

**TOWN OF MIDDLEBURG
NORTH CAROLINA**

ANNUAL FINANCIAL REPORT

Town Council Members

Ray Bullock, Mayor

Ruth Nance

Mamie Turner

Anne Fudge, Clerk

Administrative and Financial Staff

Anne Fudge, Town Clerk/Finance Officer

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Town of Middleburg, North Carolina
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June 30, 2020

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FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

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Scott H. May, CPA
Dale R. Place, CPA, CFE

Independent Auditor's Report

Honorable Mayor and Town Council of the
Town of Middleburg
Middleburg, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund for the Town of Middleburg, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Middleburg, North Carolina 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 basic 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund for the Town of Middleburg, North Carolina as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in conformity 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 6 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 the 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 Middleburg, North Carolina. The combining and individual fund statements, budgetary schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, and other schedules 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.

May & Place, PA

May & Place, PA
Louisburg, North Carolina
June 30, 2021

Management's Discussion and Analysis

As management of the Town of Middleburg, North Carolina, we offer readers of the Town of Middleburg, North Carolina's financial statements this narrative overview and analysis of the financial activities of the Town of Middleburg, North Carolina for the fiscal year ended June 30, 2020. 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

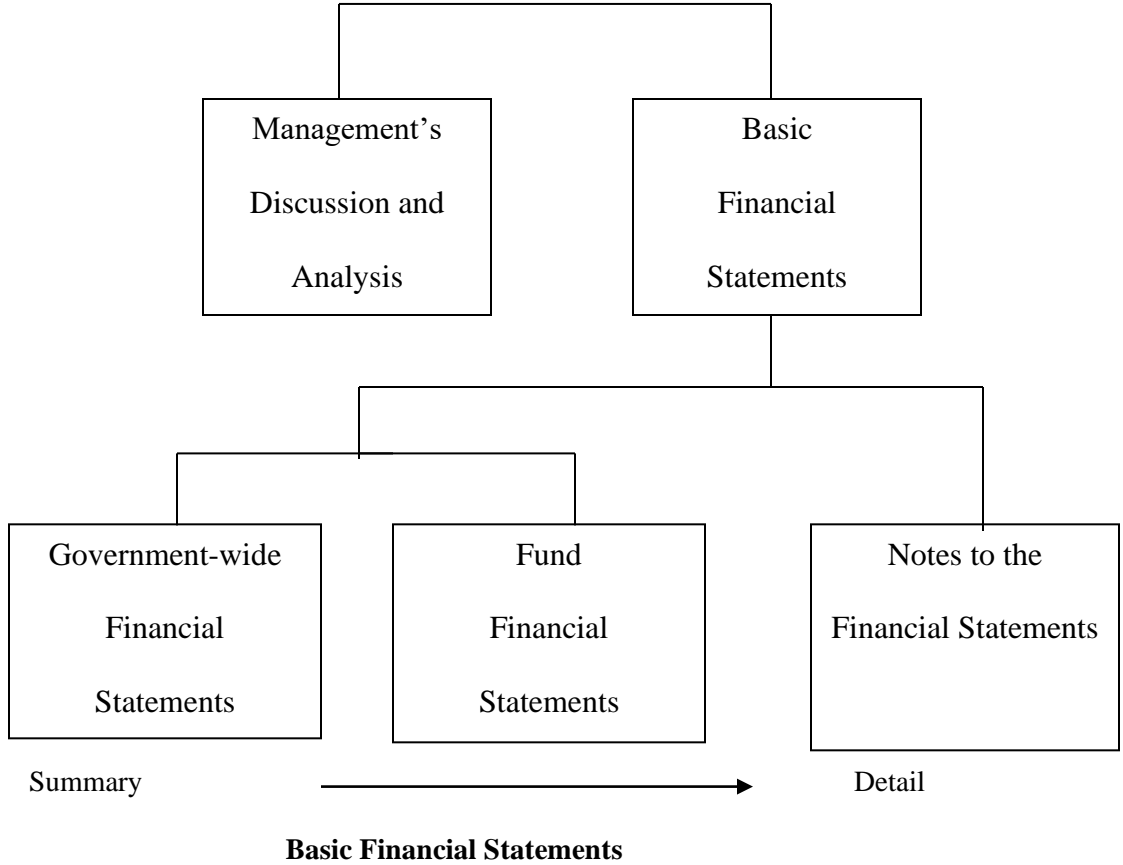
- The assets of the Town of Middleburg exceeded its liabilities at the close of the fiscal year by \$327,934 (*net position*).
- The government's total *net position* increased by \$24,894 primarily due to general government expenditures being below budget.
- As of the close of the current fiscal year, the Town of Middleburg's governmental fund reported an ending fund balance of \$167,348, a net increase of \$25,993 in fund balance. Approximately 73.75 percent of this total amount, or \$123,418, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$123,418 or 271.91 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Middleburg'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 Middleburg.

Required Components of Annual Financial Report

Figure 1



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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the 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 total liabilities. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements present the governmental activities, which include most of the Town's basic services such as public safety, transportation and utilities, parks and recreation, and general administration. Property taxes, intergovernmental revenues, and state and federal grant funds finance most of these activities.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Middleburg, 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 Middleburg are governmental funds.

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

The Town of Middleburg 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 of the Town, and the decisions of the Town Council 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.

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 start on page 22 of the report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government’s financial condition. The assets of the Town of Middleburg exceeded liabilities by \$327,934 as of June 30, 2020. The Town’s net position increased by \$24,894 for the fiscal year ended June 30, 2020. One portion of the Town’s net position, \$159,557, reflects the Town’s net investment in capital assets (e.g., machinery and equipment). The Town of Middleburg uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town’s investment in capital assets is reported net of any outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot liquidate these liabilities. An additional portion of the Town of Middleburg’s net position, \$43,930 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$124,447 is unrestricted.

Town of Middleburg’s Net Position
Figure 2

| | Governmental Activities | | Total | |
|--|--------------------------------|-------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$ 169 122 | \$ 142 871 | \$ 169 122 | \$ 142 871 |
| Capital assets | 165 257 | 169 935 | 165 257 | 169 935 |
| Total assets | <u>334 379</u> | <u>312 806</u> | <u>334 379</u> | <u>312 806</u> |
| Other liabilities | 6 445 | 9 766 | 6 445 | 9 766 |
| Total liabilities | <u>6 445</u> | <u>9 766</u> | <u>6 445</u> | <u>9 766</u> |
| Net assets: | | | | |
| Net investment in capital assets, net of related debt | 159 557 | 160 635 | 159 557 | 160 635 |
| Restricted | 43 930 | 38 892 | 43 930 | 38 892 |
| Unrestricted | 124 447 | 103 513 | 124 447 | 103 513 |
| Total net position | <u>\$ 327 934</u> | <u>\$ 303 040</u> | <u>\$ 327 934</u> | <u>\$ 303 040</u> |

Several aspects of the Town’s financial operations positively influenced the total unrestricted governmental net assets:

- Revenues increased from the prior year.
- This resulted in an increase in the net position of \$24,894.

**Town of Middleburg’s Changes in Net Position
Figure 3**

| | Governmental Activities | | Total | |
|------------------------------------|------------------------------------|-------------------|-------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 13 355 | \$ 11 625 | \$ 13 355 | \$ 11 625 |
| Operating grants and contributions | 6 443 | 6 916 | 6 443 | 6 916 |
| General revenues: | | | | |
| Property taxes | 28 713 | 28 327 | 28 713 | 28 327 |
| Unrestricted intergovernmental | 22 845 | 23 063 | 22 845 | 23 063 |
| Unrestricted investment income | 4 | 1 | 4 | 1 |
| Total revenues | <u>71 360</u> | <u>69 932</u> | <u>71 360</u> | <u>69 932</u> |
| Expenses: | | | | |
| General government | 39 733 | 35 622 | 39 733 | 35 622 |
| Transportation and utilities | 4 613 | 9 538 | 4 613 | 9 538 |
| Environmental protection | 2 120 | 2 360 | 2 120 | 2 360 |
| Cultural and recreation | - | 2 924 | - | 2 924 |
| Total expenses | <u>46 466</u> | <u>50 444</u> | <u>46 466</u> | <u>50 444</u> |
| Increase(decrease) in net position | 24 894 | 19 488 | 24 894 | 19 488 |
| Net position, July 1 | <u>303 040</u> | <u>283 552</u> | <u>303 040</u> | <u>283 552</u> |
| Net position, June 30 | <u>\$ 327 934</u> | <u>\$ 303 040</u> | <u>\$ 327 934</u> | <u>\$ 303 040</u> |

Governmental activities. Governmental activities increased the Town’s net position by \$24,894.

Financial Analysis of the Town’s Funds

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

Governmental Funds. The focus of the Town of Middleburg’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 Middleburg’s financing requirements.

The General Fund is the chief operating fund of the Town of Middleburg. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$123,418, while total fund balance reached \$167,348. 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 271.91 percent of total General Fund expenditures, while total fund balance represents 368.70 percent of that same amount.

At June 30, 2020, the governmental funds of the Town of Middleburg reported a combined fund balance of \$167,348, an 18.39 percent increase over last year.

General Fund Budgetary Highlights. For the fiscal year, the Town adopted a budget. If any budget amendments were required, they would have fallen 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 higher than budgeted amounts by \$4,904 and expenditures were under budget by \$25,289 in total.

Capital Asset and Debt Administration

Capital assets: The Town of Middleburg's capital assets for its governmental activities as of June 30, 2020, total \$165,257 (net of accumulated depreciation). The assets include buildings, sidewalks, and land.

**Town of Middleburg's Capital Assets
(net of depreciation)
Figure 4**

| | Governmental Activities | |
|-------------------------|------------------------------------|-------------|
| | 2020 | 2019 |
| Land | \$ 8 969 | \$ 8 969 |
| Buildings and sidewalks | 156 288 | 160 966 |
| | \$ 165 257 | \$ 169 935 |

Additional information on the Town of Middleburg's capital assets can be found in Note III.A.4 of the Basic Financial Statements.

Long-term Debt: As of June 30, 2020, the Town of Middleburg had total long-term debt outstanding of \$5,700. The entire amount is an intergovernmental loan from the County of Vance.

Governmental Activities

| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
|------------------------|-----------------|-----------------|-----------------|-----------------|
| Intergovernmental Loan | \$ <u>5 700</u> | \$ <u>9 300</u> | \$ <u>5 700</u> | \$ <u>9 300</u> |
| Total | \$ <u>5 700</u> | \$ <u>9 300</u> | \$ <u>5 700</u> | \$ <u>9 300</u> |

Additional information on the Town of Middleburg’s long-term debt can be found in Note III.B.3.a. of the Basic Financial Statements.

Economic Factors and Next Year’s Budgets and Rates

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

- High unemployment continues to be an ongoing concern.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities:

- Budgeted revenues and expenditures for the year ending June 30, 2021, are \$68,238.

Requests for Information

This report is designed to provide an overview of the Town’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Mayor of the Town of Middleburg, P. O. Box 159, Middleburg, NC 27556, telephone number (252) 430-4737.

BASIC FINANCIAL STATEMENTS

Town of Middleburg, North Carolina
Statement of Net Position
June 30, 2020

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current Assets: | |
| Cash and cash equivalents | \$ 124 095 |
| Taxes receivable (net) | 822 |
| Accrued interest receivable taxes | 207 |
| Due from other governments | 4 233 |
| Restricted cash and cash equivalents | 39 765 |
| Total Current Assets | <u>169 122</u> |
| Land | 8 969 |
| Other capital assets, net of depreciation | 156 288 |
| Total capital assets, net of depreciation | <u>165 257</u> |
| Total Assets | <u>334 379</u> |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable and accrued liabilities | 745 |
| Current portion of long-term debt | 3 600 |
| Total Current Liabilities | <u>4 345</u> |
| Long-term Liabilities: | |
| Non-current portion of long-term debt | 2 100 |
| Total Liabilities | <u>6 445</u> |
| NET POSITION | |
| Net investment in capital assets | 159 557 |
| Restricted for: | |
| Streets | 39 765 |
| Stabilization by State Statute | 4 165 |
| Unrestricted | 124 447 |
| Total Net Position | <u>\$ 327 934</u> |

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

**Town of Middleburg, North Carolina
Statement of Activities
For the Year Ended June 30, 2020**

| <u>Functions/Programs</u> | <u>Program Revenues</u> | | | | <u>Net (Expenses) Revenues And Changes in Net Position Primary Government</u> | |
|--|-------------------------|---------------------------------|---|---|---|-------------------|
| | <u>Expenses</u> | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> | <u>Governmental Activities</u> | <u>Total</u> |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| General government | \$ 39 733 | \$ - | \$ - | \$ - | \$ (39 733) | \$ (39 733) |
| Transportation and utilities | 4 613 | - | 6 443 | - | 1 830 | 1 830 |
| Environmental protection | 2 120 | - | - | - | (2 120) | (2 120) |
| Cultural and recreation | - | 13 355 | - | - | 13 355 | 13 355 |
| Total Governmental Activities | <u>46 466</u> | <u>13 355</u> | <u>6 443</u> | <u>-</u> | <u>(26 668)</u> | <u>(26 668)</u> |
| Total Primary Government | <u>\$ 46 466</u> | <u>\$ 13 355</u> | <u>\$ 6 443</u> | <u>\$ -</u> | <u>(26 668)</u> | <u>(26 668)</u> |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes levied for general purposes | | | | | 28 713 | 28 713 |
| Unrestricted intergovernmental | | | | | 22 845 | 22 845 |
| Unrestricted investment earnings | | | | | 4 | 4 |
| Total general revenues | | | | | <u>51 562</u> | <u>51 562</u> |
| Change in Net Position | | | | | 24 894 | 24 894 |
| Net Position – beginning | | | | | 303 040 | 303 040 |
| Net Position – ending | | | | \$ | <u>327 934</u> | <u>\$ 327 934</u> |

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

**Town of Middleburg, North Carolina
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2020**

| | General Fund | Total Governmental Funds |
|---|-------------------------|---|
| ASSETS | | |
| Cash and cash equivalents | \$ 124 095 | \$ 124 095 |
| Restricted cash and investments | 39 765 | 39 765 |
| Taxes receivable | 822 | 822 |
| Due from other governments | 4 233 | 4 233 |
| Total assets | 168 915 | 168 915 |
| LIABILITIES | | |
| Accrued payroll liabilities | 745 | 745 |
| Total liabilities | 745 | 745 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Property taxes receivable | 822 | 822 |
| Total deferred inflows of resources | 822 | 822 |
| FUND BALANCES | | |
| Restricted | | |
| Stabilization by State Statute | 4 165 | 4 165 |
| Streets | 39 765 | 39 765 |
| Unassigned | 123 418 | 123 418 |
| Total fund balances | 167 348 | 167 348 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 168 915 | \$ 168 915 |

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

Town of Middleburg, North Carolina
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2020

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

| | | |
|---|----|-----------------|
| Total fund balance, Governmental Fund | \$ | 167 348 |
| Capital assets used in governmental activities are not financial resources and therefore not reported in the funds | | |
| Capital Assets | \$ | 246 055 |
| Accumulated Depreciation | | <u>(80 798)</u> |
| | | 165 257 |
| Other long-term assets (accrued interest receivable from taxes) are not available to pay for current period expenditures and therefore, are deferred. | | |
| | | 207 |
| Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds | | |
| | | (5 700) |
| Liabilities for earned but deferred revenues in fund statements. Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds. | | |
| | | <u>822</u> |
| Net position of governmental activities, Exhibit 1 | \$ | <u>327 934</u> |

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

Exhibit 4

**Town of Middleburg, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020**

| | General Fund | Total Governmental Funds |
|---|-------------------------|---|
| Revenues | | |
| Ad valorem taxes | \$ 28 737 | \$ 28 737 |
| Unrestricted intergovernmental revenues | 22 845 | 22 845 |
| Restricted intergovernmental revenues | 6 443 | 6 443 |
| Sales and services | 13 353 | 13 353 |
| Investment earning | 4 | 4 |
| Total revenues | 71 382 | 71 382 |
| Expenditures | | |
| General government | 35 056 | 35 056 |
| Transportation and utilities | 4 613 | 4 613 |
| Cemetery | 2 120 | 2 120 |
| Debt service | 3 600 | 3 600 |
| Total expenditures | 45 389 | 45 389 |
| Excess (deficiency) of revenues over expenditures | 25 993 | 25 993 |
| Fund Balance – beginning | 141 355 | 141 355 |
| Fund Balance – ending | \$ 167 348 | \$ 167 348 |

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

Town of Middleburg, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

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

| | | |
|---|----|---------|
| Net changes in fund balances – total government funds | \$ | 25 993 |
| <p>Government funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p> | | |
| Depreciation | | (4 678) |
| <p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> | | |
| Principle payments on long-term debt | | 3 600 |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:</p> | | |
| Change in accrued interest receivable on taxes | | (63) |
| Change in deferred revenue for tax revenue | | 42 |
| Total changes in net position of governmental activities | \$ | 24 894 |

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

Town of Middleburg, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended June 30, 2020

| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | Variance with Final Budget- Positive (Negative) |
|--------------------------------|-----------------|---------------|---------------------------|--|
| Revenues: | | | | |
| Ad valorem taxes | \$ 27 500 | \$ 27 500 | \$ 28 737 | \$ 1 237 |
| Unrestricted intergovernmental | 21 325 | 21 325 | 22 845 | 1 520 |
| Restricted intergovernmental | 6 550 | 6 550 | 6 443 | (107) |
| Sales and services | 11 100 | 11 100 | 13 353 | 2 253 |
| Investment earnings | 3 | 3 | 4 | 1 |
| Total revenues | <u>66 478</u> | <u>66 478</u> | <u>71 382</u> | <u>4 904</u> |
| Expenditures: | | | | |
| Current | | | | |
| General government | 49 895 | 49 895 | 35 056 | 14 839 |
| Transportation and utilities | 10 483 | 10 483 | 4 613 | 5 870 |
| Cultural and recreation | 2 500 | 2 500 | 2 120 | 380 |
| Debt service: | | | | |
| Principle | 3 600 | 3 600 | 3 600 | - |
| Total expenditures | <u>66 478</u> | <u>66 478</u> | <u>45 389</u> | <u>21 089</u> |
| Net change in fund balance | \$ <u>-</u> | \$ <u>-</u> | 25 993 | \$ <u>25 993</u> |
| Fund Balance - beginning | | | <u>141 355</u> | |
| Fund Balance – ending | | | <u>\$ 167 348</u> | |

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

NOTES TO THE FINANCIAL STATEMENTS

Town of Middleburg, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2020

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Middleburg 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 Middleburg is a municipal corporation that is governed by an elected mayor and three-member council. As required by generally accepted accounting principles, these financial statements present the Town of Middleburg, a legally separate entity for which the Town is financially accountable. These financial statements present only the financial operations of the Town, as there are no component units required to be included.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the Town) net position. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Town has only governmental activities.

The statement of activities presents a comparison between direct expenses and program revenues 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, fines, 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 where applicable. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The Town of Middleburg had no non-major governmental funds and no major or non-major enterprise funds. The Town has only a general fund.

The Town reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Town of Middleburg. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, State shared revenues, State grants, other taxes and licenses, and investment earnings. The primary expenditures are for streets and highways, public safety, and general governmental services.

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 Fund Financial Statements. The government-wide fund financial statements are reported using the economic resources measurement focus. The government-wide 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, including grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Revenues that are not classified as program revenues are presented as general revenues. Likewise, general revenues include all taxes.

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

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

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

It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

D. Budgetary Data

The Town's budget was adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. 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 object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund by more than \$2,500. All amendments must be approved by the governing board. 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, Deferred Inflows/Outflows of Resources, and Fund Equity

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. Non-participating interest earning contracts are accounted for at cost. The NCCMT-Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

2. Cash and Cash Equivalents

The Town pools its money to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for purposes outlined in G.S. 136-41.1 through 136-41.4.

| Town of Middleburg Restricted Cash | |
|------------------------------------|------------------------|
| <hr/> | |
| Governmental Activities | |
| General Fund | |
| Streets | \$ 39 765 |
| Total Restricted Cash | <hr/> <u>\$ 39 765</u> |

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2019. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowance for Doubtful Accounts

All receivables that historically experience uncollectable 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. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$1,000; buildings and improvements, \$5,000; infrastructure, \$20,000; computer software, \$5,000 and all other assets, \$2,500. Donated capital assets received prior to June 15, 2015, are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015, is recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets of the Town are depreciated on a straight-line basis over the following estimated useful lives:

| | <u>Years</u> |
|-------------------------|--------------|
| Buildings | 40 |
| Infrastructure | 40 |
| Vehicles | 6 |
| Computer equipment | 3 |
| Computer software | 5 |
| Furniture and equipment | 10 |

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town does not have any of these items that meet this criterion. 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 one item that meets this criterion, which consists of property taxes receivable.

8. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The Town does not have any nonspendable fund balances.

Restricted fund balance – This classification includes amounts that are restricted to specific purposes externally imposed or imposed by law.

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 Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted net position and Restricted fund balance on the face of the balance sheet.

Committed fund balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Middleburg'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 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 appropriations.

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

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

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with North Carolina General Statutes

None

2. Contractual Violations

The Town did not have any contractual violations.

B. Deficit in Fund Balance or Net Position of Individual Funds

The Town did not have a net deficit in fund balance or net position.

C. Excess of Expenditures over Appropriation

For the fiscal year ended June 30, 2020, expenditures did not exceed appropriations.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town. 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. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2020, the Town's deposits had a carrying amount of \$163,860 and a bank balance of \$163,860. Of the bank balance, \$163,860 was covered by federal depository insurance. The Town of Middleburg does not maintain a petty cash fund.

2. Investments

At June 30, 2020, the Town of Middleburg had no investments.

3. Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2020, is without any allowances for doubtful accounts:

| | |
|-----------------------------|-----------------|
| General Fund: | |
| Taxes receivable (net) | \$ 822 |
| Due from other governments: | 4 233 |
| Total General Fund | <u>\$ 5 055</u> |

4. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2020, was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balances</u> |
|--|-------------------------------|------------------|------------------|----------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 8 969 | \$ - | \$ - | \$ 8 969 |
| Total capital assets not being depreciated | <u>8 969</u> | <u>-</u> | <u>-</u> | <u>8 969</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 199 984 | - | - | 199 984 |
| Sidewalks | 37 102 | - | - | 37 102 |
| Total capital assets being depreciated | <u>237 086</u> | <u>-</u> | <u>-</u> | <u>237 086</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 64 061 | 3 750 | - | 67 811 |
| Sidewalks | 12 059 | 928 | - | 12 987 |
| Total accumulated depreciation | <u>76 120</u> | <u>\$ 4 678</u> | <u>\$ -</u> | <u>80 798</u> |
| Total capital assets being depreciated, net | <u>160 966</u> | | | <u>156 288</u> |
| Governmental activity capital assets, net | <u>\$ 169 935</u> | | | <u>\$ 165 257</u> |

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

| <u>Function</u> | <u>Amount</u> |
|----------------------------|-----------------|
| General government | \$ <u>4 678</u> |
| Total depreciation expense | \$ <u>4 678</u> |

B. Liabilities

1. Deferred Outflows and Inflows of Resources

Deferred inflows of resources at year end are composed of ad valorem taxes receivable.

| | <u>General Fund</u> <u>Balance Sheet</u> |
|------------------------------|---|
| Ad valorem taxes receivable: | \$ <u>822</u> |
| Total deferred revenue: | \$ <u>822</u> |

2. 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 a self-funded risk-financing pool administered by the North Carolina League of Municipalities. Through this pool, the Town obtains general liability of \$1 million per occurrence. The pool is reinsured through commercial companies for single occurrence claims against general liability in excess of \$500,000. The liability exposures are reinsured through commercial carriers for claims in excess of retentions as selected by the Board of Trustees each year. Specific information on the limits of the reinsurance, excess and stop loss policies purchased by the Board of Trustees can be obtained by contacting the Risk Management Services Department of the NC League of Municipalities. The pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

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 does not carry flood insurance. The Town has decided that the cost of flood insurance outweighs the risk of not having flood insurance.

In accordance with G.S. 159-29, the Town's Town Clerk, who also serves as the Finance Officer, is individually bonded by a surety in the amount of \$50,000. The Mayor is also bonded for \$50,000. No other Town employees are authorized to have access to \$100.00 or more of the Town's funds at any given time.

3. Long-Term Obligations

a. Intergovernmental Loan

On September 15, 2014, the Town of Middleburg obtained financing from Vance County, North Carolina to assist in the renovation and repairs of their rental building. The Town borrowed \$24,000 from the County of Vance. The agreement calls for the Town to repay the loan to the County at \$300 per month until the loan is paid in full. Interest has been forgiven on the loan.

Future minimum payments as of June 30, 2020, are as follows:

| Year Ending June 30 | Principle | Interest |
|--------------------------------|------------------|-----------------|
| 2021 | \$ 3 600 | \$ - |
| 2022 | 2 100 | - |
| Total | \$ 5 700 | \$ - |

| | Balance June 30, 2019 | Increases | Decreases | Balance June 30, 2020 | Current Portion of Balance |
|--------------------------|----------------------------------|------------------|------------------|----------------------------------|---------------------------------------|
| Governmental activities: | | | | | |
| Intergovernmental loan: | \$ 9 300 | \$ - | \$ 3 600 | \$ 5 700 | \$ 3 600 |
| Governmental activities | | | | | |
| long – term liabilities | \$ 9 300 | \$ - | \$ 3 600 | \$ 5 700 | \$ 3 600 |

4. Claims, Judgments and Contingent Liabilities

At June 30, 2020, the Town was not a defendant to any lawsuits, judgments, and contingent liabilities.

C. Fund Balance

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

| | |
|--|------------|
| <i>Total fund balance-General Fund</i> | \$ 167 348 |
| Less: | |
| Streets – Powell Bill | 39 765 |
| Stabilization by State Statute | 4 165 |
| Remaining Fund Balance | 123 418 |

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

V. Significant Effects of Subsequent Events

Management has evaluated subsequent events through June 30, 2021, the date on which the financial statements were available to be issued.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Town of Middleburg, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---------------------------------|---------------|---------------|---|
| Revenues: | | | |
| Ad valorem taxes: | | | |
| Current year | \$ - | \$ 28 257 | \$ - |
| Prior years | - | 480 | - |
| Total | <u>27 500</u> | <u>28 737</u> | <u>1 237</u> |
| Unrestricted intergovernmental: | | | |
| Local option sales taxes | - | 14 624 | - |
| Franchise taxes | - | 7 645 | - |
| Beer and wine tax | - | 576 | - |
| Total | <u>21 325</u> | <u>22 845</u> | <u>1 520</u> |
| Restricted intergovernmental: | | | |
| State Street Aid grant | - | 6 443 | - |
| Total | <u>6 550</u> | <u>6 443</u> | <u>(107)</u> |
| Sales and Services: | | | |
| Fun Day income | - | 2 685 | - |
| Rental income | - | 9 600 | - |
| Miscellaneous | - | 1 068 | - |
| Total | <u>11 100</u> | <u>13 353</u> | <u>2 253</u> |
| Investment earnings | <u>3</u> | <u>4</u> | <u>1</u> |
| Total Revenues | <u>66 478</u> | <u>71 382</u> | <u>4 904</u> |

(continued)

Town of Middleburg, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|------------------------------------|---------------|---------------|---|
| Expenditures: | | | |
| General Government: | | | |
| Governing Body | | | |
| Board of Commissioners | - | 3 284 | - |
| Elections | - | 1 890 | - |
| Total governing body | <u>6 300</u> | <u>5 174</u> | <u>1 126</u> |
| Finance | | | |
| Town clerk | - | 4 986 | - |
| Mayor | - | 1 620 | - |
| Advertising | - | 250 | - |
| Office supplies and printing | - | 783 | - |
| Insurance | - | 2 381 | - |
| Supplies | - | 500 | - |
| Dues and subscriptions | - | 830 | - |
| Travel and meetings | - | 470 | - |
| Fund Day Expense | - | 2 468 | - |
| Roland Park | - | 1 200 | - |
| Postage | - | 240 | - |
| Professional fees | - | 8 880 | - |
| Repairs and maintenance | - | 1 212 | - |
| Miscellaneous expense | - | 172 | - |
| Bank charges | - | 75 | - |
| Taxes other | - | 2 796 | - |
| Telephone | - | 1 019 | - |
| Total finance | <u>43 595</u> | <u>29 882</u> | <u>13 713</u> |
| Total General Government: | <u>49 895</u> | <u>35 056</u> | <u>14 839</u> |
| Street and highways | | | |
| Streetlights | - | 3 813 | - |
| Maintenance | - | 800 | - |
| Total transportation and utilities | <u>10 483</u> | <u>4 613</u> | <u>5 870</u> |

(continued)

Town of Middleburg, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2020

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------|-------------------|---|
| Cemetery | | | |
| Mowing | - | 2 120 | - |
| Total cemetery | <u>2 500</u> | <u>2 120</u> | <u>380</u> |
| | | | |
| Principle payment | <u>3 600</u> | <u>3 600</u> | <u>-</u> |
| | | | |
| Total expenditures | <u>66 478</u> | <u>45 389</u> | <u>21 089</u> |
| | | | |
| Revenues over (under) expenditures and other financing sources (uses) | <u>\$ -</u> | 25 993 | <u>\$ 25 993</u> |
| | | | |
| Fund balances – beginning | | <u>141 355</u> | |
| Fund balances – ending | | <u>\$ 167 348</u> | |

Other Schedules

This section contains additional information required on property taxes

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

Town of Middleburg, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2020

| <u>Fiscal Year</u> | <u>Uncollected Balance June 30, 2019</u> | <u>Additions</u> | <u>Collections And Credits</u> | <u>Uncollected Balance June 30, 2020</u> |
|--------------------|--|------------------|------------------------------------|--|
| 2019-2020 | - | 28 675 | 28 257 | 418 |
| 2018-2019 | 249 | - | 200 | 49 |
| 2017-2018 | 137 | - | 119 | 18 |
| 2016-2017 | 146 | - | 89 | 57 |
| 2015-2016 | 37 | - | - | 37 |
| 2014-2015 | 37 | - | - | 37 |
| 2013-2014 | 79 | - | - | 79 |
| 2012-2013 | 57 | - | - | 57 |
| 2011-2012 | 45 | - | - | 45 |
| 2010-2011 | 25 | - | - | 25 |
| 2009-2010 | 72 | - | 72 | - |
| | <u>\$ 884</u> | <u>\$ 28 675</u> | <u>\$ 28 737</u> | <u>\$ 822</u> |

Reconciliation with revenues:

| | |
|---------------------------------|------------------|
| Ad valorem taxes – General Fund | \$ <u>28 737</u> |
| Reconciling items: | |
| Interest collected | - |
| Taxes written off | - |
| Subtotal | <u>-</u> |
| Total collections and credits | \$ <u>28 737</u> |

Town of Middleburg, North Carolina
Analysis of Current Tax Levy
Town – Wide Levy
For the Fiscal Year Ended June 30, 2020

| | Town-Wide | | Total Levy | | |
|------------------------------------|-----------------------|------|------------------|--|---------------------------------|
| | Property Valuation | Rate | Total Levy | Property Excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original levy: | | | | | |
| Property taxed at current rate | \$ 6 295 778 | 0.45 | \$ 28 331 | \$ 25 252 | \$ 3 079 |
| Penalties | - | | - | - | - |
| Total | <u>6 295 778</u> | | <u>28 331</u> | <u>25 252</u> | <u>3 079</u> |
| Discoveries: | | | | | |
| Current year taxes | <u>76 889</u> | 0.45 | <u>346</u> | <u>346</u> | <u>-</u> |
| | <u>6 372 677</u> | | <u>28 677</u> | <u>25 598</u> | <u>3 079</u> |
| Abatements | <u>(445)</u> | 0.45 | <u>(2)</u> | <u>-</u> | <u>-</u> |
| Total property valuation | <u>\$ 6 372 222</u> | | | | |
| Net levy | | | 28 675 | 25 598 | 3 079 |
| Uncollected taxes at June 30, 2020 | | | <u>(418)</u> | <u>(418)</u> | <u>-</u> |
| Current year's taxes collected | | | \$ <u>28 257</u> | \$ <u>25 180</u> | \$ <u>3 079</u> |
| Current levy collection percentage | | | <u>98.54%</u> | <u>98.37%</u> | <u>100.00%</u> |