

TOWN OF MAYODAN
NORTH CAROLINA
Year Ended June 30, 2021

AUDIT REPORT

Town of Mayodan, North Carolina
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June 30, 2021

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Rouse, Rouse, Rouse & Gardner, L.L.P.

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Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 16, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 62 and 63, respectively, the Firefighters' and Rescue Squad Workers' Pension Fund's Schedule of the Proportionate Share of Net Pension Liability on page 64, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 65 and 66, and the Other Postemployment benefits schedule of changes in the Total OPEB Liability and Related Ratios on page 67 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Mayodan, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund statements, budgetary schedules, other schedules, and are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Rouse, Rouse, Rouse and Gardner, LLP
Rouse, Rouse, Rouse & Gardner, LLP
Eden, North Carolina
November 29, 2021

Management's Discussion and Analysis

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

Financial Highlights

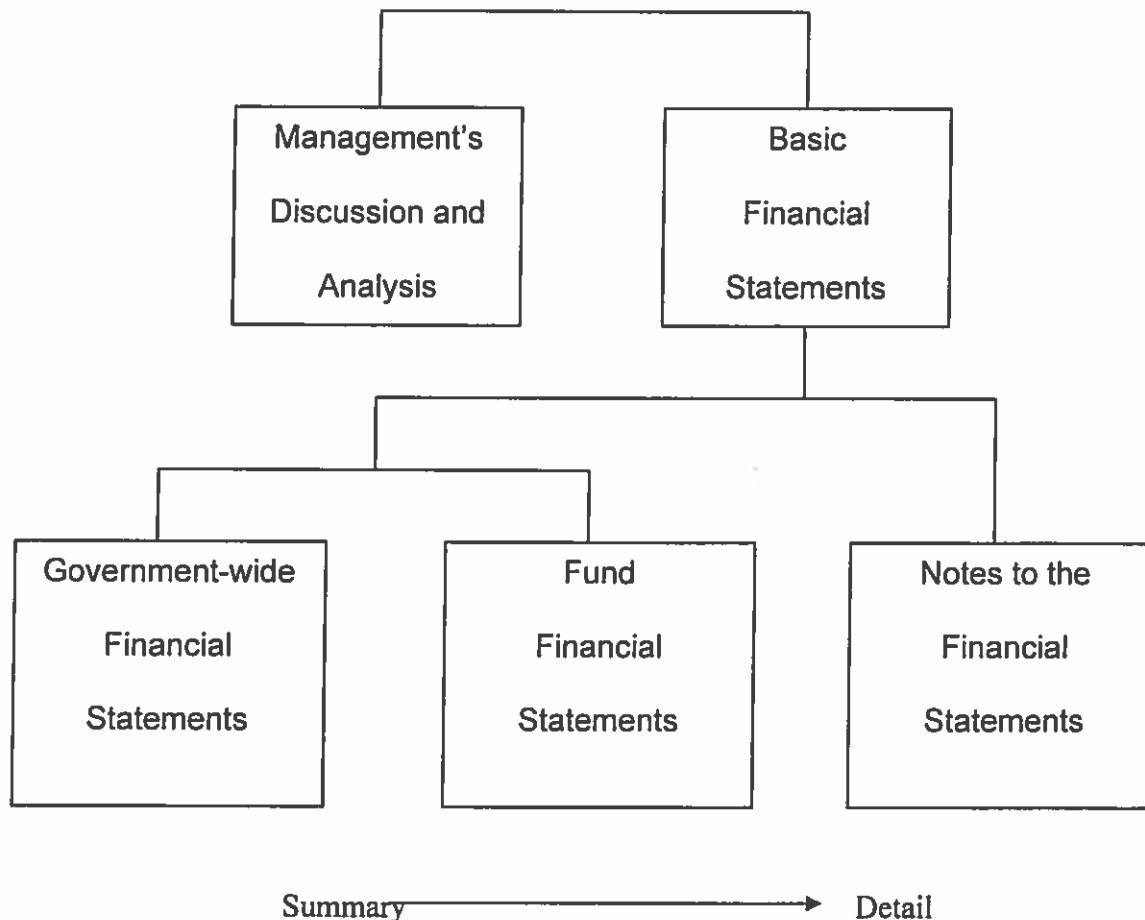
- The assets of the Town of Mayodan exceeded its liabilities at the close of the fiscal year by \$13,492,708 (*net position*).
- The government's total net position decreased by \$8,140.
- As of the close of the current fiscal year, the Town of Mayodan's governmental funds reported combined ending fund balances of \$2,409,498, an increase of \$362,797 in comparison with the prior year. Approximately 66.4 percent of this total amount, or \$1,600,833, is available for spending at the government's discretion (unassigned fund balance).
- The Town of Mayodan's long-term debt decreased by \$367,577 (21.7%) during the current fiscal year. The key factor in this decrease was the retirement of installment loan obligations and the WWTP revolving loan.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the town's basic services such as public safety, streets, sanitation, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the town charges customers to provide. These include the water and sewer services offered by the Town of Mayodan.

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

Fund Financial Statements

The fund financial statements (see Figure 2) 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 Mayodan, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the town's budget ordinance. All of the funds of the Town of Mayodan 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.

The Town of Mayodan 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

Management Discussion and Analysis

Town of Mayodan

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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – The Town of Mayodan has one proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Mayodan uses an enterprise fund to account for its water and sewer activity. This fund is the same as that 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 26 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Mayodan's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 62 of this report.

Management Discussion and Analysis
Town of Mayodan

Government-Wide Financial Analysis

The Town of Mayodan's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	2,076,956	1,885,767	2,171,559	2,231,693	4,248,515	4,117,460
Restricted assets	436,797	248,609	79,417	79,520	516,214	328,129
Non-current assets	-	-	379,626	569,439	379,626	569,439
Capital assets	2,693,088	2,808,618	14,074,274	14,443,411	16,767,362	17,252,029
Total assets	5,206,841	4,942,994	16,704,876	17,324,063	21,911,717	22,267,057
Deferred outflows of resources	1,102,001	389,245	605,661	205,440	1,707,662	594,685
Total assets & outflows of resources	6,308,842	5,332,239	17,310,537	17,529,503	23,619,379	22,861,742
Long-term liabilities outstanding	227,273	271,856	1,096,633	1,419,627	1,323,906	1,691,483
Unearned revenue	-	-	727,616	917,429	727,616	917,429
Other liabilities	4,775,585	3,739,825	2,905,008	2,491,407	7,680,593	6,231,232
Deferred inflows of resources	245,675	325,133	148,881	195,617	394,556	520,750
Total liabilities & inflows of resources	5,248,533	4,336,814	4,878,138	5,024,080	10,126,671	9,360,894
Net position:						
Net investment in capital assets	2,465,815	2,536,762	12,977,641	13,023,784	15,443,456	15,560,546
Restricted for:						
Economic Development	20,121	-	-	-	20,121	-
Cemetery	114,468	99,221	-	-	114,468	99,221
Public safety	115,558	27,834	-	-	115,558	27,834
Transportation	188,650	121,554	-	-	188,650	121,554
Stabilization by State						
Statute	295,834	208,288	-	-	295,834	208,288
Unrestricted	(2,140,137)	(1,998,234)	(545,242)	(518,361)	(2,685,379)	(2,516,595)
Total net position	1,060,309	995,425	12,432,399	12,505,423	13,492,708	13,500,848

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 Mayodan exceeded liabilities and deferred inflows by \$13,492,708 as of June 30, 2021. The town's net position decreased by \$8,140 for the fiscal year ended June 30, 2021. However, the largest portion reflects the town's investment in capital assets (e.g., land, buildings, machinery, and equipment). The Town of Mayodan uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Mayodan's net investment in its capital assets is reported net of the outstanding related debt,

Management Discussion and Analysis
Town of Mayodan

the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Mayodan's net position 5.44%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(2,685,379) is unrestricted.

Several particular aspects of the town's financial operations influenced the total unrestricted governmental net position:

- Total debt related to governmental activities amounted to \$5,002,858 at June 30, 2021, an increase of \$991,177 or 24.71% in comparison with the prior year. Most of the increase is due to the increase in the net OPEB obligation and pension obligations.
- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.29%, which is comparable to the statewide average.

Management Discussion and Analysis
Town of Mayodan

Town of Mayodan Changes in Net Position
Figure 3

	Governmental Activities 2021	Governmental Activities 2020	Business Type Activities 2021	Business Type Activities 2020	Total 2021	Total 2020
Revenues:						
Program revenues:						
Charges for services	283,986	275,192	2,480,329	2,537,529	2,764,315	2,812,721
Operating grants and contributions	255,186	192,159	-	31,500	255,186	223,659
Capital grants and contributions	17,722	88,500			17,722	88,500
General revenues:						
Property taxes	1,583,646	1,537,401			1,583,646	1,537,401
Other taxes	684,869	594,401			684,869	594,401
Grants and contributions not restricted to specific prog	265,613	265,609			265,613	265,609
Investment earnings	3,293	14,804	23,001	44,375	26,294	59,179
Gain (loss) on sale of capital assets	1,853	9,406			1,853	9,406
Miscellaneous	9,333	16,154	14,223		23,556	16,154
Transfers	(7,500)	(21,072)	7,500	21,072	-	-
Total Revenues	3,098,001	2,972,554	2,525,053	2,634,476	5,623,054	5,607,030
Expenses:						
General government	392,497	346,243			392,497	346,243
Public safety	1,626,094	1,506,340			1,626,094	1,506,340
Transportation	347,976	273,676			347,976	273,676
Economic development	86,481	83,053			86,481	83,053
Sanitation	158,399	161,945			158,399	161,945
Culture and recreation	405,699	368,263			405,699	368,263
Water and sewer			2,598,077	2,655,874	2,598,077	2,655,874
Cemeteries	4,517	3,088			4,517	3,088
Interest on long term debt	5,954	7,416			5,954	7,416
Special Appropriations	5,500	11,041			5,500	11,041
Total Expenses	3,033,117	2,761,065	2,598,077	2,655,874	5,631,194	5,416,939
Increase (decrease) in net position	64,884	211,489	(73,024)	(21,398)	(8,140)	190,091
Net position, July 1	995,425	783,936	12,505,423	12,526,821	13,500,848	13,310,757
Net position, June 30	1,060,309	995,425	12,432,399	12,505,423	13,492,708	13,500,848

Governmental activities. Governmental activities increased the Town's net position by \$64,884.

Business-type activities: Business-type activities decreased the City of Mayodan's net position by \$(73,024).

Financial Analysis of the Town Funds

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

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

The general fund is the chief operating fund of the Town of Mayodan. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,600,833 while total fund balance amounted to \$2,409,498. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 58.50% percent of total General Fund expenditures. Total fund balance represents 88% percent of total General Fund expenditures.

At June 30, 2021, the governmental funds of the Town of Mayodan reported a combined fund balance of \$2,409,498 a 22.4% increase from last year.

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

Revenues were \$184,292 more than the budgeted amounts primarily because of taxes, miscellaneous, and other taxes were \$65,247, \$10,121 and \$92,569 more than the Town had budgeted, respectively. Restricted Intergovernmental Revenues were (1,900) less than budgeted and investment earnings were (3,477) less than budgeted. Actual expenditures were \$203,505 less than the budgeted amount primarily because Public Safety expenditures, Transportation expenditures and Cultural and Recreational expenditures were \$114,165, \$46,196 and \$15,052 less than the budgeted amounts, respectively.

Proprietary Funds. The town'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 a deficit of \$(545,241). The total decrease in net position for this fund was \$73,024. Factors concerning the finances of this fund have already been addressed in the discussion of the town's business-type activities.

Management Discussion and Analysis
Town of Mayodan

Capital Asset and Debt Administration

Capital assets. The Town of Mayodan's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$16,767,362 (net of accumulated depreciation). These assets include buildings, land, furniture and equipment, park facilities, and vehicles and motorized equipment.

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

- Governmental Activities – Additions
 - Buildings 21,613
 - Furniture and Equipment 40,304
 - Vehicles 39,034
- Water and Sewer Fund – Additions
 - Construction in Process 37,517
 - Plant and Distribution System 66,243
 - Furniture and Equipment 18,700
 - Vehicles 56,616
- Depreciation expense for business type activities for the year ending June 30, 2021 amounted to \$550,212.
- Depreciation expense for governmental activities amounted to \$216,481.

Management Discussion and Analysis
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Town of Mayodan's Capital Assets
(net of depreciation)

Figure 4

	Governmental Activities	Governmental Activities	Business-type Activities	Business- type Activities	Total	Total
	2021	2020	2021	2020	2021	2020
Land:						
Farris Park	201,000	201,000			201,000	201,000
Other	233,717	233,717	111,060	111,060	344,777	344,777
Washington Mills	249,988	249,988			249,988	249,988
	684,705	684,705	111,060	111,060	795,765	795,765
Buildings	336,219	346,148			336,219	346,148
Farris Park Improvements	220,624	233,707			220,624	233,707
Land Improvements	30,872	33,078			30,872	33,078
Furniture & Equipment	168,588	175,713	174,101	208,776	342,689	384,489
Plant & Distribution Systems			13,671,092	13,674,803	13,671,092	13,674,803
Vehicles and motorized equipment	368,471	431,132	86,521	46,279	454,992	477,411
Infrastructure	880,609	901,135			880,609	901,135
Construction in progress	3,000	3,000	31,500	402,493	34,500	405,493
Total	2,693,088	2,808,618	14,074,274	14,443,411	16,767,362	17,252,029

Additional information on the town's capital assets can be found in note II of this report.

Long-term Debt. As of June 30, 2021, the Town of Mayodan had total long-term debt outstanding of \$1,323,906. All of this debt is backed by the full faith and credit of the town.

Management Discussion and Analysis
Town of Mayodan

Town of Mayodan's Outstanding Debt
Installment Purchases and Construction Loans

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Installment Purchases	227,273	271,856			227,273	271,856
Public Works Facility			306,512	344,205	306,512	344,205
Installment Loan						
Two MG Water Tank			32,889	65,780	32,889	65,780
Regional Wastewater Treatment						
Plant Revolving Loan			757,232	1,009,643	757,232	1,009,643
Total	227,273	271,856	1,096,633	1,419,628	1,323,906	1,691,484

The Town of Mayodan's total long-term debt decreased by \$367,577 (21.7%) during the past fiscal year, primarily due to the retirement of installment purchases and WWTP revolving loan.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue up to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Mayodan is \$20,117,381. The town has no bonds authorized but un-issued at June 30, 2021.

Additional information regarding the Town of Mayodan's long-term debt can be found in note II 5 beginning on page 59 of this report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the town.

- Several manufacturing industries located in the Town of Mayodan continue to grow and produce goods. Sturm Ruger, Frontier Spinning, Blow Molded Solutions, and Bridgestone Aircraft Tire are operating at full capacity, with on-going efforts to hire employees. Blow Molded Solutions and Sturm Ruger are expanding lines of manufacturing and increasing number of employees while also expanding into additional buildings. The increase in job production accounts for additional capital improvements and equipment purchases. This increase in capital improvements and equipment purchases increases the taxable property values. Sturm Ruger received an additional economic incentive package in the fiscal year and financial distributions will begin in the upcoming fiscal year. Recent property transfer for a large former manufacturing facility occurred and this promises to increase taxable base and utility franchise tax revenues.

Management Discussion and Analysis
Town of Mayodan

- The collection rate for real property taxes is greater than 99% and the rate for DMV tax collection was closer to 100%. Tax collection rates for the Town of Mayodan are consistently higher than the state average. The Town saw an increase in the tax base this year and look forward to continued growth in our tax base. The continuation of residential construction affords the town new citizens and new tax base. The construction comes after many years of building lots being held that have now been sold to investors and construction companies who are actively building and marketing affordable homes in Mayodan.
- Farris Memorial Park and the Mayo River State Park continues to be a draw for visitors from all over the state. Due to the COVID-19 restrictions of last year, Farris Memorial Park did not host as many events as in previous years; however, the addition of a disk golf course was completed, and visitor numbers are beginning to climb again. The North Carolina National Interscholastic Cyclist Association race and state championship race will resume at Farris Memorial Park this spring. This draws in excess of 2,500 visitors to the park in a given weekend. An addition to the mountain bike trail brings the trail up to 4.3 miles of mountain trail biking. The Town continues to apply for grant funds to fund an additional 5 miles of trail at the park. The Council approved funding in the 2019-2020 budget for additional recreational opportunity study and design work at Farris Memorial Park. Plans for a small camping/RV site at the park continue. Preliminary work has been completed to ensure that water is available at the site and we are working with the state and county for waste disposal.
- The Town continues to capitalize on the outdoor recreation in our area. A recent addition to the Dan River in Madison has provided additional visitors to the area and tubing at the Madison-Mayodan Recreation Department continues to do well in the summer. Mayodan continues to utilize Facebook, the website, radio, and printed literature to draw visitors to the area. Visitor traffic has the potential to transition to permanent residents and Mayodan will continue to put its best foot forward to capitalize on those potential new citizens. The Recreation Department actively seeks out various projects and fundraisers that bring people into Mayodan.
- COVID-19 was an obstacle to many normal activities for the Town. The Town's Water and Sewer fund revenues were down due to the shut down of in-school instruction, suspended and online church services, limited seating at restaurants, temporary shut down at manufacturing facilities. Much of these activities are coming back as strong as before the COVID restrictions and we look forward to a reverse of the revenue loss we experienced.

Budget Highlights for the Fiscal Year Ending June 30, 2021

- Ad valorem tax rate remains steady at \$0.63 per \$100 of taxable value
- The Town continues to make significant improvements to water and sewer infrastructure and paving public streets.

Management Discussion and Analysis
Town of Mayodan

- The Town Code of Ordinances were codified in this fiscal year. This was a project that needed to be done and was a big accomplishment to finally complete.
- The Town continues to make preparations for the construction of a bridge to the sewer syphon island for maintenance. The Town is the recipient of a \$500,000 grant for the construction. We continue to work with the State Parks for approval of the engineering work before construction can begin. We recently applied for an extension of the grant and was approved for that extension.
- Drainage pipe issues at various locations were addressed in this fiscal year budget.
- As mentioned before, water and sewer revenues were lower than expected due to COVID-19 restrictions affecting the hours and operations of schools, churches, restaurants, and manufacturing plants.

Governmental Activities: Budgeted expenditures in the General Fund are expected to remain stable for the year ended June 30, 2021. The Town conducted a “hold-the-line” expenditure mentality with this budget.

Requests for Information

This report is designed to provide an overview of the town 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:

Melessa K. Hopper
Town Manager
Town of Mayodan
210 W. Main St.
Mayodan, NC27027
(336) 427-0241
Email: mhopper@mayodannc.org

Town of Mayodan
Statement of Net Position
June 30, 2021

Exhibit 1

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	1,766,588	1,546,267	3,312,855
Taxes receivable, net of allowance for uncollectibles of \$13,165	14,535	-	14,535
Customer receivables, net of allowance for uncollectibles of \$110,749	35,623	327,500	363,123
Prepaid Expense	39,033	-	39,033
Due from other governments	205,404	222,996	428,400
Internal balances	15,773	(15,773)	-
Inventory	-	90,569	90,569
Total Current Assets	2,076,956	2,171,559	4,248,515
Restricted Assets			
Cash and Temporary Investments	436,797	79,417	516,214
Non-Current Assets			
Due From Other Governments	-	379,626	379,626
	-	379,626	379,626
Capital assets			
Land	684,704	111,061	795,765
Other capital assets, net of depreciation	2,008,384	13,963,213	15,971,597
Total Capital Assets	2,693,088	14,074,274	16,767,362
Total Assets	5,206,841	16,704,876	21,911,717
Deferred Outflows of Resources			
Pension deferrals	479,941	148,131	628,072
OPEB deferrals	622,060	457,530	1,079,590
Total deferred outflows of resources	1,102,001	605,661	1,707,662
LIABILITIES			
Accounts payable and accrued liabilities	89,720	3,377	93,097
Compensated absences payable	108,637	82,426	191,063
Unearned revenue	-	727,616	727,616
Customer deposits	-	42,176	42,176
Net OPEB obligation	3,422,159	2,517,027	5,939,186
Net pension liability	504,711	260,002	764,713
Net pension obligation-Separation Allowance	650,358	-	650,358
Long-term notes payable			
Due within one year	39,583	324,032	363,615
Due in more than one year	187,690	772,601	960,291
Total liabilities	5,002,858	4,729,257	9,732,115
Deferred Inflows of Resources			
Pension deferrals	47,848	3,378	51,226
OPEB deferrals	197,827	145,503	343,330
Total deferred inflows of resources	245,675	148,881	394,556
Net Position			
Net investment in capital assets	2,465,815	12,977,641	15,443,456
Restricted for:			
Economic Development	20,121	-	20,121
Cemetery	114,468	-	114,468
Public safety	115,558	-	115,558
Transportation	188,650	-	188,650
Stabilization by State Statute	295,834	-	295,834
Unrestricted	(2,140,137)	(545,242)	(2,685,379)
Total net position	1,060,309	12,432,399	13,492,708

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

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

Exhibit 3

	<u>Total Governmental</u>
Assets:	
Cash and cash equivalents	1,766,587.86
Restricted Cash	436,797.16
Receivables:	
Taxes (net)	14,535.06
Accounts Receivable (net)	35,622.81
Street assessments	13,172.92
Prepaid Expenses	39,034.11
Due from other funds	15,772.55
Due from other governmental units	205,404.35
Total assets	<u><u>2,526,926.82</u></u>
Liabilities, Deferred Inflows and Fund Balances	
Liabilities:	
Accounts payable and accrued liabilities	89,720.91
Total liabilities	<u>89,720.91</u>
Deferred Inflows of Resources	
Street Assessments Receivable	13,172.92
Property Taxes Receivable	14,535.06
Total Deferred Inflows of Resources	<u>27,707.98</u>
Fund Balances:	
Non-Spendable	
Prepaid Expenses	39,034.11
Restricted	
Streets	188,649.80
Cemetery	114,468.34
Public Safety	115,557.62
Economic Development	20,121.40
Stabilization by State Statute	295,833.82
Assigned	
Subsequent Year's Expenditures	35,000.00
Unassigned	<u>1,600,832.84</u>
Total Fund Balances	<u>2,409,497.93</u>
Total Liabilities and Fund Balances	<u><u>2,526,926.82</u></u>
Total Fund Balance	2,409,498
Amount 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 the funds.	2,693,088
Net pension liability	(504,711)
Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are inflows of resources in the funds.	-
Deferred outflows of resources related to pensions and OPEB	1,102,001
Deferred inflows of resources related to pensions and OPEB	(245,675)
Deferred inflows of resources related to taxes	-
Liabilities for earned revenues considered deferred inflows of resources in fund statements	14,535
Liabilities not due and payable in current period and not reported in net position as follows:	
Long-term notes payable	(227,273)
Net pension obligation-separation allowance	(650,358)
Compensated absences payable	(108,637)
Net OPEB obligation	<u>(3,422,159)</u>
Total Net Position of Governmental Activities	<u><u>1,060,309</u></u>

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

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

Exhibit 4

	General Fund	Total Non-Major Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	1,585,320.35		1,585,320.35
Other taxes	684,869.47		684,869.47
Unrestricted intergovernmental revenues	265,613.42		265,613.42
Restricted intergovernmental revenues	253,240.97		253,240.97
Permits and fees	2,010.00		2,010.00
Sales and services	281,976.11		281,976.11
Investment earnings	3,292.60		3,292.60
Insurance claims	-		-
Contributions and grants:	-		-
Private foundations and not-for-profits	10,000.00		10,000.00
Sale of surplus assets	1,853.00		1,853.00
Miscellaneous	19,000.26		19,000.26
Total revenues	3,107,176.18	-	3,107,176.18
Expenditures:			
General government	374,283.64		374,283.64
Public safety	1,422,186.49		1,422,186.49
Transportation	292,494.33		292,494.33
Economic development	86,481.12		86,481.12
Environmental protection	156,365.96		156,365.96
Cultural and recreational	344,513.09		344,513.09
Cemetery	4,517.34		4,517.34
Debt Service	50,537.05		50,537.05
Special appropriations	5,500.00		5,500.00
Total expenditures	2,736,879.02	-	2,736,879.02
Revenue over (under) expenditures	370,297.16	-	370,297.16
Other financing sources (uses)			
Operating transfers (to) from other funds, net	70,072.01	(77,572.01)	(7,500.00)
	70,072.01	(77,572.01)	(7,500.00)
Increase (decrease) in fund balance	440,369.17	(77,572.01)	362,797.16
Fund balance, beginning of year,	1,969,128.76	77,572.01	2,046,700.77
Fund balance, end of year	2,409,497.93	-	2,409,497.93

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

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

Exhibit 4
(continued)

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

Net changes in fund balances - total governmental funds		362,797
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital Outlay	100,950	
Depreciation	<u>(216,480)</u>	(115,530)

Contributions to pension and OPEB plans in the current year are not included in the statement of activities as expenses.

Pension	106,635	
OPEB	92,428	
Police officer separation payments	<u>24,210</u>	223,273

Revenues in the statement of activities that do not provide current financial resources are not reported revenues in the funds.

Change in unavailable revenue		(1,347)
Change in accrued interest on taxes		(327)

The issuance of long-term debt provides current financial resources to governments funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	<u>44,581</u>	44,581
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(10,560)	
Net OPEB Obligation	(199,882)	
Net Pension Obligation - Police Officer Separation	(62,413)	
Pension expense	<u>(175,708)</u>	(448,563)

Total changes in net assets of governmental activities		<u><u>64,884</u></u>
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The notes to the financial statements are an integral part of this statement.

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2021

Exhibit 5

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenue:				
Ad valorem taxes	1,520,073.00	1,520,073.00	1,585,320.35	65,247.35
Other taxes	592,300.00	592,300.00	684,869.47	92,569.47
Unrestricted intergovernmental Revenues	261,000.00	261,000.00	265,613.42	4,613.42
Restricted intergovernmental Revenues	199,625.00	255,141.00	253,240.97	(1,900.03)
Permits and Fees	250.00	250.00	2,010.00	1,760.00
Sales and Services	262,550.00	272,550.00	281,976.11	9,426.11
Investment earnings	6,770.00	6,770.00	3,292.60	(3,477.40)
Contributions and grants:				
Private foundations and not-for-profits	10,000.00	10,000.00	10,000.00	-
Miscellaneous	-	-	4,079.00	4,079.00
Sale of assets	-	-	1,853.00	1,853.00
Miscellaneous	4,800.00	4,800.00	14,921.26	10,121.26
Total Revenue	2,857,368.00	2,922,884.00	3,107,176.18	184,292.18
General government	356,280.00	381,280.00	374,283.64	6,996.36
Public safety	1,470,835.00	1,536,351.00	1,422,186.49	114,164.51
Transportation	338,690.00	338,690.00	292,494.33	46,195.67
Economic development	87,388.00	87,388.00	86,481.12	906.88
Environmental protection	164,950.00	164,950.00	156,365.96	8,584.04
Cultural and recreational	359,565.00	359,565.00	344,513.09	15,051.91
Cemetery	16,000.00	16,000.00	4,517.34	11,482.66
Debt Service	50,660.00	50,660.00	50,537.05	122.95
Special Appropriations	5,500.00	5,500.00	5,500.00	-
Total Expenditures	2,849,868.00	2,940,384.00	2,736,879.02	203,504.98
Revenue over (under) Expenditures	7,500.00	(17,500.00)	370,297.16	387,797.16
Other financing sources (uses)				
Operating transfer from (to) other funds	(7,500.00)	(7,500.00)	70,072.01	77,572.01
Fund Balance Appropriated	-	25,000.00	-	(25,000.00)
	(7,500.00)	17,500.00	70,072.01	52,572.01
Excess of Revenues and Other Sources Over (under) Expenditures and other uses	-	-	440,369.17	440,369.17
Fund balance, beginning of year			1,969,128.76	
Fund balance, end of year			2,409,497.93	

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

Town of Mayodan, North Carolina
Proprietary Fund - Water and Sewer Fund
Statement of Net Position
June 30, 2020

Exhibit 6

Assets:	Enterprise Fund
Current assets:	
Cash and temporary investments	1,546,267.30
Accounts receivable-customers (net of estimated uncollectible accounts)	327,500.13
Inventory	90,569.14
Due from other governments	222,996.38
Total current assets	<u>2,187,332.95</u>
Non-current assets:	
Due from other governments	<u>379,625.59</u>
Restricted assets:	
Cash and temporary investments	<u>79,416.58</u>
Capital assets (net of accumulated depreciation)	<u>14,074,274.32</u>
Total assets	<u>16,720,649.44</u>
Deferred outflows of resources	
Pension deferrals	148,130.86
OPEB deferrals	<u>457,530.31</u>
Total deferred outflows of resources	<u>605,661.17</u>
Total assets and deferred outflow of resources	<u>17,326,310.61</u>
Liabilities, Deferred Inflows of Resources and Net Position:	
Liabilities:	
Current liabilities:	
Accounts payable	3,376.90
Accrued salaries	22,198.36
Customer deposits	42,176.00
Due to Other Funds	15,772.55
Notes payable - current maturities	<u>324,032.37</u>
Total current liabilities	<u>407,556.18</u>
Other liabilities:	
Accrued vacation pay	60,227.34
Net pension liability	260,002.42
Notes payable - non-current maturities	772,601.46
Net OPEB obligation	2,517,027.03
Unearned revenue	<u>727,615.74</u>
Total other liabilities	<u>4,337,473.99</u>
Total liabilities	<u>4,745,030.17</u>
Deferred inflows of resources:	
Pension deferrals	3,377.90
OPEB deferrals	<u>145,503.25</u>
Total deferred outflows of resources	<u>148,881.15</u>
Net Position:	
Net Investment in capital assets	12,977,640.49
Unrestricted	<u>(545,241.20)</u>
Total Net Position	<u>12,432,399.29</u>
Total liabilities, deferred inflows of resources and net position	<u>17,326,310.61</u>

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

Town of Mayodan
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund - Water and Sewer Fund
For the Year Ended June 30, 2021

Exhibit 7

	<u>Enterprise Fund</u>
Operating Revenue:	
Water and sewer charges	2,259,458.77
Other operating revenues	<u>220,870.16</u>
Total revenues	<u>2,480,328.93</u>
Operating expenses:	
Water Department	477,304.08
Water Plant	605,850.08
Sewer Department	408,430.06
Waste Water Treatment Plant	424,824.04
Utility Service Fee	<u>90,000.00</u>
Total operating expenses other than depreciation	2,006,408.26
Depreciation	<u>550,212.40</u>
Total operating expenses	<u>2,556,620.66</u>
Net operating loss	<u>(76,291.73)</u>
Non-operating revenues (expenses)	
Interest income	23,001.56
Contribution from General Fund to retire debt	7,500.00
Insurance Claims	14,223.00
Interest expense	<u>(41,456.25)</u>
Net non-operating revenue (expense)	<u>3,268.31</u>
Net Income/(Loss)	(73,023.42)
Total Net Position - beginning of year	<u>12,505,422.71</u>
Total Net Position - end of year	<u><u>12,432,399.29</u></u>

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

Town of Mayodan, North Carolina
Statement of Cash Flows
Proprietary Fund - Water and Sewer Fund
For the Year Ended June 30, 2021

Exhibit 8

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Cash received from customers	2,196,837.51
Cash paid for goods & services	(1,604,745.30)
Cash paid to employees	(436,215.36)
Customer deposits returned	(1,637.12)
Other operating revenue	<u>1,998.35</u>
Net cash provided by operating activities	<u>156,238.08</u>
Cash flows from non-capital financing activities:	
Increase (decrease) in due to other funds	15,772.55
(Increase) decrease in due from other funds	<u>16,959.23</u>
Net cash used by non-capital financing activities	<u>32,731.78</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(181,075.44)
Insurance claims received	14,223.00
Principal paid on bond and equipment contracts	(322,993.57)
Interest paid on bonds and equipment contracts	(41,456.25)
Contribution from General Fund for retirement of debt on public works building	<u>7,500.00</u>
Net cash used by capital and related financing activities	<u>(523,802.26)</u>
Cash flows from investing activities:	
Interest on investments	2,805.47
Interest Received From other governments	20,196.08
Principal Received from other governments	<u>173,328.23</u>
Net cash used for investing activities	<u>196,329.78</u>
Net increase (decrease) in cash and cash equivalents	(138,502.62)
Cash and cash equivalents at beginning of year	<u>1,764,186.50</u>
Cash and cash equivalents at end of year	<u>1,625,683.88</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating Income (Loss)	<u>(76,291.73)</u>
Adjustments to reconcile operating income (Loss) to net cash provided by operating activities:	
Depreciation	550,212.40
Amortization of revenue from Waste Water Treatment Rights	(189,812.81)
Change in assets and Liabilities:	
(Increase) decrease in accounts receivables customers	(91,680.26)
(Increase) decrease in inventories	(2,833.47)
Net pension expense	34,870.91
Net OPEB expense	79,033.40
Increase (decrease) in accounts payable	(148,929.72)
Increase (decrease) in customer deposits	(1,637.12)
Increase (decrease) in accrued salaries	2,122.18
Increase (decrease) in accrued vacation pay	<u>1,184.30</u>
Total Adjustments	<u>232,529.81</u>
Net cash provided by operating activities	<u>156,238.08</u>

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

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Mayodan 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 Mayodan is a municipal corporation which is governed by an elected mayor and five-member council.

B. Basis of Presentation

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

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

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

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

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to account 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 state shared revenues. The primary expenditures are for public safety, streets, sanitation, recreation and general government services.

The Town reports the following non-major governmental funds:

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The Town has two Special Revenue Funds: the Urban Development Action Grant Fund and Economic Development Fund. During 2020-2021, these funds were closed into the General Fund.

Capital Projects Fund – The Town has one Capital Projects Fund: the Capital Reserve Fund. During 2020-2021, the Capital Reserve Fund was closed into the General Fund.

The Town reports the following major enterprise fund:

Water and Sewer Fund – The Town of Mayodan has one enterprise fund: the Water and Sewer Fund. For financial reporting purposes, a Water and Sewer Capital Projects Fund has been consolidated with the Water and Sewer Fund and has been closed into the Water and Sewer Fund for future reporting.

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. Nonexchange 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.

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

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

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

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax collected and held by the State at year-end on behalf of the Town are recognized as revenue. Sales taxes are considered shared revenue for the Town because the tax is

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

levied by Rockingham County and then remitted to and distributed by the State. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. 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 by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Special Revenue Funds 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, which are consolidated with the operating funds for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, and Deferred Outflows/Inflows of Revenues, 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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2. Cash and Cash Equivalents

The Town maintains separate bank accounts for each fund as needed. All cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

The Town maintains separate bank accounts and certificates of deposits for each of its restricted assets. The unexpended loan proceeds of the Water and Sewer Capital Projects Fund are classified as restricted assets for the enterprise fund because their use is restricted for the purpose for which the loan was originally issued. Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. The Town has reserved monies for the retirement of a USDA Loan.

Town of Mayodan Restricted Cash

Governmental Activities
General Fund

Streets	\$ 188,649.80
Cemetery	112,468.34
Public Safety	115,557.62
Economic Development	20,121.40

Total governmental activities	<u>436,797.16</u>
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Business-type Activities
Water and Sewer Fund

Loan Reserve	37,240.58
Customer Deposits	42,176.00

Total Business-type Activities	<u>79,416.58</u>
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Total Restricted Cash	<u>\$ 516,213.74</u>
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Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

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 1, the beginning of the fiscal year. The taxes are due on September 1; (lien date); however, interest does not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

5. Allowances for Doubtful Accounts

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

6. Inventory and Prepaid Items

The inventory of the Town is valued at cost (first-in, first-out), which approximates market. The inventory of the Town's enterprise fund consists of material and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

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

7. Capital Assets

Capital assets are recorded by the government as assets when the cost is equal to or greater than \$2,500 and the asset has a useful life of two or more years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received before June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. Effective July 1, 2003 general infrastructure assets are recorded at cost. The plant and equipment in the proprietary funds of the Town are recorded at original cost at the time of acquisition. Plant assets of the Town are depreciated on a composite straight-line basis for the entire plant, regardless of the year of acquisition, at a 2% annual rate.

Other assets of the Town are depreciated over their useful lives on a straight-line basis as follows:

Asset Class	Estimated Useful Lives
Vehicles and small trucks	5
Equipment and furniture	10
Mobile equipment and large trucks	10
Buildings	30

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has two items that meet this criterion, contributions made to the pension plan and for other postemployment benefit (OPEB) payments made in the 2020 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has only four items that meet the criterion for this category - prepaid taxes, property taxes receivable, pension deferrals and OPEB deferrals.

9. Long-Term Debt

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

10. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

Town of Mayodan, North Carolina
Notes to the Financial Statements
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The Town's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. 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

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

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

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain police and fire expenditures.

Restricted for Cemetery – portion of fund balance that is restricted by revenue source for maintenance of the Town of Mayodan Cemetery.

Restricted for Economic Development – portion of fund balance that is restricted for economic 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 Mayodan’s governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – portion of fund balance that the Town of Mayodan 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.

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

The Town does not have a minimum fund balance policy or a revenue spending policy.

12. 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,

Town of Mayodan, North Carolina
Notes to the Financial Statements
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Exhibit 9

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 Mayodan's employer contributions are recognized when due and the Town of Mayodan 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.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

II. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits for 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 Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents 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, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The Town has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions, and to monitor them for compliance. The Town complies with

Town of Mayodan, North Carolina
Notes to the Financial Statements
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the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021 the Town's deposits had a carrying amount of \$3,828,068.90 and a bank balance of \$3,985,089.44. The Town's bank balances are fully covered by federal depository insurance or by collateral held under the pooling method. At June 30, 2021, the Town's petty cash fund totaled \$200.00.

2. Receivables - Allowance for Doubtful Accounts

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

	<u>June 30, 2021</u>
General Fund	
Taxes Receivable	13,165.00
Accounts Receivable	39,509.52
Enterprise Funds - Water and Sewer Fund	<u>71,242.03</u>
	<u>123,916.55</u>

Town of Mayodan, North Carolina
Notes to the Financial Statements
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3. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Farris Park	201,000.00			201,000.00
Land - Other	233,716.56			233,716.56
Washington Mills Property	249,988.38			249,988.38
Construction in Progress	3,000.00			3,000.00
Total capital assets not being depreciated	<u>687,704.94</u>	<u>-</u>	<u>-</u>	<u>687,704.94</u>
Capital assets being depreciated:				
Buildings	1,020,971.44	21,613.07		1,042,584.51
Land improvements	40,139.46			40,139.46
Farris Park	849,144.86			849,144.86
Furniture and equipment	1,339,239.56	40,303.63	27,746.65	1,351,796.54
Vehicles and motorized equipment	1,795,215.18	39,033.70	38,241.80	1,796,007.08
Lewis Street - tennis courts	6,673.89			6,673.89
Infrastructure - road	1,026,366.44			1,026,366.44
Total capital assets being depreciated	<u>6,077,750.83</u>	<u>100,950.40</u>	<u>65,988.45</u>	<u>6,112,712.78</u>
Less accumulated depreciation for:				
Buildings	674,823.76	31,541.57		706,365.33
Land improvements	7,061.09	2,205.78		9,266.87
Farris Park improvements	615,437.60	13,083.28		628,520.88
Furniture and equipment	1,163,526.94	47,428.02	27,746.65	1,183,208.31
Vehicles and motorized equipment	1,364,083.53	101,694.71	38,241.80	1,427,536.44
Lewis Street - tennis courts	6,673.89	-		6,673.89
Infrastructure - road	125,230.49	20,527.35		145,757.84
Total accumulated depreciation	<u>3,956,837.30</u>	<u>216,480.71</u>	<u>65,988.45</u>	<u>4,107,329.56</u>
Total capital assets being depreciated, net	<u>2,120,913.53</u>			<u>2,005,383.22</u>
Governmental activity capital assets, net	<u>2,808,618.47</u>			<u>2,693,088.16</u>

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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

	<u>June 30, 2021</u>				
General Government	11,294.10				
Public Safety	120,274.61				
Transportation	36,252.19				
Cultural and Recreational	<u>48,659.81</u>				
Total depreciation expense	<u>216,480.71</u>				
	<u>Beginning</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>Ending</u>
	<u>Balances</u>				<u>Balances</u>
Water and Sewer Fund					
Capital assets not being depreciated:					
Land	111,060.50				111,060.50
Construction in progress	<u>402,493.24</u>	<u>37,517.14</u>	<u>(408,510.38)</u>		<u>31,500.00</u>
Total capital assets not being depreciated	<u>513,553.74</u>	<u>37,517.14</u>	<u>(408,510.38)</u>	<u>-</u>	<u>142,560.50</u>
Capital assets being depreciated:					
Plant and distribution systems and buildings	23,580,566.26	66,242.50	408,510.38	8,875.00	24,046,444.14
Furniture and equipment	793,134.64	18,700.00		3,443.78	808,390.86
Vehicles	<u>335,400.40</u>	<u>58,615.80</u>		<u>44,538.24</u>	<u>349,477.96</u>
Total capital assets being depreciated	<u>24,709,101.30</u>	<u>143,558.30</u>	<u>408,510.38</u>	<u>56,857.02</u>	<u>25,204,312.96</u>
Less accumulated depreciation for:					
Plant and distribution systems	9,905,764.16	478,462.34		8,875.00	10,375,351.50
Furniture and Equipment	584,358.67	53,375.31		3,443.78	634,290.20
Vehicles	<u>289,120.93</u>	<u>18,374.75</u>		<u>44,538.24</u>	<u>262,957.44</u>
Total accumulated depreciation	<u>10,779,243.76</u>	<u>550,212.40</u>	<u>-</u>	<u>56,857.02</u>	<u>11,272,599.14</u>
Total capital assets being depreciated, net	<u>13,929,857.54</u>				<u>13,931,713.82</u>
Business-type Activities Capital Assets, Net	<u>14,443,411.28</u>				<u>14,074,274.32</u>

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

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4. Non-Current Assets:

A. Amount due from other governments:

At June 30, 2004, the Town had obtained approval for a state revolving fund loan in the amount of \$5,500,000. The loan was obtained for additional capacity on its waste-water treatment plant, to enable Mayodan to treat waste-water for the municipalities of Madison and Stoneville. The Town of Mayodan owns the system and is responsible for all of the debt, but the Town of Madison was responsible for a note to the Town of Mayodan in the amount of \$2,766,421 and the Town of Stoneville was responsible to the Town of Mayodan for a note in the amount of \$1,029,835. These notes are being amortized over a 20-year period and bear interest at the rate of 2.66%.

At June 30, 2021 the balances were as follows:

Due from the Town of Madison	414,963.05
Due from the Town of Stoneville	154,475.35
	<hr/> 569,438.40
Less current maturities	189,812.81
	<hr/> 379,625.59

The receivables were credited to an Unearned Revenue account which is being amortized over a 20-year life using the straight-line method.

B. Liabilities

1. Pension Plan Obligations and Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town of Mayodan 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 Mayodan's contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.34% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town of Mayodan were \$161,438.14 for the year ended June 30, 2021.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service

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

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

At June 30, 2021, the Town reported a liability of \$764,713 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Town's proportion was .02140%, which was a decrease of .00067% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the Town recognized pension expense of \$265,382. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	96,570	
Changes in assumptions	56,910	
Net difference between projected and actual earnings on pension plan investments	107,613	
Changes in proportion and differences between Town contributions and proportionate share of contributions	13,148	9,935
Town contributions subsequent to the measurement date	161,438	
Total	<u>435,679</u>	<u>9,935</u>

\$161,438 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2022	\$ 75,312
2023	99,755
2024	57,390
2025	31,848
2026	-
Thereafter	-
	<u>\$ 264,305</u>

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

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

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

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

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

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inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

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

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	1,551,520	764,713	110,822

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

b. Law Enforcement Officers Special Separation Allowance

1. Plan Description.

The Town of Mayodan administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the Town's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time Town law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>14</u>
Total	<u>16</u>

2. Summary of Significant Accounting Policies

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

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

3. Actuarial Assumptions

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

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Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation
Discount rate	1.93 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate index.

All mortality rates are projected from 2010 using generational improvement with scale MP-2019.

4. Contributions.

The Town is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The Town made \$24,210 in Separation Allowance payments for the year ended June 30, 2021.

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

At June 30, 2021, the Town reported a total pension liability of \$650,358. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$24,210.36.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,003	\$ 31,530
Changes of assumptions	150,285	9,761
Town benefit payments and plan administrative expense made subsequent to the measurement date	<u>12,105</u>	<u>-</u>
Total	<u>\$ 192,393</u>	<u>\$ 41,291</u>

The \$12,105 reported as deferred outflows of resources related to pensions will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:	
2022	13,481
2023	12,373
2024	10,770
2025	4,667
2026	0
Thereafter	-

Sensitivity of the Town's total pension for the separation allowance liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 701,645	\$ 650,358	\$ 603,301

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

	2021
Beginning Balance as of December 31, 2019	\$ 449,498
Service Cost	19,926
Interest on the total pension liability	14,259
Differences between expected and actual experience in the measurement of the total pension liability	28,926
Changes of assumptions or other inputs	161,959
Benefit Payments	(24,210)
Ending balance of the total pension liability as of December 31, 2020	<u>\$ 650,358</u>

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

Town of Mayodan, North Carolina
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The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the actuary for the local governmental employees' retirement system for the five year period ending December 31, 2019.

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 265,382	\$ 62,790	\$ 328,172
Pension Liability	764,713	650,358	1,415,071
Proportionate share of the net pension liability	0.02140%	NA	
Deferred of Outflows of Resources:			
Differences between expected and actual experience	96,570	30,003	126,573
Changes of assumptions	56,910	150,285	207,195
Net difference between projected and actual earnings on plan investments	107,613		107,613
Changes in proportion and differences between contributions and proportionate share of contributions	13,148		13,148
Benefit payments and administrative costs paid subsequent to the measurement date	161,438	12,105	173,543
	<u>435,679</u>	<u>192,393</u>	<u>628,072</u>
Deferred of Inflows of Resources			
Differences between expected and actual experience	-	31,530	31,530
Changes of assumptions	-	9,761	9,761
Net difference between projected and actual earnings on plan investments	-		-
Changes in proportion and differences between contributions and proportionate share of contributions	9,935	-	9,935
	<u>9,935</u>	<u>41,291</u>	<u>51,226</u>

c. Supplemental Retirement Income Plan for Law Enforcement Officers and All Other Full-Time 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 Town contributes five percent of general employees' salaries as well as five percent for law enforcement officers' salaries.

All employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$120,033.53 which consisted of \$76,306.53 from the Town and \$43,727.00 from the employees.

d. Firemen's and Rescue Squad Worker's Pension Fund

Plan Description. The State of North Carolina contributes, on behalf of the Town of Mayodan, to the Firefighter's and Rescue Squad Workers' Pension Fund (fund) (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers that have elected to become members of the fund. Article 86 of G.S. Chapter 58 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 Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Fund. 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. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

Contributions. Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The Town does not contribute to the plan. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ending June 30, 2021, the State contributed \$18,652,000 to the plan. The Town's proportionate share of the State's contribution is \$9,275.20.

Refunds of Contributions – Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The

Town of Mayodan, North Carolina
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acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

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

At June 30, 2021, the Town reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the Town through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the Town and supported by the State was \$17,994. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the Town is not projected to make any future contributions to the plan, its proportionate share at June 30, 2021 and at June 30, 2020 was 0%.

For the year ended June 30, 2021, the Town recognized pension expense of \$7,203 and revenue of \$7,203 for support provided by the State. At June 30, 2021, the Town reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

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

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in Section a. of this note.

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

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pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

e. Other Postemployment Benefits

1. Postemployment Health Care Benefits

Plan Description. Employees of the Town of Mayodan who retire under the North Carolina Local Government Employees' Retirement System (NCLGERS) and draw benefits from the System may continue in the Town's group health plan. The Town pays the full cost of coverage for employees' benefits through North Carolina League of Municipalities Risk Management Services. Employees hired on or before July 14, 2008 who retire with a minimum of 20 years of creditable service also have the option of purchasing coverage for themselves and dependents at the Town's group rate. Employees hired on or after July 14, 2008 who retire with less than 15 years of service are not eligible for postemployment coverage. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

The Town will pay the premium for coverage based on the years of Town service of the retired employee according to the following schedules:

1) If hired on or before 7/14/2008:

<u>Years of Town Service at Retirement</u>	<u>Town Contribution</u>
5 – 19	0%
20 or more	100%

2) If hired after 7/14/2008:

<u>Years of Town Service at Retirement</u>	<u>Town Contribution</u>
15 – 19	33%
20 – 29	66%
30 or more	100%

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Health care and prescription drugs, dental and vision coverage are provided by the Town's group health plan. Retirees must pay the full premium for dental and vision coverage. The retiree may continue dependent coverage (and pay the full cost of this coverage) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates 3 years after the retirees' death.

Membership of the Health Care Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers:
Retired members receiving benefits	15	2
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	7	14
Total	<u>22</u>	<u>16</u>

Total OPEB Liability

The Town's OPEB liability of \$5,939,186 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 %
Real Wage Growth	1.0 %
Wage Inflation	3.5 %
Salary Increases, including wage inflation	
General Employees	3.5 % - 7.75 %
Law Enforcement Officers	3.5 % - 7.35 %
Municipal Bond Index Rate	
Prior Measurement Date	3.50%
Measurement Date	2.21%
Healthcare cost trend rates	
Pre-Medicare	7.0% for 2019 decreasing to an ultimate rate of 4.5% by 2026
Medicare Medical and Prescription Drug	5.0% for 2019 decreasing to an ultimate rate of 4.5% by 2021

The Town selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

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Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	<u>4,772,429</u>
Changes for the year	
Service Cost	97,197
Interest on TOL and cash flows	167,480
Changes of benefit terms	-
Differences between expected and actual experience	(5,406)
Changes in assumptions or other inputs	1,077,911
Benefits payments	<u>(170,425)</u>
Net Changes	<u>1,166,757</u>
Balance at June 30, 2020	<u>5,939,186</u>

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increased used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by LGERS.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability at the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate.

	1% Decrease (1.21 %)	Discount Rate (2.21 %)	1% Increase (3.21 %)
Total OPEB Liability	<u>\$ 7,055,087</u>	<u>\$ 5,939,186</u>	<u>\$ 5,074,954</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-lower or 1-percentage-higher than the current healthcare cost trend rates:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 4,983,703</u>	<u>\$ 5,939,186</u>	<u>\$ 7,192,406</u>

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Exhibit 9

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Town recognized OPEB expense of \$346,897. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	42,597	4,388
Changes of assumptions	876,584	338,942
Benefit payments and administrative costs made subsequent to the measurement date	160,409	
Total	<u>1,079,590</u>	<u>343,330</u>

\$160,409 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 103,705
2023	103,705
2024	125,039
2025	180,787
2026	62,615
Thereafter	-

Funding Policy. The Town pays the cost of coverage for the healthcare benefits paid to qualified retirees according to the schedule under the plan description. The Town has chosen to fund the healthcare benefits on a pay as you go basis.

2. Other Employment Benefit

The Town has also elected to provide death benefits to employees through the Death Benefit Plan for Members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than

Town of Mayodan, North Carolina
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\$25,000. Because death benefit payments are made from the Death Benefit Plan and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

3. Deferred Outflows and Inflows of Resources

The Town has deferred outflows and inflows of resources. Deferred outflows of resources at year end are composed of the following:

Contributions to pension plan in current fiscal year (Pensions)	173,543
Contributions to pension plan in current fiscal year (OPEB)	160,409
Benefit Payments for separation allowance	-
Differences between expected and actual experience	169,170
Differences between projected and actual earnings on pension plan investments	107,613
Change in assumptions	1,083,779
Change in proportion and differences between Town contributions and proportionate share of contributions	13,148
	<u>1,707,662</u>

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

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Prepaid Taxes	-	-
Other Receivables		13,172
Property Tax Receivable		14,535
Differences between expected and actual experience (Pension)	41,465	
Changes in proportion and differences between Town contributions and proportionate share of contribution	4,388	
Changes of assumptions (Separation allowance)	9,761	
Changes of assumptions (OPEB)	338,942	
	<u>394,556</u>	<u>27,707</u>

4. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools,

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the Town obtains general liability and auto liability coverage of \$2 million per occurrence, property coverage up to the total insured values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage. The liability and property exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Stop loss insurance is purchased by the Board of Trustees to protect against large medical claims that exceed certain dollar cost levels. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request. The employee health coverage plan does not apply a lifetime or annual benefit maximum to each plan participant for the total claim expenses incurred and paid while covered under the plan. Also the Town carries coverage for employee benefits liability and public officials' liability coverage with annual aggregate coverage of \$5,000,000 and \$5,000,000, respectively.

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

The Town carries limited flood coverage insurance through the Interlocal Risk Financing Fund of NC for all property of the Town located in flood rate zones that correspond to areas outside the 1 percent annual chance floodplain.

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

5. Long-Term Obligations

a. Revolving Fund Loan

At June 30, 2004 the Town had obtained approval for a state revolving fund loan in the amount of \$5,500,000. The loan was obtained for additional capacity on its wastewater treatment plant, to enable Mayodan to treat wastewater for the municipalities of Madison and Stoneville. The proceeds on this loan amounted to \$5,048,213. This loan has been approved to be funded over a period of 20 years at an interest rate of 2.66%. The completion date was May, 2005.

A maturity schedule is presented as follows:

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<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2021-2022	20,142.36	252,410.65	272,553.01
2022-2023	13,428.24	252,410.65	265,838.89
2023-2024	6,714.12	252,410.65	259,124.77
	<u>40,284.72</u>	<u>757,231.95</u>	<u>797,516.67</u>

b. Public Works Facilities Building Loan

The Town constructed a Public Works Facilities Building which was completed on December 31, 2004 at a total cost of \$ 788,990.98. The building was financed with a U.S.D.A. loan of \$550,000.00 and a U.S.D.A Grant in the amount of \$245,829.50. The installment agreement requires annual payments of \$33,770.00 to begin December 21, 2005 and the final payment is due December 21, 2034. The interest rate was 4.5% per year until paid in full. The loan was refinanced with First Bank during fiscal year ending June 30, 2019 in the amount of \$410,000.00. The refinanced loan has an interest rate of 3.125% and calls for monthly payments of \$3,990.96 beginning September 2018 and ending August 2028. The payment schedule is as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2021-2022	9,159.80	38,731.72	47,891.52
2022-2023	7,914.65	39,976.87	47,891.52
2023-2024	6,647.02	41,244.50	47,891.52
2024-2025	5,303.53	42,587.99	47,891.52
2025-2026	3,934.40	43,957.12	47,891.52
2025-2029	3,617.97	100,013.68	103,631.65
	<u>36,577.37</u>	<u>306,511.88</u>	<u>343,089.25</u>

c. Madison-Mayodan Public Library

The Town executed an inter-local agreement with Rockingham County and the Town of Madison to fund the construction of the Madison-Mayodan Public Library. The Town's portion is being financed by an installment purchase bank loan in the amount \$312,500 for a period of fifteen years. The interest payments began February 15, 2013 and are being repaid semi-annually at a rate of 2.35%. The principal is being repaid in annual installments of \$15,833.33 which began August 15, 2013 and the final payment is due August 15, 2027.

The payment schedule is as follows:

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2021-2022	2,418.54	15,833.33	18,251.87
2022-2023	2,046.46	15,833.33	17,879.79
2023-2024	1,674.38	15,833.33	17,507.71
2024-2025	1,302.30	15,833.33	17,135.63
2025-2026	930.21	15,833.33	16,763.54
2025-2028	744.16	29,356.48	30,100.64
	<u>9,116.05</u>	<u>108,523.13</u>	<u>117,639.18</u>

d. Two MGD Water Tank

At June 30, 2009 the Town completed the construction of a two MGD Water Tank. The Water Tank was financed in part by an installment purchase bank loan in the amount of \$448,500. The interest payments began on October 17, 2007 and were being repaid monthly at a rate of 4.1%. The principal was being repaid in annual installments of \$29,900 that began on September 17, 2008 and the final payment was due September 17, 2022. The Water Tank was refinanced on September 30, 2012 in the amount of \$328,900. The interest payments began on September 15, 2012 and are being repaid monthly at a rate of 2.69%. The principal is being repaid in annual installments of \$32,890 to begin on October 15, 2012 and the final payment is due October 15, 2021.

The payment schedule is as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2021-2022	<u>299.84</u>	<u>32,890.00</u>	<u>33,189.84</u>

e. Fire Vehicle

On February 25, 2016 the Town entered into an agreement to obtain a loan for \$237,500.00 to purchase a fire truck. (Rosenbauer Custom Pumper with Commander Chassis). The total vehicle cost was \$408,508.00 of which \$171,008.00 was paid in cash and the remainder was paid from loan proceeds. The fire truck was delivered in April 2017. Interest payments began on March 25, 2016 and are being paid monthly at a rate of 2.35%. The principal is being repaid in annual installments of \$23,750 that began on February 25, 2017. The final payment is due February 25, 2026.

The payment schedule is as follows:

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2021-2022	2,643.31	23,750.00	26,393.31
2022-2023	2,077.44	23,750.00	25,827.44
2023-2024	1,511.57	23,750.00	25,261.57
2024-2025	945.70	23,750.00	24,695.70
2025-2026	389.13	23,750.00	24,139.13
	<u>7,567.15</u>	<u>118,750.00</u>	<u>126,317.15</u>

f. General Obligation Indebtedness

The Town's general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the Water and Sewer Fund. All bonds are collateralized by the faith, credit, and taxing power of the Town. Principal and interest requirements are appropriated when due.

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

The legal debt margin of the Town at June 30, 2021 was \$20,117,381.21

Annual debt service requirements to maturity for long-term obligations are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	39,583.33	5,618.42	324,032.37	29,602.00
2023	39,583.33	4,689.77	292,387.52	21,342.89
2024	39,583.33	3,751.82	293,655.15	13,361.14
2025	39,583.33	2,813.87	42,587.99	5,303.53
2026	39,583.33	1,875.91	43,957.12	3,934.40
2027-2031	29,356.48	744.16	100,013.68	3,617.97
	<u>227,273.13</u>	<u>19,493.95</u>	<u>1,096,633.83</u>	<u>77,161.93</u>

g. Changes in Long-Term Liabilities:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
Governmental Activities:					
Installment Purchases -					
Washington Mills Property	5,000.00		5,000.00	0.00	-
Fire Truck	142,500.00		23,750.00	118,750.00	23,750.00
Public Library	124,356.46		15,833.33	108,523.13	15,833.33
Compensated Absences	98,076.89	10,560.11		108,637.00	
Net Pension Obligation(LEO)	449,498.00	200,860.00		650,358.00	
Net Pension Liability(LGERS)	372,506.96	132,204.04		504,711.00	
Net OPEB Obligation	<u>2,749,873.59</u>	<u>672,285.38</u>		<u>3,422,158.97</u>	
Governmental activities long-term liabilities	<u>3,941,811.90</u>	<u>1,015,909.53</u>	<u>44,583.33</u>	<u>4,913,138.10</u>	<u>39,583.33</u>
Business-Type Activities:					
Due to USDA					
Public Works Facilities Building	344,204.80		37,692.92	306,511.88	38,731.72
Installment Loan Two MG Water Tank	65,780.00		32,890.00	32,890.00	32,890.00
Regional Waste-Water Treatment Plant	1,009,642.60		252,410.65	757,231.95	252,410.65
Compensated Absences	79,119.00	3,307.00		82,426.00	
Net Pension Liability(LGERS)	193,613.04	66,389.38		260,002.42	
Net OPEB Obligation	<u>2,022,555.41</u>	<u>494,471.62</u>		<u>2,517,027.03</u>	
Business-type activities long-term liabilities	<u>3,714,914.85</u>	<u>564,168.00</u>	<u>322,993.57</u>	<u>3,956,089.28</u>	<u>324,032.37</u>

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

C. Interfund Balances and Activity

This obligation represents the June 2021 operating expenses paid by Water and Sewer Fund for the General Fund.

Transfers to/from Other Funds

Transfers to/from Other Funds at June 30, 2021 consist of the following:

From General Fund to Water & Sewer Fund	(7,500)	[A]
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[A] Transfer to Water and Sewer Fund for retirement of debt on Public Works Building for street department and sanitation department use.

D. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2021, the Town of Mayodan has recognized on-behalf payments for pension contributions made by the state as revenue and an expenditure of \$7,203 for the 20 volunteers and employees who performed firefighting duties for the Town's fire department. The volunteers and employees elected to be members of the Firemen and Rescue Worker's Pension Fund, a cost-sharing, multiple employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a \$10 monthly contribution paid by each member, investment income, and a State appropriation.

E. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital Assets	2,693,088	14,074,274
Less: Long-term Debt	(227,273)	(1,096,634)
Net investment in capital assets	2,645,815	12,977,640

F. Fund Balance

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

Total fund balance – General Fund	2,409,497.93
Less:	
Prepaid Expenses	39,034.11
Stabilization by State Statute	295,833.82
Streets – Powell Bill	188,649.80
Cemetery	114,468.34
Public Safety	115,557.62
Economic Development	20,121.40
Assigned – Subsequent Years Expenditures	35,000.00
Remaining Fund Balance	1,600,832.84

Town of Mayodan, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2021

Exhibit 9

III. Joint Venture

The Town, in conjunction with the Town of Madison, North Carolina, participates in the Madison-Mayodan Recreation Commission. Each participating government appoints three members to the six member board. The Madison-Mayodan Recreation Commission is a joint venture established to promote recreation and improve the quality of life for the citizens of the two Towns. The Town contributed \$150,565 to the Commission during the fiscal year ended June 30, 2021. The Town of Madison contributed a similar amount.

The Town of Mayodan owns the land and building used by the facility and these are included in the capital assets of the Town. The Towns act jointly to approve the Commissions budget and are responsible for the Commissions deficits, should any occur. The personal property of the Commission is owned by the Commission. The fact that the Commission is an evenly divided venture of the Towns precludes consideration of the Commissions financial statements with those of the Town. Complete Financial Statements for the Madison-Mayodan Recreation Commission can be obtained from the Commissions Administrative Offices at 300 S. Second Avenue, Mayodan, NC 27027.

IV. 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 refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

V. Subsequent Events

Management has evaluated subsequent events through November 29, 2021, the date on which these financial statements were available to be issued.

Town of Mayodan, North Carolina
Town of Mayodan's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

Exhibit A-1

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Town of Mayodan's proportion of the net pension liability (asset) (%)	0.02140%	0.02073%	0.0227%	0.0217%	0.0222%	0.02360%	(.02049%)	0.0205%
Town of Mayodan's proportion of the net pension liability (asset) (\$)	764,713	566,120	538,522	331,516	470,522	105,916	(120,839)	263,979
Town of Mayodan's covered-employee payroll	1,526,109	1,451,242	1,420,151	1,441,042	1,382,278	1,382,230	1,255,973	1,241,672
Town of Mayodan's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.11%	39.01%	37.92%	23.01%	34.04%	7.66%	-9.62%	21.26%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	99.07%	102.64%	94.35%	96.45%

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

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

Town of Mayodan, North Carolina
Town of Mayodan's Contributions
Required Supplementary Information
Last Eight Fiscal Years

Exhibit A-2

	Local Government Employees' Retirement System							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 161,438	\$ 136,917	\$ 116,451	\$ 114,055	\$ 105,689	\$ 96,462	\$ 101,167	\$ 91,286
Contributions in relation to the Contractually required contribution	<u>\$ 161,438</u>	<u>\$ 136,917</u>	<u>\$ 116,451</u>	<u>\$ 114,055</u>	<u>\$ 105,689</u>	<u>\$ 96,462</u>	<u>\$ 101,167</u>	<u>\$ 91,286</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Mayodan's covered-employee payroll	\$ 1,526,109	\$ 1,451,242	\$ 1,420,151	\$ 1,441,042	\$ 1,371,949	\$ 1,382,278	\$ 1,382,230	\$ 1,255,973
Contributions as a percentage of covered- employee payroll	10.58%	9.43%	8.20%	7.91%	7.70%	6.98%	7.32%	7.27%

Town of Mayodan, North Carolina
Town of Mayodan's Proportionate Share of Net Pension Liability
Required Supplementary Information
Last Seven Fiscal Years

Exhibit A-3

Local Firefighters' and Rescue Squad Workers' Retirement System

	2021	2020	2019	2018	2017	2016	2015
Town of Mayodan's proportion of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Town of Mayodan's proportion of the net pension liability (\$)	-	-	-	-	-	-	-
State's proportionate share of the net pension liability associated with Town of Mayodan	17,994	19,415	26,848	24,002	19,529	20,230	14,927
Total	17,994	19,415	26,848	24,002	19,529	20,230	14,927
Town of Mayodan's covered-employee payroll	73,417	67,331	59,038	73,918	60,123	55,033	54,810
Town of Mayodan's proportionate share of the net pension liability as a percentage of its covered-employee payroll	24.51%	28.84%	45.48%	32.47%	32.48%	36.76%	27.23%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.35%	84.94%	91.40%	93.42%	92.76%	91.45%

Town of Mayodan, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Changes in Total Pension Liability
Year Ended June 30, 2021

Exhibit A-4

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning Balance	449,498	463,415	489,231	420,584
Service Cost	19,926	16,608	18,541	16,576
Interest on the total pension liability	14,259	16,428	15,077	16,082
Change in benefit terms		-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	28,926	(34,222)	(18,913)	18,479
Changes in assumptions or other inputs	161,959	11,479	(16,311)	25,421
Benefit payments	(24,210)	(24,210)	(24,210)	(7,911)
Other changes		-	-	-
Ending balance of the total pension liability	<u>650,358</u>	<u>449,498</u>	<u>463,415</u>	<u>489,231</u>

Town of Mayodan, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplementary Information
 Schedule of Total Pension Liability as a Percentage of Covered Payroll
 Year Ended June 30, 2021

Exhibit A-5

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability	650,358	449,498	463,415	489,231
Covered payroll	703,643	641,016	650,268	674,357
Total pension liability as a percentage of covered payroll	92.43%	70.12%	71.27%	72.55%

Notes to the schedule:

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

Town of Mayodan, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
Year Ended June 30, 2021

Exhibit A-6

Total OPEB Liability	2021	2020	2019	2018
Service Cost	\$ 97,197	\$ 132,164	\$ 141,481	\$ 162,657
Interest on the total pension liability	167,480	175,864	163,915	147,902
Change in benefit terms		-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(5,406)	26,788	45,257	2,247
Changes in assumptions or other inputs	1,077,911	2,679	(264,491)	(478,627)
Benefit payments	(170,425)	(170,334)	(169,044)	(118,540)
Net Change in Total OPEB Liability	1,166,757	167,161	(82,882)	(284,361)
Total OPEB Liability - beginning	4,772,429	4,605,268	4,688,150	4,972,511
Total OPEB Liability - ending	5,939,186	4,772,429	4,605,268	4,688,150
Covered-employee payroll	\$ 981,190	\$ 981,190	\$ 1,337,811	\$ 1,337,811
Total OPEB Liability as a percentage of covered-employee payroll	605.30%	486.39%	344.24%	350.43%

Town of Mayodan, North Carolina
General Fund Comparative Balance Sheets
June 30, 2021 and June 30, 2020

Exhibit B-1

	June 30, 2021	June 30, 2020
Assets		
Current Assets:		
Cash and Investments	1,766,587.86	1,570,452.68
Restricted Cash and Investments	436,797.16	248,609.02
Receivables (net)		
Taxes	14,535.06	15,882.32
Accounts Receivable	35,622.81	31,140.81
Street Assessments Receivable	13,172.92	13,172.92
Prepaid Expenses	39,034.11	40,202.65
Due from other funds	15,772.55	-
Due from other Governmental Units	205,404.35	177,147.60
Total Assets	<u>2,526,926.82</u>	<u>2,096,608.00</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	89,720.91	69,869.02
Due to Other Funds	-	26,959.23
Total liabilities	<u>89,720.91</u>	<u>96,828.25</u>
Deferred Inflows of Resources		
Street Assessments Receivable	13,172.92	13,172.92
Property Taxes Receivable	14,535.06	15,882.32
Prepaid Taxes	-	1,595.75
Total Deferred Inflows of Resources	<u>27,707.98</u>	<u>30,650.99</u>
Fund Balances:		
Non-Spendable		
Prepaid Expenses	39,034.11	40,202.65
Restricted		
Streets	188,649.80	121,554.03
Cemetery	114,468.34	99,221.19
Public Safety	115,557.62	27,833.80
Economic Development	20,121.40	-
Stabilization by State Statute	295,833.82	208,288.41
Assigned		
Subsequent Year's Expenditures	35,000.00	-
Unassigned	<u>1,600,832.84</u>	<u>1,472,028.68</u>
Total Fund Balances	<u>2,409,497.93</u>	<u>1,969,128.76</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>2,526,926.82</u>	<u>2,096,608.00</u>

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues:				
Ad valorem taxes:				
Current Year:				
Property	1,416,178.00	1,464,375.69	48,197.69	1,425,472.62
Motor Vehicles	90,200.00	103,086.52	12,886.52	94,809.91
Prior year - Property Taxes	10,000.00	11,690.65	1,690.65	13,998.04
Motor Vehicles	100.00	21.00	(79.00)	29.81
Penalties and interest	2,500.00	3,681.12	1,181.12	5,477.74
Penalties and interest - DMV	95.00	15.11	(79.89)	4.40
Late Listing Penalties	1,000.00	6,869.08	5,869.08	4,144.05
	<u>1,520,073.00</u>	<u>1,589,739.17</u>	<u>69,666.17</u>	<u>1,543,936.57</u>
Less: Rockingham County Collection Fee				
Motor Vehicle Tax	-	3,552.25	(3,552.25)	3,330.16
Less: Discounts & Refunds	-	866.57	(866.57)	636.47
	<u>1,520,073.00</u>	<u>1,585,320.35</u>	<u>65,247.35</u>	<u>1,539,969.94</u>
Other Taxes & Licenses:				
Local option sales taxes	592,000.00	684,555.97	92,555.97	594,089.21
Privilege license	250.00	180.00	(70.00)	180.00
Dog license	50.00	133.50	83.50	132.00
	<u>592,300.00</u>	<u>684,869.47</u>	<u>92,569.47</u>	<u>594,401.21</u>
Unrestricted intergovernmental				
Revenues:				
Beer and wine	11,000.00	10,002.83	(997.17)	10,301.04
Franchise tax	250,000.00	255,610.59	5,610.59	255,307.58
	<u>261,000.00</u>	<u>265,613.42</u>	<u>4,613.42</u>	<u>265,608.62</u>
Restricted intergovernmental				
Revenues:				
Powell Bill funding	70,500.00	66,576.89	(3,923.11)	70,591.14
County Fire Department Funding	2,400.00	2,400.00	-	2,400.00
Madison & Mayodan Fire District	100,000.00	101,598.00	1,598.00	93,411.00
On Behalf of Payments -				
Firemen's Pension Fund	7,000.00	7,203.00	203.00	10,221.54
Solid Waste Disposal Tax	1,225.00	2,225.33	1,000.33	1,821.74
Grants:				
USDA	-	-	-	50,000.00
NCLM Body Armor Grant	-	-	-	500.00
Rockingham County Tourism Grant	-	-	-	1,992.25
NC DEQ Grant	-	-	-	16,500.00
Cares Act	55,516.00	55,516.00	-	-
NC Gov. Crime Commision	18,500.00	17,721.75	(778.25)	-
NC Dept. of Natural and Cultural Resources	-	-	-	8,000.00
	<u>255,141.00</u>	<u>253,240.97</u>	<u>(1,900.03)</u>	<u>255,437.67</u>

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Permits & Fees:				
Building Permits and Inspection Fees	250.00	2,010.00	1,760.00	870.00
Sales and Services:				
Solid waste fees	157,300.00	154,351.94	(2,948.06)	151,724.83
Sale of cemetery plots	10,000.00	19,400.00	9,400.00	20,000.00
Dog pound fees	100.00	195.00	95.00	65.00
Jail and arrests	500.00	369.00	(131.00)	798.01
Farris Park revenue	13,150.00	15,728.87	2,578.87	9,684.16
Truck Use Fees	1,500.00	1,931.30	431.30	2,050.00
Reimbursement - Administration Fee from W/S	90,000.00	90,000.00	-	90,000.00
	272,550.00	281,976.11	9,426.11	274,322.00
Investment Earnings:				
Investment earnings - General Fund	6,000.00	2,427.53	(3,572.47)	12,554.90
Investment earnings - Powell Bill	500.00	518.58	18.58	942.30
Investment earnings - Cemetery	270.00	346.49	76.49	1,018.38
	6,770.00	3,292.60	(3,477.40)	14,515.58
Miscellaneous:				
Miscellaneous	4,800.00	9,117.96	4,317.96	13,650.04
Miscellaneous - Police	-	5,803.30	5,803.30	2,503.63
Donations:				
McMichael Foundation	10,000.00	10,000.00	-	10,221.00
Walmart Foundation	-	-	-	1,000.00
Farris Park	-	3,864.00	3,864.00	-
Town of Madison - MM Rec	-	-	-	14,000.00
Miscellaneous	-	215.00	215.00	-
Sale of assets	-	1,853.00	1,853.00	9,406.07
	14,800.00	30,853.26	16,053.26	50,780.74
Total Revenues	2,922,884.00	3,107,176.18	184,292.18	2,995,905.76

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Expenditures:				
General government:				
Governing Body:				
Salaries	11,400.00	11,400.00	-	11,400.00
FICA tax	900.00	872.40	27.60	872.40
Life insurance	205.00	127.68	77.32	117.88
Dental insurance	2,520.00	2,232.00	288.00	2,100.00
Vision insurance	720.00	504.00	216.00	490.00
Travel, schools, conventions	1,000.00	678.84	321.16	1,528.91
	<u>16,745.00</u>	<u>15,814.92</u>	<u>930.08</u>	<u>16,509.19</u>
Administrative:				
Salaries	78,725.00	78,720.69	4.31	75,285.10
FICA tax	6,300.00	5,924.57	375.43	5,648.12
Group medical insurance	10,200.00	9,738.97	461.03	9,215.83
Group dental insurance	420.00	372.00	48.00	410.00
Vision insurance	120.00	84.00	36.00	110.00
Retirement	8,100.00	8,086.67	13.33	6,816.15
Supplemental retirement	3,910.00	3,909.65	0.35	3,732.15
Attorney's fees	6,000.00	2,126.00	3,874.00	5,232.00
League and institute fees	1,300.00	869.01	430.99	1,055.00
Auto expense-Town Manager	4,800.00	4,800.00	-	4,800.00
Office supplies and expense	2,100.00	2,087.46	12.54	2,554.53
Postage supplies	2,600.00	2,505.51	94.49	2,226.65
Travel, schools, training	750.00	614.00	136.00	335.03
Audit fee	13,450.00	13,400.00	50.00	12,350.00
Workman's compensation	15,000.00	11,902.74	3,097.26	15,334.33
Insurance and bond	14,800.00	13,874.31	925.69	11,944.00
Utilities	4,100.00	4,085.19	14.81	2,924.17
Telephone	9,500.00	9,411.19	88.81	8,382.12
Software/hardware	20,100.00	24,339.94	(4,239.94)	9,295.48
Computer maintenance	1,500.00	1,475.84	24.16	1,192.84
Service agreements	4,065.00	3,619.89	445.11	4,436.34
Miscellaneous	5,200.00	5,124.05	75.95	5,888.83
Drug testing	500.00	360.00	140.00	331.50
Election expense	-	-	-	3,953.93
Dan River Basin Association	435.00	435.00	-	435.00
Madison - Rockingham Rescue	-	-	-	2,000.00
Actuarial studies	-	-	-	3,680.00
	<u>213,975.00</u>	<u>207,866.68</u>	<u>6,108.32</u>	<u>199,569.10</u>

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Finance Department:				
Salaries	70,175.00	70,170.24	4.76	56,652.12
FICA tax	5,275.00	5,266.84	8.16	4,106.10
Medical insurance	9,500.00	9,497.16	2.84	6,801.74
Dental insurance	745.00	743.00	2.00	308.50
Vision insurance	180.00	168.00	12.00	74.00
Retirement	7,205.00	7,201.39	3.61	5,521.75
Supplemental retirement	3,585.00	3,582.78	2.22	2,297.70
Utilities	-	-	-	1,165.35
Computer maintenance	1,130.00	946.74	183.26	998.52
Office supplies	1,200.00	1,197.37	2.63	1,476.21
Miscellaneous	220.00	219.04	0.96	1,284.31
Tax processing and collection service	7,945.00	7,925.61	19.39	7,879.32
Credit card transactions	5,520.00	5,515.36	4.64	2,728.92
Travel, schools, training	2,430.00	2,424.78	5.22	409.79
Non-capital equipment purchase	-	-	-	106.74
	<u>115,110.00</u>	<u>114,858.31</u>	<u>251.69</u>	<u>91,811.07</u>
Public Buildings:				
Utilities	6,561.93	6,561.70	0.23	3,398.02
Landscaping Duncan Property	-	-	-	237.50
Janitorial services	3,200.00	3,180.00	20.00	2,940.00
Repairs	1,975.00	1,656.15	318.85	2,195.77
Playground Safety Zone	1,500.00	1,435.98	64.02	-
10th Avenue Utilities	500.00	1,296.83	(796.83)	846.13
Capital Outlay	<u>21,713.07</u>	<u>21,613.07</u>	<u>100.00</u>	<u>-</u>
	<u>35,450.00</u>	<u>35,743.73</u>	<u>(293.73)</u>	<u>9,617.42</u>
Total General Government	<u>381,280.00</u>	<u>374,283.64</u>	<u>6,996.36</u>	<u>317,506.78</u>
Public Safety:				
Police Department:				
Salaries F/T and P/T	794,516.00	749,790.85	44,725.15	714,813.46
FICA tax	57,250.00	55,842.47	1,407.53	53,157.93
Medical insurance	168,750.00	154,000.36	14,749.64	153,128.78
Dental insurance	6,300.00	5,952.00	348.00	5,459.00
Vision insurance	1,800.00	1,260.00	540.00	1,195.00
401K retirement	36,600.00	36,395.66	204.34	34,642.56
Police officers' retirement	79,000.00	78,904.92	95.08	67,206.58
Separation allowance	24,225.00	24,210.36	14.64	24,210.36
Animal Control	1,500.00	1,389.71	110.29	2,636.28
Uniforms	8,000.00	7,394.58	605.42	8,216.19
Radio and equipment repairs	1,525.00	1,459.50	65.50	2,419.17
Schools and training	3,500.00	1,155.36	2,344.64	2,119.68
Police Dept. supplies	2,550.00	2,536.18	13.82	2,630.48
Miscellaneous	6,250.00	6,232.52	17.48	4,784.21
Auto maintenance	16,725.00	16,703.99	21.01	14,484.33
Gas and oil	17,000.00	16,890.10	109.90	15,739.61
Police information network	1,500.00	1,020.00	480.00	1,020.00
Telephone	9,525.00	9,524.64	0.36	10,155.65

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Utilities	6,000.00	5,512.71	487.29	5,742.24
Office supplies	750.00	568.24	181.76	2,725.40
Firearms training ammunition	4,000.00	3,922.90	77.10	3,974.50
Investigation fund	1,000.00	607.56	392.44	1,501.24
Office repairs	2,600.00	2,584.52	15.48	1,369.62
Computer software	13,050.00	13,049.54	0.46	11,716.30
Legal and Professional	5,700.00	5,699.00	1.00	-
Non-capital equipment	7,225.00	6,724.02	500.98	8,676.35
Body armor	-	-	-	1,315.39
Capital outlay:				
Equipment purchase	18,500.00	17,745.92	754.08	-
Police vehicles	39,050.00	39,033.70	16.30	-
Total Police Department	1,334,391.00	1,266,111.31	68,279.69	1,155,040.31
Fire Department:				
Salaries: Fire Chief	2,700.00	2,640.00	60.00	2,700.00
Sec. Treas.	600.00	600.00	-	650.00
Full-Time/Part-Time Position	27,500.00	27,374.40	125.60	26,153.40
FICA tax	6,000.00	5,404.08	595.92	5,334.33
On behalf of payments -				
Firemen's Pension Fund	7,225.00	7,203.00	22.00	10,221.54
Telephone	4,500.00	3,229.07	1,270.93	3,537.85
Utilities	4,800.00	4,752.23	47.77	4,731.07
Accident insurance	2,825.00	2,813.00	12.00	2,780.00
Truck maintenance	11,700.00	11,680.04	19.96	14,362.48
Gas and oil	2,225.00	2,213.17	11.83	1,703.62
Turn out wear	3,950.00	3,940.38	9.62	3,043.66
Drills & fire calls	43,000.00	42,803.00	197.00	35,886.00
Dues: NCF Association	1,100.00	946.00	154.00	946.00
Schools and training	2,250.00	2,247.10	2.90	2,999.69
Miscellaneous	975.00	492.27	482.73	773.52
Dues: N. C. Pension	1,100.00	1,070.00	30.00	900.00
Building maintenance	5,000.00	805.50	4,194.50	2,644.95
Equipment repairs	8,400.00	3,519.78	4,880.22	3,157.75
Hose and nozzles	3,800.00	3,747.18	52.82	6,831.58
Departmental supplies	3,000.00	2,942.88	57.12	9,357.17
Maintenance-air system	2,000.00	1,909.77	90.23	459.12
Fire education and prevention	500.00	410.50	89.50	738.42
Office supplies	1,060.00	774.12	285.88	591.39
Capital outlay:				
Equipment-Fire fighting	55,750.00	22,557.71	33,192.29	10,780.40
Total Fire Department	201,960.00	156,075.18	45,884.82	151,283.94
Total Public Safety	1,536,351.00	1,422,186.49	114,164.51	1,306,324.25

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Transportation:				
Street department:				
Salaries	55,000.00	51,038.55	3,961.45	48,597.37
FICA tax	4,225.00	3,818.54	406.46	3,648.83
Medical insurance	29,100.00	26,095.28	3,004.72	27,858.77
Dental insurance	840.00	775.00	65.00	720.00
Vision insurance	240.00	189.00	51.00	168.00
Retirement	5,150.00	5,060.86	89.14	4,196.08
Supplemental retirement	2,500.00	2,406.26	93.74	2,298.16
Employee telephone allowance	600.00	510.00	90.00	240.00
Equipment maintenance	5,700.00	5,669.95	30.05	5,177.11
Paving & street maintenance	25,500.00	25,334.03	165.97	22,498.83
Building maintenance	1,750.00	509.72	1,240.28	1,388.41
Street signs and paint	4,500.00	3,266.22	1,233.78	3,251.30
Truck maintenance	19,500.00	19,459.84	40.16	3,948.15
Gas and oil	6,000.00	5,935.96	64.04	4,552.96
Street lights	28,300.00	28,231.76	68.24	27,082.18
Miscellaneous	1,400.00	1,361.95	38.05	8,198.75
Open & maintain alleys	7,000.00	4,459.37	2,540.63	2,900.00
Public works building utilities	8,600.00	6,471.73	2,128.27	8,748.46
Uniforms	3,500.00	1,118.08	2,381.92	3,092.68
Public works telephone	2,300.00	2,278.88	21.12	2,360.24
Departmental supplies	6,800.00	3,181.49	3,618.51	4,321.41
Sidewalk repairs	900.00	218.28	681.72	-
Christmas Lights	2,000.00	509.05	1,490.95	11,213.85
Curb and guttering - Repairs	6,000.00	4,068.60	1,931.40	6,115.12
Winter Street Prep	-	-	-	5,194.31
Drainage Pipe	25,000.00	20,236.46	4,763.54	551.13
Equipment purchase	6,800.00	6,761.05	38.95	-
Resurfacing	74,085.00	68,850.00	5,235.00	84,225.00
Bad Debts	5,400.00	(5,321.58)	10,721.58	4,476.03
	338,690.00	292,494.33	46,195.67	297,023.13
Capital Outlay:				
Resurfacing - Powell Bill	-	-	-	26,000.00
Building	-	-	-	14,900.00
Total Transportation	338,690.00	292,494.33	46,195.67	337,923.13
Economic Development:				
Miscellaneous	1,000.00	1,000.00	-	1,000.00
Economic Incentives:				
Sturm Ruger Incentives	73,350.00	72,865.63	484.37	72,688.22
Blow Molded Solutions Incentive	9,538.00	9,414.28	123.72	8,201.36
Total Economic Incentives	83,888.00	83,279.91	608.09	81,889.58

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Planning and Zoning:				
Planning expenses	2,800.00	2,701.21	98.79	163.80
Code enforcement	100.00	-	100.00	-
Miscellaneous	600.00	500.00	100.00	1,000.00
Total Planning and Zoning	3,500.00	3,201.21	298.79	1,163.80
Total Economic Development	87,388.00	86,481.12	906.88	83,053.38
Environmental Protection:				
Sanitation department:				
Medical insurance	4,500.00	4,420.00	80.00	4,232.90
Vision insurance	-	-	-	24.00
Recycling fees	46,600.00	46,485.66	114.34	45,276.10
Landfill fees	6,300.00	4,502.52	1,797.48	5,130.18
Miscellaneous	350.00	253.60	96.40	744.35
Truck maintenance	-	-	-	373.04
Gas and oil	2,500.00	1,772.81	727.19	1,678.06
Roll-out trash containers	3,500.00	2,804.10	695.90	5,689.44
Solid waste contract	96,200.00	96,127.27	72.73	95,252.81
Bad debts	-	-	-	2,841.23
Capital Reserve Fund	5,000.00	-	5,000.00	-
Total Environmental Protection	164,950.00	156,365.96	8,584.04	161,242.11
Cultural and recreational:				
Farris park:				
Salaries	71,800.00	71,766.03	33.97	69,801.97
Part-time salaries	19,100.00	17,950.28	1,149.72	16,209.46
FICA tax	6,950.00	6,756.19	193.81	6,459.93
Medical insurance	28,275.00	27,318.30	956.70	19,486.08
Dental insurance	840.00	806.00	34.00	720.00
Vision insurance	240.00	168.00	72.00	168.00
Retirement	7,385.00	7,380.99	4.01	6,316.38
Supplemental retirement	3,600.00	3,569.40	30.60	3,459.39
Telephone	3,300.00	3,262.58	37.42	3,358.75
Employee telephone allowance	550.00	260.00	290.00	260.00
Truck maintenance	2,325.00	2,300.59	24.41	1,103.95
Driving range/miniature golf	800.00	791.60	8.40	664.38
Gravel	2,000.00	1,850.00	150.00	1,900.00
Ball field maintenance	1,500.00	829.48	670.52	421.31
Park maintenance	6,000.00	5,510.39	489.61	9,642.57
Utilities	8,000.00	7,352.87	647.13	8,623.70
Gas and Oil	4,800.00	4,760.57	39.43	3,721.95
Miscellaneous	1,200.00	667.51	532.49	756.36
Land management	1,850.00	1,355.23	494.77	769.84
Canteen concessions	3,800.00	3,599.94	200.06	1,020.80
Equipment maintenance	4,250.00	3,471.72	778.28	3,353.28
Canteen supplies	500.00	70.68	429.32	306.37
Canteen maintenance	1,500.00	1,302.64	197.36	659.96

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Sales Tax	350.00	337.78	12.22	384.71
Contract Service Rec. Dept.	2,500.00	2,500.00	-	2,500.00
Office Supplies	100.00	70.20	29.80	127.66
Departmental Supplies	525.00	523.02	1.98	748.26
House Maintenance	2,000.00	1,356.80	643.20	5,731.36
Farmers market	2,850.00	2,789.58	60.42	-
Special Events	500.00	161.88	338.12	-
Elliott Duncan Park	1,000.00	386.43	613.57	1,006.13
Veteran's Park	450.00	447.18	2.82	
Garfield Park	200.00		200.00	
3rd Avenue Park	1,250.00	639.24	610.76	
Non-capital equipment	600.00	543.54	56.46	
Park Improvements	11,100.00	11,091.89	8.11	12,630.25
Capital Outlay:				
Mountain bike trail	-	-	-	4,161.02
Equipment purchase	5,000.00	-	5,000.00	14,195.00
	208,990.00	193,948.53	15,041.47	200,668.82
Madison - Mayodan Recreation				
Department:				
Recreation	150,575.00	150,564.56	10.44	158,489.00
Capital Outlay:				
Building	-	-	-	64,025.00
Total cultural and recreational	359,565.00	344,513.09	15,051.91	423,182.82
Cemetery:				
Current Expenditure	16,000.00	4,517.34	11,482.66	3,087.75
Total Cemetery Expenses	16,000.00	4,517.34	11,482.66	3,087.75
Debt Service:				
Washington Mills Land Redevelopment				
Principal	5,000.00	5,000.00	-	30,000.00
Interest	75.00	8.16	66.84	530.71
Total Budget for Land Redevelopment	5,075.00	5,008.16	66.84	30,530.71
Fire Department:				
Principal	23,750.00	23,750.00	-	23,750.00
Interest	3,210.00	3,209.22	0.78	3,776.64
Total Budget for Fire Truck	26,960.00	26,959.22	0.78	27,526.64
Public Library:				
Principal	17,300.00	15,833.33	1,466.67	15,833.33
Interest	1,325.00	2,736.34	(1,411.34)	3,108.42
Total Budget for Public Library	18,625.00	18,569.67	55.33	18,941.75
Total Debt Service	50,660.00	50,537.05	122.95	76,999.10

Town of Mayodan, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund
Balances, Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts For The Fiscal Year Ended June 30, 2020)

Exhibit B-2

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Special Appropriations:				
Chamber of Commerce	4,000.00	4,000.00	-	3,210.00
SKAT Bus	-	-	-	3,675.00
Merchants Association Festival	1,500.00	1,500.00	-	4,156.25
Total Special Appropriations	5,500.00	5,500.00	-	11,041.25
Total Expenditures	2,940,384.00	2,736,879.02	203,504.98	2,720,360.57
Revenue over (under) Expenditures	(17,500.00)	370,297.16	387,797.16	275,545.19
Other financing sources (uses):				
Operating transfers-in (out):				
Transfer from Non-Major Funds	-	77,572.01	77,572.01	
Contribution to Capital Reserve Fund(Fire)				(35,000.00)
Contribution to Water & Sewer Fund for Retirement of Debt on Public Works Building(Sanit & Street)	(7,500.00)	(7,500.00)	-	(21,072.26)
Fund Balance Appropriation	25,000.00	-	(25,000.00)	-
Total Other financing Sources(Uses)	17,500.00	70,072.01	52,572.01	(56,072.26)
Revenues and Financing Sources Over (Under) Expenditures and Other Financing uses	-	440,369.17	440,369.17	219,472.93
Fund balances:				
Beginning of year		1,969,128.76		1,749,655.83
End of year, June 30		2,409,497.93		1,969,128.76

Town of Mayodan
Combining Balance Sheet
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

Exhibit C-1

	<u>Urban Development Action Grant Fund</u>	<u>Capital Project Fund</u>	<u>Economic Development Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Current Assets:				
Cash and Investments	-	-	-	-
Due from other funds - General Fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Special Revenue Fund	-	-	-	-
Capital Project Funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Town of Mayodan
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

Exhibit C-2

	Urban Development Action Grant Fund	Capital Project Fund	Economic Development Fund	Total Nonmajor Governmental Funds
Revenues:				
Investment Earnings	-	-		-
Expenditures:				
Miscellaneous	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	-	-	-	-
Other Financing Sources (Uses):				
Contribution from (to) General Fund	(19,285.49)	(57,472.30)	(814.22)	(77,572.01)
Revenues and other Sources Over (Under) Expenditures	(19,285.49)	(57,472.30)	(814.22)	(77,572.01)
Fund Balances:				
Beginning of Year, July 1	19,285.49	57,472.30	814.22	77,572.01
End of Year, June 30	-	-	-	-

Town of Mayodan
Non-Major Governmental Fund
Special Revenue Fund
Urban Development Action Grant Fund
Balance Sheet
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for June 30, 2020

Exhibit C-3

	<u>Totals</u>	
	<u>June 30, 2021</u>	<u>2020</u>
Assets:		
Cash and Investments	<u>-</u>	<u>19,285.49</u>
Liabilities and Fund Balances:		
Liabilities:		
Accounts Payable	<u>-</u>	<u>-</u>
Fund Balance:		
Assigned		
Economic Development	<u>-</u>	<u>19,285.49</u>
Total Liabilities and Fund Balance	<u>-</u>	<u>19,285.49</u>

Town of Mayodan, North Carolina
Non-Major Fund -
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Special Revenue Fund
Urban Development Action Grant Fund
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for the Fiscal Year Ended June 30, 2020

Exhibit C-4

	Totals			
	<u>Budget</u>	<u>June 30, 2021</u>	<u>Variable Favorable (Unfavorable)</u>	<u>June 30, 2020</u>
Revenues:				
Investment Earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>69.50</u>
 Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>69.50</u>
 Other Financial Sources (Uses)				
Contribution to/from General Fund	<u>-</u>	<u>(19,285.49)</u>	<u>(19,285.49)</u>	<u>-</u>
 Increase (Decrease) in Fund Balance	<u>-</u>	<u>(19,285.49)</u>	<u>(19,285.49)</u>	<u>69.50</u>
 Fund Balance, Beginning of year		<u>19,285.49</u>		<u>19,215.99</u>
 Fund Balance, End of year		<u>-</u>		<u>19,285.49</u>

Town of Mayodan
Non-Major Governmental Fund
Capital Projects Fund
Balance Sheet
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for June 30, 2020

Exhibit C-5

	June 30, 2021	June 30, 2020
Assets:		
Cash and Cash Equivalents		47,472.30
Due from other funds - General Fund		10,000.00
Total Assets	<u>-</u>	<u>57,472.30</u>
Liabilities and Fund Balance:		
Total Liabilities	<u>-</u>	<u>-</u>
Fund Balance:		
Assigned for Public Safety	<u>-</u>	<u>57,472.30</u>
Total Liabilities and Fund Balances	<u>-</u>	<u>57,472.30</u>

Town of Mayodan
Capital Projects Fund
Statement of Revenues and Expenditures, and Changes in Fund
Non-Major Governmental Fund
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for the fiscal year ended June 30, 2020

Exhibit C-6

	Totals			
	Budget	June 30, 2021	Variable Favorable (Unfavorable)	June 30, 2020
Revenue:				
Investment income	-	-	-	211.67
Expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	-	-	-	211.67
Other Financing Sources (Uses)				
Contribution to/from General Fund	-	(57,472.30)	(57,472.30)	35,000.00
Fund Balance Appropriation	-	-	-	-
Revenue Over (Under) Expenditures	-	(57,472.30)	(57,472.30)	35,211.67
Fund Balance, Beginning of Year		57,472.30		22,260.63
Fund Balance, End of Year		-		57,472.30

Town of Mayodan
Non-Major Governmental Fund
Economic Development Fund
Balance Sheet
For the Fiscal Year Ended June 30, 2021
With Comparative Totals for June 30, 2020

Exhibit C-7

	June 30, 2021	June 30, 2020
Assets:		
Cash and Cash Equivalents	-	814.22
Liabilities and Fund Balance:		
Total Liabilities	-	-
Fund Balance:		
Assigned for Economic Development	-	814.22
Total Liabilities and Fund Balances	-	814.22

Town of Mayodan
Economic Development Fund
Statement of Revenues and Expenditures, and Changes in Fund Balance
Non-Major Governmental Fund
For the Fiscal Year Ended June 30, 2021
with Comparative Totals for the Fiscal Year ended June 30, 2020

Exhibit C-8

	Budget	Totals June 30, 2021	Variable Favorable (Unfavorable)	Totals June 30, 2020
Revenue:				
Investment income	-	-	-	7.64
Contributions from:				
NC Dept of Commerce - Rural Center	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7.64</u>
Expenditures:				
Miscellaneous	-	-	-	-
Sturm Ruger - Building Reuse	-	-	-	-
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	-	-	-	7.64
Other Financing Sources (Uses)				
Contribution to/from General Fund	-	(814.22)	(814.22)	-
Revenue Over (Under) Expenditures	<u>-</u>	<u>(814.22)</u>	<u>(814.22)</u>	<u>7.64</u>
Fund Balance, Beginning of Year		814.22		806.58
Fund Balance, End of Year		<u>-</u>		<u>814.22</u>

Town of Mayodan, North Carolina
Water and Sewer Fund
Statement of Net Position
June 30, 2021
(With Comparative Totals For June 30, 2020)

Exhibit D-1

	2021	2020
Assets:		
Current assets:		
Cash and temporary investments	1,546,267.30	1,684,666.09
Accounts receivable-customers (net of estimated uncollectible accounts)	327,500.13	235,819.87
Inventory	90,569.14	87,735.67
Due from other governments	222,996.38	206,511.79
Due from other funds - General Fund	-	16,959.23
Total current assets	2,187,332.95	2,231,692.65
Non-current assets:		
Due from other governments	379,625.59	569,438.40
Restricted assets:		
Cash and temporary investments	79,416.58	79,520.41
Capital assets (net of accumulated depreciation)	14,074,274.32	14,443,411.28
Total assets	16,720,649.44	17,324,062.74
Deferred outflows of resources		
Pension deferrals	148,130.86	118,203.07
OPEB deferrals	457,530.31	87,237.39
Total deferred outflows of resources	605,661.17	205,440.46
Total assets and deferred outflows of resources	17,326,310.61	17,529,503.20
Liabilities, Deferred Inflows of Resources and Net Position:		
Current liabilities:		
Accounts payable	3,376.90	152,306.62
Accrued salaries	22,198.36	20,076.18
Customer deposits	42,176.00	43,813.12
Due to Other Funds	15,772.55	-
Notes payable - current maturities	324,032.37	322,826.00
Total current liabilities	407,556.18	539,021.92
Other liabilities:		
Accrued vacation pay	60,227.34	59,043.04
Net pension liability	260,002.42	193,613.04
Notes payable - non-current maturities	772,601.46	1,096,801.40
Net OPEB obligation	2,517,027.03	2,022,555.41
Unearned revenue	727,615.74	917,428.55
Total other liabilities	4,337,473.99	4,289,441.44
Total liabilities	4,745,030.17	4,828,463.36
Deferred inflows of resources:		
Pension deferrals	3,377.90	4,968.58
OPEB deferrals	145,503.25	190,648.55
Total deferred inflows of resources	148,881.15	195,617.13
Net Position:		
Net investment in capital assets	12,977,640.49	13,023,783.88
Unrestricted	(545,241.20)	(518,361.17)
Total net position	12,432,399.29	12,505,422.71
Total liabilities, deferred inflows of resources, and net position	17,326,310.61	17,529,503.20

Town of Mayodan, North Carolina
Proprietary Funds
Water and Sewer Fund
Statement of Revenues and Expenses
And Changes in Net Position
For the Year ended June 30, 2021 and 2020

Exhibit D-2

	2021	2020
Operating revenue:		
Water and sewer service charges	2,259,458.77	2,308,662.87
Connection fees	22,000.00	26,100.00
Cut off charges	7,059.00	4,813.71
Miscellaneous	93.00	4,709.92
Pretreatment Analysis	1,905.35	3,430.02
PARTF Grant	-	31,500.00
Amortization of Revenue from Waste		
Water Treatment Rights	189,812.81	189,812.81
	<u>2,480,328.93</u>	<u>2,569,029.33</u>
Operating expenses:		
Water Department:		
Salaries	184,640.22	183,596.32
FICA tax	13,663.82	13,199.71
Retirement fund	31,306.13	31,290.17
Supplemental retirement	9,128.62	8,944.63
OPEB Expense	31,852.07	11,007.07
Insurance - medical	72,837.99	68,960.04
Insurance - dental	1,457.00	1,620.00
Insurance - vision	276.00	378.00
Insurance and Blanket Bond	500.00	-
Repairs - Water department	22,834.99	89,791.17
Equipment maintenance - Water Department	5,894.35	5,501.41
Employee Telephone Allowance	830.00	1,040.00
Meters, Pipes and Fittings	52,678.60	32,550.78
Gas and Oil	2,222.66	2,226.37
Computer supplies	1,101.54	556.99
Workmen's Compensation	7,141.65	7,931.55
Miscellaneous - Water dept.	2,615.89	3,201.66
Computer Maintenance	840.00	1,764.00
Schools and Travel - Water Department	1,549.87	150.00
Water Line Highway 135	5,693.70	5,250.00
Uniforms	2,717.01	4,273.04
Software Upgrade	3,359.75	10,632.90
Audit Contract	12,500.00	12,350.00
Workorder System	9,662.22	6,148.09
	<u>477,304.08</u>	<u>502,363.90</u>

Town of Mayodan, North Carolina
Proprietary Funds
Water and Sewer Fund
Statement of Revenues and Expenses
And Changes in Net Position
For the Year ended June 30, 2021 and 2020

Exhibit D-2

	<u>2021</u>	<u>2020</u>
Water Plant:		
Salaries	206,260.21	199,394.82
FICA tax	15,259.26	14,433.99
Retirement fund	31,462.79	30,690.24
Supplemental retirement	9,263.11	8,753.85
OPEB Expense	19,804.97	6,843.99
OSHA Compliance	248.50	493.03
Insurance - medical	40,445.31	41,361.88
Insurance - dental	1,488.00	1,440.00
Insurance - vision	336.00	336.00
Telephone and Loops- Water Plant	4,002.74	2,410.25
Utilities - Water Plant	51,866.31	64,233.58
Schools and Travel - Water Plant	1,494.41	630.00
Instrumentation Services Contract - Water Plant	6,148.41	6,141.16
Building Maintenance	2,624.49	1,910.28
Repairs - Water Plant	28,751.69	44,281.40
Truck Maintenance - Water Plant	3,508.18	1,398.94
Gas and Oil - Water Plant	1,372.58	1,428.16
Chemical Supplies - Water Plant	66,826.71	65,779.04
Departmental Supplies	2,277.33	3,808.51
State Testing	8,006.38	11,686.90
Uniforms	723.05	2,131.41
Computer supplies	5,116.25	1,048.44
Insurance and Blanket Bond	13,769.08	10,987.99
Workmen's Compensation	12,696.26	14,805.55
Miscellaneous	1,298.61	3,425.58
Postage/Supplies	3,063.83	3,415.36
Chlorinator Parts	1,753.70	-
Permits and Renewals	3,929.92	5,341.41
Clear well repair	62,052.00	62,052.00
Pump Station	-	-
	<u>605,850.08</u>	<u>610,663.76</u>

Town of Mayodan, North Carolina
Proprietary Funds
Water and Sewer Fund
Statement of Revenues and Expenses
And Changes in Net Position
For the Year ended June 30, 2021 and 2020

Exhibit D-2

	2021	2020
Sewer Department:		
Salaries	162,525.72	164,066.95
FICA tax	11,257.30	11,133.79
Insurance - medical	30,377.64	47,691.97
Insurance - dental	1,588.00	1,720.00
Insurance - vision	112.00	56.00
Retirement	26,905.29	27,867.49
Supplemental retirement	8,051.05	7,965.01
OPEB Expense	27,376.37	9,460.38
Employee telephone advance	780.00	780.00
Schools and Training	925.00	390.00
Line Repairs and Maintenance	51,009.23	55,717.16
Equipment Repairs and Maintenance	23,171.96	17,880.41
Computer Maintenance	219.84	840.00
Computer supplies	703.92	297.99
Uniforms - sewer department	1,203.89	2,368.26
Gas and oil - expense	2,243.84	3,101.52
Workmen's Compensation	11,902.74	14,805.56
Insurance and Blanket Bond	16,614.13	17,295.09
Miscellaneous	2,298.28	1,784.85
Attorney's Fee	2,100.00	-
Utilities - Pump Station	16,450.14	8,706.83
Permits	1,410.00	100.00
Departmental supplies	3,619.38	-
Safety Equipment	5,584.34	5,633.54
	<u>408,430.06</u>	<u>399,662.80</u>
Waste Water Treatment Plant		
Contract for Sewer Operations	259,525.56	253,421.40
Utilities	65,969.82	71,017.99
Sludge Removal / Application	33,843.55	87,987.54
Repairs	38,592.87	10,681.56
Supplies and Chemicals	-	5,845.85
Lab Analysis	7,349.10	11,317.04
Miscellaneous	342.55	469.26
Insurance and Blanket Bond	11,727.63	12,900.00
Building Maintenance	3,649.00	792.00
Permit Fees	3,743.98	4,750.00
Tools and Equipment	-	627.52
Departmental supplies	79.98	334.73
	<u>424,824.04</u>	<u>460,144.89</u>

Town of Mayodan, North Carolina
Proprietary Funds
Water and Sewer Fund
Statement of Revenues and Expenses
And Changes in Net Position
For the Year ended June 30, 2021 and 2020

Exhibit D-2

	<u>2021</u>	<u>2020</u>
Utility Service Fee	90,000.00	90,000.00
Total operating expenses other than depreciation	2,006,408.26	2,062,835.35
Depreciation	550,212.40	545,810.93
Total operating expenses	2,556,620.66	2,608,646.28
Net operating income (loss)	(76,291.73)	(39,616.95)
Non-operating income:		
Interest Income from other Governments	20,196.09	25,255.46
Interest earned on temporary investments	2,805.47	19,118.28
Insurance Claims	14,223.00	-
Contribution from General Fund for Retirement of Debt on Public Works Building	7,500.00	21,072.26
	44,724.56	65,446.00
Non operating expenses:		
Interest on long term debt, Including fiscal agents' fees	41,456.25	47,227.66
Net Income (loss)	(73,023.42)	(21,398.61)
Net Positions - beginning of year	12,505,422.71	12,526,821.32
Net Positions - end of year	12,432,399.29	12,505,422.71

Town of Mayodan, North Carolina
Statement of Cash Flows
Water and Sewer Fund
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

Exhibit D-3

	2021	2020
Cash Flows from operating activities:		
Cash received from customers	2,196,837.51	2,376,398.87
Cash paid for goods and services	(1,604,745.30)	(1,428,477.52)
Cash paid to employees	(436,215.36)	(462,619.92)
Customer deposits and refunds received	-	2,025.00
Customer deposits returned	(1,637.12)	(587.31)
Other operating revenue	1,998.35	39,639.94
Net cash provided by operating activities	156,238.08	526,379.06
Cash flows from non-capital financing activities:		
Increase (decrease) in due to other funds	15,772.55	(251,671.16)
(Increase) decrease in due from other funds	16,959.23	(16,959.23)
Net cash used by non-capital financing activities	32,731.78	(268,630.39)
Cash flows from capital and related financing activities:		
Acquisitions of capital assets	(181,075.44)	(331,846.99)
Insurance claims	14,223.00	-
Principal paid on bond and equipment contracts	(322,993.57)	(321,658.52)
Interest paid on bonds and equipment contracts	(41,456.25)	(47,227.66)
Contribution from General Fund for Retirement of Debt on Public Works Building	7,500.00	21,072.26
Net cash used by capital and related financing activities	(523,802.26)	(679,660.91)
Cash flows from investing activities:		
Interest on Investments	2,805.47	19,118.28
Interest Received from Other Governments	20,196.08	25,255.46
Principal Received from Other Governments	173,328.23	203,032.24
	196,329.78	247,405.98
Net increase (decrease) in cash and cash equivalents	(138,502.62)	(174,506.26)
Cash and cash equivalents at beginning of year	1,764,186.50	1,938,692.76
Cash and cash equivalents at end of year	1,625,683.88	1,764,186.50
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income (Loss)	(76,291.73)	(39,616.95)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	550,212.40	545,810.93
Amortization of revenue from Waste Water Treatment Rights	(189,812.81)	(189,812.81)
Change in assets and Liabilities:		
(Increase) decrease in accounts receivables customers	(91,680.26)	36,822.29
(Increase) decrease in inventories	(2,833.47)	(17,039.66)
Net pension expense	34,870.91	42,987.93
Net OPEB expense	79,033.40	27,311.45
Increase (decrease) in accounts payable	(148,929.72)	104,339.40
Increase (decrease) in customer deposits	(1,637.12)	1,437.69
Increase (decrease) in accrued salaries	2,122.18	5,790.69
Increase (decrease) in accrued vacation pay	1,184.30	8,348.10
Total Adjustments	232,529.81	565,996.01
Net cash provided by operating activities	156,238.08	526,379.06

Town of Mayodan, North Carolina
Water and Sewer Operations
Statement of Revenues and Expenditures Budget and Actual (Non GAAP)
For the Year ended June 30, 2021
(With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2020)

Exhibit D-4

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Operating revenue:				
Water and sewer sales	1,945,910.00	1,741,835.29	(204,074.71)	1,843,679.76
Water Revenue- Stoneville	110,000.00	113,557.91	3,557.91	114,456.52
Water & sewer tap fees	8,000.00	22,000.00	14,000.00	26,100.00
Miscellaneous	500.00	93.00	(407.00)	4,709.92
Cut off charges	7,500.00	7,059.00	(441.00)	4,813.71
Pretreatment analysis	3,750.00	1,905.35	(1,844.65)	3,430.02
Sewer treatment-Madison	4,000.00	-	(4,000.00)	-
Madison sewer	230,000.00	306,787.56	76,787.56	247,454.70
Stoneville sewer	95,000.00	97,278.01	2,278.01	103,071.89
PARTF Grant		-	-	31,500.00
Amortization of Revenue from Waste				
Water Treatment Rights	210,075.00	189,812.81	(20,262.19)	
Industry Sewer Overflow	1,000.00	-	(1,000.00)	-
	<u>2,615,735.00</u>	<u>2,480,328.93</u>	<u>(135,406.07)</u>	<u>2,379,216.52</u>
Non-Operating revenues:				
Interest income	9,000.00	23,001.56	14,001.56	19,118.28
Insurance Claims	14,223.00	14,223.00	-	-
	<u>23,223.00</u>	<u>37,224.56</u>	<u>14,001.56</u>	<u>19,118.28</u>
Total Revenues	<u>2,638,958.00</u>	<u>2,517,553.49</u>	<u>(121,404.51)</u>	<u>2,398,334.80</u>
Operating expenses other than Depreciation:				
Water Department:				
Salaries	184,650.00	184,640.22	9.78	183,596.32
FICA tax	13,950.00	13,663.82	286.18	13,199.71
Retirement fund	19,000.00	18,998.75	1.25	16,332.39
Supplemental retirement	9,150.00	9,128.62	21.38	8,944.63
Insurance - medical	72,900.00	72,837.99	62.01	68,960.04
Insurance - dental	1,890.00	1,457.00	433.00	1,620.00
Insurance - vision	540.00	276.00	264.00	378.00
Insurance and blanket bond	500.00	500.00	-	-
Repairs	38,000.00	22,834.99	15,165.01	89,791.17
Equipment maintenance	7,500.00	5,894.35	1,605.65	5,501.41
Meters, pipes and fittings	61,700.00	52,678.60	9,021.40	32,550.78
Gas and oil	3,000.00	2,222.66	777.34	2,226.37
Computer supplies	1,150.00	1,101.54	48.46	556.99
Workmen's compensation	9,000.00	7,141.65	1,858.35	7,931.55
Miscellaneous	4,000.00	2,615.89	1,384.11	3,201.66
Computer maintenance	2,000.00	840.00	1,160.00	1,764.00
Schools and travel	2,000.00	1,549.87	450.13	150.00
Water line Highway 135	6,000.00	5,693.70	306.30	5,250.00
Uniforms	4,500.00	2,717.01	1,782.99	4,273.04
Software upgrade	5,000.00	3,359.75	1,640.25	10,632.90
Audit contract	12,500.00	12,500.00	-	12,350.00
Employee telephone allowance	1,000.00	830.00	170.00	1,040.00
Economic development	1,000.00	-	1,000.00	-
Workorder system	9,700.00	9,662.22	37.78	6,148.09
	<u>470,630.00</u>	<u>433,144.63</u>	<u>37,485.37</u>	<u>476,399.05</u>

Town of Mayodan, North Carolina
Water and Sewer Operations
Statement of Revenues and Expenditures Budget and Actual (Non GAAP)
For the Year ended June 30, 2021
(With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2020)

Exhibit D-4

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Capital Outlay - Water Department				
Water line upgrades	105,000.00	54,067.98	50,932.02	65,000.00
Total - Water Department	575,630.00	487,212.61	88,417.39	541,399.05
Water Plant:				
Salaries	206,300.00	206,260.21	39.79	199,394.82
FICA tax	15,750.00	15,259.26	490.74	14,433.99
Retirement fund	19,250.00	19,155.42	94.58	15,983.85
Supplemental retirement	9,275.00	9,263.11	11.89	8,753.85
OSHA Compliance	800.00	248.50	551.50	493.03
Insurance - medical	40,450.00	40,445.31	4.69	41,361.88
Insurance - dental	1,680.00	1,488.00	192.00	1,440.00
Insurance - vision	480.00	336.00	144.00	336.00
Telephone	4,100.00	4,002.74	97.26	2,410.25
Utilities	51,900.00	51,866.31	33.69	64,233.58
Schools and travel	3,000.00	1,494.41	1,505.59	630.00
Instrumentation services contract	6,150.00	6,148.41	1.59	6,141.16
Building maintenance	10,325.00	2,624.49	7,700.51	1,910.28
Repairs	28,800.00	28,751.69	48.31	44,281.40
Truck maintenance	3,600.00	3,508.18	91.82	1,398.94
Gas and oil	1,500.00	1,372.58	127.42	1,428.16
Chemical supplies	66,900.00	66,826.71	73.29	65,779.04
Departmental supplies	2,500.00	2,277.33	222.67	3,808.51
State testing	8,100.00	8,006.38	93.62	11,686.90
Uniforms	2,500.00	723.05	1,776.95	2,131.41
Computer supplies and maintenance	5,200.00	5,116.25	83.75	1,048.44
Insurance and blanket bond	15,000.00	13,769.08	1,230.92	10,987.99
Workmen's compensation	12,700.00	12,696.26	3.74	14,805.55
Miscellaneous	1,375.00	1,298.61	76.39	3,425.58
Postage/Supplies	3,500.00	3,063.83	436.17	3,415.36
Chlorinator parts	3,500.00	1,753.70	1,746.30	-
Permits and renewals	4,700.00	3,929.92	770.08	5,341.41
Clear well repair	62,100.00	62,052.00	48.00	62,052.00
Interest - 2 Mg Tank	1,210.00	1,209.15	0.85	-
Principal - 2 Mg Tank	32,890.00	32,890.00	-	-
	625,535.00	607,836.89	17,698.11	589,113.38
Capital Outlay - Water Plant:				
Bulk Storage Building	37,550.00	37,517.14	32.86	142,248.98
Vehicle Purchase	13,023.00	13,015.80	7.20	-
Equipment	18,700.00	26,380.00	(7,680.00)	30,536.04
Total - Water Plant	694,808.00	684,749.83	10,058.17	761,898.40

Town of Mayodan, North Carolina
Water and Sewer Operations
Statement of Revenues and Expenditures Budget and Actual (Non GAAP)
For the Year ended June 30, 2021
(With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2020)

Exhibit D-4

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Sewer Department:				
Salaries	162,600.00	162,525.72	74.28	164,066.95
FICA tax	12,400.00	11,257.30	1,142.70	11,133.79
Insurance - medical	44,200.00	30,377.64	13,822.36	47,691.97
Insurance - dental	1,680.00	1,588.00	92.00	1,720.00
Insurance - vision	480.00	112.00	368.00	56.00
Retirement	16,725.00	16,649.14	75.86	14,543.75
Supplemental retirement	8,100.00	8,051.05	48.95	7,965.01
Employee telephone allowance	2,060.00	780.00	1,280.00	780.00
Schools and training	1,000.00	925.00	75.00	390.00
Line repairs and maintenance	56,000.00	51,009.23	4,990.77	55,717.16
Insurance and Blanket Bond	18,000.00	16,614.13	1,385.87	17,295.09
Equipment repairs and maintenance	35,000.00	23,171.96	11,828.04	17,880.41
Computer maintenance	750.00	219.84	530.16	840.00
Computer supplies	750.00	703.92	46.08	297.99
Uniforms	4,000.00	1,203.89	2,796.11	2,368.26
Gas and oil - expense	4,000.00	2,243.84	1,756.16	3,101.52
Workmen's compensation	15,000.00	11,902.74	3,097.26	14,805.56
Miscellaneous	3,300.00	2,298.28	1,001.72	1,784.85
Attorney's fees	6,000.00	2,100.00	3,900.00	-
Utilities - pump station	16,500.00	16,450.14	49.86	8,706.83
Departmental supplies	7,000.00	3,619.38	3,380.62	5,845.85
Permits	1,500.00	1,410.00	90.00	100.00
Contingency	50,900.00	-	50,900.00	-
Safety equipment	6,500.00	5,584.34	915.66	5,633.54
	474,445.00	370,797.54	103,647.46	382,724.53
Capital Outlay:				
Equipment purchase		45,600.00	(45,600.00)	4,500.00
Truck purchase		-	-	5,641.90
Line Upgrades	10,000.00	4,494.52	5,505.48	60,420.07
Island Access		-	-	23,500.00
Total Sewer Department	484,445.00	420,892.06	63,552.94	476,786.50

Town of Mayodan, North Carolina
Water and Sewer Operations
Statement of Revenues and Expenditures Budget and Actual (Non GAAP)
For the Year ended June 30, 2021
(With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2020)

Exhibit D-4

	2021			2020
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Waste Water Treatment Plant:				
Contract for sewer operations	260,000.00	259,525.56	474.44	253,421.40
Utilities	70,000.00	65,969.82	4,030.18	71,017.99
Sludge removal/ application	72,000.00	33,843.55	38,156.45	87,987.54
Repairs	138,000.00	38,592.87	99,407.13	10,681.56
Lab Analysis	9,000.00	7,349.10	1,650.90	11,317.04
Miscellaneous	500.00	342.55	157.45	469.26
Insurance and blanket bond	12,900.00	11,727.63	1,172.37	12,900.00
Building maintenance	4,000.00	3,649.00	351.00	792.00
Permit Fees	6,200.00	3,743.98	2,456.02	4,750.00
Contingency	1,000.00	-	1,000.00	-
Departmental supplies	250.00	79.98	170.02	334.73
Interest - WWTP Expansion	27,000.00	26,856.50	143.50	-
Principal - WWTP Expansion	252,415.00	252,410.65	4.35	-
Tools and Equipment	-	-	-	627.52
Total Waste Water Treatment Plant	853,265.00	704,091.19	149,173.81	454,299.04
Utility Service Fee	90,000.00	90,000.00	-	90,000.00
Debt Service:				
Public Works Facilities Buildings:				
Interest - Water Department	12,500.00	8,813.93	3,686.07	5,766.83
Interest - Sewer Department	12,500.00	4,576.67	7,923.33	5,766.82
	25,000.00	13,390.60	11,609.40	11,533.65
Total Expenditures	2,723,148.00	2,400,336.29	322,811.71	2,335,916.64
Revenues over (under) expenditures	(84,190.00)	117,217.20	201,407.20	62,418.16
Other financing sources (uses):				
Contribution from General Fund for				
Retirement of debt on Public Works building	17,500.00	7,500.00	(10,000.00)	21,072.26
Fund balance appropriated	66,690.00	-	(66,690.00)	-
Contribution to Capital	-	-	-	-
Projects funds - Water	-	-	-	-
Sewer	-	-	-	(24,952.33)
	84,190.00	7,500.00	(76,690.00)	(3,880.07)
Revenues and other sources	-	124,717.20	124,717.20	58,538.09
over(under) expenditures and other uses	-	124,717.20	124,717.20	58,538.09

Town of Mayodan, North Carolina
Water and Sewer Operations
Statement of Revenues and Expenditures Budget and Actual (Non GAAP)
For the Year ended June 30, 2021
(With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2020)

Exhibit D-4

	2021		2020
	Budget	Actual	Variance Favorable (Unfavorable)
			Actual
Reconciliation from modified accrual to full accrual basis:			
Revenues over (under) expenditures		124,717.20	58,538.09
Reconciling Items:			
Contributions to Capital Projects		-	24,952.33
Amortization of Waste Water Treatment Rights		-	189,812.81
Increase in Outflows of Resources - Pension		29,927.79	(21,273.88)
Decrease in Deferred Inflows of Resources - Pension		1,590.68	(3,120.63)
Increase in Outflows of Resources - OPEB		370,292.92	(3,473.55)
Increase in Deferred Inflows of Resources - OPEB		45,145.30	47,004.93
Capital Outlay		181,075.44	331,846.99
Interest Income from Other Governmental Units		-	25,255.46
Depreciation		(550,212.40)	(545,810.93)
Principal Payments		285,300.65	
Interest expense- Capital Projects Funds		-	(35,694.01)
(Increase)decrease in OPEB Liability		(494,471.62)	(70,842.83)
Increase in Net Pension Liability		(66,389.38)	(18,593.39)
Net Loss		(73,023.42)	(21,398.61)

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

Exhibit E-1

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections	Discoveries Abatements Adjustments	Uncollected Balance June 30, 2021
2020-2021	-	1,584,243.77	(1,575,070.07)	2,036.73	11,210.43
2019-2020	11,153.23	-	(8,489.90)	(751.61)	1,911.72
2018-2019	4,914.56	-	(1,500.98)	-	3,413.58
2017-2018	2,843.50	-	(223.33)	-	2,620.17
2016-2017	2,200.83	-	(460.27)	-	1,740.56
2015-2016	1,426.05	-	(222.77)	-	1,203.28
2014-2015	1,121.01	-	(57.82)	-	1,063.19
2013-2014	1,323.03	-	(41.12)	-	1,281.91
2012-2013	1,718.47	-	-	-	1,718.47
2011-2012	1,545.28	-	(8.53)	-	1,536.75
2010-2011	1,648.99	-	-	(1,648.99)	0.00
2009-2010	451.71	-	-	(451.71)	0.00
	<u>30,346.66</u>	<u>1,584,243.77</u>	<u>(1,586,074.79)</u>	<u>(815.58)</u>	<u>27,700.06</u>
Less allowance for uncollectible accounts:					
General Fund					<u>13,165.00</u>
					<u>14,535.06</u>
Reconciliation with Revenues:					
Ad Valorem Taxes - General Fund					1,585,453.85
Reconciling items:					
Penalties and interest					(3,681.12)
Rockingham County collection fee					3,552.25
Adjustments					<u>749.81</u>
					<u>1,586,074.79</u>

Town of Mayodan, North Carolina
Analysis of Current Tax Levy
For the Fiscal Year Ended June 30, 2021

Exhibit E-2

	City-Wide		Total Levy	
	Property Valuation	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:				
Property Taxes at Current Year's Rate	235,104,325	\$ 0.63	1,481,157.25	1,481,157.25
Motor Vehicle Taxes Collected by DMV	16,362,940	\$ 0.63	-	103,086.52
	<u>251,467,265</u>	<u>1,584,243.77</u>	<u>1,481,157.25</u>	<u>103,086.52</u>
Discoveries:				
Current Year Taxes	-	108.46	108.46	-
Prior Year Taxes	-	2,249.83	2,249.83	-
	<u>-</u>	<u>2,358.29</u>	<u>2,358.29</u>	<u>-</u>
Other Adjustments				
Less: Insolvents		(321.56)	(321.56)	-
	<u>-</u>	<u>(321.56)</u>	<u>(321.56)</u>	<u>-</u>
Total Property Valuation	<u>251,467,265</u>			
Net Levy		1,586,280.50	1,483,193.98	103,086.52
Uncollected Taxes at June 30, 2021		<u>11,210.43</u>	<u>11,210.43</u>	<u>-</u>
Current Year's Taxes Collected		<u>1,575,070.07</u>	<u>1,471,983.55</u>	<u>103,086.52</u>
Current Levy Collection Percentage		<u>99.29%</u>	<u>99.24%</u>	<u>100.00%</u>

Town of Mayodan, North Carolina
Schedule of Interfund Transfers
For the Fiscal Year Ended June 30, 2021

Exhibit E-3

Fund	Transfer	
	From	To
General Operating	7,500.00	-
Water and Sewer	-	7,500.00
	<u>7,500.00</u>	<u>7,500.00</u>

Town of Mayodan, North Carolina
Schedule of Cash and Investment Balances
June 30, 2021

Schedule 1

Cash and investments in the form of:

Cash:

On hand	200.00	
Checking	1,625,609.65	

1,625,809.65

Investments:

In money market demand deposits (interest bearing)	1,485,809.08	
In certificates of deposit	717,450.17	

2,203,259.25

Total

3,829,068.90

Distribution by fund:

General fund - unrestricted	1,794,512.52	
- restricted	408,872.50	

2,203,385.02

Enterprise funds - unrestricted	1,546,267.30	
- restricted	79,416.58	

1,625,683.88

Total

3,829,068.90

Town of Mayodan, North Carolina
Water and Sewer Fund
Statement of Fund Net Position
June 30, 2021

Schedule 2

	Water and Sewer Budgetary Fund	Water and Sewer Lines Capital Projects Fund	Capital Assets and Long-Term Debt	Combined Water & Sewer Fund
Assets.				
Current assets:				
Cash and temporary investments	1,546,267.30	-		1,546,267.30
Accounts receivable (net of estimated uncollectible accounts)	327,500.13	-		327,500.13
Due from other governmental units	222,996.38			222,996.38
Inventory	90,569.14	-		90,569.14
Total current assets	2,187,332.95	-	-	2,187,332.95
Non Current assets:				
Due from other governmental units	379,625.59	-	-	379,625.59
Restricted assets:				
Cash and temporary investments	79,416.58	-		79,416.58
Capital assets (net of accumulated Depreciation)	-	-	14,074,274.32	14,074,274.32
Total assets	2,646,375.12	-	14,074,274.32	16,720,649.44
Deferred outflows of resources-				
Contribution to pension plan	148,130.86	-		148,130.86
Contribution to OPEB	457,530.31	-	-	457,530.31
	605,661.17	-	-	605,661.17
Total assets and deferred outflows of resources	3,252,036.29	-	14,074,274.32	17,326,310.61
Liabilities, Deferred Inflows of Resources and Net Position:				
Current liabilities				
Accounts payable	3,376.90	-		3,376.90
Accrued salaries	22,198.36	-		22,198.36
Customer deposits and refunds	42,176.00	-		42,176.00
Due to other funds	15,772.55	-		15,772.55
Notes payable - current maturities	38,731.72	-	285,300.65	324,032.37
	122,255.53	-	285,300.65	407,556.18
Other liabilities:				
Accrued vacation pay	60,227.34	-		60,227.34
Notes payable - noncurrent maturities	267,780.16	-	504,821.30	772,601.46
Unearned Revenue	727,615.74	-	-	727,615.74
Net pension liability	260,002.42	-	-	260,002.42
Net OPEB Obligation	2,517,027.03	-	-	2,517,027.03
	3,832,652.69	-	504,821.30	4,337,473.99
Total liabilities	3,954,908.22	-	790,121.95	4,745,030.17
Deferred inflows of resources related to pension	3,377.90	-	-	3,377.90
Deferred inflows of resources related to OPEB	145,503.25	-	-	145,503.25
	148,881.15	-	-	148,881.15
Net Position				
Nonspendable				
Inventory	90,569.14	-		90,569.14
Restricted				
Stabilization by State Statute	451,252.84	-		451,252.84
Assigned				
Appropriation to next years budget				-
Assigned				
Appropriation to next year's budget		-		-
Unassigned				
Available for appropriation	(1,087,063.18)		-	(1,087,063.18)
Investment in capital assets	(306,511.88)		13,284,152.37	12,977,640.49
Net position	(851,753.08)	-	13,284,152.37	12,432,399.29
Total liabilities, deferred inflows of resources and net position	3,252,036.29	-	14,074,274.32	17,326,310.61

Town of Mayodan, North Carolina
Water and Sewer Fund
Statement of Fund Net Position
June 30, 2020

Schedule 3

	Water and Sewer Budgetary Fund	Water and Sewer Lines Capital Projects Fund	Capital Assets and Long-Term Debt	Combined Water & Sewer Fund
Assets:				
Current assets:				
Cash and temporary investments	1,684,666.09	-		1,684,666.09
Accounts receivable (net of estimated uncollectible accounts)	235,819.87	-		235,819.87
Due from other governmental units	16,698.98	189,812.81		206,511.79
Due from other funds	16,959.23			16,959.23
Inventory	87,735.67	-		87,735.67
Total current assets	2,041,879.84	189,812.81	-	2,231,692.65
Non Current assets:				
Due from other governmental units	-	569,438.40	-	569,438.40
Restricted assets:				
Cash and temporary investments	79,520.41	-		79,520.41
Capital assets (net of accumulated Depreciation)	-	-	14,443,411.28	14,443,411.28
Total assets	2,121,400.25	759,251.21	14,443,411.28	17,324,062.74
Deferred outflows of resources-				
Contribution to pension plan	118,203.07	-		118,203.07
Contribution to OPEB	87,237.39	-	-	87,237.39
	205,440.46	-	-	205,440.46
Total assets and deferred outflows of resources	2,326,840.71	759,251.21	14,443,411.28	17,529,503.20
Liabilities, Deferred Inflows of Resources and Net Position:				
Current liabilities:				
Accounts payable	152,306.62	-		152,306.62
Accrued salaries	20,076.18	-		20,076.18
Customer deposits and refunds	43,813.12	-		43,813.12
Notes payable - current maturities	37,525.35	-	285,300.65	322,826.00
	253,721.27	-	285,300.65	539,021.92
Other liabilities:				
Accrued vacation pay	59,043.04	-		59,043.04
Notes payable - noncurrent maturities	306,679.45	-	790,121.95	1,096,801.40
Unearned Revenue	-	917,428.55	-	917,428.55
Net pension liability	193,613.04	-	-	193,613.04
Net OPEB Obligation	2,022,555.41	-	-	2,022,555.41
	2,581,890.94	917,428.55	790,121.95	4,289,441.44
Total liabilities	2,835,612.21	917,428.55	1,075,422.60	4,828,463.36
Deferred inflows of resources related to pension	4,968.58	-	-	4,968.58
Deferred inflows of resources related to OPEB	190,648.55	-	-	190,648.55
	195,617.13	-	-	195,617.13
Net Position:				
Nonspendable				
Inventory	87,735.67	-		87,735.67
Restricted				
Stabilization by State Statute	334,579.31	-		334,579.31
Unassigned				
Available for appropriation	(782,498.81)	(158,177.34)	-	(940,676.15)
Investment in capital assets	(344,204.80)		13,367,988.68	13,023,783.88
Net position	(704,388.63)	(158,177.34)	13,367,988.68	12,505,422.71
Total liabilities, deferred inflows of resources and net position	2,326,840.71	759,251.21	14,443,411.28	17,529,503.20

Town of Mayodan, North Carolina
Water and Sewer Fund
Analysis of Changes in Net Position in Water and Sewer Fund
Year Ended June 30, 2021

Schedule 4

	Water and Sewer Budgetary Fund	Water & Sewer Line - Capital Projects Fund	Fixed Assets and Long-term Debt	Combined Water and Sewer Fund
Net Position, June 30, 2020	(704,388.63)	(158,177.34)	13,367,988.68	12,505,422.71
Additions:				
Total Operating Revenue - Exhibit D-4	2,480,328.93			2,480,328.93
Non Operating Revenue	37,224.56	-		37,224.56
Contribution from Water & Sewer Fund		-		-
Capital outlay - Vehicles, Equipment & Lines			181,075.44	Eliminated
Sale of Surplus Assets	-			-
Debt retirement			285,300.65	Eliminated
Amortization of Revenue from Waste- Water Treatment Rights		-		-
Contribution from General Fund for Retirement of Debt on Public Works Building	7,500.00			7,500.00
	2,525,053.49	-	466,376.09	2,525,053.49
Expenditures:				
Total operating expenses other than Capital Outlay - D-4	1,920,569.60			1,920,569.60
Contribution to Capital Projects Fund	-			Eliminated
Interest and fiscal agents' fees	13,390.60	-		13,390.60
Capital Outlay	181,075.44			Eliminated
Debt retirement	285,300.65	-		Eliminated
Depreciation Expense			550,212.40	550,212.40
Pension Adjustments	34,870.90			34,870.90
Net OPEB Obligation	79,033.41			79,033.41
	2,514,240.60	-	550,212.40	2,598,076.91
Close out Capital Projects Fund	158,177.34	(158,177.34)		
Net Position, June 30, 2021	(851,753.08)	-	13,284,152.37	12,432,399.29