

REVIEWED

By SLGFD at 11:35 am, Dec 13, 2021

TOWN OF AUTRYVILLE

NORTH CAROLINA

FINANCIAL STATEMENTS

Fiscal year ended June 30, 2021

MAYOR
Grayson Spell

BOARD OF COMMISSIONERS

Debra Baxley
Denise N. Tyndall

Kim Baker
Mickie Spell

TAX COLLECTOR
Cassandra Tyndall

CLERK
Cassandra Tyndall

TOWN OF AUTRYVILLE, NORTH CAROLINA

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June 30, 2021

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FINANCIAL SECTION

HAIGH, BYRD & LAMBERT, LLP

CERTIFIED PUBLIC ACCOUNTANTS
1007 HAY STREET
FAYETTEVILLE, NORTH CAROLINA 28305

Independent Auditor's Report

To the Honorable Mayor and
Members of the Board of Commissioners
Autryville, 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 Autryville, 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 Autryville, 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 3 through 12 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 Autryville, North Carolina. The 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 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 by us. In our opinion, based on our audit, and the procedures performed as described above, the 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.

Haigh, Byrd + Lambert, LLP

Certified Public Accountants
Fayetteville, North Carolina
November 15, 2021

Management's Discussion and Analysis

Management's Discussion for the Town of Autryville

As management of the Town of Autryville, we offer readers of the Town of Autryville's financial statements this narrative overview and analysis of the financial activities of the Town of Autryville 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

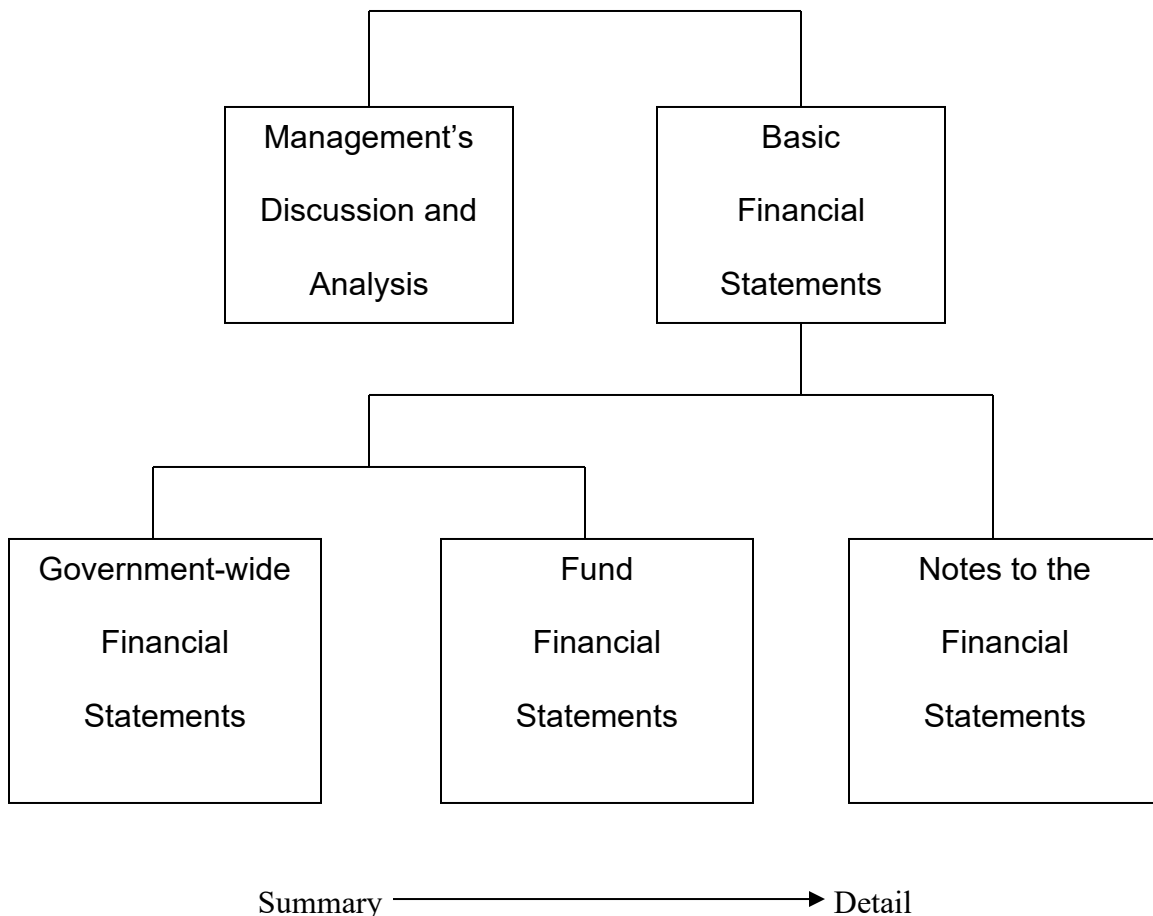
- The assets and deferred outflows of resources of the Town of Autryville exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$949,085 (*net position*).
- The government's total net position increased by \$49,293 primarily due to increases in the Governmental type activities net position.
- As of the close of the current fiscal year, the Town of Autryville's governmental funds reported combined ending fund balances of \$430,678, an increase of \$73,153 in comparison with the prior year. Approximately 8 percent of this total amount, or \$34,290 is non-spendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$396,388 or 286 percent of total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Town of Autryville'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 Autryville.

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 9) 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 of

Town of Autryville

Autryville'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 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 environmental protection, public safety, parks and recreation, and general administration. Property taxes and state shared revenues finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water service offered by the Town of Autryville. 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 Autryville, 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 Autryville 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 Autryville adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. 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 Autryville 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 Autryville uses its enterprise fund to account for its water activity and operations. This fund is the same as that function shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 23-34 of this report.

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

Government-Wide Financial Analysis

The Town of Autryville's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 435,469	\$ 361,602	\$ 53,392	\$ 39,849	\$ 488,861	\$ 401,451
Capital assets	274,049	290,501	211,247	225,093	485,296	515,594
Total assets	709,518	652,103	264,639	264,942	974,157	917,045
Long-term liabilities outstanding	6,430	1,180	946	590	7,376	1,770
Other liabilities	6,663	3,910	11,033	11,573	17,696	15,483
Total liabilities	13,093	5,090	11,979	12,163	25,072	17,253
Net assets:						
Net investment in capital assets	267,470	290,501	211,247	225,093	478,717	515,594
Restricted	34,290	17,704	-	-	34,290	17,704
Unrestricted	394,665	338,808	41,413	27,686	436,078	366,494
Total net assets	\$ 696,425	\$ 647,013	\$ 252,660	\$ 252,779	\$ 949,085	\$ 899,792

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 Autryville exceeded liabilities and deferred inflows by \$949,085 as of June 30, 2021. The Town of Autryville net position increased by \$49,293 for the fiscal year ended June 30, 2021. The largest portion, \$478,717, reflects the Town's net investment in capital assets (e.g., land, buildings, machinery, and equipment). The Town of Autryville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Autryville's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Autryville's net position \$34,290 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$436,078 is unrestricted.

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

- Continued diligence in the collection of property taxes maintained a tax collection percentage of 100%, which is a little more than the statewide average
- Increase in state shared revenues

Town of Autryville Changes in Net Position
Figure 3

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 16,874	\$ 13,074	\$ 101,880	\$ 91,711	\$ 118,754	\$ 104,785
Operating grants and contributions	76,238	10,835	-	-	76,238	10,835
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	62,952	62,585	-	-	62,952	62,585
Unrestricted intergovernmental	79,262	71,860	-	-	79,262	71,860
Other	2,899	352	-	2	2,899	354
Total revenues	238,225	158,706	101,880	91,713	340,105	250,419
Expenses:						
General government	46,096	52,814	-	-	46,096	52,814
Public safety	32,297	9,100	-	-	32,297	9,100
Highways/streets	29,384	37,022	-	-	29,384	37,022
Sanitation	77,391	49,852	-	-	77,391	49,852
Culture and recreation	3,645	3,098	-	-	3,645	3,098
Interest on long-term debt	-	-	-	-	-	-
Water	-	-	101,999	105,502	101,999	105,502
Total expenses	188,813	151,886	101,999	105,502	290,812	257,388
Increase (Decrease) in net position	49,412	6,820	(119)	(13,789)	49,293	(6,969)
Net position, July 1	647,013	640,193	252,779	266,568	899,792	906,761
Net position, June 30	\$ 696,425	\$ 647,013	\$ 252,660	\$ 252,779	\$ 949,085	\$ 899,792

Governmental activities. Governmental activities increased the Town's net assets by \$49,412.

Business-type activities: Business-type activities decreased the Town of Autryville's net assets by \$119.

Financial Analysis of the Town of Autryville Funds

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

Governmental Funds. The focus of the Town of Autryville'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 Autryville's financing requirements. Specifically, unreserved 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 Autryville. At the end of the current fiscal year, the Town's fund balance available in the General Fund was \$396,388 while total fund balance amounted to \$428,787. At year end the Town had available fund balance of 286% of general fund expenditures, while total fund balance represents 309% of the same amount.

At June 30, 2021, governmental funds reported a combined fund balance of \$430,678 with a net increase in fund balance of \$73,153.

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 greater than the budgeted amounts primarily because some state shared revenues that the Town received were greater than anticipated. Additionally operating expenditures were less than expected.

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 assets of the Water Fund at the end of the fiscal year amounted to \$41,413. The total decrease in net assets for this fund was \$119. The factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town of Autryville's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$485,296 (net of accumulated depreciation). These assets include buildings, land, infrastructure, machinery and equipment, park facilities, and vehicles.

There were no major capital asset transactions during the year.

Town of Autryville's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 44,692	\$ 44,692	\$ 8,198	\$ 8,198	\$ 52,890	\$ 52,890
Buildings and systems	63,274	67,004	203,049	216,895	266,323	283,899
Improvements other than buildings	7,438	9,247	-	-	7,438	9,247
Machinery and equipment	11,513	3,441	-	-	11,513	3,441
Infrastructure	147,132	166,117	-	-	147,132	166,117
Total	\$ 274,049	\$ 290,501	\$ 211,247	\$ 225,093	\$ 485,296	\$ 515,594

Additional information on the Town's capital assets can be found in note III.A.3. of the Basic Financial Statements.

Long-term Debt. The Town of Autryville had outstanding debt of \$6,579 at June 30, 2021.

North Carolina general statutes limit the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Town of Autryville is \$993,888.

Next Year's Budgets and Rates

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Property taxes (benefiting from the economic growth) and state shared revenues are expected to remain at approximate current levels. Budgeted revenues reflect an increase of 5%. Budgeted expenditures in the General Fund include capital outlay of approximately \$5,500. Operating expenditures are expected to be slightly more than current year levels.

Business – type Activities: The water revenue and general operating expenses will remain at prior year levels in the upcoming year. Budgeted revenues in the Water Fund for water charges is \$3,000 more than the current year and budgeted expenditures include capital outlay of approximately \$16,410.

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 Town Hall Office at PO Drawer 10, Autryville, NC 28318 or call 910-525-4567.

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Basic Financial Statements

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Net Position
June 30, 2021

EXHIBIT 1

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 402,902	\$ 51,009	\$ 453,911
Taxes receivable (net)	143	-	143
Accrued interest receivable on taxes	25	-	25
Accounts receivable (net)	-	8,063	8,063
Due from other governments	15,403	198	15,601
Internal balances	5,878	(5,878)	-
Restricted cash and equivalents	11,118	-	11,118
Total current assets	<u>435,469</u>	<u>53,392</u>	<u>488,861</u>
Capital assets (Note 1)			
Land, non-depreciable improvements, and other construction in progress	44,692	8,198	52,890
Other capital assets, net of depreciation	229,357	203,049	432,406
Total capital assets	<u>274,049</u>	<u>211,247</u>	<u>485,296</u>
Total assets	<u>\$ 709,518</u>	<u>\$ 264,639</u>	<u>\$ 974,157</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 4,623	\$ 65	\$ 4,688
Accrued interest payable	-	-	-
Customer deposits	-	10,968	10,968
Internal balances	-	-	-
Long-term liabilities:			
Due within one year	2,040	-	2,040
Due in more than one year	6,430	946	7,376
Total liabilities	<u>13,093</u>	<u>11,979</u>	<u>25,072</u>
NET POSITION			
Net investment in capital assets	267,470	211,247	478,717
Restricted for:			
Stabilization by State Statute	21,281	-	21,281
Streets	11,118	-	11,118
Public Safety	1,891	-	1,891
Unrestricted	394,665	41,413	436,078
Total net position	<u>\$ 696,425</u>	<u>\$ 252,660</u>	<u>\$ 949,085</u>

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

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Activities
For the year ended June 30, 2021

EXHIBIT 2

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue 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>Business Type Activities</u>	<u>Total</u>
Governmental Activities:							
General government	\$ 46,096	\$ -	\$ -	\$ -	\$ (46,096)	\$ -	\$ (46,096)
Public safety	32,297	-	36,538	-	4,241	-	4,241
Transportation	29,384	-	9,950	-	(19,434)	-	(19,434)
Environmental protection	77,391	16,874	24,750	-	(35,767)	-	(35,767)
Culture and recreation	3,645	-	5,000	-	1,355	-	1,355
Total governmental activities (See Note 1)	188,813	16,874	76,238	-	(95,701)	-	(95,701)
Business-type activities:							
Water	101,999	101,880	-	-	-	(119)	(119)
Total business-type activities	101,999	101,880	-	-	-	(119)	(119)
Total primary government	\$ 290,812	\$ 118,754	\$ 76,238	\$ -	(95,701)	(119)	(95,820)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					62,952	-	62,952
Other taxes					-	-	-
Grants and contributions not restricted to a specific purpose					79,262	-	79,262
Unrestricted investment earnings					65	-	65
Miscellaneous					2,834	-	2,834
Total general revenues					145,113	-	145,113
Change in net position					49,412	(119)	49,293
Net position, beginning					647,013	252,779	899,792
Net position, ending					\$ 696,425	\$ 252,660	\$ 949,085

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

TOWN OF AUTRYVILLE, NORTH CAROLINA
Balance Sheet
Governmental Funds
June 30, 2021

EXHIBIT 3

	<u>Major Funds</u> <u>General</u> <u>Fund</u>	<u>Non-major Funds</u> <u>Coronavirus Relief</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS			
Cash and cash equivalents	\$ 402,902	\$ -	\$ 402,902
Restricted cash and equivalents	11,118	-	11,118
Receivables, net			
Taxes	143	-	143
Due from other governments	15,403	-	15,403
Due from other funds	5,878	1,891	7,769
Total assets	<u>\$ 435,444</u>	<u>\$ 1,891</u>	<u>\$ 437,335</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 4,623	\$ -	\$ 4,623
Due to other funds	1,891	-	1,891
Total liabilities	<u>6,514</u>	<u>-</u>	<u>6,514</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	143	-	143
Total deferred inflows of resources	<u>143</u>	<u>-</u>	<u>143</u>
FUND BALANCES			
Restricted			
Stabilization by State Statute	21,281	-	21,281
Streets	11,118	-	11,118
Public Safety	-	1,891	1,891
Assigned			
Subsequent year's expenditures	-	-	-
Unassigned	396,388	-	396,388
Total fund balances	<u>428,787</u>	<u>1,891</u>	<u>430,678</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 435,444</u>	<u>\$ 1,891</u>	
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Gross capital assets - at historical cost	768,888		
Accumulated depreciation	<u>(494,839)</u>		274,049
Other long term assets (accrued interest receivable from taxes) are not available to pay for current period expense and therefore are deferred.			
			25
Liabilities for earned revenues considered deferred inflows of resources in fund statements.			
			143
Long-term liabilities used in governmental activities are not financial uses and therefore are not reported in the funds.			
Gross long-term debt			<u>(8,470)</u>
Net position of governmental activities			<u>\$ 696,425</u>

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

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

EXHIBIT 4

	<u>Major Funds</u> <u>General</u> <u>Fund</u>	<u>Non-major Funds</u> <u>Coronavirus Relief</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Ad valorem taxes	\$ 62,952	\$ -	\$ 62,952
Other taxes and licenses	-	-	-
Unrestricted intergovernmental	79,262	-	79,262
Restricted intergovernmental	39,700	36,538	76,238
Sales and services	16,874	-	16,874
Investment earnings	65	-	65
Miscellaneous	2,834	-	2,834
Total revenues	<u>201,687</u>	<u>36,538</u>	<u>238,225</u>
Expenditures:			
Current:			
General government	40,497	-	40,497
Public safety	-	34,647	34,647
Transportation	10,399	-	10,399
Environmental protection	76,680	-	76,680
Culture and recreation	9,428	-	9,428
Debt service			
Principal	1,569	-	1,569
Interest	-	-	-
Total expenditures	<u>138,573</u>	<u>34,647</u>	<u>173,220</u>
Excess (deficiency) of revenues over expenditures	<u>63,114</u>	<u>1,891</u>	<u>65,005</u>
Other Financing Sources (Uses)			
Installment purchase obligations issued	8,148	-	8,148
Total other financing sources (uses)	<u>8,148</u>	<u>-</u>	<u>8,148</u>
Net change in fund balance	71,262	1,891	73,153
Fund balances, beginning	357,525	-	357,525
Fund balances, ending	<u>\$ 428,787</u>	<u>\$ 1,891</u>	<u>\$ 430,678</u>

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

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

EXHIBIT 5

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

Net changes in fund balances - total governmental funds	\$	73,153
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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 depreciation exceeded outlays in the current period.

Capital outlay expenditures which were capitalized	\$	9,974
Depreciation expense for governmental assets		(16,451)
		(26,425)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.

Installment purchase proceeds	(8,148)	
Principal payments on long term debt		(6,579)
		1,569

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		(711)

Total changes in net position of governmental activities	\$	49,412

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the year ended June 30, 2021

EXHIBIT 6

	General Fund			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 60,110	\$ 60,110	\$ 62,952	\$ 2,842
Unrestricted intergovernmental	66,530	66,530	79,262	12,732
Restricted intergovernmental	11,000	36,000	39,700	3,700
Sales and services	11,000	11,000	16,874	5,874
Investment earnings	131	131	65	(66)
Miscellaneous	400	400	2,834	2,434
Total revenues	<u>149,171</u>	<u>174,171</u>	<u>201,687</u>	<u>27,516</u>
Expenditures:				
Current:				
General government	49,064	54,497	40,497	14,000
Public safety	-	-	-	-
Transportation	22,250	25,296	10,399	14,897
Environmental protection	67,791	90,791	76,680	14,111
Culture and recreation	6,518	2,018	9,428	(7,410)
Debt service:				
Principal retirement	-	1,569	1,569	-
Interest and other charges	-	-	-	-
Contingency	3,548	-	-	-
Total expenditures	<u>149,171</u>	<u>174,171</u>	<u>138,573</u>	<u>35,598</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>63,114</u>	<u>63,114</u>
Other financing sources (uses):				
Installment obligation proceeds	-	-	8,148	8,148
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,148</u>	<u>8,148</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>71,262</u>	<u>\$ 71,262</u>
Fund balance, beginning			<u>357,525</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 428,787</u>	

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

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Fund Net Position
Proprietary Funds
June 30, 2021

EXHIBIT 7

	<u>Major Enterprise Fund</u>	
	<u>Water Fund</u>	<u>Total</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 51,009	\$ 51,009
Accounts receivable (net)	8,063	8,063
Due from other governments	198	198
Total current assets	<u>59,270</u>	<u>59,270</u>
Capital assets		
Land, non-depreciable improvements, and other construction in progress	8,198	8,198
Other capital assets, net of depreciation	<u>203,049</u>	<u>203,049</u>
Total capital assets	<u>211,247</u>	<u>211,247</u>
Total assets	<u><u>\$ 270,517</u></u>	<u><u>\$ 270,517</u></u>
 LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 65	\$ 65
Customer deposits	10,968	10,968
Due to other funds	<u>5,878</u>	<u>5,878</u>
Total current liabilities	<u>16,911</u>	<u>16,911</u>
Noncurrent liabilities:		
Other noncurrent liabilities:		
Compensated absences	<u>946</u>	<u>946</u>
Total noncurrent liabilities	<u>946</u>	<u>946</u>
Total liabilities	<u>17,857</u>	<u>17,857</u>
 NET POSITION		
Net investment in capital assets	211,247	211,247
Unrestricted	<u>41,413</u>	<u>41,413</u>
Total net position	<u><u>\$ 252,660</u></u>	<u><u>\$ 252,660</u></u>

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

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2021

	<u>Major Enterprise Fund</u> <u>Water Fund</u>	EXHIBIT 8 <u>Total</u>
Operating revenue:		
Charges for service	\$ 97,754	\$ 97,754
Other operating revenue	4,126	4,126
Total operating revenue	<u>101,880</u>	<u>101,880</u>
Operating expenses:		
Administration	15,143	15,143
Operations	73,010	73,010
Depreciation	13,846	13,846
Total operating expenses	<u>101,999</u>	<u>101,999</u>
Operating income (loss)	(119)	(119)
Nonoperating revenues (expenses):		
Investment earnings	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>
Change in net position	(119)	(119)
Total net position, beginning	<u>252,779</u>	<u>252,779</u>
Total net position, ending	<u><u>\$ 252,660</u></u>	<u><u>\$ 252,660</u></u>

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

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2021

	<u>Major Enterprise Fund</u>	EXHIBIT 9
	<u>Water Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 96,816	\$ 96,816
Cash paid for goods and services	(64,815)	(64,815)
Cash paid to or on behalf of employees	(23,646)	(23,646)
Customer deposits received(returned)	253	253
Other operating revenues	4,126	4,126
Net cash provided by operating activities	<u>12,734</u>	<u>12,734</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Due to(from) other funds	<u>2,310</u>	<u>2,310</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	<u>-</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	15,044	15,044
Balance - beginning	<u>35,965</u>	<u>35,965</u>
Balance - ending	<u><u>\$ 51,009</u></u>	<u><u>\$ 51,009</u></u>

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

TOWN OF AUTRYVILLE, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2021

	<u>Major Enterprise Fund</u> <u>Water Fund</u>	EXHIBIT 9 <u>Total</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	\$ (119)	\$ (119)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	13,846	13,846
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(809)	(809)
Increase (decrease) in accounts payable	(793)	(793)
Increase (decrease) in vacation payable	356	356
Increase (decrease) in deposits	253	253
Net cash provided by operating activities	<u>\$ 12,734</u>	<u>\$ 12,734</u>

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

Notes to the Financial Statements

TOWN OF AUTRYVILLE, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2021

I. Summary of Significant Accounting Policies

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

B. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for 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 and enterprise funds are aggregated and reported as nonmajor 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. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental fund:

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

The Town reports the following non-major governmental fund:

Special Revenue Fund - Coronavirus Relief Fund is used to account for the CARES Act Grant.

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

I. -continued

The Town reports the following major enterprise fund:

Water Fund. This fund is used to account for the Town's water operations.

C. Measurement Focus and Basis of Accounting

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial 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 a 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 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. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise 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. All amendments must be approved by the governing board. During the year, several immaterial 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

I. -continued

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity1. 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(d)] 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 had no investments at June 30, 2021.

The Town does not have a formal investment policy.

2. Cash and Cash Equivalents

The Town pools money from several funds 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 the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

I. -continued

E. -continued

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, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; furniture and equipment, \$500; and vehicles, \$1,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In July 2003, the Town increased its capitalization policy for Furniture and Equipment from \$100 to \$500 and for Vehicles from \$500 to \$1,000 to improve the efficiency in keeping the accounting records.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Improvements	25
Vehicles	6
Furniture and equipment	7-10
Computer equipment	3

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 items classified as *Deferred Outflows of Resources* at year end. 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 one item that meets the criterion for this category - property taxes receivable.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, 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 are reported as deferred charges and amortized over the term of the related debt.

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

I. -continued

E. -continued

8. continued

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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to fifteen 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 time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

10. Net Position/Fund BalancesNet 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

I. -continued

E. -continued

10. continued

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

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

Restricted for 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 - Coronavirus Relief Funds fund balance that is restricted by revenue source for public safety expenditures. This represents the balance of the total unexpended Coronavirus Relief Funds.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Autryville's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires majority action by the governing body.

Assigned Fund Balance - portion of fund balance that the Town of Autryville intends to use for specific purposes.

Subsequent year's expenditures - portion of the 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 and the governing body may modify the appropriations.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

II. Stewardship, Compliance, and AccountabilityExcess of Expenditure over Appropriation

For the fiscal year ended June 30, 2021, the expenditures made in the Town's General Fund exceeded authorized appropriations made by the governing board for cultural and recreation activities by \$7,410. The over-expenditure resulted from the purchase of equipment through a financing agreement for which the budget was not amended for the proceeds or the expenditure. Management and the Board will more closely review the budget reports and make appropriate adjustments in the future.

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's agents in these units' names. 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 name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the 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.

At June 30, 2021, the Town's deposits had a carrying amount of \$464,929 and a bank balance of \$468,366. The collected balances exceeded federal depository insurance coverage by \$152,055 at June 30, 2021. At June 30, 2021 the Town's petty cash funds totaled \$100.

The Town does not have a formal investment policy.

2. Receivables - Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Assets have not been reduced for any allowances for doubtful accounts since all receivables are considered collectible.

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

III. -continued

3. Capital Assets

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2021, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 44,692	\$ -	\$ -	\$ 44,692
Total capital assets not being depreciated	44,692	-	-	44,692
Capital assets being depreciated:				
Buildings	145,479	-	-	145,479
Other improvements	64,280	-	-	64,280
Equipment	66,920	9,973	-	76,893
Vehicles and motorized equipment	42,846	-	-	42,846
Infrastructure being depreciated	394,698	-	-	394,698
Total capital assets being depreciated	714,223	9,973	-	724,196
Less accumulated depreciation for:				
Buildings	78,475	3,730	-	82,205
Other improvements	55,033	1,809	-	56,842
Equipment	63,479	1,901	-	65,380
Vehicles and motorized equipment	42,846	-	-	42,846
Infrastructure	228,581	18,985	-	247,566
Total accumulated depreciation	468,414	\$ 26,425	\$ -	494,839
Total capital assets being depreciated, net	245,809			229,357
Governmental activity capital assets, net	<u>\$ 290,501</u>			<u>\$ 274,049</u>

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

General government	\$ 5,600
Environmental protection	-
Cultural and recreational	1,840
Transportation	18,985
Total depreciation	<u>\$ 26,425</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

III. -continued

A. -continued

3. Capital Assets - continued

	Beginning Balances	Increases	Decreases	Ending Balances
Water Fund				
Capital assets not being depreciated:				
Land	\$ 8,198	\$ -	\$ -	\$ 8,198
Total capital assets not being depreciated	8,198	-	-	8,198
Capital assets being depreciated:				
Plant and distribution systems	692,337	-	-	692,337
Furniture and maintenance equipment	3,584	-	-	3,584
Total capital assets being depreciated	695,921	-	-	695,921
Less accumulated depreciation for:				
Plant and distribution systems	475,442	13,846	-	489,288
Furniture and maintenance equipment	3,584	-	-	3,584
Total accumulated depreciation	479,026	\$ 13,846	\$ -	492,872
Total capital assets being depreciated, net	216,895			203,049
Water fund capital assets, net	225,093			211,247
Business-type activities capital assets, net	\$ 225,093			\$ 211,247

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

III. -continued

B. Liabilities1. Deferred Outflows and Inflows of Resources

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

	Unavailable Revenue	Unearned Revenue
Taxes receivable (net)	\$ 143	\$ -
	<u>\$ 143</u>	<u>\$ -</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 three self-funded risk financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, and workers' compensation coverage up to statutory limits. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. Specific information on the limits of the reinsurance, excess, and stop loss policies purchased can be obtained by contacting the Management Services Department of the NC League of Municipalities. These pools are audited annually by certified public accountants, and the audited financial statements are available to the Town upon request.

The Town carries commercial coverage for all other risks of loss. There has 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 hold any flood insurance. The Board of Commissioners considered the possibility of obtaining flood coverage but at that time, the cost of the insurance was excessive when they considered the risk of loss.

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 the League of Municipalities. The finance director and the tax collector are individually bonded for \$50,000 and \$10,000, respectively. Other employees are insured under the blanket crime coverage provisions of the Town's insurance provider.

3. Claims and Judgments

The Town was not a defendant in any lawsuits at June 30, 2021.

4. Long-Term Obligationsa. Installment Purchase

In August 2020 the Town entered into a direct placement contract with Ariens/Gravelly in the amount of \$8,148 for the purchase of equipment. The loan is due in monthly installments of \$170. Interest is computed at 0%. The balance at June 30, 2021 was \$6,579. Future annual debt service payments of the installment purchase are as follows:

Year Ending June 30,	<u>Governmental Activities</u>	
	Principal	Interest
2022	\$ 2,040	\$ -
2023	2,040	-
2024	2,040	-
2025	459	-

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

III. -continued

B. -continued

At June 30, 2021 the Town of Autryville had a legal debt margin of \$993,888.

b. Changes in Long-Term Liabilities

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion of Balance
Governmental activities:					
Compensated absences	\$ 1,180	\$ 711	\$ -	\$ 1,891	\$ -
Installment purchase	-	8,148	1,569	6,579	2,040
Total Governmental activities	<u>\$ 1,180</u>	<u>\$ 8,859</u>	<u>\$ 1,569</u>	<u>\$ 8,470</u>	<u>\$ 2,040</u>
Business-type activities:					
Compensated absences	\$ 590	\$ 356	\$ -	\$ 946	\$ -
Total Business-type activities	<u>\$ 590</u>	<u>\$ 356</u>	<u>\$ -</u>	<u>\$ 946</u>	<u>\$ -</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS - continued

IV. A. Interfund Balances and Activity

Balance due to/from other funds at June 30, 2021 consists of the following:

Due to the General Fund for the allocation of costs from the Water Fund	\$	5,878
	\$	<u>5,878</u>

V. A. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 274,049	\$ 211,247
less: long-term debt	6,579	-
Net investment in capital asset	<u>\$ 267,470</u>	<u>\$ 211,247</u>

B. 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	\$ 428,787
Less:	
Stabilization by State Statute	21,281
Streets - Powell Bill	11,118
Appropriated Fund Balance in 2021-22 Budget	-
Remaining Fund Balance	396,388

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The Town had no encumbrances at year-end.

C. Subsequent events

Subsequent events have been evaluated through November 15, 2021, which is the date the financial statements were available to be issued.

SUPPLEMENTARY STATEMENTS

Individual Fund Statements and Schedules

GENERAL FUND

TOWN OF AUTRYVILLE, NORTH CAROLINA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 For the fiscal year ended June 30, 2021

Statement 1

	2021		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Ad valorem taxes:			
Current year	\$ 60,000	\$ 62,118	\$ 2,118
Penalties and interest	110	834	724
Total ad valorem taxes	<u>60,110</u>	<u>62,952</u>	<u>2,842</u>
Unrestricted intergovernmental:			
Local option sales tax	54,000	63,583	9,583
Franchise tax	11,000	14,296	3,296
Solid waste disposal tax	130	149	19
Beer and wine tax	-	829	829
Tax refunds	1,400	405	(995)
Total unrestricted intergovernmental	<u>66,530</u>	<u>79,262</u>	<u>12,732</u>
Restricted intergovernmental:			
Powell Bill allocation	11,000	9,950	(1,050)
Restricted grant	25,000	29,750	4,750
Total restricted intergovernmental	<u>36,000</u>	<u>39,700</u>	<u>3,700</u>
Sales and services:			
Garbage collection	<u>11,000</u>	<u>16,874</u>	<u>5,874</u>
Investment earnings	<u>131</u>	<u>65</u>	<u>(66)</u>
Miscellaneous:			
Miscellaneous	400	1,317	917
Contributions	-	1,517	1,517
Total miscellaneous	<u>400</u>	<u>2,834</u>	<u>2,434</u>
Total revenues	<u>174,171</u>	<u>201,687</u>	<u>27,516</u>

Statement 1 - continued

	2021		Variance
	Budget	Actual	Positive (Negative)
Expenditures:			
General government			
Administration			
Operating expenses - legal	\$ -	\$ -	\$ -
Salaries and employee benefits	21,911	13,422	8,489
Operating expenses	30,441	26,766	3,675
Capital outlay	1,870	-	1,870
Tax collections	275	309	(34)
Total administration	54,497	40,497	14,000
Elections	-	-	-
Total general government	54,497	40,497	14,000
Public safety:			
Police:			
Operating expenses	-	-	-
Total police	-	-	-
Fire:			
Contracted services	-	-	-
Total fire	-	-	-
Total public safety	-	-	-
Transportation:			
Streets and highways			
Contracted services - Powell	3,996	1,400	2,596
Operating expenses - Street -other	11,000	60	10,940
	14,996	1,460	13,536
Street lights:			
Contracted services	10,300	8,939	1,361
Total transportation	25,296	10,399	14,897
Environmental protection:			
Solid Waste			
Salaries and employee benefits	58,101	44,096	14,005
Operating expenses	6,800	3,694	3,106
Contracted services	890	4,140	(3,250)
Storm Water			
Drainage Study	25,000	24,750	250
Total environmental protection	90,791	76,680	14,111

Statement 1 - continued

	2021		Variance
	Budget	Actual	Positive (Negative)
Expenditures - continued			
Culture and recreation:			
Operating expenses	\$ 2,018	\$ 1,805	\$ 213
Capital outlay	-	7,623	(7,623)
Total culture and recreation	<u>2,018</u>	<u>9,428</u>	<u>(7,410)</u>
Debt service:			
Principal retirement	1,569	1,569	-
Interest and fees	-	-	-
Total debt service	<u>1,569</u>	<u>1,569</u>	<u>-</u>
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>174,171</u>	<u>138,573</u>	<u>35,598</u>
Revenues over (under) expenditures	-	63,114	63,114
Other financing sources (uses):			
Transfer from(to) other funds	-	-	-
Installment purchase issued	-	8,148	8,148
Fund balance appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>8,148</u>	<u>8,148</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	71,262	<u>\$ 71,262</u>
Fund balance, beginning		<u>357,525</u>	
Fund balance, ending		<u>\$ 428,787</u>	

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF AUTRYVILLE, NORTH CAROLINA
SPECIAL REVENUE FUND - CORONAVIRUS RELIEF FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
From Inception and for the fiscal year ended June 30, 2021

Statement 2

	Grant Project	Prior Year	Actual Current Year	Total to Date	Variance Positive (Negative)
Revenue					
Restricted intergovernmental:					
CARES Act	\$ 36,538	\$ -	\$ 36,538	\$ 36,538	\$ -
Total Revenues	<u>36,538</u>	<u>-</u>	<u>36,538</u>	<u>36,538</u>	<u>-</u>
 Expenditures					
Public Safety	36,538	-	34,647	34,647	1,891
	<u>36,538</u>	<u>-</u>	<u>34,647</u>	<u>34,647</u>	<u>1,891</u>
 Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,891</u>	<u>\$ 1,891</u>	<u>\$ 1,891</u>

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Water - This fund is used to account for the Town's water operations.

TOWN OF AUTRYVILLE, NORTH CAROLINA

WATER FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 For the fiscal year ended June 30, 2021

Statement 3

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Charges for services			
Water sales	\$ 92,000	\$ 97,754	\$ 5,754
Water and sewer tap fees	250	1,730	1,480
Service charges	2,000	2,396	396
Total operating revenue	<u>94,250</u>	<u>101,880</u>	<u>7,630</u>
Nonoperating revenues:			
Interest earnings	-	-	-
Refunds and recoveries	110	-	(110)
Total nonoperating revenue	<u>110</u>	<u>-</u>	<u>(110)</u>
Total revenue	<u>94,360</u>	<u>101,880</u>	<u>7,520</u>
Expenditures:			
Administration			
Salaries and employee benefits		8,948	
Professional Services		878	
Advertising		29	
Departmental supplies		395	
Laboratory fees		1,538	
Insurance and bonds		1,865	
Telephone		389	
Utilities		372	
Other		729	
Total administration	<u>23,725</u>	<u>15,143</u>	<u>8,582</u>

Statement 3 - continued

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Expenditures - continued			
Operations:			
Salaries and employee benefits	\$	\$ 14,699	\$
Water purchases		36,609	
Repairs and maintenance		19,203	
Truck repairs and maintenance		205	
Utilities		471	
Other		1,468	
Total operations	<u>78,635</u>	<u>72,655</u>	<u>5,980</u>
Debt service:			
Interest payment		-	
Principal payment		-	
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>102,360</u>	<u>87,798</u>	<u>14,562</u>
Revenues over (under) expenditures	<u>(8,000)</u>	<u>14,082</u>	<u>22,082</u>
Other financing sources (uses)			
Retained earnings appropriated (surplus)	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Total other financing sources (uses)	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>14,082</u>	<u>\$ 14,082</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Vacation pay accrual		(355)	
Purchase of capital assets		-	
Depreciation		<u>(13,846)</u>	
Total reconciling items		<u>(14,201)</u>	
Change in net position		<u>\$ (119)</u>	

Other Schedules

This section contains additional information required on property taxes.
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* Schedule of Ad Valorem Taxes Receivable

* Analysis of Current Tax Levy

TOWN OF AUTRYVILLE, NORTH CAROLINA
 SCHEDULE OF AD VALOREM TAXES RECEIVABLE
 June 30, 2021

Schedule 1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2021	\$ -	\$ 62,118	\$ 62,118	\$ -
2020	-	-	-	-
2019	-	-	-	-
2018	-	-	-	-
2017	-	-	-	-
2016 and prior	143	-	-	143
	<u>\$ 143</u>	<u>\$ 62,118</u>	<u>\$ 62,118</u>	<u>\$ 143</u>

Reconciliation with revenues:

Ad valorem taxes - General Fund

\$ 62,952
(834)

Interest collected

Total collections and credits

<u>\$ 62,118</u>

TOWN OF AUTRYVILLE, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
June 30, 2021

Schedule 2

	Total Property Valuation	Rate	Levy	Total Levy	
				Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 12,423,600	0.50%	\$ 62,118	\$ 51,729	\$ 10,389
Total property valuation	\$ 12,423,600				
Discoveries	-		-	-	-
Releases and adjustments	-		-	-	-
Net levy	<u>\$ 12,423,600</u>		62,118	51,729	10,389
Uncollected taxes at June 30, 2021			-	-	-
Current year's taxes collected			<u>\$ 62,118</u>	<u>\$ 51,729</u>	<u>\$ 10,389</u>
Current levy collection percentage			<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>