

REVIEWED

By SLGFD at 8:01 am, Nov 08, 2021

FINANCIAL STATEMENTS
TOWN OF CASTALIA
CASTALIA, NORTH CAROLINA
FOR THE YEAR ENDED
JUNE 30, 2021

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FINANCIAL SECTION



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Independent Auditors' Report

To the Honorable Mayor
and Members of the Board of Commissioners
Town of Castalia
Castalia, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Town of Castalia, 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 of Castalia'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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 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 and each major fund of the Town of Castalia, North Carolina as of June 30,

2021, and the respective changes in financial position, 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, pages 7 through 14 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 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 Castalia, North Carolina. The budgetary schedule and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedule and other schedules are the responsibility of management and were derived from and relate 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, the budgetary schedule and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Petway Mills & Pearson, PA

PETWAY MILLS & PEARSON, PA
Certified Public Accountants
Zebulon, North Carolina

October 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Castalia

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

Financial Highlights

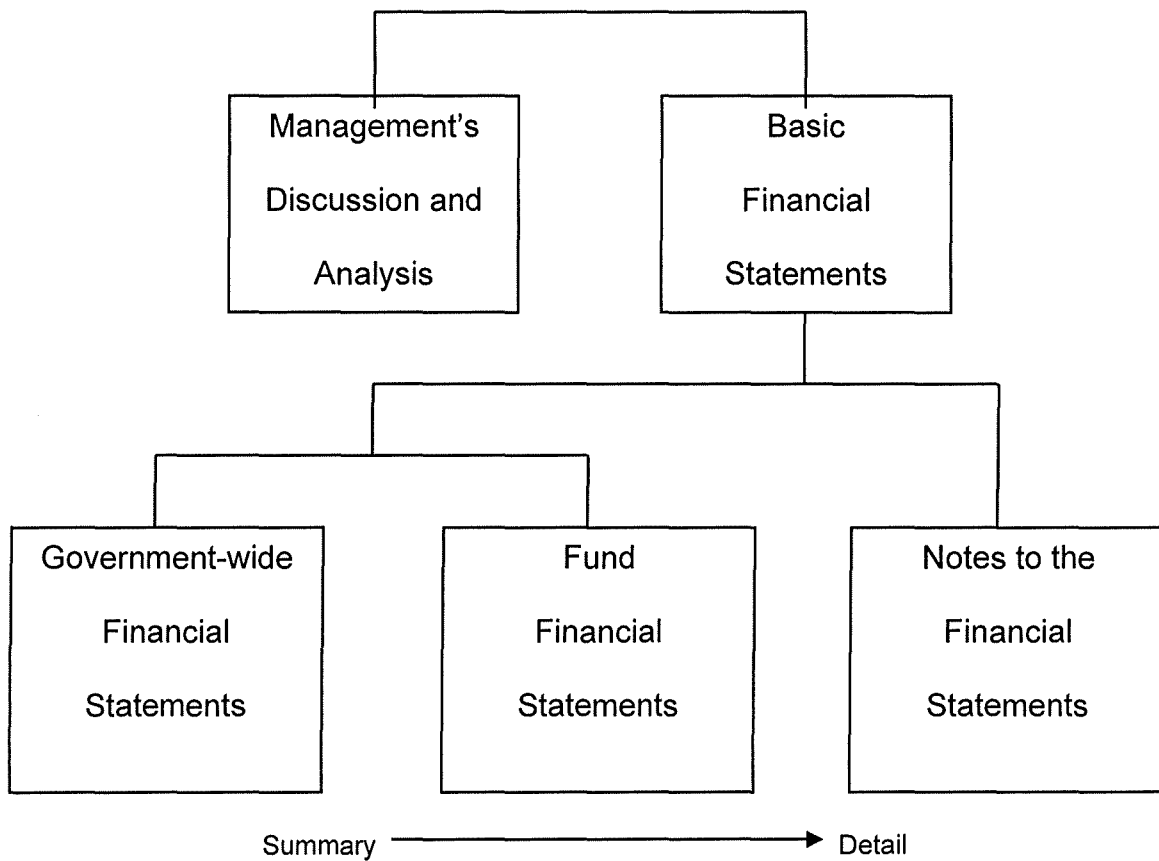
- The assets of the Town exceeded its liabilities at the close of the fiscal year by \$856,323 (*net position*).
- The Town's total net position decreased by \$9,085 primarily due to increases in expenses during the year.
- As of the close of the current fiscal year, the Town's general fund reported an ending fund balance of \$233,970, a decrease of \$6,432 in comparison with the prior year. Approximately 90% of this total amount, or \$211,415, is available for spending at the Town's discretion (unassigned fund balance).

Overview of the Financial Statements

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

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 6) 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.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole. The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and total liabilities. 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 general government administrative, cultural and recreation, transportation, environmental protection, and interest on long term debt. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. The government-wide financial statements are 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, 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 can be classified under one category: governmental 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* 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 adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the 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

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 immediately follow Exhibit 6 of this report.

Government-Wide Financial Analysis

Town of Castalia's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	Total
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 250,569	\$ 250,890	\$ -	\$ -	\$ 250,569	\$ 250,890
Capital assets	618,941	618,814	-	-	618,941	618,814
Total assets	869,510	869,704	-	-	869,510	869,704
Current liabilities	10,817	3,396	-	-	10,817	3,396
Long-term liabilities	2,370	900	-	-	2,370	900
Total liabilities	13,187	4,296	-	-	13,187	4,296
Net position:						
Net investment in capital assets	618,941	618,814	-	-	618,941	618,814
Restricted	22,555	12,491	-	-	22,555	12,491
Unrestricted	214,827	234,103	-	-	214,827	234,103
Total net position	\$ 856,323	\$ 865,408	\$ -	\$ -	\$ 856,323	\$ 865,408

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town exceeded liabilities by \$856,323 as of June 30, 2021. The Town's net position decreased by \$9,085 for the fiscal year ended June 30, 2021. However, the largest portion (72%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town's net position, \$22,555, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$214,827 is unrestricted.

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

- Funds being restricted for street improvements.
- Continued diligence in the spending of the Town's resources in an effort to achieve the most efficient means of operation.

Town of Castalia's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	Total
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 41,138	\$ 33,442	\$ -	\$ -	41,138	33,442
Operating grants and contributions	31,095	8,209	-	-	31,095	8,209
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	28,283	28,691	-	-	28,283	28,691
Grants and contributions not restricted to specific programs	95,324	86,364	-	-	95,324	86,364
Other	706	90	-	-	706	90
Total revenues	<u>196,546</u>	<u>156,796</u>	<u>-</u>	<u>-</u>	<u>196,546</u>	<u>156,796</u>
Expenses:						
General government	141,545	117,701	-	-	141,545	117,701
Transportation	9,524	10,451	-	-	9,524	10,451
Environmental protection	32,412	28,252	-	-	32,412	28,252
Culture and recreation	22,150	29,767	-	-	22,150	29,767
Interest on long-term debt	-	-	-	-	-	-
Total expenses	<u>205,631</u>	<u>186,171</u>	<u>-</u>	<u>-</u>	<u>205,631</u>	<u>186,171</u>
Increase/(Decrease) in net assets before transfers	(9,085)	(29,375)	-	-	(9,085)	(29,375)
Transfers	-	-	-	-	-	-
Net position, July 1	<u>865,408</u>	<u>894,783</u>	<u>-</u>	<u>-</u>	<u>865,408</u>	<u>894,783</u>
Net position, June 30	<u>\$ 856,323</u>	<u>\$ 865,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 856,323</u>	<u>\$ 865,408</u>

Governmental activities. Governmental activities decreased the Town's net position by \$9,085 while the prior year had a decrease of \$29,375. The key elements of this decrease are as follows:

- Increase in charges for services of \$7,696
- Increase in operating grants and contributions of \$22,886
- Increases in unrestricted intergovernmental of \$5,213
- Increase in donations of \$3,122

Business-type activities. Business-type activities had no effect on the Town's net position.

Financial Analysis of the Town's Funds

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

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

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, Town's fund balance available in the General Fund was \$211,415, while total fund balance reached \$233,970. The Town currently has an available fund balance of 103% of general fund expenditures, while total fund balance represents 115% of the same amount.

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.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totals \$618,941 (net of accumulated depreciation and related debt). These assets include buildings, land, improvements, and machinery and equipment.

Town of Castalia's Capital Assets

(Net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	Total
	2021	2020	2021	2020	2021	2020
Land	\$ 396,060	\$ 396,060	\$ -	\$ -	\$ 396,060	\$ 396,060
CIP	-	-	-	-	-	-
Buildings and system	59,571	50,330	-	-	59,571	50,330
Improvements other than buildings	150,297	157,154	-	-	150,297	157,154
Equipment	13,013	15,270	-	-	13,013	15,270
Total	<u>\$ 618,941</u>	<u>\$ 618,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 618,941</u>	<u>\$ 618,814</u>

Additional information on the Town's capital assets can be found in Note III.A.2 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2021, the Town had no long-term debt.

Economic Factors and Next Year's Budgets and Rates

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

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Property taxes and revenues from permits and fees are not expected to increase budgeted revenue. Programs will continue to finance at 2021 levels in 2022.

Budgeted expenditures in the General Fund are not expected to increase in 2022.

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, Town of Castalia Post Office Box 237, Castalia, North Carolina 27816.

Town of Castalia, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 222,232	\$ -	\$ 222,232
Restricted Cash	15,462	-	15,462
Taxes receivable	5,782	-	5,782
Accounts receivable - trade	5,843	-	5,843
Due from other governments	1,250	-	1,250
Total current assets	250,569	-	250,569
Capital assets:			
Land and other non-depreciable assets	396,060	-	396,060
Other capital assets, net of depreciation	222,881	-	222,881
Total capital assets	618,941	-	618,941
Total assets	869,510	-	869,510
LIABILITIES			
Current liabilities:			
Accounts payable - trade	9,987	-	9,987
Payroll Liabilities	830	-	830
Long-term liabilities:			
Due within one year	592	-	592
Due in more than one year	1,778	-	1,778
Total liabilities	13,187	-	13,187
NET POSITION			
Net investment in capital assets	618,941	-	618,941
Restricted for:			
Stabilization by State Statute	7,093	-	7,093
Powell Bill	14,748	-	14,748
COVID-19 Relief	714	-	714
Unrestricted	214,827	-	214,827
Total net position	\$ 856,323	\$ -	\$ 856,323

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

Town of Castalia, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
Governing body	\$ 3,777	\$ -	\$ -	\$ -	\$ (3,777)	\$ -	\$ (3,777)
Administrative	137,768	-	23,385	-	(114,383)	-	(114,383)
Cultural and recreation	22,150	2,438	-	-	(19,712)	-	(19,712)
Transportation	9,524	-	7,710	-	(1,814)	-	(1,814)
Environmental protection	32,412	38,700	-	-	6,288	-	6,288
Interest on long-term debt	-	-	-	-	-	-	-
Total Governmental Activities	<u>205,631</u>	<u>41,138</u>	<u>31,095</u>	<u>-</u>	<u>(133,398)</u>	<u>-</u>	<u>(133,398)</u>
Business-type Activities:							
Water fund	-	-	-	-	-	-	-
Total Business-type	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 205,631</u>	<u>\$ 41,138</u>	<u>\$ 31,095</u>	<u>\$ -</u>	<u>(133,398)</u>	<u>-</u>	<u>(133,398)</u>
General Revenues:							
Ad valorem taxes					28,283	-	28,283
Other taxes and licenses					5,758	-	5,758
Unrestricted intergovernmental					79,781	-	79,781
Unrestricted investment earnings					2,296	-	2,296
Permits and fees					585	-	585
Donation					6,904	-	6,904
Miscellaneous					706	-	706
Transfers					-	-	-
Total General Revenues, Special Items, and Transfers					<u>124,313</u>	<u>-</u>	<u>124,313</u>
Change in net position					(9,085)	-	(9,085)
Net position, beginning					865,408	-	865,408
Net position, ending					<u>\$ 856,323</u>	<u>\$ -</u>	<u>\$ 856,323</u>

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

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

	<u>Major Fund</u> <u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 222,232
Restricted Cash	15,462
Taxes receivable	5,782
Accounts receivable	5,843
Due from other fund	-
Due from other governments	1,250
Total assets	<u>250,569</u>
LIABILITIES	
Liabilities:	
Accounts payable - trade	9,987
Payroll liabilities	830
Total liabilities	<u>10,817</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes receivable	<u>5,782</u>
FUND BALANCES	
Fund balances:	
Restricted:	
Stabilization by State Statute	7,093
Powell Bill	14,748
COVID-19 Relief	714
Unassigned	211,415
Total Fund Balances	<u>233,970</u>
Total Liabilities and fund balances	<u>\$ 250,569</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 618,941
Liabilities for earned but deferred revenues in fund statement	5,782
Some liabilities, including accrued vacation, are not due and payable in the current period and therefore are not reported in the funds	(2,370)
Net position of governmental activities	<u>\$ 856,323</u>

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

Exhibit 4

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

	Major Fund	Total Governmental Fund
	General Fund	
REVENUES		
Ad valorem taxes	\$ 29,594	\$ 29,594
Other taxes and licenses	5,758	5,758
Unrestricted intergovernmental	79,781	79,781
Restricted intergovernmental	31,095	31,095
Sales and services	38,700	38,700
Permits and fees	585	585
Investment earnings	2,296	2,296
Cultural and recreational	2,438	2,438
Donation	6,904	6,904
Miscellaneous	706	706
Total revenues	197,857	197,857
EXPENDITURES		
General government	3,777	3,777
Administrative	127,655	127,655
Transportation	9,524	9,524
Environmental protection	32,412	32,412
Cultural and recreation	19,269	19,269
Capital outlay	11,652	11,652
Total expenditures	204,289	204,289
Excess (deficiency) of revenues over expenditures	(6,432)	(6,432)
Net change in fund balance	(6,432)	(6,432)
Fund balances, beginning	240,402	240,402
Fund balances, ending	\$ 233,970	\$ 233,970

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

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

Amounts reported for governmental activities in the Statement of Activities are

Net change in fund balances - governmental funds	\$ (6,432)
Governmental funds report capital outlay as expenditures. However in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the current period.	127
Revenues in the Statement of Activities that do not provide current financial resource are not reported as revenues in the funds.	
Change in deferred revenues	(1,310)
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	(1,470)
Rounding	-
Total change in net position of governmental activities	<u>\$ (9,085)</u>

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

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

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 28,000	\$ 28,000	\$ 29,594	\$ 1,594
Other taxes and licenses	4,000	4,000	5,758	1,758
Unrestricted intergovernmental	68,250	68,250	79,781	11,531
Restricted intergovernmental	8,200	31,585	31,095	(490)
Permits and fees	-	-	585	585
Sales and services	37,812	37,812	38,700	888
Investment earnings	-	-	2,296	2,296
Cultural and recreation	2,475	2,475	2,438	(37)
Donation	14,000	14,000	6,904	(7,096)
Miscellaneous	-	-	706	706
Total revenues	162,737	186,122	197,857	11,735
Expenditures:				
General government	4,500	4,500	3,777	723
Administrative	124,200	143,173	127,655	15,518
Elections	1,400	1,400	-	1,400
Transportation	10,350	15,093	9,524	5,569
Environmental protection	36,800	36,800	32,412	4,388
Cultural and recreation	25,350	26,919	19,269	7,650
Capital outlay	5,000	14,752	11,652	3,100
Total expenditures	207,600	242,637	204,289	38,348
Revenues over (under) expenditures	(44,863)	(56,515)	(6,432)	50,083
Other financing sources (uses):				
Appropriated fund balances	44,863	56,515	-	(56,515)
Total other financing sources (uses)	44,863	56,515	-	(56,515)
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ -	(6,432)	\$ (6,432)
Fund balances, beginning			240,402	
Fund balances, ending			<u>\$ 233,970</u>	

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

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

I. Summary of Significant Accounting Policies

The Town of Castalia (the Town) is located in the Coastal Plain section of North Carolina and has a population of approximately 255. The Town does not maintain a police department or a fire department.

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

B. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a 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. There are no non-major funds for the Town.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies 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 general government, transportation, environmental protection, and cultural and recreation.

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

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

accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital 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 tax receivables are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Under the terms of grant agreements, the 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 are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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

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. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$2,500. 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.

E. Assets, Liabilities, Deferred Outflows/Inflows and Fund Equity

1. Deposits and Investments

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

State law [G.S.159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

2. Cash and Cash Equivalents

All cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash and cash equivalents.

3. Restricted Assets

Powell Bill funds are classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136- 41.4. Restricted cash consists of \$15,462 restricted for Powell Bill and COVID relief expenditures.

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, 2018. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts

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

6. Inventory

Inventories are not maintained for any fund supplies. In the opinion of management, they are not material to the financial statements taken as a whole.

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

7. 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 cost is \$2,500. 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. General Fund infrastructure assets consisting of road networks acquired prior to July 1, 2003 have not been recorded as permitted by GASB Statement 34. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50
Infrastructure	50
Improvements	25
Equipment and Furniture	10
Vehicles	6
Computer Equipment	5

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has no items meeting 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 only one item that meets this criterion for this category – property taxes receivable.

9. Compensated Absences

Annual leave may accumulate without any applicable maximum until the anniversary date of the employee. After the anniversary date, only one week of vacation pay may be carried to the next anniversary date. For the Town's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an accumulation of earned sick leave up to twelve days. Sick leave does not vest. Since the Town does not have any obligation for the accumulated sick leave until it actually taken; no accrual for sick leave has been made.

10. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund 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.

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

Fund Balances

In the governmental fund financial statements, reservations of fund balance represent amounts that cannot be appropriated or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State Law [G.S. 159-13(b)(16)] restricts appropriation of fund balance for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year. The governmental fund types classify fund balances as follows:

Restricted:

Restricted 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 non-spendable. 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 unexpended Powell Bill funds.

Assigned:

Assigned for subsequent year's expenditures – portion of the total fund balance available for appropriation that has been designated for the adopted 2021 - 2022 budget ordinance.

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

II. Stewardship, Compliance, and Accountability

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

Noncompliance with North Carolina General Statutes

None.

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

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 names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risk for deposits.

At June 30, 2021, the Town's deposits had a carrying amount of \$237,669 and a bank balance of \$239,959. Of the bank balances, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method. Petty cash was \$25.

2. Capital Assets

Capital asset activity for the Town for the year ended June 30, 2021, were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 396,060	\$ -	\$ -	\$ 396,060
Total capital assets not being depreciated	396,060	-	-	396,060
Capital assets being depreciated:				
Buildings	98,559	11,652	2,750	107,461
Equipment	81,306	-	6,620	74,686
Park Assets	14,499	-	-	14,499
Improvements	171,418	-	-	171,418
Total capital assets being depreciated	365,782	11,652	9,370	368,064
Less accumulated depreciation for:				
Buildings	48,229	2,411	2,750	47,890
Equipment	75,924	807	6,620	70,111
Park assets	4,611	1,450	-	6,061
Improvements	14,264	6,857	-	21,121
Total accumulated depreciation	143,028	\$ 11,525	\$ 9,370	145,183
Total capital assets being depreciated, net	222,754			222,881
Governmental activities capital assets, net	<u>\$ 618,814</u>			<u>\$ 618,941</u>

Depreciation was allocated as \$8,644 to administration and \$2,881 to cultural and recreation.

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

B. Liabilities

1. Pension Plan Obligations

a. Retirement Plan

Plan Description – The Town of Castalia offers a 457(b) supplemental retirement plan. Plan members could contribute up to \$19,500 of their annual salary and the Town would match up to 5% of their annual salary. The Town contributed \$2,214 to the plan during the year, with an additional \$2,214 contributed by employees.

2. Deferred Outflows/Inflows of Resources

The balance of deferred inflows of resources at year-end is composed the following element:

Property Taxes (General Fund)	\$ <u>5,782</u>
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3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance to cover these risks of loss. Through commercial insurance, 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, workers' compensation coverage up to the statutory limits, and employee health coverage up to a \$2 million lifetime limit.

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 as it is not identified as being located in a flood plain.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more at any given time of the Town's funds are performance bonded through a commercial surety bond. The Town's finance officer (the mayor) is individually bonded for \$100,000, and the Town Clerk is bonded for \$20,000.

4. Claims, Judgments and Contingent Liabilities

There were no claims or judgments against the Town at June 30, 2021.

5. Long-Term Obligations

a. Changes in Long-Term Obligations

	Balance			Balance		Current
	July 1, 2020	Increases	Decreases	June 30, 2021	Portion	
Governmental activities:						
Compensated absences	\$ 900	\$ 1,470	\$ -	\$ 2,370	\$ 592	
Governmental activity long-term liabilities	\$ 900	\$ 1,470	\$ -	\$ 2,370	\$ 592	

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

C. 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	\$ 233,970
Less:	
Stabilization by State Statute	(7,093)
Streets - Powell Bill	(14,748)
COVID-19 Relief	(714)
Working Capital/Fund Balance Policy	(24,264)
Remaining Fund Balance	<u>\$ 187,151</u>

The Town has a minimum fund balance policy for the General Fund which instructs management to conduct the business of the Town in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures.

IV. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

V. COVID-19 Contingencies

During the year ended June 30, 2021, the COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments and cannot be reasonably predicted and estimated at this time. The COVID-19 outbreak is still ongoing as of June 30, 2021, and additional impact on operational and financial performance may occur.

VI. Subsequent Events – Date of Management’s Review

The Town has evaluated subsequent events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors' report. The Town has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

VII. Commitments

The Town has contracted with Waste Industries for the provision of solid waste collection services from July 4, 2020 to June 30, 2024. The Town is obligated to pay \$7,622 quarterly under the terms of the contract. The Town paid \$27,947 for services rendered during the year ended June 30, 2021.

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

The Town contracted with an Accounting Software for the provision of southern software services from July 10, 2019 to June 30, 2021. The Town paid \$1,708 for services rendered during the year ended June 30, 2021.

The Town contracted with KotaPay, c/o, Pate Horton & Ess, for the provision of payroll services from February 5, 2020 to February 5, 2021. The Town paid \$1,400 for services rendered during the year ended June 30, 2021.

The Town contracted with Metro Maintenance for the provision of HVAC Maintenance services from September 1, 2020 to August 31, 2021. The town paid \$276 for services rendered during the year ended June 30, 2021.

The Town contracted with Happy Clean for the provision of cleaning services from January 6, 2019 to August 31, 2021. The town paid \$900 for services rendered during the year ended June 30, 2021.

The Town contracted with NC Turf Pros for the provision of landscaping services from July 1, 2020 to June 30, 2021. The town paid \$8,200 for services rendered during the year ended June 30, 2021.

The Town contracted East Coast Pyrotechnics for the provision of fireworks display services from June 2, 2021 to July 3, 2021. The town paid \$5,000 for services rendered during the year ended June 30, 2021.

VIII. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

IX. Powell Bill Expenditures

Per Powell Bill Expenditure Report:	<u>\$ 4,743</u>
Per Statements (pg. 32):	<u>\$ 4,743</u>

REQUIRED SUPPLEMENTARY INFORMATION

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

Exhibit A-1

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Ad Valorem Taxes:			
Current year	\$ 28,000	\$ 27,295	\$ (705)
Prior years		1,936	1,936
Penalties and interest	-	363	363
Total Ad Valorem Taxes	<u>28,000</u>	<u>29,594</u>	<u>1,594</u>
Other Taxes and Licenses:			
Motor Vehicle Tax	4,000	5,758	1,758
Total Other Taxes and Licenses	<u>4,000</u>	<u>5,758</u>	<u>1,758</u>
Unrestricted Intergovernmental:			
Beer and wine tax	1,100	1,086	(14)
Local option sales tax	58,000	67,885	9,885
Franchise tax	9,000	10,617	1,617
Solid waste tax	150	193	43
Total Unrestricted Intergovernmental	<u>68,250</u>	<u>79,781</u>	<u>11,531</u>
Restricted Intergovernmental:			
Powell Bill allocation	8,200	7,710	(490)
Coronavirus Relief Fund Grant	23,385	23,385	-
Total Restricted Intergovernmental	<u>31,585</u>	<u>31,095</u>	<u>(490)</u>
Sales, Services and Fees:			
Garbage collection fee	37,812	38,700	888
Total Sales, Services and Fees	<u>37,812</u>	<u>38,700</u>	<u>888</u>
Permits and Fees:			
Zoning permits	-	585	585
Total Permits and Fees	<u>-</u>	<u>585</u>	<u>585</u>
Investment Earnings	-	2,296	2,296
Total Investment Earnings	<u>-</u>	<u>2,296</u>	<u>2,296</u>
Miscellaneous	-	706	706
Donation	14,000	6,904	(7,096)
Cultural and recreation	2,475	2,438	(37)
Total Miscellaneous	<u>16,475</u>	<u>10,048</u>	<u>(6,427)</u>
Total Revenues	<u>186,122</u>	<u>197,857</u>	<u>11,735</u>
Expenditures:			
General Government:			
Governing Body:			
Other operating expenses	4,500	3,777	723
Total Governing Body	<u>4,500</u>	<u>3,777</u>	<u>723</u>

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

Exhibit A-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Administration:			
Salaries and employee benefits	55,811	63,220	(7,409)
Operating expenses	87,362	64,435	22,927
Capital outlay	14,752	11,652	3,100
Total Administration	<u>157,925</u>	<u>139,307</u>	<u>18,618</u>
Elections:			
Contracted services	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Total General Government	<u>163,825</u>	<u>143,084</u>	<u>19,341</u>
Cultural and recreation			
Operating expenses	<u>26,919</u>	<u>19,269</u>	<u>7,650</u>
Total Cultural and recreation	<u>26,919</u>	<u>19,269</u>	<u>7,650</u>
Transportation:			
Streets and Highways:			
Operating expenses	10,350	4,781	5,569
Powell Bill expenditures	<u>4,743</u>	<u>4,743</u>	<u>-</u>
Total Transportation	<u>15,093</u>	<u>9,524</u>	<u>5,569</u>
Environmental Protection:			
Sanitation and Landfill:			
Operating expenses	<u>36,800</u>	<u>32,412</u>	<u>4,388</u>
Total Environmental Protection	<u>36,800</u>	<u>32,412</u>	<u>4,388</u>
Total Expenditures	<u>242,637</u>	<u>204,289</u>	<u>38,348</u>
Revenues Over (Under) Expenditures	<u>(56,515)</u>	<u>(6,432)</u>	<u>50,083</u>
Other Financing Sources (Uses):			
Proceeds on sale of land	-	-	-
Appropriated fund balance	<u>56,515</u>	<u>-</u>	<u>(56,515)</u>
Total Other Financing Sources (Uses)	<u>56,515</u>	<u>-</u>	<u>(56,515)</u>
Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>\$ -</u>	<u>(6,432)</u>	<u>\$ (6,432)</u>
Fund balances, beginning		<u>240,402</u>	
Fund balances, ending		<u>\$ 233,970</u>	

OTHER INFORMATION

Town of Castalia, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

Exhibit B-1

Year of Levy	Uncollected Balance July 1, 2020	Additions	Collections And Credits	Uncollected Balance June 30, 2021
2020	\$ -	\$ 28,584	\$ 27,295	\$ 1,289
2019	1,210	-	476	734
2018	1,381	-	600	781
2017	827	-	229	598
2016	546	-	182	364
2015	433	-	171	262
2014	498	-	161	337
2013	590	-	93	497
2012	503	-	24	479
2011	441	-	-	441
Total	\$ 6,429	\$ 28,584	\$ 29,231	\$ 5,782

Reconcilement with Revenues:

Taxes - Ad Valorem (including penalties and interest)	\$ 29,594
Reconciling items	
Interest collected	(363)
Total collections and credits	\$ 29,231

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

Exhibit B-2

	Total Property Valuation	Rate	Total	Property excluding Registered Vehicles	Registered Motor Vehicles
Original levy:					
Real and					
personal property	\$ 8,932,769	0.32%	\$ 28,585	\$ 28,585	\$ -
Motor vehicles	1,851,597	0.32%	5,925	-	5,925
Releases	-	0.32%	-	-	-
Write-offs	(313)	0.32%	(1)	(1)	-
Total Property Valuation	<u>\$ 10,784,053</u>				
Net Levy			34,509	28,584	5,925
Less uncollected taxes at June 30, 2021			(1,289)	(1,289)	-
Current year's taxes collected			<u>\$ 33,220</u>	<u>\$ 27,295</u>	<u>\$ 5,925</u>
Current levy collection percentage			<u>96.26%</u>	<u>95.49%</u>	<u>100.00%</u>