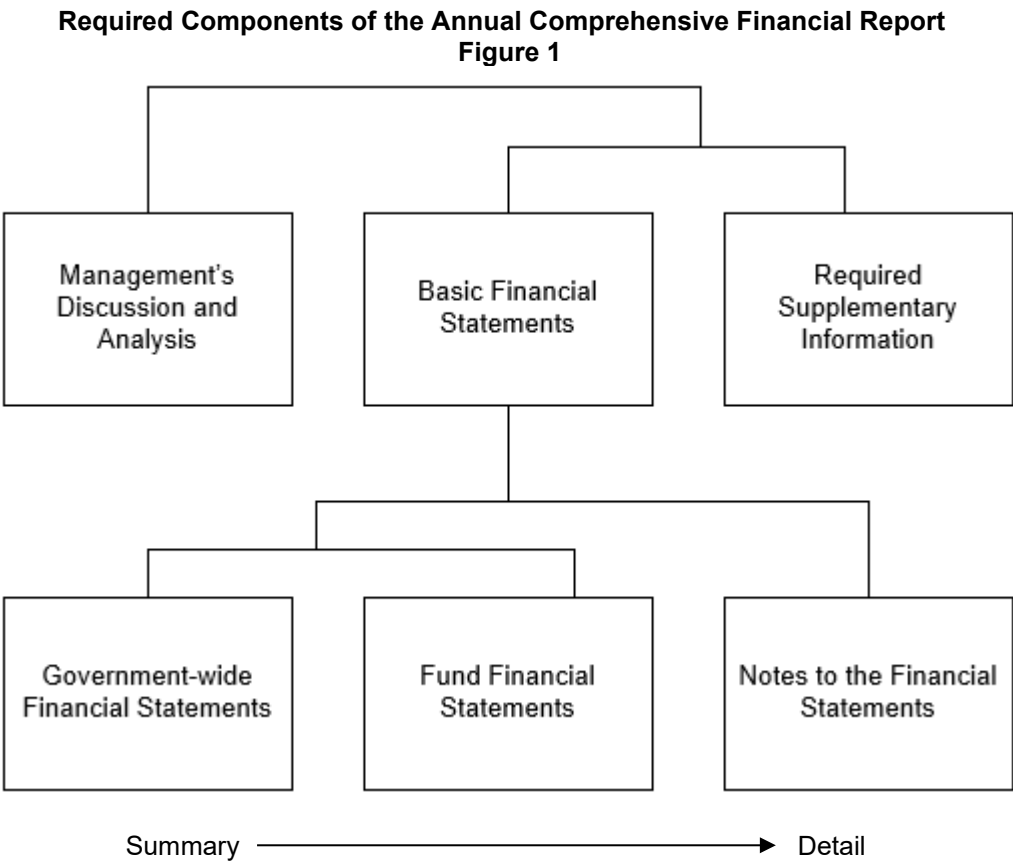
As management of the Village of Pinehurst (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information we have furnished in the Village's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$51.4 million (*net position*).
- The Village's total net position increased by \$3.2 million primarily due to a \$1.8 million increase in property tax and sales tax revenues, over \$1.2 million in investment income, and a \$956 thousand net increase in capital assets, offset by an \$812 thousand net increase in the LGERS net pension liability.
- At the end of the current fiscal year, the Village's governmental funds, consisting of the General Fund, Sandhills Metropolitan Planning Organization (SMPO) Special Revenue Fund, and Library Expansion Capital Project Fund, reported combined ending fund balances of \$24.8 million, an increase of \$3.0 million in comparison with the prior year. This increase was driven by revenue growth outpacing expenditure increases, particularly growth in ad valorem and sales taxes, investment income, and the one-time licensing fee for the U.S. Open Championship in June 2024.
- The SMPO Special Revenue Fund was established in 2024 to account for the use of federal and state grant funds received from the Federal Highway Administration and North Carolina Department of Transportation for the operation of the SMPO. The Village is the lead planning agency for the SMPO responsible for the budgeting, accounting, and financial reporting of the SMPO.
- At the close of the current fiscal year, unassigned fund balance for the General Fund was \$3.7 million, or 15% of total general fund expenditures for the fiscal year. This amount is available for spending at the Village's discretion. Committed fund balance for the General Fund totaled \$10.3 million, which includes \$545 thousand for improvements to the Given Memorial Library and Tufts Archives building and other operational improvements and \$9.7 million for future capital needs per the Village's fund balance policy.
- The Village had no installment purchase debt and no general obligation bonded debt as of June 30, 2024. The Village had \$288 thousand of long-term liabilities associated with multi-year lease and software subscription agreements. See notes 1 and 5 for more information.
- Throughout the year, the Village's deposits were insured or collateralized as required by State law. Total investment earnings exceeded \$1.2 million, which is equivalent to an annual return of approximately 5.10% on the average amount of cash and cash equivalents during the year. The investment return increased considerably compared to the prior year return of 3.69% due to higher interest rates and a higher average cash balance. At fiscal year's end, 97% of the Village's cash and investments were invested with the North Carolina Capital Management Trust (NCCMT) Government Portfolio.
- The Village has received the Certificate of Achievement for Excellence in Financial Reporting for 31 consecutive years. The Certificate of Achievement is the highest form of recognition awarded in the field of governmental financial reporting.
- For the 2024 fiscal year, the Village received the Distinguished Budget Presentation Award for the 17th consecutive year from the Government Finance Officers Association for its annual budget. We were awarded the Special Performance Measures Recognition in 2024, marking the fifth time the Village received this recognition.

Overview of the Financial Statements

The Village provides both an introductory and financial section in the annual comprehensive financial report (ACFR). As Figure 1 shows below, the financial section has three required components—management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. This discussion and analysis is intended to serve as an introduction to the Village’s basic financial statements and provide management’s analytical insights on the information contained in the basic financial statements. The Village’s basic financial statements consist of three components—(1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The basic financial statements present two different views of the Village through the use of government-wide statements and fund financial statements. The government-wide financial statements provide a long-term perspective on the Village’s overall financial status. The fund financial statements focus on the Village’s operations in more detail with a short-term perspective. The notes provide additional explanations and more detailed data and are an integral part to understanding the 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 Village.



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 Village’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 Village’s government, illustrating how government services were funded and what remains for future spending. These statements provide more detail than the government-wide statements.

There are two parts to the Fund Financial Statements: (1) the governmental funds statements; and (2) the budgetary comparison statements.

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Village'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 Village'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 Village's financial status as a whole.

The two government-wide statements report the Village's net position and how it has changed. Net position is the difference between the Village'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 Village's financial condition.

The government-wide statements are divided into three categories: (1) governmental activities; (2) business-type activities; and (3) component units. The governmental activities include all of the Village's basic services such as public safety, parks and recreation, and general administration. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those that the Village charges customers to provide. The Village does not engage in any business-type activities as of June 30, 2024. The final category is the component unit. The Village does not have any component units as of June 30, 2024.

The government-wide financial statements are in Exhibits 1 and 2 of the basic financial statements.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Village'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 Village, 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 North Carolina General Statutes or the Village's budget ordinance. The Village had three funds during fiscal year 2024, the General Fund, the SMPO Special Revenue Fund, and the Library Expansion Capital Project Fund, which are all governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Village'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 moneys 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 Village'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 governmental fund financial statements and reconciliations to the government-wide financial statements are in Exhibits 3 through 6 of the basic financial statements.

The Village adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the residents of the Village, the management of the Village, and the Village Council about which services to provide and how to pay for them. It also authorizes the Village to obtain funds from identified sources to finance these current period activities. The budgetary statement

provided for the General Fund demonstrates how well the Village complied with the budget ordinance and whether the Village 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 Village Council; (2) the final budget as amended by the Council; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges. The budgetary comparison statement is presented as Exhibit 7 of the basic financial statements.

A grant project ordinance was adopted in February 2024 for the SMPO Special Revenue Fund. The SMPO Special Revenue Fund is budgeted each fiscal year to coincide with the annual federal and state grant awards that fund it. The budgetary comparison statement for this fund is presented as Exhibit 8 of the basic financial statements.

A multi-year project ordinance was adopted for the Library Expansion Capital Project Fund, as the expansion will take more than one fiscal year to design and build. Design work began in FY 2023 and continued through FY 2024. Funds were transferred from the General Fund to the Library Expansion Capital Project Fund in FY 2023 to fund future construction costs. The budget-to-actual comparison statement for this fund is presented in Schedule 3.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 51 of this report.

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

Government-Wide Financial Analysis

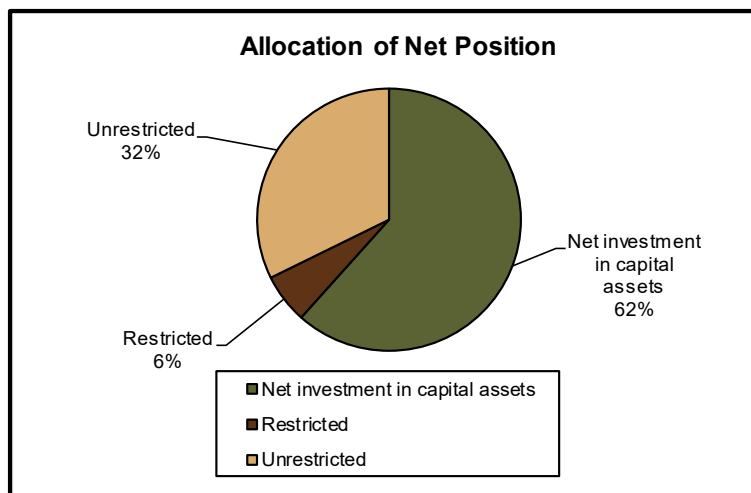
Net Position

The following (Figure 2) reflects condensed information on the Village's net position:

Village of Pinehurst's Net Position
Figure 2

	Governmental Activities 2024	Governmental Activities 2023	\$ Change	% Change
Current and other assets	\$ 26,311,567	\$ 23,211,581	\$ 3,099,986	13%
Non-current lease receivable	18,122	25,748	(7,626)	-30%
Capital assets, net	32,009,987	31,053,754	956,233	3%
Total assets	58,339,676	54,291,083	4,048,593	7%
Deferred outflows of resources	4,601,853	4,467,795	134,058	3%
Long-term liabilities outstanding	9,654,289	8,815,491	838,798	10%
Other liabilities	1,510,407	1,428,995	81,412	6%
Total liabilities	11,164,696	10,244,486	920,210	9%
Deferred inflows of resources	357,471	285,420	72,051	25%
Net position:				
Net investment in capital assets	31,673,632	30,435,847	1,237,785	4%
Restricted for:				
Stabilization by state statute	3,129,262	3,067,395	61,867	2%
Public safety	10,551	19,469	(8,918)	-46%
Unrestricted	16,605,917	14,706,261	1,899,656	13%
Total net position, ending	\$ 51,419,362	\$ 48,228,972	\$ 3,190,390	7%

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Village exceeded liabilities and deferred inflows by \$51.4 million as of June 30, 2024. The Village's net position increased by \$3.2 million from June 30, 2023. The largest portion of net position, \$31.7 million, or 62%, reflects the Village's net investment in capital assets (e.g., land, right of ways, buildings, machinery and equipment, right-to-use assets). The Village uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the Village'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 Village's net position, \$3.1 million, or 6%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$16.6 million, or 32%, is unrestricted.



Governmental Activities

As shown in Figure 3 below, governmental activities increased the Village's net position by \$3.2 million.

Village of Pinehurst's Change in Net Position
Figure 3

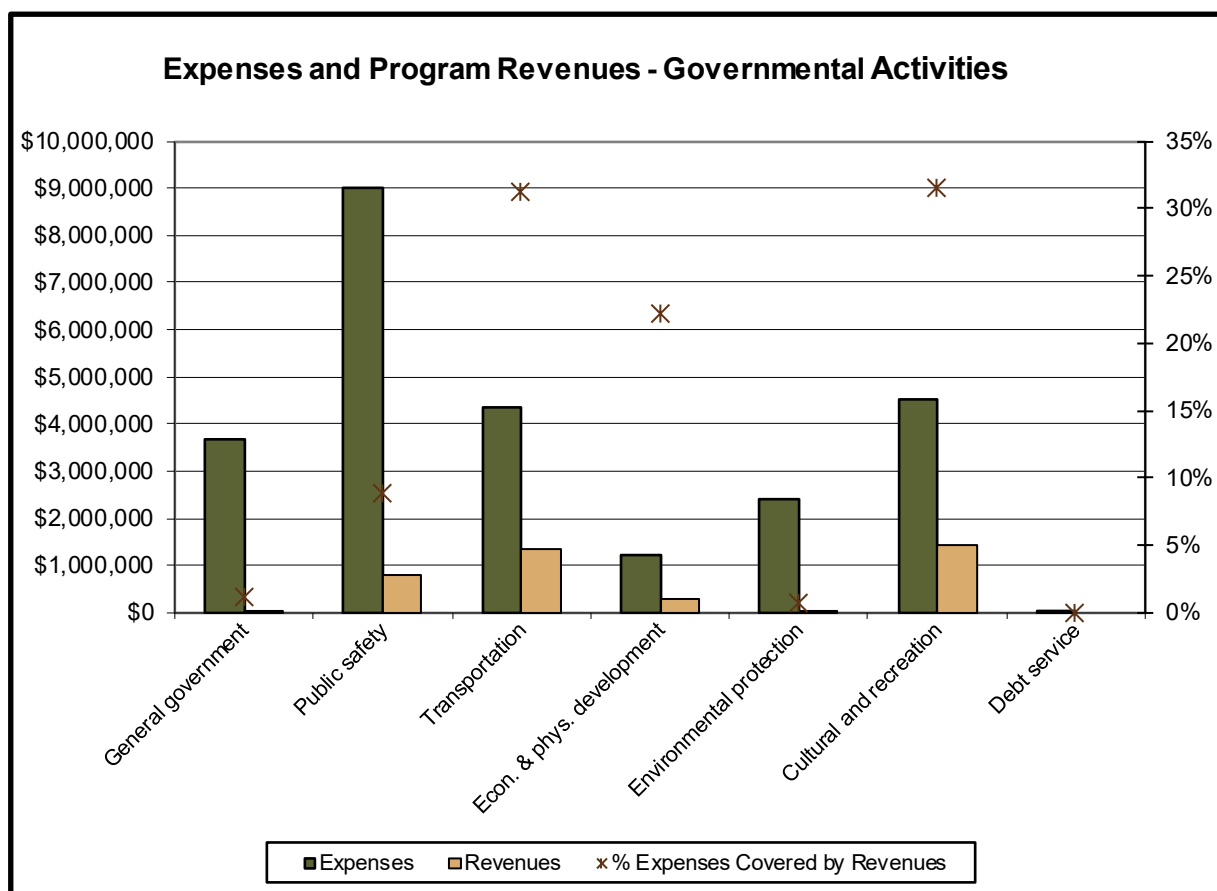
	Governmental Activities 2024	Governmental Activities 2023	\$ Change	% Change
Revenues:				
Program revenues:				
Charges for services	\$ 2,304,864	\$ 1,877,712	\$ 427,152	23%
Operating grants and contributions	924,961	773,792	151,169	20%
Capital grants and contributions	679,704	386,795	292,909	76%
General revenues:				
Property taxes	13,644,970	12,339,658	1,305,312	11%
Other taxes	9,001,677	8,478,949	522,728	6%
Grants and contributions not restricted to specific programs	-	5,296,752	(5,296,752)	-100%
Other	1,810,951	1,266,438	544,513	43%
Total revenues	<u>28,367,127</u>	<u>30,420,096</u>	<u>(2,052,969)</u>	-7%
Expenses:				
General government	3,667,680	3,274,557	393,123	12%
Public safety	8,999,234	8,337,760	661,474	8%
Transportation	4,338,247	4,053,417	284,830	7%
Economic and physical development	1,225,704	1,061,855	163,849	15%
Environmental protection	2,422,278	2,171,713	250,565	12%
Cultural and recreation	4,516,485	4,300,548	215,937	5%
Interest on long-term debt	7,109	7,779	(670)	-9%
Total expenses	<u>25,176,737</u>	<u>23,207,629</u>	<u>1,969,108</u>	8%
Increase in net position	3,190,390	7,212,467	(4,022,077)	-56%
Net position, July 1	48,228,972	41,016,505	7,212,467	18%
Net position, June 30	<u>\$ 51,419,362</u>	<u>\$ 48,228,972</u>	<u>\$ 3,190,390</u>	7%

Several aspects of the Village's financial operations influenced the positive change in total governmental net position:

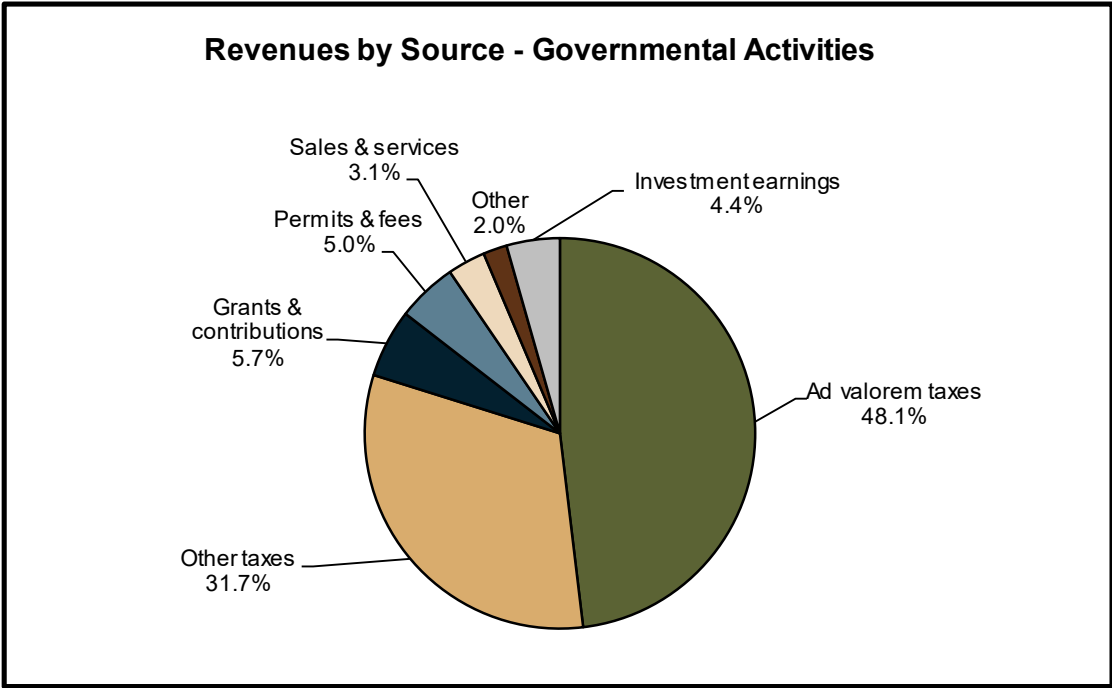
- Adopting an inflation-adjusted revenue-neutral tax rate of \$0.23 per \$100 of valuation in fiscal year 2024. This tax rate, along with the higher ad valorem tax base from the County's revaluation in 2024, increased ad valorem tax revenue by \$1.3 million, or 11%, compared to fiscal year 2023 to recoup the effects of inflation since the last revaluation in 2019.
- Continued diligence in the collection of property taxes by maintaining a tax collection percentage in the General Fund of 99.96%, which is higher than the statewide average in the Village's population peer group of 99.45%.
- Other taxes, comprised of local option sales taxes, utility taxes, and other sales taxes, increased by \$523 thousand, or 6%, due to increased collections of local option sales taxes. Moore County and the Village's local option sales tax collections typically outperform the statewide average, which was 2.8%.

- Investment income increased substantially due to higher interest rates. The Village realized \$417 thousand more investment income in fiscal year 2024 than 2023. The annual yield improved from 3.69% in 2023 to 5.10% in 2024 coupled with an increase in the average investment balance.
- Expenses net of program revenues increased by \$1.1 million, or 5%. This result was influenced by the following factors:
 - Program expenses were \$2.0 million, or 8%, higher than in the previous fiscal year. Salary and benefit expenses (excluding pension expense) increased \$1.6 million, or 12%, compared to the previous fiscal year. This is due to cost-of-living and merit salary increases and the effect on the associated benefits during the year. The retirement contribution rates also increased during the year.
 - The Village's net pension expense for the Local Government Employees Retirement System (LGERS) of \$2.0 million was \$218 thousand more than last year. The net pension expense is allocated to each of the functions in the statement of activities.
 - Charges for services increased \$427 thousand, or 23%, driven by the \$350 thousand licensing fee paid by the USGA for the U.S. Open Championship in June 2024. This licensing fee compensates the Village for the use of certain Village properties, permits and inspection fees, and other services associated with the event.
 - Capital grants and contributions increased \$293 thousand, or 76%, as the street and right-of-way donations to the Village were higher in fiscal year 2024 than 2023.

The graph below compares the program revenues and expenses for each function and the percentage of expenses covered by the program revenues:



The percentage of expenses covered by program revenues ranges from 0-32% for each function. This is typical of the Village which relies heavily on general revenues, such as ad valorem (property) taxes and other taxes (sales taxes) as illustrated in the graph below:



Business-Type Activities

The Village does not currently engage in business-type activities.

Financial Analysis of the Village's Funds

The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Village'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.

On June 30, 2024, the governmental funds of the Village reported a combined fund balance of \$24.8 million, an increase of \$3.0 million, or 14%, over last year. This large increase was driven by nearly \$1.3 million in investment income and a \$1.3 million increase in ad valorem tax revenues to adjust for inflation over the last four years since the previous county property revaluation.

General Fund

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3.7 million, while total fund balance reached approximately \$23.5 million. The Village Council has established by policy that the Village should maintain a minimum unassigned fund balance of 15% of actual general fund expenditures at year end and total fund balance of at least 30% of budgeted general

fund expenditures when adopting the annual budget. Fund balance at these levels is maintained to meet the cash flow needs of the Village and to be prepared for unforeseen emergencies and opportunities.

The fund balance policy also states that when total fund balance at June 30 is in excess of 40% of actual General Fund expenditures, Council may commit excess fund balance for future capital needs. However, the amount of fund balance committed for future capital needs shall never cause unassigned General Fund fund balance to fall below the 15% unassigned fund balance minimum. In fiscal year 2024, Council approved a resolution to commit excess funds for future capital needs totaling \$9.7 million. Council also approved a resolution in fiscal year 2021 to commit \$1.0 million for improvements to the existing Given Memorial Library and Tufts Archives building and other operational improvements, of which \$545 thousand in commitments remain. The Village currently has unassigned fund balance of 15% of actual general fund expenditures, while total fund balance represents 81% of budgeted expenditures, which comply with the fund balance policy. The Village has been building up fund balance for the last several years to fund the new library and Tufts Archives renovation projects, which are accounted for in the Library Expansion Capital Project Fund, in cash from the General Fund.

The Local Government Commission (LGC) of the North Carolina Department of the State Treasurer provides resources, guidance, and oversight to local government units throughout the state. One fund balance measure the LGC monitors to assess the financial health of the unit is available fund balance as a percentage of actual expenditures. The Village's available fund balance was 81% of actual expenditures for fiscal year 2024, compared to the statewide average in the Village's population peer group of 68% from fiscal year 2023 (latest data available).

Fund balance in the Village's General Fund increased by \$3.1 million during the 2024 fiscal year. Key components of this change are as follows:

- The Village adopted an inflation-adjusted revenue-neutral tax rate of \$0.23 per \$100 of valuation for fiscal year 2024. This tax rate was intended to adjust for the effects of inflation since Moore County's last property revaluation in 2019 and resulted in \$1.3 million more in ad valorem tax revenue than the prior year.
- Sales tax revenues of \$9.0 million increased \$523 thousand, or 6%, due to strong tourism in the county and price inflation.
- Permits and fees revenues totaling \$1.4 million increased \$424 thousand, or 13%. The majority of the increase (\$350 thousand) is from the U.S. Open Championship licensing fee. The Village also realized higher planning and zoning fees as more residential and commercial permit applications were received than last year.
- Investment income of \$1.2 million was \$417 thousand, or 49%, more than fiscal year 2023. This increase is due to the rise in interest rates which held steady above 5% throughout fiscal year 2024 on a higher average balance invested in the North Carolina Capital Management Trust.
- The terms of the library transfer agreement between the Village and the Given Tufts Foundation require the net proceeds from the Given Bookshop operations be remitted to the Village. In fiscal year 2024 the Village received the first payments for bookshop net proceeds, totaling \$107 thousand, for calendar years 2022 and 2023.
- Actual operating expenditures of over \$22.0 million were \$1.7 million higher than last year. This was due to a \$1.6 million increase in salaries and benefits resulting from cost-of-living and merit salary increases coupled with higher pension contribution rates. Non-personnel operating expenditures were relatively flat.
- Capital expenditures totaling \$2.9 million were \$1.2 million less than prior year. Fiscal year 2023 had a significant outflow of \$1.3 million for the Cannon Park turf field installation. The fiscal year 2024 capital investments consisted primarily of routine purchases and replacements with no one-time large-scale projects.

SMPO Special Revenue Fund

The SMPO had \$23 thousand of expenditures in its first year of operations which was a partial year. The expenditures primarily consisted of salaries and benefits for Village staff to perform SMPO tasks. Funds were also spent on advertising and training. The SMPO is funded by federal transportation planning grants which require a local match. The SMPO's local match is from member dues. Both the federal grant (80%) and local match (20%) portions are received on a reimbursement basis, i.e. the Village pays for the SMPO expenditures from General Fund cash until the grant and local match funds are received and the General Fund cash is reimbursed. As of June 30, 2024, the SMPO Special Revenue Fund was due over \$18 thousand in federal grant funds from the North Carolina Department of Transportation and \$3 thousand from member governments for dues. The Village's share of member dues to the SMPO are reported as an operating expenditure of the general government function in the General Fund. The SMPO Special Revenue Fund owed \$22 thousand to the General Fund as of June 30, 2024. Since the SMPO Special Revenue Fund is fully funded from grants and member dues to reimburse actual expenditures, the fund does not have fund balance.

Library Expansion Capital Project Fund

The Library Expansion Capital Project Fund started fiscal year 2024 with \$1.4 million in fund balance. During fiscal year 2024, \$67 thousand of investment income was added and \$212 thousand was spent on the design of the new library building. The investment income increased \$44 thousand compared to the prior year as interest rates rose. The Library Expansion Capital Project Fund cash and investment balance also grew by \$1 million from the transfer from the General Fund made in fiscal year 2023. Expenditures increased by \$190 thousand as the design work was substantially completed in fiscal year 2024. This fund ended the fiscal year with over \$1.2 million in fund balance which is committed to be used in fiscal year 2025 to complete design and begin construction of the new library.

Proprietary Funds

The Village does not have any proprietary funds.

General Fund Budgetary Highlights

The Village employs conservative budgetary practices. Revenue estimates are based on conservative assumptions and projections. Village departments are encouraged to provide a high level of service to the residents of the Village while working to responsibly spend and conserve financial resources.

During the fiscal year, the Village 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; (3) increases in appropriations that become necessary to maintain services; and (4) amounts that are carried over from the previous year and reappropriated for the subsequent year's expenditures.

In fiscal year 2024, the Village made the following key budget amendments to the General Fund:

- \$1.9 million for expenditures budgeted but not spent in fiscal year 2023 that were reappropriated for spending in fiscal year 2024. This was offset by increasing fund balance appropriated.
- Mid-year budget amendments based on management's projections of revenues and expenditures through the end of the fiscal year. Investment income, library donations, and several other revenue budgets were increased along with adjustments to expenditures which allowed the fund balance appropriation to be reduced by nearly \$1.0 million.
- Adjustments to the budget to appropriate funds as debt service rather than operating expenditures for the lease liability payments, appropriate funds for the capital outlays for the subscription assets, and

add other financing sources for the subscription liabilities recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). These budget amendments need to be made as contracts are negotiated with the software vendors since the specific terms of the contracts are not known when the budget is developed and the terms of each contract dictate whether or not GASB 96 applies to the software subscription.

Comparing budget to actual amounts, the Village exceeded the final budgeted operating revenue estimates by \$794 thousand, or 3%. The primary revenues that came in above estimated budget amounts were unrestricted intergovernmental revenues (sales taxes), investment income, and miscellaneous revenues. Unrestricted intergovernmental revenues were \$239 thousand above budget, due to higher local option sales taxes than anticipated. Investment income was \$342 thousand more than the budget due to higher interest rates and a higher investment balance than projected during the mid-year budget amendment process. Miscellaneous revenues were \$110 thousand more than budgeted due to the Given Bookshop net proceeds paid to the Village by the Given Tufts Foundation.

Total expenditures were \$4.0 million, or 14%, less than the final budgeted amounts. Expenditures were less than budgeted amounts for the following significant items:

- Salaries and benefits were \$1.0 million lower due to employee vacancies related to retirements and turnover coupled with group insurance and workers' compensation insurance premiums being lower than projected in the budget
- Contracted and professional services were underspent by \$216 thousand
- \$568 thousand of operating expenditures were planned but not completed by June 30, 2024. These funds were reappropriated in fiscal year 2025.
- Capital expenditures were \$1.5 million below budget due to projects that were budgeted but not completed in fiscal year 2024, most notably \$1.2 million for stormwater, streetscape, intersection, and pedestrian improvement projects and \$117 thousand for public safety equipment that was ordered but not received by June 30, 2024. Of the \$1.5 million budget-to-actual variance for capital, \$1.4 million was reappropriated in fiscal year 2025.

As a result of the variances in revenues and expenditures outlined above, fund balance in the General Fund increased by \$3.2 million in fiscal year 2024. This resulted in the General Fund reporting ending fund balance of \$23.5 million, a 16% increase from the previous year.

Capital Asset and Debt Administration

Capital Assets

The Village's investment in capital assets for its governmental activities as of June 30, 2024 was \$32.0 million (net of accumulated depreciation and amortization). These assets include land, right of ways, buildings and improvements (including depreciable land improvements), furniture and equipment, vehicles, infrastructure such as streets and drainage systems, right-to-use lease and subscription assets, and construction in progress.

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

- Construction of new sidewalks and pathways totaling \$558 thousand
- Stormwater improvements totaling \$294 thousand
- Two garbage truck replacements costing \$486 thousand

- Routine replacements of four police vehicles totaling \$237 thousand
- Police dispatch radio replacement for \$115 thousand
- Harness Track grooms' quarters renovations, waste containment bins, and RV parking installation totaling \$163 thousand
- Donated right of ways, streets, and sidewalks totaling \$680 thousand

During fiscal year 2024, the Village disposed of various vehicles and equipment, including a garbage truck, with historical costs totaling \$576 thousand. These assets were fully depreciated at the time of disposal.

The Village also executed a land swap with Moore County during fiscal year 2024. The Village exchanged two properties with a historical cost of \$759 thousand for two properties costing \$336 thousand plus \$248 thousand in cash. The Village recognized a loss of \$175 thousand on the land swap in the government-wide statement of activities.

The table below contains the net capital asset balances as of June 30, 2024 and 2023.

Village of Pinehurst's Capital Assets
(net of depreciation and amortization)
Figure 4

	Governmental Activities 2024	Governmental Activities 2023
Land	\$ 6,729,276	\$ 7,152,311
Right of ways	650,067	586,398
Buildings and improvements	11,912,560	12,300,146
Furniture and equipment	1,069,628	1,182,402
Vehicles	3,458,999	3,471,357
Infrastructure	6,807,818	5,755,395
Right-to-use assets	477,766	457,212
Construction in progress	903,873	148,533
Total	<u>\$ 32,009,987</u>	<u>\$ 31,053,754</u>

Additional information on the Village's capital assets can be found in note 4 and more information on the right-to-use assets can be found in note 5.

Long-Term Debt

As of June 30, 2024, the Village had no outstanding debt in direct borrowing installment purchase agreements. The Village had \$288 thousand in outstanding lease and subscription liabilities as of June 30, 2024 which mature in 1-4 years. See note 5 for additional information on the lease and subscription liabilities.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Village is \$472.8 million. See Table 11 in the Statistical Section for the calculation of the Village's legal debt margin.

Additional information regarding the Village's long-term debt can be found in note 10 of this report.

Economic Factors and Next Year's Budgets and Rates

The following economic indicators and conditions reflect the current operating environment of the Village:

- ***Economic growth:*** Economic growth is moderating as interest rates have risen and credit has tightened. Growth in consumer spending is expected to slow, as wage growth plateaus and consumers have less excess savings and pent-up demand. This most significantly impacts the Village's sales tax revenues which are driven by consumer spending and make up approximately 27% of operating revenues. The Village experienced record levels of local option sales tax revenue growth from 2020-2022, however this growth has been waning.
- ***Inflation:*** The rate of inflation slowed over the past year with the consumer price index steadily declining from 6.4% in January 2023 to 3.1% in January 2024, averaging 4.1% for calendar year 2023. The inflation rate has remained stable since January 2024, with a June 2024 inflation rate of 3.0%. The rate of inflation places operating pressures on the Village's budget, particularly the cost-of-living salary increases which are tied to the consumer price index. It has also caused the cost of capital items to be higher than planned, as wage increases and the higher price of materials are passed to the consumers by suppliers.
- ***New home construction:*** New single-family home construction rebounded in the past year, with the Village adding 76 new homes in FY 2024 compared to 43 and 97 in fiscal years 2023 and 2022, respectively. We project approximately 75 homes to be built in FY 2025 based on housing market activity and planned development. The growth experienced over the past three years has added to our tax base and resulted in additional revenue available to provide and expand high-quality municipal services. The Village has also seen significant commercial development over the past five years.
- ***Growth and development:*** With population increasing and development continuing, the Village is focusing more resources to address the regulatory and infrastructure needs of the community, including investing in pedestrian facilities and stormwater maintenance projects. Also, the 2019 Comprehensive Plan recommended strategies to address current and projected growth in the Village. These strategies were integrated into the Village's strategic planning process.
- ***United States Golf Association (USGA) presence:*** Hosting the U.S. Open Championship over the years has proven to positively impact golf-related tourism. The USGA expanded its operations into Pinehurst with a \$25 million facility, Golf House Pinehurst, which opened in May 2024 that brought 50 new jobs. In addition, the USGA committed to hosting five Men's U.S. Open Championships in Pinehurst by 2047, the first of which occurred in June 2024. According to independent studies, the total economic impact of the USGA's long-term presence is estimated to exceed \$2 billion in North Carolina. To promote this economic development opportunity, the Village committed to ten years of economic incentive payments to the USGA equaling 90% of property taxes paid to the Village. The USGA has until December 31, 2024 to notify the Village of when the incentive payments will commence.

Budget Highlights for the Fiscal Year Ending June 30, 2025

Governmental Activities

General Fund revenues of the Village are expected to increase by 11% overall for fiscal year 2025. This is primarily due to the use of General Fund fund balance to transfer to the Library Expansion Capital Project Fund to fund construction expenditures. Operating revenues are budgeted to remain flat, as a decrease in ad valorem taxes is offset by expected increases in revenues from other sources, such as sales taxes and investment income. Property tax revenues are expected to decrease \$273 thousand, or 2.0% due to a half-cent reduction in the Village's tax rate from \$0.23 per \$100 of valuation in FY 2024 to \$0.225 in FY 2025.

Budgeted expenditures in the General Fund are estimated to be \$32.5 million, an increase of \$3.3 million, or 11%, from the fiscal year 2024 budget. This increase is driven by higher capital expenditures in FY 2025 for significant

capital projects, such as the synthetic turf installation at Wicker Park for \$1.4 million. Additionally, salary and benefit expenditures are budgeted to increase 4.7% due to cost-of-living and merit salary increases, higher pension contribution rates, increased insurance costs, and the addition of two full-time equivalent positions. The General Fund expenditure budget also includes a \$2.8 million transfer to the Library Expansion Capital Project Fund to fund construction expenditures as the project progresses in 2025.

In fiscal year 2025, the Village adopted its twelfth Strategic Operating Plan (SOP). This strategic planning process was adopted as a part of implementing the Malcolm Baldrige Performance Excellence Framework and is designed to provide an integrated approach to organizational performance management. The SOP includes a one-year budget and a five-year financial forecast that is inclusive of a five-year capital improvement plan (CIP). The SOP is a strategic, results-driven approach to resource allocation that is closely aligned with the Village Council's strategy and achieving the results articulated in the Village's balanced scorecard.

The Village Council maintains nine organizational goals for the FY 2025 Strategic Operating Plan to achieve its mission. These overarching community goals are as follows: (1) safeguard the community, (2) support high-quality neighborhoods, development, and appearance, (3) support a thriving business community, (4) support and promote transportation mobility and connectivity, (5) preserve the quality of the environment, (6) promote active living and cultural opportunities, (7) professionally manage a high-performing organization, (8) attract and retain an engaged workforce, and (9) maintain a healthy financial condition.

Major initiatives of the FY 2025 Strategic Operating Plan to address these goals include:

- Update the Pinehurst Development Ordinance
- Relocation of the Public Services Complex to allow for redevelopment of Village Place
- Retrofit current athletic fields with synthetic turf
- Expand and renovate Given Memorial Library and Tufts Archives

Total capital outlays of \$5.1 million are up \$635 thousand, or 14%, compared to the previous fiscal year due to significant non-recurring capital projects. The significant capital items included for FY 2025 are as follows:

- Wicker Park athletic field synthetic turf (1.4 million)
- Construction of pedestrian facilities (\$460 thousand)
- Stormwater drainage projects (\$450 thousand)
- Garbage truck replacements (\$420 thousand)
- Public Services relocation (\$400 thousand)
- Athletic field light upgrades and replacements (\$345 thousand)
- Five police vehicles (\$325 thousand)
- Various Harness Track improvements (\$203 thousand)
- Streetscape improvements (\$200 thousand)
- Handicap accessible van (\$124 thousand)

Business-Type Activities

The Village does not engage in any business-type activities.

Requests for Information

This report is designed to provide an overview of the Village'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 Dana Van Nostrand, Financial Services Director at 910-295-8646, or Village of Pinehurst, 395 Magnolia Road, Pinehurst, North Carolina 28374.

BASIC FINANCIAL STATEMENTS

Village of Pinehurst, North Carolina
Statement of Net Position
June 30, 2024

Exhibit 1

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents (note 2)	\$ 23,248,809
Taxes receivable, net	10,329
Lease receivable due in one year (note 5)	7,626
Accrued interest receivable	97
Other receivables, net (note 3)	31,922
Due from other governments	2,705,355
Inventories	47,318
Prepaid items	260,111
Total unrestricted current assets	<u>26,311,567</u>
Non-current assets:	
Lease receivable due in more than one year (note 5)	18,122
Capital assets, net (note 4):	
Land and non-depreciable improvements	6,729,276
Construction in progress	903,873
Right of ways	650,067
Buildings and improvements	11,912,560
Furniture and equipment	1,069,628
Vehicles	3,458,999
Infrastructure	6,807,818
Right-to-use assets (note 5)	477,766
Total capital assets	<u>32,009,987</u>
Total non-current assets	<u>32,028,109</u>
Total assets	<u>58,339,676</u>
Deferred Outflows of Resources (note 7)	
Pension deferrals (note 6)	4,601,853
Total deferred outflows of resources	<u>4,601,853</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	1,505,275
Accrued interest payable	5,132
Long-term liabilities due within one year (note 10)	774,369
Total current liabilities	<u>2,284,776</u>
Long-term liabilities:	
Long-term liabilities due in more than one year (note 10)	8,879,920
Total liabilities	<u>11,164,696</u>
Deferred Inflows of Resources (note 7)	
Prepaid taxes	183
Leases (note 7)	23,190
Pension deferrals (note 6)	334,098
Total deferred inflows of resources	<u>357,471</u>
Net Position	
Net investment in capital assets (note 12)	31,673,632
Restricted for:	
Stabilization by state statute	3,129,262
Public safety	10,551
Unrestricted	16,605,917
Total net position	<u>\$ 51,419,362</u>

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

Village of Pinehurst, North Carolina
Statement of Activities
Fiscal Year Ended June 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 3,667,680	\$ 41,002	\$ -	\$ -	\$ (3,626,678)
Public safety	8,999,234	795,001	4,798	-	(8,199,435)
Transportation	4,338,247	-	677,101	679,704	(2,981,442)
Economic and physical development	1,225,704	272,042	-	-	(953,662)
Environmental protection	2,422,278	-	17,072	-	(2,405,206)
Cultural and recreation	4,516,485	1,196,819	225,990	-	(3,093,676)
Interest on long-term debt	7,109	-	-	-	(7,109)
Total governmental activities	<u>\$ 25,176,737</u>	<u>\$ 2,304,864</u>	<u>\$ 924,961</u>	<u>\$ 679,704</u>	<u>(21,267,208)</u>
General revenues:					
Ad valorem taxes					13,644,970
Sales and use taxes					7,450,247
Utility sales taxes					1,460,843
Other taxes					90,587
Investment earnings					1,250,819
Miscellaneous					560,132
Total general revenues					<u>24,457,598</u>
Change in net position					3,190,390
Net position, beginning					<u>48,228,972</u>
Net position, ending					<u>\$ 51,419,362</u>

Village of Pinehurst, North Carolina
Balance Sheet
Governmental Funds
June 30, 2024

Exhibit 3

	Major Funds			
		Sandhills Metropolitan Planning Organization Special Revenue Fund	Library Expansion Capital Project Fund	Total Governmental Funds
	General Fund			
Assets				
Cash and cash equivalents	\$ 21,938,257	\$ -	\$ 1,310,552	\$ 23,248,809
Receivables, net:				
Taxes	10,329	-	-	10,329
Leases	25,748	-	-	25,748
Interest	97	-	-	97
Other	31,922	-	-	31,922
Due from other governments	2,683,641	21,714	-	2,705,355
Due from other funds	21,714	-	-	21,714
Inventories	47,318	-	-	47,318
Prepaid items	260,111	-	-	260,111
Total assets	<u>\$ 25,019,137</u>	<u>\$ 21,714</u>	<u>\$ 1,310,552</u>	<u>\$ 26,351,403</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 422,028	\$ -	\$ 53,090	\$ 475,118
Withholdings and accrued expenditures	776,511	-	-	776,511
Due to other funds	-	21,714	-	21,714
Deposits	253,646	-	-	253,646
Total liabilities	<u>1,452,185</u>	<u>21,714</u>	<u>53,090</u>	<u>1,526,989</u>
Deferred inflows of resources:				
Prepaid taxes	183	-	-	183
Lease revenue	23,190	-	-	23,190
Unavailable revenues	9,979	-	-	9,979
Total deferred inflows of resources	<u>33,352</u>	<u>-</u>	<u>-</u>	<u>33,352</u>
Fund balances:				
Nonspendable:				
Inventory	47,318	-	-	47,318
Prepaid items	260,111	-	-	260,111
Leases	2,655	-	-	2,655
Restricted:				
Stabilization by state statute	3,129,262	-	-	3,129,262
Public safety	10,551	-	-	10,551
Committed:				
Library and archives	544,777	-	1,257,462	1,802,239
Future capital	9,674,900	-	-	9,674,900
Assigned:				
Subsequent year's expenditures	6,130,090	-	-	6,130,090
Unassigned	3,733,936	-	-	3,733,936
Total fund balances	<u>23,533,600</u>	<u>-</u>	<u>1,257,462</u>	<u>24,791,062</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,019,137</u>	<u>\$ 21,714</u>	<u>\$ 1,310,552</u>	<u>\$ 26,351,403</u>

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

Village of Pinehurst, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Exhibit 4

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

Total fund balance, governmental funds		\$ 24,791,062
--	--	---------------

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

Gross capital assets at historical cost	\$ 62,138,117	
Accumulated depreciation	<u>(30,605,896)</u>	31,532,221

Right-to-use assets used in governmental activities are not financial
resources and therefore are not reported in the funds:

Right-to-use assets at historical cost	811,901	
Accumulated amortization	<u>(334,135)</u>	477,766

Deferred outflows of resources related to pensions are not reported
in the funds

4,601,853

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

Taxes receivable	10,329	
Other receivables	<u>(350)</u>	9,979

Some liabilities, including notes payable and accrued interest are not due
and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(5,132)	
Compensated absences payable	(968,924)	
Lease liabilities	(12,041)	
Subscription liabilities	(275,565)	
Net pension liability	(6,942,783)	
Total pension liability	<u>(1,454,976)</u>	(9,659,421)

Deferred inflows of resources related to pensions are not reported
in the funds

(334,098)

Net position of governmental activities

\$ 51,419,362

Village of Pinehurst, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2024

Exhibit 5

	Major Funds			
		Sandhills Metropolitan Organization Planning Special Revenue Fund	Library Expansion Capital Project Fund	Total Governmental Funds
	General Fund			
Revenues				
Ad valorem taxes	\$ 13,649,608	\$ -	\$ -	\$ 13,649,608
Golf cart licenses	6,555	-	-	6,555
Unrestricted intergovernmental	9,001,677	-	-	9,001,677
Restricted intergovernmental	672,194	23,052	-	695,246
Permits and fees	1,414,264	-	-	1,414,264
Sales and services	890,346	-	-	890,346
Investment earnings	1,195,928	-	67,477	1,263,405
Miscellaneous	712,773	-	-	712,773
Total revenues	27,543,345	23,052	67,477	27,633,874
Expenditures				
Current:				
General government	3,235,529	-	-	3,235,529
Public safety	8,536,715	-	-	8,536,715
Transportation	4,931,831	23,052	-	4,954,883
Economic and physical development	1,120,042	-	-	1,120,042
Environmental protection	2,767,012	-	-	2,767,012
Cultural and recreation	3,997,514	-	211,570	4,209,084
Debt service:				
Principal	295,162	-	-	295,162
Interest and other charges	9,099	-	-	9,099
Total expenditures	24,892,904	23,052	211,570	25,127,526
Excess (deficiency) of revenues over (under) expenditures	2,650,441	-	(144,093)	2,506,348
Other Financing Sources (Uses)				
Lease liabilities issued	10,799	-	-	10,799
Subscription liabilities issued	199,966	-	-	199,966
Sales of capital assets	310,330	-	-	310,330
Total other financing sources (uses)	521,095	-	-	521,095
Net change in fund balance	3,171,536	-	(144,093)	3,027,443
Fund balances, beginning	20,362,064	-	1,401,555	21,763,619
Fund balances, ending	\$ 23,533,600	\$ -	\$ 1,257,462	\$ 24,791,062

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

Village of Pinehurst, North Carolina
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities
Fiscal Year Ended June 30, 2024

Exhibit 6

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

Net changes in fund balances - total governmental funds		\$ 3,027,443
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:		
Capital outlay expenditures which were capitalized	\$ 2,848,180	
Depreciation expense	<u>(2,169,170)</u>	679,010
Right-to-use asset capital outlay expenditures which were capitalized	229,996	
Amortization expense for intangible assets	<u>(207,451)</u>	22,545
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		1,276,873
Benefit payments paid and administrative expenses for the LEOSSA are not included on the Statement of Activities		140,381
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) in the current period:		
Donated assets received	679,704	
Net loss on disposal of assets	(114,696)	
Proceeds from disposal of assets	<u>(310,330)</u>	254,678
Revenues in the Statement of Activities that are not reported as revenues in the fund statements:		
Change in deferred tax inflows	(4,638)	
Change in other deferred inflows	(6,301)	
Gain on termination of lease liability	<u>2,052</u>	(8,887)
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:		
New long-term debt issued	(210,765)	
Principal payments	295,162	
Decrease in accrued interest payable	<u>1,990</u>	86,387
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Compensated absences	(98,398)	
Pension expense	<u>(2,189,642)</u>	<u>(2,288,040)</u>
Total changes in net position of governmental activities		<u>\$ 3,190,390</u>

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Annual Budget and Actual

Fiscal Year Ended June 30, 2024

	General Fund			Variance with Final Budget- Positive Negative
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Ad valorem taxes	\$ 13,639,000	\$ 13,689,000	\$ 13,649,608	\$ (39,392)
Golf cart licenses	4,500	4,500	6,555	2,055
Unrestricted intergovernmental	8,762,900	8,762,900	9,001,677	238,777
Restricted intergovernmental	599,500	668,287	672,194	3,907
Permits and fees	1,290,300	1,319,300	1,414,264	94,964
Sales and services	853,100	848,100	890,346	42,246
Investment earnings	640,100	854,100	1,195,928	341,828
Lease interest income	1,320	1,320	-	(1,320)
Miscellaneous	495,480	601,480	712,773	111,293
Total revenues	26,286,200	26,748,987	27,543,345	794,358
Expenditures				
Current:				
General government	3,630,765	3,528,855	3,235,529	293,326
Public safety	9,334,391	9,586,089	8,536,715	1,049,374
Transportation	5,292,858	6,419,842	4,931,831	1,488,011
Economic and physical development	1,451,110	1,609,594	1,120,042	489,552
Environmental protection	2,695,710	2,931,574	2,767,012	164,562
Cultural and recreation	4,427,466	4,504,126	3,997,514	506,612
Debt service:				
Principal retirement	18,500	305,230	295,162	10,068
Interest and fees	600	9,600	9,099	501
Total expenditures	26,851,400	28,894,910	24,892,904	4,002,006
Excess (deficiency) of revenues over (under) expenditures	(565,200)	(2,145,923)	2,650,441	4,796,364
Other Financing Sources (Uses):				
Transfers to other funds	(80,000)	(80,000)	-	80,000
Lease liabilities issued	25,100	25,100	10,799	(14,301)
Subscription liabilities issued	-	200,050	199,966	(84)
Sales of capital assets	20,000	310,000	310,330	330
Total other financing sources	(34,900)	455,150	521,095	65,945
Fund balance appropriated	600,100	1,690,773	-	(1,690,773)
Net change in fund balances	\$ -	\$ -	3,171,536	\$ 3,171,536
Fund balances, beginning			20,362,064	
Fund balances, ending			\$ 23,533,600	

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

Village of Pinehurst, North Carolina
Sandhills Metropolitan Planning Organization Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Annual Budget and Actual
Fiscal Year Ended June 30, 2024

Exhibit 8

	Sandhills Metropolitan Planning Organization Special Revenue Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Restricted intergovernmental	\$ 100,000	\$ 100,000	\$ 23,052	\$ (76,948)
Total revenues	100,000	100,000	23,052	(76,948)
Expenditures				
Current:				
Transportation	100,000	100,000	23,052	76,948
Total expenditures	100,000	100,000	23,052	76,948
Excess of revenues over expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances, beginning			-	
Fund balances, ending			\$ -	

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Village conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Village of Pinehurst is a municipal corporation that is governed by a five-member council. The mayor is directly elected along with the other four council members. For financial reporting purposes, in accordance with generally accepted accounting principles, the Village includes any legally separate entity for which the Village is financially accountable. For the year ended June 30, 2024, no other entity is included in the Village financial statements.

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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Eliminations of these charges are performed to avoid distortion of the direct costs and program revenues reported for the various functions concerned. These statements report the *governmental activities* of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Village'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. 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 Village's funds. Separate statements for each fund category are presented. The Village has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Village reports the following major governmental funds:

The **General Fund** is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The primary sources of revenue are ad valorem taxes and intergovernmental revenues. The primary expenditures are for public safety, transportation, cultural and recreation, and general government services.

The **Sandhills Metropolitan Planning Organization Special Revenue Fund** is used to account for federal, state, and local funds used to coordinate transportation projects by the Sandhills Metropolitan Planning Organization (SMPO) which serves area local governments. To enhance consistency and for ease of readability, we have elected to report this fund as a major fund, as it will likely be classified as a major fund in the future.

The **Library Expansion Capital Project Fund** is used to account for the design and construction of a new building for the Given Memorial Library and a renovation of the Tufts Archives in the existing building. To enhance consistency and for ease of readability, we have elected to report this fund as a major fund, as it will be classified as a major fund in the future.

C. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all governmental funds of the Village are accounted for during the year on the modified accrual basis of accounting.

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

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

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

The Village considers all revenues available if they are collected within 90 days after year-end, except for property taxes and federal or state grants. Ad valorem property taxes 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. Federal and state grants are accrued as revenues if they are expected to be collected within one year after year end. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received.

Sales taxes and certain intergovernmental revenues, such as utilities sales tax, collected and held by the State at year-end on behalf of the Village are recognized as revenue. Sales taxes are considered a shared revenue for the Village because the tax is levied by Moore County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant receipts which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the Village 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. As it is the Village's policy to use restricted revenue sources before unrestricted, we first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Village's budgets are adopted as required by North Carolina General Statutes. An annual budget ordinance is adopted for the General Fund and the SMPO Special Revenue Fund. All annual appropriations lapse at fiscal year-end. A project ordinance is adopted for the Library Expansion Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the department level for the General Fund and SMPO Special Revenue Fund, and the object level for the capital project fund. A function is a group of related activities aimed at accomplishing a major service, such as public safety; a department is a component of a function, such as police. The Village manager may authorize all budget transfers within a department and transfers that do not exceed \$25,000 between departments within the same fund in a single budget amendment. In the event a State of Emergency is declared by the Mayor or designee, unlimited budget amendment authority within the same fund is granted to the Village manager for expenditures directly related to the emergency. Transfers between funds require council approval. During the year, several amendments to the original budget became 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 that time until the annual ordinance can be adopted.

As required by North Carolina General Statutes, Chapter 159, Section 26(d) [hereinafter references to the North Carolina General Statutes will be cited as G.S.], the Village maintains encumbrance accounts, which are considered to be "budgetary accounts." Encumbrances outstanding at year end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in process at year end are completed.

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

1. Deposits and Investments

All deposits of the Village are made in Council-designated official depositories and are secured as required by State law [G.S. 159-31]. The Village may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Village 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 Village 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 Village'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 Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

2. Cash and Cash Equivalents

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

3. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Village levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6. The fiscal year 2024 taxes are based on the assessed values as of January 1, 2023.

4. Lease Receivables

The Village is the lessor of a lease agreement for a building. The Village's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the lease payments increase by the consumer price index (CPI) each year. An estimate of the future CPI increases is included in the initial measurement of the lease receivable. In future years, any difference between the actual CPI increase and the estimated CPI increase in the lease receivable will be recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is initially measured at the same amount as the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

Inventory is valued at cost, which approximates market value, using the first-in, first-out method. The inventory of the General Fund consists of expendable supplies and is recorded as an expenditure when consumed rather than when purchased.

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

7. Capital Assets

Capital assets are defined by the government as tangible or intangible assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received on or after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Right of ways	40 years
Infrastructure	20 to 40 years
Buildings and improvements	20 years
Furniture and equipment	3 to 10 years
Vehicles	4 to 20 years

8. Right-to-Use Assets

The Village records intangible right-to-use lease assets in accordance with Government Accounting Standards Board (GASB) Statement No. 87, *Leases*. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term and ancillary charges necessary to place the lease into service, less lease incentives.

The Village records intangible right-to-use subscription assets in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use subscription assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any subscription payments made prior to the subscription term and capitalizable implementation costs, less incentives.

The Village has adopted a capitalization threshold of \$5,000 for right-to-use lease and subscription assets. The right-to-use assets are reported as capital assets and are amortized on a straight-line basis over the life of the related lease or subscription.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The Village has one item that meets this criterion – pension deferrals.

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 assets that applies to future periods and so will not be recognized as revenue until then. The Village has several items that meet the criterion for this category – prepaid taxes, taxes receivable, leases, other receivables, and pension deferrals.

10. Long-Term Obligations

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

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

11. Compensated Absences

The vacation policy of the Village provides for the accumulation of vacation leave without any applicable maximum until December 31 of each year. At December 31, employees may carryover two times the employee's annual accrual rate for the current year. This rate varies according to years of employment and position. Any excess hours removed from vacation shall be added to the employee's sick leave balance. The Village has assumed a first-in, first-out method of using accumulated compensated time. Compensated vacation absences are reported in the government-wide financial statements as an expense and a liability as the leave is earned. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Village'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 Village has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

12. Net Position/Fund Balances

Net Position

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

Fund Balances

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

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

Prepaid items – The portion of fund balance that is not an available resource because it represents expenditures that were paid in the current fiscal year but are attributed to a future fiscal year.

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

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

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature 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 Public Safety – The portion of fund balance that is restricted through an equitable sharing agreement entered into between the Federal government, the Village's police department, and the governing body.

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

Committed for library and archives – The portion of fund balance that can only be used for the design and construction of a new Given Memorial Library building, improvements to the existing Given Memorial Library and Tufts Archives building, or other operational improvements to the library and archives.

Committed for future capital – The portion of fund balance that can only be used for future capital needs.

Assigned Fund Balance. The portion of fund balance that the Village's governing body has budgeted and intends to use for specific purposes. Any changes or removal of specific purpose requires majority action by the Village Council.

Subsequent year's expenditures – The portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The Village Council approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$25,000.

Unassigned Fund Balance. The portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. In the general fund, this amount may be negative or positive. However, the general fund is the only governmental fund that reports a positive unassigned fund balance amount.

For the purpose of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Village has also adopted a minimum fund balance policy for the general fund which instructs management to conduct the business of the Village in such a manner that available fund balance is at least 15% of actual expenditures and total fund balance is at least 30% of budgeted expenditures. Any portion of the general fund balance in excess of 30% of budgeted expenditures may be appropriated for expenditure by the Village Council. The policy also states that when total fund balance at June 30 is in excess of 40% of actual General Fund expenditures, Council may commit excess fund balance for future capital needs.

13. Defined Benefit Cost-Sharing Plans

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

F. Adoption of New Accounting Standards

For the fiscal year ended June 30, 2024, the following GASB pronouncement became effective for the Village:

- GASB Statement No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The Village did not have any accounting changes or error corrections for fiscal year 2024.

The GASB has issued pronouncements prior to June 30, 2024 which will become effective in future fiscal years. Management has not currently determined the impact the adoption of the below statements will have on the financial statements of the Village, if any.

- GASB Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023 (Village fiscal year 2025).
- GASB Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024 (Village fiscal year 2025).
- GASB Statement 103, *Financial Reporting Model Improvements*, effective for fiscal years beginning after June 15, 2025 (Village fiscal year 2026).

For original pronouncements, please visit the GASB's website, www.gasb.org.

2. Deposits and Investments

A. Deposits

All of the Village's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Village's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer.

Since the State Treasurer is acting in a fiduciary capacity for the Village, these deposits are considered to be held by the Village's agent in the Village'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 Village or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Village 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 enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Village has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Village complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the Village's deposits had a carrying amount of \$793,268. The cash balance in the bank at June 30, 2024 totaled \$466,769. Of the bank balance, \$250,000 was covered by federal depository insurance and \$216,769 was covered by collateral held under the Pooling Method. At June 30, 2024, the Village's petty cash fund totaled \$950.

Village of Pinehurst, North Carolina
Notes to the Financial Statements
June 30, 2024

B. Investments

At June 30, 2024, the Village's investment balances were as follows:

	<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at June 30, 2024</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust	Government Portfolio	Fair Value Level 1	\$ 22,454,591	N/A	AAAm
Total			\$ 22,454,591		

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

Level of Fair Value Hierarchy. Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Village's investment policy will structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations. Also, the Village's investment policy requires the investment of operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit Risk. Credit risk is the risk of loss due to the failure of the security issuer or backer. The Village will minimize this risk by limiting investments to the safest types of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Village will do business, and diversifying the investment portfolio so that potential losses on individual securities will be minimized. The Village's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2024.

3. Receivables

The receivables amounts presented in the Statement of Net Position and Balance Sheet for the year ended June 30, 2024 are net of the following allowances for doubtful accounts:

	<u>General Fund</u>		
	<u>Receivable</u>	<u>Allowance</u>	<u>Net Balance</u>
Other receivables:			
Planning and Inspections fines	\$ 32,206	\$ 30,176	\$ 2,030
Harness Track stall rent	24,975	5,668	19,307
Other accounts receivable	10,997	412	10,585
Total	\$ 68,178	\$ 36,256	\$ 31,922

4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,152,311	\$ 336,431	\$ (759,466)	\$ 6,729,276
Construction in progress	<u>148,533</u>	<u>859,823</u>	<u>(104,483)</u>	<u>903,873</u>
Total capital assets not being depreciated	<u>7,300,844</u>	<u>1,196,254</u>	<u>(863,949)</u>	<u>7,633,149</u>
Capital assets being depreciated/amortized:				
Right of ways	672,906	81,511	-	754,417
Buildings and improvements	30,860,872	609,235	-	31,470,107
Furniture and equipment	4,895,158	248,982	(162,753)	4,981,387
Vehicles	8,122,657	571,093	(413,539)	8,280,211
Infrastructure	7,757,123	1,261,723	-	9,018,846
Right-to-use assets	<u>616,592</u>	<u>229,996</u>	<u>(34,687)</u>	<u>811,901</u>
Total capital assets being depreciated/amortized	<u>52,925,308</u>	<u>3,002,540</u>	<u>(610,979)</u>	<u>55,316,869</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Less accumulated depreciation/amortization for:				
Right of ways	\$ 86,508	\$ 17,842	\$ -	\$ 104,350
Buildings and improvements	18,560,726	996,821	-	19,557,547
Furniture and equipment	3,712,756	361,756	(162,753)	3,911,759
Vehicles	4,651,300	583,451	(413,539)	4,821,212
Infrastructure	2,001,728	209,300	-	2,211,028
Right-to-use assets	<u>159,380</u>	<u>207,451</u>	<u>(32,696)</u>	<u>334,135</u>
Total accumulated depreciation/amortization	<u>29,172,398</u>	<u>2,376,621</u>	<u>(608,988)</u>	<u>30,940,031</u>
Total capital assets being depreciated/amortized, net	<u>23,752,910</u>	<u>625,919</u>	<u>(1,991)</u>	<u>24,376,838</u>
Governmental activity capital assets, net	<u>\$ 31,053,754</u>	<u>\$ 1,822,173</u>	<u>\$ (865,940)</u>	<u>\$ 32,009,987</u>

Depreciation and amortization expense was charged to functions of the primary government as follows:

General government	\$ 305,233
Public safety	619,832
Transportation	510,273
Economic and physical development	52,684
Environmental protection	180,779
Cultural and recreation	<u>707,820</u>
Total depreciation and amortization expense	<u>\$ 2,376,621</u>

Village of Pinehurst, North Carolina
Notes to the Financial Statements
June 30, 2024

Construction and Other Capital-Related Commitments. The Village has active construction projects and other capital related commitments as of June 30, 2024. The projects include the purchase of a dispatch radio system, police vehicle upfit, fire department breathing air compressors, the design of sidewalks, crosswalk equipment, and infrastructure engineering services. At June 30, 2024, the Village's commitments with contractors and vendors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Dispatch radio system	\$ 115,237	\$ 38,413
Police vehicle upfit	236,711	14,241
Fire SCBA equipment	-	63,947
Sidewalk design	104,866	65,717
Crosswalk equipment	18,400	2,100
Stormwater improvement engineering	<u>25,353</u>	<u>15,047</u>
Total	<u>\$ 500,567</u>	<u>\$ 199,465</u>

Historical Artifacts and Collections. On April 18, 2022, ownership and operations of the Given Memorial Library and Tufts Archives was transferred to the Village of Pinehurst. As part of that transaction, the Village acquired various works of art, historical artifacts, and documents related to Pinehurst history, including the Donald Ross golf course design collection. According to GASB 34, paragraph 27, institutions are not required to capitalize a collection and all additions to that collection if they meet the following conditions:

1. Held for public exhibition, education, or research in furtherance of public service, rather than financial gain
2. Protected, kept unencumbered, cared for, and preserved
3. Subject to organizational policy that requires the proceeds from all sales of collection items to be used to acquire other items for collections

The Village considers these collections to be inexhaustible and all the required criteria above have been met, thus the collections are not capitalized in the financial statements.

5. Leases and Subscription-Based Information Technology Arrangements

The Village has entered into agreements to lease certain office equipment from vendors, including one copier/multi-function machine and a postage machine, that qualify as other than short-term leases under GASB 87 and have been recorded as a right-to-use asset and corresponding lease liability at the present value of the future minimum lease payments as of the date of their inception. The assets represent the Village's right to use the leased equipment.

The Village is committed to make future payments under various subscription-based information technology arrangements (SBITAs). As of June 30, 2024, the Village has eighteen qualifying SBITAs under GASB 96. These SBITAs have been recorded as a right-to-use asset and corresponding subscription liability at the present value of the future minimum subscription payments. Of the eighteen SBITAs, seven were paid in full at the beginning of the SBITA term, therefore there is no liability associated with the right-to-use subscription asset for these SBITAs. The assets represent the Village's right to use the software.

The right-to-use assets are amortized on a straight-line basis over the terms of the related leases or subscriptions.

Village of Pinehurst, North Carolina
Notes to the Financial Statements
June 30, 2024

Right-to-use asset activity for the Village for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right-to-use assets:				
Leased equipment	\$ 33,457	\$ 10,799	\$ (26,371)	\$ 17,885
Software subscriptions	<u>583,135</u>	<u>219,197</u>	<u>(8,316)</u>	<u>794,016</u>
Total right-to-use assets	<u>616,592</u>	<u>229,996</u>	<u>(34,687)</u>	<u>811,901</u>
Less accumulated amortization for:				
Leased equipment	20,357	9,507	(24,380)	5,484
Software subscriptions	<u>139,023</u>	<u>197,944</u>	<u>(8,316)</u>	<u>328,651</u>
Total accumulated amortization	<u>159,380</u>	<u>207,451</u>	<u>(32,696)</u>	<u>334,135</u>
Right-to-use assets, net	<u>\$ 457,212</u>	<u>\$ 22,545</u>	<u>\$ (1,991)</u>	<u>\$ 477,766</u>

On July 1, 2022, the Village entered into a five-year lease agreement as the lessor for the use of a building for the Track Restaurant. The lease qualifies as other than short-term under GASB 87 and has been recorded at the present value of the future lease payments as of the commencement date of the agreement. The lease agreement requires the monthly rental payments to increase by the Consumer Price Index (CPI) each year, an estimate of which have been included in the initial measurement of the lease receivable. In fiscal year 2024, the actual CPI increase resulted in \$112 of variable payments that were not included in the initial measurement of the lease receivable. Additionally, the Village gave the lessee a credit of \$171 on the June 2024 rent since the leased premises could not be used during the U.S. Open Championship. This credit and the additional payments from the CPI rent increase were recognized in revenue in fiscal year 2024. Lease interest income totaled \$1,299 for fiscal year 2024. See note 7 for information on the deferred inflow of resources associated with this lease agreement.

Lease and subscription balances for the Village for the year ended June 30, 2024 were as follows:

	<u>Receivable (Liability)</u>	<u>Lease Terms in Years</u>	<u>Interest Rate</u>
Governmental Activities:			
Lessee:			
Leased equipment	\$ (12,041)	2-5	0.73%-2.62%
Software subscriptions	<u>(275,565)</u>	2-5	2.02%-3.63%
Total lessee	<u>(287,606)</u>		
Lessor:			
Building	<u>25,748</u>	5	4.50%
Total lessor	<u>25,748</u>		

See note 10 for the schedule of changes in long-term liabilities.

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The Village made total lease payments of \$9,729 in fiscal year 2024. The schedule of future minimum payments for the lease liabilities is as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2025	\$ 3,873	\$ 243	\$ 4,116
2026	2,109	171	2,280
2027	2,159	121	2,280
2028	2,209	71	2,280
2029	<u>1,691</u>	<u>20</u>	<u>1,711</u>
	<u>\$ 12,041</u>	<u>\$ 626</u>	<u>\$ 12,667</u>

The Village made total subscription payments of \$294,532 in fiscal year 2024. The schedule of future minimum payments for the subscription liabilities is as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2025	\$ 118,356	\$ 7,212	\$ 125,568
2026	95,880	4,107	99,987
2027	<u>61,329</u>	<u>1,440</u>	<u>62,769</u>
	<u>\$ 275,565</u>	<u>\$ 12,759</u>	<u>\$ 288,324</u>

The Village received total lease payments of \$8,208, of which \$6,771 was applied to principal, reducing the lease receivable, \$1,325 was applied to interest, and \$112 was variable payments that were not included in the initial measurement of the lease receivable due to the difference between the CPI increase in the initial measurement and the actual CPI rent increase. In fiscal year 2024, the Village recognized \$1,299 of lease revenue. The schedule of future minimum payments to be received for the lease receivable is as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2025	\$ 7,626	\$ 1,003	\$ 8,629
2026	8,556	640	9,196
2027	<u>9,566</u>	<u>235</u>	<u>9,801</u>
	<u>\$ 25,748</u>	<u>\$ 1,878</u>	<u>\$ 27,626</u>

6. Pension Plan and Postemployment Obligations

A. Local Governmental Employees' Retirement System

Plan Description. The Village 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, local law enforcement officers (LEOs) of participating local governmental entities, firefighters and rescue squad workers. 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) 707-0500, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement, disability 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. General employee 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. General employee plan members are eligible to retire with reduced 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 and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of general employee plan 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the North Carolina General Assembly.

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 reduced retirement benefits at age 50 with 15 years of creditable service as an officer or upon completing 25 years of creditable service with 15 years 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Village employees are required to contribute 6% of their compensation. Employer required contribution rate is set periodically and affirmed annually by the LGERS Board of Trustees. The Board establishes a funding policy from which the accrued liability rates and the normal contribution rates are developed by the consulting actuary for general employees and firefighters as well as for LEOs. The sum of those two rates developed under the funding policy and the past service liability contribution rates, if applicable, is the actuarially determined contribution rate. Further, the required employer contribution rates set by the Board of Trustees may not be less than the normal contribution rates developed under the established funding policy. The Village's contractually required contribution rate for the year ended June 30, 2024 was 14.04% of compensation for law enforcement officers and 12.89% for general employees and firefighters. These amounts, combined with employee contributions and investment income, are expected to fund the benefits earned by employees during the year, a payment to reduce the net pension liability, a payment for past service liability, if applicable, and administrative expenses. Contributions to the pension plan from the Village were \$1,276,873 for the year ended June 30, 2024.

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Refunds of Contributions. Village 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 include interest (currently 4% per year) regardless of the number of years of retirement service credit or of the reason for separation from service. 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 any other retirement or survivor benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2024, the Village reported a liability of \$6,942,783 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Village's proportion of the net pension liability was based on the present value of the actuary's projection of the Village's future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers. The present value of future salary is based on the plan's actuarial assumptions and reflects the current demographics of each employer, along with the employer's expected long-term contribution effort to the plan. At June 30, 2023, the Village's proportion was 0.105%, a decrease of 0.004% from its proportion measured as of June 30, 2022 of 0.109%.

For the year ended June 30, 2024, the Village recognized pension expense of \$1,980,759. At June 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 773,632	\$ 16,655
Changes of assumptions	295,028	-
Net difference between projected and actual investment earnings on plan investments	1,858,193	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	43,988	154,795
Village contributions subsequent to the measurement date	<u>1,276,873</u>	<u>-</u>
Total	<u>\$ 4,247,714</u>	<u>\$ 171,450</u>

The \$1,276,873 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$ 1,023,564
2026	496,478
2027	1,200,775
2028	<u>78,574</u>
Total	<u>\$ 2,799,391</u>

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Actuarial Assumptions. The total pension liability in the December 31, 2022 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 8.25%, including a 3.25% inflation and productivity factor
Investment rate of return	6.50%, including inflation and net of pension plan investment expense

LGERS benefit recipients received a one-time benefit supplement payment equal to 2% of the member's annual benefit amount for the fiscal year ending June 30, 2023, paid in October 2022. The one-time supplements do not change the ongoing monthly benefits, and absent additional action by governing authorities, the payments will not recur in future years. Future and ad hoc cost-of-living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019. This actuarial experience review, along with certain change of assumptions subsequent to the experience review, is reflected as changes of assumptions in the deferred outflows.

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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation protection	6.0%	2.7%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022 and is part of the asset liability and investment policy of 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability (asset) is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually 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 Village's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Village's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Village's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Village's proportionate share of the net pension liability (asset)	\$ 12,028,099	\$ 6,942,783	\$ 2,756,075

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

B. Law Enforcement Officers Special Separation Allowance

Plan Description. The Village of Pinehurst administers a public employee retirement system, the Law Enforcement Officers Special Separation Allowance (the Separation Allowance, or LEOSSA), a single-employer defined benefit pension plan that provides retirement benefits to the Village'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 Village law enforcement officers are covered by the Separation Allowance.

At the December 31, 2022 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	9
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>24</u>
Total	<u>33</u>

Summary of Significant Accounting Policies – Basis of Accounting. The Village has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is recorded on

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the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2022 valuation. The total pension liability in the December 31, 2022 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 at 2.50%
Discount rate	4.00%, including inflation at 2.50%

The discount rate is based on the yield of the S&P Municipal Bond 20-Year High Grade Rate Index as of December 31, 2023.

Mortality rates are based on the Pub-2010 amount-weighted mortality tables with adjustments for generational improvement based on Scale MP-2019.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

Change in Actuarial Assumptions. On the prior measurement date (December 31, 2022), the Municipal Bond Index Rate, on which the discount rate is based, was 4.31%. Since the prior measurement date, the Municipal Bond Index Rate has decreased to 4% as of the measurement date (December 31, 2023). These changes resulted in a \$30,375 increase in the total pension liability.

Contributions. The Village is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Village'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 Village paid \$139,946 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, 2024, the Village reported a total pension liability of \$1,454,976. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023 utilizing updated procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the Village recognized pension expense of \$208,883.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 157,098	\$ -
Changes of assumptions and other inputs	124,668	162,648
Benefit payments and administrative expenses paid subsequent to the measurement date	<u>72,373</u>	<u>-</u>
Total	<u>\$ 354,139</u>	<u>\$ 162,648</u>

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The \$72,373 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$	100,487
2026		30,291
2027		(16,962)
2028		3,141
2029		<u>2,161</u>
Total	\$	<u>119,118</u>

Sensitivity of the Village's Total Pension Liability to Changes in the Discount Rate. The following presents the Village's total pension liability calculated using the discount rate of 4.00%, as well as what the Village's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.00%) or 1 percentage point higher (5.00%) than the current rate:

	<u>1% Decrease (3.00%)</u>	<u>Discount Rate (4.00%)</u>	<u>1% Increase (5.00%)</u>
Total pension liability	\$ 1,565,560	\$ 1,454,976	\$ 1,354,013

The schedule of changes in the total pension liability for the LEOSA for the fiscal year ended June 30, 2024 was as follows:

	<u>2024</u>
Beginning balance	\$ 1,440,370
Service cost	42,426
Interest on the total pension liability	59,053
Differences between expected and actual experience in the measurement of the total pension liability	23,196
Changes of assumptions and other inputs	30,375
Benefit payments	<u>(140,444)</u>
Ending balance of the total pension liability	<u>\$ 1,454,976</u>

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

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

	<u>LGERS</u>	<u>LEOSA</u>	<u>Total</u>
Pension expense	\$ 1,980,759	\$ 208,883	\$ 2,189,642
Pension liability	6,942,783	1,454,976	8,397,759
Proportionate share of the net pension liability	0.105%	n/a	
Deferred outflows of resources:			
Differences between expected and actual experience	773,632	157,098	930,730

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	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Changes of assumptions	295,028	124,668	419,696
Net difference between projected and actual earnings on plan investments	1,858,193	-	1,858,193
Changes in proportion and differences between contributions and proportionate share of contributions	43,988	-	43,988
Benefit payments and administrative costs paid subsequent to the measurement date	1,276,873	72,373	1,349,246
Deferred inflows of resources:			
Differences between expected and actual experience	16,655	-	16,655
Changes of assumptions	-	162,648	162,648
Changes in proportion and differences between contributions and proportionate share of contributions	154,795	-	154,795

D. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Village contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Village. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the state of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 707-0500.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Village to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024 were \$124,121, which consisted of \$75,234 from the Village and \$48,887 from the law enforcement officers. Since the funds vest immediately, no amounts were forfeited.

E. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). The plan, available to all Village employees, permits them to defer a portion of their salary until future years. The Village established the plan and may amend it at its discretion. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan and all income attributable to those amounts are immediately 100% vested to the participant. The Village currently contributes five percent for all regular employees to the plan. Contributions for the year ended June 30, 2024 were \$911,660, which consisted of \$483,216 from the Village and \$428,444 in voluntary contributions from employees. Since the funds vest immediately, no amounts were forfeited.

The Village also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Village employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan and all income attributable to those amounts are immediately 100% vested to the participant. The Village does not make contributions to the 457 plan.

F. Other Employment Benefits

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

The contributions to 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 payrolls, 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 Village considers these contributions to be immaterial.

The Village also provides group life insurance to all full-time and regular part-time employees who have been employed for a minimum of 30 days. Tier 1 employees, which includes managers, department heads, and assistant department heads, are provided \$50,000 of coverage. All other eligible employees in Tier 2 are covered at \$25,000. The coverage amounts provided under the group term life insurance may change annually.

Each year, the total amount of life insurance coverage provided under the Death Benefit Plan and the group life insurance plan are evaluated. The amount of life insurance coverage in excess of \$50,000 is considered a taxable fringe benefit and an imputed premium value for the excess life insurance benefit is added to each employee's taxable earnings for the year.

7. Deferred Outflows and Inflows of Resources

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

Difference between actual and expected experience	\$ 930,730
Changes of assumptions	419,696
Net difference between projected and actual earnings on pension plan investments	1,858,193
Changes in proportion and differences between Village contributions and proportionate share of contributions	43,988
Contributions to LGERS pension plan in the current fiscal year	1,276,873
Benefit payments to LEOSA recipients in the current fiscal year	<u>72,373</u>
 Total deferred outflows of resources	 \$ <u>4,601,853</u>

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

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Prepaid taxes	\$ 183	\$ 183
Taxes receivable, less penalties, and other receivables	-	9,979
Lease receivable	23,190	23,190
Differences between expected and actual experience	16,655	-
Changes of assumptions	162,648	-
Changes in proportion and differences between Village contributions and proportionate share of contributions	<u>154,795</u>	<u>-</u>
Total deferred inflows of resources	<u>\$ 357,471</u>	<u>\$ 33,352</u>

8. Risk Management

The Village 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 Village participates in a self-funded risk-financing pool administered by the North Carolina League of Municipalities to obtain general liability and auto liability coverage of \$5 million per occurrence and property coverage up to the total insured values of the property policy. 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 North Carolina League of Municipalities. The pool is audited annually by certified public accountants, and the audited financial statements are available to the Village upon request.

The Village carries workers compensation coverage up to statutory limits and commercial coverage for all other risks of loss.

There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

As the Village has no facilities within a FEMA-recognized flood zone, it has elected not to carry additional flood insurance coverage.

In accordance with G.S. 159-29, the Village's employees that have access to \$100 or more at any given time of the Village's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Collector are individually bonded for \$1,000,000 and \$10,000 respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$500,000.

9. Claims, Judgments and Contingent Liabilities

At June 30, 2024, the Village was a defendant to various lawsuits. In the opinion of Village management and the Village attorney, the ultimate outcome of these legal matters will not have a material adverse effect on the Village's financial position.

10. Long-Term Obligations

A. Installment Purchase Debt

The Village has no installment purchase debt obligations at June 30, 2024.

B. Changes in Long-Term Liabilities

At June 30, 2024, the Village had a legal debt margin of \$472,797,180.

The following is a summary of changes in the Village's long-term obligations for the fiscal year ended June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2024</u>	<u>Current Portion of Balance</u>
Governmental activities:					
Lease liabilities	\$ 12,897	\$ 10,799	\$ (11,655)	\$ 12,041	\$ 3,873
Subscription liabilities	361,158	199,966	(285,559)	275,565	118,356
Compensated absences	870,526	684,307	(585,909)	968,924	652,140
Net pension liability (LGRS)	6,130,540	812,243	-	6,942,783	-
Total pension liability (LEOSSA)	<u>1,440,370</u>	<u>14,606</u>	<u>-</u>	<u>1,454,976</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 8,815,491</u>	<u>\$ 1,721,921</u>	<u>\$ (883,123)</u>	<u>\$ 9,654,289</u>	<u>\$ 774,369</u>

Compensated absences and pension liabilities typically have been liquidated from the general fund.

11. Interfund Balances and Activity

Balances due to/from other funds as of June 30, 2024 as reported in the balance sheet consisted of \$21,714 due from the Sandhills Metropolitan Planning Organization (SMPO) Special Revenue Fund to the General Fund. The ordinance establishing the SMPO Special Revenue Fund allows expenditures to be paid initially from General Fund resources with the requirement that the loan be repaid from the SMPO Special Revenue Fund to the General Fund within one year. The SMPO Special Revenue Fund will repay the loan from the proceeds of the grant and member dues payments which are made on a reimbursement basis. The \$21,714 due from the SMPO Special Revenue Fund to the General Fund as of June 30, 2024 represents the SMPO grant expenditures which were paid from General Fund cash during fiscal year 2024 that will be repaid to the General Fund when the SMPO grant and member dues payments are received in fiscal year 2025.

12. Net Investment in Capital Assets

The table below presents the calculation of the Village's net investment in capital assets as reported in the statement of net position:

	<u>Governmental Activities</u>
Capital assets, net of accumulated depreciation	\$ 31,532,221
Right-to-use lease assets, net of accumulated amortization	12,401

Village of Pinehurst, North Carolina
Notes to the Financial Statements
June 30, 2024

Right-to-use subscription assets, net of accumulated amortization	465,365
Less:	
Long-term debt	-
Capital-related accounts payable	(48,749)
Lease liabilities	(12,041)
Subscription liabilities	<u>(275,565)</u>
Net investment in capital assets	<u>\$ 31,673,632</u>

13. Fund Balance

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

Total fund balance – General Fund	\$ 23,533,600
Less:	
Inventories	47,318
Prepaid items	260,111
Leases	2,655
Stabilization by state statute	3,129,262
Public safety – equitable sharing	10,551
Committed for library and archives	544,777
Committed for future capital	9,674,900
Appropriated fund balance in 2025 Budget	6,130,090
Fund balance policy minimum	<u>3,733,936</u>
Remaining fund balance	<u>\$ -</u>

The Village's fund balance policy requires the Village to maintain a minimum unassigned General Fund fund balance of 15% of actual expenditures as reported in the Village's annual comprehensive financial report. In addition, when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance of at least 30% of budgeted expenditures. At June 30, 2024, the General Fund's unassigned fund balance of \$3,733,936 represents 15% of General Fund actual expenditures which complies with the policy minimum. Total fund balance was 81% of budgeted expenditures.

The fund balance policy also states that when total fund balance at June 30 is in excess of 40% of actual General Fund expenditures, Council may commit excess fund balance for future capital needs. However, the amount of fund balance committed for future capital needs shall never cause unassigned General Fund fund balance to fall below the 15% unassigned fund balance minimum. In fiscal year 2024, Council approved a resolution to commit excess funds for future capital needs totaling \$9,674,900. The amount by which the fund balance exceeds policy-established minimums may be included as a revenue source when the budget is prepared for the next fiscal year.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year end.

Encumbrances:	
General Fund	\$ 391,818
Library Expansion Capital Project Fund	<u>424,765</u>
Total	<u>\$ 816,583</u>

14. Summary Disclosure of Significant Contingencies

A. Employment Security Benefits

The Village has elected to pay the direct cost of employment security benefits in lieu of unemployment payroll taxes. A liability for such payments could accrue in the period following the discharge of an employee.

B. Federal and State-Assisted Programs

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

15. Joint Ventures and Jointly Governed Organizations

A. Joint Ventures

The Village and the members of the Village's fire department each appoint two members to the five-member local board of trustees for the Firefighters' Relief Fund (FRF). The State Commissioner of Insurance appoints one additional member to the local board of trustees. The FRF is funded by a portion of the gross premium tax on insurance policies containing fire and lightning protection, as well as certain automotive policies, that insurers remit to the State. Of the total gross premium tax collected, 20% is dedicated to the FRF. The fund is distributed by the Commissioner of Insurance to local FRF boards annually. These distributions are used to assist fire fighters in various ways. The local board of the FRF received a distribution of \$28,252 from the State Insurance Commissioner's office for the fiscal year ended June 30, 2024. The Village obtains an ongoing financial benefit from the FRF for the benefits provided to members of the Village's fire department by the board of trustees. The participating governments do not have any equity interest in the joint venture, so no equity has been reflected in the financial statements at June 30, 2024. The FRF does not issue separate audited financial statements. Instead, the local board of trustees files an annual financial report with the State Firefighter's Association. This report can be obtained from the Association at 323 West Jones Street, Suite 401, Raleigh, North Carolina 27603.

B. Jointly Governed Organizations

The Village is a member of the Central Pines Regional Council, which serves a seven-county region and forty-two local governments. The participating member governments established the council to coordinate various regional interests and intergovernmental funding. Each member government appoints one elected official as its delegate to the council's governing board. The Village paid dues of \$7,410 to the council in the fiscal year ended June 30, 2024. The member governments do not have any equity interest in the jointly governed organization, so no equity has been reflected in the financial statements as of June 30, 2024.

16. Subsequent Events

The Village evaluated events subsequent to June 30, 2024 and through October 17, 2024, the date of the issuance of the financial statements. Management determined there are no subsequent events that would require adjustment or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information ("RSI") is not a required part of the basic financial statements but is information required by the Governmental Accounting Standards Board.

- Schedule of the Proportionate Share of the Net Pension Liability (Asset) – Local Government Employees' Retirement System
- Schedule of Contributions – 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-Employee Payroll – Law Enforcement Officers' Special Separation Allowance

Management's Discussion and Analysis is also RSI. It is presented immediately before the basic financial statements.

Village of Pinehurst, North Carolina
Schedule of the Proportionate Share of the Net Pension Liability (Asset)
Local Government Employees' Retirement System - Last Ten Fiscal Years*
Required Supplementary Information

RSI-1

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Pinehurst's proportion of the net pension liability (asset) (%)	0.1048%	0.1087%	0.1048%	0.1046%	0.1009%	0.1046%	0.1062%	0.1073%	0.1094%	0.1083%
Pinehurst's proportion of the net pension liability (asset) (\$)	\$ 6,942,783	\$ 6,130,540	\$ 1,607,209	\$ 3,736,374	\$ 2,756,320	\$ 2,480,521	\$ 1,621,831	\$ 2,278,539	\$ 490,982	\$ (638,460)
Pinehurst's covered payroll	\$ 8,748,239	\$ 7,920,294	\$ 7,496,867	\$ 7,275,196	\$ 6,857,080	\$ 6,610,895	\$ 6,548,274	\$ 6,380,220	\$ 6,280,547	\$ 6,025,207
Pinehurst's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	79.36%	77.40%	21.44%	51.36%	40.20%	37.52%	24.77%	35.71%	7.82%	(10.6%)
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

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

Notes:

1. There were no significant changes in benefit terms or the size or composition of the covered population that affect the actuarial valuations except for cost-of-living increases of 0.11% in 2016 and 0.63% in 2015. Additionally, benefit recipients received a one-time benefit supplement payment equal to 2.00% of the member's annual benefit amount for 2023. The one-time payments do not change the ongoing monthly benefits, and absent additional action by governing authorities, the payments will not recur in future years.

2. There were no significant changes in actuarial assumptions or other inputs to the valuation except for the changes as follows:

- In January 2021, the actuarial assumptions were updated to more closely reflect actual experience.
- In 2020, the North Carolina Retirement Systems' consulting actuaries performed the quinquennial investigation of the retirement system's actual demographic and economic experience (known as the "Experience Review"). The Experience Review provides the basis for selecting the actuarial assumptions and methods used to determine plan liabilities and funding requirements. The most recent Experience Review examined the plan's experience during the period between January 1, 2015 and December 31, 2019. Based on the findings, the Board of Trustees of the Local Government Employees' Retirement System (LGERS) adopted a number of new actuarial assumptions and methods. The most notable changes to the assumptions include updates to the mortality tables and mortality improvements. These assumptions were adjusted to be based on the Pub-2010 mortality tables reflecting the mortality projection scale MP-2019, released by the Society of Actuaries in 2019. In addition, the assumed rates of retirement, salary increases, and rates of termination from active employment were updated to more closely reflect actual experience.
- The discount rate for LGERS was lowered from 7.00% to 6.50% effective for the December 31, 2020 valuation, with the resulting effect on minimum actuarially determined employer contribution rates (or amounts) to be gradually recognized over a five-year period beginning July 1, 2022.

Village of Pinehurst, North Carolina
Schedule of Contributions
Local Government Employees' Retirement System - Last Ten Fiscal Years
Required Supplementary Information

RSI-2

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,276,873	\$ 1,063,812	\$ 906,031	\$ 777,919	\$ 671,779	\$ 549,872	\$ 514,302	\$ 489,064	\$ 424,359	\$ 445,138
Contributions in relation to the contractually required contribution	<u>1,276,873</u>	<u>1,063,812</u>	<u>906,031</u>	<u>777,919</u>	<u>671,779</u>	<u>549,872</u>	<u>514,302</u>	<u>489,064</u>	<u>424,359</u>	<u>445,138</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Pinehurst's covered payroll	\$ 9,677,348	\$ 8,748,239	\$ 7,920,294	\$ 7,496,867	\$ 7,275,196	\$ 6,857,080	\$ 6,610,895	\$ 6,548,274	\$ 6,380,220	\$ 6,280,547
Contributions as a percentage of covered payroll	13.19%	12.16%	11.44%	10.38%	9.23%	8.02%	7.78%	7.47%	6.65%	7.09%

Notes:

See notes included on the Schedule of the Proportionate Share of the Net Pension Liability (Asset) (RSI-1).

Village of Pinehurst, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance - Last Eight Fiscal Years*
Required Supplementary Information

	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 1,440,370	\$ 1,635,856	\$ 1,687,722	\$ 1,243,898	\$ 1,025,925	\$ 1,034,234	\$ 943,908	\$ 951,629
Service cost	42,426	59,484	57,850	38,550	38,255	38,687	30,672	33,042
Interest on the total pension liability	59,053	35,167	31,186	38,546	35,781	31,998	35,521	33,003
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience in the total pension liability	23,196	89,955	41,968	142,638	196,930	(1,618)	19,179	-
Changes of assumptions or other inputs	30,375	(234,351)	(39,156)	347,111	32,858	(34,095)	52,287	(19,441)
Benefit payments	(140,444)	(145,741)	(143,714)	(123,021)	(85,851)	(43,281)	(47,333)	(54,325)
Other changes	-	-	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 1,454,976</u>	<u>\$ 1,440,370</u>	<u>\$ 1,635,856</u>	<u>\$ 1,687,722</u>	<u>\$ 1,243,898</u>	<u>\$ 1,025,925</u>	<u>\$ 1,034,234</u>	<u>\$ 943,908</u>

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

Notes:

1. This schedule is intended to provide information for ten fiscal years. Additional years' information will be displayed as it becomes available.
2. The Village of Pinehurst has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.
3. There were no significant changes in benefit terms or the size or composition of the covered population that affect the actuarial valuations.
4. There were no significant changes in actuarial assumptions or other inputs to the valuation except for the annual changes as follows:

December 31, 2023 Measurement Date (2024)

- The Municipal Bond Index Rate decreased from 4.31% to 4.00%.

December 31, 2022 Measurement Date (2023)

- The Municipal Bond Index Rate increased from 2.25% to 4.31%.

December 31, 2021 Measurement Date (2022)

- The Municipal Bond Index Rate increased from 1.93% to 2.25%.
 - Based on the results of an experience study completed by the actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019, the following were updated: mortality rates, salary increase rates, service retirement rates, disability retirement rates, termination rates, real wage growth, and leave conversion service.

December 31, 2020 Measurement Date (2021)

- The Municipal Bond Index Rate decreased from 3.26% to 1.93%.

December 31, 2019 Measurement Date (2020)

- The Municipal Bond Index Rate decreased from 3.64% to 3.26%.

December 31, 2018 Measurement Date (2019)

- The Municipal Bond Index Rate increased from 3.16% to 3.64%.

December 31, 2017 Measurement Date (2018)

- The Municipal Bond Index Rate decreased from 3.86% to 3.16%.
 - The assumed inflation rate was reduced from 3.00% to 2.50% and assumed wage inflation was increased from 0.50% to 1.00%.

December 31, 2016 Measurement Date (2017)

- The Municipal Bond Index Rate increased from 3.57% to 3.86%.

Village of Pinehurst, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll
Law Enforcement Officers' Special Separation Allowance - Last Eight Fiscal Years
Required Supplementary Information

RSI-4

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,454,976	\$ 1,440,370	\$ 1,635,856	\$ 1,687,722	\$ 1,243,898	\$ 1,025,925	\$ 1,034,234	\$ 943,908
Covered-employee payroll	1,449,566	1,370,378	1,282,248	1,291,680	1,384,357	1,336,348	1,269,779	1,313,290
Total pension liability as a percentage of covered-employee payroll	100.37%	105.11%	127.58%	130.66%	89.85%	76.77%	81.45%	71.87%

Notes:

See notes included on the Schedule of Changes in Total Pension Liability (RSI-3).

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

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

	2024		Variance Positive (Negative)	2023
	Final Budget	Actual		
Revenues				
Ad valorem taxes:				
Taxes	\$ 13,684,000	\$ 13,637,537	\$ (46,463)	\$ 12,330,789
Penalties and interest	5,000	12,071	7,071	11,280
Total	13,689,000	13,649,608	(39,392)	12,342,069
Other licenses:				
Golf cart licenses	4,500	6,555	2,055	5,430
Unrestricted intergovernmental:				
Local option sales tax	5,878,000	6,042,660	164,660	5,600,796
Telecommunications sales tax	42,000	45,135	3,135	48,511
Utilities sales tax	1,093,000	1,178,289	85,289	1,119,070
Video programming	261,000	237,419	(23,581)	261,768
Hold harmless reimbursements	1,417,000	1,407,587	(9,413)	1,366,887
Wine and beer tax	71,900	90,587	18,687	81,917
Total	8,762,900	9,001,677	238,777	8,478,949
Restricted intergovernmental:				
Powell Bill allocation	642,223	642,223	-	572,245
Controlled substance tax	700	4,037	3,337	2,206
State aid library grant	8,861	8,861	-	7,702
Other grants	2,203	2,204	1	118,770
Solid waste disposal tax	14,300	14,869	569	14,210
Total	668,287	672,194	3,907	715,133
Permits and fees:				
Building permits and inspection fees	250,000	316,850	66,850	307,427
Planning and zoning fees	250,000	274,950	24,950	241,275
Fire district	452,000	455,062	3,062	430,260
Fire permits	15,000	8,884	(6,116)	8,442
Fire inspections	-	4,755	4,755	-
Other permits and fees	352,300	353,763	1,463	2,375
Total	1,319,300	1,414,264	94,964	989,779
Sales and services:				
Rents, concessions and fees	632,100	648,984	16,884	640,739
Recreation fees	216,000	241,362	25,362	237,524
Total	848,100	890,346	42,246	878,263
Investment earnings:				
Investment income	854,100	1,195,928	341,828	719,748

	2024			
	Final Budget	Actual	Variance Positive (Negative)	2023
Miscellaneous:				
ABC revenue	\$ 316,500	\$ 401,665	\$ 85,165	\$ 294,884
Donations	239,480	250,037	10,557	147,214
Lease interest income	1,320	1,299	(21)	1,588
Other revenues	45,500	59,772	14,272	87,956
Total	602,800	712,773	109,973	531,642
Total revenues	26,748,987	27,543,345	794,358	24,661,013
Expenditures				
General government:				
Governing body:				
Operating expenditures		143,850		160,670
Total	210,000	143,850	66,150	160,670
Administration:				
Operating expenditures		1,524,387		1,431,644
Capital outlay		143,655		204,730
Total	1,779,755	1,668,042	111,713	1,636,374
Financial services:				
Operating expenditures		872,980		796,362
Capital outlay		350		28,439
Total	895,340	873,330	22,010	824,801
Human resources:				
Operating expenditures		549,332		460,192
Capital outlay		975		30,337
Total	643,760	550,307	93,453	490,529
Total general government	3,528,855	3,235,529	293,326	3,112,374
Public safety:				
Police:				
Operating expenditures		3,638,490		3,867,131
Capital outlay		599,993		539,359
Total	4,879,454	4,238,483	640,971	4,406,490
Fire:				
Operating expenditures		3,859,349		3,192,161
Capital outlay		35,526		436,502
Total	4,270,845	3,894,875	375,970	3,628,663
Inspections:				
Operating expenditures		403,007		357,935
Capital outlay		350		57,065
Total	435,790	403,357	32,433	415,000
Total public safety	9,586,089	8,536,715	1,049,374	8,450,153

	2024			
	Final Budget	Actual	Variance Positive (Negative)	2023
Transportation:				
Public services administration:				
Operating expenditures		\$ 615,832		\$ 679,381
Capital outlay		9,347		82,866
Total	\$ 723,733	625,179	\$ 98,554	762,247
Streets and grounds:				
Operating expenditures		1,619,575		1,385,871
Capital outlay		1,200,252		581,538
Total	4,196,009	2,819,827	1,376,182	1,967,409
Powell Bill:				
Operating expenditures		1,486,825		1,430,291
Total	1,500,100	1,486,825	13,275	1,430,291
Total transportation	6,419,842	4,931,831	1,488,011	4,159,947
Economic and physical development:				
Planning:				
Operating expenditures		960,373		852,715
Capital outlay		10,954		279,056
Total	1,432,740	971,327	461,413	1,131,771
Community development:				
Operating expenditures		148,565		124,451
Capital outlay		150		2,233
Total	176,854	148,715	28,139	126,684
Total economic and physical development	1,609,594	1,120,042	489,552	1,258,455
Environmental protection:				
Solid waste:				
Operating expenditures		2,205,654		1,967,731
Capital outlay		561,358		240,509
Total	2,931,574	2,767,012	164,562	2,208,240
Total environmental protection	2,931,574	2,767,012	164,562	2,208,240
Cultural and recreation:				
Recreation:				
Operating expenditures		2,228,122		2,034,857
Capital outlay		81,983		1,364,413
Total	2,528,306	2,310,105	218,201	3,399,270

	2024			
	Final Budget	Actual	Variance Positive (Negative)	2023
Library:				
Operating expenditures		\$ 527,554		\$ 526,152
Capital outlay		6,954		10,195
Total	\$ 641,472	534,508	\$ 106,964	536,347
Harness track:				
Operating expenditures		559,213		581,174
Capital outlay		195,911		230,670
Total	865,043	755,124	109,919	811,844
Fair barn:				
Operating expenditures		378,931		346,400
Capital outlay		18,846		30,899
Total	469,305	397,777	71,528	377,299
Total cultural and recreation	4,504,126	3,997,514	506,612	5,124,760
Debt service:				
Principal retirement		295,162		160,393
Interest and fees		9,099		716
Total	314,830	304,261	10,569	161,109
Total expenditures	28,894,910	24,892,904	4,002,006	24,475,038
Excess (deficiency) of revenues over (under) expenditures	(2,145,923)	2,650,441	4,796,364	185,975
Other financing sources (uses):				
Transfers from other funds:				
Special Revenue Fund	-	-	-	5,405,038
Transfers to other funds:				
Capital Project Fund	(80,000)	-	80,000	(1,000,000)
Lease liabilities issued	25,100	10,799	(14,301)	-
Subscription liabilities issued	200,050	199,966	(84)	517,842
Sale of capital assets	310,000	310,330	330	13,250
Total other financing sources (uses)	455,150	521,095	65,945	4,936,130
Fund balance appropriated	1,690,773	-	(1,690,773)	-
Net change in fund balance	\$ -	3,171,536	\$ 3,171,536	5,122,105
Fund balance, beginning		20,362,064		15,239,959
Fund balance, ending		\$ 23,533,600		\$ 20,362,064

SANDHILLS METROPOLITAN PLANNING ORGANIZATION SPECIAL REVENUE FUND

The Sandhills Metropolitan Planning Organization Special Revenue Fund is used to account for federal, state, and local funds used to coordinate transportation projects by the Sandhills Metropolitan Planning Organization (SMPO) which serves area local governments.

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Sandhills Metropolitan Planning Organization Special Revenue Fund
-

Village of Pinehurst, North Carolina
Special Revenue Fund - Sandhills Metropolitan Planning Organization
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Fiscal Year Ended June 30, 2024

Schedule 2

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental:			
Grant revenue	\$ 80,000	\$ 18,442	\$ (61,558)
Member Dues	20,000	4,610	(15,390)
Total revenues	<u>100,000</u>	<u>23,052</u>	<u>(76,948)</u>
Expenditures			
Transportation:			
Operating	<u>100,000</u>	<u>23,052</u>	<u>76,948</u>
Total expenditures	<u>100,000</u>	<u>23,052</u>	<u>76,948</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ -</u>	

LIBRARY EXPANSION CAPITAL PROJECT FUND

The Library Expansion Capital Project Fund is used to account for costs incurred in the design and construction of a new building for the Given Memorial Library and a renovation to the Tufts Archives building.

- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Library Expansion Capital Project Fund
-

Village of Pinehurst, North Carolina
Capital Project Fund - Library Expansion
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2024

Schedule 3

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Investment earnings	\$ 20,000	\$ 23,330	\$ 67,477	\$ 90,807	\$ 70,807
Total revenues	20,000	23,330	67,477	90,807	70,807
Expenditures:					
Cultural and recreation:					
Design	600,900	21,775	211,570	233,345	367,555
Construction	819,100	-	-	-	819,100
Total expenditures	1,420,000	21,775	211,570	233,345	1,186,655
Revenues over (under) expenditures	(1,400,000)	1,555	(144,093)	(142,538)	1,257,462
Other financing sources:					
Transfers from other funds:					
General Fund	1,400,000	1,400,000	-	1,400,000	-
Total other financing sources	1,400,000	1,400,000	-	1,400,000	-
Net change in fund balance	\$ -	\$ 1,401,555	(144,093)	\$ 1,257,462	\$ 1,257,462
Fund balance, beginning			1,401,555		
Fund balance, ending			\$ 1,257,462		

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Capital assets are all tangible and intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

- Schedule by Source
 - Schedule by Function and Activity
 - Schedule of Changes by Function and Activity
-

Village of Pinehurst, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2024 and 2023

Schedule 4

	2024	2023
Governmental funds capital assets:		
Land	\$ 6,729,276	\$ 7,152,311
Right of ways	754,417	672,906
Buildings and improvements	31,470,107	30,860,872
Furniture, equipment, and vehicles	13,261,598	13,017,815
Infrastructure	9,018,846	7,757,123
Right-to-use intangible assets	811,901	616,592
Construction in progress	903,873	148,533
	<u>62,950,018</u>	<u>60,226,152</u>
Total governmental funds capital assets	<u>\$ 62,950,018</u>	<u>\$ 60,226,152</u>
Investment in governmental funds capital assets		
by source:		
General Fund	\$ 56,383,159	\$ 54,892,513
Capital Project Funds	233,345	-
Donations	6,333,514	5,333,639
	<u>62,950,018</u>	<u>60,226,152</u>
Total governmental funds capital assets	<u>\$ 62,950,018</u>	<u>\$ 60,226,152</u>

Village of Pinehurst, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2024

Schedule 5

Function and Activity	Land	Right of Ways	Buildings	Improvements Other than Buildings	Furniture, Equipment and Vehicles	Infrastructure	Right-to-Use Intangible	Construction In Progress	Total
General government:									
Governing body	\$ 3,198,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,198,217
Administration	-	-	4,572,289	-	489,189	-	73,774	-	5,135,252
Financial services	-	-	-	-	135,259	-	21,740	-	156,999
Human resources	-	-	-	-	21,300	-	21,404	-	42,704
Information technology	-	-	-	28,388	496,928	-	202,530	-	727,846
Buildings and grounds	-	-	436,666	704,711	418,858	29,476	-	-	1,589,711
Fleet maintenance	25,170	-	81,456	-	245,951	-	-	-	352,577
	<u>3,223,387</u>	<u>-</u>	<u>5,090,411</u>	<u>733,099</u>	<u>1,807,485</u>	<u>29,476</u>	<u>319,448</u>	<u>-</u>	<u>11,203,306</u>
Public safety:									
Police	-	-	2,850,374	-	1,707,260	-	211,605	-	4,769,239
Fire	332,206	-	3,625,659	-	3,525,897	-	-	-	7,483,762
Inspections	-	-	-	-	75,463	-	-	-	75,463
	<u>332,206</u>	<u>-</u>	<u>6,476,033</u>	<u>-</u>	<u>5,308,620</u>	<u>-</u>	<u>211,605</u>	<u>-</u>	<u>12,328,464</u>
Transportation:									
Public services	402,641	-	1,204,792	-	158,790	-	-	-	1,766,223
Streets and grounds	-	754,417	5,118	2,387,240	2,415,762	7,670,726	-	-	13,233,263
Powell Bill	-	-	-	45,713	140,354	21,115	-	-	207,182
	<u>402,641</u>	<u>754,417</u>	<u>1,209,910</u>	<u>2,432,953</u>	<u>2,714,906</u>	<u>7,691,841</u>	<u>-</u>	<u>-</u>	<u>15,206,668</u>
Environmental protection:									
Solid waste	-	-	-	-	2,315,201	-	18,895	-	2,334,096
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,315,201</u>	<u>-</u>	<u>18,895</u>	<u>-</u>	<u>2,334,096</u>
Cultural and recreation:									
Recreation	940,809	-	5,052,662	4,979,898	428,299	1,028,643	-	-	12,430,311
Library	360,870	-	579,281	-	50,934	-	7,086	-	998,171
Harness track	1,469,363	-	1,656,813	572,928	492,857	268,886	-	-	4,460,847
Fair barn	-	-	2,417,184	268,935	102,213	-	-	-	2,788,332
	<u>2,771,042</u>	<u>-</u>	<u>9,705,940</u>	<u>5,821,761</u>	<u>1,074,303</u>	<u>1,297,529</u>	<u>7,086</u>	<u>-</u>	<u>20,677,661</u>
Economic and physical development:									
Planning	-	-	-	-	41,083	-	254,867	-	295,950
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,083</u>	<u>-</u>	<u>254,867</u>	<u>-</u>	<u>295,950</u>
Construction in progress	-	-	-	-	-	-	-	903,873	903,873
	<u>\$ 6,729,276</u>	<u>\$ 754,417</u>	<u>\$ 22,482,294</u>	<u>\$ 8,987,813</u>	<u>\$ 13,261,598</u>	<u>\$ 9,018,846</u>	<u>\$ 811,901</u>	<u>\$ 903,873</u>	<u>\$ 62,950,018</u>

Village of Pinehurst, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Fiscal Year Ended June 30, 2024

Schedule 6

Function and Activity	Capital Assets June 30, 2023	Additions	Deletions	Adjustments	Capital Assets June 30, 2024
General government:					
Governing body	\$ 3,890,321	\$ -	\$ (692,104)	\$ -	\$ 3,198,217
Administration	5,032,706	121,700	(19,154)	-	5,135,252
Financial services	161,708	-	(4,709)	-	156,999
Human resources	42,704	-	-	-	42,704
Information technology	715,483	20,679	(8,316)	-	727,846
Buildings and grounds maintenance	1,545,349	89,934	(45,572)	-	1,589,711
Fleet maintenance	372,408	-	(19,831)	-	352,577
	<u>11,760,679</u>	<u>232,313</u>	<u>(789,686)</u>	<u>-</u>	<u>11,203,306</u>
Public safety:					
Police	4,619,189	234,867	(84,817)	-	4,769,239
Fire	7,482,953	26,687	(25,878)	-	7,483,762
Inspections	75,463	-	-	-	75,463
	<u>12,177,605</u>	<u>261,554</u>	<u>(110,695)</u>	<u>-</u>	<u>12,328,464</u>
Transportation:					
Public services	1,497,154	336,431	(67,362)	-	1,766,223
Streets and grounds	11,572,134	1,705,625	(148,979)	104,483	13,233,263
Powell Bill	207,182	-	-	-	207,182
	<u>13,276,470</u>	<u>2,042,056</u>	<u>(216,341)</u>	<u>104,483</u>	<u>15,206,668</u>
Environmental protection:					
Solid waste	2,060,999	442,124	(169,027)	-	2,334,096
	<u>2,060,999</u>	<u>442,124</u>	<u>(169,027)</u>	<u>-</u>	<u>2,334,096</u>
Cultural and recreation:					
Recreation	12,380,790	65,089	(15,568)	-	12,430,311
Library	998,171	-	-	-	998,171
Harness track	4,329,418	185,423	(53,994)	-	4,460,847
Fair barn	2,797,537	5,929	(15,134)	-	2,788,332
	<u>20,505,916</u>	<u>256,441</u>	<u>(84,696)</u>	<u>-</u>	<u>20,677,661</u>
Economic and physical development:					
Planning	295,950	-	-	-	295,950
	<u>295,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,950</u>
Construction in progress	148,533	859,823	-	(104,483)	903,873
	<u>\$ 60,226,152</u>	<u>\$ 4,094,311</u>	<u>\$ (1,370,445)</u>	<u>\$ -</u>	<u>\$ 62,950,018</u>

ADDITIONAL FINANCIAL DATA

This section contains additional information on property taxes.

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

Village of Pinehurst, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2024

Schedule 7

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2023</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2024	\$ -	\$ 13,646,041	\$ 13,640,982	\$ 5,059
2023	8,607	-	6,710	1,897
2022	2,658	-	1,730	928
2021	2,016	-	1,246	770
2020	486	-	11	475
2019	175	-	-	175
2018	178	-	-	178
2017	49	-	-	49
2016	60	-	-	60
2015	738	-	-	738
	<u>\$ 14,967</u>	<u>\$ 13,646,041</u>	<u>\$ 13,650,679</u>	<u>\$ 10,329</u>

Reconciliation with Revenues

Ad valorem taxes - General Fund	<u>\$ 13,649,608</u>
Reconciling items:	
Interest collected and refunds	(12,071)
Refunds/reliefs	<u>13,142</u>
	<u>1,071</u>
Total collections and credits	<u>\$ 13,650,679</u>

Village of Pinehurst, North Carolina
Analysis of Current Tax Levy
June 30, 2024

Schedule 8

				Total Levy	
	Property Valuation	General Fund Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 5,914,332,832	\$ 0.230	\$ 13,654,454	\$ 12,902,142	\$ 752,312
Penalties	-		1,492	1,492	-
Total	5,914,332,832		13,655,946	12,903,634	752,312
Discoveries:					
Current year taxes	549,746	Various	1,355	1,355	-
Penalties	-		51	51	-
Total	549,746		1,406	1,406	-
Abatements	(4,917,826)		(11,311)	(11,311)	-
Total property valuation	<u>\$ 5,909,964,752</u>				
Net levy			13,646,041	12,893,729	752,312
Uncollected taxes at June 30			(5,059)	(5,059)	-
Current year's taxes collected			<u>\$ 13,640,982</u>	<u>\$ 12,888,670</u>	<u>\$ 752,312</u>
Current levy collection percentage			99.96%	99.96%	100.00%

STATISTICAL SECTION

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

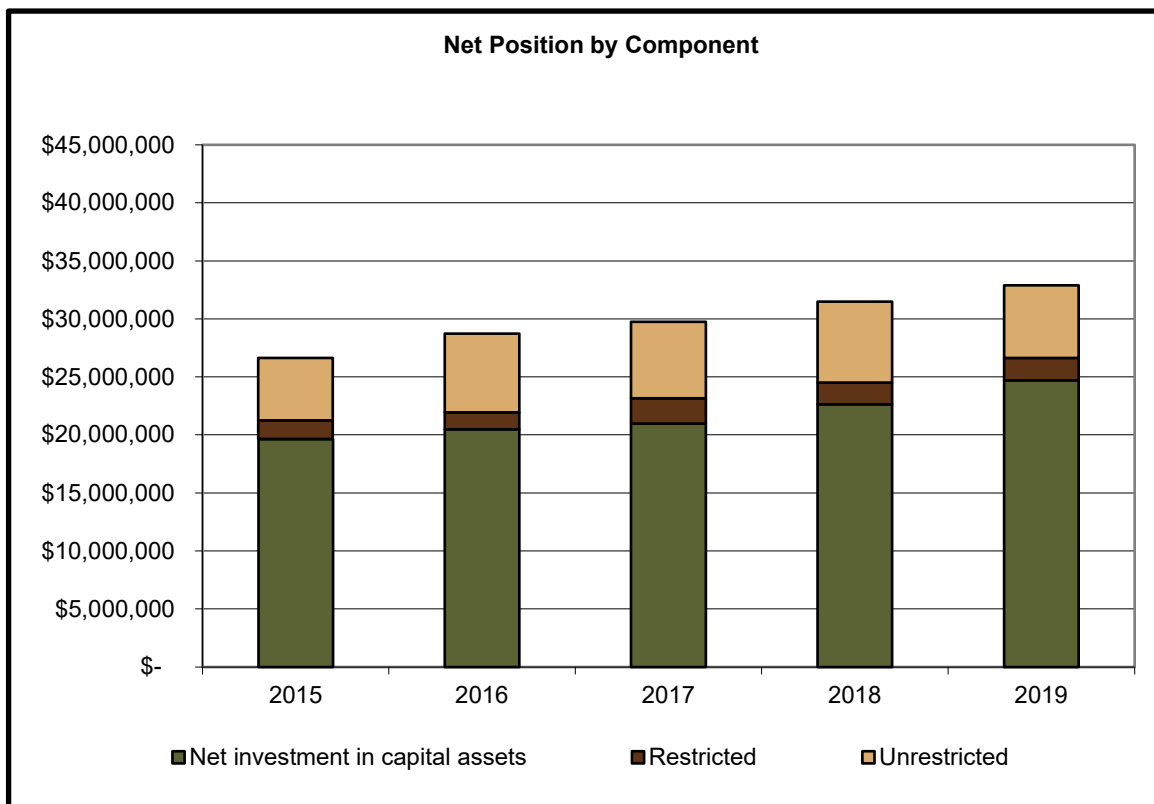
- **Financial Trends**
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- **Revenue Capacity**
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.
- **Debt Capacity**
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.
- **Demographic and Economic Information**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- **Operating Information**
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

Village of Pinehurst, North Carolina
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1
(Page 1 of 2)

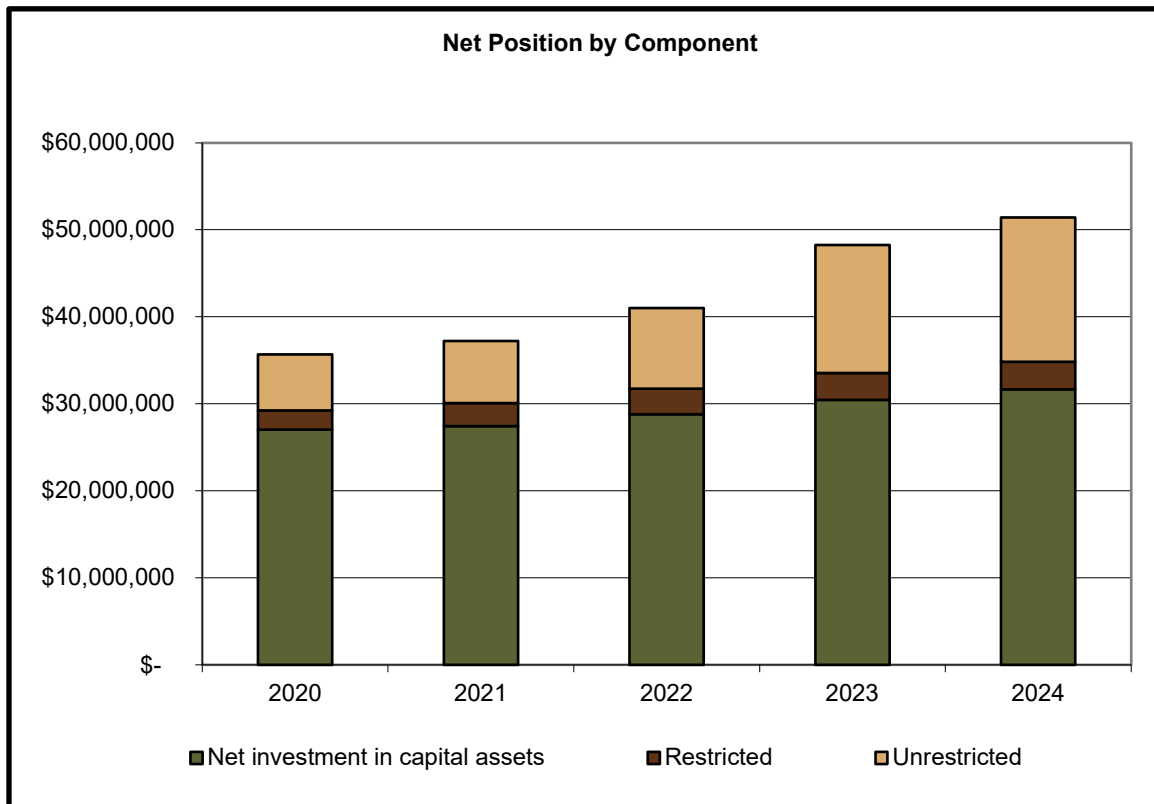
	Fiscal Year				
	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	\$ 19,648,800	\$ 20,467,990	\$ 20,980,863	\$ 22,631,590	\$ 24,692,614
Restricted for:					
Stabilization by state statute	1,601,410	1,474,901	2,165,724	1,881,641	1,923,503
General government	-	-	-	-	-
Public safety	-	-	-	2,672	10,943
Unrestricted	5,381,405	6,777,854	6,594,835	6,980,336	6,276,224
Total net position, previously reported	26,631,615	28,720,745	29,741,422	31,496,239	32,903,284
Restatement	-	(628,284)	-	-	-
Total governmental activities net position	<u>\$ 26,631,615</u>	<u>\$ 28,092,461</u>	<u>\$ 29,741,422</u>	<u>\$ 31,496,239</u>	<u>\$ 32,903,284</u>



Village of Pinehurst, North Carolina
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1
(Page 2 of 2)

	Fiscal Year				
	2020	2021	2022	2023	2024
Governmental activities					
Net investment in capital assets	\$ 27,012,618	\$ 27,420,053	\$ 28,803,183	\$ 30,435,847	\$ 31,673,632
Restricted for:					
Stabilization by state statute	2,233,881	2,624,890	2,893,797	3,067,395	3,129,262
General government	-	-	4,216	-	-
Public safety	-	39,674	36,297	19,469	10,551
Unrestricted	6,425,942	7,114,828	9,279,012	14,706,261	16,605,917
Total net position, previously reported	35,672,441	37,199,445	41,016,505	48,228,972	51,419,362
Restatement	-	-	-	-	-
Total governmental activities net position	<u>\$ 35,672,441</u>	<u>\$ 37,199,445</u>	<u>\$ 41,016,505</u>	<u>\$ 48,228,972</u>	<u>\$ 51,419,362</u>



Village of Pinehurst, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2
(Page 1 of 2)

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 2,220,764	\$ 2,501,748	\$ 2,495,248	\$ 2,507,278	\$ 2,726,379
Public safety	5,653,753	5,684,375	6,070,685	6,207,724	6,528,824
Transportation	2,325,248	2,481,039	2,755,861	3,185,140	3,576,506
Economic and physical development	1,567,788	677,747	765,422	700,647	1,017,081
Environmental protection	1,526,924	1,399,842	1,453,148	1,470,406	1,661,991
Cultural and recreation	2,647,805	2,527,443	2,700,389	2,875,926	2,754,791
Interest on long-term debt	69,243	54,120	40,296	28,933	18,838
Total governmental activities expenses	<u>\$ 16,011,525</u>	<u>\$ 15,326,314</u>	<u>\$ 16,281,049</u>	<u>\$ 16,976,054</u>	<u>\$ 18,284,410</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,045	\$ 8,836	\$ 3,943	\$ 10,140	\$ 24,541
Public safety	507,962	569,814	722,337	677,954	718,467
Transportation	17,000	-	-	-	-
Economic and physical development	51,363	59,368	83,562	85,317	77,246
Cultural and recreation	672,851	730,300	716,909	701,082	660,859
Operating grants and contributions	1,025,870	509,304	603,714	518,202	859,123
Capital grants and contributions	320,235	230,788	-	559,349	397,249
Total governmental activities program revenue	<u>\$ 2,597,326</u>	<u>\$ 2,108,410</u>	<u>\$ 2,130,465</u>	<u>\$ 2,552,044</u>	<u>\$ 2,737,485</u>
Total governmental activities net expense	<u><u>\$ (13,414,199)</u></u>	<u><u>\$ (13,217,904)</u></u>	<u><u>\$ (14,150,584)</u></u>	<u><u>\$ (14,424,010)</u></u>	<u><u>\$ (15,546,925)</u></u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem taxes	\$ 9,785,054	\$ 9,699,296	\$ 9,998,398	\$ 10,143,940	\$ 10,346,079
Other taxes	4,979,172	5,328,610	5,478,926	5,641,380	6,013,374
Grants and contributions not restricted to specific programs	-	-	-	-	-
Investment earnings	9,796	25,872	62,911	146,038	261,291
Miscellaneous	197,599	253,256	259,310	247,469	333,226
Total governmental activities general revenue	<u>\$ 14,971,621</u>	<u>\$ 15,307,034</u>	<u>\$ 15,799,545</u>	<u>\$ 16,178,827</u>	<u>\$ 16,953,970</u>
Change in Governmental Activities Net Position	<u><u>\$ 1,557,422</u></u>	<u><u>\$ 2,089,130</u></u>	<u><u>\$ 1,648,961</u></u>	<u><u>\$ 1,754,817</u></u>	<u><u>\$ 1,407,045</u></u>

Village of Pinehurst, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

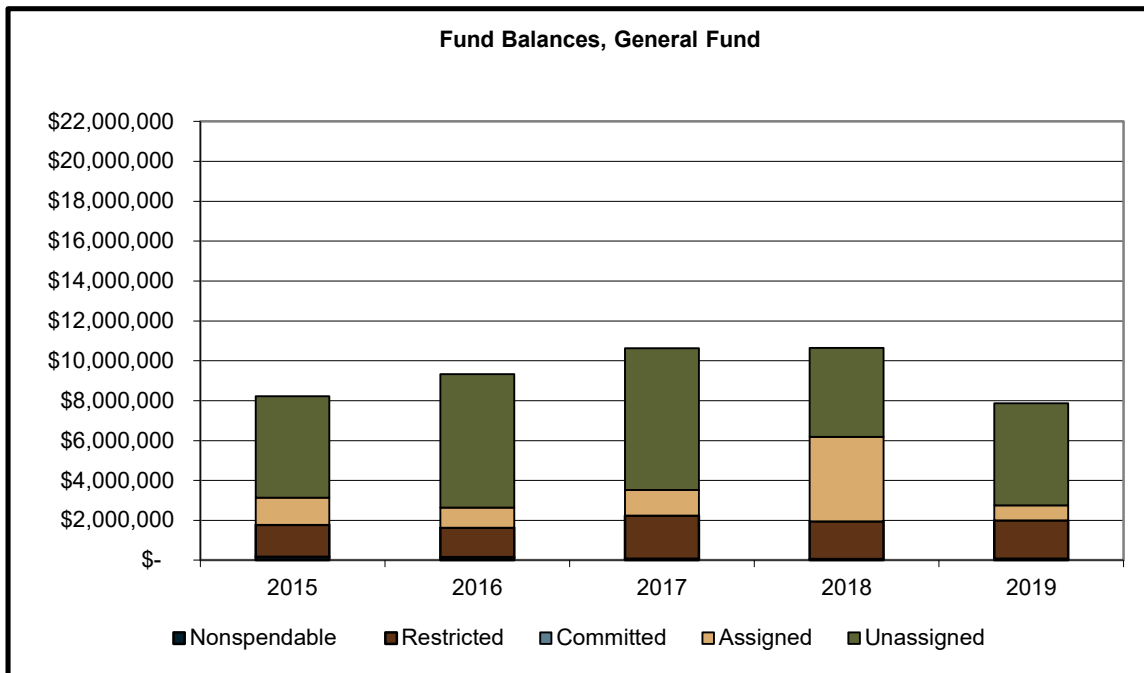
Table 2
(Page 2 of 2)

	Fiscal Year				
	2020	2021	2022	2023	2024
Expenses					
Governmental activities:					
General government	\$ 2,967,823	\$ 2,849,519	\$ 2,795,809	\$ 3,274,557	\$ 3,667,680
Public safety	6,832,478	7,035,668	7,152,920	8,337,760	8,999,234
Transportation	3,249,759	3,720,950	3,565,665	4,053,417	4,338,247
Economic and physical development	844,251	1,075,931	963,250	1,061,855	1,225,704
Environmental protection	1,808,078	1,860,471	2,066,834	2,171,713	2,422,278
Cultural and recreation	2,964,665	3,123,431	3,632,670	4,300,548	4,516,485
Interest on long-term debt	9,203	1,467	201	7,779	7,109
Total governmental activities expenses	<u>\$ 18,676,257</u>	<u>\$ 19,667,437</u>	<u>\$ 20,177,349</u>	<u>\$ 23,207,629</u>	<u>\$ 25,176,737</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 22,036	\$ 32,579	\$ 37,442	\$ 37,939	\$ 41,002
Public safety	683,710	730,483	686,579	752,005	795,001
Transportation	-	-	-	-	-
Economic and physical development	261,564	308,891	253,421	245,588	272,042
Cultural and recreation	519,952	433,297	723,934	842,180	1,196,819
Operating grants and contributions	581,759	790,509	608,559	773,792	924,961
Capital grants and contributions	516,976	95,100	940,150	386,795	679,704
Total governmental activities program revenue	<u>\$ 2,585,997</u>	<u>\$ 2,390,859</u>	<u>\$ 3,250,085</u>	<u>\$ 3,038,299</u>	<u>\$ 3,909,529</u>
Total governmental activities net expense	<u>\$ (16,090,260)</u>	<u>\$ (17,276,578)</u>	<u>\$ (16,927,264)</u>	<u>\$ (20,169,330)</u>	<u>\$ (21,267,208)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Ad valorem taxes	\$ 11,249,478	\$ 11,492,559	\$ 12,260,171	\$ 12,339,658	\$ 13,644,970
Other taxes	6,151,373	6,933,901	7,955,501	8,478,949	9,001,677
Grants and contributions not restricted to specific programs	-	-	-	5,296,752	-
Investment earnings	171,964	2,879	24,651	837,517	1,250,819
Miscellaneous	1,286,602	374,243	504,001	428,921	560,132
Total governmental activities general revenue	<u>\$ 18,859,417</u>	<u>\$ 18,803,582</u>	<u>\$ 20,744,324</u>	<u>\$ 27,381,797</u>	<u>\$ 24,457,598</u>
Change in Governmental Activities Net Position	<u>\$ 2,769,157</u>	<u>\$ 1,527,004</u>	<u>\$ 3,817,060</u>	<u>\$ 7,212,467</u>	<u>\$ 3,190,390</u>

Village of Pinehurst, North Carolina
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 3
(Page 1 of 2)

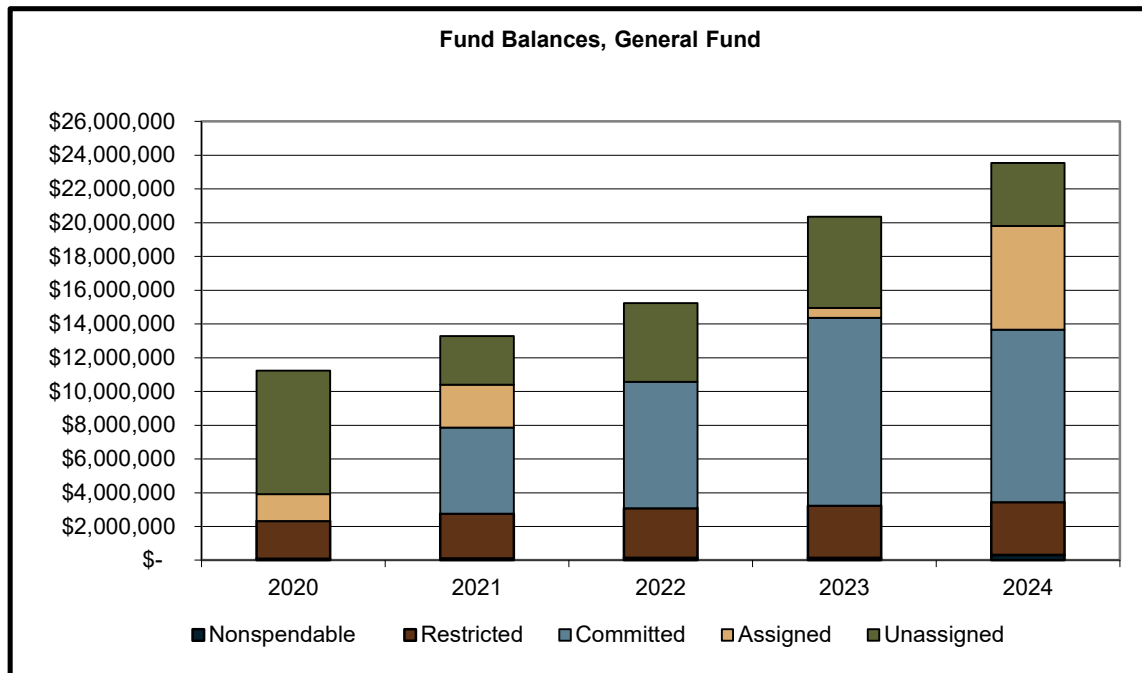
	Fiscal Year				
	2015	2016	2017	2018	2019
General Fund					
Nonspendable:					
Inventory	\$ 44,494	\$ 39,799	\$ 36,653	\$ 39,993	\$ 48,427
Prepaid items	124,296	118,979	35,236	19,878	20,135
Leases	-	-	-	-	-
Restricted:					
Stabilization by state statute	1,601,410	1,474,901	2,165,724	1,881,641	1,923,503
Public safety	-	-	-	2,672	10,943
Committed:					
Library and archives	-	-	-	-	-
Future capital	-	-	-	-	-
Assigned:					
Subsequent year's expenditures	1,375,639	1,001,685	1,284,513	4,249,380	755,967
Unassigned	5,079,263	6,689,980	7,110,976	4,448,274	5,112,998
Total general fund	\$ 8,225,102	\$ 9,325,344	\$ 10,633,102	\$ 10,641,838	\$ 7,871,973
All Other Governmental Funds					
Restricted:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Committed:					
Cultural and recreation	-	-	-	186,877	2,520,458
Library and archives	-	-	-	-	-
Special revenue fund expenditures	-	-	-	-	-
Total all other governmental funds	\$ -	\$ -	\$ -	\$ 186,877	\$ 2,520,458



Village of Pinehurst, North Carolina
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 3
(Page 2 of 2)

	Fiscal Year				
	2020	2021	2022	2023	2024
General Fund					
Nonspendable:					
Inventory	\$ 44,098	\$ 60,814	\$ 74,697	\$ 52,537	\$ 47,318
Prepaid items	42,602	38,374	71,056	98,579	260,111
Leases	-	-	-	1,722	2,655
Restricted:					
Stabilization by state statute	2,233,881	2,624,890	2,893,797	3,067,395	3,129,262
Public safety	-	39,674	36,297	19,469	10,551
Committed:					
Library and archives	-	1,000,000	544,777	544,777	544,777
Future capital	-	4,102,691	6,942,557	10,572,049	9,674,900
Assigned:					
Subsequent year's expenditures	1,603,467	2,530,950	-	600,100	6,130,090
Unassigned	7,305,222	2,891,475	4,676,778	5,405,436	3,733,936
Total general fund	\$ 11,229,270	\$ 13,288,868	\$ 15,239,959	\$ 20,362,064	\$ 23,533,600
All Other Governmental Funds					
Restricted:					
General government	\$ -	\$ -	\$ 4,216	\$ -	\$ -
Committed:					
Cultural and recreation	249,374	-	400,319	-	-
Library and archives	-	-	-	1,401,555	1,257,462
Special revenue fund expenditures	-	-	-	-	-
Total all other governmental funds	\$ 249,374	\$ -	\$ 404,535	\$ 1,401,555	\$ 1,257,462



Village of Pinehurst, North Carolina
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 4
(Page 1 of 2)

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues					
Ad valorem taxes	\$ 9,792,365	\$ 9,697,697	\$ 9,996,412	\$ 10,142,650	\$ 10,349,609
Other taxes and licenses	2,010	8,745	2,180	2,475	2,850
Unrestricted intergovernmental	4,979,172	5,328,610	5,478,926	5,641,380	6,013,374
Restricted intergovernmental	1,069,055	509,245	603,437	517,964	858,129
Permits and fees	578,554	632,033	801,574	761,918	794,770
Sales and services	629,899	729,626	719,515	709,419	689,943
Investment earnings	9,836	25,932	63,189	146,276	262,285
Lease interest income	-	-	-	-	-
Assessments	20,116	45,741	39,102	31,607	29,371
Miscellaneous	182,310	195,642	197,420	214,839	282,745
Total revenues	17,263,317	17,173,271	17,901,755	18,168,528	19,283,076
Expenditures					
General government	2,133,743	2,142,750	2,164,459	2,288,440	2,331,905
Public safety	5,543,484	5,443,314	5,564,978	6,404,850	6,052,992
Transportation	2,789,063	2,774,071	3,276,715	3,590,267	3,625,359
Economic and physical development	1,624,275	874,566	764,595	700,149	1,010,775
Environmental protection	1,586,800	1,576,998	1,312,900	1,639,564	1,510,935
Cultural and recreation	2,633,384	2,854,719	3,176,328	3,035,778	4,918,823
Debt service:					
Principal	420,917	406,502	368,531	329,223	297,282
Interest and other charges	73,615	57,721	43,717	32,160	21,770
Total expenditures	16,805,281	16,130,641	16,672,223	18,020,431	19,769,841
Excess (deficiency) of revenues over (under) expenditures	458,036	1,042,630	1,229,532	148,097	(486,765)
Other Financing Sources (Uses)					
Transfers to other funds	(2,897)	-	-	(344,000)	(4,569,165)
Transfers from other funds	2,897	-	-	344,000	4,569,165
Lease liabilities issued	-	-	-	-	-
Subscription liabilities issued	-	-	-	-	-
Sales of capital assets	15,328	57,612	78,226	47,516	50,481
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	15,328	57,612	78,226	47,516	50,481
Net change in fund balances	473,364	1,100,242	1,307,758	195,613	(436,284)
Fund balances, beginning	7,751,738	8,225,102	9,325,344	10,633,102	10,828,715
Fund balances, ending	\$ 8,225,102	\$ 9,325,344	\$ 10,633,102	\$ 10,828,715	\$ 10,392,431
Debt service as a percentage of noncapital expenditures	3.2%	3.3%	2.8%	2.3%	1.9%

Notes:

The capital outlay used to calculate debt service as a percentage of noncapital expenditures can be found in Exhibit 6.

Village of Pinehurst, North Carolina
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

Table 4
(Page 2 of 2)

	Fiscal Year				
	2020	2021	2022	2023	2024
Revenues					
Ad valorem taxes	\$ 11,261,143	\$ 11,490,262	\$ 12,257,753	\$ 12,342,069	\$ 13,649,608
Other taxes and licenses	3,215	4,455	4,755	5,430	6,555
Unrestricted intergovernmental	6,151,373	6,933,901	7,955,501	8,478,949	9,001,677
Restricted intergovernmental	577,505	790,495	604,104	6,011,885	695,246
Permits and fees	938,780	1,029,833	944,902	989,779	1,414,264
Sales and services	543,264	459,900	762,888	878,263	890,346
Investment earnings	179,218	2,893	29,105	846,829	1,263,405
Lease interest income	-	-	-	1,588	-
Assessments	26,103	5,179	-	-	-
Miscellaneous	1,267,184	347,109	469,548	530,054	712,773
Total revenues	<u>20,947,785</u>	<u>21,064,027</u>	<u>23,028,556</u>	<u>30,084,846</u>	<u>27,633,874</u>
Expenditures					
General government	2,511,205	2,652,064	3,005,708	3,112,374	3,235,529
Public safety	6,386,218	7,076,720	7,552,785	8,450,153	8,536,715
Transportation	3,129,937	3,724,913	3,794,494	4,159,947	4,954,883
Economic and physical development	813,014	1,040,019	967,626	1,258,455	1,120,042
Environmental protection	1,828,660	1,860,146	1,901,761	2,208,240	2,767,012
Cultural and recreation	4,901,123	2,782,327	3,509,789	5,146,535	4,209,084
Debt service:					
Principal	298,687	141,600	11,201	160,393	295,162
Interest and other charges	12,146	3,148	142	716	9,099
Total expenditures	<u>19,880,990</u>	<u>19,280,937</u>	<u>20,743,506</u>	<u>24,496,813</u>	<u>25,127,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,066,795</u>	<u>1,783,090</u>	<u>2,285,050</u>	<u>5,588,033</u>	<u>2,506,348</u>
Other Financing Sources (Uses)					
Transfers to other funds	-	(244,999)	(400,000)	(6,405,038)	-
Transfers from other funds	-	244,999	400,000	6,405,038	-
Lease liabilities issued	-	-	36,123	-	10,799
Subscription liabilities issued	-	-	-	517,842	199,966
Sales of capital assets	19,418	27,134	34,453	13,250	310,330
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>19,418</u>	<u>27,134</u>	<u>70,576</u>	<u>531,092</u>	<u>521,095</u>
Net change in fund balances	1,086,213	1,810,224	2,355,626	6,119,125	3,027,443
Fund balances, beginning	<u>10,392,431</u>	<u>11,478,644</u>	<u>13,288,868</u>	<u>15,644,494</u>	<u>21,763,619</u>
Fund balances, ending	<u>\$ 11,478,644</u>	<u>\$ 13,288,868</u>	<u>\$ 15,644,494</u>	<u>\$ 21,763,619</u>	<u>\$ 24,791,062</u>
Debt service as a percentage of noncapital expenditures	1.9%	0.8%	0.1%	0.8%	1.4%

Notes:

The capital outlay used to calculate debt service as a percentage of noncapital expenditures can be found in Exhibit 6.

Village of Pinehurst, North Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 5

Fiscal Year	Tax Year	Residential Property	Commercial Property	Industrial Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2015	2014	3,433,872,218	357,593,290	16,969,593	316,220,133	3,492,214,968	0.280	3,481,769,659
2016	2015	3,352,781,389	375,083,970	19,365,934	404,357,860	3,342,873,433	0.290	3,354,614,584
2017	2016	3,398,349,498	375,641,253	19,308,922	405,681,620	3,387,618,053	0.295	3,379,844,411
2018	2017	3,438,503,505	382,281,151	20,624,370	405,969,480	3,435,439,546	0.295	3,357,544,513
2019	2018	3,495,942,470	391,820,521	20,871,399	405,458,520	3,503,175,870	0.295	3,432,467,049
2020	2019	3,737,721,744	427,481,221	23,759,023	437,571,040	3,751,390,948	0.300	3,738,306,874
2021	2020	3,809,790,478	427,774,584	26,068,173	434,758,410	3,828,874,825	0.300	3,783,099,323
2022	2021	3,910,901,972	418,615,954	26,343,641	463,961,170	3,891,900,397	0.315	3,844,611,673
2023	2022	4,010,654,518	418,999,504	26,827,043	476,595,220	3,979,885,845	0.310	3,872,991,286
2024	2023	5,956,165,277	565,110,032	32,546,743	643,857,300	5,909,964,752	0.230	5,924,776,694

Source:
Moore County Tax Department

Notes:
Assessed valuations are established by the Moore County Board of Commissioners at 100% of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. Property was last revalued as of January 1, 2019 in FY 2020.

Estimated actual taxable value is calculated using information provided in Moore County's Annual Comprehensive Financial Report.

Village of Pinehurst, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Years
(Rates are per \$100 of Assessed Value)

Table 6

Fiscal Year	Tax Year	Direct Rates	Overlapping Rates
		Total Direct Rate	Moore County (1)
2015	2014	0.280	0.485
2016	2015	0.290	0.495
2017	2016	0.295	0.495
2018	2017	0.295	0.495
2019	2018	0.295	0.505
2020	2019	0.300	0.550
2021	2020	0.300	0.550
2022	2021	0.315	0.550
2023	2022	0.310	0.525
2024	2023	0.230	0.368

Source:

(1) Moore County Tax Department

Notes:

Overlapping rates are those of local and county governments that apply to property owners within the Village of Pinehurst.

Village of Pinehurst, North Carolina
Principal Property Tax Payers
Current Year and Nine Years Ago

Table 7

Taxpayer	2024		2015	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst, LLC	\$ 250,360,485	4.24%	\$ 168,387,896	4.82%
Pinehurst Surgical Clinic	36,115,720	0.61%	23,614,600	0.68%
Pinehurst Medical Group Inc	34,618,040	0.59%	20,244,470	0.58%
Country Club of North Carolina	28,092,480	0.48%	22,019,470	0.63%
Duke Energy Progress, Inc.	26,096,273	0.44%	12,248,076	0.35%
Drain the Swamp, LLC	17,882,760	0.30%	-	-
The Greens at Arboretum LLC	16,019,170	0.27%	-	-
Quail Haven Properties of Pinehurst, LLC	13,967,360	0.24%	9,338,140	0.27%
MTMM Associates (Carolina Eye Assoc.)	11,396,530	0.19%	6,694,320	0.19%
AEP Pinewild Holding, LLC	11,291,950	0.19%		
Pinewild Project Limited PTNS	-	-	13,964,590	0.40%
East Lake Development, LLC	-	-	6,638,080	0.19%
SCOP (Surgery Center of Pinehurst)	-	-	5,148,450	0.15%
Total	<u>\$ 445,840,768</u>	<u>7.55%</u>	<u>\$ 288,298,092</u>	<u>8.26%</u>

Source:

Moore County Tax Department

Notes:

FY 2024 and FY 2015 data are for tax years 2023 and 2014 respectively.

Pinehurst, LLC includes: Resorts of Pinehurst, Pinehurst, Inc., Pinehurst LLC, Resorts of Pinehurst, Inc.

Village of Pinehurst, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy (1)
2015	2014	9,774,886	9,772,350	99.97%	2,376	9,774,726	100.00%
2016	2015	9,692,375	9,686,105	99.94%	6,210	9,692,315	100.00%
2017	2016	9,992,459	9,983,263	99.91%	9,147	9,992,410	100.00%
2018	2017	10,136,740	10,129,986	99.93%	6,576	10,136,562	100.00%
2019	2018	10,334,013	10,323,160	99.89%	10,678	10,333,838	100.00%
2020	2019	11,256,701	11,247,972	99.92%	8,254	11,256,226	100.00%
2021	2020	11,486,218	11,478,077	99.93%	7,371	11,485,448	99.99%
2022	2021	12,252,759	12,243,729	99.93%	8,102	12,251,831	99.99%
2023	2022	12,342,976	12,334,369	99.93%	6,710	12,341,079	99.98%
2024	2023	13,646,041	13,640,982	99.96%	-	13,640,982	99.96%

Source:

Moore County Tax Department

Notes:

(1) Taxes Levied for the Fiscal Year have been adjusted for Collections in Subsequent Years.

Village of Pinehurst, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

Fiscal Year	Calendar Year	Governmental Activities			Percentage of Personal Income (2)	Per Capita (2)
		Installment Financing (1)	Lease Liabilities	Subscription Liabilities		
2015	2014	1,841,825	-	-	0.26%	119
2016	2015	1,435,323	-	-	0.18%	91
2017	2016	1,066,792	-	-	0.13%	66
2018	2017	737,569	-	-	0.10%	45
2019	2018	440,287	-	-	0.06%	26
2020	2019	141,600	-	-	0.02%	8
2021	2020	-	-	-	0.00%	-
2022	2021	-	24,922	-	0.00%	-
2023	2022	-	12,897	361,158	0.04%	21
2024	2023	-	12,041	275,565	0.03%	16

Notes:

(1) Details regarding outstanding debt can be found in Note 10 of the notes to the financial statements.

(2) See Table 12 for personal income and population data. These ratios are calculated using personal income and population for the calendar year.

Village of Pinehurst, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2024

Table 10

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (2)	Estimated Share of Direct and Overlapping Debt
Moore County (1)			
Debt repaid with property taxes:			
Moore County general obligation debt	\$ 123,185,000	26.17%	\$ 32,232,845
Other debt:			
Moore County limited obligation bonds	18,090,000	26.17%	4,733,467
Moore County installment loans	982,029	26.17%	256,960
Subtotal, overlapping debt			37,223,272
Village of Pinehurst direct debt			287,606
Total direct and overlapping debt			\$ 37,510,878

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Village. This process recognizes that, when considering the Village's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident--therefore responsible for repaying the debt--of each overlapping governments.

(1) Source: Moore County's Annual Comprehensive Financial Report

(2) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Village of Pinehurst's boundaries and dividing it by each unit's total taxable assessed value. Taxable assessed property values as of June 30, 2023 were used to determine the overlapping debt percentage.

Village of Pinehurst, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years

Table 11

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percent of Debt Limit
2015	279,377,197	1,841,825	277,535,372	99.34%
2016	267,429,875	1,435,323	265,994,552	99.46%
2017	271,009,444	1,066,792	269,942,652	99.61%
2018	274,835,164	737,569	274,097,595	99.73%
2019	280,254,070	440,287	279,813,783	99.84%
2020	300,111,276	141,600	299,969,676	99.95%
2021	306,309,986	-	306,309,986	100.00%
2022	311,352,032	-	311,352,032	100.00%
2023	318,390,868	-	318,390,868	100.00%
2024	472,797,180	-	472,797,180	100.00%

Legal Debt Margin Calculation for Fiscal Year 2023

Assessed valuation	\$ 5,909,964,752	
	X 0.08	
Debt limit - 8.0% of assessed value		\$ 472,797,180
Gross debt:		
Authorized and unissued bonds	-	
Installment purchase agreements	-	
Total gross debt	-	
Less: statutory deductions	-	
Total amount of debt applicable to debt limit (net debt)		-
Legal debt margin		\$ 472,797,180

Village of Pinehurst, North Carolina
Demographic and Economic Statistics
Last Ten Calendar Years

Table 12

Fiscal Year	Calendar Year	Population (1)	Personal Income	Per Capita Income (2)	Median Age (2)	Unemployment Rate (3)
2015	2014	15,525	708,033,150	45,606	60.8	5.4%
2016	2015	15,763	778,093,206	49,362	61.1	5.1%
2017	2016	16,123	798,136,869	49,503	61.4	4.1%
2018	2017	16,452	729,679,104	44,352	60.1	4.2%
2019	2018	16,754	771,907,042	46,073	59.3	4.5%
2020	2019	17,100	824,117,400	48,194	61.2	7.3%
2021	2020	17,484	870,143,712	49,768	59.4	4.8%
2022	2021	17,651	922,211,797	52,247	60.3	4.1%
2023	2022	18,074	1,043,195,132	57,718	58.7	3.7%
2024	2023	18,416	1,147,721,952	62,322	60.3	4.0%

Sources:

- (1) Office of State Budget and Management
- (2) U.S. Census Bureau
- (3) North Carolina Employment Security Commission

Notes:

Per Capita Income is adjusted annually after the Decennial Census calendar year by the annual average inflation rate.

Unemployment rate information is a calendar year adjusted annual average in Pinehurst-Southern Pines area.

Village of Pinehurst, North Carolina
Principal Employers
Current Year and Nine Years Ago

Table 13

Employer	2024		2015	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
First Health of the Carolinas (1)	4,615	63.01%	3,491	69.60%
Pinehurst, LLC (2)	1,370	18.71%	1,310	26.12%
Total		81.72%		95.71%

Sources:

(1) Human Resources Department at First Health of the Carolinas.

(2) Human Resources Department at Pinehurst, LLC f/n/a Resorts of Pinehurst Inc.

Notes:

2024 employment is based on calendar year 2023.

GASB 44 requires comparative data for the current calendar year and nine years prior. 2020 adjusted Census Data was used for 2015 and 2024 to estimate the percentage of total employment.

Village of Pinehurst, North Carolina
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Table 14

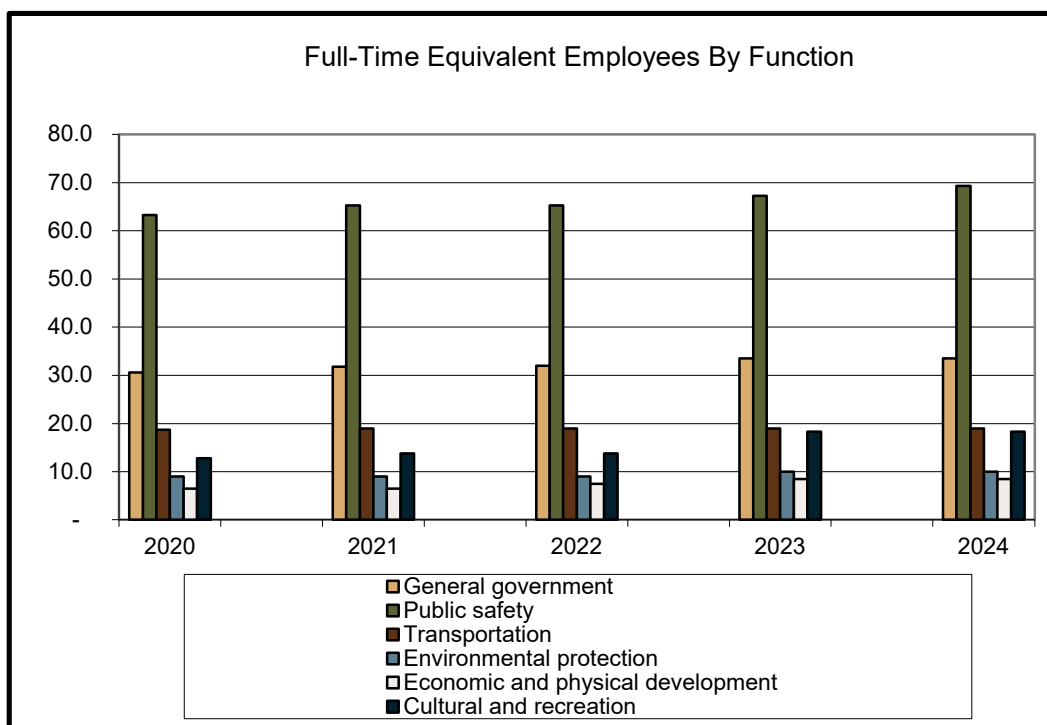
Function	Full-Time Equivalent Employees as of June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	26.8	26.8	26.8	28.6	30.6	31.8	32.0	33.5	33.5	33.5
Public safety	60.0	60.0	63.3	63.3	63.3	65.3	65.3	67.3	69.3	72.0
Transportation	18.0	18.0	18.0	18.7	18.7	19.0	19.0	19.0	19.0	19.0
Environmental protection	9.0	9.0	9.0	9.0	9.0	9.0	9.0	10.0	10.0	10.0
Economic and physical development	6.0	6.0	6.5	6.5	6.5	6.5	7.5	8.5	8.5	8.5
Cultural and recreation	12.1	12.8	12.8	12.8	12.8	13.8	13.8	18.3	18.3	19.9
Total	131.9	132.6	136.4	138.9	140.9	145.4	146.6	156.6	158.6	162.9

Source:

Village of Pinehurst Human Resources Department

Notes:

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.



Village of Pinehurst, North Carolina
Operating Indicators by Function
Last Ten Fiscal Years

Table 15
(Page 1 of 2)

Function	Fiscal Year				
	2015	2016	2017	2018	2019
General Government					
Financial services:					
Purchase orders issued	297	323	384	401	378
Vendor checks issued	1,509	1,490	1,377	1,415	1,289
Vendor EFTs issued	1,009	1,070	1,071	972	1,046
Human resources:					
Workers' compensation lost time (days)	39	8	8	5	1
Employee turnover rate	14.3%	12.6%	13.1%	8.3%	12.2%
Fleet maintenance:					
Vehicles maintained	97	98	103	100	101
Equipment maintained	61	62	62	67	59
Preventative maintenance completed	240	228	234	236	248
Public Safety					
Fire protection:					
Public fire & life safety classes	342	438	563	617	606
Incident calls	1,052	1,245	1,754	1,670	1,891
Structure fires	14	4	10	7	5
Inspections (1)	756	184	186	257	204
Child passenger seat inspections	170	183	136	104	104
Police protection:					
Physical arrests	575	651	739	296	392
Citations issued	1,757	2,603	2,750	3,368	3,770
Response to calls/officer initiated activity	11,742	14,923	16,613	16,809	18,103
Traffic accidents	433	635	654	658	652
Inspections:					
Building inspections conducted (1)	5,469	5,656	6,633	7,614	7,008
Certificates of occupancy issued	116	91	130	216	240
Transportation					
Street resurfacing (miles)	4.5	2.1	3.1	5.7	3.9
Environmental Protection					
Refuse collected (tons annually)	3,973	4,106	4,062	3,962	4,522
Homes receiving service	8,107	8,196	8,326	8,467	8,531
Recyclables collected (tons annually)	2,115	1,935	2,060	2,066	1,702
Economic and Physical Development					
Building permits issued	289	315	347	348	337
Code compliance investigations	639	774	1,251	1,156	1,045
Cultural and Recreation					
Recreation:					
Program participants	1,986	2,634	2,950	3,061	2,678
Athletics participants	1,736	1,699	1,922	1,847	1,665
Library and archives:					
Books checked out	36,264	35,542	41,224	45,341	45,764
E-books checked out	8,168	8,545	10,095	12,334	16,041
Harness track:					
Standardbred stalls leased	236	256	252	215	193
Facilities reserved (days)	38	52	40	39	38
Fair barn:					
Events	133	112	121	124	104
Rental days	205	177	159	150	107

Sources:

Various Village departments

Notes:

(1) Information is not available

(2) Beginning in fiscal year 2024, the methodology for counting facilities reserved (days) changed

Village of Pinehurst, North Carolina
Operating Indicators by Function
Last Ten Fiscal Years

Table 15
(Page 2 of 2)

Function	Fiscal Year				
	2020	2021	2022	2023	2024
General Government					
Financial services:					
Purchase orders issued	432	415	449	487	495
Vendor checks issued	1,554	1,354	1,434	1,487	1,210
Vendor EFTs issued	974	878	960	1,035	1,164
Human resources:					
Workers' compensation lost time (days)	80	215	15	23	3
Employee turnover rate	15.7%	13.1%	14.4%	15.0%	13.8%
Fleet maintenance:					
Vehicles maintained	102	102	100	100	111
Equipment maintained	77	88	126	174	183
Preventative maintenance completed	231	228	251	290	305
Public Safety					
Fire protection:					
Public fire & life safety classes	381	89	104	123	203
Incident calls	1,686	1,904	2,335	2,214	2,407
Structure fires	1	13	14	Note (1)	Note (1)
Inspections	169	698	482	128	722
Child passenger seat inspections	60	31	62	83	56
Police protection:					
Physical arrests	330	426	370	282	178
Citations issued	2,990	2,387	1,985	1,702	2,127
Response to calls/officer initiated activity	17,547	24,933	23,926	28,322	22,978
Traffic accidents	578	600	668	726	749
Inspections:					
Building inspections conducted	8,223	8,723	8,323	8,445	8,282
Certificates of occupancy issued	260	221	235	246	171
Transportation					
Street resurfacing (miles)	4.5	4.5	4.0	4.2	4.2
Environmental Protection					
Refuse collected (tons annually)	5,018	5,670	5,112	5,240	5,596
Homes receiving service	8,562	8,726	8,885	9,050	9,120
Recyclables collected (tons annually)	1,208	1,009	1,479	1,407	1,277
Economic and Physical Development					
Building permits issued	360	296	254	187	236
Code compliance investigations	1,372	1,215	1,306	1,409	2,409
Cultural and Recreation					
Recreation:					
Program participants	1,600	1,812	2,841	3,870	3,971
Athletics participants	1,792	2,273	6,063	6,702	7,658
Library and archives:					
Books checked out	32,490	20,466	30,127	32,786	30,097
E-books checked out	17,200	21,139	21,316	22,248	25,487
Harness track:					
Standardbred stalls leased	172	126	141	182	178
Facilities reserved (days) Note (2)	62	248	248	184	31,914
Fair barn:					
Events	83	76	135	125	159
Rental days	102	17	101	110	136

Sources:

Various Village departments

Notes:

(1) Information is not available

(2) Beginning in fiscal year 2024, the methodology for counting facilities reserved (days) changed

Village of Pinehurst, North Carolina
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 16
(Page 1 of 2)

Function	Fiscal Year				
	2015	2016	2017	2018	2019
Public safety:					
Fire protection:					
Stations	2	2	2	2	2
Fire trucks	6	6	6	6	6
Police protection:					
Stations	1	1	1	1	1
Police vehicles	26	29	26	29	27
Transportation:					
Miles of streets	106.08	106.35	106.35	106.75	106.98
Maintenance vehicles	25	23	25	24	22
Sidewalks, greenways and bike paths (lf)	68,653	71,663	79,272	82,757	83,179
Environmental protection:					
Refuse collection trucks	16	17	13	14	12
Economic and physical development:					
Storm water drainage areas	66	80	84	92	106
Cultural and recreation:					
Number of parks	5	5	5	5	5
Park acreage	294	294	294	294	294
Greenway trails (miles)	6.8	7.1	7.6	7.6	7.6
Playgrounds	3	3	3	3	3
Baseball/softball diamonds	2	2	2	2	2
Soccer fields	2	2	2	2	2

Sources:

Various Village departments

Village of Pinehurst, North Carolina
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 16
(Page 2 of 2)

Function	Fiscal Year				
	2020	2021	2022	2023	2024
Public safety:					
Fire protection:					
Stations	2	2	2	2	2
Fire trucks	6	7	8	7	7
Police protection:					
Stations	1	1	1	1	1
Police vehicles	29	27	27	33	31
Transportation:					
Miles of streets	107.40	107.40	107.60	107.69	108.13
Maintenance vehicles	22	23	23	25	24
Sidewalks, greenways and bike paths (lf)	85,344	85,344	88,121	88,913	96,463
Environmental protection:					
Refuse collection trucks	12	14	14	16	17
Economic and physical development:					
Storm water drainage areas	116	134	148	158	173
Cultural and recreation:					
Number of parks	5	5	6	6	6
Park acreage	294	294	303	303	303
Greenway trails (miles)	7.6	7.6	7.8	10.0	10.0
Playgrounds	3	3	3	3	3
Baseball/softball diamonds	2	2	2	2	2
Soccer fields	2	2	1	1	1

Sources:

Various Village departments

COMPLIANCE SECTION

This section contains the reports and schedules listed below:

- **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**
 - **Report on Compliance for the Major State Program and on Internal Control over Compliance Required by the State Single Audit Implementation Act – Independent Auditor's Report**
 - Schedule of Findings and Questioned Costs
 - Schedule of Expenditures of Federal and State Awards
-

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

The Honorable Mayor and
Members of the Village Council
Village of Pinehurst, 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 financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Pinehurst, North Carolina ("Village") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Pinehurst, North Carolina's basic financial statements, and have issued our report thereon dated October 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village'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 Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village'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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for 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 to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

Forvis Mazars, LLP

**Winston-Salem, North Carolina
October 17, 2024**

Report on Compliance for the Major State Program and Report on Internal Control over Compliance Required by the State Single Audit Implementation Act

Independent Auditor's Report

The Honorable Mayor and
Members of the Village Council
Village of Pinehurst, North Carolina

Report on Compliance for the Major State Program

Opinion on the Major State Program

We have audited the Village of Pinehurst, North Carolina's (the "Village") 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 the Village's major state program for the year ended June 30, 2024. The Village's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Village complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major state program for the year ended June 30, 2024.

Basis for Opinion on the Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and applicable sections of *Title 2 U.S. Code of Federal 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. Our responsibilities under those standards, the applicable sections of the Uniform Guidance, and the State Single Audit Implementation Act are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Village's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Village's state program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the applicable sections of the Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Village's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the applicable sections of the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the applicable sections of the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

The Honorable Mayor and
Members of the Village Council
Village of Pinehurst, North Carolina

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 applicable sections of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Winston-Salem, North Carolina
October 17, 2024**

Schedule of Findings and Questioned Costs

Section I: Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None reported

Is any noncompliance material to financial statements noted? _____ Yes X No

State Awards

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None reported

Noncompliance material to State awards? _____ Yes X No

Type of auditors' report issued on compliance for major state programs: Unmodified

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:

Name of State Program

Powell Bill - DOT 4

Section II: Financial Statement Findings

There were no findings related to the financial statements for the fiscal year ended June 30, 2024.

Section III: State Awards Findings and Questioned Costs

There were no findings related to state awards for the fiscal year ended June 30, 2024.

Village of Pinehurst, North Carolina
Schedule of Expenditures of Federal and State Awards
Fiscal Year Ended June 30, 2024

Schedule 10

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal Expenditures	State Expenditures	Local Expenditures
Federal awards:					
<u>U.S. Department of the Treasury</u> Equitable Sharing Program - Federal Forfeiture	21.016	Direct	9,679	-	-
Total U.S. Department of the Treasury			9,679	-	-
<u>U.S. Department of Transportation</u> Passed through N.C. Department of Transportation: Highway Planning and Construction Program	20.205	11544	18,442	-	4,610
Total federal awards			28,121	-	4,610
State awards:					
<u>N.C. Department of Transportation</u> Powell Bill		DOT-4	-	654,048	-
<u>N.C. Department of Environmental Quality</u> 2022 Glass Equipment and Infrastructure Grant		CW28122	-	1,204	1,668
<u>N.C. Department of Natural and Cultural Resources</u> State Aid to Public Libraries		FY2023-24	-	8,861	-
Total state awards			-	664,113	1,668
Total federal and state awards			\$ 28,121	\$ 664,113	\$ 6,278

Notes to the Schedule of Expenditures of Federal and State Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (SEFSA) includes the Federal and State grant activity of the Village of Pinehurst under the programs of the federal government and the state of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position or changes in net position of the Village.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA 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. The Village has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



Receive Risk Management Committee Annual Report and Consider Employee Health Benefit Recommendations for 2025
ADDITIONAL AGENDA DETAILS:

FROM: J. Carlton Cole, Asst. Village Manager of Operations
CC: Village Council;
DATE OF MEMO: 10/16/2024

MEMO DETAILS

Each year at this time, the Risk Management Committee (RMC) brings forth the annual report of business insurance expenses and makes recommendations to the Manager and Council for the employee health benefit package for the upcoming calendar year. Attached is the report from the RMC and I'll provide a brief presentation to review the highlights in the report. Should Council agree with the benefit recommendations, a motion authorizing execution of the medical and dental insurance contracts will be necessary due to the contract amounts. The remaining contracts for vision, AD&D, and disability are under the Manager's contract threshold for execution.

ATTACHMENTS

1. Risk Management Report to Council 2024



Risk Management Committee Annual Report October 22, 2024



Risk Management Committee:

- Carlton Cole, Assistant Village Manager of Operations (Chair)
- Dana Van Nostrand, Financial Services Director
- Angie Kantor, Human Resources Director
- Bruce Hockman, Volunteer Citizen
- Greg Young, Volunteer Citizen

RMC Mission: To serve as consultant, advisor and review team for all items related to the Village's management of risk as well as the employee health and safety programs

Introduction

The Risk Management Committee (RMC) produces this report annually to highlight operations under the purview of the RMC. The RMC is directly involved in guiding negotiations, selecting and recommending the best insurance programs for the Village. The RMC also conducts reviews and evaluations in the area of loss control.

The RMC holds general business meetings quarterly with additional meetings held in the fall for employee health insurance renewal and in the spring for property/liability/workers' compensation renewal.

The Village utilizes a combination of knowledgeable citizen volunteers and appropriate Village staff to:

- review accident/injury reports for trends,
- review the activity reports of the Safety Committee,
- review reports of the Employee Activities and Wellness Committee,
- review and recommend the annual employee medical benefit plan,
- review and recommend the property, liability and workers' compensation plans and,
- ensure that new loss control ideas and information are brought forth for consideration.

Contents

- Section 1: Employees' Benefit Plan Recommendations
- Section 2: Business Insurance Program
- Section 3: Workers' Compensation Program
- Section 4: Other Work by the Committee

Section 1: Employee Benefit Plan Recommendations

Medical, vision, dental, life, and accidental death and dismemberment (AD&D) coverage is currently provided to all regular full-time employees with coverage fully funded by the Village of Pinehurst. Regular part-time employees (non-seasonal) are eligible for partial Village-funded coverage. All the employee health benefit coverages run on a calendar year basis.

Below are the recommendations of the RMC for calendar year 2025.

A. Medical: Blue Cross/Blue Shield of NC (BCBS) is the current provider for medical coverage for both the PPO traditional plan and the High Deductible Health Plan (HDHP). Dependent medical coverage is available for purchase by the employee at 100% of actual cost. Approximately 14% of employees choose dependent coverage. Calendar Year 2024 was our second year with the HDHP plan and approximately 24% of employees who elected medical coverage have opted into the plan.

Recommendation: The RMC recommends remaining with BCBS for calendar year 2025 and continuing the *Level Funding Program* for the traditional medical insurance plan. The committee also recommends retaining the HDHP with a Health Saving Account (HSA). Employees can choose the plan that best suits their needs.

The combined health insurance premium for the PPO plan and the HDHP plan is a 9.5% increase. The PwC Health Research Institute Report has the national trend for medical inflation for 2025 projected at 8%.

Under the *Level Funding Program*, the Village's premium per employee is set upfront but if our account shows premiums paid exceed claims paid plus administrative expenses at the close of the calendar year, then we split that surplus with the carrier.

BCBS will provide \$62,000 in credits in 2025. A \$40,000 administrative credit payable in March 2025 and a \$22,000 in guaranteed surplus credit, payable in April 2025. The Village could receive a share of the surplus if one exists at the end of the coverage year, although based on claims experience a surplus is not expected.

For those choosing the HDHP, the Village pays a lower monthly premium per employee and returns the savings to the employee via an HSA account for the employee. For calendar year 2025, the amount contributed to an account will be \$1,500, which is unchanged from 2024. This amount would be dispersed by providing \$375 in the first pay period of 2025 and then \$45 for each pay period thereafter.

B. Vision: Principal is our current provider of vision coverage. Dependent coverage is available for purchase by the employee at 100% of actual cost.

Recommendation: The RMC recommends the Village remain with Principal with no rate increase (0%) for 2025.

C. Dental: Principal is the current dental insurance provider. Dependent coverage is available for purchase by the employee at 100% of actual cost.

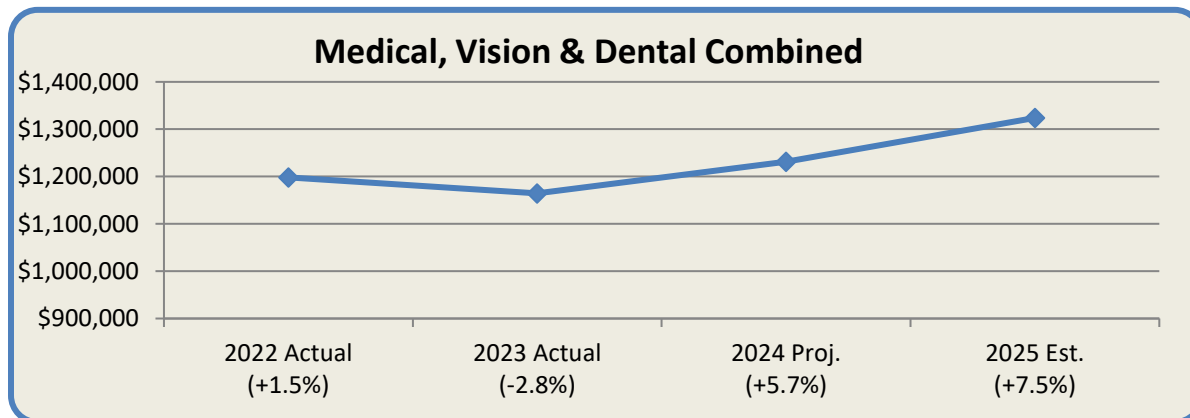
Recommendation: The RMC recommends the Village remain with Principal with no rate increase (0%) for 2025.

D. Net Financial Impact: The **net** premium paid by the Village when combining, medical, vision, and dental for calendar year 2025 is estimated at \$1,454,743 (including the guaranteed credits to be received) which represents an 18% increase over the 2024 projected expense of \$1,231,000 (inclusive of the credits received in 2024).

The calculation resulting in an 18% increase (while the medical premium increased 9.5%) is due to estimating the premium cost for 2025 at 100% employment for 100% of the calendar year. It also includes the addition of two staff to headcount funded in FY2025 budget for a full twelve months.

The 2024 projection total includes savings incurred due to vacancies during the covered year. In other words, the 2025 estimate of \$1,454,743 is calculated as worst-case scenario. We can confidently assume based on history that there will be vacancies during the year and that some employees will waive their coverage. Historically our budget to actual savings from vacancies are approximately 9%. As a result, a more realistic estimate for 2025 would be \$1,323,816 (+7.5% from 2024 projection). The projection in the graph below factors in this revised estimate.

The graph shows the combined **net** health insurance benefit cost for the previous two years with a projection for calendar year 2024 and estimate for calendar 2025.



The total premium paid is affected by turnover rates, lapsed time in filling vacancies, and number of staff enrolled at any given time. As a result, even though we may receive a rate increase it does not automatically mean we will pay an equal amount in additional premium.

E. Waive Option: The Village allows employees to waive coverage. This allows certain individuals to utilize their own insurance at a lower cost to them personally. Each year a small percentage (5% or less) waive some or all of these coverages. The Village saves the employee premium when they waive.

F. Basic Life and AD&D: Principal is the current provider of basic Life and AD&D. Benefit is \$25,000 or \$50,000 upon death depending on the position in the organization.

Recommendation: The RMC recommends remaining with Principal which has quoted a 0% rate increase per person. Cost for 2025 is estimated to be \$10,500.

G. Long Term Disability: Principal is the current provider for long-term disability that is provided as an added benefit for the Senior Management/Leadership Team. This benefit's cost to the Village is based on payroll.

Recommendation: The RMC recommends remaining with Principal that has quoted a 0% rate increase for 2025. Cost for 2025 is estimated to be \$6,710.

I. Flexible Spending Accounts: Flores & Associates is the current administrator for the flexible spending account options for employees to have childcare expenses and qualifying medical expenses deducted pre-tax from paychecks (as permitted by IRS regulations).

Recommendation: The RMC recommends remaining with Flores & Associates. The cost of administering this program is unchanged at a flat rate of \$5 per employee, per month for those who choose to enroll. Cost for 2025 is estimated at \$2,700.

J. Other: The RMC also selects companies for elective coverage such as long-term disability, life insurance, etc. that employees may choose to purchase with the employee paying 100% of the cost. USABLE and Aflac are the current providers and their rates remain unchanged.

Section 2: Business Insurance Program

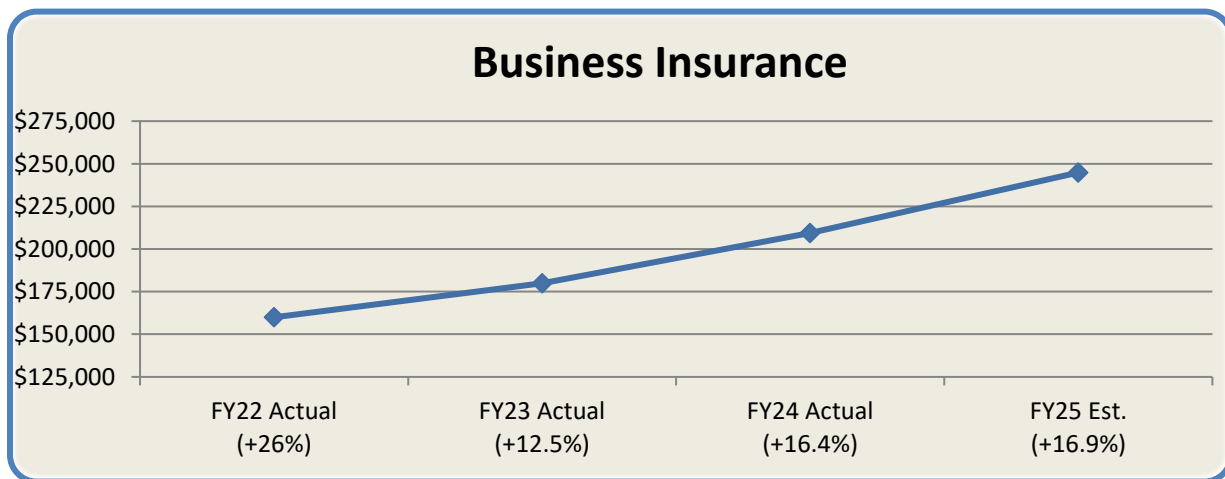
The Business Insurance Program includes all property and liability insurance coverages. Property includes all buildings, structures, vehicles, heavy equipment, computer equipment, and portable equipment while liability includes general liability, employer benefits liability, public officials' liability, employment practices liability, police professional liability, and employee dishonesty, forgery, and theft.

All liability and property coverages, with the exception of the Harness Track, are through the Interlocal Risk Financing Fund of NC. This program is administered by the North Carolina League of Municipalities (NCLM). The Harness Track property requires special coverage and is through Markel Insurance.

All of the above referenced coverages are renewed on a fiscal year (July 1) basis. The combined premium for these coverages for FY2025 is projected to be \$244,842, which is approximately a 16.9% increase over FY2024. The overall rates on the various coverages with NCLM increased for all members of the insurance pool however, the lines of coverage that really drove up the cost are General Liability (+12.63%), Police Professional Liability (+36.28%), Property Coverage (+31.38%) and Automobile Liability Coverages (+21.29%).

The Village is insured at \$5,000,000 per occurrence for most types of liability and insures approximately \$47.9 million in real and personal property, including the Harness Track.

The graph below shows premiums paid for the previous three years plus the estimate for FY24.



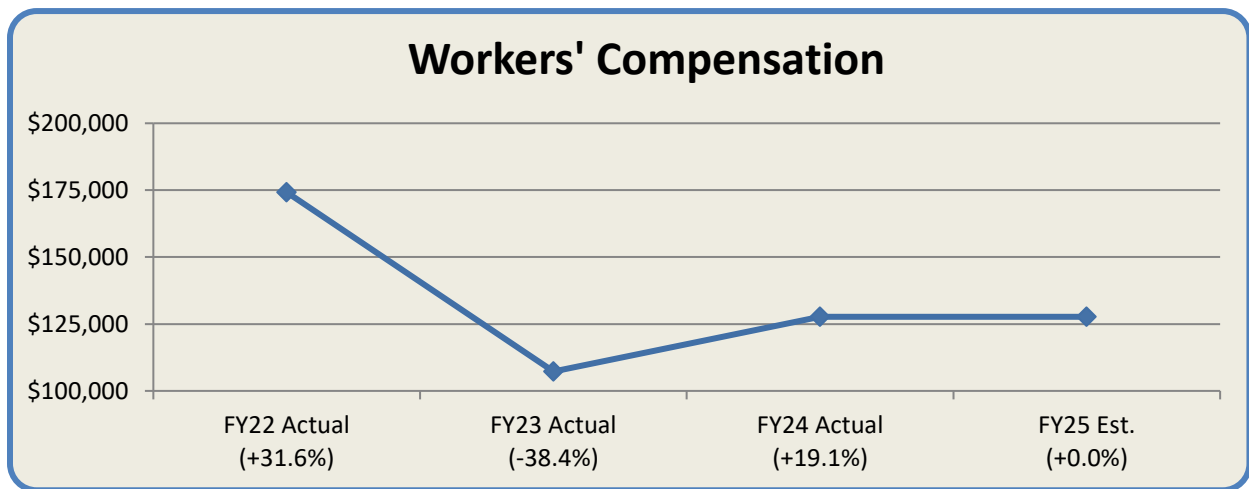
Premium paid is based on a five-year experience modifier and the value of property. Actual end of year cost for FY2024 will be modified by additions and deletions of insurable items throughout the year.

Section 3: Workers' Compensation Program

The Workers' Compensation (W/C) program covers medical expenses and lost wages incurred by an employee due to work-related injury. W/C coverage is required by law and is renewed on a fiscal year basis. National Liability & Fire is the provider of W/C insurance.

The premium for FY2025 is estimated at \$127,700 – we expect an adjustment based on the W/C audit for FY2024, however the amount was not available at the time of the report. The premium represents a 0.0% increase from the previous year (FY2024). The FY2025 premium however projects 100% of budgeted payroll being expended. At the end of the fiscal year, a payroll audit is conducted, and a refund of premium is normal.

The graph below shows premiums paid for the previous three years plus the estimate for FY2024.



Premium paid is based on payroll and a rolling three-year experience modifier that represents a composite of injuries and lost work time.

Section 4: Other Work by the Committee

The Village has an Employee Activities & Wellness Committee (EAWC) and a Safety Committee that operate under the umbrella of RMC. Safety is chaired by Building and Grounds Superintendent Kevin Brewer and EAWC is co-chaired by Beth Dunn and Melanie Gease. RMC receives quarterly update reports on all activities of these committees.

Examples of activities include:

- Conducting quarterly safety drills
- Monthly safety inspections of facilities
- Checking and restocking first-aid kits
- Lunch and Learns
- Flu Shot clinic
- Incident and injury reviews and evaluations
- Exercise challenges