

TOWN OF MCADENVILLE, NORTH CAROLINA

FINANCIAL STATEMENTS

Year Ended June 30, 2023

Town Council Members

James Robinette, Jr., Mayor
C. Reid Washam, Mayor Pro Tem
Carrie B. Bailey
Jay McCosh
Joe Rankin
Greg Richardson

Administrative and Financial Staff

Lesley Dellinger, Town Clerk / Finance Officer
Kim Carver, Utility Billing / Planning Secretary

Town of McAdenville, North Carolina
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June 30, 2023

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FINANCIAL SECTION

October 24 , 2023

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 2 – 11 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions on pages 46 – 47 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 on our consideration of the Town of McAdenville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of McAdenville's internal control over financial reporting and compliance.

Management's Discussion and Analysis

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

Financial Highlights

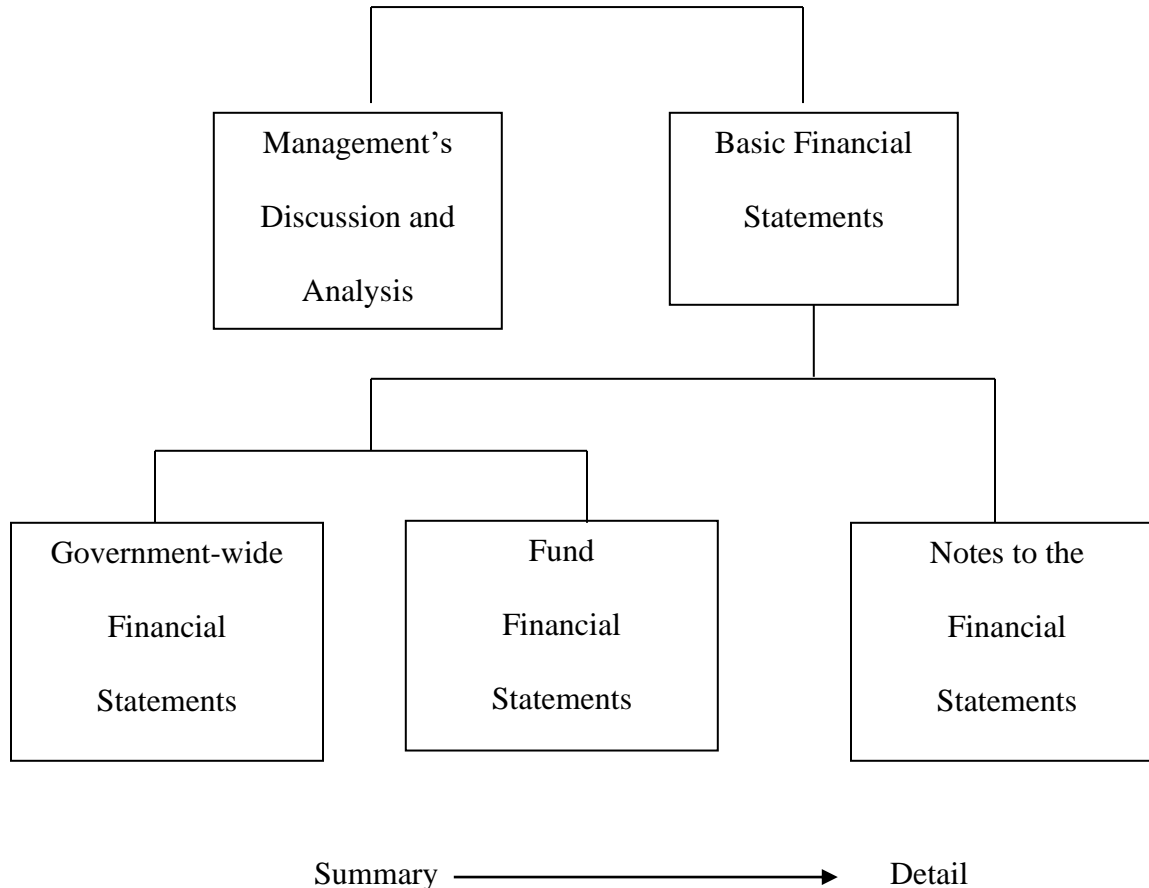
- The assets and deferred outflows of resources of the Town of McAdenville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$8,634,245 (*net position*).
- The government's total net position increased by \$647,478, primarily due to budgeting and cost controls.
- As of the close of the current fiscal year, the Town of McAdenville's governmental funds reported combined ending fund balances of \$1,880,038 with a net change of \$193,627 in fund balance. Approximately 34.76 percent of this total amount, or \$653,576, is non-spendable or restricted.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,119,220 or 100.75 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of McAdenville's basic financial statements. The Town of McAdenville's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town of McAdenville through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of McAdenville.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include basic services such as public safety, parks and recreation, and general administration. Utility Franchise Tax, Property Tax Revenue, Local Option Sales Tax and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services offered by the Town.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of McAdenville, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of Town of McAdenville can be divided into two categories: governmental funds and proprietary funds.

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

Management's Discussion and Analysis Town of McAdenville

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

Proprietary Funds – Town of McAdenville has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Town of McAdenville uses the enterprise fund to account for its water and sewer activity. This fund is the same as the function shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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

Other Information – In addition to the basic financial statements and accompanying notes, this report includes required supplementary information concerning the Town of McAdenville's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found beginning on page 46 of this report.

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

Management's Discussion and Analysis
Town of McAdenville

Government-Wide Financial Analysis

The Town of McAdenville's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 1,893,828	\$ 1,799,370	\$ 2,100,814	\$ 1,754,323	\$ 3,994,642	\$ 3,553,693
Capital assets	3,418,998	3,258,822	1,622,776	1,667,991	5,041,774	4,926,813
Deferred outflows of resources	45,445	29,309	11,304	6,937	56,749	36,246
Total assets	<u>5,358,271</u>	<u>5,087,501</u>	<u>3,734,894</u>	<u>3,429,251</u>	<u>9,093,165</u>	<u>8,516,752</u>
Long-term liabilities	77,009	21,119	273,813	277,257	350,822	298,376
Other liabilities	3,460	111,777	101,357	82,455	104,817	194,232
Deferred inflows of resources	2,627	30,223	654	7,154	3,281	37,377
Total liabilities	<u>83,096</u>	<u>163,119</u>	<u>375,824</u>	<u>366,866</u>	<u>458,920</u>	<u>529,985</u>
Net position:						
Net investment in capital assets	3,418,998	3,258,822	1,622,776	1,667,991	5,041,774	4,926,813
Restricted	653,576	584,381			653,576	584,381
Unrestricted	1,202,601	1,081,179	1,736,294	1,394,394	2,938,895	2,475,573
Total net position	<u>\$ 5,275,175</u>	<u>\$ 4,924,382</u>	<u>\$ 3,359,070</u>	<u>\$ 3,062,385</u>	<u>\$ 8,634,245</u>	<u>\$ 7,986,767</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of McAdenville exceeded liabilities and deferred inflows by \$8,634,245 as of June 30, 2023. The Town's net position increased by \$647,478 for the fiscal year ended June 30, 2023. However, a large portion (58.4%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town of McAdenville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of McAdenville's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position \$653,576 (7.57%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,938,895 is unrestricted.

Management's Discussion and Analysis
Town of McAdenville

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.60%. The statewide average in fiscal year 2020 was 98.78%.

Town of McAdenville Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,335	\$ 2,576	\$ 784,202	\$ 879,568	\$ 787,537	\$ 882,144
Operating grants and contributions	240,376	25,707	90,100	9,900	330,476	35,607
Capital grants and contributions					-	
General revenues:						
Property taxes	537,944	447,936			537,944	447,936
Other taxes	500,192	498,334			500,192	498,334
Other	26,646	4,680	2,277	2,428	28,923	7,108
Total revenues	1,308,493	979,233	876,579	891,896	2,185,072	1,871,129
Expenses:						
General Government	569,167	535,720			569,167	535,720
Public safety	359,205	337,419			359,205	337,419
Transportation	8,013	13,670			8,013	13,670
Parks and recreation	21,315	23,056			21,315	23,056
Water and sewer			579,894	675,331	579,894	675,331
Total expenses	957,700	909,865	579,894	675,331	1,537,594	1,585,196
Increase in net position	350,793	69,368	296,685	216,565	647,478	285,933
Transfer of assets to City of Gastonia					-	
Net position, beginning	4,924,382	4,855,014	3,062,385	2,845,820	7,986,767	7,700,834
Net position, June 30	\$ 5,275,175	\$ 4,924,382	\$ 3,359,070	\$ 3,062,385	\$ 8,634,245	\$ 7,986,767

Management's Discussion and Analysis
Town of McAdenville

Governmental activities. Governmental activities increased the Town's net position by \$350,793 thereby accounting for 54.18% of the total growth in net position of the Town of McAdenville.

Business-type activities: Business-type activities increased the Town of McAdenville's net position by \$296,685 (before transfer of assets), accounting for 45.82% of the total growth in the government's net position.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town of McAdenville. At the end of the current fiscal year, the Town of McAdenville's fund balance available in the General Fund was \$1,119,220 while the total fund balance reached \$1,772,796. The Town currently has an available fund balance of 100.75% of general fund expenditures, while the total fund balance represents 159.59% of the same amount.

At June 30, 2023, the governmental funds of Town of McAdenville reported a combined fund balance of \$1,880,038 with a net increase in fund balance of \$193,627.

General Fund Budgetary Highlights: During the fiscal year, the Town did have a need to revise the budget. 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.

There were several budget transfers made at the function level. There were several line item amendments made within the departments.

Management’s Discussion and Analysis
Town of McAdenville

Proprietary Funds. The Town of McAdenville’s proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,736,294. The total change in net position for the water and sewer fund was \$296,685.

Capital Asset and Debt Administration

Capital assets. The Town of McAdenville’s investment in capital assets for its governmental and business–type activities as of June 30, 2023, totals \$5,041,774 (net of accumulated depreciation). These assets include buildings, roads, land, machinery and equipment, and vehicles.

**Town of McAdenville’s Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 522,500	\$ 522,500	\$	\$	\$ 522,500	\$ 522,500
Buildings	175,397	180,697			175,397	180,697
Other Improvements	1,769,121	1,552,263	1,622,776	1,667,991	3,391,897	3,220,254
Machinery and equipment	43,884	51,593			43,884	51,593
Infrastructure	908,096	951,769			908,096	951,769
	<u>\$ 3,418,998</u>	<u>\$ 3,258,822</u>	<u>\$ 1,622,776</u>	<u>\$ 1,667,991</u>	<u>\$ 5,041,774</u>	<u>\$ 4,926,813</u>

Additional information on the Town of McAdenville’s capital assets can be found in Note 2 of the Basic Financial Statements.

Economic Factors and Next Year's Budgets and Rates

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

- A string of renewal projects focused on fostering continued growth in the historic downtown are underway. A 25,000 sq ft vacant warehouse has been redesigned and upfitted into class A office and retail space. The building is named Dynamo 31 after Thomas Edison's 31st hydroelectric generator that was installed to illuminate McAden Mills No. 1 & 2 in 1884. The anchor tenant is the Catawba River Keeper, who is the only non-profit, on-the-water advocate for the entire 8,900 miles of waterways in the Catawba River Basin. By May of 2023 all available space in the Dynamo 31 facility was leased bringing five professional service providers to the heart of downtown. The Pharr accounting and personnel offices which were closed after the sale of their textile manufacturing business in 2019 have been redesigned and repurposed providing over 5,000 sq ft of retail space in the historic district. New businesses are open and thriving including a coffee and ice cream franchise, florist, and sandwich shop.
- For over 60 years, McAdenville has been known for its Christmas Lights celebration which today draws over 600,000 to town during the month of December. The new focus is to make McAdenville a year-round destination for entertainment, dining, and recreation. Belmont Land & Investment is the primary land holder of undeveloped property in the town limits of McAdenville totaling over 90 acres. Conceptual plans for development of approximately 40 acres as a transitional mixed-use community incorporating both single family and multifamily homes along with a new river front retail district is under review by the elected board. Additionally, the Pharr Company is working with the Town on future redevelopment plans for Mill #2 which was closed in 2012 and located in the downtown historic district. The redevelopment vision includes converting the 42,000 square foot textile mill into a multi-tenant retail and entertainment complex as a partner project to the Dynamo 31 facility renovation.
- The Town of McAdenville has two (2) textile manufacturing operations that continue to be stable contributors to the local economy. Coats Group, PLC, a British multi-national company and the world's largest manufacturer/distributor of sewing thread, and Mannington Mills, Inc., leading US manufacturing/distributor of residential and commercial carpets and flooring.
- The South Fork River flows through the center of Town so new trails and greenways are being developed to utilize this natural amenity. The McAdenville Greenway Park expansion project has been completed. This project doubled the available parking, added a covered picnic area, installed direction signage for the trail, and enhanced the

Management's Discussion and Analysis
Town of McAdenville

landscaping for the park. Due to the popularity of the McAdenville Greenway, the Town partnered with the Carolina Thread Trail to begin design of a new trail along the South Fork River. The design idea is to extend the Carolina Thread Trail from the existing trail head in McAdenville along the South Fork River to the Town of Cramerton providing a paved bike/ped path connection between the downtowns. McAdenville utilized \$46K in grant funding from the Carolina Thread Trail to help foster the project.

- McAdenville, like many small towns, inherited water and sewer infrastructure installed by a previous industrial/manufacturing entity. With a limited customer base of less than 400 connections it is difficult to generate adequate revenues to cover the maintenance of the system while keeping the rates affordable for our customers. In 2012, McAdenville signed an agreement with Two Rivers Utilities for contract operations of the utility and began discussions for future consolidation. A formal MOU was signed in 2022 setting forth the basic understandings of both parties for a proposed merger of McAdenville's water & sewer system into the Two Rivers Utilities existing system. Over the past four years, the Town has adopted a 10-year CIP plan, completed an Asset & Inventory Assessment, conducted a rate study, and performed Merger Regionalization Feasibility Studies for the water and sewer systems. The Town has been awarded approximately \$7 million dollars of Viable Utility Reserve grant funding from the Division of Water Infrastructure for water rehabilitation projects. These grant awards will allow the Town to address key capital improvement projects which are identified in the MOU as a requirement for future consolidation consideration with Two Rivers Utilities. McAdenville has successfully transformed the management of our utility system from reactive to proactive and will remain focused on developing solutions for long-term financial solvency.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities: The FY net position budget reflects the goal of maintaining the present level of services provided by the Town. The Town maintained the current property tax rate of \$.39 for each \$100 valuation of taxable property and a \$5.00 vehicle tax.

Business – type Activities: It is anticipated the Water & Sewer operations will continue to support itself without a contribution from the General Fund. The agreement between the City of Gastonia and the Town for the purchase of water and waste treatment will remain in effect as efforts toward a regional consolidation are pursued.

Requests for Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Lesley Dellinger, Town Clerk / Finance Officer, 163 Main Street, PO Box 9, McAdenville, NC 28101, (704) 824-3190.

BASIC FINANCIAL STATEMENTS

TOWN OF MCADEVILLE, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,560,742	\$ 1,920,666	\$ 3,481,408
Taxes receivable	3,435	\$ 319	3,754
Accounts receivable		91,387	91,387
Due from other governments	114,280	100,000	214,280
Due from improvement fund		63,750	63,750
Internal balances	105,445	(105,445)	-
Restricted cash and cash equivalents	101,101	30,137	131,238
Total current assets	<u>1,885,003</u>	<u>2,100,814</u>	<u>3,985,817</u>
NONCURRENT ASSETS:			
Right to use leased assets, net	8,825		8,825
Capital assets:			
Land	522,500		522,500
Other capital assets, net of depreciation	2,896,498	1,622,776	4,519,274
Total capital assets	<u>3,418,998</u>	<u>1,622,776</u>	<u>5,041,774</u>
Total noncurrent assets	<u>3,427,823</u>	<u>1,622,776</u>	<u>5,050,599</u>
Total assets	<u>\$ 5,312,826</u>	<u>\$ 3,723,590</u>	<u>\$ 9,036,416</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	\$ 45,445	\$ 11,304	\$ 56,749
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	1,530	55,195	56,725
Revolving loan-current		16,025	16,025
Current portion of long term liabilities	1,930		1,930
Payable from restricted assets		30,137	30,137
Total current liabilities	<u>3,460</u>	<u>101,357</u>	<u>104,817</u>
LONG-TERM LIABILITIES			
Revolving loan-noncurrent		256,395	256,395
Noncurrent portion of lease liability	6,985		6,985
Net pension liability	70,024	17,418	87,442
	<u>80,469</u>	<u>375,170</u>	<u>455,639</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	2,627	654	3,281
NET POSITION			
Net investment in capital assets	3,418,998	1,622,776	5,041,774
Restricted for:			
Stabilization by State Statute	552,475		552,475
Streets	101,101		101,101
Unrestricted	1,202,601	1,736,294	2,938,895
Total net position	<u>\$ 5,275,175</u>	<u>\$ 3,359,070</u>	<u>\$ 8,634,245</u>

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

TOWN OF MCADENVILLE, NORTH CAROLINA

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 569,167	\$ 3,335	\$ 214,484	\$ (351,348)	\$	\$ (351,348)	
Public safety	359,205			(359,205)		(359,205)	
Transportation	8,013		25,892	17,879		17,879	
Parks and recreation	21,315			(21,315)		(21,315)	
Total governmental activities	957,700	3,335	240,376	(713,989)	-	(713,989)	
Business-type activities:							
Water and sewer	579,894	784,202	90,100		294,408	294,408	
Total business-type activities	579,894	784,202	90,100	-	294,408	294,408	
Total primary government	\$ 1,537,594	\$ 787,537	\$ 330,476	\$ -	(713,989)	294,408	(419,581)
General revenues:							
Taxes:							
Property taxes, levied for general purpose				537,944		537,944	
Other taxes				500,192		500,192	
Unrestricted investment earnings				24,332	2,277	26,609	
Miscellaneous				2,314		2,314	
Total general revenues not including transfers				1,064,782	2,277	1,067,059	
Total general revenues not including transfers				350,793	296,685	647,478	
Change in net position				350,793	296,685	647,478	
Net position-beginning				4,924,382	3,062,385	7,986,767	
Net position-ending				\$ 5,275,175	\$ 3,359,070	\$ 8,634,245	

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

TOWN OF MCADENVILLE, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2023

	Major Funds		Total Governmental
	General Fund	ARPA Fund	
ASSETS			
Cash and cash equivalents	\$ 1,453,500	\$ 107,242	\$ 1,560,742
Restricted cash	101,101		101,101
Receivables, net:			-
Taxes	3,435		3,435
Due from other funds	105,445		105,445
Due from other governments	114,280		114,280
Total assets	<u>\$ 1,777,761</u>	<u>\$ 107,242</u>	<u>\$ 1,885,003</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,530		\$ 1,530
	1,530		\$ 1,530
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	3,435		3,435
FUND BALANCES			
Restricted			
Stabilization by State Statute	552,475		552,475
Streets	101,101		101,101
Unassigned	1,119,220	107,242	1,226,462
Total fund balances	<u>1,772,796</u>	<u>107,242</u>	<u>1,880,038</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,777,761</u>		

Amounts reported for governmental activities in the Statement of
Net Position (Exhibit 1) are different because:

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

Gross capital assets		4,656,764
Accumulated depreciation		(1,237,766)

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

Right to use assets at historical cost	10,255	
Accumulated amortization	(1,430)	8,825

Deferred outflows of resources related to pensions are not reported in the funds		45,445
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Earned revenues considered deferred inflows of resources in fund statements		3,435
--	--	-------

Long-term liabilities used in governmental activities are not financial
uses and therefore are not reported in the funds:

Net pension liability	(70,024)	
Other long-term liabilities	(8,915)	(78,939)

Deferred inflows of resources are not reported in the funds		(2,627)
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Net position of governmental activities		<u>\$ 5,275,175</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF MCADENVILLE, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Governmental Funds

For the Year Ended June 30, 2023

	Major Funds		Total Governmental Funds
	General Fund	ARPA Fund	
REVENUES			
Ad valorem taxes	\$ 537,944	\$	\$ 537,944
Unrestricted intergovernmental	497,567		497,567
Restricted intergovernmental	25,892		25,892
Licenses and permits	3,335		3,335
Investment earnings	24,332		24,332
Grant revenue		214,484	214,484
Miscellaneous	940		940
Total revenues	<u>1,090,010</u>	<u>214,484</u>	<u>1,304,494</u>
EXPENDITURES			
Current:			
General government	484,714		484,714
Public safety	359,205		359,205
Sanitation	91,778		91,778
Parks and recreation	167,157		167,157
Transportation	8,013		8,013
Total expenditures	<u>1,110,867</u>	<u>-</u>	<u>1,110,867</u>
OTHER FINANCING SOURCES (USES)			
Transfer to general fund	<u>107,242</u>	<u>(107,242)</u>	<u>-</u>
Net change in fund balance	86,385	107,242	193,627
FUND BALANCE			
Fund balance-beginning	<u>1,686,411</u>	<u></u>	<u>1,686,411</u>
Fund balance-end of year	<u>\$ 1,772,796</u>	<u>\$ 107,242</u>	<u>\$ 1,880,038</u>

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

TOWN OF MCADENVILLE, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES**

Governmental Funds

For the Year Ended June 30, 2023

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

Net changes in fund balances - total governmental funds		\$ 193,627
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period</p>		
Capital outlay expenditures that were capitalized	283,455	
Depreciation expense for governmental assets	<u>(123,275)</u>	160,180
<p>Right to use leased asset capital outlay expenditures which were capitalized.</p>		
Amortization expense for intangible assets	<u>3,654</u> <u>(1,430)</u>	2,224
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities		12,327
Earned revenues recognized on prior year fund statements are recognized in the current year Statement of Activities		1,375
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.</p>		
Interest expense on leases		(176)
Pension expense		<u>(18,764)</u>
Total changes in net position of governmental activities		<u>\$ 350,793</u>

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

TOWN OF MCADENVILLE, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE- ANNUAL BUDGET AND ACTUAL

For the Year Ended June 30, 2023

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 529,000	\$ 537,500	\$ 537,944	\$ 444
Unrestricted intergovernmental	473,000	495,000	497,567	2,567
Restricted intergovernmental	22,000	25,900	25,892	(8)
Permits and fees	2,000	3,300	3,335	35
Investment earnings	1,025	24,330	24,332	2
Miscellaneous		675	940	265
Total revenues	<u>1,027,025</u>	<u>1,086,705</u>	<u>1,090,010</u>	<u>3,305</u>
Expenditures:				
Current:				
General government	622,550	554,550	484,714	69,836
Public safety	362,750	362,750	359,205	3,545
Sanitation	100,000	100,000	91,778	8,222
Park maintenance	190,000	258,000	167,157	90,843
Transportation	22,000	22,000	8,013	13,987
Total expenditures	<u>1,297,300</u>	<u>1,297,300</u>	<u>1,110,867</u>	<u>186,433</u>
Revenues over (under) expenditures	(270,275)	(210,595)	(20,857)	189,738
Other financing sources (uses):				
Transfer from ARPA Fund	107,001	107,241	107,242	1
Appropriated	163,274	103,354		(103,354)
Total other financing sources (uses)	<u>270,275</u>	<u>210,595</u>	<u>107,242</u>	<u>(103,353)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	86,385	<u>\$ 86,385</u>
Fund balance, beginning of year			<u>1,686,411</u>	
Fund balance, end of year			<u>\$ 1,772,796</u>	

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

TOWN OF MCADENVILLE, NORTH CAROLINA

**STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS**

June 30, 2023

	Enterprise Fund		Water and Sewer Fund	Total
ASSETS				
Current assets:				
Cash		\$ 1,920,666		\$ 1,920,666
Cash - restricted		30,137		30,137
Accounts receivable (net) - billed		23,422		23,422
Accounts receivable (net) - unbilled		67,965		67,965
Due from governments		100,000		100,000
Due from improvement fund		63,750		63,750
Prepaid items		319		319
Total current assets		2,206,259		2,206,259
Capital assets:				
Other capital assets, net of depreciation		1,622,776		1,622,776
Total noncurrent assets		1,622,776		1,622,776
Total assets		\$ 3,829,035		\$ 3,829,035
DEFERRED OUTFLOWS OF RESOURCES				
Contributions to pension plan		\$ 11,304		\$ 11,304
LIABILITIES				
Current liabilities:				
Due to other funds		105,445		105,445
Accounts payable and accrued liabilities		55,195		55,195
Revolving loan-current		16,025		16,025
Customer deposits		30,137		30,137
Total liabilities		206,802		206,802
Noncurrent liabilities:				
Revolving loan-noncurrent		256,395		256,395
Net pension liability		17,418		17,418
Total noncurrent liabilities		273,813		273,813
Total liabilities		480,615		480,615
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals		654		654
NET POSITION				
Net investment in capital assets		1,622,776		1,622,776
Unrestricted		1,736,294		1,736,294
Total net position		\$ 3,359,070		3,359,070
Net position of business-type activities				

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

TOWN OF MCADENVILLE, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

For the Year Ended June 30, 2023

	<u>Enterprise Fund</u>	
	<u>Water and Sewer Fund</u>	<u>Total</u>
OPERATING REVENUES		
Charges for services	\$ 763,702	\$ 763,702
Water and sewer taps	20,500	20,500
Total operating revenues	<u>784,202</u>	<u>784,202</u>
OPERATING EXPENSES		
Purchase of water	264,257	264,257
Metered sewer charges	158,987	158,987
Salaries	25,290	25,290
Payroll taxes and benefits	7,882	7,882
Repairs	24,421	24,421
Depreciation	45,215	45,215
Operation of treatment plant	47,119	47,119
Interest	4,413	4,413
Miscellaneous	2,310	2,310
Total operating expenses	<u>579,894</u>	<u>579,894</u>
Operating income	204,308	204,308
NONOPERATING REVENUES		
Grant	90,100	90,100
Interest	2,277	2,277
Income	296,685	296,685
CHANGE IN NET POSITION	296,685	296,685
Total net position - beginning	<u>3,062,385</u>	<u>3,062,385</u>
Total net position - ending	<u>\$ 3,359,070</u>	<u>\$ 3,359,070</u>
Change in net position - business-type activities		<u>\$ 296,685</u>

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

TOWN OF MCADENVILLE, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2023

	Water and Sewer Fund	Total
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 786,652	\$ 786,652
Cash paid for goods and services	(485,625)	(485,625)
Cash paid to or on behalf of employees for services	(33,172)	(33,172)
Customer deposits received	2,878	2,878
Other operating revenues	1,076	1,076
Net cash provided by operating activities	<u>271,809</u>	<u>271,809</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase in due to other funds	(31,556)	(31,556)
Increase in due from other funds	(63,750)	(63,750)
Total cash flows used by noncapital financing activities	<u>(95,306)</u>	<u>(95,306)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Grant funds received	153,850	153,850
Principal payment on revolving loan	(16,025)	(16,025)
Net cash from capital and related financing activities	<u>137,825</u>	<u>137,825</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	<u>2,277</u>	<u>2,277</u>
Net cash provided by investing activities	<u>2,277</u>	<u>2,277</u>
Net increase in cash and cash equivalents	316,605	316,605
Balances-beginning of the year	<u>1,634,198</u>	<u>1,634,198</u>
Balances-end of the year	<u>\$ 1,950,803</u>	<u>\$ 1,950,803</u>

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

TOWN OF MCADENVILLE, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2023

	<u>Enterprise Fund</u> <u>Water and</u> <u>Sewer</u> <u>Fund</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 204,308	\$ 204,308
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	45,215	45,215
Changes in assets and liabilities:		
Decrease in accounts receivable	1,670	1,670
Increase in deferred outflows of resources - pensions	(4,367)	(4,367)
Decrease in deferred inflows of resources - pensions	(6,500)	(6,500)
Increase in net pension liability	12,581	12,581
Increase in accounts payable and accrued liabilities	16,024	16,024
Increase in customer deposits	2,878	2,878
Total adjustments	<u>67,501</u>	<u>67,501</u>
Net cash provided by operating activities	<u>\$ 271,809</u>	<u>\$ 271,809</u>

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of McAdenville, North Carolina conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of McAdenville, North Carolina is a municipal corporation that is governed by an elected mayor and a five-member council.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town reports the following major governmental fund:

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

The Town reports the following major enterprise funds:

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

C. Measurement Focus and Basis of Accounting

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

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

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments,

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Funds. All annual appropriations lapse at the fiscal-year end. Project ordinances are adopted for the Grant Projects Special Revenue Fund, the Capital Projects Fund, and the Enterprise Fund Capital Projects Funds. The enterprise fund projects are consolidated with their respective operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. All amendments must be approved by the governing board and the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

3. Restricted Assets

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

Town of McAdenville Restricted Cash

Governmental Activities:

General Fund:

Streets \$ 101,101

Business-type Activities:

Enterprise Fund:

Water & Sewer Fund
Customer deposits \$ 30,137

Total Restricted Cash \$131,238

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2022.

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. It is the Town's policy to capitalize any asset with a cost greater than \$500. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed assets are reported at cost or estimated historical cost. General infrastructure assets acquired prior to July 1, 2003, consist of the road network and water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Improvements	25
Vehicles	6
Furniture and equipment	10
Computer equipment	3

6. 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 will not be recognized as an expense or expenditure until then. The Town has one item that meets this criterion, contributions made to the pension plan in the 2023 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

to a future period and so will not be recognized as revenue until then. The Town has two items that meets the criteria for this category – property taxes receivable, and deferrals for pension expense that result from the implementation of GASB Statement 68.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

8. Compensated Absences

The Town's vacation policy provides vacation to be earned based on length of employment. However, vacation must be taken within the Town's next fiscal year. Any vacation earned, but not taken as of June 30, 2023 was paid on June 30, 2023. Therefore, there is no liability for compensated absences as of June 30, 2023.

The Town's sick leave policy provides for five days per fiscal year. Forty hours of sick leave may be accumulated and carried over to the next fiscal year. The Town has two full time employees that have this benefit. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

9. Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The Town was allocated \$214,484 of fiscal recovery funds to be paid in two equal installments. The first installment of \$107,242 was received in August 2021. The second installment was received in August 2022. The Board decided to use the funds as revenue replacement.

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Net Position/Fund Balances

Net position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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.

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

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Streets – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for recreation – portion of fund balance restricted by revenue source for recreation development.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of McAdenville’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 Town of McAdenville intends to use for specific purposes.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the finance officer to modify the appropriations by resource or appropriation within funds up to 10% of the appropriated monies for the department.

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

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Defined Benefit Cost-Sharing Plans

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

A. Assets

1. Deposits

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

At June 30, 2023, the Town’s deposits had a carrying amount of \$2,368,006 and a bank balance of \$2,605,290. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. At June 30, 2023, the Town’s petty cash fund totaled \$200.

2. Investments

At June 30, 2023, the Town of McAdenville had \$638,009 invested with the North Carolina Capital Management Trust’s Government Portfolio which carried a credit rating of AAAM by Standard and Poor’s. The Town has no policy regarding credit risk. The Town does not have a formal investment policy.

3. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 522,500	\$ _____	\$ _____	\$522,500
Total	<u>522,500</u>	<u>_____</u>	<u>_____</u>	<u>522,500</u>
Capital assets being depreciated:				
Buildings	265,000			265,000
Town Hall renovation	553,701			553,701
Other improvements	1,251,195	283,451		1,534,646
Equipment	119,522			119,522
Infrastructure	1,661,391	0		1,661,391
Total	<u>3,850,809</u>	<u>283,451</u>	<u>_____</u>	<u>4,134,260</u>
Less accumulated depreciation for				
Buildings	84,303	5,300		89,603
Other improvements	252,633	66,593		319,226
Equipment	67,929	7,709		75,638
Infrastructure	709,622	43,673		753,295
Total	<u>1,114,487</u>	<u>\$123,275</u>	<u>\$ _____</u>	<u>1,237,762</u>
Total capital assets depreciated, net	<u>2,736,322</u>			<u>2,896,498</u>
Governmental activity capital assets, net	<u>\$3,258,822</u>			<u>\$3,418,998</u>

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

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

General government	\$ 50,543
Transportation	51,776
Parks and recreation	<u>20,956</u>
Total depreciation expense	<u>\$123,275</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
<i>Water and Sewer Fund</i>				
Capital assets being depreciated:				
Other improvements	<u>\$ 2,225,233</u>	_____	_____	<u>\$ 2,225,233</u>
Less accumulated depreciation for:				
Other improvements	<u>557,242</u>	<u>\$ 45,215</u>	<u>\$ _____</u>	<u>602,457</u>
Business-type activities Capital assets, net	<u>\$ 1,667,991</u>			<u>\$1,622,776</u>

5. Right to Use Leased Asset

The Town has recorded a right to use leased asset. The asset is a right to use asset for leased equipment. The lease is disclosed in the Leases section of the Liabilities section of this note. The right to use lease asset is amortized on a straight-line basis over the term of the lease.

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

	Beginning Balance	Increase	Decrease	Ending Balance
Leased equipment	\$ 7,226	\$ 10,255	(\$7,226)	\$ 10,255
Less accumulated amortization	<u>5,101</u>	<u>3,555</u>	<u>(\$7,226)</u>	<u>1,430</u>
Right to use assets, net	<u>\$ 2,125</u>	<u>\$ 6,700</u>	<u>\$ _____</u>	<u>\$ 8,825</u>

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

B. Liabilities

1. Pension Plan and Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town of McAdenville is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or 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.

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of McAdenville employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town of McAdenville's contractually required contribution rate for the year ended June 30, 2023, was 12.10% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year.

Contributions to the pension plan from the Town of McAdenville were \$15,355 for the year ended June 30, 2023.

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

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

At June 30, 2023, the Town reported a liability of \$87,442 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the Town's proportion was 0.00155%, which decreased 0.00006% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the Town recognized pension expense of \$23,509. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,768	\$ 369
Changes of assumptions	8,725	
Net differences between projected and actual earnings on pension plan investments	28,901	
Changes in proportion and differences between Town contributions and proportionate share of contributions		2,912
Town contributions subsequent to the measurement date	15,355	
Total	\$ 56,749	\$ 3,281

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

\$15,355 reported as deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	(\$ 11,508)
2025	(10,140)
2026	(2,696)
2027	(13,769)
2028	
Thereafter	
	<u>(\$ 38,113)</u>

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

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

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

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	<u>6.0%</u>	4.0%
	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

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

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

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Town's proportionate share of the net pension liability (asset)	\$157,822	\$87,442	\$29,445

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

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

b. Supplemental Retirement Income Plan for General Government Employees

Plan Description. The Town contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the Town. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the Town to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$0.

The Town has also elected to contribute to the Supplemental Retirement Income Plan for the general employees as well as for the law enforcement officers. The contribution rate for general employees equaled five percent of the employee's salary. The Town's contributions were calculated using a covered payroll amount of \$126,928. Total contributions for the year ended June 30, 2023 were \$6,521, which consisted of \$6,346 from the Town. Voluntary contributions to the plan were \$175.

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

2. Deferred Outflows and Inflows of Resources

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

Source	Amount
Contributions to pension plan in current fiscal year	\$ 15,355
Differences between expected and actual experience	3,768
Changes of assumptions	8,725
Net difference between projected and actual	28,901
Changes in proportion and differences between employer contributions and proportionate share of contributions	
	<u>\$56,749</u>

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

	Statement of Net Position	General Fund Balance Sheet
Taxes receivable (General Fund), less penalties	\$	\$ 3,435
Differences between expected and actual experience	369	
Changes in proportion and differences between employer contributions and proportionate share of contributions		
	<u>2,912</u>	
	<u>\$ 3,281</u>	<u>\$ 3,435</u>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has secured insurance coverage with an insurance company and is a participant in an employee accident and health insurance pool administered by the North Carolina League of Municipalities. The Town's insurance coverage provides the following types of major coverage for the amounts of retained risk noted; general liability (\$1,000,000), auto (\$1,000,000), and worker's compensation (\$1,000,000 per occurrence). The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Town Council each year. 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.

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

Through the health insurance pool, the Town obtains employee health coverage up to a \$2 million lifetime limit. The pool is reinsured for annual employee health claims in excess of \$150,000.

The Town does not maintain any flood insurance.

In accordance with G.S. 159-29, the Town’s employees that have access to \$100 or more at any given time of the Town’s funds is performance bonded through a commercial surety bond. The finance officer is bonded for \$200,000. The remaining employees are insured under a blanket bond of \$10,000 (per occurrence) for employee dishonesty and forgery or alteration. In addition, the Town maintains insurance on employees of \$5,000 (per occurrence) for theft of money and securities both inside and outside the premises.

4. Changes in Long-Term Liabilities

	Beginning Balance	Increase	Decrease	Ending Balance	Current Portion of Balance
Governmental Activities:					
Lease liabilities	\$ 4,268	\$ 10,254	\$ 5,607	\$ 8,915	\$ 1,930
Net pension liability (LGERS)	<u>19,854</u>	<u>50,170</u>	<u> </u>	<u>70,024</u>	<u>0</u>
	<u>\$ 24,122</u>	<u>\$ 60,424</u>	<u>\$ 5,607</u>	<u>\$ 78,939</u>	<u>\$ 1,930</u>
Business-type Activities:					
<u>Water & Sewer Fund</u>					
Net pension liability (LGERS)	\$ 4,837	\$ 12,581	\$	\$ 17,418	\$ 0
Revolving loan	<u>288,445</u>	<u> </u>	<u>16,025</u>	<u>272,420</u>	<u>16,025</u>
	<u>\$293,282</u>	<u>\$ 12,581</u>	<u>\$ 16,025</u>	<u>\$289,838</u>	<u>\$16,025</u>

5. Interfund Balances and Activity

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

Due to the General Fund for the allocation of costs from the:

Water & Sewer Fund	<u>\$105,445</u>
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TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 2: DETAIL NOTES ON ALL FUNDS (CONTINUED)

The interfund balance resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

6. Fund Balances

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

Total Fund Balance – General Fund	\$1,772,796
Less:	
Stabilization by State Statute	552,475
Streets- Powell Bill	<u>101,101</u>
Remaining Fund Balance	<u>\$1,119,220</u>

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

<u>Encumbrances</u>	<u>General Fund</u>	<u>Non-Major Funds</u>
	\$332,750	\$ 0

TOWN OF MCADENVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2023

NOTE 3: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 4: INTERLOCAL AGREEMENTS

The Town has entered into an agreement with Town of Cramerton for police safety and fire safety. The total contract amount for police services is \$267,750 per year. The contract amount for fire safety is \$65,000 per year.

NOTE 5: SEWER REVOLVING LOAN

The North Carolina Local Government Commission approved a sewer revolving loan in the amount of \$320,494 (see Note 2- item 4). The rate as established under this program for the respective loan, State or Federal, is not to exceed 4%. This loan was used by the Town to help finance their portion of the South Fork Sewer Project – Phase II.

Repayment of this long-term debt has been established at an interest rate of 1.53%, with interest payable annually on November 1. Principal payments are \$16,024.70 annually, payable on May 1.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

TOWN OF MCADENVILLE, NORTH CAROLINA
TOWN OF MCADENVILLE'S PROPORTIONATE SHARE
OF NET PENSION LIABILITY (ASSET)

REQUIRED SUPPLEMENTARY INFORMATION
 Last Nine Fiscal Years

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
McAdenville's proportion of the net pension liability (asset) (%)	0.00155%	0.00161%	0.00163%	0.00163%	0.00155%	0.00133%	0.00065%	0.00184%	0.00100%
McAdenville's proportion of the net pension liability (asset) (\$)	\$ 87,442	\$ 24,691	\$ 58,247	\$ 44,514	\$ 36,771	\$ 20,319	\$ 13,793	\$ 8,256	\$ (7,550)
McAdenville's covered-employee payroll	\$ 112,044	\$ 107,718	\$ 97,771	\$ 92,408	\$ 86,237	\$ 80,743	\$ 75,930	\$ 88,052	\$ 64,247
McAdenville's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	78.04%	22.92%	59.57%	48.17%	42.64%	25.17%	18.17%	9.38%	-11.75%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	92.00%	88.61%	91.63%	94.18%	91.47%	98.07%	99.07%	102.64%

TOWN OF MCADENVILLE, NORTH CAROLINA

TOWN OF MCADENVILLE'S CONTRIBUTIONS

REQUIRED SUPPLEMENTARY INFORMATION

Last Nine Fiscal Years

Local Government Employees' Retirement System

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 15,355	\$ 12,711	\$ 10,933	\$ 8,750	\$ 7,162	\$ 6,468	\$ 5,878	\$ 5,080	\$ 6,225
Contributions in relation to the contractually required	\$ 15,355	12,711	10,933	8,750	7,162	6,468	5,878	5,080	6,225
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
McAdenville's covered-employee payroll	\$ 126,928	\$ 112,044	\$ 107,718	\$ 97,771	\$ 92,408	\$ 86,237	\$ 80,743	\$ 75,930	\$ 88,052
Contribution as a percentage of covered-employee payroll	12.10%	11.34%	10.15%	8.95%	7.75%	7.50%	7.28%	6.69%	7.07%

INDIVIDUAL FUND FINANCIAL STATEMENTS

TOWN OF MCADENVILLE, NORTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Ad valorem taxes			
Taxes	\$ 537,500	\$ 537,140	\$ (360)
Interest		804	804
Total	537,500	537,944	444
Unrestricted intergovernmental:			
Local option sales tax	215,700	217,577	1,877
Telecommunications sales tax		3,273	3,273
Utilities sales tax	274,500	262,556	(11,944)
Piped natural gas sales tax		3,985	3,985
Video franchise fee		5,319	5,319
Solid waste disposal fees	700	710	10
Beer and wine tax	4,100	4,147	47
Total	495,000	497,567	2,567
Restricted intergovernmental:			
Powell Bill allocation	25,900	25,892	(8)
Licenses and permits			
Zoning permits	3,300	3,335	35
Investment earnings			
Investment earnings	24,330	24,332	2
Miscellaneous			
Other	675	940	265
Fund balance appropriated			-
Total	675	940	265
TOTAL REVENUES	1,086,705	1,090,010	3,305

TOWN OF MCADENVILLE, NORTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Favorable (Unfavorable)
EXPENDITURES			
General government			
Administrative salaries	127,250	125,638	1,612
Professional service	100,000	67,590	32,410
Retirement	12,500	12,326	174
FICA expense	9,700	9,612	88
401-K	5,500	5,082	418
Unemployment insurance reimbursement	250	211	39
Group insurance	30,000	28,122	1,878
General insurance	7,500	6,955	545
Telephone	8,500	8,248	252
Travel	2,000	1,356	644
Supplies	3,000	2,471	529
Dues and subscriptions	3,500	2,715	785
Advertisements	1,200	1,134	66
Bank service charges	750	602	148
Miscellaneous	10,000	8,754	1,246
Maintenance	67,000	66,162	838
Equipment maintenance	14,000	10,674	3,326
Capital outlay	97,450	88,004	9,446
Street repairs	20,000	8,246	11,754
Water and trash	1,200	929	271
Security - fire /burglar	750	550	200
Cleaning service-Town Hall	6,500	6,250	250
Bridge lighting	20,000	18,434	1,566
Utilities	6,000	4,649	1,351
	554,550	484,714	69,836
Total general government	554,550	484,714	69,836

TOWN OF MCADENVILLE, NORTH CAROLINA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2023

	2023		
	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (CONTINUED)			
Public safety			
Professional services	30,000	26,455	3,545
Contract services	267,750	267,750	-
Fire Department contribution	65,000	65,000	-
Total public safety	362,750	359,205	3,545
Sanitation			
Garbage disposal	100,000	91,778	8,222
Parks and recreation:			
Park capital outlay	228,000	145,842	82,158
Park maintenance	30,000	21,315	8,685
Total parks and recreation	258,000	167,157	90,843
Transportation			
Street capital outlay and maintenance	22,000	8,013	13,987
TOTAL EXPENDITURES	1,297,300	1,110,867	104,275
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(210,595)	(20,857)	189,738
OTHER FINANCING SOURCES (USES)			
Transfer to other funds			
Transfer from ARPA Fund	107,241	107,242	1
Fund balance appropriated	103,354		(103,354)
Total other financing sources (uses)	210,595	107,242	(103,353)
Revenues and other financing sources over (under) expenditures	\$ -	86,385	\$ 86,385
FUND BALANCE:			
Fund balance, beginning of year		1,686,411	
Fund balance, end of year		\$1,772,796	

TOWN OF MCADENVILLE, NORTH CAROLINA

**WATER AND SEWER FUND
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (NON-GAAP)**

For the Fiscal Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Operating revenues			
Water and sewer charges	\$ 766,090	\$ 763,702	\$ (2,388)
Water and sewer hookups and fees	20,500	20,500	-
TOTAL OPERATING REVENUES	786,590	784,202	(2,388)
Nonoperating revenues			
Interest	1,675	2,277	602
Grant income	90,100	90,100	-
Fund balance appropriated			-
TOTAL REVENUES	878,365	876,579	(1,786)
OPERATING EXPENSES			
Purchase of water	330,000	264,257	65,743
Metered sewer charges	152,500	158,987	(6,487)
Salaries	26,250	25,290	960
Payroll taxes and benefits	6,475	6,168	307
Repairs	36,650	24,421	12,229
Operation of treatment plant	52,000	47,119	4,881
System improvements	250,000		250,000
Debt service - principal	16,025	16,025	-
Debt service - interest	4,415	4,413	2
Miscellaneous	4,050	2,310	1,740
	878,365	548,990	329,375
TOTAL EXPENSES	878,365	548,990	329,375
REVENUES OVER EXPENSES	\$ -	\$ 327,589	\$ 327,589

TOWN OF MCADENVILLE, NORTH CAROLINA

**WATER AND SEWER FUND
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (NON-GAAP)**

For the Fiscal Year Ended June 30, 2023

	2023		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES OVER EXPENSES	<u>\$ -</u>	\$ 327,589	<u>\$ 327,589</u>
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL			
RECONCILING ITEMS			
Debt service - principal		16,025	
Increase in deferred outflows of resources - pensions		4,367	
Increase in deferred outflows of resources - pensions		6,500	
Increase in net pension liability		(12,581)	
Depreciation		(45,215)	
Total		<u>(30,904)</u>	
CHANGE IN NET POSITION		<u>\$ 296,685</u>	

TOWN OF MCADENVILLE, NORTH CAROLINA

**AMERICAN RESCUE PLAN FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

From Inception and For the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
REVENUES:					
ARPA Funds	\$ 214,484		\$ 214,484	\$ 214,484	\$ -
Total	<u>214,484</u>	<u>-</u>	<u>214,484</u>	<u>214,484</u>	<u>-</u>
EXPENDITURES:					
Total	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
REVENUES OVER EXPENDITURES	<u>214,484</u>	<u>-</u>	<u>214,484</u>	<u>214,484</u>	<u></u>
OTHER FINANCING SOURCES:					
Transfer to general fund	<u>(214,484)</u>	<u></u>	<u>(107,242)</u>	<u>(107,242)</u>	<u></u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,242</u>	<u>\$ 107,242</u>	<u>\$ -</u>

TOWN OF MCADENVILLE, NORTH CAROLINA

**WATER SYSTEM IMPROVEMENT GRANT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL**

From Inception and For the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
REVENUES:					
Restricted intergovernmental:					
Grants	\$ 3,269,750			\$ -	\$(3,269,750)
Total	3,269,750	-	-	-	(3,269,750)
EXPENDITURES:					
Water System Improvement Project					
Project management	100,000				100,000
Design and permitting	194,000				194,000
Administrative funding	50,000				50,000
Field investigation	85,000		63,750	63,750	21,250
Water system improvements	2,840,750				2,840,750
Total	3,269,750	-	63,750	63,750	3,206,000
REVENUES OVER EXPENDITURES	-	-	(63,750)	(63,750)	(63,750)
Revenues and other sources over (under) expenditures	\$ -	\$ -	\$ (63,750)	\$ (63,750)	\$ (63,750)

OTHER SCHEDULES

TOWN OF MCADENVILLE, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE

June 30, 2023

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2012-2013	\$ 47	\$	\$ 47	\$
2013-2014	31			31
2014-2015	14			14
2015-2016	11			11
2016-2017	85			85
2017-2018	152			152
2018-2019	95			95
2019-2020	138		22	116
2020-2021	159		49	110
2021-2022	1,232		577	655
2022-2023	<u> </u>	<u>539,815</u>	<u>537,649</u>	<u>2,166</u>
	<u>\$ 1,964</u>	<u>\$ 539,815</u>	<u>\$ 538,344</u>	<u>\$ 3,435</u>

Reconciliation with revenues:

Taxes-ad valorem-general fund \$ 537,944

Reconciling items:

Interest collected (404)

Taxes written off 804

Total collections and credits \$ 538,344

TOWN OF MCADENVILLE
ANALYSIS OF CURRENT TAX LEVY
Town - Wide Levy
June 30, 2023

	Town - Wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 163,776,061	0.33	\$ 540,461	\$ 495,088	\$ 45,373
Releases	<u>(195,758)</u>	0.33	<u>(646)</u>	<u>(38)</u>	<u>(608)</u>
Total property valuation	<u><u>\$ 163,580,303</u></u>				
Net levy			539,815	495,050	44,765
Uncollected taxes at June 30, 2023			<u>(2,166)</u>	<u>(2,166)</u>	
Current year's taxes collected			<u><u>\$ 537,649</u></u>	<u><u>\$ 492,884</u></u>	<u><u>\$ 44,765</u></u>
Current levy collection percentage			<u><u>99.60%</u></u>	<u><u>99.56%</u></u>	<u><u>100.00%</u></u>