VILLAGE COUNCIL
AGENDA FOR REGULAR MEETING OF NOVEMBER 17, 2015
ASSEMBLY HALL
395 MAGNOLIA ROAD
PINEHURST, NORTH CAROLINA
4:30 PM

1. Call to Order.
2. Invocation and Pledge of Allegiance.
3. Reports:
   - Manager
   - 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. Consider a resolution reappointing a member to the Planning and Zoning Board and Board of Adjustment (Ashton).

   B. Consider a resolution reappointing a member to the Historic Preservation Commission (Farrell).

   C. Approval of Draft Village Council Meeting Minutes.

      October 13 Regular Meeting Minutes
      October 27 Regular Meeting Minutes

   D. Public Safety Reports

      Police Department
      Fire Department

   End of Consent Agenda.

5. Discuss Boys and Girls Club of the Sandhills sponsorship request.
6. Discuss the Wicker Park splash pad conceptual rendering.
7. Motion to Recess Regular Meeting and Enter Into a Public Hearing.
8. Public Hearing No. 1

   The purpose of the public hearing is to receive public comment on the Preliminary Assessment Roll for the levying of special assessments for storm water management system improvements in the area commonly known as the Cotswold subdivision.
9. Motion to Adjourn the Public Hearing and Re-Enter the Regular Meeting.
10. Consider a motion to confirm Assessment Roll for Storm Water Management System Improvements in the Cotswold Subdivision located in the Village of Pinehurst, North Carolina.

11. Presentation of the Comprehensive Annual Financial Report (CAFR) and Financial Condition Assessment.
12. Presentation of the FY 2016 Strategic Plan Status Update for Q1.
13. Consider an ordinance amending the Pinehurst Municipal Code regarding the time period for code enforcement compliance.
14. Consider an ordinance for a road dedication at The Villas at Forest Hills.
15. Consider an ordinace to correct a stop sign location in the Cotswold subdivision.
16. Consider a resolution establishing the time and date of the Organizational Meeting of the Pinehurst Village Council.
17. Other Business.
18. Comments from Attendees.
19. Motion to Adjourn.

1895
VILLAGE OF
PINEHURST

History, Charm, & Southern Hospitality.

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

Competent
Courteous
Professional
Responsive

CONSIDER A RESOLUTION REAPPOINTING A MEMBER TO THE PLANNING AND ZONING BOARD AND BOARD OF ADJUSTMENT (ASHTON).

ADDITIONAL AGENDA DETAILS:

FROM:
Lauren Craig

DATE OF MEMO:
11/10/2015

MEMO DETAILS:
Attached is the resolution reappointing Richard Ashton.

ATTACHMENTS:

	Description
🗋	Resolution 15-46

RESOLUTION #15-46:

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

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 160A-361 and 160A-388; 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 term of Mr. Richard Ashton will expire on November 30, 2015; and

WHEREAS, Mr. Ashton and the Village Council of Pinehurst are desirous of him continuing to serve as a member of the Planning and Zoning Board and Chairman of the Board of Adjustment for one additional year, due to the term limit policy.

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a regular meeting assembled this 17th day of November, 2015 as follows:

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

Mr. Richard Ashton is re-appointed as a member of the Planning and Zoning Board and as the Chairman of the Board of Adjustment, effective November 30, 2015, said term expiring November 30, 2016.

SECTION 2. That this appointee shall continue serving until a replacement is appointed and qualified.

THIS RESOLUTION passed and adopted this 17th day of November, 2015.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest: Approved as to Form:

______________________________ ______________________________
Lauren M. Craig, Village Clerk Michael J. Newman, Village Attorney

CONSIDER A RESOLUTION REAPPOINTING A MEMBER TO THE HISTORIC PRESERVATION COMMISSION (FARRELL).

ADDITIONAL AGENDA DETAILS:

FROM:
Lauren Craig

DATE OF MEMO:
11/10/2015

MEMO DETAILS:
Attached is the resolution reappointing Jack Farrell to the Historic Preservation Commission.

ATTACHMENTS:

	Description
	Resolution 15-47

RESOLUTION #15-47:

A RESOLUTION REGARDING A RE-APPOINTMENT TO THE PINEHURST HISTORIC PRESERVATION COMMISSION.

THAT WHEREAS, the Village of Pinehurst has established an Historic Preservation Commission as authorized by North Carolina General Statutes, Chapter 160A, Article 19; and

WHEREAS, the term of Mr. Jack Farrell expires on November 30, 2015; and

WHEREAS, Mr. Farrell and the Village Council of Pinehurst are desirous of him continuing to serve as member of the Historic Preservation Commission;

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a regular meeting assembled this 17th day of November, 2015, as follows:

SECTION 1. That the following re-appointment is hereby made to the Historic Preservation Commission for the term indicated:

Mr. Jack Farrell is re-appointed as a member of the Historic Preservation Commission, effective November 30, 2015, said term to expire November 30, 2017.

SECTION 2. That the appointee shall continue serving until a replacement is appointed and qualified.

THIS RESOLUTION passed and adopted this the 17th day of November, 2015.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

APPROVAL OF DRAFT VILLAGE COUNCIL MEETING MINUTES.

ADDITIONAL AGENDA DETAILS:

October 13 Regular Meeting Minutes
October 27 Regular Meeting Minutes

FROM:
Lauren Craig

CC:
Jeff Sanborn

DATE OF MEMO:
11/4/2015

MEMO DETAILS:
See attachments for draft minutes.

ATTACHMENTS:

	Description
🗋	October 13 Regular Meeting
🗋	October 27 Regular Meeting

MINUTES OF
VILLAGE COUNCIL REGULAR MEETING
OCTOBER 13, 2015

395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:30 P.M.

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, October 13, 2015 in the Assembly Hall of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Ms. Claire L. Berggren, Councilmember
Mr. Clark H. Campbell, Councilmember
Mr. John R. Cashion, Mayor Pro-Tem
Mr. John C. Strickland, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Lauren M. Craig, Village Clerk

And approximately 26 attendees, including 7 staff and 2 press.

1. Call to Order.
Mayor Nancy Roy Fiorillo called the meeting to order.

2. Reports

Manager

- No report.

Council

- Councilmember Campbell completed the two applause cards today and publically acknowledged Gerald Brown and Dusty Birge for their hard work for the Village.
- Strickland the BPAC met last week and the first stages of new plan are being laid out.

3. 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. Consider a Resolution Authorizing Sale of Surplus Items.

End of Consent Agenda.

Councilmember Cashion moved to approve the Consent Agenda. The motion was seconded by Councilmember Berggren and passed unanimously with a vote of 5-0.

4. Presentation of the Government Finance Officers Distinguished Budget Presentation Award.
Mayor Fiorillo recognized the Village with the Distinguished Budget Presentation Award for its FY 2016 Strategic Operating Plan by the Government Finance Officers Association. Council noted this was the 9th consecutive year that the Village has received this award. The Village also received a special recognition for its Strategic Operating Plan being "Outstanding as a Communication Device."

5. Presentation of the Life Safety Achievement Award to the Village of Pinehurst Fire Department.
Councilmember Cashion recognized the Village of Pinehurst Fire Department for receiving the Life Safety Achievement Award for its fire prevention accomplishments in 2014 by the National Association of State Fire Marshals Fire Research and Education Foundation in partnership with

Grinnell Mutual Reinsurance Company. Pinehurst was one of 96 fire departments across the United States to receive the award this year for recording zero fire deaths in 2014.

6. **Consider two sponsorship requests from Sandhills MOAA and the VGA.**
The Manager explained that MOAA and the VGA requested that Council consider sponsoring two upcoming events in November. The first request is to sponsor the "Blackhawk Down" Movie Night on Tuesday, November 10 by waiving the rental fee of the Fair Barn for the event. The second request is to sponsor the Veterans Support Concert being held on November 8 at 5:00PM by contributing $2,000 to support the cost of the concert. Council formed a consensus to accept both sponsorship requests.

7. **Presentation of the 2015 Community Survey Results**
John Frye, Director of Financial Services, introduced Jason Morado, Project Manager with ETC Institute who will present the findings of the survey. Mr. Morado explained the purpose, methodology, and gave the "bottom line up front" summarizing the overall results. He noted that residents have a very positive perception of the Village, satisfaction ratings have increased in many areas since previous surveys, Pinehurst is setting the standard for service delivery compared to other communities, and he helped summarize other findings. Council thanked Mr. Morado for his presentation. Audience member John Bouldry noted he has received a survey three years in a row.

8. **Motion to Recess Regular Meeting and Enter Into a Public Hearing.**
Upon a motion by Councilmember Cashion, seconded by Councilmember Strickland, Council unanimously moved to recess the regular meeting and enter into a public hearing by a vote of 5-0.

9. **Public Hearing No. 1**
The purpose of this hearing is to receive public comment on a preliminary resolution adopted by the Village Council on September 22 stating the intent of the Village of Pinehurst to Levy Special Assessments for storm water management system improvements in the area commonly known as the Cotswold Subdivision, in the Village of Pinehurst, North Carolina.

The Manager explained the purpose of the public hearing for the preliminary resolution adopted by Council on September 22 regarding the special assessments for Cotswold.

Audience member Pat Corso of 1 Chalford Place of Cotswold thanked the Village Council for accepting Cotswold into the community through annexation. Mr. Corso explained the time the Village took to help Cotswold find a solution for the development and noted they are proud to be part of the Village.

John Scanlon, former HOA President of Cotswold, thanked Council and Jeff Batton for their work with this process. He said everything was very well done. He mentioned that the recent rain tested the new infrastructure and it worked well.

10. **Motion to Adjourn the Public Hearing and Re-Enter the Regular Meeting.**
Upon a motion by Councilmember Strickland, seconded by Councilmember Campbell, Council unanimously moved to adjourn the public hearing and re-enter the regular meeting by a vote of 5-0.

11. **Consider an Assessment Resolution for Cotswold Storm Water Management System Improvements.**
John Frye, Director of Financial Services, explained that the Council can now consider adopting an assessment resolution related to the Cotswold special assessment as the next step in the statutory special assessment process. Upon a motion by Councilmember Cashion, seconded by Councilmember Campbell, Council unanimously approved Resolution 15-39 an assessment resolution regarding storm water management system improvements in the Cotswold Subdivision in the Village of Pinehurst and the assessment of the related costs against benefited properties by a vote of 5-0. (A copy of the resolution can be found in the Resolution Book.)

12. **Discuss request for signage and safe crossing at the Sandhills Woman's Exchange.**
Jeff Sanborn explained that the Woman's Exchange has asked for assistance with signage directing potential patrons to their shop and with crosswalks across Highway 2. Staff suggested three options for the signage request. Council held a discussion and suggested that a few Councilmembers take this off line and work on a good recommendation to help the Exchange.

Staff also explained options for the crosswalk and the requirements of the NCDOT to tie it into a sidewalk. Jeff Sanborn explained a sidewalk project has been in the plans to take the current sidewalk near the church and extend it down to NC 2 as a possible connection point for a crosswalk. The Manager suggested Council to consider this during the budget planning process next year. Council discussed bringing this up during the budget preparation next year to consider against the other priorities at that time, safety concerns, and looking at other items this year that may allow this project to proceed this fiscal year before postponing it to the next year.

13. **Discuss creating a Historic District Standards and Guidelines Review Committee.**
Council determined to remove this item from the Council agenda at this time.

14. **Consider a resolution establishing the Neighborhood Advisory Committee for the Village of Pinehurst.**
Lauren Craig, Village Clerk explained that a subcommittee was formed to work on improving the effectiveness of the Neighborhood Advisory Committee and the team created a purpose statement, a draft resolution to formally establish the committee, reviewed neighborhood representation, and created a plan to reach more Pinehurst residents. Ms. Craig noted the need for Council to consider the attached resolution to establish the NAC. Upon a motion by Councilmember Strickland, seconded by Councilmember Berggren, Council unanimously approved Resolution 15-42 establishing the Neighborhood Advisory Committee for the Village of Pinehurst by a vote of 5-0. (A copy of the resolution can be found in the Resolution Book.)

15. **Consider a resolution of intent to join the State Health Plan**
Jeff Batton, Assistant Village Manager, explained the Risk Management Committee is reviewing options for employee health insurance for 2016 and recent legislation has opened up the State Health Plan for local government participation. He noted the committee has not finalized the review of options but there are deadline requirements for the State Health Plan to require a resolution from municipalities considering the intent and desire to pursue joining the plan. Mr. Batton noted the resolution is not binding and the recommendation will be finalized and presented to Council in the next 30 days. Upon a motion by Councilmember Campbell, seconded by Councilmember Cashion, Council unanimously approved Resolution 15-41 regarding the intent to participate in the State Health Plan by a vote of 5-0. (A copy of the resolution can be found in the Resolution Book.)

16. **Consider a resolution requesting the NC Governor to override a State Historic Preservation Office decision in the Village of Pinehurst.**
Jeff Sanborn, Village Manager, explained that as requested by Council, a resolution has been prepared requesting the North Carolina Governor, Pat McCrory, to override the decision of the State Historic Preservation Office regarding the patio of the old post office building. Council held a discussion about this and Audrey Moriarty noted the Library wants to be in compliance with the state but supports the patio to stay. Kelly Elliott shared the only way to override the SHPO decision is by requesting Governor McCrory to waive the decision and she noted what the update to the building has done to uncover the cornerstone of the building. Ms. Elliott explained this is an outcry of citizens to save the patio. Council suggested changing the wording to "request a waiver" rather than "override".

Upon a motion by Councilmember Strickland, seconded by Councilmember Cashion, Council unanimously approved, with the change in wording to "waive", Resolution 15-44 requesting the North Carolina Governor to waive a State Historic Preservation Office decision in the Village of Pinehurst by a vote of 5-0. (A copy of the resolution can be found in the Resolution Book.)

17. Other Business

- Councilmember Campbell said this Council has an election in a few weeks and he wishes everyone well and appreciates their service to the Village. He noted this Council has accomplished a lot together.

18. Comments from attendees.

- None.

19. Motion to Adjourn.

Councilmember Cashion moved to adjourn the Regular Meeting. The motion was seconded by Councilmember Strickland and carried unanimously. The Regular Meeting adjourned at 6:00 p.m.

Respectfully Submitted,

Lauren M. Craig
Village Clerk

MINUTES OF
VILLAGE COUNCIL REGULAR MEETING
OCTOBER 27, 2015

395 MAGNOLIA ROAD
ASSEMBLY HALL
PINEHURST, NORTH CAROLINA
4:30 P.M.

The Pinehurst Village Council held a Regular Meeting at 4:30 p.m., Tuesday, October 27, 2015 in the Assembly Hall of the Pinehurst Village Hall, 395 Magnolia Road, Pinehurst, North Carolina. The following were in attendance:

Ms. Nancy Roy Fiorillo, Mayor
Ms. Claire L. Berggren, Councilmember
Mr. Clark H. Campbell, Councilmember
Mr. John R. Cashion, Mayor Pro-Tem
Mr. John C. Strickland, Councilmember
Mr. Jeffrey M. Sanborn, Village Manager
Ms. Lauren M. Craig, Village Clerk

And approximately 37 attendees, including 4 staff and 2 press.

1. **Call to Order.**
Mayor Nancy Roy Fiorillo called the meeting to order.

2. **Invocation and Pledge of Allegiance**
Dr. Al Hill from Trinity Christian Fellowship offered the invocation and the Manager led everyone in the Pledge of Allegiance.

3. **Reports**

Manager
- No report.

Council
- No reports.

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. Consider a resolution reappointing a member to the Planning and Zoning Board and Board of Adjustment (Engelfried).
B. Approval of Draft Village Council Meeting Minutes.
September 8 Regular Meeting Minutes
September 15 Work Session Minutes
September 22 Regular Meeting Minutes
C. Public Safety Reports
Police Department
Fire Department
D. Budget Amendments Report for October 20, 2015

End of Consent Agenda.

Councilmember Cashion moved to approve the Consent Agenda. The motion was seconded by Councilmember Berggren and passed unanimously with a vote of 5-0.

Mayor Fiorillo introduced Nicole Dunstan, of Pinehurst Business Partners, who presented information about a Christmas marketing plan to help the businesses in the Village of Pinehurst. Ms. Dunstan suggested getting 14 Christmas trees to line Village Green West that organizations could sponsor and decorate. Ms. Dunstan also shared an idea to block off Market Square to traffic for two weekends in December to make it more pedestrian friendly. Council held a discussion about the suggestions and encouraged Ms. Dunstan to run this by the Beautification Committee on Monday and they formed a consensus to support this as long as the businesses in the Village approve of this concept.

5. Discuss noise issue from Highway 211 in the Donald Ross neighborhood.
Manager Jeff Sanborn explained that the Village has received a request for assistance from the Donald Ross neighborhood related to the Highway 211 expansion and the shopping center across the highway. Mr. Sanborn shared the plans from the NCDOT regarding their planting plans along Highway 211 and explained the NCDOT is looking into the additional options for the area just north of the Donald Ross neighborhood and staff suggests we continue looking into this.

Carole Catapano and Bart O'Connor from Donald Ross explained how the natural screening was removed during the expansion of Highway 211 and the impact of the new commercial development across the highway in Taylortown. Mr. O'Connor volunteered his landscape design work for the area and the possibility to fundraise to improve this area. He explained the hope that the Village, Donald Ross neighborhood, and the NCDOT can work out a plan together. Council held a discussion about this issue and formed a consensus to work as partners with the Donald Ross neighborhood and the NCDOT. Audience member Tony Prestipino of 620 Donald Ross Drive explained the noise level caused by the increase in the speed limit and the traffic going to four lanes is also a significant issue.

6. Discuss recommendations from the BPAC for implementation of the Bicycle/Pedestrian Plan.
Mark Wagner, Director of Parks and Recreation, explained the Village's Bicycle and Pedestrian Advisory Committee (BPAC) held two meetings since being formed and would to like to recommend to Council the initial projects for implementation from the 2015 Bicycle and Pedestrian Plans. Mr. Wagner shared the recommendations including installation of 6 miles of shared lane markings, construction of new sidewalks at Rattlesnake and Dundee Roads, and construction of new greenway trails at Forest Drive up Highway 15-501 and addressed audience concerns and comments. Upon discussion, Council formed a consensus to proceed with the recommended plans.

7. Consider an amendment to the Fire Protection Services contract with the County of Moore to begin providing medical first response.
Fire Chief Carlton Cole, presented Council with an amendment to the contract with Moore County for Fire Protection Services to allow the Village of Pinehurst to begin providing medical first response on December 1, 2015. He explained this amendment would supersede the current inter-local agreement to assist Moore County EMS. Chief Cole also noted the need for Council to approve a budget amendment for the county's payment back to the Village of Pinehurst. Council held a discussion about this new service. Upon a motion by Councilmember Cashion, seconded by Councilmember Strickland, Council unanimously approved that the Mayor or her designee, be authorized to execute the contract amendment for Fire Protection Services with the County of Moore by a vote of 5-0. Upon a motion by Councilmember Cashion, seconded by Councilmember Campbell, Council unanimously approved Ordinance 15-19 amending the budget for the Village of Pinehurst for Fire Department Emergency Response Services by a vote of 5-0. (A copy of the ordinance can be found in the Ordinance Book.) Audience member, Greg Johnson, President of the CCNC property owners, thanked Chief Cole and Jeff Sanborn regarding this change.

8. Presentation of Financial Statements for the Quarter Ended September 30, 2015.
John Frye, Director of Financial Services, presented Council with the financial statements for the quarter ending September 30, 2015. Mr. Frye noted the Village remains in a very good financial position as we begin the fiscal year noting revenues exceeded expenditures by a larger margin than anticipated and our operating expenditures are under control and revenue outlook is stable. Council held discussion about the Village being primarily a residential tax base rather than commercial.

9. Presentation of the FY 2015 Annual Performance Report.

Natalie Dean, Assistant Village Manager, presented the FY 2015 Annual Performance Report and a review of the Key Performance Indicators (KPIs) on the Village's Balanced Scorecards. The presentation covered those strategic initiatives completed in FY 2015 and those initiatives in progress at year end. Ms. Dean noted the report will be available for the public on the Village's website tomorrow under the Government tab. Ms. Dean shared the significant accomplishments in FY 2015 and the awards and recognitions that the Village has received. Ms. Dean shared the overall composite scores for each area on the Balanced Scorecard. Council thanked Ms. Dean and the Village staff for their hard work.

10. Presentation of Risk Management Committee Annual Report.

Jeff Batton, Assistant Village Manager, presented the Risk Management Committee's annual report which included recommendations for employee health benefits for the calendar year 2016. After reviewing eight medical plans from four different providers, the Committee's recommendation for the 2016 medical and vision coverage is to switch to a less expensive plan with higher deductibles within the Blue Cross/Blue Shield plan options. The committee also recommended to switch to Principal for dental coverage which is comparable coverage but a lower premium than the quote received by the current provider. Mr. Batton noted the other suggestions for Life and AD&D and Long Term Disability. Mr. Batton also reported where the Village stands on the business insurance program which includes all property and liability insurance coverages. Mr. Batton also gave an update on the workers compensation program. Upon a motion by Councilmember Berggren, seconded by Councilmember Campbell, Council unanimously approved that the Mayor or her designee, be authorized to execute a contract for employee medical and vision insurance with Blue Cross Blue Shield of North Carolina and a contract for employee dental insurance with Principal for calendar year 2016 by a vote of 5-0.

11. Other Business

- Councilmember Cashion suggested all individuals running for the election clean up their signs around town quickly after Tuesday.
- Mayor Fiorillo noted the need to do something about the horse artwork at Given Memorial Library and suggested the Village find a safe place that is sheltered to store the horse which is owned and insured by the library. Staff agreed to work on a suggestion.

12. Comments from attendees.

- Audience member Tom Campbell noted the increase of speed on Highway 211 has always been 55mph at the same point mentioned earlier in the meeting. He also noted that Southern Pines has "sharrows" on Broad Street for an example.
- Audience member Frank Pacifico explained he has noticed cameras that were placed on the corner of McKenzie Road and wondered why they were only up for a short period of time. Mr. Batton explained these are traffic counters recording the number of cars going through the intersection and their turning directions.

13. Motion to Adjourn.

Councilmember Cashion moved to adjourn the Regular Meeting. The motion was seconded by Councilmember Strickland and carried unanimously. The Regular Meeting adjourned at 6:30 p.m.

Respectfully Submitted,

Lauren M. Craig
Village Clerk

PUBLIC SAFETY REPORTS
ADDITIONAL AGENDA DETAILS:

Police Department
Fire Department

ATTACHMENTS:

	Description
🗋	Police Report
🗋	Fire Report

Incident IBR Reported Offenses Month To Month Comparison

Pinehurst Police Department

October 2015 - October 2014

Part I Offenses		October 2014	October 2015	+/-	Percent Changed	Year-To-Date 2014	Year-To-Date 2015	+/-	Percent Changed
Murder		0	0	0	0%	0	0	0	0%
Rape		0	0	0	0%	0	1	1	-
Robbery		0	0	0	0%	1	1	0	0%
Commercial		0	0	0	0%	1	0	-1	-100%
Individual		0	0	0	0%	0	1	1	-
Assault		0	0	0	0%	0	5	5	-
	Violent Total:	**0**	**0**	**0**	**0%**	**1**	**7**	**6**	**600%**
Burglary		0	1	1	-	0	1	1	-
Residential		0	1	1	-	0	1	1	-
Non-Residential		0	0	0	0%	0	0	0	0%
Commercial		0	0	0	0%	0	0	0	0%
Other		0	0	0	0%	0	0	0	0%
Larceny		16	7	-9	-56%	101	82	-19	-19%
Auto Theft		0	0	0	0%	1	1	0	0%
Arson		0	0	0	0%	0	0	0	0%
	Property Total:	**16**	**8**	**-8**	**-50%**	**102**	**84**	**-18**	**-18%**
	Part I Total:	**16**	**8**	**-8**	**-50%**	**103**	**91**	**-12**	**-12%**

Part II Offenses		October 2014	October 2015	+/-	Percent Changed	Year-To-Date 2014	Year-To-Date 2015	+/-	Percent Changed
Drug		5	3	-2	-40%	90	58	-32	-36%
Assault Simple		5	0	-5	-100%	17	8	-9	-53%
Forgery/Counterfeit		0	0	0	0%	6	2	-4	-67%
Fraud		3	7	4	133%	37	42	5	14%
Embezzlement		0	0	0	0%	1	0	-1	-100%
Stolen Property		0	2	2	-	8	9	1	13%
Vandalism		7	4	-3	-43%	32	22	-10	-31%
Weapons		1	0	-1	-100%	5	2	-3	-60%
Prostitution		0	0	0	0%	0	0	0	0%
All Other Sex Offenses		0	0	0	0%	4	0	-4	-100%
Gambling		0	0	0	0%	0	0	0	0%
Offenses Against Family/Children		0	2	2	-	1	4	3	300%
D.W.I.		0	1	1	-	6	8	2	33%
Liquor Law Violation		0	0	0	0%	3	3	0	0%
Disorderly Conduct		0	1	1	-	5	4	-1	-20%
Obscenity		0	0	0	0%	1	0	-1	-100%
Kidnap		0	0	0	0%	0	0	0	0%
All Other Offenses		19	18	-1	-5%	196	153	-43	-22%
	Part II Total:	**40**	**38**	**-2**	**-5%**	**412**	**315**	**-97**	**-24%**
	Incident Total:	**56**	**46**	**-10**	**-18%**	**515**	**406**	**-109**	**-21%**

Arrest IBR Reported Offenses Month To Month Comparison

Pinehurst Police Department

October 2015 - October 2014

Part I Offenses		October 2014	October 2015	+/-	Percent Changed	Year-To-Date 2014	Year-To-Date 2015	+/-	Percent Changed
Murder		0	0	0	0%	0	2	2	-
Rape		0	0	0	0%	0	0	0	0%
Robbery		0	0	0	0%	0	0	0	0%
Commercial		0	0	0	0%	0	0	0	0%
Individual		0	0	0	0%	0	0	0	0%
Assault		1	0	-1	-100%	2	4	2	100%
	Violent Total:	**1**	**0**	**-1**	**-100%**	**2**	**6**	**4**	**200%**
Burglary		0	0	0	0%	0	0	0	0%
Residential		0	0	0	0%	0	0	0	0%
Non-Residential		0	0	0	0%	0	0	0	0%
Commercial		0	0	0	0%	0	0	0	0%
Other		0	0	0	0%	0	0	0	0%
Larceny		16	4	-12	-75%	46	57	11	24%
Auto Theft		0	0	0	0%	0	2	2	-
Arson		0	0	0	0%	0	0	0	0%
	Property Total:	**16**	**4**	**-12**	**-75%**	**46**	**59**	**13**	**28%**
	Part I Total:	**17**	**4**	**-13**	**-76%**	**48**	**65**	**17**	**35%**

Part II Offenses		October 2014	October 2015	+/-	Percent Changed	Year-To-Date 2014	Year-To-Date 2015	+/-	Percent Changed
Drug		3	6	3	100%	159	68	-91	-57%
Assault Simple		5	0	-5	-100%	16	12	-4	-25%
Forgery/Counterfeit		0	0	0	0%	4	0	-4	-100%
Fraud		1	2	1	100%	14	11	-3	-21%
Embezzlement		1	0	-1	-100%	1	1	0	0%
Stolen Property		13	1	-12	-92%	32	17	-15	-47%
Vandalism		0	1	1	-	11	10	-1	-9%
Weapons		0	0	0	0%	7	1	-6	-86%
Prostitution		0	0	0	0%	0	0	0	0%
All Other Sex Offenses		0	0	0	0%	4	0	-4	-100%
Gambling		0	0	0	0%	0	0	0	0%
Offenses Against Family/Children		0	3	3	-	3	3	0	0%
D.W.I.		4	9	5	125%	62	62	0	0%
Liquor Law Violation		1	1	0	0%	11	8	-3	-27%
Disorderly Conduct		0	1	1	-	6	5	-1	-17%
Obscenity		0	0	0	0%	0	0	0	0%
Kidnap		0	0	0	0%	0	0	0	0%
All Other Offenses		17	47	30	176%	264	344	80	30%
	Part II Total:	**45**	**71**	**26**	**58%**	**594**	**542**	**-52**	**-9%**
	Arrest Total:	**62**	**75**	**13**	**21%**	**642**	**607**	**-35**	**-5%**

SUMMARY FOR THE MONTH OF OCTOBER 2015

SUMMARY OF INCIDENT CALLS

TYPE OF INCIDENT	NUMBER THIS MONTH	NUMBER YTD	NUMBER THIS MONTH LAST YEAR	NUMBER YTD LAST YEAR	PERCENTAGE YTD
Fire	2	47	4	54	-13%
Overpressure Rupture, Explosion, Overheat - no fire	0	5	0	3	67%
Rescue & EMS Incidents	5	70	5	103	-32%
Hazardous Conditions - no fire	14	123	12	109	13%
Service Call	24	194	11	137	42%
Good Intent Call	24	214	31	234	-9%
False Alarm & False Call	31	275	14	206	33%
Severe Weather & Natural Disaster	4	17	0	3	467%
Special Incident Type	0	1	0	1	0%
TOTAL INCIDENTS	**104**	**946**	**77**	**850**	**11%**

SUMMARY OF INSPECTION

TYPE OF INSPECTIONS	NUMBER THIS MONTH	NUMBER YTD	NUMBER THIS MONTH LAST YEAR	NUMBER YTD LAST YEAR	PERCENTAGE YTD
Residential	23	114	12	73	56%
Residential New Systems	0	0	0	0	0%
Residential Fire Sprinkler	0	2	1	5	-60%
Commercial	16	365	20	201	82%
Plan Review/Site Inspections (*)	0	7	2	1485	N/A
Reinspection	29	320	22	189	69%
Occupancy Certificates	0	0	1	1	0%
TOTAL INSPECTIONS	**68**	**808**	**58**	**1954**	**-59%**
Violations Found:	11	670	40	446	50%
YTD Violations to be Corrected:		649		436	
YTD Violations Corrected:		553		379	
Correction Percentage:		85%		87%	

(*) US Open Tent/Property Inspections (June 2014)

November 3, 2015

J. Carlton Cole, Fire Chief

DISCUSS BOYS AND GIRLS CLUB OF THE SANDHILLS SPONSORSHIP REQUEST.

ADDITIONAL AGENDA DETAILS:

FROM:
Mark Wagner

CC:
Jeff Sanborn

DATE OF MEMO:
11/10/2015

MEMO DETAILS:
Staff has received a request from the Boys & Girls Club of the Sandhills requesting a waiver of rental fees for use of the Fair Barn for a fundraising event planned for March 18, 2016. They have asked the Village to co-sponsor the event which is planned to be a Trivia Night and would list the Village on all printed materials and in all media. The Club estimates the event could generate as much as $30,000 towards their operating fund.

As I believe you are aware, all non-profit groups already receive a discounted rate for use of the Fair Barn. In this particular case, the Boys & Girls Club is receiving a discounted rate of $1,750 for the full day base fee. This represents a standard $250 discount from the Commercial Rate of $2,000 for a weekend full-day rental which all non-profits receive. With this discount in place, their estimated rental fees for this event including table, chairs, etc. are projected to be a total of $3,025 at this time.

The Fair Barn hosts numerous fundraising events throughout the year by various non-profit organizations who pay rent and all applicable fees according to the adopted fees and charges policy. As a reference, there were 10 rentals paid by non-profit groups in 2014 and 8 paid so far in 2015. These do not include any that the Village took action to waive completely.

It is important to note that non-profit rentals are an important part of the revenue projections for the Fair Barn. Waiving of fees for select non-profit groups may lead to other non-profits who currently, or may in the future, use the barn to request their fees be waived also thus further impacting revenue generation.

Representatives from the Boys & Girls Club of the Sandhills plan to be at the Council meeting to respond to any questions. I am also happy to provide any additional information that may be of assistance.

Thank you.

DISCUSS THE WICKER PARK SPLASH PAD CONCEPTUAL RENDERING.

ADDITIONAL AGENDA DETAILS:

FROM:
Mark Wagner

CC:
Jeff Sanborn

DATE OF MEMO:
11/9/2015

MEMO DETAILS:
Staff has selected the contractor for the design and construction of the splash pad at Rassie Wicker Park. Aquatic Resources Group, LLC from Charlotte, NC was selected as the top choice from the four firms/contractors who submitted proposals for the project. The contract price is $253,000 which is below the $280,000 that was budgeted for the project.

Before we got too far into the layout and plan submittals, we wanted to give Council an opportunity to view the proposed conceptual rendering of the splash pad. This is also in accordance with the Village's policy regarding vertical construction on Village property which requires Council approval.

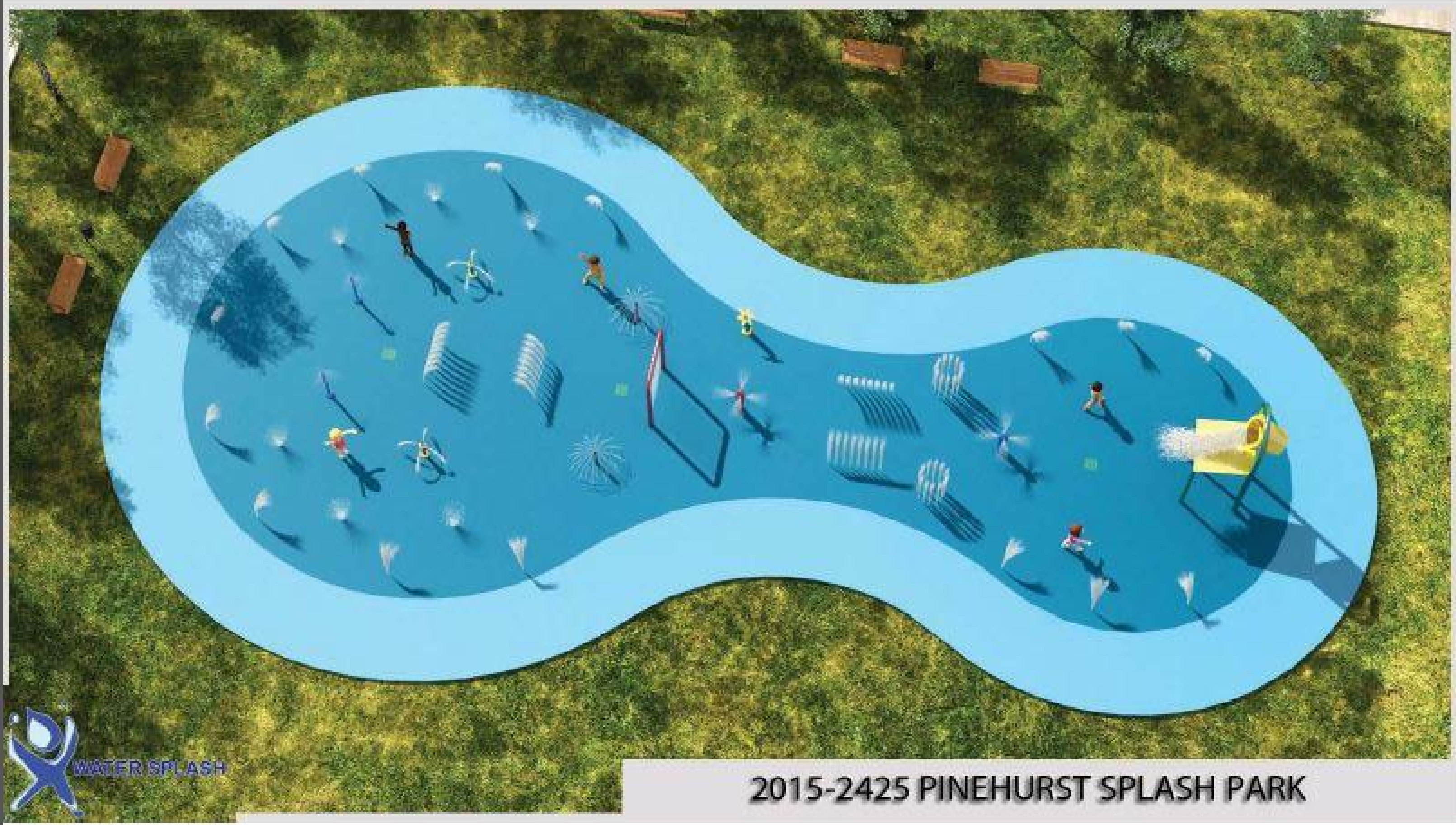
If there are any concerns with the conceptual rendering or anyone has suggestions regarding color choices for the above ground features, now is the time for us to discuss those. If Council is receptive to the look and layout of the splash pad, staff will proceed accordingly and the contractor will begin the permitting process.

I am happy to answer any questions or provide additional information as needed.

Thank you.

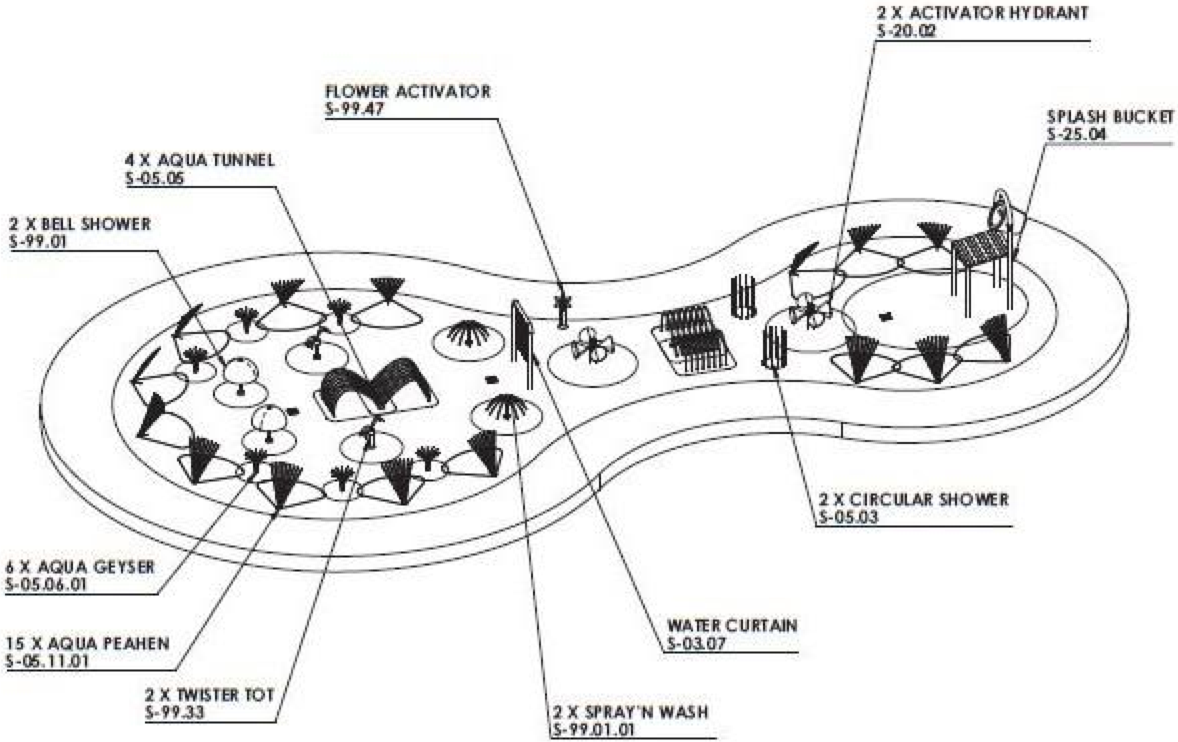
ATTACHMENTS:

	Description
🗋	Splash Pad Aerial
🗋	Splash Pad Conceptual
🗋	Splash Pad Design



2015-2425 PINEHURST SPLASH PARK

2015-2425 PINEHURST SPLASH PARK



SCALE 1 : 120

SPRAY AREA: 3366 FEET^2
TOTAL AREA: 5780 FEET^2

DRAWN BY Z.A	THE DRAWING IS A PROPERTY OF WATER SPLASH INC. AND IS NOT TO BE REPRODUCED BY ANY MEANS OR USED TO FURNISH INFORMATION TO OTHERS WITHOUT THE EXPLICIT CONSENT OF WATER SPLASH		CR NO XXXXX	MATERIAL XXXXX	Watersplash Inc. (800)956-5450
EDITED BY Z.A		UNIT FEET	DATE 11.11.2015	DESCRIPTION PINEHURST SPLASH PARK	
APPROVALS		ENVIRONMENT SOLIDWORKS 2013	SURFACE FINISH	SHEET 1/3, SCALE 1:120, DOCUMENT, SIZE B	DRAWING NO, REV 00
ENG					
PROD					
QE					

PUBLIC HEARING NO. 1

ADDITIONAL AGENDA DETAILS:

The purpose of the public hearing is to receive public comment on the Preliminary Assessment Roll for the levying of special assessments for storm water management system improvements in the area commonly known as the Cotswold subdivision.

FROM:
Lauren Craig, Village Clerk

CC:
John Frye, Jeff Sanborn

DATE OF MEMO:
11/9/2015

MEMO DETAILS:
Attached is the Preliminary Assessment Roll for the Cotswold subdivision.

ATTACHMENTS:

	Description
🗋	Preliminary Assessment Roll

PRELIMINARY

ASSESSMENT ROLL

Storm Water Management System Improvements

Cotswold Subdivision

October 2015

VILLAGE OF PINEHURST
PRELIMINARY ASSESSMENT ROLL
STORM WATER MANAGEMENT SYSTEM IMPROVEMENTS IN THE AREA COMMONLY KNOWN AS THE COTSWOLD SUBDIVISION
OCTOBER 2015

I. Introduction

The Village of Pinehurst, by Session Law 2014-85 (S.L. 2014-85) House Bill 1155 (H.B. 1155), annexed the area known as the Cotswold Subdivision **(Exhibit A)** into the corporate limits of the Village of Pinehurst effective July 31, 2014.

The Village of Pinehurst was further requested to make certain storm water management system improvements and was authorized by S.L. 2014-85 H.B. 1155 to assess the property owners of the annexed area for a portion of the total cost of the improvements.

The storm water management system improvements consist of an underground storm water infiltration system and related piping in the vicinity of Chipping Campden Way and Chipping Norton Way in the area commonly known as the Cotswold Subdivision **(Exhibit A)**.

On October 13, 2015 the Village Council adopted Resolution #15-39, which is the Assessment Resolution that details the terms of the assessments to be applied to the property owners located in the Cotswold Subdivision.

The next step in the assessment process, per NC General Statutes (NCGS), is the preparation of the Preliminary Assessment Roll and holding a public hearing on such. The purpose of this report and the public hearing scheduled for November 17, 2015, at 4:30 p.m. in the Assembly Hall of the Pinehurst Village Hall, is to fulfill the public notification requirements outlined in NCGS. Property owners in the project area that are subject to assessment will be notified of the public hearing by First Class mail and a legal ad will be published in The Pilot newspaper by November 4th.

II. Total Cost of the Project

Village Council passed Assessment Resolution #15-39 on October 13, 2015 stating their intent to make special assessments on the benefited property owners for 66% of the total cost of the project. The final cost of the design and construction of the project was $166,230.93. The total amount of the assessments will be 66% of the final cost, or $109,712.41. **Exhibit B** lists the actual expenditures for the project by type.

III. The Basis for the Assessment

Section 2 of Resolution #15-39 proposes to make assessments upon the project area for 66% of the total cost of the project to the area of land served, or subject to being served, by the project, at an equal rate per lot as prescribed in S.L. 2014-85 H.B. 1155. There are 51 residential lots and 14 platted and approved lots for a total of 65 lots in the project area.

The formula for this assessment is as follows:

$$\frac{\text{66\% of total project cost}}{\text{Total number of lots}} = \text{Total assessment per lot}$$

$$\frac{\text{Total assessment}}{\text{\# of years of assessment}} = \text{Annual installment per lot}$$

$$\frac{(\$166{,}230 \times .66)}{\text{65 Lots}} = \$1{,}687.88 \text{ Total assessment per lot}$$

$$\frac{\$1{,}687.88}{\text{5 Years}} = \$337.58 \text{ Annual installment per lot}$$

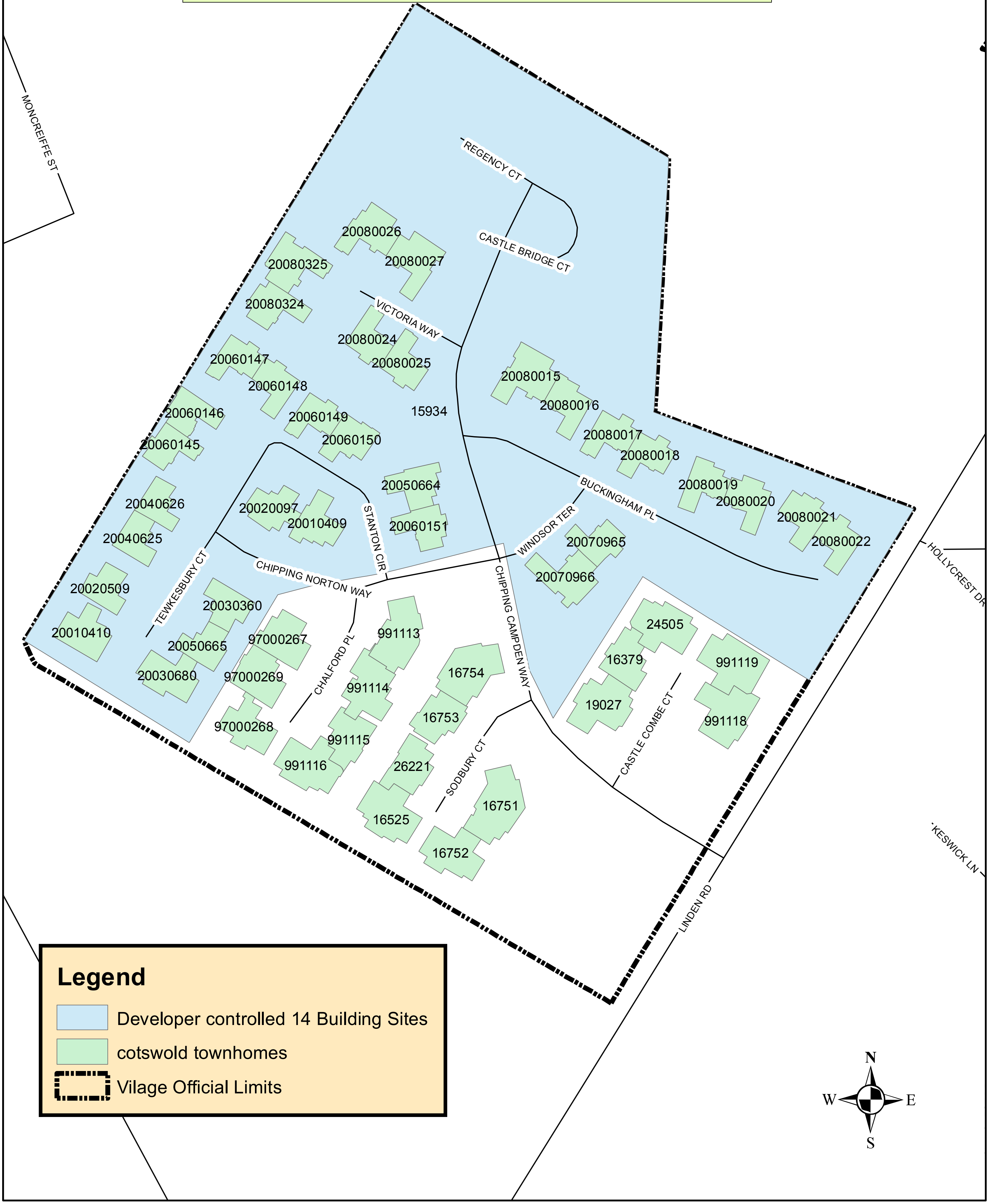
IV. Terms of Payment

Each property will be billed for the total amount of the assessment due (as detailed in the Preliminary Assessment Roll in **Exhibit C** and on the Special Assessments Map in **Exhibit A**). The owners of assessed property have the option of paying the assessment either in full or in not more than 5 annual installments. General Statute 160A-232 authorizes the Village to assess property owners for a period not to exceed 10 years. However, the special legislation that authorized the annexation (NC Session Law 2014-85, House Bill 1155) requires that these assessments be paid over a period of 5 years.

Staff has recommended that, in addition to the option of paying for the assessment in full, that the first installment shall become due and payable on February 9, 2016, and one subsequent installment shall be due and payable on the same date in each successive year until the assessment is paid in full.

The Village shall not charge any interest on the assessments over the five-year period as prescribed in S.L. 2014-85 H.B. 1155.

Cotswold Assessment Map-Exhibit A



BG 8/31/2015

Village of Pinehurst **Exhibit B**

Cotswold Storm Water Management System Expenditures

As of October 13, 2015

Account	Actual Expenditures	Vendor
Engineering, design and construction administration	$ 18,930.93	McGill & Associates
Construction Costs	147,300.00	McFadden Homes, Inc.
Total	$ 166,230.93	

Exhibit C

Village of Pinehurst

Cotswold Assessment Roll

As of October 13, 2014

Title	First Name	Last Name	Tax Mailing Address	City	State	Zip Code	Property Address	LRK	Total Assessment	Annual Installment*
Ms.	Deborah	Myatt	2 Victoria Way	Pinehurst	NC	28374	2 Victoria Way	20080024	$ 1,687.88	$ 337.58
Mr.	James	Dougherty	7 Buckingham Place	Pinehurst	NC	28374	7 Buckingham Place	20080021	1,687.88	337.58
Mr. & Mrs.	Robert D & Ann B	Shoemaker	4 Castle Combe Ct	Pinehurst	NC	28374	4 Castle Combe Ct	991119	1,687.88	337.58
Sir or Madam	Peggy Kelly & Riva, Maura Landers	Landers	6 Stanton Circle	Pinehurst	NC	28374	6 Stanton Circle	20060148	1,687.88	337.58
Mr. & Mrs.	James M & Joanne H	Snyder	PO Box 5687	Pinehurst	NC	28374-5687	5 Victoria Way	20080026	1,687.88	337.58
Mr.	William B	Adams	2 Sodbury Ct	Pinehurst	NC	28374	2 Sodbury Ct	16752	1,687.88	337.58
Mr. & Mrs.	Edward E & Ruth S	Dungan	7 Tewkesbury Ct	Pinehurst	NC	28374	7 Tewkesbury Ct	20040626	1,687.88	337.58
Mr. & Mrs.	Harry Lee & Carol Lesley	White	6225 Waters Edge Drive	Midland	NC	28107	2 Buckingham Place	20080016	1,687.88	337.58
Mr. & Mrs.	John J & Anna M	Perkins	1 Tewkesbury Ct	Pinehurst	NC	28374	1 Tewkesbury Ct	20030360	1,687.88	337.58
Mr. & Mrs.	Hans Jochen & Barbara M	Schwarze	6 Sodbury Ct	Pinehurst	NC	28374	6 Sodbury Ct	16754	1,687.88	337.58
Mr. & Mrs.	Barry W & Eleanor S	Stofan	6 Buckingham Place	Pinehurst	NC	28374	6 Buckingham Place	20080020	1,687.88	337.58
Mr. & Mrs.	Michael D & Cynthia J	Halm	1520 Burning Tree Ct	Lisle	IL	60532	4 Sodbury Ct	26221	1,687.88	337.58
Sir or Madam	Donna C. Kirk & Murray J. West	Kirk	4 Stanton Circle	Pinehurst	NC	28374	4 Stanton Circle	20060146	1,687.88	337.58
Mr. & Mrs.	Luke A & Renate W	Scesa	1 Stanton Circle	Pinehurst	NC	28374	1 Stanton Circle	20010409	1,687.88	337.58
Ms.	Elaine P	Merrigan	4 Chalford Pl	Pinehurst	NC	28374	4 Chalford Pl	991116	1,687.88	337.58
Ms.	Eunice P	Stokes	6 Chalford Pl	Pinehurst	NC	28374-6706	6 Chalford Pl	97000269	1,687.88	337.58
Sir or Madam	Katharina R & Henry, Bertha S	Stephan	1 Buckingham Place	Pinehurst	NC	28374	1 Buckingham Place	20080015	1,687.88	337.58
Mr.	J Dean	Robinson	1 Windsor Terrace	Pinehurst	NC	28374	1 Windsor Terrace	20070966	1,687.88	337.58
Mr. & Mrs.	Richard & Jean	Harrington	PO Box 3990	Pinehurst	NC	28374	2 Windsor Terrace	20070965	1,687.88	337.58
Ms.	Miroslava	Reynolds	4 Tewksbury Ct	Pinehurst	NC	28374	4 Tewksbury Ct	20010410	1,687.88	337.58
Ms.	Lillian W	Currin	3 Tewkesbury Ct	Pinehurst	NC	28374	3 Tewkesbury Ct	20030680	1,687.88	337.58
Mr. & Mrs.	John G & Sere L	Scanlon	8 Buckingham Place	Pinehurst	NC	28374	8 Buckingham Place	20080022	1,687.88	337.58
Ms.	Terry R	Canter	5 Stanton Circle	Pinehurst	NC	28374	5 Stanton Circle	20060147	1,687.88	337.58
Mr. & Mrs.	William E & Sally A	Kendrick	9 Stanton Circle	Pinehurst	NC	28374	9 Stanton Circle	20050664	1,687.88	337.58
Mr.	Cary J (Trustee)	Hensley	30B Lloyd George Road - Wainui	Gisborne	New Zealand	4010	5 Sodbury Court	16753	1,687.88	337.58
Mr.	Frank H	Coleman	3 Sodbury Ct	Pinehurst	NC	28374	3 Sodbury Ct	16525	1,687.88	337.58
Mr. & Mrs.	Lawrence L & Alice F	Demastus	3 Buckingham Pl	Pinehurst	NC	28374	3 Buckingham Pl	20080017	1,687.88	337.58
Mr. & Mrs.	Richard J & Judy M	Gough	1708 King St	Beaufort	SC	29902	7 Stanton Circle	20060149	1,687.88	337.58
Ms.	Jann (Trustee)	Meadows	10 Stanton Circle	Pinehurst	NC	28374-6705	10 Stanton Circle	20060151	1,687.88	337.58
Ms.	Miyuki	Kallagis	5 Chalford Pl	Pinehurst	NC	28374	5 Chalford Pl	97000268	1,687.88	337.58
Mr. & Mrs.	Roger F & Margaret W	Simmons	5 Tewkesbury Ct	Pinehurst	NC	28374	5 Tewkesbury Ct	20020509	1,687.88	337.58
Ms.	Mary Ann	Tagliaferri-Rowe	1 Victoria Way	Pinehurst	NC	28374	1 Victoria Way	20080025	1,687.88	337.58

Exhibit C

Village of Pinehurst

Cotswold Assessment Roll

As of October 13, 2014

Title	First Name	Last Name	Tax Mailing Address	City	State	Zip Code	Property Address	LRK	Total Assessment	Annual Installment*
Mr. & Mrs.	Dewey A Jr & Theresa	Ziglar	5 Castlecombe Ct	Pinehurst	NC	28374-6708	5 Castlecombe Ct	991118	1,687.88	337.58
Mr. & Mrs.	Ronald K & Fay H	Hodges	3 Chalford Pl	Pinehurst	NC	28374	3 Chalford Pl	991115	1,687.88	337.58
Mr.	Rexford L	West	4 Buckingham Place	Pinehurst	NC	28374-6728	4 Buckingham Place	20080018	1,687.88	337.58
Ms.	Margaret J	Williamson	184 Linden Pines Pl	Aberdeen	NC	28315	4 Victoria Way	20080325	1,687.88	337.58
Ms.	Judith W	Scyster	2 Tewkesbury Ct	Pinehurst	NC	28374	2 Tewkesbury Ct	20050665	1,687.88	337.58
Mr. & Mrs.	Gary P & Bobbye J	Hildebrand	514 E New Jersey Ave, Apt 5204	Southern Pines	NC	28387	7 Chalford Pl	97000267	1,687.88	337.58
Mr. & Mrs.	Jacqueline M & Donald R	Wade	5 Buckingham Pl	Pinehurst	NC	28374	5 Buckingham Pl	20080019	1,687.88	337.58
Ms.	Melinda Susan (Trustee)	Smith	3 Stanton Circle	Pinehurst	NC	28374	3 Stanton Circle	20060145	1,687.88	337.58
Mr.	Patrick A (Trustee)	Corso	PO Box 2316	Pinehurst	NC	28370-2316	1 Chalford Pl	991113	1,687.88	337.58
Mr. & Mrs.	Richard & Marianne	Haefele	3 Victoria Way	Pinehurst	NC	28374	3 Victoria Way	20080324	1,687.88	337.58
Mr. & Mrs.	Julian & Sarah	Hawes	6 Tewkesbury Ct	Pinehurst	NC	28374	6 Tewkesbury Ct	20040625	1,687.88	337.58
Ms.	Donna D	Mccain	2 Chalford Place	Pinehurst	NC	28374	2 Chalford Place	991114	1,687.88	337.58
Ms.	Margaret M	Pelliccio	4331 Pro Am Ave E	Bradenton	FL	34203	1 Sodbury Ct	16751	1,687.88	337.58
Mr. & Mrs.	John & Shirley	Wake	8 Stanton Cir	Pinehurst	NC	28374-6724	8 Stanton Cir	20060150	1,687.88	337.58
Mr.	James R	Harper	2 Stanton Circle	Pinehurst	NC	28374-6724	2 Stanton Circle	20020097	1,687.88	337.58
Ms.	Nancy B	Manley	PO Box 396	Pinehurst	NC	28370	2 Castlecombe Ct	16379	1,687.88	337.58
Mr. & Mrs.	Gary & Janis	Mullis	1 Castlecombe Ct	Pinehurst	NC	28374	1 Castlecombe Ct	19027	1,687.88	337.58
Mr. & Mrs.	William R & Sally W	Goshorn	4588 Lake Grove Rd	Petoskey	MI	49770	3 Castlecombe Ct	24505	1,687.88	337.58
Ms.	Betty Oldham (Trustee)	Sapp	6 Victora Way	Pinehurst	NC	28374-8465	6 Victora Way	20080027	1,687.88	337.58
Sir	Development, LLC	Planet	675 S Bennett St, Suite #4	Southern Pines	NC	28387	Multiple	15934	23,630.32	4,726.06
							Totals		$ 109,712.20	$ 21,942.64

* Due to rounding the final Annual Installment amount may vary.

Source: Moore County Tax Department GIS Data (Kevin Reed, Planning Director)

CONSIDER A MOTION TO CONFIRM ASSESSMENT ROLL FOR STORM WATER MANAGEMENT SYSTEM IMPROVEMENTS IN THE COTSWOLD SUBDIVISION LOCATED IN THE VILLAGE OF PINEHURST, NORTH CAROLINA.

ADDITIONAL AGENDA DETAILS:

FROM:
John Frye

CC:
Jeff Sanborn & Natalie Dean

DATE OF MEMO:
11/9/2015

MEMO DETAILS:
Following the public hearing on the Preliminary Assessment Roll for the storm water management system improvements in the Cotswold subdivision, Council will need to confirm the Assessment Roll dated November 17, 2015 by motion.

ATTACHMENTS:

	Description
🗋	Assessment Roll-Cotswold

ASSESSMENT ROLL

Storm Water Management System Improvements

Cotswold Subdivision

November 17, 2015

VILLAGE OF PINEHURST
ASSESSMENT ROLL
STORM WATER MANAGEMENT SYSTEM IMPROVEMENTS IN THE AREA COMMONLY KNOWN AS THE COTSWOLD SUBDIVISION
NOVEMBER 17, 2015

I. Introduction

The Village of Pinehurst, by Session Law 2014-85 (S.L. 2014-85) House Bill 1155 (H.B. 1155), annexed the area known as the Cotswold Subdivision **(Exhibit A)** into the corporate limits of the Village of Pinehurst effective July 31, 2014.

The Village of Pinehurst was further requested to make certain storm water management system improvements and was authorized by S.L. 2014-85 H.B. 1155 to assess the property owners of the annexed area for a portion of the total cost of the improvements.

The storm water management system improvements consist of an underground storm water infiltration system and related piping in the vicinity of Chipping Campden Way and Chipping Norton Way in the area commonly known as the Cotswold Subdivision **(Exhibit A)**.

On October 13, 2015 the Village Council adopted Resolution #15-39, which is the Assessment Resolution that details the terms of the assessments to be applied to the property owners located in the Cotswold Subdivision.

The next step in the assessment process, per NC General Statutes (NCGS), is the preparation of the Preliminary Assessment Roll and holding a public hearing on such. The purpose of this report and the public hearing scheduled for November 17, 2015, at 4:30 p.m. in the Assembly Hall of the Pinehurst Village Hall, is to fulfill the public notification requirements outlined in NCGS. Property owners in the project area that are subject to assessment were notified of the public hearing by First Class mail and a legal ad was published in The Pilot newspaper on November 1st.

II. Total Cost of the Project

Village Council passed Assessment Resolution #15-39 on October 13, 2015 stating their intent to make special assessments on the benefited property owners for 66% of the total cost of the project. The final cost of the design and construction of the project was $166,230.93. The total amount of the assessments will be 66% of the final cost, or $109,712.41. **Exhibit B** lists the actual expenditures for the project by type.

III. The Basis for the Assessment

Section 2 of Resolution #15-39 proposes to make assessments upon the project area for 66% of the total cost of the project to the area of land served, or subject to being served, by the project, at an equal rate per lot as prescribed in S.L. 2014-85 H.B. 1155. There are 51 residential lots and 14 platted and approved lots for a total of 65 lots in the project area.

The formula for this assessment is as follows:

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$$\frac{\text{Total assessment}}{\text{\# of years of assessment}} = \text{Annual installment per lot}$$

$$\frac{(\$166{,}230 \times .66)}{\text{65 Lots}} = \$1{,}687.88 \text{ Total assessment per lot}$$

$$\frac{\$1{,}687.88}{\text{5 Years}} = \$337.58 \text{ Annual installment per lot}$$

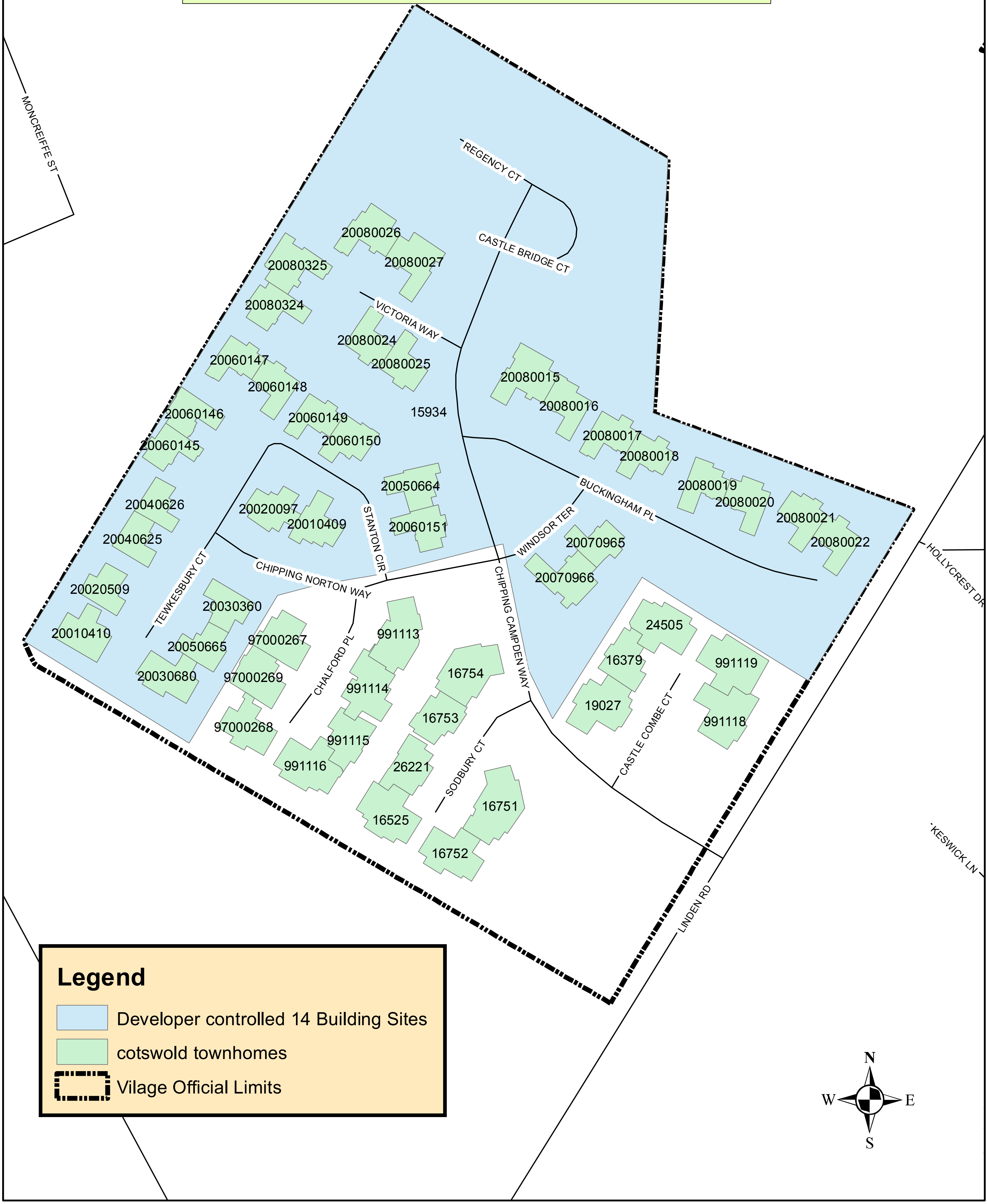
IV. Terms of Payment

Each property will be billed for the total amount of the assessment due (as detailed in the Assessment Roll in **Exhibit C** and on the Special Assessments Map in **Exhibit A**). The owners of assessed property have the option of paying the assessment either in full or in not more than 5 annual installments. General Statute 160A-232 authorizes the Village to assess property owners for a period not to exceed 10 years. However, the special legislation that authorized the annexation (NC Session Law 2014-85, House Bill 1155) requires that these assessments be paid over a period of 5 years.

Staff has recommended that, in addition to the option of paying for the assessment in full, that the first installment shall become due and payable on February 9, 2016, and one subsequent installment shall be due and payable on the same date in each successive year until the assessment is paid in full.

The Village shall not charge any interest on the assessments over the five-year period as prescribed in S.L. 2014-85 H.B. 1155.

Cotswold Assessment Map-Exhibit A



BG 8/31/2015

Village of Pinehurst **Exhibit B**

Cotswold Storm Water Management System Expenditures

As of November 17, 2015

Account	Actual Expenditures	Vendor
Engineering, design and construction administration	$ 18,930.93	McGill & Associates
Construction Costs	147,300.00	McFadden Homes, Inc.
Total	$ 166,230.93	

Exhibit C

Village of Pinehurst

Assessment Roll - Cotswold

As of November 17, 2015

Title	First Name	Last Name	Tax Mailing Address	City	State	Zip Code	Property Address	LRK	Total Assessment	Annual Installment*
Ms.	Deborah	Myatt	2 Victoria Way	Pinehurst	NC	28374	2 Victoria Way	20080024	$ 1,687.88	$ 337.58
Mr.	James	Dougherty	7 Buckingham Place	Pinehurst	NC	28374	7 Buckingham Place	20080021	1,687.88	337.58
Mr. & Mrs.	Robert D & Ann B	Shoemaker	4 Castle Combe Ct	Pinehurst	NC	28374	4 Castle Combe Ct	991119	1,687.88	337.58
Sir or Madam	Peggy Kelly & Riva, Maura Landers	Landers	6 Stanton Circle	Pinehurst	NC	28374	6 Stanton Circle	20060148	1,687.88	337.58
Mr. & Mrs.	James M & Joanne H	Snyder	PO Box 5687	Pinehurst	NC	28374-5687	5 Victoria Way	20080026	1,687.88	337.58
Mr.	William B	Adams	2 Sodbury Ct	Pinehurst	NC	28374	2 Sodbury Ct	16752	1,687.88	337.58
Mr. & Mrs.	Edward E & Ruth S	Dungan	7 Tewkesbury Ct	Pinehurst	NC	28374	7 Tewkesbury Ct	20040626	1,687.88	337.58
Mr. & Mrs.	Harry Lee & Carol Lesley	White	6225 Waters Edge Drive	Midland	NC	28107	2 Buckingham Place	20080016	1,687.88	337.58
Mr. & Mrs.	John J & Anna M	Perkins	1 Tewkesbury Ct	Pinehurst	NC	28374	1 Tewkesbury Ct	20030360	1,687.88	337.58
Mr. & Mrs.	Hans Jochen & Barbara M	Schwarze	6 Sodbury Ct	Pinehurst	NC	28374	6 Sodbury Ct	16754	1,687.88	337.58
Mr. & Mrs.	Barry W & Eleanor S	Stofan	6 Buckingham Place	Pinehurst	NC	28374	6 Buckingham Place	20080020	1,687.88	337.58
Mr. & Mrs.	Michael D & Cynthia J	Halm	1520 Burning Tree Ct	Lisle	IL	60532	4 Sodbury Ct	26221	1,687.88	337.58
Sir or Madam	Donna C. Kirk & Murray J. West	Kirk	4 Stanton Circle	Pinehurst	NC	28374	4 Stanton Circle	20060146	1,687.88	337.58
Mr. & Mrs.	Luke A & Renate W	Scesa	1 Stanton Circle	Pinehurst	NC	28374	1 Stanton Circle	20010409	1,687.88	337.58
Ms.	Elaine P	Merrigan	4 Chalford Pl	Pinehurst	NC	28374	4 Chalford Pl	991116	1,687.88	337.58
Ms.	Eunice P	Stokes	6 Chalford Pl	Pinehurst	NC	28374-6706	6 Chalford Pl	97000269	1,687.88	337.58
Sir or Madam	Katharina R & Henry, Bertha S	Stephan	1 Buckingham Place	Pinehurst	NC	28374	1 Buckingham Place	20080015	1,687.88	337.58
Mr.	J Dean	Robinson	1 Windsor Terrace	Pinehurst	NC	28374	1 Windsor Terrace	20070966	1,687.88	337.58
Mr. & Mrs.	Richard & Jean	Harrington	PO Box 3990	Pinehurst	NC	28374	2 Windsor Terrace	20070965	1,687.88	337.58
Ms.	Miroslava	Reynolds	4 Tewksbury Ct	Pinehurst	NC	28374	4 Tewksbury Ct	20010410	1,687.88	337.58
Ms.	Lillian W	Currin	3 Tewkesbury Ct	Pinehurst	NC	28374	3 Tewkesbury Ct	20030680	1,687.88	337.58
Mr. & Mrs.	John G & Sere L	Scanlon	8 Buckingham Place	Pinehurst	NC	28374	8 Buckingham Place	20080022	1,687.88	337.58
Ms.	Terry R	Canter	5 Stanton Circle	Pinehurst	NC	28374	5 Stanton Circle	20060147	1,687.88	337.58
Mr. & Mrs.	William E & Sally A	Kendrick	9 Stanton Circle	Pinehurst	NC	28374	9 Stanton Circle	20050664	1,687.88	337.58
Mr.	Cary J (Trustee)	Hensley	30B Lloyd George Road - Wainui	Gisborne	New Zealand	4010	5 Sodbury Court	16753	1,687.88	337.58
Mr.	Frank H	Coleman	3 Sodbury Ct	Pinehurst	NC	28374	3 Sodbury Ct	16525	1,687.88	337.58
Mr. & Mrs.	Lawrence L & Alice F	Demastus	3 Buckingham Pl	Pinehurst	NC	28374	3 Buckingham Pl	20080017	1,687.88	337.58
Mr. & Mrs.	Richard J & Judy M	Gough	1708 King St	Beaufort	SC	29902	7 Stanton Circle	20060149	1,687.88	337.58
Ms.	Jann (Trustee)	Meadows	10 Stanton Circle	Pinehurst	NC	28374-6705	10 Stanton Circle	20060151	1,687.88	337.58
Ms.	Miyuki	Kallagis	5 Chalford Pl	Pinehurst	NC	28374	5 Chalford Pl	97000268	1,687.88	337.58
Mr. & Mrs.	Roger F & Margaret W	Simmons	5 Tewkesbury Ct	Pinehurst	NC	28374	5 Tewkesbury Ct	20020509	1,687.88	337.58
Ms.	Mary Ann	Tagliaferri-Rowe	1 Victoria Way	Pinehurst	NC	28374	1 Victoria Way	20080025	1,687.88	337.58

Exhibit C

Village of Pinehurst

Assessment Roll - Cotswold

As of November 17, 2015

Title	First Name	Last Name	Tax Mailing Address	City	State	Zip Code	Property Address	LRK	Total Assessment	Annual Installment*
Mr. & Mrs.	Dewey A Jr & Theresa	Ziglar	5 Castlecombe Ct	Pinehurst	NC	28374-6708	5 Castlecombe Ct	991118	1,687.88	337.58
Mr. & Mrs.	Ronald K & Fay H	Hodges	3 Chalford Pl	Pinehurst	NC	28374	3 Chalford Pl	991115	1,687.88	337.58
Mr.	Rexford L	West	4 Buckingham Place	Pinehurst	NC	28374-6728	4 Buckingham Place	20080018	1,687.88	337.58
Ms.	Margaret J	Williamson	184 Linden Pines Pl	Aberdeen	NC	28315	4 Victoria Way	20080325	1,687.88	337.58
Ms.	Judith W	Scyster	2 Tewkesbury Ct	Pinehurst	NC	28374	2 Tewkesbury Ct	20050665	1,687.88	337.58
Mr. & Mrs.	Gary P & Bobbye J	Hildebrand	514 E New Jersey Ave, Apt 5204	Southern Pines	NC	28387	7 Chalford Pl	97000267	1,687.88	337.58
Mr. & Mrs.	Jacqueline M & Donald R	Wade	5 Buckingham Pl	Pinehurst	NC	28374	5 Buckingham Pl	20080019	1,687.88	337.58
Ms.	Melinda Susan (Trustee)	Smith	3 Stanton Circle	Pinehurst	NC	28374	3 Stanton Circle	20060145	1,687.88	337.58
Mr.	Patrick A (Trustee)	Corso	PO Box 2316	Pinehurst	NC	28370-2316	1 Chalford Pl	991113	1,687.88	337.58
Mr. & Mrs.	Richard & Marianne	Haefele	3 Victoria Way	Pinehurst	NC	28374	3 Victoria Way	20080324	1,687.88	337.58
Mr. & Mrs.	Julian & Sarah	Hawes	6 Tewkesbury Ct	Pinehurst	NC	28374	6 Tewkesbury Ct	20040625	1,687.88	337.58
Ms.	Donna D	Mccain	2 Chalford Place	Pinehurst	NC	28374	2 Chalford Place	991114	1,687.88	337.58
Ms.	Margaret M	Pelliccio	4331 Pro Am Ave E	Bradenton	FL	34203	1 Sodbury Ct	16751	1,687.88	337.58
Mr. & Mrs.	John & Shirley	Wake	8 Stanton Cir	Pinehurst	NC	28374-6724	8 Stanton Cir	20060150	1,687.88	337.58
Mr.	James R	Harper	2 Stanton Circle	Pinehurst	NC	28374-6724	2 Stanton Circle	20020097	1,687.88	337.58
Ms.	Nancy B	Manley	PO Box 396	Pinehurst	NC	28370	2 Castlecombe Ct	16379	1,687.88	337.58
Mr. & Mrs.	Gary & Janis	Mullis	1 Castlecombe Ct	Pinehurst	NC	28374	1 Castlecombe Ct	19027	1,687.88	337.58
Mr. & Mrs.	William R & Sally W	Goshorn	4588 Lake Grove Rd	Petoskey	MI	49770	3 Castlecombe Ct	24505	1,687.88	337.58
Ms.	Betty Oldham (Trustee)	Sapp	6 Victora Way	Pinehurst	NC	28374-8465	6 Victora Way	20080027	1,687.88	337.58
Sir	Development, LLC	Planet	675 S Bennett St, Suite #4	Southern Pines	NC	28387	Multiple	15934	23,630.32	4,726.06
							Totals		$ 109,712.20	$ 21,942.64

* Due to rounding the final Annual Installment amount may vary.

Source: Moore County Tax Department GIS Data (Kevin Reed, Planning Director)

VILLAGE OF PINEHURST

PRESENTATION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) AND FINANCIAL CONDITION ASSESSMENT.

ADDITIONAL AGENDA DETAILS:

FROM:
John Frye

CC:
Jeff Sanborn & Natalie Dean

DATE OF MEMO:
11/9/2015

MEMO DETAILS:
I am pleased to present to you the Village's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2015. 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.

Mr. John Frank of Dixon Hughes Goodman, LLP will present the firm's opinion on these statements.

Also, included with your copy of the CAFR 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.

Again this year we would like to make a brief presentation on the Village's financial condition. The presentation will provide five-year trend information from the CAFR in a graphical format with comparative data from peer municipalities.

As always, if you have any questions, please feel free to contact me.

ATTACHMENTS:

Description

- FY 2015 Comprehensive Annual Financial Report (CAFR)
- Required Auditor Communication
- FY 2015 Financial Condition Assessment

Village of Pinehurst, North Carolina

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2015

Prepared by
Financial Services Department

John G. Frye
Director of Financial Services

Village of Pinehurst, North Carolina
Comprehensive Annual Financial Report – Table of Contents
For the Fiscal Year Ended June 30, 2015

HISTORY, CHARM, AND SOUTHERN HOSPITALITY

September 22, 2015

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

The Comprehensive Annual 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 as of and for the fiscal year ended June 30, 2015. 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, 2015, and to provide further accountability to citizens and other interested parties by providing a more comprehensive report in lieu of the minimum basic financial statement requirements.

As a comprehensive annual 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. Dixon Hughes Goodman, LLP, Certified Public Accountants, conducted the audit and concluded in an unmodified ("clean") opinion that the financial statements present fairly in conformity with GAAP, in all material respects, the financial position and changes in financial position for the Village of Pinehurst, North Carolina, as of June 30, 2015. The independent auditors' 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 federal and state financial assistance is also required under the Single Audit Act Amendments of 1996 and Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* ("OMB Circular A-133"). 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 federal awards. These reports are located in the Compliance Section of this Comprehensive Annual Financial Report.

Management's discussion and analysis of the basic financial statements (MD&A) immediately follows the independent auditors' 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 should be read in conjunction with it.

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 15,525. 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 both the Village's manager and attorney. The Village Manager is responsible for carrying out the policies and ordinances of the Village Council, for overseeing the day-to-day operations of the Village, and for 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; the maintenance of streets and other 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 Village Manager is authorized by the budget ordinance to make certain limited transfers within funds 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. At the height of the housing market, from 2000 to 2007, approximately 250 new homes were constructed each year within the Village. During the recession that followed, the number of new homes constructed fell to a historical low of 51 new homes in 2010. In 2015, 107 new homes were constructed in the Village which is comparable with the 101 constructed in the previous year.

The tourism industry contributes significantly to the economic well-being of the Village. Moore County ranks eleventh out of one-hundred North Carolina counties in tourism, with an estimated $374 million in annual tourism generated revenues. 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 as a result of its exceptional quality. Pinehurst Resort hosted the 1999, 2005, and 2014 U.S. Open Golf Championships. In 2014 the back-to-back U.S. Open and U.S. Women's Open Championships generated over $140 million dollars in direct spending in the region, with the total economic impact on the state estimated at $238 million. The resort is the Village's largest taxpayer and employs over 1,300 people.

The Village can also claim 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 approximately 3,500 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 CAFR. In addition, when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance in the range of 30%-40% of budgeted expenditures. At June 30, 2015 the General Fund's unassigned fund balance of $5,079,263 represented 31% of General Fund actual expenditures and total fund balance was 45% of budgeted expenditures.

In Fiscal Year (FY) 2016 the Village adopted its third 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 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's nine organizational goals for the 2016 Strategic Plan are: (1) safeguard the community, (2) preserve the character and ambiance of the Village, (3) promote economic vitality, (4) provide & promote multi-modal transportation connectivity, (5) promote environmental sustainability, (6) promote an active, healthy community, (7) professionally manage a high performing organization, (8) recruit and develop a skilled and diverse workforce, and (9) maintain a strong financial condition.

Major initiatives of the FY 2016 Strategic Plan to address these goals include:

- Evaluate alternative methods to investigate and deter crime
- Incrementally expand the Village Center into the Village Place/Rattlesnake Trail corridor
- Redevelop the Public Services Complex
- Make improvements to the McKenzie/Hwy 5/Barrett road intersection
- Install sidewalks and/or greenways according to the Pedestrian Master Plan
- Install bike lanes according to the Bicycle Master Plan
- Install a splash pad in Rassie Wicker Park
- Develop an organization-wide complaint management system

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2014. This was the 22nd 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 CAFR. 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 CAFR 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 years ended June 30, 2008 through 2015. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document had to be 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,

Jeffrey M. Sanborn
Village Manager

John G. Frye
Director of Financial Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

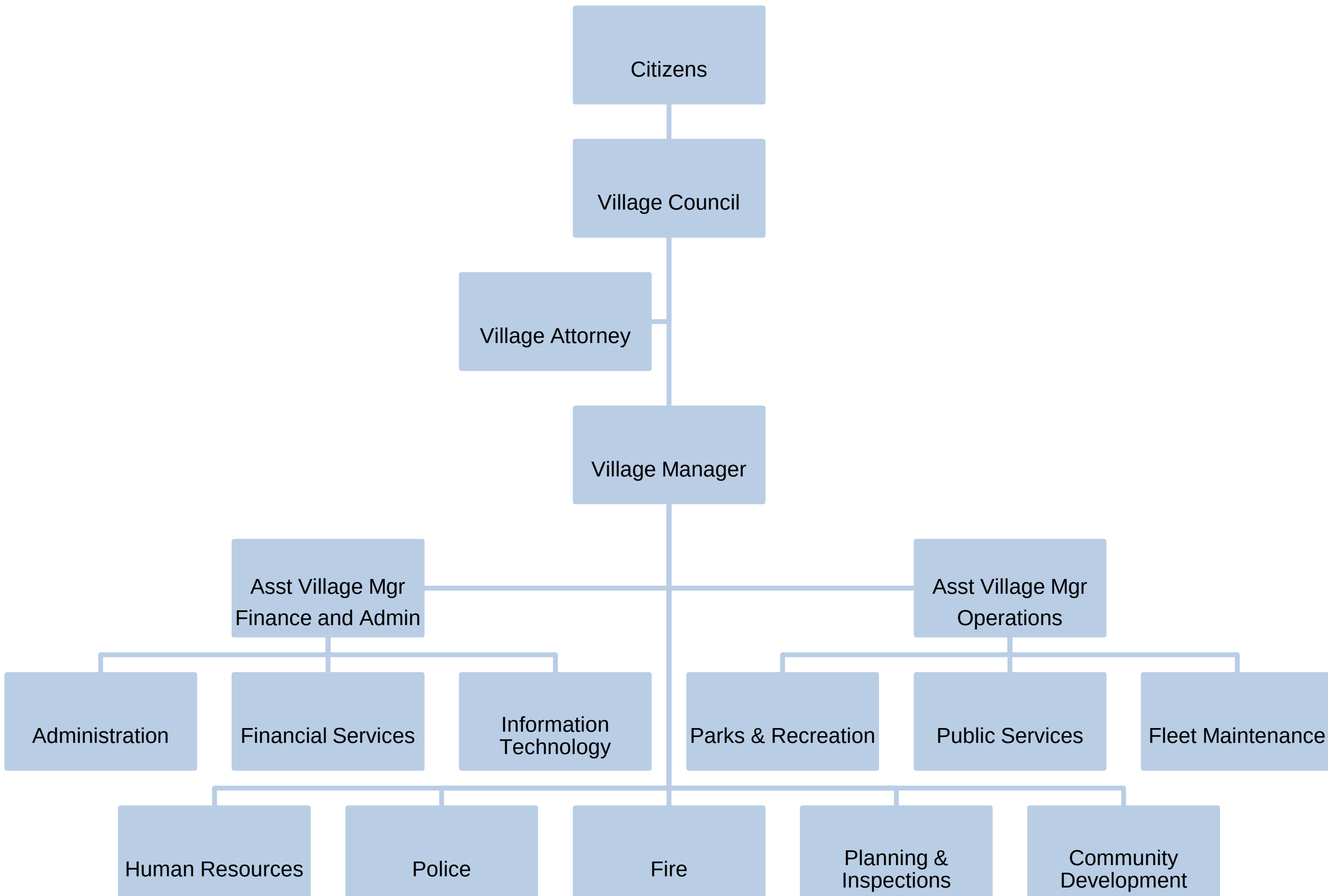
Village of Pinehurst
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Village of Pinehurst, North Carolina
Organizational Chart
June 30, 2015



Village of Pinehurst, North Carolina
List of Principal Officials
June 30, 2015

Elected Officials

Nancy Roy Fiorillo	Mayor
John R. Cashion	Mayor Pro-Tem
John C. Strickland	Treasurer
Clark Campbell	Council Member
Claire Phillips	Council Member

Appointed Officials

Jeffrey M. Sanborn	Village Manager
Natalie E. Dean	Assistant Village Manager
Jeff Batton	Assistant Village Manager
Michael J. Newman	Village Attorney
Lauren Craig	Village Clerk
John G. Frye	Financial Services Director
Angela M. Kantor	Human Resources Director
Jason Whitaker	Chief Information Officer
Earl Phipps	Police Chief
Carlton Cole	Fire Chief
Kevin Reed	Planning & Inspections Director
Walt Morgan	Public Services Director
Randy Kuhn	Fleet Maintenance Director
Mark Wagner	Parks and Recreation Director

DHG
DIXON HUGHES GOODMAN LLP

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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 ("Village") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise of the Village's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

DIXON HUGHES GOODMAN LLP

Opinions

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, 2015, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note 16 to the financial statements, the financial statements as of and for the year ended June 30, 2014 were restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in 2015. Our opinion is not modified with respect to these changes.

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 15, the Law Enforcement Officers' Special Separation Allowance Schedule of Funding Progress on page 44, Schedule of Law Enforcement Officers' Special Separation Allowance Schedule of Employer Contributions on page 45, Local Government Employees' Retirement System Schedule of the Proportionate Share of the Net Pension Asset on page 46, Local Government Employees' Retirement System Schedule of Contributions on page 47 be presented to supplement the basic financial statements. Such information, 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 finical 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village. The combining and individual fund statements, budgetary schedules, other schedules, and schedule of expenditures of federal and state awards as required by U.S. Office and Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combing and individual fund statements, budgetary schedules, other schedules, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to 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 prepared the basic financial statements or to the basic

DIXON HUGHES GOODMAN LLP

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and 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.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated September 22, 2015 on our consideration of 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 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 Village's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

September 22, 2015
High Point, North Carolina

Village of Pinehurst
Management's Discussion and Analysis
June 30, 2015

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, 2015. 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.

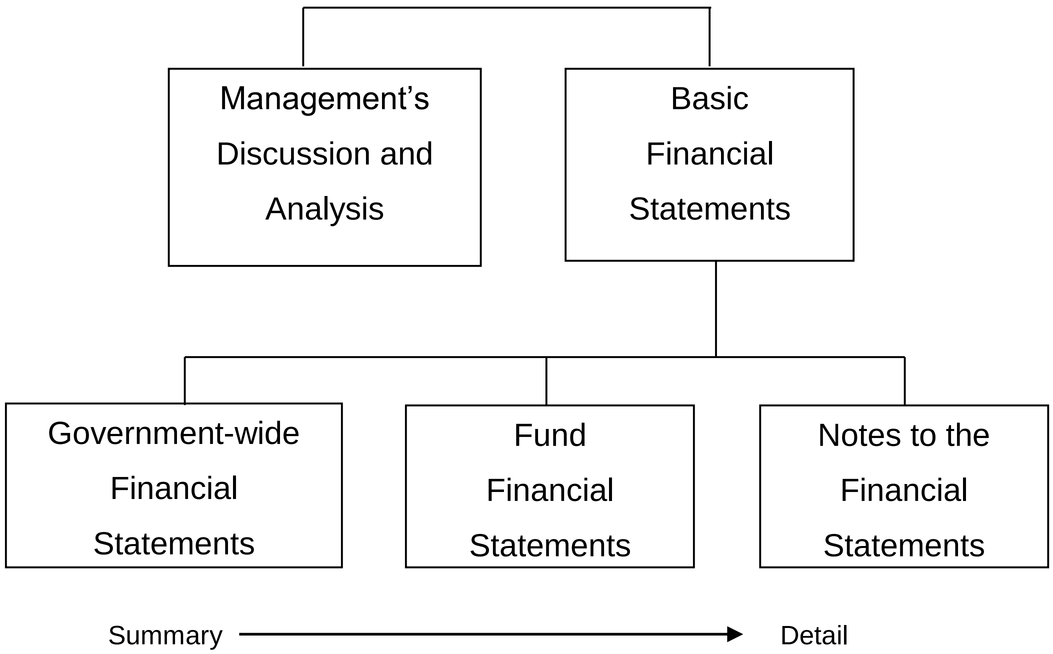
Financial Highlights

- 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 $26,631,615 (*net position*).
- The Village's total net position increased by $691,502 primarily due to an increase in capital assets during the fiscal year and the reduction in long term debt due to scheduled principal payments.
- At the end of the current fiscal year, the Village's only governmental fund, the General Fund, reported ending fund balance of $8,225,102, an increase of $476,258 in comparison with the prior year. Approximately 62% of this amount, or $5,079,263, is available for spending at the Village's discretion (*unassigned fund balance*) and is equal to 31% of total general fund expenditures for the fiscal year.
- The Village's total debt decreased by $420,917 (19%) during the current fiscal year. The decrease was due to scheduled principal payments on existing debt obligations. Total debt outstanding was $1,841,825 at the 2015 fiscal year end.
- The Village had no general obligation bonded debt as of June 30, 2015.
- Throughout the year, the Village's deposits were insured or collateralized as required by state law. Total investment earnings were approximately $9,796, which is equivalent to a return of approximately 0.11% on the average amount of cash and cash equivalents during the year. At fiscal year's end, 42% of the Village's cash and investments were held in insured or collateralized depository accounts and 58% were invested in the North Carolina Capital Management Trust, a SEC-registered (2a7) money market mutual fund.
- The Village has received the Certificate of Achievement for Excellence in Financial Reporting for 22 consecutive years. The Certificate of Achievement is the highest form of recognition awarded in the field of governmental financial reporting.
- For the 2015 fiscal year, the Village received the Distinguished Budget Presentation Award for the 8th consecutive year from the Government Finance Officer's Association for its annual budget.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's 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 (see Figure 1). The basic financial statements present two different views of the Village through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Village.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 7) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Village's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the 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 they have 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 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, 2015. The final category is the component unit. The Village does not have any component units as of June 30, 2015.

The government-wide financial statements are on 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. All funds of the Village are 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 monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the 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 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 citizens 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 or not 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 Statement of Revenues, Expenditures and Changes in Fund Balances. 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.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 22-43 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 43 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

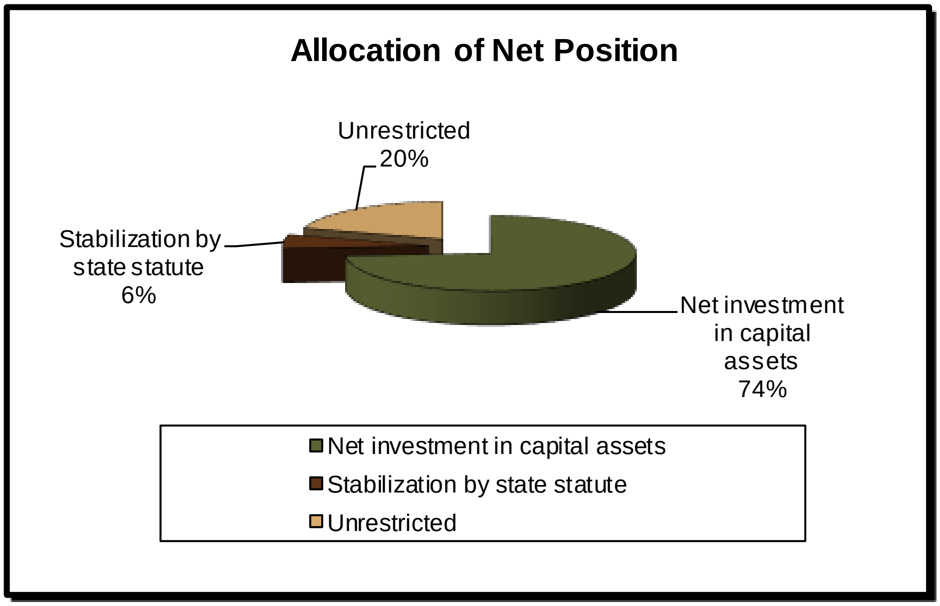
Net Position

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

Village of Pinehurst's Net Position
Figure 2

	Governmental Activities 2015	Governmental Activities, restated 2014
Current and other assets	$ 9,199,345	$ 8,868,781
Net pension asset	638,460	-
Capital assets	21,490,625	21,216,738
Total assets	31,328,430	30,085,519
Deferred outflows of resources	454,473	432,280
Long-term liabilities outstanding	2,697,718	4,428,878
Other liabilities	897,488	1,014,711
Total liabilities	3,595,206	5,443,589
Deferred inflows of resources	1,556,082	16
Net position:		
Net investment in capital assets	19,648,800	18,953,996
Restricted for:		
Stabilization by state statute	1,601,410	1,568,981
Unrestricted	5,381,405	4,551,216
Total net position	$ 26,631,615	$ 25,074,193

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 $26,631,615 as of June 30, 2015. The Village's net position increased by $1,557,422 for the fiscal year ended June 30, 2015. However, the largest portion, $19,648,800 or 74%, reflects the Village's net investment in capital assets (e.g. land, right of ways, buildings, machinery, and equipment). The Village uses these capital assets to provide services to citizens; 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, $1,601,410, represents resources that are subject to external restrictions on how they may be used. The remaining balance of $5,381,405 is unrestricted. Also, the Village implemented GASB Statement 68 this year. With the new reporting change, the Village is allocated its proportionate share of the Local Government Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by $865,920. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Village's management.



Governmental Activities

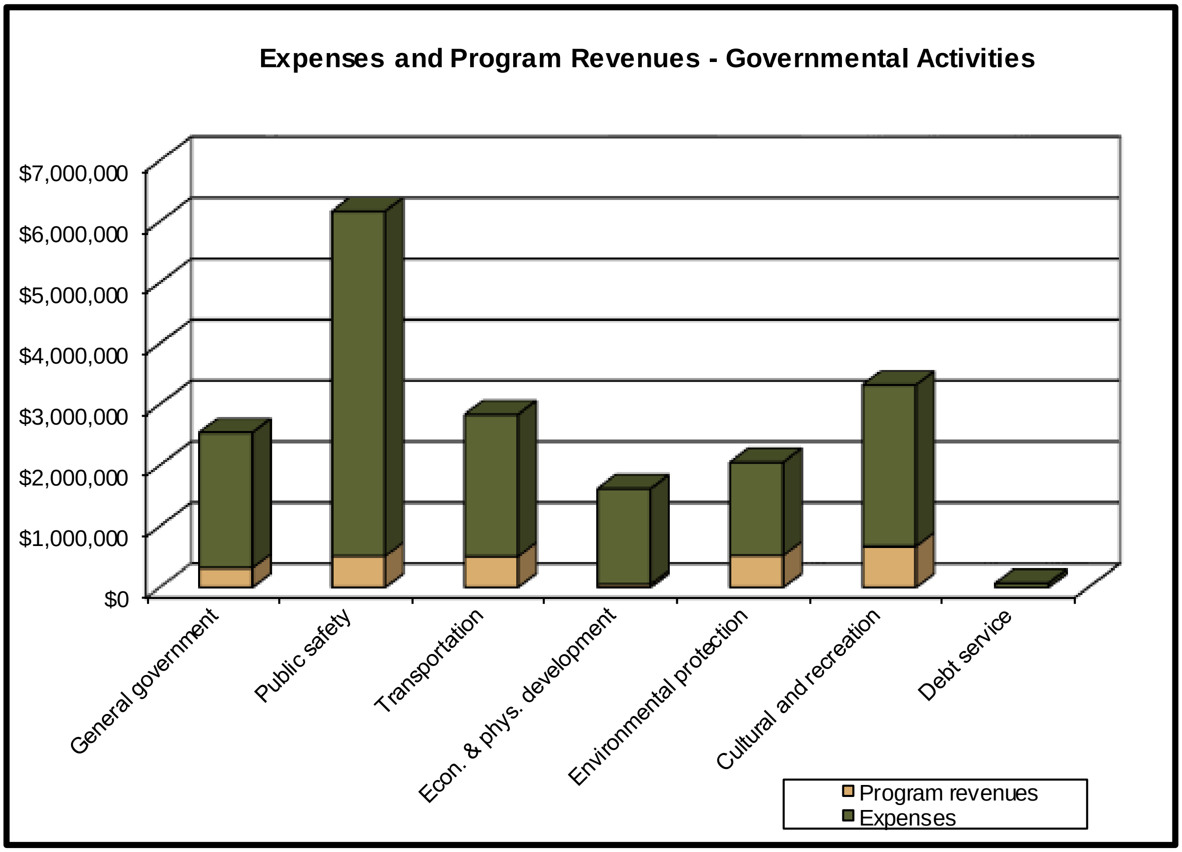
Governmental activities increased the Village's net position by $1,557,422. As previously noted, the implementation of GASB 68 and the associated restatement reduced beginning net position by $865,920. The net effect of these two items resulted in the $691,502 increase in net position.

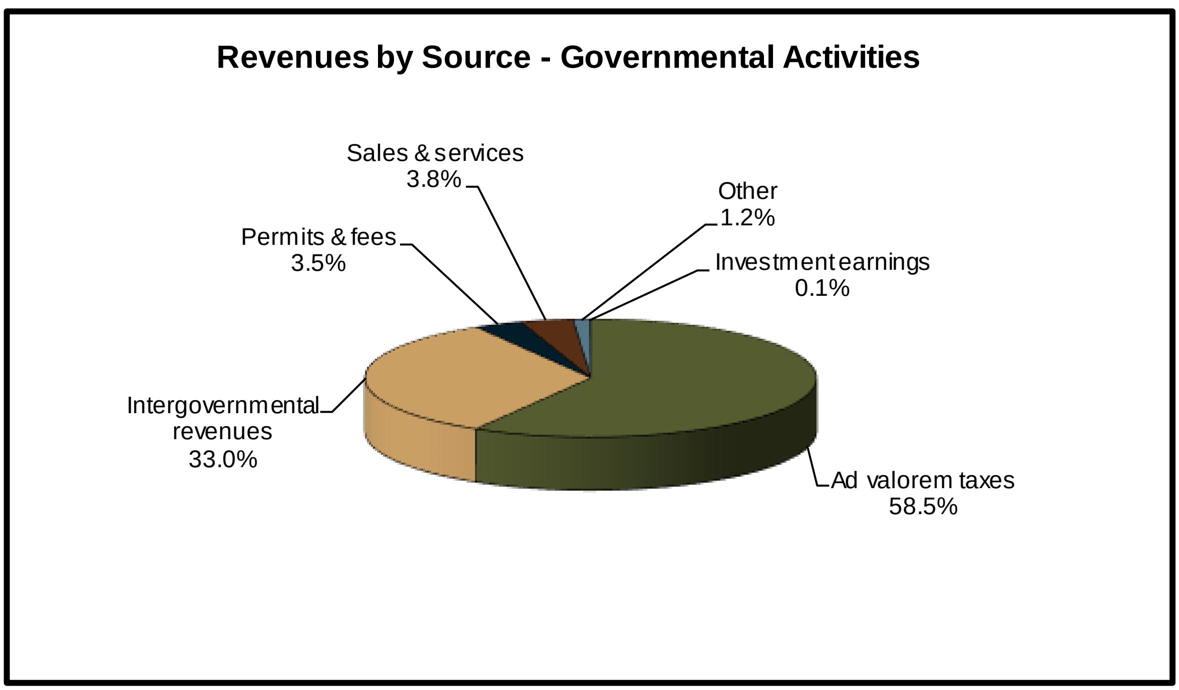
Several aspects of the Village's financial operations influenced the positive change in total governmental net position:

- Property tax revenue increased approximately $21,000 or 0.2% from the prior year due to a modest increase in the construction of new single family homes.
- Continued diligence in the collection of property taxes by maintaining a tax collection percentage in the General Fund of 99.97%, which is comparable to the statewide average of 98.13%.
- Unrestricted intergovernmental revenues increased by $707,000 or 16.6% due to increased collections of local option sales taxes and electricity sales taxes. The increase in electricity sales taxes is due to a revision in the distribution formula by the state of North Carolina.
- Expenses net of program revenues decreased by $350,000, or 2.5%. This result was influenced by the following factors:
  - Program expenses were $128,000, or 0.8%, lower than in the previous fiscal year.
  - Charges for services decreased by approximately $568,000, or 31%, due to the $700,000 in one-time revenues that were received from the USGA for the 2014 U.S. Open Golf Championships.
  - Operating grants and contributions increased $480,000 or 88% due to environmental protection grants received for the Jackson-Hamlet CDBG sewer project completed this fiscal year.
  - Capital grants and contributions increased by $278,000 due to the receipt of $320,000 in donated capital assets consisting of two building lots from individuals and the streets and right of ways in the Cotswold subdivision.
  - The Village's net pension liability of $1,298,199 in the prior year became an asset of $638,460 in the current year, resulting in a reduction in expenses of $1,936,659.

Village of Pinehurst's Change in Net Position
Figure 3

	Governmental Activities 2015	Governmental Activities, restated 2014
Revenues:		
Program revenues:		
Charges for services	$ 1,249,211	$ 1,817,348
Operating grants and contributions	1,025,870	546,089
Capital grants and contributions	320,235	42,563
General revenues:		
Property taxes	9,785,054	9,763,042
Golf cart licenses	2,010	2,230
Grants and contributions not restricted to specific programs	4,979,172	4,271,703
Other	207,395	506,156
Total revenues	17,568,947	16,949,131
Expenses:		
General government	2,220,764	2,168,794
Public safety	5,653,753	5,803,531
Transportation	2,325,248	2,369,495
Economic & physical development	1,567,788	1,566,159
Environmental protection	1,526,924	1,402,623
Culture and recreation	2,647,805	2,746,748
Interest on long-term debt	69,243	82,192
Total expenses	16,011,525	16,139,542
Increase in net position	1,557,422	809,589
Net position, July 1, restated	25,074,193	25,130,524
Net position, June 30	26,631,615	25,940,113
Restatement	-	(865,920)
Net position, June 30, restated	$ 26,631,615	$ 25,074,193


Expenses and Program Revenues - Governmental Activities
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$0
General government
Public safety
Transportation
Econ. & phys. development
Environmental protection
Cultural and recreation
Debt service
Program revenues
Expenses


Revenues by Source - Governmental Activities
Sales & services 3.8%
Other 1.2%
Permits & fees 3.5%
Investment earnings 0.1%
Intergovernmental revenues 33.0%
Ad valorem taxes 58.5%

Business-type activities

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

Financial Analysis of the Village's Funds

As noted earlier, 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.

At June 30, 2015, the General Fund, the only governmental fund of the Village reported fund balance of $8,225,102, an increase of $476,258 or 6% over last year. The unassigned portion of the fund balance in the General Fund was $5,079,263. 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 30%-40% 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 Village currently has unassigned fund balance of 31% of actual general fund expenditures, while total fund balance represents 45% of budgeted expenditures.

As noted above, fund balance in the Village's General Fund increased by $476,258 during the 2015 fiscal year. Key components of this change are as follows:

- Property tax revenue increased approximately $21,000 from the prior year due to a modest increase in the construction of new single family homes. In addition, building permits and inspection fees increased by 6%, or $16,000.
- Sales tax revenues increased $251,000 or 10% due to an increase in tourism following the 2014 U.S. Open Golf Championships and the continued modest economic recovery.
- Electricity sales taxes increased 59%, or $359,000. This due to the new distribution formula mentioned previously and a colder winter heating season.
- Actual operating and capital expenditures were lower than budgeted, which also contributed to the addition to fund balance.

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 citizens of the Village while working to 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; and 3) increases in appropriations that become necessary to maintain services.

Comparing budget to actual amounts, the Village exceeded the originally budgeted operating revenue estimates by $705,000, or 4.4%. The primary revenue that came in above estimated budget amounts were unrestricted intergovernmental revenues and sales and services revenues. Unrestricted intergovernmental revenues were $451,000 above budget, primarily due to increased local option sales taxes and electricity sales taxes mentioned above. Sales and services revenues were $77,000 above budget due to better than expected facility rental income at the Village's Fair Barn, Harness Track, and Arboretum facilities and increased recreation fees.

Total expenditures were $1,466,000, or 8.3%, less than originally budgeted amounts. Expenditures were less than budgeted amounts for the following significant items: (1) contracted and professional services of $251,000 were lower than expected, including a $50,000 Village center expansion study that was not completed, (2) salaries and benefits were $384,000 lower due to employee vacancies related to turnover; and (3) capital expenditures were $568,000 below budget due primarily to vehicles that were on order at the end of the fiscal year, a drainage project that was underway at year end, and streetscape improvements that were not completed. Other smaller projects and capital items were also delayed for various reasons. These items have all been reappropriated in Fiscal Year 2016.

As a result of the variances in revenues and expenditures outlined above, fund balance in the General Fund increased by $476,258 at June 30, 2015. This resulted in the General Fund reporting fund balance of $8,255,102, a 6.1% increase above the previous year. This increase can almost entirely be attributed to unfinished capital items that were reappropriated in FY 2016. The amount reappropriated to complete these items was $435,000.

Capital Asset and Debt Administration

Capital assets

The Village's investment in capital assets for its governmental activities as of June 30, 2015 totals $21,490,625 (net of accumulated depreciation). These assets include land, right of ways, buildings and improvements, furniture and equipment, vehicles, infrastructure such as streets and drainage systems, and construction in progress.

Major capital asset transactions during the year include the following additions. There were no significant demolitions or disposals:

- Highway 211 sidewalk and traffic signal upgrades costing $238,000
- Automated solid waste vehicle replacement costing $174,000
- Front-end loader replacement costing $147,000
- Harness Track sewer and drainage improvements of $112,000
- Cotswold drainage project totaling $66,000 (partially completed)
- Fire brush truck replacement costing $59,000 (partially constructed)

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

	Governmental Activities 2015	Governmental Activities 2014
Land	$ 5,783,713	$ 5,748,713
Right of Ways	140,098	73,867
Buildings and Improvements	7,912,146	8,299,667
Furniture and Equipment	897,906	725,140
Vehicles	2,339,067	2,415,169
Infrastructure	4,278,647	3,897,984
Construction in Progress	139,048	56,198
Total	$ 21,490,625	$ 21,216,738

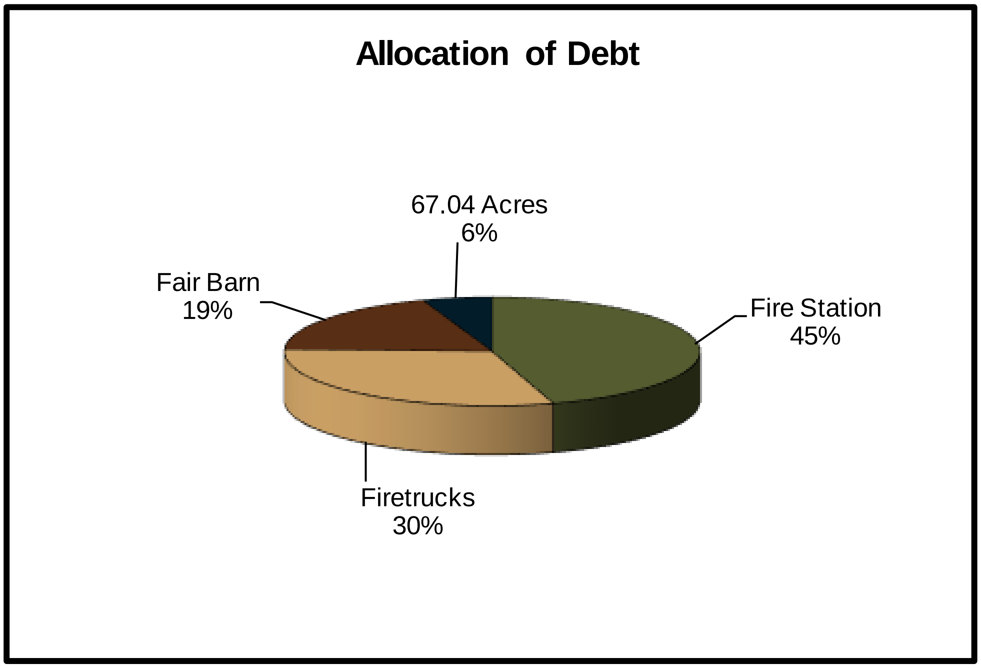
Additional information on the Village's capital assets can be found in Note 4 of the Basic Financial Statements.

Long-term debt

As of June 30, 2015, the Village had total outstanding debt of $1,841,825 in installment purchase agreements collateralized by the assets that are financed. During fiscal year 2015 the Village's total debt decreased by $420,917 (18.6%) due to principal payments as detailed in Note 9.

Village of Pinehurst's Outstanding Debt
Figure 5

	Governmental Activities 2015	Governmental Activities 2014
Capital Lease	$ -	$ 19,760
Installment Purchase Agreements		
Fire Station	833,333	1,000,000
Fair Barn	350,000	400,000
Firetrucks	558,492	709,649
67.04 Acres	100,000	133,333
Total	$ 1,841,825	$ 2,262,742



North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Village is $277,535,372.

Additional information regarding the Village's long-term debt can be found in Note 9 beginning on page 39 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:

- Unemployment: The Village's unemployment rate leveled off at 6.1% compared to 6.0% the previous fiscal year. The current rate is just above the state rate of 5.8% and is slightly above historical levels. Both the state and local unemployment rates have improved over the past year.
- New home construction: The Village added 107 new homes last year compared to 101 in the previous fiscal year. The total value of the homes constructed was also 5% higher than the previous fiscal year, indicating a modest increase in new single-family home construction.
- 2014 U.S. Open Golf Championships: The Village successfully hosted back to back Men's U.S. Open and Women's Open golf championships in June of 2014. The positive media attention the Village received during the tournaments resulted in increased tourism activity and is the primary reason for the increase in sales tax revenues recorded in FY 2015.

Budget Highlights for the Fiscal Year Ending June 30, 2016

Governmental Activities

Revenues of the Village are expected to increase by 2% overall for FY 2016. This is primarily due to the one-time revenues from the sale of surplus land and an increase in electricity sales taxes. Property tax revenues are expected to decrease by 2% due to a 5.15% reduction in property valuations during the recent revaluation and the tax rate adopted was not at the revenue neutral level. For the 2016 Fiscal Year the Village adopted an ad valorem tax rate of $0.29 per $100 valuation, compared to the revenue neutral rate of $0.30. This was done to lessen the impact of the revaluation on residents and to reduce fund balance levels below the maximum of our policy range.

Budgeted expenditures in the General Fund are estimated to be $17,895,244, a decrease of 1%. This small decrease is a result of increased operating expenditures in the previous fiscal year to complete the Bicycle and Pedestrian Master Plans and to implement an automated yard debris collection system. Debt service expenditures also continue to decrease as the Village pays down its remaining debt obligations.

In Fiscal Year 2016 the Village adopted its third 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 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's nine organizational goals for the 2016 Strategic Plan are: (1) safeguard the community, (2) preserve the character and ambiance of the Village, (3) promote economic vitality, (4) provide & promote multi-modal transportation connectivity, (5) promote environmental sustainability, (6) promote an active, healthy community, (7) professionally manage a high performing organization, (8) recruit and develop a skilled and diverse workforce, and (9) maintain a strong financial condition.

Major initiatives of the FY 2016 Strategic Plan to address these goals include:

- Evaluate alternative methods to investigate and deter crime
- Incrementally expand the Village Center into the Village Place/Rattlesnake Trail corridor
- Redevelop the Public Services Complex
- Make improvements to the McKenzie/Hwy 5/Barrett road intersection
- Install sidewalks and/or greenways according to the Pedestrian Master Plan
- Install bike lanes according to the Bicycle Master Plan
- Install a splash pad in Rassie Wicker Park
- Develop an organization-wide complaint management system

Total capital outlays of $2,350,000 are up 11% compared to the previous fiscal year. The increase is due to the following projects:

- Redevelop the Public Services Complex - $400,000
- Automated solid waste vehicle replacement - $260,000
- Rassie Wicker Park splash pad - $280,000
- Additional sidewalks, greenways, and bike paths - $200,000
- Intersection improvements - $146,000
- Mobile stage for community events - $80,000

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 John Frye, Financial Services Director at 910-295-8646, or Village of Pinehurst, 395 Magnolia Road, Pinehurst, NC 28374.

Village of Pinehurst, North Carolina
Statement of Net Position
June 30, 2015

Exhibit 1

	Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	$ 7,513,509
Taxes receivables (net)	22,983
Special assessments receivable	67,391
Interest receivable	7,509
Other receivables	16,821
Due from other governments	1,402,342
Inventories	44,494
Prepaid items	124,296
Total unrestricted current assets	9,199,345
Non-current assets:	
Net pension asset	638,460
Capital assets (net of accumulated depreciation):	
Land and non-depreciable improvements	5,783,713
Construction in progress	139,048
Right of ways	140,098
Buildings and improvements	7,912,146
Furniture and equipment	897,906
Vehicles	2,339,067
Infrastructure	4,278,647
Total capital assets	21,490,625
Total assets	31,328,430
Deferred Outflows of Resources	
Pensions-Contributions to pension plan in the current fiscal year	445,138
Pensions-Change in proportion and differences in employer contributions and proportionate share of contributions	9,335
Total deferred outflows of resources	454,473
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	879,683
Accrued interest payable	17,805
Long-term liabilities due within one year	820,666
Total current liabilities	1,718,154
Non-current liabilities:	
Long-term liabilities due in more than one year	1,877,052
Total liabilities	3,595,206
Deferred Inflows of Resources	
Pensions-Difference between actual and expected experience	69,763
Pensions-Net difference between actual and expected earnings on plan investments	1,486,319
Total deferred inflows of resources	1,556,082
Net Position	
Net investment in capital assets	19,648,800
Restricted for:	
Stabilization by state statute	1,601,410
Unrestricted	5,381,405
Total net position	$ 26,631,615

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

Village of Pinehurst, North Carolina **Exhibit 2**
Statement of Activities
For the Fiscal Year Ended June 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	$ 2,220,764	$ 35	$ -	$ 320,235	$ (1,900,494)
Public safety	5,653,753	507,962	8,350	-	(5,137,441)
Transportation	2,325,248	17,000	492,746	-	(1,815,502)
Economic and physical development	1,567,788	51,363	-	-	(1,516,425)
Environmental protection	1,526,924	-	524,774	-	(1,002,150)
Cultural and recreation	2,647,805	672,851	-	-	(1,974,954)
Interest on long-term debt	69,243	-	-	-	(69,243)
Total governmental activities	$16,011,525	$ 1,249,211	$ 1,025,870	$ 320,235	(13,416,209)

General revenues:	
Ad valorem taxes	9,785,054
Golf cart licenses	2,010
Unrestricted intergovernmental	4,979,172
Investment earnings	9,796
Miscellaneous	197,599
Total general revenues	14,973,631
Change in net position	1,557,422
Net position, beginning, previously reported	25,940,113
Restatement	(865,920)
Net position, beginning, restated	25,074,193
Net position-ending	$ 26,631,615

Village of Pinehurst, North Carolina **Exhibit 3**
Balance Sheet
Governmental Funds
June 30, 2015

		General Fund
Assets		
Cash and cash equivalents	$	7,513,509
Receivables, net:		
Taxes		22,983
Special assessments		67,391
Interest		7,509
Other		16,821
Due from other governments		1,402,342
Inventories		44,494
Prepaid items		124,296
Total assets	$	9,199,345
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	$	270,036
Withholdings and accrued expenditures		539,373
Deposits		70,274
Total liabilities		879,683
Deferred inflows of resources:		
Unavailable revenues		94,560
Total deferred inflows of resources		94,560
Fund balances:		
Nonspendable:		
Inventory		44,494
Prepaid items		124,296
Restricted:		
Stabilization by state statute		1,601,410
Assigned:		
Subsequent year's expenditures		1,375,639
Unassigned		5,079,263
Total fund balances		8,225,102
Total liabilities, deferred inflows of resources, and fund balances	$	9,199,345

Village of Pinehurst, North Carolina
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2015

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

Total fund balance, governmental funds		$ 8,225,102
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Gross capital assets at historical cost	$ 38,806,674	
Accumulated depreciation	(17,316,049)	21,490,625
Net pension asset		638,460
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position		445,138
Liabilities for earned revenues considered deferred inflows of resources in the fund statements		
Taxes receivable	22,983	
Other receivables	4,186	
Assessments receivable	67,391	94,560
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	(17,805)	
Compensated absences payable	(620,879)	
Net pension obligation	(235,014)	
Installment purchases payable	(1,841,825)	(2,715,523)
Pension related deferrals		(1,546,747)
Net position of governmental activities		$ 26,631,615

Village of Pinehurst, North Carolina **Exhibit 5**
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Major Funds General Fund	Total Non-Major Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	$ 9,792,365	$ -	$ 9,792,365
Golf cart licenses	2,010	-	2,010
Unrestricted intergovernmental	4,979,172	-	4,979,172
Restricted intergovernmental	554,299	514,756	1,069,055
Permits and fees	578,554	-	578,554
Sales and services	629,899	-	629,899
Investment earnings	9,833	3	9,836
Assessment income	20,116	-	20,116
Miscellaneous	182,310	-	182,310
Total revenues	16,748,558	514,759	17,263,317
Expenditures			
Current:			
General government	2,133,743	-	2,133,743
Public safety	5,543,484	-	5,543,484
Transportation	2,789,063	-	2,789,063
Economic and physical development	1,109,519	514,756	1,624,275
Environmental protection	1,586,800	-	1,586,800
Cultural and recreation	2,633,384	-	2,633,384
Debt service:			
Principal	420,917	-	420,917
Interest and other charges	73,615	-	73,615
Total expenditures	16,290,525	514,756	16,805,281
Excess (deficiency) of revenues over (under) expenditures	458,033	3	458,036
Other Financing Sources (Uses)			
Transfers from other funds	2,897	-	2,897
Transfers to other funds	-	(2,897)	(2,897)
Sales of capital assets	15,328	-	15,328
Total other financing sources (uses)	18,225	(2,897)	15,328
Net change in fund balance	476,258	(2,894)	473,364
Fund balances, beginning	7,748,844	2,894	7,751,738
Fund balances, ending	$ 8,225,102	$ -	$ 8,225,102

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
June 30, 2015

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net changes in fund balances - total governmental funds		$ 473,364
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	$ 1,558,020	
Depreciation expense	(1,600,184)	(42,164)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		445,138
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) in the current period		
Donated assets received	320,235	
Gain on disposal of assets	11,989	
Proceeds from disposal of assets	(11,989)	
Loss on disposal of assets	(4,184)	316,051
Revenues in the Statement of Activities that are not reported as revenues in the fund statements		
Special assessment payments	(20,117)	
Change in other deferred inflows	(2,506)	
Change in deferred tax inflows	(7,311)	(29,934)
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 assets. This amount is the net effect of these differences in the treatment of long-term debt.		
Principal payments	420,917	
Installment financing obligation issuance	-	420,917
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.		
Accrued interest payable	4,373	
Compensated absences	50,234	
Pension expense	(42,367)	
Pension obligation	(38,190)	(25,950)
Total changes in net position of governmental activities		$ 1,557,422

Village of Pinehurst, North Carolina **Exhibit 7**

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Annual Budget and Actual

For the Fiscal Year Ended June 30, 2015

	General Fund			
	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	$ 9,767,000	$ 9,767,000	$ 9,792,365	$ 25,365
Golf cart licenses	1,700	1,700	2,010	310
Unrestricted intergovernmental	4,463,900	4,527,900	4,979,172	451,272
Restricted intergovernmental	506,760	549,985	554,299	4,314
Permits and fees	557,750	557,750	578,554	20,804
Sales and services	532,500	552,500	629,899	77,399
Investment earnings	14,100	14,100	9,833	(4,267)
Assessments	31,110	31,110	20,116	(10,994)
Miscellaneous	168,530	173,586	182,310	8,724
Total revenues	16,043,350	16,175,631	16,748,558	572,927
Expenditures:				
Current:				
General government	2,483,715	2,449,330	2,133,743	315,587
Public safety	5,806,805	5,936,237	5,543,484	392,753
Transportation	2,954,025	3,053,285	2,789,063	264,222
Economic & physical development	1,452,845	1,543,880	1,109,519	434,361
Enviromental protection	1,633,875	1,691,675	1,586,800	104,875
Cultural and recreation	2,830,270	2,937,027	2,633,384	303,643
Contingency	100,000	30,900	-	30,900
Debt service:				
Principal retirement	421,143	420,943	420,917	26
Interest and fees	73,382	73,682	73,615	67
Total expenditures	17,756,060	18,136,959	16,290,525	1,846,434
Excess (deficiency) of revenues over (under) expenditures	(1,712,710)	(1,961,328)	458,033	2,419,361
Other Financing Sources (Uses):				
Sales of capital assets	25,000	25,000	15,328	(9,672)
Transfers from other funds	-	2,898	2,897	(1)
Total other financing sources (uses)	25,000	27,898	18,225	(9,673)
Fund balance appropriated	1,687,710	1,933,430	-	(1,933,430)
Net change in fund balances	$ -	$ -	476,258	$ 476,258
Fund balances, beginning			7,748,844	
Fund balances, ending			$ 8,225,102	

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Village of Pinehurst is a municipal corporation, which 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 separate entity for which the Village is financially accountable. For the year ended June 30, 2015, 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 nonfiduciary activities of 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, even though the latter is excluded from the government-wide financial statements. 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 fund:

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, other taxes and licenses, and intergovernmental revenues. The primary expenditures are for public safety, transportation, and general government services.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

The Village reports the following non-major governmental funds:

The ***Land Dedication Fund*** is set up to record the dedication of land or payment of fees in lieu of the dedication of land from developers.

The ***Jackson Hamlet Community Development Block Grant (CDBG-III) Project Fund*** was established to account for costs incurred in the design and construction of additional sewer facilities for the Jackson Hamlet Community adjacent to the Village.

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. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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 acquisitions under capital leases are reported as other financing sources.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The Village considers all revenues available if they are collected within 90 days after year-end, except for property taxes. 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. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as 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 revenues 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 Land Dedication Fund. All annual appropriations lapse at fiscal year-end. A project ordinance was adopted for the Jackson Hamlet CDBG-III Capital Project Fund, which is consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the object level for the General Fund (e.g. operating expenditures and capital outlay), at the departmental level for the special revenue funds, and at the object level for the capital projects funds. 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 $10,000 between departments. Transfers between funds require council approval. During the year, several amendments to the original budget became necessary, the effects of which were not material. 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.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Data (Continued)

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 board-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 with maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and investment contracts are reported at cost.

In accordance with State law, the Village has invested in securities which are callable. These investments are reported at fair value as determined by quoted market prices.

2. Cash and Cash Equivalents

The Village pools moneys 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, except for ad valorem taxes on certain vehicles, on July 1, the beginning of the fiscal year, and these taxes are due on September 1 (lien date); however, no interest or penalties are assessed until the following January 6. These taxes are based on the assessed values as of January 1, 2014.

Note 1. Summary of Significant Accounting Policies (Continued)

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

4. 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.

5. Inventory and Prepaid Items

Inventory is valued at cost, which approximates market, 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 government-wide and fund financial statements and expensed as the items are used.

6. Capital Assets

Capital assets are defined by the government as tangible or intangible assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. The minimum capitalization cost for all assets is $5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Asset Class	Estimated Useful Lives (years)
Right of Ways	40
Infrastructure	20 - 40
Buildings and improvements	20
Furniture and equipment	3 - 10
Vehicles	4 - 20

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Village has two items that meet this criteria, contributions made to the pension plan in the 2015 fiscal year and other pension related deferrals.

Note 1. Summary of Significant Accounting Policies (Continued)

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

7. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Village has several items that meet the criterion for this category - taxes receivable, special assessments receivable, other receivables, and deferrals of pension expense that result from the implementation of GASB Statement 68.

8. 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 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.

9. Compensated Absences

The vacation policy of the Village provides for the accumulation 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.

10. Net Position/Fund Balances

Net Position

Net Position in government-wide financial statements is classified 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

10. Net Position/Fund Balances (Continued)

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 - 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 – 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 the next fiscal year.

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 - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

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

Assigned fund balance – portion of fund balance that the Village intends to use for specific purposes imposed by majority vote by quorum of the Village Council.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The Village Council approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to $10,000.

Note 1. Summary of Significant Accounting Policies (Continued)

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

10. Net Position/Fund Balances (Continued)

Fund Balances (Continued)

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

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 equal to or greater than 15% of budgeted expenditures and total fund balance is 30% - 40% 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.

11. Pensions

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

Note 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 collateralized public deposits under the Pooling Method. The Village has no policy regarding custodial credit risk for deposits.

Note 2. Deposits and Investments (Continued)

A. Deposits (Continued)

At June 30, 2015 the Village's deposits had a carrying amount of $3,136,026. The cash balance in the bank at June 30, 2015 totaled $3,182,051. Of the bank balance, $656,147 was covered by federal depository insurance and $2,525,904 was covered by collateral held under the Pooling Method. At June 30, 2015, the Village's petty cash fund totaled $768.

B. Investments

At June 30, 2015, the Village's investment balances were as follows:

Investment Type	Fair Value	Maturity	Rating
NC Capital Management Trust – Cash Portfolio	$4,376,715	N/A	AAAm

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 Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2015.

Note 3. Receivables

Receivables as of year-end for the government's individual major funds and the non-major funds in the aggregate, including any applicable allowances for uncollectible accounts, are as follows:

	General
Receivables:	
Taxes	$ 22,983
Special assessments	67,391
Interest	7,509
Other	19,496
Intergovernmental	1,402,342
Gross receivables	1,519,721
Less: Allowance for uncollectible accounts	2,675
Net total receivables	$ 1,517,046

Note 4. Capital Assets

Capital asset activity for the Primary Government for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 5,748,713	$ 35,000	$ -	$ 5,783,713
Construction in progress	56,198	139,048	(56,198)	139,048
Total capital assets not being depreciated	5,804,911	174,048	(56,198)	5,922,761
Capital assets being depreciated:				
Right of ways	81,000	69,120	-	150,120
Buildings and improvements	18,681,204	491,239	(28,608)	19,143,835
Furniture and equipment	2,445,230	406,508	(111,055)	2,740,683
Vehicles	5,784,498	294,446	(232,387)	5,846,557
Infrastructure	4,503,626	499,092	-	5,002,718
Total	31,495,558	1,760,405	(372,050)	32,883,913
Less accumulated depreciation for:				
Right of ways	7,133	2,889	-	10,022
Buildings and improvements	10,381,537	875,366	(25,214)	11,231,689
Furniture and equipment	1,720,090	232,952	(110,265)	1,842,777
Vehicles	3,369,329	370,548	(232,387)	3,507,490
Infrastructure	605,642	118,429	-	724,071
Total	16,083,731	1,600,184	(367,866)	17,316,049
Total capital assets being depreciated, net	15,411,827	160,221	(4,184)	15,567,864
Governmental activity capital assets, net	$ 21,216,738	$ 334,269	$ (60,382)	$ 21,490,625

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

General government	$ 377,733
Public safety	472,122
Transportation	264,289
Economic & physical development	-
Environmental protection	132,762
Cultural and recreation	353,278
Total depreciation expense	$ 1,600,184

Construction and Other Capital Related Commitments. The Village has active construction projects and other capital related commitments as of June 30, 2015. The projects include the fabrication of a fire brush truck, storm drainage improvements and the purchase of public services vehicles. At June 30, 2015, the Village's commitments with contractors are as follows:

Project	Spent–to-Date	Remaining Commitment
Fire brush truck fabrication	$ 58,597	$ 31,303
Cotswold storm drainage project	47,461	98,039
Public Services vehicles	-	49,582
Total	$ 106,058	$ 178,924

Note 5. Pension Plan Obligations

A. Local Government 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 and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Note 5. Pension Plan Obligations (Continued)

A. Local Government Employees' Retirement System (Continued)

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions - Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Village employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Village's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Village were $445,138 for the year ended June 30, 2015.

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 with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Note 5. Pension Plan Obligations (Continued)

A. Local Government Employees' Retirement System (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the Village reported an asset of $638,460 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Village's proportion of the net pension asset was based on a projection of the Village's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the Village's proportion was 0.108%, which was an increase of 0.001% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Village recognized pension expense of $42,367. At June 30, 2015, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 69,763
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,486,319
Changes in proportion and differences between Village contributions and proportionate share of contributions	9,335	-
Village contributions subsequent to the measurement date	445,138	-
Total	$ 454,473	$ 1,556,082

$445,138 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ (386,724)
2017	(386,724)
2018	(386,724)
2019	(386,573)
2020	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

Note 5. Pension Plan Obligations (Continued)

A. Local Government Employees' Retirement System (Continued)

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village's proportionate share of the net pension asset to changes in the discount rate. The following presents the Village's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Village's proportionate share of the net pension asset or net pension

Note 5. Pension Plan Obligations (Continued)

A. Local Government Employees' Retirement System (Continued)

liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Village's proportionate share of the net Pension liability (asset)	$ 2,167,207	$ (638,460)	$ (3,000,740)

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

B. Law Enforcement Officers Special Separation Allowance

1. Plan Description

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

All full-time law enforcement officers of the Village are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	23
Total	24

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

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers, non-employer contributing entities, the plan administrator, and plan members.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Note 5. Pension Plan Obligations (Continued)

B. Law Enforcement Officers Special Separation Allowance (Continued)

3. Contributions

The Village is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The Village's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25 – 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014 was 16 years.

The Village's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	$ 83,302
Interest on net pension obligation	9,841
Adjustment to annual required contribution	(16,627)
Annual pension cost	76,516
Contributions made	38,326
Increase (decrease) in net pension obligation	38,190
Net pension obligation beginning of year	196,824
Net pension obligation end of year	$ 235,014

Three Year Trend Information

For Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013	$ 54,010	72.39%	$ 173,403
2014	62,520	62.54%	196,824
2015	76,516	50.09%	235,014

4. Funded Status and Funding Progress

As of December 31 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was $623,995. The covered payroll (annual payroll of active employees covered by the plan) was $1,204,132, and the ratio of the UAAL to the covered payroll was 51.82 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 5. Pension Plan Obligations (Continued)

C. 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the 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, 2015 were $88,239, which consisted of $60,623 from the Village and $27,616 from the law enforcement officers.

D. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401K. 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, 2015 were $503,443, which consisted of $251,463 from the Village and $251,980 in voluntary contributions from employees.

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.

E. 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 with a minimum of $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

Note 5. Pension Plan Obligations (Continued)

E. Other Employment Benefits (Continued)

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.

For the fiscal year ended June 30, 2015, the Village made contributions to the State for death benefits of $0. The Village's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively.

Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established as follows:

No. Years Contributing	Years Relief	FY Contributions Resume
10-20	2	2015
20 or more	3	2016

The period of reprieve is determined separately for law enforcement officers. The Village will have a three year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

Note 6. Deferred Outflows and Inflows of Resources

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

Contributions to pension plan in the current fiscal year	$ 445,138
Other pension deferrals	9,335
Total	$ 454,473

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

	Unavailable Revenue	Other
Taxes receivable	$ 22,983	$ -
Other receivables	4,186	-
Special assessments receivable	67,391	-
Pension deferrals	-	1,556,082
Total	$ 94,560	$ 1,556,082

Note 7. 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 two self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Village obtains general liability and auto liability coverage of $3 million per occurrence, property coverage up to the total insured values of the property policy, and workers' compensation coverage up to statutory limits. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on

Note 7. Risk Management (Continued)

the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Village upon request.

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

As the Village has no facilities within a FEMA recognized flood zone, we have elected not 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 each individually bonded for $490,000 and $10,000 respectively. The remaining employees that have access to funds are bonded under a blanket bond for $500,000.

Note 8. Claims, Judgments and Contingent Liabilities

At June 30, 2015, 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.

Note 9. Long-Term Obligations

A. Installment Purchase

Long-term debt obligations of the Village consisted of the following at June 30, 2015:

$500,000 land installment purchase dated 4/7/03 due in 30 semi-annual payments consisting of fixed principal of $16,667 plus interest at 3.98% through April 2018; collateralized by land	$ 100,000
$2,500,000 building installment purchase dated 3/14/05 due in 30 semi-annual installments consisting of fixed principal of $83,334 plus interest at 3.44% through March 2020; collateralized by building	833,333
$1,000,000 building installment purchase dated 3/11/02 due in 40 semi-annual payments consisting of fixed principal of $25,000 plus interest at 4.60% through March 2022; collateralized by building	350,000
$500,000 vehicle installment purchase dated 11/10/09 due in 14 semi-annual payments of $42,037 through December 2016; interest at 4.43% with a 35% Build America Bond interest rebate on each payment for a net effective interest rate of approximately 2.88%; collateralized by fire truck	120,438
$550,000 vehicle installment purchase dated 7/31/13 due in 14 semi-annual payments of $41,917 through August 2020; interest at 1.75%; collateralized by fire truck	438,054
	$ 1,841,825

Note 9. Long-Term Obligations

Annual debt service requirements to maturity for debt are as follows:

Year ending June 30	Principal	Interest
2016	$ 406,103	$ 58,201
2017	368,784	43,938
2018	329,212	32,301
2019	297,270	21,880
2020	298,687	12,430
2021-2022	141,769	6,114
	$ 1,841,825	$ 174,864

B. Changes in Long-Term Liabilities

At June 30, 2015, the Village had a legal debt margin of $277,535,372.

The following is a summary of changes in the Village's long-term obligations for the fiscal year ended June 30, 2015:

	Balance July 1, 2014, as restated	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
Governmental activities:					
Installment purchases	$ 2,242,982	$ -	$ (401,157)	$ 1,841,825	$ 406,103
Capital leases	19,760	-	(19,760)	-	-
Compensated absences	671,113	397,869	(448,103)	620,879	414,563
Net pension liability (LGERS)	1,298,199	-	(1,298,199)	-	-
Net pension obligation (LEO)	196,824	38,190	-	235,014	-
Governmental activity long-term liabilities	$ 4,428,878	$ 436,059	$(2,167,219)	$ 2,697,718	$ 820,666

Compensated absences typically have been liquidated in the general fund.

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

Note 10. Interfund Balances and Activity

Balances due to/from other funds

The Village has no balances due to/from other funds at June 30, 2015.

Note 10. Interfund Balances and Activity (Continued)

Transfers to/from other funds

Transfers to/from other funds at June 30, 2015, consist of the following:

From the Land Dedication Fund to the General Fund upon the closing of the special revenue fund	$ 2,897
Total transfers	$ 2,897

Transfers are used to move unrestricted revenues to finance various programs that the Village must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

During the 2015 fiscal year, $2,897 was transferred from the Land Dedication Fund to the General Fund upon the closing of the special revenue fund.

Note 11. Net Investment in Capital Assets

	Governmental
Capital Assets	$ 21,490,625
Less: Long-Term Debt	(1,841,825)
Net Investment in Capital Assets	$ 19,648,800

Note 12. Fund Balance

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

Total fund balance-General Fund	***$ 8,225,102***
Less:	
Inventories	44,494
Prepaid Items	124,296
Stabilization by State Statute	1,601,410
Appropriated Fund Balance in 2015 budget	1,375,639
Fund Balance Policy Minimum	2,443,579
Remaining Fund Balance	2,635,684

The Village's 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 CAFR. In addition, the when preparing the annual General Fund budget, the total appropriated fund balance should result in anticipated ending total fund balance in the range of 30%-40% of budgeted expenditures. At June 30, 2015 the General Fund's unassigned fund balance of $5,079,263 represents 31% of General Fund actual expenditures which exceeds the policy minimum. Total fund balance was 45% of budgeted expenditures. 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.

Note 12. Fund Balance (Continued)

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*	*Non-Major Funds*
	$178,924	$0

Note 13. 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 monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Note 14. Significant Effects of Subsequent Events

None.

Note 15. 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. The State Insurance Commissioner appoints one additional member to the local board of trustees. The Firefighters' Relief Fund is funded by a portion of the fire and lightening insurance premiums that insurers remit to the State. The State passes these moneys to the local board of the Firefighters' Relief Fund. These distributions are used to assist fire fighters in various ways. The local board of the Firefighters' Relief Fund received a distribution of $18,607 from the State Insurance Commissioner's office for the fiscal year ended June 30, 2015. The Village obtains an ongoing financial benefit from the Fund 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, 2015. The Firefighters' Relief Fund 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.

Note 16. Change in Accounting Principles/Restatement

The Village implemented Governmental Accounting Standards Board (GASB) Statement 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), in the fiscal year ending June 30, 2015. The implementation of the statement required the Village to record beginning net pension liability and the effects on net position of contributions made by the Village during the measurement period (fiscal year ending June 30, 2014). As a result, net position as of June 30, 2014, for the governmental activities decreased by $865,920.

Required Supplementary Information

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

Schedule of Funding Progress Law Enforcement Officers' Special Separation Allowance

Schedule of Employer Contributions Law Enforcement Officers' Special Separation Allowance

Schedule of Proportionate Share of Net Pension Asset Local Government Employees' Retirement System

Schedule of Contributions Local Government Employees' Retirement System

Village of Pinehurst, North Carolina
Schedule of Funding Progress
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b - a)/c)
12/31/05	-	$ 250,906	$ 250,906	0.00%	$ 913,796	27.46%
12/31/06	-	267,367	267,367	0.00%	923,508	28.95%
12/31/07	-	274,898	274,898	0.00%	1,105,732	24.86%
12/31/08	-	372,335	372,335	0.00%	1,125,699	33.08%
12/31/09	-	489,896	489,896	0.00%	1,139,799	42.98%
12/31/10	-	463,380	463,380	0.00%	1,177,170	39.36%
12/31/11	-	493,802	493,802	0.00%	1,138,078	43.39%
12/31/12	-	607,213	607,213	0.00%	1,172,606	51.78%
12/31/13	-	626,720	626,720	0.00%	1,206,717	51.94%
12/31/14	-	623,995	623,995	0.00%	1,204,132	51.82%

Village of Pinehurst, North Carolina **Exhibit A-2**
Schedule of Employer Contributions
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2006	$ 31,684	80.46%
2007	29,104	62.04%
2008	30,750	46.32%
2009	33,386	131.00%
2010	40,792	104.34%
2011	52,094	81.70%
2012	51,176	85.30%
2013	55,948	69.88%
2014	67,978	57.52%
2015	83,302	46.01%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25 - 7.85%
Cost-of living adjustments	None
*Includes inflation at	3.00%

Village of Pinehurst, North Carolina

Exhibit A-3

Schedule of the Proportionate Share of the Net Pension Liability (Asset)
Local Government Employees' Retirement System - Last Two Fiscal Years*
Required Supplementary Information

	2015	2014
Pinehurst's proportion of the net pension liability (asset)	0.1083%	0.1077%
Pinehurst's proportion of the net pension liability (asset)	$ (638,460)	$ 1,298,199
Pinehurst's covered-employee payroll	$ 6,280,547	$ 6,025,207
Pinehurst's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.17%	21.55%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

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

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

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

Exhibit A-4

	2015	2014
Contractually required contribution	$ 445,138	$ 434,315
Contributions in relation to the contractually required contribution	445,138	434,315
Contribution deficiency (excess)	$ -	$ -
Pinehurst's covered-employee payroll	$ 6,280,547	$ 6,025,207
Contributions as a percentage of covered-employee payroll	7.09%	7.21%

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.

Village of Pinehurst, North Carolina
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			
	Final Budget	Actual	Variance Positive (Negative)	2014
Revenues:				
Ad valorem taxes:				
Taxes	$ 9,762,000	$ 9,778,247	$ 16,247	$ 9,757,312
Penalties and interest	5,000	14,118	9,118	14,370
Total	9,767,000	9,792,365	25,365	9,771,682
Other taxes:				
Golf cart licenses	1,700	2,010	310	2,230
Total	1,700	2,010	310	2,230
Unrestricted intergovernmental:				
Local option sales tax	2,799,000	2,850,563	51,563	2,599,331
Telecommunications sales tax	115,000	122,095	7,095	115,413
Utilities sales tax	650,000	967,524	317,524	608,170
Video programming	289,000	296,634	7,634	290,050
Hold harmless reimbursements	612,000	668,311	56,311	592,468
Wine & beer tax	62,900	74,045	11,145	66,271
Total	4,527,900	4,979,172	451,272	4,271,703
Restricted intergovernmental:				
Powell Bill allocation	494,000	492,706	(1,294)	485,356
BAB interest rebates	2,760	2,559	(201)	3,713
Controlled substance tax	1,000	1,646	646	1,005
Other grants	43,225	47,370	4,145	2,275
Solid waste disposal tax	9,000	10,018	1,018	9,257
On-behalf of payments - Fire and Rescue	-	-	-	1,073
Total	549,985	554,299	4,314	502,679
Permits and fees:				
Building permits and inspection fees	280,000	289,270	9,270	273,142
Planning and zoning fees	44,000	44,390	390	41,535
Fire district	200,000	202,694	2,694	218,869
Rescue services	14,000	14,000	-	14,000
US Open license fee	-	-	-	700,000
Other permits and fees	19,750	28,200	8,450	4,907
Total	557,750	578,554	20,804	1,252,453
Sales and services:				
Rents, concessions and fees	466,000	514,978	48,978	470,842
Recreation fees	86,500	114,921	28,421	94,133
Total	552,500	629,899	77,399	564,975
Investment earnings:				
Investment income	14,100	9,833	(4,267)	10,642
Assessments	31,110	20,116	(10,994)	11,791

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			
	Final Budget	Actual	Variance Positive (Negative)	2014
Miscellaneous:				
ABC revenue	$ 113,800	$ 101,715	$ (12,085)	$ 116,864
Recycling revenue	-	249	249	21,194
Donations	36,536	41,239	4,703	62,417
Other revenues	23,250	39,107	15,857	66,166
Total	173,586	182,310	8,724	266,641
Total revenues	16,175,631	16,748,558	572,927	16,654,796
Expenditures:				
General government:				
Governing body:				
Operating expenditures	233,000	180,596	52,404	189,982
Total	233,000	180,596	52,404	189,982
Administration:				
Operating expenditures	1,087,069	988,330	98,739	1,051,309
Capital outlay	138,111	90,952	47,159	62,521
Total	1,225,180	1,079,282	145,898	1,113,830
Financial services:				
Operating expenditures	606,310	550,221	56,089	563,129
Capital outlay	4,880	2,187	2,693	-
Total	611,190	552,408	58,782	563,129
Human resources:				
Operating expenditures	377,520	320,363	57,157	322,489
Capital outlay	2,440	1,094	1,346	7,500
Total	379,960	321,457	58,503	329,989
Total general government	2,449,330	2,133,743	315,587	2,196,930
Public safety:				
Police:				
Operating expenditures	2,785,422	2,596,544	188,878	2,642,568
Capital outlay	154,806	129,863	24,943	25,494
Total	2,940,228	2,726,407	213,821	2,668,062
Fire:				
Operating expenditures	2,617,543	2,492,200	125,343	2,412,770
Capital outlay	140,131	98,677	41,454	561,980
Total	2,757,674	2,590,877	166,797	2,974,750
Fire and rescue on behalf of payments	-	-	-	1,073

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2015
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015			
	Final Budget	Actual	Variance Positive (Negative)	2014
Inspections:				
Operating expenditures	$ 236,090	$ 225,028	$ 11,062	$ 212,122
Capital outlay	2,245	1,172	1,073	-
Total	238,335	226,200	12,135	212,122
Total public safety	5,936,237	5,543,484	392,753	5,856,007
Transportation:				
Public services administration:				
Operating expenditures	395,025	357,859	37,166	345,916
Capital outlay	59,890	978	58,912	-
Total	454,915	358,837	96,078	345,916
Streets and grounds:				
Operating expenditures	1,257,350	1,205,896	51,454	1,292,518
Capital outlay	507,720	396,368	111,352	363,483
Total	1,765,070	1,602,264	162,806	1,656,001
Powell Bill:				
Operating expenditures	808,300	806,847	1,453	790,235
Capital outlay	25,000	21,115	3,885	-
Total	833,300	827,962	5,338	790,235
Total transportation	3,053,285	2,789,063	264,222	2,792,152
Economic & physical development:				
Planning:				
Operating expenditures	666,790	562,471	104,319	604,498
Capital outlay	6,315	2,889	3,426	-
Total	673,105	565,360	107,745	604,498
Community Development				
Operating expenditures	372,275	232,423	139,852	308,454
Capital outlay	498,500	311,736	186,764	496,072
Total	870,775	544,159	326,616	804,526
Total economic & physical development	1,543,880	1,109,519	434,361	1,409,024
Environmental protection:				
Solid waste:				
Operating expenditures	1,492,275	1,404,495	87,780	1,283,498
Capital outlay	199,400	182,305	17,095	172,876
Total	1,691,675	1,586,800	104,875	1,456,374
Total environmental protection	1,691,675	1,586,800	104,875	1,456,374
Cultural and Recreation:				
Recreation:				
Operating expenditures	1,311,503	1,195,405	116,098	1,218,191
Capital outlay	149,463	100,957	48,506	353,075
Total	1,460,966	1,296,362	164,604	1,571,266

	2015			
	Final Budget	Actual	Variance Positive (Negative)	2014
Library:				
Operating expenditures	$ 405,000	$ 405,000	$ -	$ 360,000
Harness Track:				
Operating expenditures	543,040	467,593	75,447	468,587
Capital outlay	151,157	144,450	6,707	67,239
Total	694,197	612,043	82,154	535,826
Fair Barn:				
Operating expenditures	290,939	246,702	44,237	217,068
Capital outlay	85,925	73,277	12,648	10,516
Total	376,864	319,979	56,885	227,584
Total cultural and recreation	2,937,027	2,633,384	303,643	2,694,676
Contingency:				
Operating expenditures	30,900	-	30,900	-
Debt service:				
Principal retirement	420,943	420,917	26	378,829
Interest and fees	73,682	73,615	67	83,098
Total	494,625	494,532	93	461,927
Total expenditures	18,136,959	16,290,525	1,846,434	16,867,090
Excess (deficiency) of revenues over (under) expenditures	(1,961,328)	458,033	2,419,361	(212,294)
Other Financing Sources (Uses):				
Debt issuance	-	-	-	550,000
Sales of capital assets	25,000	15,328	(9,672)	241,457
Transfers from other funds:				
Special Revenue Funds	2,898	2,897	(1)	7,933
Total other financing sources (uses)	27,898	18,225	(9,673)	799,390
Fund balance appropriated	1,933,430	-	(1,933,430)	-
Net change in fund balances	$ -	476,258	$ 476,258	587,096
Fund balances, beginning		7,748,844		7,161,748
Fund balances, ending		$ 8,225,102		$ 7,748,844

Non-Major Governmental Funds

Non-major governmental funds are those funds whose revenues, expenditures/expenses, assets or liabilities are less than 10% of corresponding totals for all governmental or enterprise funds or less than 5% of the aggregate amount for all governmental and enterprise funds for the same item.

Land Dedication Fund – This fund is used to account for the dedication of land or the payment of fees in lieu of the dedication of land from developers.

The Jackson Hamlet Community Development Block Grant Recovery (CDBG-III) Project – This fund is used to account for the costs incurred in the design and construction of sewer facilities for the Jackson Hamlet Community adjacent to Pinehurst.

Village of Pinehurst, North Carolina **Exhibit C-1**
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Special Revenue Fund	Capital Project Fund	
	Land Dedication Fund	Jackson Hamlet CDBG-III	Total Nonmajor Governmental Funds
Revenues			
Community development block grant	$ -	$ 514,756	$ 514,756
Investment earnings	3	-	3
Total revenues	3	514,756	514,759
Expenditures			
Operating	-	514,756	514,756
Total expenditures	-	514,756	514,756
Excess (deficiency) of revenues over (under) expenditures	3	-	3
Other Financing Sources (Uses)			
Transfers to other funds	(2,897)	-	(2,897)
Total other financing sources (uses)	(2,897)	-	(2,897)
Net change in fund balances	(2,894)	-	(2,894)
Fund balances-beginning	2,894	-	2,894
Fund balances-ending	$ -	$ -	$ -

Village of Pinehurst, North Carolina **Exhibit C-2**

Land Dedication Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2015

With Comparative Actual Amounts for Fiscal Year Ended June 30, 2014

	2015				
	Budgeted Amounts		Actual	Variance with Final Budget- Positive	
	Original	Final	Amounts	(Negative)	2014
Revenues					
Investment earnings	$ 5	$ 5	$ 3	$ (2)	$ 7
Expenditures					
Operating	5	5	-	5	-
Excess of revenues over expenditures	-	-	3	3	7
Other Financing Sources (Uses)					
Transfer to General Fund	-	(2,898)	(2,897)	1	-
Total other financing sources (uses)	-	(2,898)	(2,897)	1	-
Fund balance appropriated	-	2,898	-	(2,898)	-
Net change in fund balances	$ -	$ -	(2,894)	$ (2,894)	7
Fund balances-beginning			2,894		2,887
Fund balances-ending			$ -		$ 2,894

Village of Pinehurst, North Carolina **Exhibit C-3**
Capital Projects Fund - Jackson Hamlet CDBG-III
Schedule of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2015

	Project Author-ization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance with Final Budget- Positive (Negative)
Revenues					
Community development block grant	$ 683,200	$ 74,438	$ 514,756	$ 589,194	$ (94,006)
Total revenues	683,200	74,438	514,756	589,194	(94,006)
Expenditures					
Professional services	73,200	8,018	64,168	72,186	1,014
Grants for community projects	610,000	66,420	450,588	517,008	92,992
Total expenditures	683,200	74,438	514,756	589,194	94,006
Net change in fund balances	$ -	$ -	-	$ -	$ -
Fund balances-beginning			-		
Fund balances-ending			$ -		

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.

Village of Pinehurst, North Carolina **Exhibit D-1**
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2015

	2015	2014
Governmental funds capital assets:		
Land	$ 5,783,713	$ 5,748,713
Right of ways	150,120	81,000
Buildings and improvements	19,143,835	18,681,204
Furniture, equipment, and vehicles	8,587,240	8,229,728
Infrastructure	5,002,718	4,503,626
Construction in progress	139,048	56,198
Total governmental funds capital assets	$ 38,806,674	$ 37,300,469
Investment in governmental funds capital assets by source:		
General Fund	$ 36,099,935	$ 34,913,965
Donations	2,706,739	2,386,504
Total governmental funds capital assets	$ 38,806,674	$ 37,300,469

Village of Pinehurst, North Carolina **Exhibit D-2**
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2015

FUNCTION AND ACTIVITY	Land	Right of Ways	Buildings	Improvements Other Than Buildings	Furniture, Equipment & Vehicles	Infrastructure	Construction In Progress	Total
General Government								
Governing Body	$ 3,348,346	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,348,346
Administration	-	-	4,253,611	-	195,787	-	-	4,449,398
Financial Services	-	-	-	-	135,258	-	-	135,258
Human Resources	-	-	-	-	21,300	-	-	21,300
Information Technology	-	-	-	28,388	272,625	-	-	301,013
Buildings & Grounds	-	-	436,666	704,711	234,357	29,476	-	1,405,210
Fleet Maintenance	25,170	-	95,119	-	192,671	-	-	312,960
	3,373,516	-	4,785,396	733,099	1,051,998	29,476	-	9,973,485
Public Safety								
Police	-	-	2,696,435	-	1,107,458	-	-	3,803,893
Fire	161,074	-	3,276,548	-	2,269,057	-	-	5,706,679
Inspections	-	-	-	-	33,801	-	-	33,801
	161,074	-	5,972,983	-	3,410,316	-	-	9,544,373
Transportation								
Public Services	32,500	-	526,154	-	70,842	-	-	629,496
Streets and Grounds	-	150,120	5,118	852,501	1,250,958	3,920,548	-	6,179,245
Powell Bill	-	-	-	45,713	329,736	44,212	-	419,661
	32,500	150,120	531,272	898,214	1,651,536	3,964,760	-	7,228,402
Environmental Protection								
Solid Waste	-	-	-	-	1,682,781	-	-	1,682,781
	-	-	-	-	1,682,781	-	-	1,682,781
Cultural and Recreation								
Recreation	760,373	-	237,664	2,134,964	212,144	770,399	-	4,115,544
Harness Track	1,456,250	-	1,201,586	276,932	451,494	238,083	-	3,624,345
Fair Barn	-	-	2,250,339	119,386	74,534	-	-	2,444,259
	2,216,623	-	3,689,589	2,531,282	738,172	1,008,482	-	10,184,148
Economic & Physical Development								
Planning	-	-	-	-	52,437	-	-	52,437
	-	-	-	-	52,437	-	-	52,437
Construction in progress	-	-	-	-	-	-	139,048	139,048
	$ 5,783,713	$ 150,120	$ 14,979,240	$ 4,162,595	$ 8,587,240	$ 5,002,718	$ 139,048	$ 38,804,674

Village of Pinehurst, North Carolina — Exhibit D-3
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Fiscal Year Ended June 30, 2015

FUNCTION AND ACTIVITY	Capital Assets July 1, 2014	Additions	Deletions	Adjustments	Capital Assets June 30, 2015
General Government					
Governing Body	$ 3,373,849	$ 35,000	$ -	$ (60,503)	$ 3,348,346
Administration	4,346,717	42,179	-	60,503	4,449,399
Financial Services	135,259	-	-	-	135,259
Human Resources	21,300	-	-	-	21,300
Information Technology	256,995	36,459	-	7,559	301,013
Buildings & Grounds Mtnce.	1,058,495	35,960	-	310,755	1,405,210
Fleet Maintenance	272,358	40,600	-	-	312,958
	9,464,973	190,198	-	318,314	9,973,485
Public Safety					
Police	3,793,411	101,234	(77,225)	(13,528)	3,803,892
Fire	5,882,960	37,228	(206,810)	(6,698)	5,706,680
Inspections	33,801	-	-	-	33,801
	9,710,172	138,462	(284,035)	(20,226)	9,544,373
Transportation					
Public Services	622,373	7,123	-	-	629,496
Streets and Grounds	4,459,386	899,951	(68,750)	888,658	6,179,245
Powell Bill	398,546	21,115	-	-	419,661
	5,480,305	928,189	(68,750)	888,658	7,228,402
Environmental Protection					
Solid Waste	1,508,777	174,004	-	-	1,682,781
	1,508,777	174,004	-	-	1,682,781
Cultural and Recreation					
Recreation	4,016,388	99,159	-	-	4,115,547
Harness Track	3,445,407	136,737	36,933	-	3,619,077
Fair Barn	2,379,066	72,458	-	-	2,451,524
	9,840,861	308,354	36,933	-	10,186,148
Economic & Physical Development					
Planning	52,438	-	-	(1)	52,437
Community Development	1,186,745	-	-	(1,186,745)	-
	1,239,183	-	-	(1,186,746)	52,437
Construction in progress	56,198	139,048	(56,198)	-	139,048
	$ 37,300,469	$ 1,878,255	$ (372,050)	$ -	$ 38,806,674

Additional Financial Data

This section contains additional information on property taxes and interfund transfers.

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy

Schedule of Transfers

Village of Pinehurst, North Carolina **Exhibit E-1**
Schedule of Ad Valorem Taxes Receivable
June 30, 2015

Fiscal Year	Uncollected Balance July 1, 2014	Additions	Collections And Credits	Uncollected Balance June 30, 2015
2014-2015	$ -	$ 9,774,886	$ 9,772,350	$ 2,536
2013-2014	8,956		6,372	2,584
2012-2013	3,845	-	492	3,353
2011-2012	1,893	-	492	1,401
2010-2011	3,618	-	1,990	1,628
2009-2010	2,831	-	183	2,648
2008-2009	1,171	-	59	1,112
2007-2008	2,105	-	131	1,974
2006-2007	2,220	-	7	2,213
2005-2006	1,968	-	121	1,847
2004-2005	1,687	-	-	1,687
	$ 30,294	$ 9,774,886	$ 9,782,197	$ 22,983

Reconciliation with revenues:

Ad valorem taxes - General Fund	$ 9,792,365
Reconciling items:	
Interest collected and refunds	(12,680)
Refunds/reliefs	2,512
	(10,168)
Total collections and credits	$ 9,782,197

Village of Pinehurst, North Carolina **Exhibit E-2**
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2015

	General Fund			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	$ 3,473,106,059	$ 0.28	$ 9,724,491	$ 9,208,419	$ 516,072
Registered motor vehicles taxed at prior year's rate	7,430	$ 0.28	21	-	21
Penalties	-		1,257	1,257	-
Total	3,473,113,489		9,725,769	9,209,676	516,093
Discoveries:					
Current year taxes	20,163,979	$ 0.28	51,911	51,911	-
Penalties	-		181	181	-
Total	20,163,979		52,092	52,092	-
Abatements	(1,062,500)		(2,975)	(2,954)	(21)
Total property valuation	$ 3,492,214,968				
Net levy			9,774,886	9,258,814	516,072
Uncollected taxes at June 30, 2015			(2,536)	(2,517)	(19)
Current year's taxes collected			$ 9,772,350	$ 9,256,297	$ 516,053
Current levy collection percentage			99.97%	99.97%	100.00%

Village of Pinehurst, North Carolina **Exhibit E-3**

Schedule of Transfers

For the Fiscal Year Ended June 30, 2015

	Transfers	
	From	To
Transfers From/To Other Funds		
General Fund		
Land Dedication Fund	$ 2,897	$ -
Land Dedication Fund		
General Fund	-	2,897
Total transfers	$ 2,897	$ 2,897

Statistical Section

This part of the Village's comprehensive annual 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.

Categories of Statistical Information Included

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.

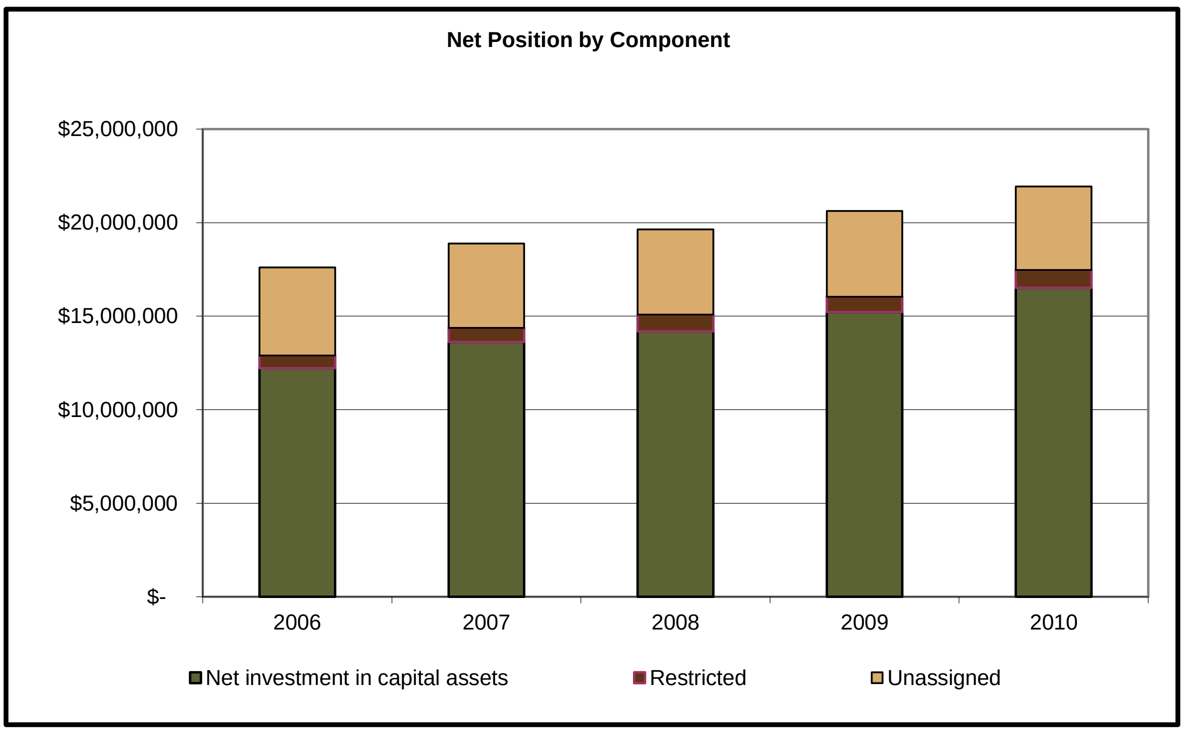
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

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.

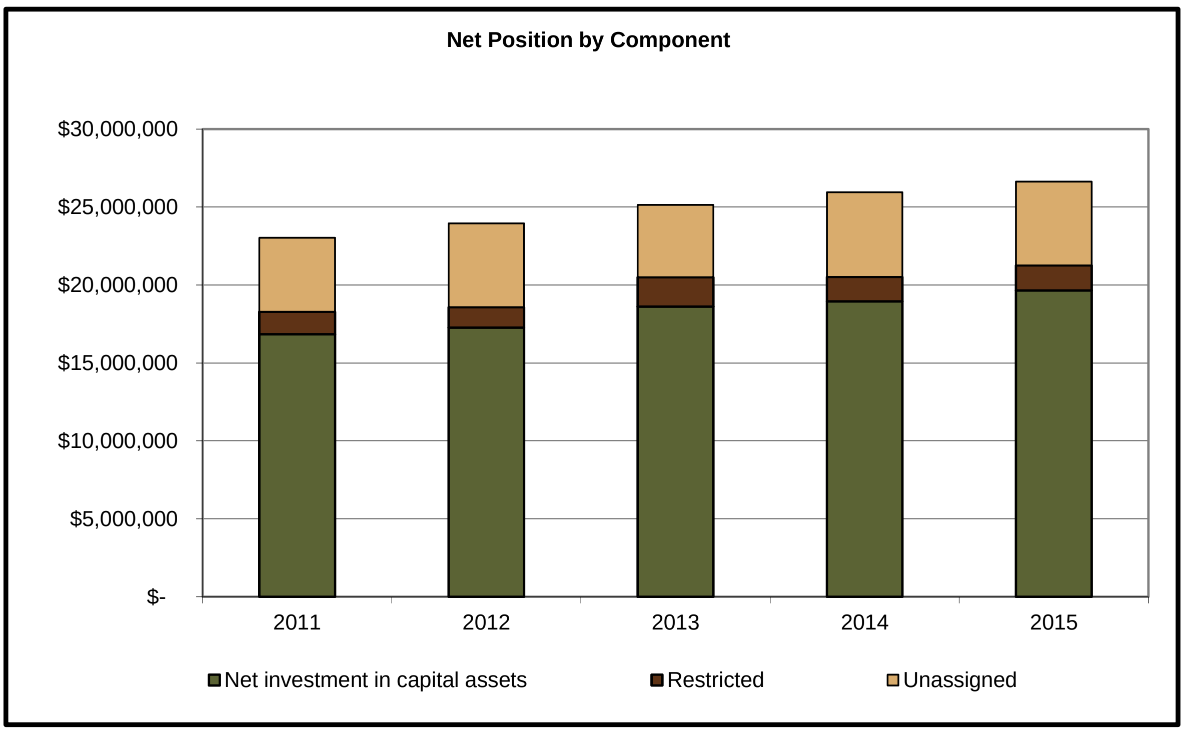
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	$ 12,218,918	$ 13,611,992	$ 14,194,908	$ 15,216,054	$ 16,520,624
Restricted for:					
Stabilization by state statute	669,013	754,787	866,501	814,222	940,483
Equitable sharing	808	844	-	-	-
Municipal Service District	6,322	9,546	12,710	12,116	13,070
Unrestricted	4,718,630	4,509,038	4,571,240	4,582,009	4,457,047
Total governmental activities net position	$ 17,613,691	$ 18,886,207	$ 19,645,359	$ 20,624,401	$ 21,931,224



	Fiscal Year				
	2011	**2012**	**2013**	**2014**	**2015**
Governmental activities					
Net investment in capital assets	$ 16,842,082	$ 17,271,349	$ 18,615,943	$ 18,953,996	$ 19,648,800
Restricted for:					
Stabilization by state statute	1,422,691	1,291,963	1,882,835	1,568,981	1,601,410
Equitable sharing	-	-	-	-	-
Municipal Service District	14,084	14,354	-	-	-
Unrestricted	4,756,832	5,372,934	4,631,746	5,417,136	5,381,405
Total governmental activities net position	$ 23,035,689	$ 23,950,600	$ 25,130,524	$ 25,940,113	$ 26,631,615



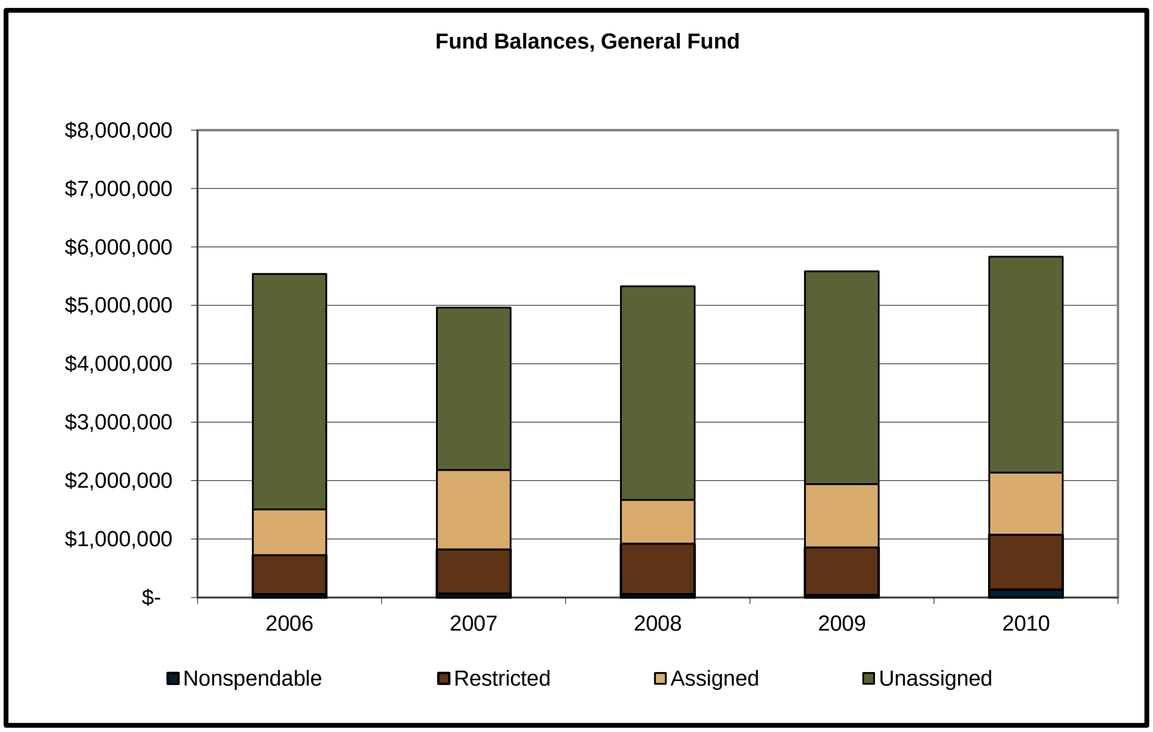
Village of Pinehurst, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses					
Governmental Activities:					
General government	$ 1,781,099	$ 1,734,126	$ 2,018,433	$ 2,410,048	$ 2,103,062
Public safety	3,849,890	3,931,368	4,458,221	5,059,957	5,284,615
Transportation	1,517,237	1,787,727	1,988,590	1,954,325	1,672,394
Economic and physical development	782,362	938,484	1,016,135	1,119,970	1,209,264
Environmental protection	819,886	746,798	907,233	945,601	1,050,620
Cultural and recreation	1,054,259	1,140,561	1,248,525	1,443,256	1,854,910
Non-departmental	47,016	55,822	45,416	48,615	-
Interest on long-term debt	-	290,181	242,197	212,761	166,794
Total governmental activities expenses	$ 9,851,749	$ 10,625,067	$ 11,924,750	$ 13,194,533	$ 13,341,659
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ 105	$ -	$ -	$ -	$ -
Public safety	1,181,662	965,086	910,283	905,229	842,700
Transportation	52,472	49,500	56,000	20,000	9,000
Economic and physical development	147,602	119,682	117,916	143,074	66,201
Cultural and recreation	710,545	422,331	408,097	399,999	468,469
Operating grants and contributions	472,094	486,762	610,570	670,345	513,020
Capital grants and contributions	10,794	17,518	262,397	44,592	1,099,183
Total governmental activities program revenue	$ 2,575,274	$ 2,060,879	$ 2,365,263	$ 2,183,239	$ 2,998,573
Total governmental activities net expense	$ (7,276,475)	$ (8,564,188)	$ (9,559,487)	$ (11,011,294)	$ (10,343,086)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Ad valorem taxes	$ 6,291,348	$ 6,516,978	$ 6,763,897	$ 7,782,933	$ 8,070,832
Franchise taxes	202,078	217,008	133,435	33,628	43,191
Golf cart licenses	-	-	-	-	-
Unrestricted intergovernmental	2,651,180	2,874,723	3,199,031	3,462,583	3,233,572
Investment earnings	108,704	238,730	321,606	284,129	35,001
Miscellaneous	180,095	267,368	414,034	174,266	267,313
Total governmental activities general revenue	$ 9,433,405	$ 10,114,807	$ 10,832,003	$ 11,737,539	$ 11,649,909
Change in Governmental Activities Net Position	$ 2,156,930	$ 1,550,619	$ 1,272,516	$ 726,245	$ 1,306,823

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

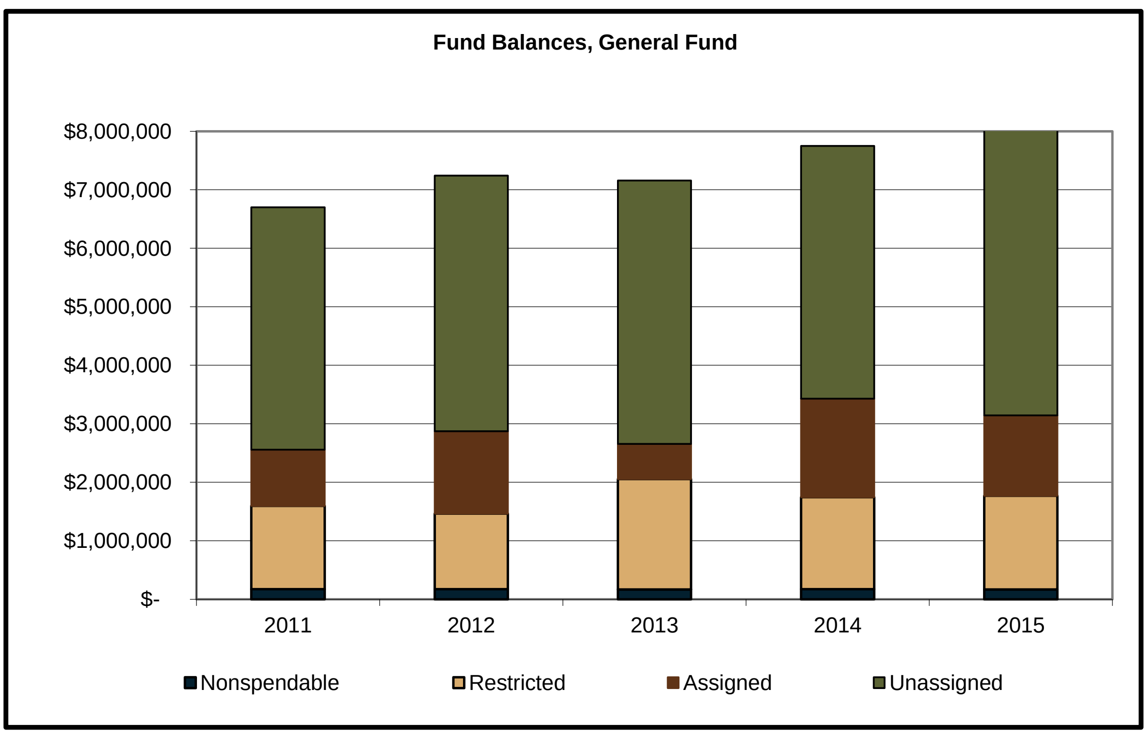
	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental Activities:					
General government	$ 2,001,438	$ 2,144,319	$ 1,611,659	$ 2,168,794	$ 2,220,764
Public safety	5,415,839	5,454,487	5,582,355	5,803,531	5,653,753
Transportation	2,460,277	2,511,804	2,475,382	2,369,495	2,325,248
Economic and physical development	1,422,329	1,250,263	1,542,829	1,566,159	1,567,788
Environmental protection	1,352,912	1,337,891	1,275,525	1,402,623	1,526,924
Cultural and recreation	1,795,985	1,919,013	2,100,673	2,746,748	2,647,805
Non-departmental	-	-	-	-	-
Interest on long-term debt	141,320	108,919	88,541	82,192	69,243
Total governmental activities expenses	$ 14,590,100	$ 14,726,696	$ 14,676,964	$ 16,139,542	$ 16,011,525
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	$ -	$ -	$ -	$ -	$ 35
Public safety	398,609	422,878	469,345	490,364	507,962
Transportation	10,000	10,000	10,500	19,000	17,000
Economic and physical development	25,615	49,827	57,745	39,567	51,363
Cultural and recreation	497,313	510,856	509,113	1,268,417	672,851
Operating grants and contributions	957,837	827,939	533,380	546,089	1,025,870
Capital grants and contributions	-	-	207,252	42,563	320,235
Total governmental activities program revenue	$ 1,889,374	$ 1,821,500	$ 1,787,335	$ 2,406,000	$ 2,595,316
Total governmental activities net expense	$ (12,700,726)	$ (12,905,196)	$ (12,889,629)	$ (13,733,542)	$ (13,416,209)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Ad valorem taxes	$ 9,615,930	$ 9,483,953	$ 9,567,944	$ 9,763,042	$ 9,785,054
Franchise taxes	44,913	-	-	-	-
Golf cart licenses	-	1,740	1,775	2,230	2,010
Unrestricted intergovernmental	3,892,476	4,071,702	4,162,616	4,271,703	4,979,172
Investment earnings	23,665	27,125	12,947	10,424	9,796
Miscellaneous	228,207	235,587	324,271	495,732	197,599
Total governmental activities general revenue	$ 13,805,191	$ 13,820,107	$ 14,069,553	$ 14,543,131	$ 14,973,631
Change in Governmental Activities Net Position	$ 1,104,465	$ 914,911	$ 1,179,924	$ 809,589	$ 1,557,422

	Fiscal Year 2006	2007	2008	2009	2010
General Fund					
Nonspendable:					
Inventory	$ 30,007	$ 34,352	$ 43,860	$ 36,722	$ 36,180
Prepaid items	25,063	31,925	10,483	5,300	97,922
Restricted:					
Stabilization by state statute	669,013	754,787	866,501	814,222	940,483
Equitable sharing	808	844	-	-	-
Assigned:					
Subsequent year's expenditures	786,405	1,362,144	752,672	1,086,707	1,066,859
Unassigned	4,027,992	2,778,482	3,655,444	3,642,545	3,691,852
Total general fund	$ 5,539,288	$ 4,962,534	$ 5,328,960	$ 5,585,496	$ 5,833,296
All Other Governmental Funds					
Restricted:					
Municipal Service District	$ 6,322	$ 9,546	$ 12,710	$ 12,116	$ 13,070
Committed:					
Capital Project fund expenditures	110,902	304,288	267,441	187,063	49,632
Special Revenue fund expenditures	203,684	294,099	240,847	94,465	10,140
Total all other governmental funds	$ 320,908	$ 607,933	$ 520,998	$ 293,644	$ 72,842



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

	Fiscal Year				
	2011	**2012**	**2013**	**2014**	**2015**
General Fund					
Nonspendable:					
Inventory	$ 46,747	$ 48,745	$ 43,640	$ 44,071	$ 44,494
Prepaid items	128,567	124,714	127,308	130,586	124,296
Restricted:					
Stabilization by state statute	1,422,691	1,291,963	1,882,835	1,568,980	1,601,410
Equitable sharing	-	-	-	-	-
Assigned:					
Subsequent year's expenditures	959,020	1,405,864	601,175	1,687,710	1,375,639
Unassigned	4,145,184	4,373,169	4,506,790	4,317,497	5,079,263
Total general fund	$ 6,702,209	$ 7,244,455	$ 7,161,748	$ 7,748,844	$ 8,225,102
All Other Governmental Funds					
Restricted:					
Municipal Service District	$ 14,084	$ 14,354	$ -	$ -	$ -
Committed:					
Capital Project fund expenditures	34,549	24,982	-	-	-
Special Revenue fund expenditures	10,218	10,642	10,755	2,894	-
Total all other governmental funds	$ 58,851	$ 49,978	$ 10,755	$ 2,894	$ -



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

	Fiscal Year				
	2006	**2007**	**2008**	**2009**	**2010**
Revenues					
Ad valorem taxes	$ 6,516,709	$ 6,766,300	$ 7,785,759	$ 7,909,217	$ 8,070,137
Other taxes and licenses	217,008	133,435	33,628	38,073	43,191
Unrestricted intergovernmental	2,874,723	3,199,031	3,462,583	3,367,519	3,233,572
Restricted intergovernmental	475,779	591,283	691,900	1,272,350	510,604
Permits and fees	1,134,268	1,079,571	1,071,151	1,059,147	914,383
Sales and services	422,331	407,677	400,419	453,201	468,903
Investment earnings	267,231	343,972	307,166	137,479	37,416
Assessments	26,427	58,527	56,236	38,699	15,619
Miscellaneous	186,980	154,389	131,172	165,488	170,051
Total revenues	12,121,456	12,734,185	13,940,014	14,441,173	13,463,876
Expenditures					
General government	1,480,516	1,784,308	2,165,676	1,827,508	1,863,768
Public safety	3,767,794	4,335,510	4,819,675	4,829,228	5,365,546
Transportation	1,785,797	1,895,464	1,930,191	1,727,241	1,580,763
Economic and physical development	1,022,141	1,073,563	1,216,009	1,891,282	1,271,268
Environmental protection	700,942	1,088,038	1,166,982	974,767	1,041,943
Cultural and recreation	1,118,877	1,147,154	1,360,286	1,802,697	1,706,863
Non-departmental	55,822	45,420	48,615	62,907	-
Debt service:					
Principal	757,191	776,602	796,762	808,993	836,473
Interest and other charges	280,308	251,461	221,947	191,418	173,226
Capital outlay	3,459,227	628,297	84,417	329,892	130,215
Total expenditures	14,428,615	13,025,817	13,810,560	14,445,933	13,970,065
Excess (deficiency) of revenues over (under) expenditures	(2,307,159)	(291,632)	129,454	(4,760)	(506,189)
Other Financing Sources (Uses)					
Transfers to other funds	(2,710,696)	(2,745,761)	(807,910)	(1,074,544)	(1,760,662)
Transfers from other funds	2,710,696	2,745,761	807,910	1,074,544	1,760,662
Sales of capital assets	8,953	1,903	19,402	33,942	33,187
Issuance of debt	-	-	-	-	500,000
Total other financing sources (uses)	8,953	1,903	19,402	33,942	533,187
Net change in fund balances	(2,298,206)	(289,729)	148,856	29,182	26,998
Fund balances, beginning	8,158,402	5,860,196	5,570,467	5,849,958	5,879,140
Prior period adjustment	-	-	130,635	-	-
Fund balances, beginning as restated	8,158,402	5,860,196	5,701,102	5,849,958	5,879,140
Fund balances, ending	$ 5,860,196	$ 5,570,467	$ 5,849,958	$ 5,879,140	$ 5,906,138
Debt service as a percentage of noncapital expenditures	10.1%	8.9%	8.0%	7.7%	7.9%

Notes:
The capital outlay used to calculate debt service as a percentage of noncapital expenditures can be found in Note 3. B. of the Notes to the Financial Statements.

	Fiscal Year				
	2011	**2012**	**2013**	**2014**	**2015**
Revenues					
Ad valorem taxes	$ 9,609,611	$ 9,486,491	$ 9,561,126	$ 9,771,682	$ 9,792,365
Other taxes and licenses	42,976	1,740	1,775	2,230	2,010
Unrestricted intergovernmental	3,894,413	4,071,702	4,162,616	4,271,703	4,979,172
Restricted intergovernmental	957,549	826,718	532,860	548,073	1,069,055
Permits and fees	446,838	480,999	535,247	1,252,453	578,554
Sales and services	497,714	501,690	517,744	564,975	629,899
Investment earnings	23,951	28,345	13,468	10,714	9,836
Assessments	34,648	25,460	12,412	11,791	20,116
Miscellaneous	167,838	221,513	265,399	266,641	182,310
Total revenues	15,675,538	15,644,658	15,602,647	16,700,262	17,263,317
Expenditures					
General government	1,840,989	1,933,779	2,106,278	2,196,930	2,133,743
Public safety	5,049,620	5,053,316	5,197,380	5,856,007	5,543,484
Transportation	2,382,430	2,558,524	2,178,585	2,792,152	2,789,063
Economic and physical development	1,472,447	1,455,559	2,160,239	1,454,418	1,624,275
Environmental protection	1,268,744	1,468,031	1,350,737	1,456,374	1,586,800
Cultural and recreation	1,781,382	1,809,654	2,280,905	2,694,676	2,633,384
Non-departmental	-	-	-	-	-
Debt service:					
Principal	891,764	748,878	478,298	378,829	420,917
Interest and other charges	150,635	116,592	91,151	83,098	73,615
Capital outlay	15,083	910	-	-	-
Total expenditures	14,853,094	15,145,243	15,843,573	16,912,484	16,805,281
Excess (deficiency) of revenues over (under) expenditures	822,444	499,415	(240,926)	(212,222)	458,036
Other Financing Sources (Uses)					
Transfers to other funds	(34,648)	(34,117)	(52,380)	(7,933)	(2,897)
Transfers from other funds	34,648	34,117	52,380	7,933	2,897
Sales of capital assets	32,478	33,958	59,493	241,457	15,328
Issuance of debt	-	-	59,503	550,000	-
Total other financing sources (uses)	32,478	33,958	118,996	791,457	15,328
Net change in fund balances	854,922	533,373	(121,930)	579,235	473,364
Fund balances, beginning	5,906,138	6,761,060	7,294,433	7,172,503	7,751,738
Prior period adjustment	-	-	-	-	-
Fund balances, beginning as restated	5,906,138	6,761,060	7,294,433	7,172,503	7,751,738
Fund balances, ending	$ 6,761,060	$ 7,294,433	$ 7,172,503	$ 7,751,738	$ 8,225,102
Debt service as a percentage of noncapital expenditures	7.4%	6.2%	4.3%	3.1%	3.2%

Notes:

The capital outlay used to calculate debt service as a percentage of noncapital expenditures can be found in Note 3. B. of the Notes to the Financial Statements.

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

Schedule 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
2006	2005	$1,859,700,153	$419,269,280	$361,490	$173,368,490	$ 2,105,962,433	0.31	$ 2,339,958,259
2007	2006	1,870,045,393	469,947,953	16,350,433	171,491,723	2,184,852,056	0.31	2,482,786,427
2008	2007	2,719,108,835	310,265,291	16,387,599	268,117,125	2,777,644,600	0.28	2,777,644,600
2009	2008	2,761,647,092	318,070,765	17,315,268	269,719,030	2,827,314,095	0.28	2,763,747,893
2010	2009	2,807,721,340	332,150,630	17,024,619	271,564,035	2,885,332,554	0.28	2,873,837,205
2011	2010	3,312,056,948	339,862,923	16,599,447	309,316,950	3,359,202,368	0.28	3,325,942,939
2012	2011	3,333,807,236	348,341,880	17,750,788	309,216,950	3,390,682,954	0.28	3,377,174,257
2013	2012	3,368,430,240	346,142,700	17,669,146	312,873,330	3,419,368,756	0.28	3,398,974,907
2014	2013	3,433,539,072	346,239,540	17,443,205	314,499,090	3,482,722,727	0.28	3,448,240,324
2015	2014	3,433,872,218	357,593,290	16,969,593	316,220,133	3,492,214,968	0.28	3,457,638,582

Sources:

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 in FY 2008.

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

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

Schedule 6

		Direct Rates	Overlapping Rates	
Fiscal Year	Tax Year	Total Direct Rate	Village of Pinehurst Municipal Service District	Moore County (1)
2006	2005	0.31	0.09	0.495
2007	2006	0.31	0.09	0.495
2008	2007	0.28	0.08	0.475
2009	2008	0.28	0.06	0.504
2010	2009	0.28	0.06	0.485
2011	2010	0.28	0.05	0.485
2012	2011	0.28	0.05	0.485
2013	2012	0.28	0.05	0.485
2014	2013	0.28	-	0.485
2015	2014	0.28	-	0.485

Sources:
(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. Not all overlapping rates apply to all property owners; for example, although the county property tax rates apply to all Village of Pinehurst property owners, the Municipal Service District rates apply only to 25 property owners whose property is located within that district's geographic boundaries.

In fiscal year 2013 the Municipal Service District fund was closed and all operations were absorbed into the General Fund. Starting in fiscal year 2014, the cost of operations is funded by the Direct Tax.

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

Schedule 7

	2015		2006	
Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Pinehurst LLC	$ 168,387,896	4.82%	$ 124,562,427	5.91%
Pinehurst Surgical Clinic	23,614,600	0.68%	-	-
Country Club of North Carolina	22,019,470	0.63%	19,751,894	0.94%
Pinehurst Medical	20,244,470	0.58%	11,595,818	0.55%
Pinewild Project Limited PTNS	13,964,590	0.40%	-	-
Progress Energy Carolinas	12,248,076	0.35%	10,654,531	0.51%
Quail Haven Properties of Pinehurst, LLC	9,338,140	0.27%	-	-
East Lake Development, LLC	6,638,080	0.19%	-	-
MTMM Associates (Carolina Eye Assoc.)	6,694,320	0.19%	8,087,345	0.38%
FirstHealth of the Carolinas	-	-	7,037,500	0.33%
Francis Maser	-	-	5,518,800	0.26%
SCOP (Surgery Center of Pinehurst)	5,148,450	0.15%	-	-
Carolina Telephone and Telegraph	-	-	4,931,501	0.23%
Branch Banking and Trust Co.	-	-	4,451,806	0.21%
Pleasant Living Health Care (Quail Haven)	-	-	8,242,604	0.39%
Total	$ 288,298,092	8.26%	$ 204,834,226	9.73%

Sources:
Moore County Tax Department

Notes:
FY2015 and FY2006 data are for tax years 2014 and 2005 respectively.
Pinehurst, LLC includes: Resorts of Pinehurst Inc., Pinehurst, Inc., Pinehurst LLC and Resorts of Pinehurst, Inc.

Village of Pinehurst, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

Fiscal Year	Tax year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Collections in Subsequent Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy (1)
2006	2005	$ 6,533,151	$ 6,500,443	99.50%	$ 15,627	$ 6,516,070	99.74%
2007	2006	6,771,977	6,748,375	99.65%	10,694	6,759,069	99.81%
2008	2007	7,793,634	7,769,586	99.69%	11,037	7,780,623	99.83%
2009	2008	7,913,934	7,889,733	99.69%	11,545	7,901,278	99.84%
2010	2009	8,077,512	8,050,348	99.66%	12,205	8,062,553	99.81%
2011	2010	9,606,203	9,588,105	99.81%	12,591	9,600,696	99.94%
2012	2011	9,477,624	9,463,405	99.85%	12,818	9,476,223	99.99%
2013	2012	9,558,275	9,538,561	99.79%	16,361	9,554,922	99.96%
2014	2013	9,756,980	9,748,024	99.91%	6,372	9,754,396	99.97%
2015	2014	9,774,886	9,772,350	99.97%	-	9,772,350	99.97%

Sources:
Moore County Tax Department

Notes:
(1) Taxes Levied for the Fiscal Year have been adjusted for Collections in Subsequent Years.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Calendar Year	Governmental Activities Installment Financing (1)	Percentage of Personal Income (2)	Per Capita (2)
2006	2005	$ 6,869,839	1.35%	642
2007	2006	6,093,236	1.12%	553
2008	2007	5,296,474	0.93%	468
2009	2008	4,487,481	0.73%	386
2010	2009	4,151,008	0.60%	313
2011	2010	3,259,244	0.75%	240
2012	2011	2,510,366	0.48%	170
2013	2012	2,091,572	0.34%	140
2014	2013	2,262,742	0.35%	149
2015	2014	1,841,825	0.26%	119

Notes:

(1) Details regarding outstanding debt can be found in Note 9 of the notes to the financial statements.

(2) See Schedule 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
As of June 30, 2015

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	$ 60,230,000	28.05%	$ 16,895,046
Other debt:			
Moore County LOB	22,040,000	28.05%	6,182,414
Capital lease	234,845	28.05%	65,876
Moore County installment loans	21,017	28.05%	5,895
Subtotal, overlapping debt			23,149,232
Village of Pinehurst direct debt			1,841,825
Total direct and overlapping debt			$ 24,991,057

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 Comprehensive Annual Financial Report (CAFR)

(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, 2014 were used to determine the overlapping debt percentage.

Village of Pinehurst, North Carolina **Schedule 11**

Legal Debt Margin Information

Last Ten Fiscal Years

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Legal Debt Margin as a Percent of Debt Limit
2006	$ 168,476,995	$ 6,869,839	$ 161,607,156	95.92%
2007	174,788,164	6,093,236	168,694,928	96.51%
2008	222,211,568	5,296,474	216,915,094	97.62%
2009	226,185,128	4,487,481	221,697,647	98.02%
2010	230,826,604	4,151,008	226,675,596	98.20%
2011	268,736,189	3,259,244	265,476,945	98.79%
2012	271,245,476	2,510,366	268,744,270	99.08%
2013	273,549,500	2,091,572	271,457,928	99.24%
2014	278,617,818	2,262,742	276,355,076	99.19%
2015	279,377,197	1,841,825	277,535,372	99.34%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed valuation	$ 3,492,214,968	
	x 8.00%	
Debt limit - 8.0% of assessed value		$ 279,377,197
Gross debt:		
Installment purchase agreements	1,841,825	
Total gross debt	1,841,825	
Total amount of debt applicable to debt limit (net debt)		1,841,825
LEGAL DEBT MARGIN		$ 277,535,372

Village of Pinehurst, North Carolina
Demographic and Economic Statistics
Last Ten Calendar Years

Schedule 12

Fiscal Year	Calendar Year	Population (1)	Personal Income	Per Capita Income (2)	Median Age (2)	Unemployment Rate (3)
2006	2005	10,694	$ 509,319,363	$ 47,627	60.4	5.1%
2007	2006	11,026	542,145,667	49,170	60.4	4.8%
2008	2007	11,316	572,262,434	50,571	60.4	4.5%
2009	2008	11,632	610,890,250	52,518	60.4	6.2%
2010	2009	13,277	694,911,723	52,340	60.4	10.3%
2011	2010	13,601	434,198,324	31,924	58.4	9.5%
2012	2011	14,783	526,777,422	35,634	58.4	8.9%
2013	2012	14,979	608,671,665	40,635	60.6	8.6%
2014	2013	15,150	650,586,450	42,943	60.9	6.3%
2015	2014	15,525	708,033,150	45,606	60.8	5.4%

Sources:

(1) Office of State Budget and Management.
(2) U.S. Census Bureau.
(3) North Carolina Employment Security Commission.
(4) A change in municipal boundary effective March 31, 2010 increased the certified population in fiscal year 2010 by 1,482.

Notes:

Per Capita Income is adjusted annually after the Decennial Census calendar year by the annnual average inflation rate.

Unemployment rate information is a calendar year adjusted annual average in Southern Pines-Pinehurst area.

Village of Pinehurst, North Carolina
Principal Employers
Current Year and Nine Years Ago

Schedule 13

	2015		2006	
Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
First Health of the Carolinas (1)	3,491	69.60%	2,700	55.98%
Pinehurst, LLC (2)	1,310	26.12%	1,320	27.37%
Total		95.71%		83.35%

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:
2015 employment is based on calendar year 2014.

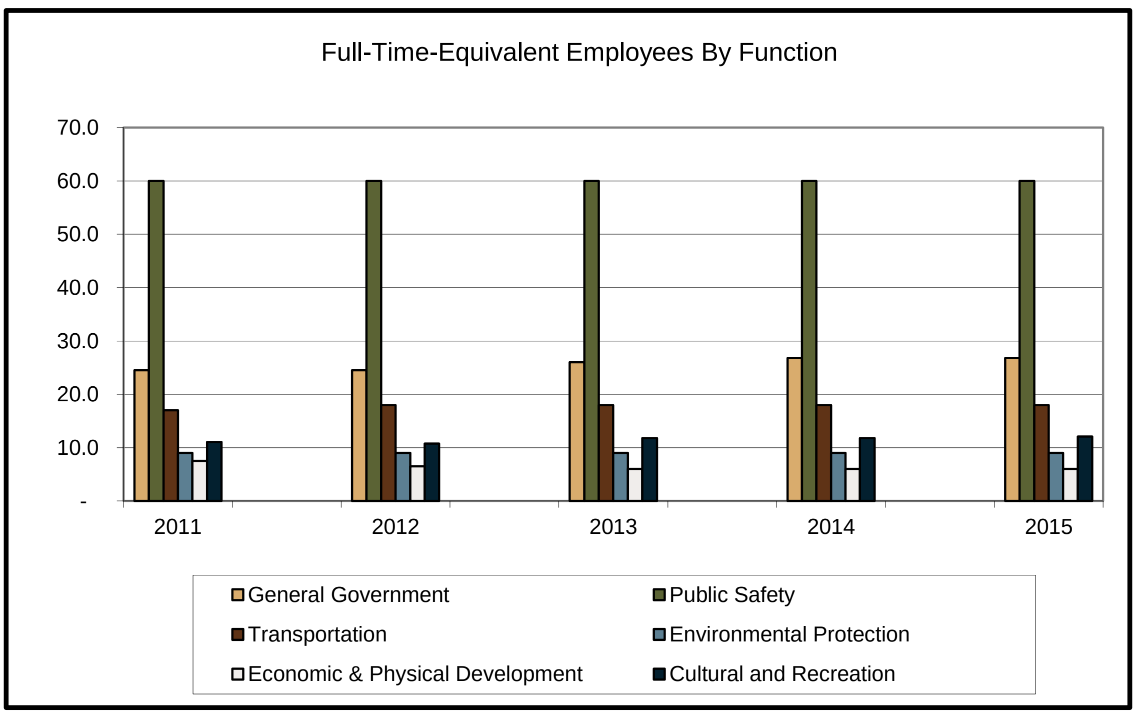
GASB 44 requires comparative data for the current calendar year and nine years prior. 2010 adjusted Census Data was used for 2006 and 2015 to estimate the percentage of total employment.

Village of Pinehurst, North Carolina **Schedule 14**
Full-time-Equivalent Employees by Function
Last Ten Fiscal Years

	Full-time-Equivalent Employees as of June 30									
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Function										
General Government	18.5	22.2	23.5	25.0	24.5	24.5	24.5	26.0	26.8	26.8
Public Safety	61.3	62.2	63.2	63.2	61.0	60.0	60.0	60.0	60.0	60.0
Transportation	15.5	17.0	16.0	18.0	16.0	17.0	18.0	18.0	18.0	18.0
Environmental Protection	9.0	9.0	8.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Economic & Physical Development	9.5	9.0	9.0	9.0	8.5	7.5	6.5	6.0	6.0	6.0
Cultural and Recreation	7.0	10.2	10.2	11.2	12.0	11.1	10.8	11.8	11.8	12.1
Total	120.8	129.6	129.9	135.4	131.0	129.1	128.8	130.8	131.6	131.9

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

	Fiscal Year				
Function	**2006**	**2007**	**2008**	**2009**	**2010**
General Government					
Financial Services					
Purchase orders issued	262	207	225	260	280
Vendor checks issued	2,529	2,427	2,448	2,333	2,471
Vendor EFTs issued	-	-	-	-	-
Human Resources					
Workers' compensation lost time (days)	6	60	12	446	32
Employee turnover rate	9.0%	9.4%	7.8%	7.9%	9.2%
Fleet Maintenance					
Tires changed	372	235	311	216	116
10-point service performed	200	291	233	208	194
Public Safety					
Fire Protection					
Public fire & life safety classes	219	204	167	159	170
Incident calls	922	827	843	855	884
Structure fires	26	56	63	44	55
Inspections	824	787	732	620	423
Child passenger seat inspections	579	583	396	173	222
Police Protection					
Physical arrests	202	262	585	444	445
Citations issued	1,285	3,806	3,891	3,993	2,970
Response to calls/officer initiated activity	9,801	11,866	13,513	13,640	14,495
Traffic accidents	432	483	500	474	418
Inspections					
Building inspections conducted	10,588	9,194	7,683	5,409	4,281
Certificates of occupancy issued	271	227	169	181	156
Transportation					
Street resurfacing (miles)	5.0	6.3	5.6	4.8	3.2
Environmental Protection					
Refuse collected (tons annually)	4,287	4,392	4,094	3,948	3,849
Homes receiving service	6,485	6,651	6,782	6,862	7,686
Recyclables collected (tons annually)	369	568	943	966	1,473
Economic & Physical Development					
Building permits issued	378	424	359	278	259
Code compliance investigations	480	477	690	624	475
Cultural & Recreation					
Recreation					
Program participants	468	679	830	939	1,065
Athletics participants	1,503	1,556	1,982	2,323	2,287
Harness Track					
Standardbred stalls leased	285	249	220	281	251
Facilities reserved (days)	45	32	30	20	30
Fair Barn					
Events	87	89	84	80	88
Rental days	131	117	95	98	96

Sources:
Various Village departments

Notes:
NA indicates "not available"

	Fiscal Year				
Function	**2011**	**2012**	**2013**	**2014**	**2015**
General Government					
Financial Services					
Purchase orders issued	295	269	299	338	297
Vendor checks issued	2,444	2,365	1,840	1,641	1,509
Vendor EFTs issued	-	401	620	998	1,009
Human Resources					
Workers' compensation lost time (days)	425	33	74	144	39.0
Employee turnover rate	8.5%	10.7%	11.4%	7.9%	14.3%
Fleet Maintenance					
Tires changed	188	200	205	204	186
10-point service performed	288	228	220	200	112
Public Safety					
Fire Protection					
Public fire & life safety classes	176	191	254	307	342
Incident calls	1,031	865	982	993	1,052
Structure fires	58	35	43	28	14
Inspections (1)	784	1,174	950	1,898	756
Child passenger seat inspections	228	120	182	170	170
Police Protection					
Physical arrests	233	165	184	239	575
Citations issued	3,053	1,908	1,208	2,082	1,757
Response to calls/officer initiated activity	14,362	13,364	10,901	13,041	11,742
Traffic accidents	476	414	447	422	433
Inspections					
Building inspections conducted (1)	4,370	3,832	4,608	7,540	5,469
Certificates of occupancy issued	197	48	68	79	116
Transportation					
Street resurfacing (miles)	6.4	4.5	3.6	5.0	4.5
Environmental Protection					
Refuse collected (tons annually)	4,124	3,808	3,856	3,988	3,973
Homes receiving service	7,736	7,812	7,877	7,955	8,107
Recyclables collected (tons annually)	1,734	1,807	1,913	2,025	2,115
Economic & Physical Development					
Building permits issued	239	287	275	313	289
Code compliance investigations	501	577	596	522	639
Cultural & Recreation					
Recreation					
Program participants	1,739	1,748	1,591	1,807	1,986
Athletics participants	2,296	1,934	1,838	1,442	1,736
Harness Track					
Standardbred stalls leased	276	259	223	240	236
Facilities reserved (days)	32	32	103	125	38
Fair Barn					
Events	113	113	102	122	133
Rental days	120	113	112	199	205

Sources:
Various Village departments

Notes:
(1) Fiscal Years 2005 and 2014 include inspections conducted for the USGA at the US Open Championship venue

	Fiscal Year				
Function	**2006**	**2007**	**2008**	**2009**	**2010**
Public Safety					
Fire Protection					
Stations	2	2	2	2	2
Fire trucks	6	7	7	5	6
Police Protection					
Stations	1	1	1	1	1
Police vehicles	16	17	20	20	20
Transportation					
Miles of streets	104.65	104.65	104.65	104.65	105.57
Maintenance vehicles	18	18	20	22	22
Sidewalks, greenways & bike paths (lf)	13,578	13,578	24,138	34,698	45,258
Environmental Protection					
Refuse collection trucks	17	19	21	20	17
Economic & Physical Development					
Storm water drainage areas	4	6	7	10	16
Cultural & Recreation					
Number of parks	4	4	4	4	4
Park acreage	297	297	297	297	297
Greenway trails (miles)	3.5	4.0	5.0	5.8	5.8
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

	Fiscal Year				
Function	**2011**	**2012**	**2013**	**2014**	**2015**
Public Safety					
Fire Protection					
Stations	2	2	2	2	2
Fire trucks	6	6	6	7	6
Police Protection					
Stations	1	1	1	1	1
Police vehicles	21	22	23	24	26
Transportation					
Miles of streets	105.57	105.57	105.90	105.66	106.08
Maintenance vehicles	23	25	24	25	25
Sidewalks, greenways & bike paths (lf)	45,258	47,898	49,482	68,313	68,653
Environmental Protection					
Refuse collection trucks	17	15	15	15	16
Economic & Physical Development					
Storm water drainage areas	29	38	48	57	66
Cultural & Recreation					
Number of parks	4	4	4	5	5
Park acreage	297	297	297	297	304
Greenway trails (miles)	6.3	6.3	6.8	6.8	6.8
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

COMPLIANCE SECTION

DIXON HUGHES GOODMAN LLP

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 Auditors' Report

To 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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic 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, 2015, and the related notes to the financial statements, which collectively comprises the Village's basic financial statements, and have issued our report thereon dated September 22, 2015.

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) to determine the 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 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 the internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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.

DIXON HUGHES GOODMAN LLP

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village'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 Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dixon Hughes Goodman LLP

September 22, 2015
High Point, North Carolina

DIXON HUGHES GOODMAN LLP

Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; In Accordance with OMB Circular A-133

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Village of Pinehurst, North Carolina ("Village") compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Village's major federal programs for the year ended June 30, 2015. The Village's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Village's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Village's major federal program. However, our audit does not provide a legal determination of the Village's compliance.

Opinion on the Major Federal Program

In our opinion, the Village complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

DIXON HUGHES GOODMAN LLP

Report on Internal Control over Compliance

Management of the Village is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Village's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Dixon Hughes Goodman LLP

September 22, 2015
High Point, North Carolina

VILLAGE OF PINEHURST, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses	None
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major federal program:	
• Material weakness(es) identified	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses	None
Type of auditors' report issued on compliance for major federal program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	No

Identification of major federal program:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grant

II. Financial Statement Findings

No findings were noted that are required to be reported under *Government Auditing Standards*.

III. Federal Awards Findings and Questioned Costs

No findings and questioned costs related to the audit of federal awards aggregating $10,000 or more were noted

Village of Pinehurst, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2015

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal Expenditures	State Expenditures	Local Expenditures
Federal Awards					
U.S. Department of Housing & Urban Development					
Passed through N.C. Department of Commerce					
Jackson Hamlet Sewer CDBG-III	14.228	07-D-2356	$ 514,756	$ -	$ -
U.S. Department of Transportation					
Passed through N.C. Department of Transportation					
Federal-Aid Highway Program-Bicycle Planning Grant	20.205	4172	43,225	-	18,525
U.S. Department of Justice					
Bullet Proof Vest Partnership Program	16.607	Direct	2,645	-	2,645
Total Federal Awards			560,626	-	21,170
State Awards					
N.C. Department of Transportation					
Powell Bill			-	492,706	-
Total State Awards			-	492,706	-
Total Federal and State Awards			$ 560,626	$ 492,706	$ 21,170

Notes to the Schedule of Expenditures of Federal and State Financial Awards

Basis of Presentation

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Village of Pinehurst and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may difer from amounts presented in, or used in the preparation of the basic financial statements.

DIXON HUGHES GOODMAN LLP

Report to the Honorable Mayor and Members of the Village Council of

Village of Pinehurst, North Carolina

June 30, 2015

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DIXON HUGHES GOODMAN LLP

Communications with Those Charged with Governance

September 22, 2015

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

We have audited the financial statements of the Village of PinehurstTown of Southern Pines (the "Village") for the year ended June 30, 2015, and have issued our report thereon dated September 22, 2015. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 29, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*

As stated in our engagement letter dated December 29, 2014, our responsibility, as described by professional standards, is to express opinions on each opinion unit about whether the financial statements prepared by us with management's oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

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 grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

We have issued a written report on our consideration of internal controls and compliance in accordance with *Government Auditing Standards,* in which we identified no material weaknesses or significant deficiencies in internal controls over financial reporting.

Our Responsibility under Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

As stated in our engagement letter dated December 29, 2014, our responsibility, under Federal regulations, is to test controls and compliance with the requirements of laws, regulations, contracts and grant agreements that have a direct and material effect on the administration of the

Village's major Federal program. We have issued a written report on the Village's compliance, in which we identified no material weaknesses or significant deficiencies in internal controls over compliance with the major Federal program.

We are also responsible for communicating significant findings and known, or likely, questioned costs in excess of $10,000 as defined in OMB Circular A-133. We noted no questioned costs that exceeded $10,000.

Our Responsibility for Other Information in Documents Containing Audited Financial Statements

Management prepared the introductory and statistical section of the Village's Comprehensive Annual Financial Report ("CAFR"). Our responsibility to audit the CAFR does not extend beyond the financial information identified in the financial section of the CAFR. We do not have an obligation to perform any procedures to corroborate the information contained in the introductory and statistical sections of the CAFR. However, we have read the additional information included in the CAFR and believe it to be consistent with the other information appearing in the financial section of the CAFR.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the VillageTown of Southern Pines are described in Note 1 to the financial statements. During the year ended June 30, 2015, the Board implemented GASB Statement No. 68. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* which addresses accounting and financial reporting for pensions that are provided to the employees of state and local government employers through pension plans that are administered through trusts. GASB Statement No. 68 provides standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the estimation of the useful lives of depreciable assets. We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter included in Appendix A.

Management Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Matters, Findings, or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the

DIXON HUGHES GOODMAN LLP

prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Village Council and management of the Village of Pinehurst, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Dixon Hughes Goodman LLP

High Point, North Carolina

DIXON HUGHES GOODMAN LLP

Appendix A

Management Representation Letter

September 22, 2015

Dixon Hughes Goodman LLP
130 Turnberry Way
Pinehurst, NC 28374

This representation letter is provided in connection with your audit of the financial statements of the Village of Pinehurst (the "Village"), which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of June 30, 2015, and the respective changes in financial position for the year then ended and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 29, 2014 for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility 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.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) The following have been properly accounted for and disclosed in the financial statements:
   a) Related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties
   b) Guarantees, whether written or oral, under which the Village is contingently liable
   c) Other liabilities or gain or loss contingencies

6) 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 existing at the date of the financial statements that make the Village vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.

7) Significant assumptions we used in making accounting estimates, including estimates of fair value, are reasonable.

8) There are no uncorrected misstatements or omitted disclosures.

9) We represent to you the following for the Village's fair value measurements and disclosures:
   a) The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
   b) The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
   c) The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
   d) There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

11) Guarantees, whether written or oral, under which the Village is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

12) 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 records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
   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.

13) All transactions have been recorded in the accounting records and are reflected in the financial statements.

14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15) We have no knowledge of any fraud or suspected fraud affecting the Village involving:
   a) Management.
   b) Employees who have significant roles in internal control.
   c) Others where the fraud could have a material effect on the financial statements.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Village's financial statements received in communications from employees, former employees, analysts, regulators, or others.

17) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

18) We have disclosed to you the identity of the Village's related parties and all the related party relationships and transactions of which we are aware.

19) The Village has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

20) We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

21) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

Government—specific

22) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

23) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

24) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

25) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

26) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

27) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

28) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

29) The Village has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as made known to you.

30) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

31) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

32) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.

33) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 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.

34) Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

35) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

36) Provisions for uncollectible receivables have been properly identified and recorded.

37) 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.

38) 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.

39) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

41) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

42) We have appropriately disclosed the Village'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 is available and have determined that net position is properly recognized under the policy.

43) We are following our established accounting policy regarding which 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. That policy determines the fund balance classifications for financial reporting purposes.

44) We acknowledge our responsibility for presenting the required supplementary information (RSI) in accordance with U.S. GAAP, and we believe that the RSI, including its form and content is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the RSI have not changed 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.

45) With respect to the individual fund statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards ("supplementary information"):

    a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed 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.

46) With respect to the implementation of GASB Statement No. 68:

    a) We have reported all eligible employees to the Local Governmental Employees' Retirement System ("LGERS") via the Online Retirement Benefits Integrated Technology ("ORBIT") System.

    b) The census data for all eligible employees reported to LGERS via ORBIT is complete an accurate as of December 31, 2013 (the measurement date for the net pension asset reported at June 30, 2015).

    c) We are responsible for the Village's compliance with requirements as established in the Retirement System's Handbook.

    d) We are in agreement with the Village's proportionate share of net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense as determined by the "GASB 68 Implementation Year Journal Entry Template" posted on the North Carolina Department of State Treasurer's website.

47) With respect to federal award programs:

    a) We are responsible for understanding and complying with and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards.

    b) We acknowledge our responsibility for presenting the Schedule of Expenditures of Federal and State Awards ("SEFA") in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A-133 §310.b. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

    c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

    d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133 and included in the SEFA made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

    e) We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you, if any), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.

j) We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.

l) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

m) We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

n) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

o) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

p) 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 in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.

q) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

r) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

s) We have charged costs to federal awards in accordance with applicable cost principles.

t) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

u) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through the date

44) Expenditures of federal and State awards were below the $500,000 threshold in the year ended June 30, 2014, and we were not required to have an audit in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements except as made known to you and as disclosed in the financial statements.

Signature: ______________________ Signature: Natalie E. Doan

Title: Village Manager Title: Asst. Village Manager

Signature: ______________________

Title: Financial Services Director

1895

Village of

PINEHURST

Financial Condition Assessment

Village of Pinehurst

FY 2014-2015

Communicating Financial Condition

- Developed by UNC School of Government to communicate financial condition to elected officials
- Compares Village to peer group over time
- Distinguishes between General Fund (modified accrual) and Government-Wide (full accrual and includes utilities for peers)
- Compares the Village's FY 2015 results to our peer's FY 2014 results (latest data available)

Benchmark Group

- Pinehurst – pop. 15,525
  - Moore County
- Southern Pines - pop. 13,089
  - Moore County
- Hendersonville – pop. 13,473
  - Henderson County
- Carrboro – pop. 19,702
  - Orange County
- Cornelius – pop. 27,655
  - Mecklenburg County

Financial Condition Assessment

- Resource Flow
  - Total Margin
  - Financial Performance
  - Self-Sufficiency
  - Resource Obligation
- Resource Stock
  - Liquidity
  - Solvency
  - Leverage
  - Capital

Financial Condition Assessment

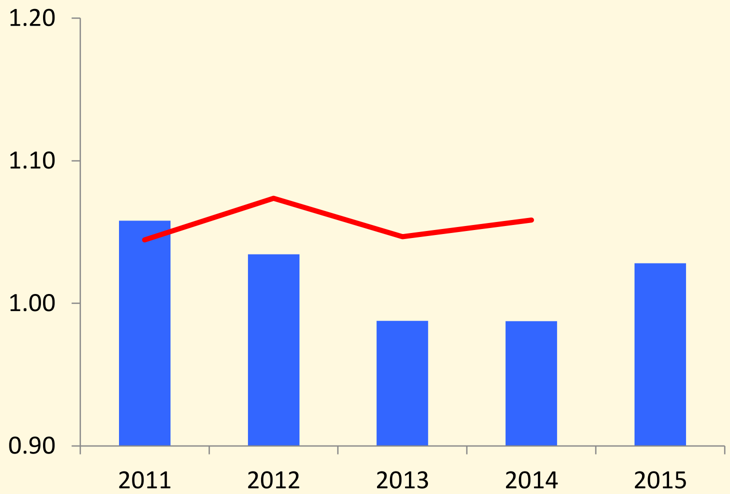
Resource Flow

Village of Pinehurst 1895

Total Margin Ratio

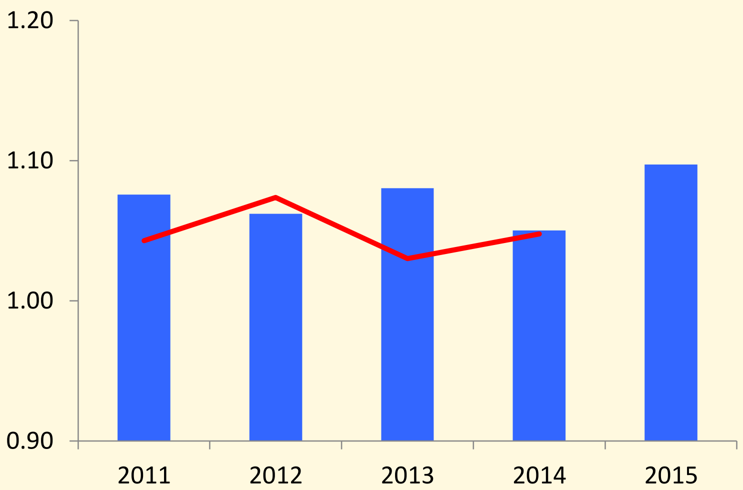
Ratio of operating revenues to expenditures

General Fund



Pinehurst = 1.03, Benchmark = 1.06

Government-wide



Pinehurst = 1.10, Benchmark = 1.05

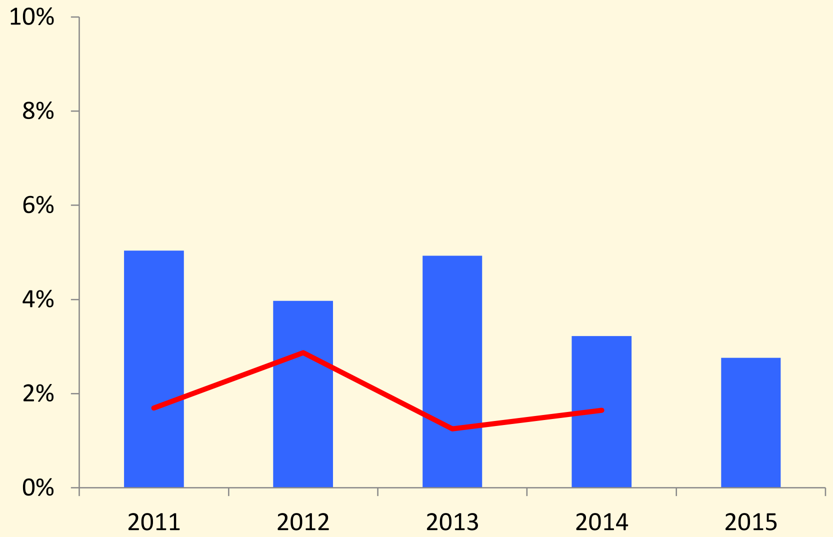
Pinehurst
Benchmark Group

A ratio higher than one, indicates the Village has lived within its means, while not building up excess reserves.

Percent Change in Net Assets

Change in net assets compared to beginning net assets

<ins>Government-wide</ins>



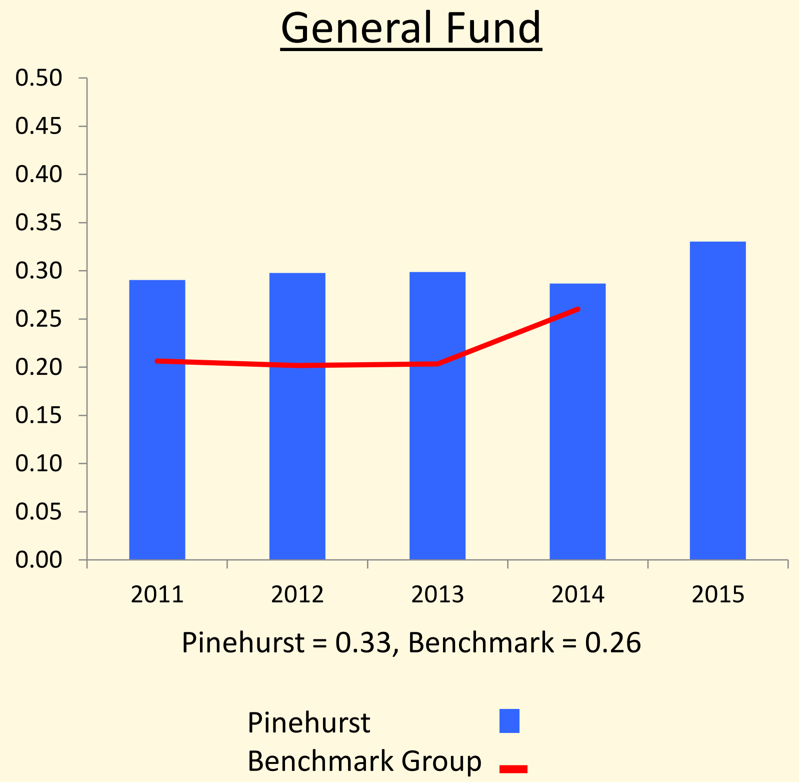
Pinehurst = 2.8%, Benchmark = 1.6%

Pinehurst
Benchmark Group

The Village's net position increased by $691,520 or 2.8%. This is inclusive of all assets and liabilities of the Village.

Intergovernmental Ratio

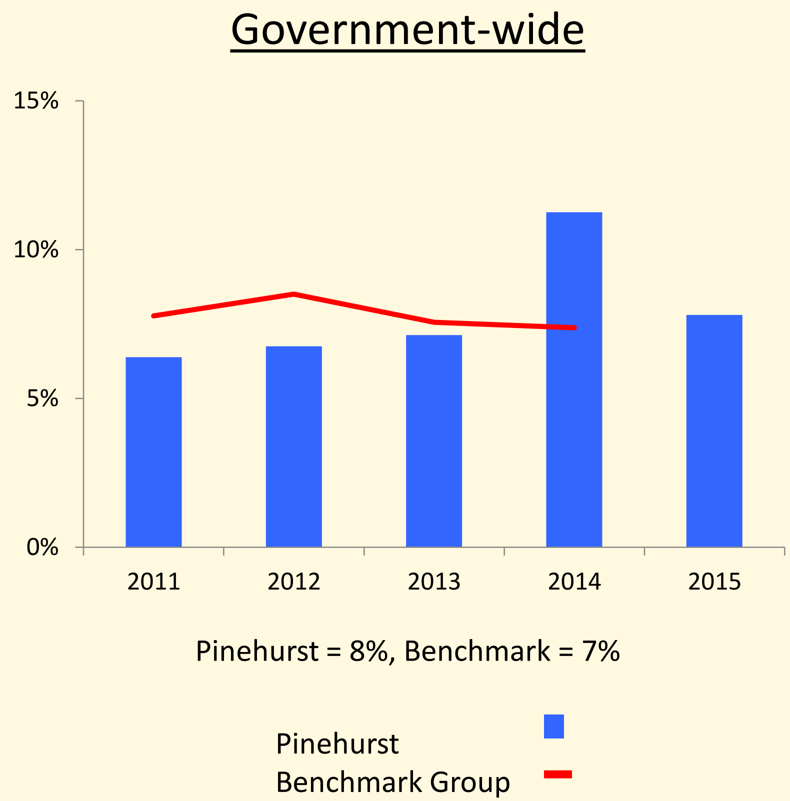
Ratio of intergovernmental to total revenues



The Village's reliance on other governments for revenues has increased as sales taxes and other intergovernmental revenues have grown faster than property taxes.

Charges to Expense Ratio

Charges for services compared to total expenses

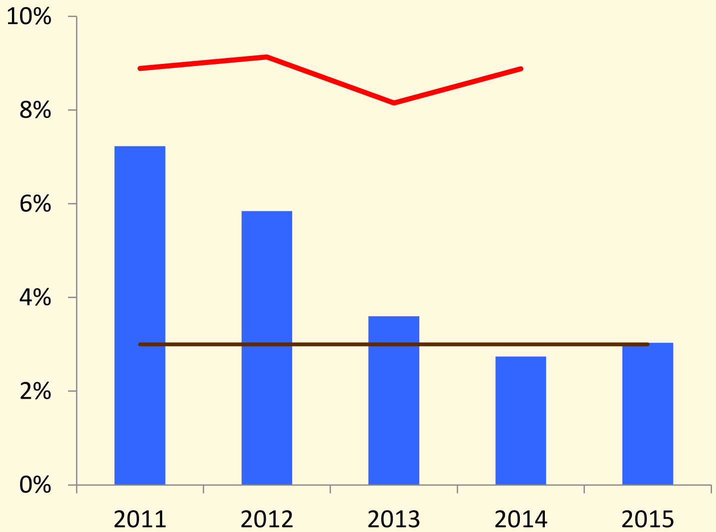


The Village's charges for services cover a similar portion of expenses as its peers.
The increase in 2014 was due to the U.S. Open license fee.

Debt Service Ratio

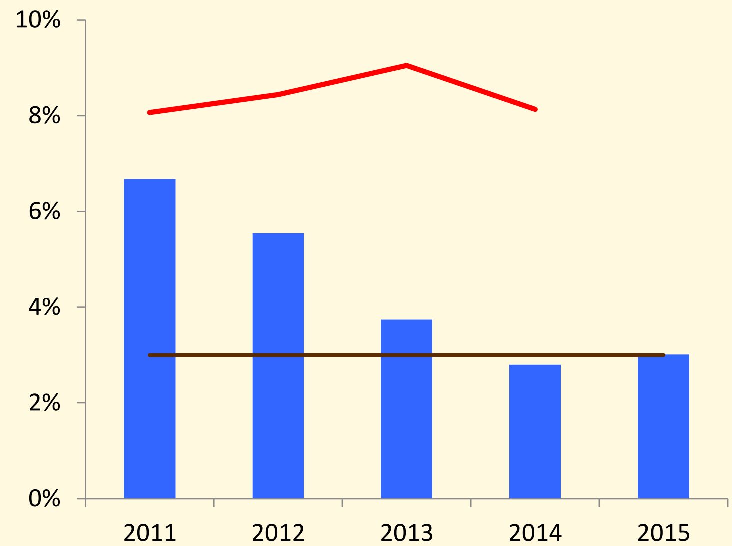
Debt service compared to total expenses

General Fund



Pinehurst = 3%, Benchmark = 9%,
BSC Target = 3%

Government-wide



Pinehurst = 3%, Benchmark = 8%,
BSC Target = 3%

Pinehurst
Benchmark Group
BSC Target

The Village is less reliant on debt, indicating a better ability to meet current and future debt service obligations.

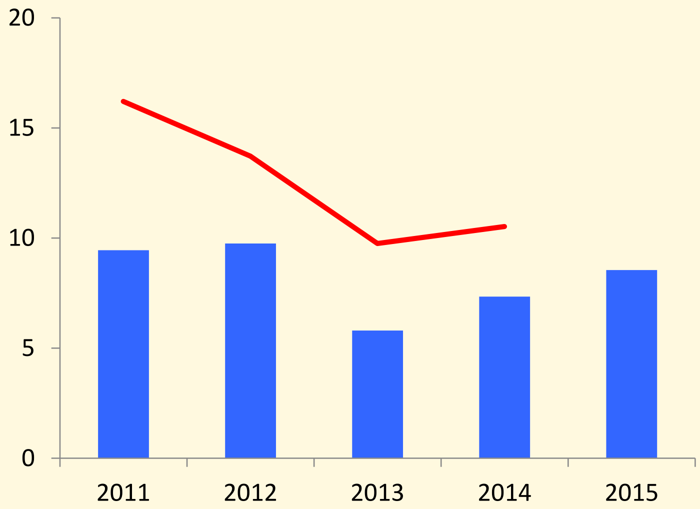
Financial Condition Assessment

Resource Stock

Quick Ratio

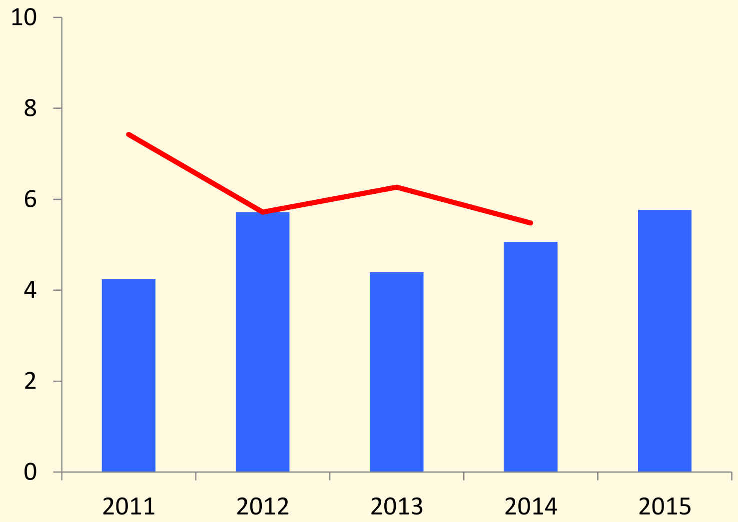
Cash and investments compared to current liabilities

General Fund



Pinehurst = 8.5, Benchmark = 10.5

Government-wide



Pinehurst = 5.8, Benchmark = 5.5

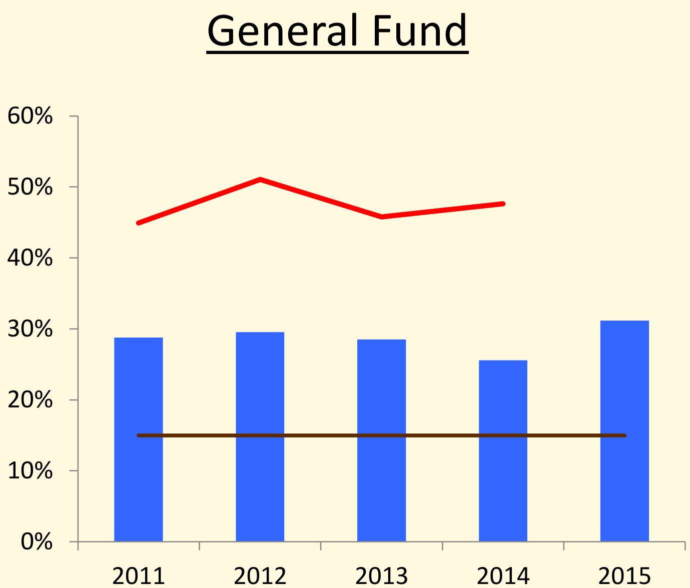
Pinehurst
Benchmark Group

Cash and investment levels are adequate to cover current obligations are becoming more comparable to our peer group.

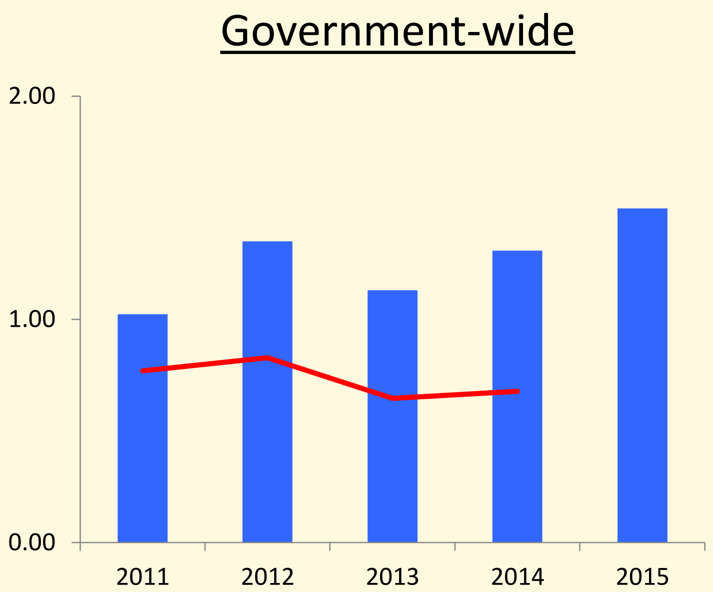
Fund Balance and Net Position Ratios

Fund balance as a % of expenditures

Ratio of net position to total liabilities



Pinehurst = 31%, Benchmark = 48%
BSC Minimum = 15%



Pinehurst = 1.50, Benchmark = 0.68

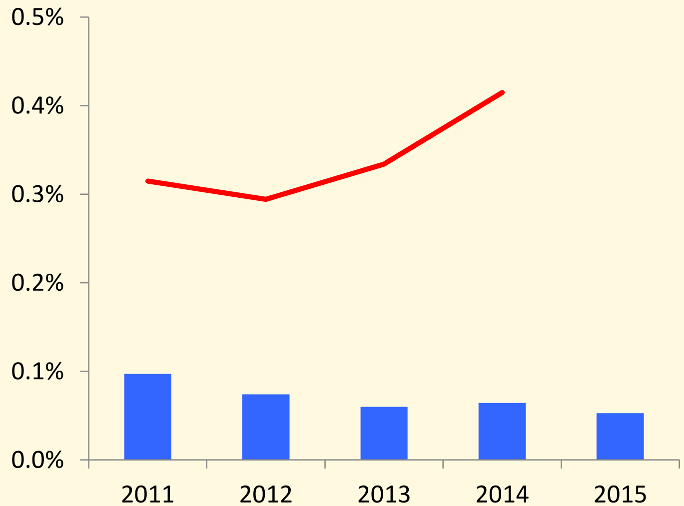
Pinehurst
Benchmark Group
BSC Target

The Village's unassigned fund balance is lower than its peer group. However, it is well above the Village's adopted fund balance policy minimum.

Debt Ratios

Debt as a % of assessed value

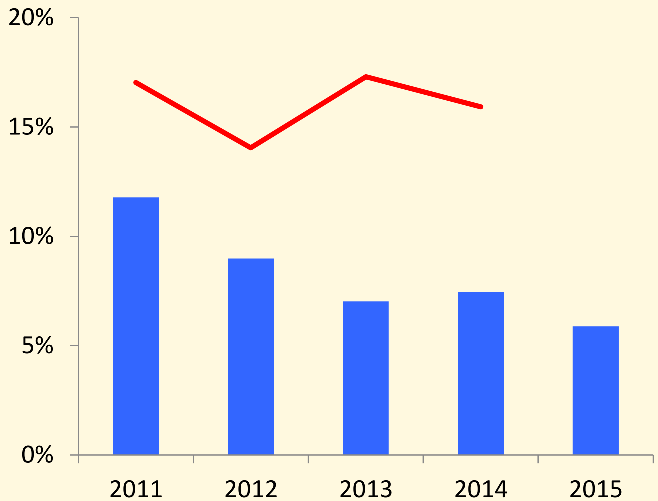
General Fund



Pinehurst = 0.1%, Benchmark = 0.4%

Long Term Debt as a % of total assets

Government-wide



Pinehurst = 6%, Benchmark = 16%

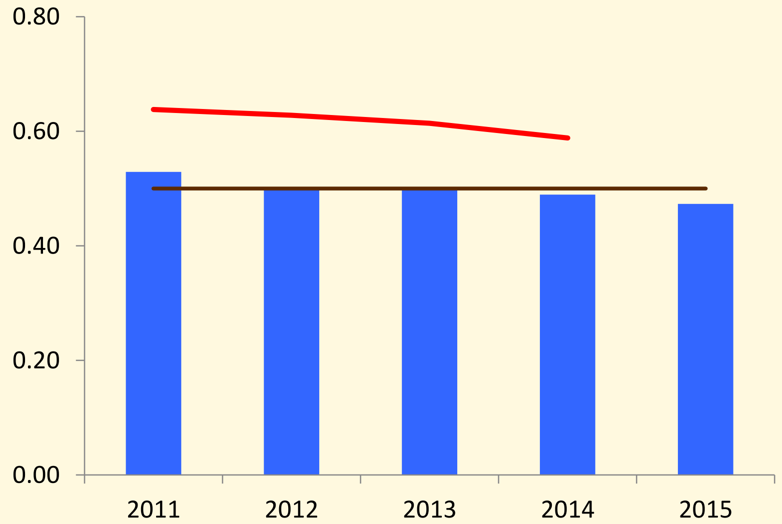
Pinehurst
Benchmark Group

The Village's outstanding debt is lower than its peers and is declining which improves our ability to meet current and future financial obligations.

Capital Asset Condition Ratio

Accumulated depreciation divided by capital assets

Government-wide



Pinehurst = 0.47, Benchmark = 0.59

BSC Target 0.50

Pinehurst
Benchmark Group
BSC Target

The capital assets of the Village are slightly more depreciated than our peers; this indicates a lower level of capital reinvestment.

Summary

- When compared to our peer group:
  - The Village has lived within its means and has improved its financial condition compared to our peers
  - All units are becoming more reliant on intergovernmental revenues as those revenues are growing faster than property taxes
  - Our charges for services are comparable to our peers
  - We are much less reliant on long-term debt than our peers
  - Cash and investment levels are adequate to cover current obligations are becoming more comparable to our peer group.
  - Our fund balance level, though lower than our peers, is in line with the policy targets established by the Village Council
  - We are investing in capital assets at a level slightly below our peers

Things to Consider

- The only significant deviations from our peer group are:
  - The Village maintains smaller fund balance reserves
    - Fund balance is at the upper limit of Council's adopted policy
    - Have maintained a low tax rate
    - Plan to spend down fund balance over the next two fiscal years
  - The Village is less reliant on long-term debt

- Recommendation is to:
  - Seek to maintain fund balance within policy established levels
  - Remain vigilant in controlling operating expenditures
  - Closely monitor intergovernmental revenues at the state level

PRESENTATION OF THE FY 2016 STRATEGIC PLAN STATUS UPDATE FOR Q1.

ADDITIONAL AGENDA DETAILS:

FROM:
Natalie Dean

CC:
Jeff Sanborn

DATE OF MEMO:
11/10/2015

MEMO DETAILS:
This agenda item is an update on the status of implementing the FY 2016 strategic initiatives outlined in this year's Strategic Operating Plan. The attached presentation identifies the status of each initiative planned for FY 2016 and I will review this with you at your Council meeting.

ATTACHMENTS:

	Description
🗋	FY2016 Strategic Plan Status Update

FY 2016 Village of Pinehurst Strategic Plan Status Update

As of September 30, 2015

FY 2016 Strategic Plan Status Update
Table of Contents

1895 VILLAGE OF PINEHURST

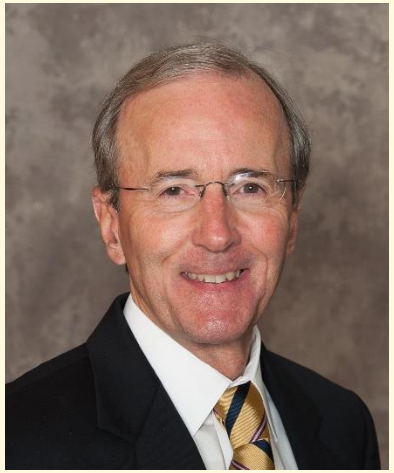
FY 2016 Strategic Plan Status Update
Village Council

Nancy Fiorillo,
Mayor

Clark Campbell,
Councilmember

John Cashion,
Mayor ProTem

Claire Phillips,
Councilmember



John Strickland,
Treasurer

FY 2016 Strategic Plan Status Update
Strategic Objectives by Balanced Scorecard Perspective

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

Village FY 2016 Goals

Customer

- Safeguard the Community
- Preserve the Character of Pinehurst & the Quality of Neighborhoods
- Promote Economic Vitality
- Provide & Promote Multi-Modal Transportation Connectivity
- Promote Environmental Sustainability
- Promote an Active, Healthy Community

Internal

- Professionally Manage a High Performing Organization

Workforce

- Recruit & Develop a Skilled and Diverse Workforce

Financial

- Maintain a Strong Financial Condition

History, Charm, & Southern Hospitality

FY 2016 Strategic Plan Status Update
Overview of the Status of Strategic Initiatives at September 30, 2015

- **There are a total of 37 Initiative Action Plans (IAPs) for FY 2016:**
  - **10 were carried over from FY 2015**
  - **27 were *NEW* IAPs for FY 2016**

- **At the end of Q1, FY 2016 (September 30, 2015):**
  - **3 IAPs were completed**
  - **5 IAPs are scheduled to begin in a future quarter**
  - **29 IAPs were started, in progress, and on-schedule for completion according to timelines established**

FY 2016 Strategic Plan Status Update
Customer Perspective – Strategic Initiatives and Status

Goal	Strategic Objective	Initiative Action Plan (IAP)	Q1 Status	Q1 Comments
Safeguard the Community	Deliver effective public safety services	Expand traffic pre-emption program to additional intersections in Village limits		Scheduled to complete in Q4
		Achieve national accreditation in the Fire Department		Scheduled to submit documentation for peer review in Q3
		Evaluate alternative methods to proactively investigate and deter crime (BIRDIE)		Scheduled to present recommendations in Q3
Preserve the Character of Pinehurst & the Quality of Neighborhoods	Maintain a high level of overall appearance of Pinehurst public spaces	Evaluate the consolidation of Streets & Grounds and Buildings & Grounds (BIRDIE)		BIRDIE team to begin evaluation in Q2
	Achieve a high level of compliance with Village codes and ordinances	Implement the recommendations of the Code Enforcement BIRDIE Team		Technology implementation and friendly notifications began in Q1
		Evaluate the code enforcement process (BIRDIE) (PY carryforward)		Completed in Q1
	Maintain a high level of overall appearance of Pinehurst public spaces	Re-develop the Public Services campus		Scheduled to complete in Q4
		Develop an "Adopt a Plant Bed" program with the Beautification Committee (ACE)	--	Scheduled to begin in Q2
Promote Economic Opportunity	Support economic and business development to meet the needs of Pinehurst residents and visitors	Support Pinehurst businesses through collaboration wth Pinehurst Business Partners		On schedule
		Incrementally expand the Village Center into Village Place/Rattlesnake Corridor		Council approved a concept in Q1

	Completed
	In progress and on schedule
--	Initiative is scheduled to begin in a future quarter

1895 Village of Pinehurst

FY 2016 Strategic Plan Status Update
Customer Perspective – Strategic Initiatives and Status

Goal	Strategic Objective	Initiative Action Plan (IAP)	Q1 Status	Q1 Comments
Provide & promote multi-modal transportation connectivity	Provide a safe and well-maintained network of streets, sidewalks, greenways, and bike paths	Conduct Midland Road corridor study (PY carryforward)		Scheduled to complete in Q4
	Provide a safe and well-maintained network of streets, sidewalks, greenways, and bike paths	Install sidewalks and/or greenways according to the Pedestrian Master Plan		Scheduled to complete in Q4
	Provide a safe and well-maintained network of streets, sidewalks, greenways, and bike paths	Install bike paths according to the Bicycle Master Plan		Scheduled to complete in Q4
	Provide for efficient traffic flow with minimal congestion	Make intersection improvements at McKenzie Rd and Hwy 5 and Barrett Rd and Hwy 5		Scheduled to complete in Q4
Promote environmental sustainability	Conserve natural resources	Evaluate the use of solar energy for Village facilities	--	Scheduled to begin in Q3
Promote an active, healthy community	Provide adequate recreational facilities	Develop a comprehensive recommendation for a new Community Center Facility		Study team has been convened; scheduled to complete in Q2
	Provide adequate recreational facilities	Develop Rassie Wicker Park facilities		RFP was sent out; Scheduled to complete in Q4
	Provide recreation programs and leisure activities for all ages	Establish a P&R internship program		Developed program and will recruit for Summer 2016; Scheduled to complete in Q4

	Completed
	In progress and on schedule
--	Initiative is scheduled to begin in a future quarter

1895 VILLAGE OF PINEHURST

FY 2016 Strategic Plan Status Update
Internal Perspective – Strategic Initiatives and Status

Goal	Strategic Objective	Initiative Action Plan (IAP)	Q1 Status	Q1 Comments
Professionally Manage a High Performing Organization	Effectively communicate with customers in a timely and consistent manner	Develop and implement a corporate communications strategy for keeping the public informed, considering a more frequent newsletter publication and eblasts post-Council meetings (PY carryforward)	In progress and on schedule	Scheduled to evaluate effectiveness in Q2
	Continually improve the effectiveness and efficiency of key processes	Develop a contract management system (PY carryforward)	In progress and on schedule	Scheduled to evaluate effectiveness in Q2
		Continue to utilize the Baldrige excellence framework to improve organizational performance	In progress and on schedule	Completed site visit and obtained Level 3 Feedback Report; scheduled to prioritize OFIs from feedback in Q3
		Develop an organization wide complaint management process -VOP 311 (BIRDIE)	In progress and on schedule	BIRDIE team is on schedule to finalize recommendations by the end of Q3
		Develop a mechanism to share best practices between departments and evaluate the effectiveness (ACE)	In progress and on schedule	Scheduled to complete in Q3
		Review key Village processes annually for opportunities for improvement	In progress and on schedule	Scheduled to complete in Q4
		Complete Payment Card Industry (PCI) Compliance (PY carryforward)	Completed	PCI compliance system was put into place in Q1
		Develop a method to evaluate the effectiveness of the Village Council (ACE)	--	Scheduled to begin in Q2, after Council discussion
		Develop a comprehensive orientation process for newly elected officials (PY carryforward)	In progress and on schedule	Scheduled to complete in Q3

(green)	Completed
(yellow)	In progress and on schedule
--	Initiative is scheduled to begin in a future quarter

1895 Village of PINEHURST

FY 2016 Strategic Plan Status Update
Internal Perspective (Continued) – Strategic Initiatives and Status

Goal	Strategic Objective	Initiative Action Plan (IAP)	Q1 Status	Q1 Comments
Professionally Manage a High Performing Organization	Generate collaborative solutions	Identify key partners and assign a Council liaison to each partner (PY carryforward)		Scheduled to evaluate effectiveness in Q2
	Leverage technology to enhance Village operations	Increase capability to secure and monitor the Village computer network for legal compliance		Scheduled to complete in Q4
		Redesign Village website to add more functionality and integrate it with a mobile app (PY carryforward)		Scheduled to complete in Q3

	Completed
	In progress and on schedule
--	Initiative is scheduled to begin in a future quarter

1895
VILLAGE OF
PINEHURST

FY 2016 Strategic Plan Status Update
Workforce & Financial Perspectives – Strategic Initiatives and Status

Goal	Strategic Objective	Initiative Action Plan (IAP)	Q1 Status	Q1 Comments
Recruit and develop a skilled and diverse workforce	Recruit, train, engage, and reward volunteers	Develop a comprehensive volunteer reward and recognition program (PY carryforward)		Scheduled to evaluate effectiveness in Q4
		Develop a policy on volunteer and committee appointments (PY carryforward)		Completed in Q1
	Train, develop, and engage employees	Review and revise the in-house TOPS training program (ACE)	--	Scheduled to begin in Q3
	Reward and recognize employees	Implement a reward and recognition program (ACE)		Scheduled to complete in Q2
Maintain a strong financial condition	Meet or exceed Village established financial targets	Evaluate alternative revenue sources for the Village		Draft report is prepared; scheduled to complete in Q2
		Implement the recommendations from the evaluation of the sale of Village owned land	--	Scheduled to begin in Q4 - deannex Juniper Lake Rd property
		Implement BIRDIE Team recommendations to ensure the financial sustainability of the Harness Track		Implemented recommendations and tracking time and revenues for remainder of FY

	Completed
	In progress and on schedule
--	Initiative is scheduled to begin in a future quarter

1895 VILLAGE OF PINEHURST

CONSIDER AN ORDINANCE AMENDING THE PINEHURST MUNICIPAL CODE REGARDING THE TIME PERIOD FOR CODE ENFORCEMENT COMPLIANCE.

ADDITIONAL AGENDA DETAILS:

FROM:
Angel Smith, Code Enforcement Officer

CC:
Kevin Reed, Jeff Sanborn

DATE OF MEMO:
11/12/2015

MEMO DETAILS:
The Code Enforcement BIRDIE was undertaken as a result of declining citizen satisfaction ratings with code enforcement, as indicated in the Community Surveys mailed to Pinehurst residents since 2012. Code enforcement in the Village is important because it addresses the Council's goal to "Preserve the Character of Pinehurst and the Quality of Neighborhoods".

BIRDIE team representatives presented their findings and recommended solutions to the Village Council on August 11, 2015. These solutions included the recommendation that staff would revise the code enforcement process to make it friendlier with consistent abatement deadlines. One of the goals of consistent abatement deadlines is to allow for Village staff to track performance for a variety of potential violations within a set and uniform timeframe. The BIRDIE team committee determined that a 30 (thirty) day abatement deadline would be sufficient for all code violations. This 30-day enforcement period was not chosen at random.

The code enforcement officer for the Village enforces regulations found the Pinehurst Development Ordinance (PDO) and the Pinehurst Municipal Code (PMC) and, in practice, a 30-day abatement period is the most common timeframe used for gaining compliance. Staff has subsequently identified one conflict in the PMC that currently states a 15-day time period for compliance relative to the abatement of a nuisance that is conflict with the 30-day period, hence the need for this amendment. Attached you find a copy of the proposed amendment in ordinance format with the two sections of the PMC that require changes.

Staff looks forward to discussing the proposed amendment with the Village Council at its November 16 meeting. Please let me know if you have any questions regarding the foregoing information.

ATTACHMENTS:

	Description
🗋	Ordinance 15-20: Amending the Pinehurst Municipal Code (Code Enforcement)

ORDINANCE #15-20:

AN ORDINANCE AMENDING CHAPTER 92 NUISANCES; ENVIRONMENTAL PROTECTION OF THE VILLAGE OF PINEHURST MUNICIPAL CODE.

THAT, 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 adopted 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 has updated its code enforcement process and details regarding deadlines for abatement need to be updated in the Pinehurst Municipal Code; and

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina in a regular meeting assembled this 17th day of November, 2015 as follows:

SECTION 1. That the following amendments be made to Chapter 92 NUISANCES; ENVIRONMENTAL PROTECTION, Sections 92.03 and 92.04:

§ 92.03 NOTICE AND ORDER TO ABATE.

(A) Upon a determination that conditions constituting a public nuisance exist, the Village Code Enforcement Officer shall notify, in writing, the owner of the premises in question of the conditions constituting the public nuisance and shall order the prompt abatement thereof within **~~15~~** **30** days from the receipt of the written notice. Receipt shall be deemed to occur on the third day after the date of the postmark if the notice is deposited in a United States Post Office.

(B) Abatement of a public nuisance shall consist of taking whatever appropriate steps are reasonably necessary to remove the condition or conditions, which result in the declaration of a public nuisance. Without limitation the Village Code Enforcement Officer, in ordering the abatement of a public nuisance, may require the removal of debris, rubbish, accumulations of animal or vegetable matter, growth of weeds and grass, burned or partially burned buildings and the like, the isolation of the condition to be abated so that access cannot be gained by persons or property which may be injured by the nuisance or other steps which are reasonably necessary to abate the nuisance.

§ 92.04 ABATEMENT BY VILLAGE.

(A) Generally.

(1) If any person, firm or corporation having been ordered to abate a public nuisance, fails, neglects or refuses to abate or remove the condition constituting the nuisance within ~~**15**~~ **30** days from receipt of the order given pursuant to § 92.03, the Village Code Enforcement Officer or his or her designee shall cause the condition to be removed or otherwise remedied by having employees of the village or independent contractors go upon the premises and remove or otherwise abate the nuisance under the supervision of an officer or employee designated by the Village Manager.

(2) Any person who has been ordered to abate a public nuisance may, within the time allowed by this subchapter, request the village in writing to remove the condition, the cost of which shall be paid by the person making the request.

(3) In the event a local contractor cannot be obtained after a reasonable effort, the Village Manager shall be authorized to obtain the services of a contractor outside the immediate local area, and the costs thereof shall be deemed to be reasonable.

(B) Costs. The actual cost incurred by the village in removing or otherwise remedying a public nuisance shall be charged to the owner of the lot or parcel of land; and it shall be the duty of the Finance Officer to mail a statement of the charges to the owner or other person in possession of the premises with instructions that the charges are due and payable within 30 days from the mailing thereof. If the costs charged in accordance with this subchapter are not paid as herein stated, the costs shall become a lien upon the real estate and improvements, if any, on the real estate and shall be collected as unpaid taxes, as provided in G.S. § 160A-193.

SECTION 2. That this Ordinance amendment shall be and remain in full force and effect from and after the date of its adoption.

THIS ORDINANCE passed and adopted this 17th day of November, 2015.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney

CONSIDER AN ORDINANCE FOR A ROAD DEDICATION AT THE VILLAS AT FOREST HILLS.

ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton

DATE OF MEMO:
11/9/2015

MEMO DETAILS:
The Villas at Forest Hills development is requesting the Village accept certain roads that have reached 70+ percent build-out. The two roads are Shadow Creek Court and Whistling Straight Road and both have had the final lift of asphalt placed and been inspected by Village staff.

The ordinance included with this memorandum would accept these two roads, formally establish the speed limit at 25 mph and direst placement of stop signs.

Should Council elect to accept the road dedication, a motion will be necessary. If you have any questions, please feel free to contact me.

Thanks.

ATTACHMENTS:

	Description
🗋	Ordinance 15-21 Accept Roads in Villas at Forest Hills
🗋	Exhibit A of Ordinance

ORDINANCE #15-21:

AN ORDINANCE ACCEPTING PETITION FOR DEDICATION OF STREETS WITHIN THE VILLAGE OF PINEHURST AND AMENDING CHAPTER 7, SCHEDULE II AND SCHEDULE IV OF THE PINEHURST MUNICIPAL CODE AS IT PERTAINS TO REGULATING TRAFFIC ON THESE STREETS WITHIN THE VILLAGE OF PINEHURST, NORTH CAROLINA.

THAT WHEREAS, Windjam 7, LLC, a North Carolina Limited Liability Company hereinafter referred to as "Windjam" are desirous of dedicating said streets and rights-of-way to the Village of Pinehurst, a municipal corporation of the State of North Carolina, hereinafter referred to as "Village"; and

WHEREAS, the recorded plat for Villas at Forest Hills depicts all streets and rights-of way within the subdivision as being dedicated for public use; and

WHEREAS, Windjam has completed construction of certain streets and rights-of-ways as shown on the attached exhibit A in accordance with the requirements of the Village; and

WHEREAS, the Village Council of the Village of Pinehurst has agreed to officially accept the proposed dedication of these streets and rights-of-way; and

WHEREAS, the streets and rights-of-way identified by yellow highlight on exhibit A will be open to the public and shall be maintained by the Village;

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina in the regular meeting assembled this 17th day of November, 2015, as follows:

SECTION I. That, pursuant to N.C.G.S. Chapter 160A, Article 15, the streets and rights-of-way offered for dedication and shown on the attached exhibit A, copies of which are attached hereto and made a part hereof, is hereby accepted as a public street and right-of-way of the Village of Pinehurst, North Carolina.

SECTION 2. That Schedule II of Section 7, STOP INTERSECTIONS of the Pinehurst Municipal Code, is amended by adding the following:

Stop Sign On	***At Intersection With***
Shadow Creek Court	Forest Hills Drive
Whistling Straight Road	Shadow Creek Court
Whistling Straight Road	Winged Foot Road

SECTION 3. That Schedule IX of Section 7, SPEED LIMITS of the Pinehurst Municipal Code, shall be applicable and the speed limit is established as 25 mph unless otherwise posted.

SECTION 4. That the Pinehurst Police Chief and the Public Services Director are hereby directed and empowered to erect the necessary traffic signs on the above stated roads.

SECTION 5. That this Ordinance shall be and the same is hereby effective from and after the date of its adoption.

THIS ORDINANCE is passed and adopted this 17th day of November, 2015.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________
Nancy Roy Fiorillo, Mayor

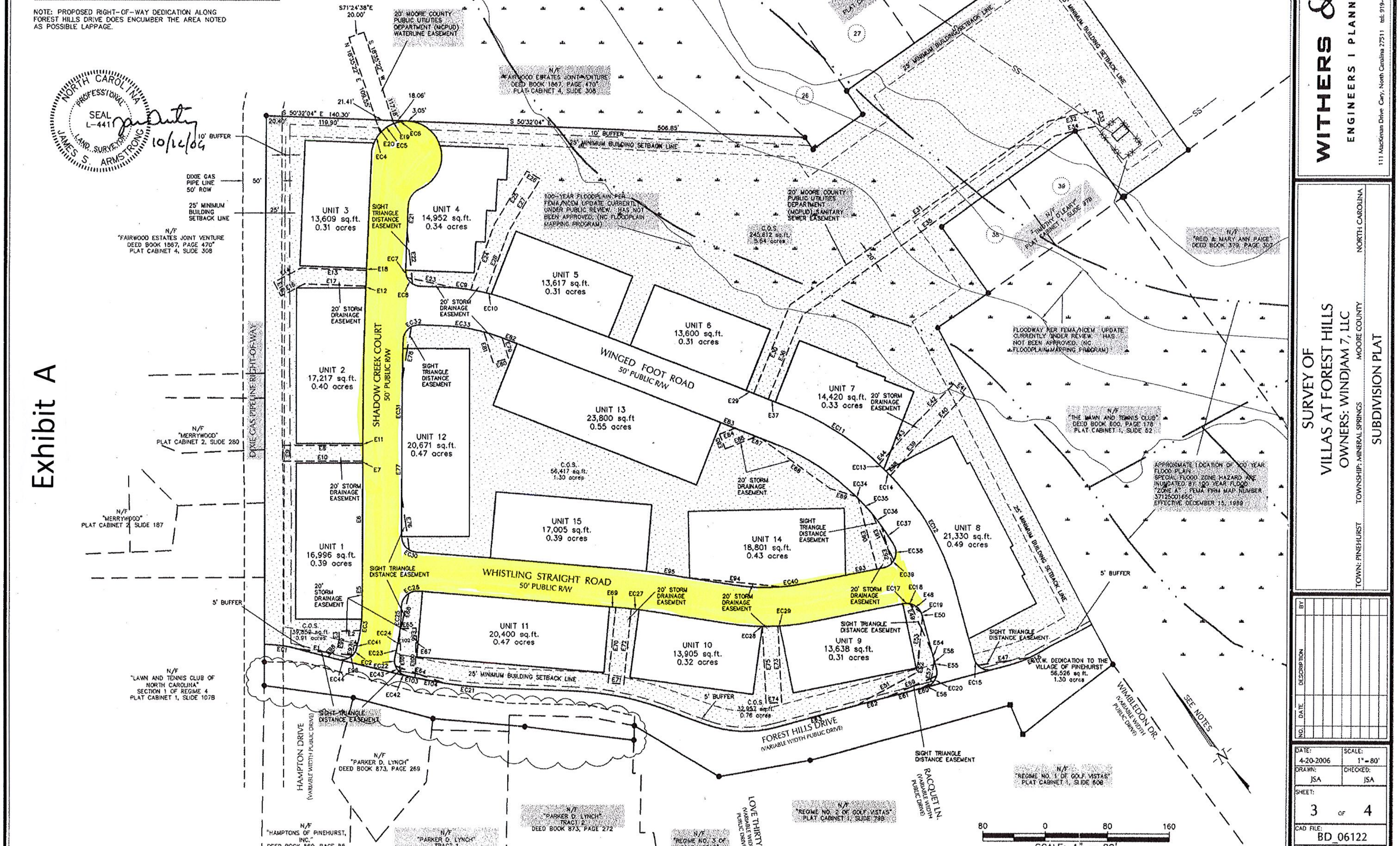
Attest: Approved as to Form:

______________________________ ______________________________
Lauren M. Craig, Village Clerk Michael J. Newman, Village Attorney

Exhibit A

TOTAL ROW DEDICATION	174,298	4.00
COMMON OPEN SPACE (C.O.S.)	375,038	8.61
TOTAL TRACT AREA	803,296	18.44

NOTE: PROPOSED RIGHT-OF-WAY DEDICATION ALONG FOREST HILLS DRIVE DOES ENCUMBER THE AREA NOTED AS POSSIBLE LAPPAGE.



CONSIDER AN ORDINACE TO CORRECT A STOP SIGN LOCATION IN THE COTSWOLD SUBDIVISION.

ADDITIONAL AGENDA DETAILS:

FROM:
Jeff Batton

DATE OF MEMO:
11/12/2015

MEMO DETAILS:
In reviewing the ordinance that accepted the roads in Cotswold of Pinehurst, an error was discovered in the designation of stop sign placement at one intersection.

The actual stop sign placement did not change from when the roads were private but the ordinance didn't correctly list the placement.

The attached ordinance corrects the language and permits the stop signs to remain in the same location as when the roads were private.

A motion will be required to adopt the ordinance to match the actual conditions on the ground.

Thanks.

ATTACHMENTS:

Description

- Ordinance 15-22 Correct Stop Sign Placement Cotswold

ORDINANCE # 15-22:

AN ORDINANCE ESTABLISHING STOP SIGN PLACEMENT ON CERTAIN STREETS WITHIN THE VILLAGE OF PINEHURST AND AMENDING CHAPTER 7, SCHEDULE II OF THE PINEHURST MUNICIPAL CODE AS IT PERTAINS TO REGULATING TRAFFIC ON THESE STREETS WITHIN THE VILLAGE OF PINEHURST, NORTH CAROLINA.

THAT WHEREAS, The Village of Pinehurst, hereinafter referred to as the "Village", accepted certain streets and rights-of-way in the Cotswold of Pinehurst residential development, hereinafter referred to as "Cotswold", by enacting Ordinance #15-06; and

WHEREAS, Ordinance #15-06 established placement of stop signs within Cotswold; and

WHEREAS, a change is necessary to the listing of stop sign locations in Cotswold;

NOW, THEREFORE, BE IT ORDAINED AND ESTABLISHED by the Village Council of the Village of Pinehurst, North Carolina in the regular meeting assembled this 17th day of November, 2015, as follows:

SECTION 1. That Schedule II of Section 7, STOP INTERSECTIONS of the Pinehurst Municipal Code, is amended by adding the following:

Stop Sign On	***At Intersection With***
Chipping Camden Way	Windsor Terrace
Chipping Camden Way	Chipping Norton

SECTION 2. That the Pinehurst Police Chief and the Public Services Director are hereby directed and empowered to erect the necessary traffic signs on the above stated streets.

SECTION 3. That this Ordinance shall be and the same is hereby effective from and after the date of its adoption.

THIS ORDINANCE is passed and adopted this 17th day of November, 2015.

VILLAGE OF PINEHURST

VILLAGE COUNCIL

(Municipal Seal)

By: ______________________________

Nancy Roy Fiorillo, Mayor

Attest: Approved as to Form:

________________________________ ___________________________________

Lauren M. Craig, Village Clerk Michael J. Newman, Village Attorney

CONSIDER A RESOLUTION ESTABLISHING THE TIME AND DATE OF THE ORGANIZATIONAL MEETING OF THE PINEHURST VILLAGE COUNCIL.

ADDITIONAL AGENDA DETAILS:

FROM:
Lauren Craig

CC:
Jeff Sanborn

DATE OF MEMO:
11/10/2015

MEMO DETAILS:
Pursuant to North Carolina General Statutes, Chapter 160A, Section 68, any newly-elected Councilmembers must take office no later than the first regular meeting in December following the election; provided however, that the Council could select an earlier time if desired. Attached is a resolution scheduling the date of the Organizational Meeting for the new Pinehurst Village Council.

ATTACHMENTS:

	Description
🗋	Resolution 15-48 Scheduling the Organizational Meeting

RESOLUTION #15-48:

A RESOLUTION ESTABLISHING THE DATE FOR THE ORGANIZATIONAL MEETING OF THE VILLAGE COUNCIL PURSUANT TO THE ELECTION HELD NOVEMBER 3, 2015.

THAT WHEREAS, the Village of Pinehurst conducts municipal elections pursuant to North Carolina General Statutes, Chapter 163, Article 15; and

WHEREAS, pursuant to North Carolina General Statutes, Chapter 160A, Section 68, any newly-elected Councilmembers must take office no later than the first regular meeting in December following the election; provided however, that the Council could select an earlier time if desired; and

WHEREAS, by Resolution of the Pinehurst Village Council dated November 18, 1985, the newly-elected Village Council and future Village Councils are authorized to hold their organizational meeting prior to the first regular meeting in December following the election, if certified election results have been received from the Board of Elections; and

WHEREAS, the certified results of the Municipal Election held November 3, 2015 will have been received from the Moore County Board of Elections by November 20, 2015;

NOW, THEREFORE, BE IT RESOLVED by the Village Council of the Village of Pinehurst, North Carolina in a regular meeting assembled this 17th day of November, 2015 as follows:

SECTION 1. That the Village Council hereby sets the date and time for the organizational meeting following the November 3, 2015 municipal election for Monday, November 30, 2015, at 11:30am in the Assembly Hall of the Village Hall located at 395 Magnolia Road.

THIS RESOLUTION passed and adopted this 17th day of November, 2015.

VILLAGE OF PINEHURST
VILLAGE COUNCIL

(Municipal Seal)

By:______________________________
Nancy Roy Fiorillo, Mayor

Attest:

____
Lauren M. Craig, Village Clerk

Approved as to Form:

____
Michael J. Newman, Village Attorney