

**Town of Green Level
Green Level, North Carolina
For the year ended
June 30, 2021**

**Independent Auditor's Reports
Basic Financial Statements
And
Information Accompanying the
Basic Financial Statements**

**Town of Green Level
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June 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To Honorable Mayor
And Town Council
Town of Green Level, North Carolina

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 Green Level, 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Green Level, North Carolina, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of 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 Management's Discussion and Analysis on pages 3 through 12 and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, on pages 44 through 45 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 Town of Green Level, North Carolina's basic financial statements. 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 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, based on our audit, and the procedures performed as describe 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.

Eddie Carrick CPA, PC



Lexington, North Carolina
May 10, 2023

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Management's Discussion and Analysis

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

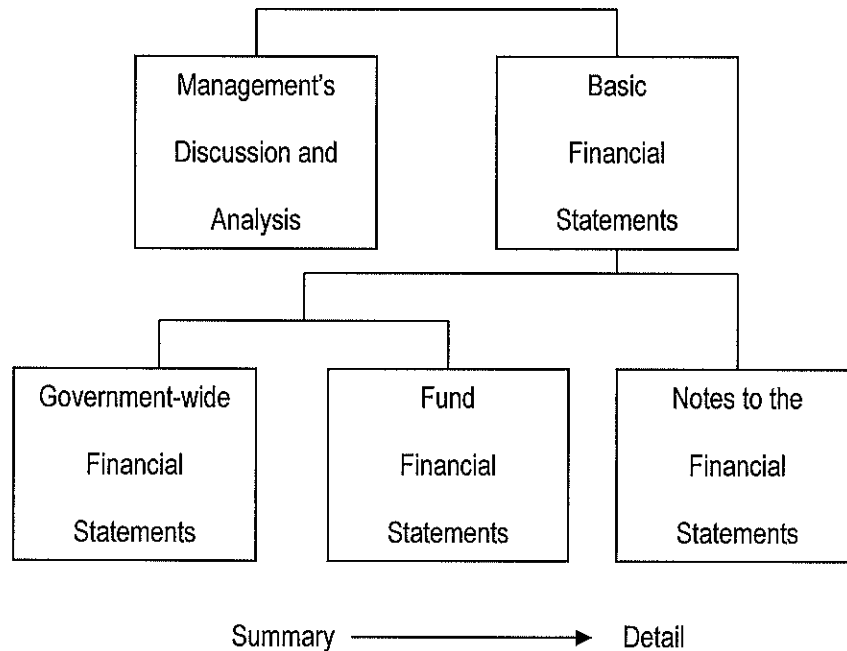
Financial highlights

- The assets and deferred outflows or resources of the Town of Green Level exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,883,472 (*net position*).
- The government's total net position increased by \$461,582, primarily due to governmental fund activities.
- As of the close of the current fiscal year, the Town of Green Level's governmental funds reported combined ending fund balances of \$1,939,217, with a net increase of \$467,595 in fund balance. Approximately 39% of this total amount, or \$765,575, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,173,642, or 126% of total general fund expenditures for the fiscal year.
- The Town of Green Level's total debt and long-term liabilities decreased by \$227,463 during the current fiscal year. The key factors in this decrease were principal payments of \$237,135, a net increase in net pension liability of \$61, and an increase of \$9,611 in compensated absences.

Overview of the Financial Statements

This discussion and analysis is intended to serve as introduction to the Town of Green Level'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 Green Level.

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

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

Government-Wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the Town's basic services such as public safety and general administration. Utility franchise and excise taxes and sales taxes finance most of these activities. The business-type activities are those that municipalities generally charge fees for.

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

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Green Level, 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 General Statutes or the Town's budget ordinance. All of the funds of the Town of Green Level 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* 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 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 part of the fund financial statements.

The Town of Green Level adopts an annual budget for the 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 Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance the current period activities.

Management Discussion and Analysis Town of Green Level

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 in the same format, language and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the differences or variance between the final budget and 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 Green Level has only one kind of 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 Green Level uses enterprise funds to account for its water and sewer activity and operations. These funds are the same as those functions 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 the full understanding of data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

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

Management Discussion and Analysis
Town of Green Level

Town of Green Level's Net Position (Figure 2)

June 30, 2021 and June 30, 2020

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Current and other assets	\$ 2,099,952	\$ 1,610,448	\$ 2,089,293	\$ 1,994,866	\$ 4,189,245	\$ 3,605,314
Capital assets	3,384,358	3,557,563	5,162,462	5,282,874	8,546,820	8,840,437
Deferred outflows of resources	29,192	33,144	22,671	19,437	51,863	-
Total assets and deferred outflows of resources	5,513,502	5,201,155	7,274,426	7,297,177	12,787,928	12,445,751
Long-term liabilities	1,748,613	1,784,455	2,790,382	2,982,003	4,538,995	4,766,458
Other Liabilities	119,881	96,219	230,261	206,669	350,142	302,888
Deferred inflows of resources	8,623	4,474	6,697	2,623	15,320	7,097
Total liabilities and deferred inflows of resources	1,877,117	1,885,148	3,027,340	3,191,295	4,904,457	5,076,443
Net position:						
Net investment in capital assets	1,702,437	1,838,151	2,416,141	2,336,909	4,118,578	4,175,060
Restricted for:						
Stabilization by State Statute	454,558	397,858	-	-	454,558	397,858
USDA	74,128	80,350	-	-	74,128	80,350
Streets	236,889	200,790	-	-	236,889	200,790
Unrestricted	1,168,373	798,859	1,830,945	1,768,971	2,999,318	2,567,830
Total net position	\$ 3,636,385	\$ 3,316,008	\$ 4,247,087	\$ 4,105,880	\$ 7,883,472	\$ 7,421,888

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Town of Green Level exceeded liabilities and deferred inflows by \$7,883,472 as of June 30, 2021. The Town's net position increased by \$461,582 for the fiscal year ended June 30, 2021. However, the largest portion (52%) reflects the Town's net investment in capital assets (e.g. land, buildings, machinery, equipment, and its water & sewer system). The Town of Green Level uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Green Level's 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 of Green Level's net position, \$765,575 (10%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,999,318 (38%) is unrestricted.

Management Discussion and Analysis
Town of Green Level

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

- Continued low cost of debt and grant proceeds.
- Conservative spending

Town of Green Level's Changes in Net Position (Figure 3)

For the Years Ended June 30, 2021 and June 30, 2020

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Revenues						
Program revenues:						
Charges for services	\$ 48,045	\$ 47,021	\$ 1,262,423	\$ 1,253,275	\$ 1,310,468	\$ 1,300,296
Operating grants and contrib.	59,141	57,390	-	-	59,141	57,390
Capital grants and contrib.	48,433	177,419	-	-	48,433	177,419
General revenues:						
Property taxes	455,546	409,236	-	-	455,546	409,236
Sales and other taxes	696,967	571,779	-	-	696,967	571,779
Intergovernmental revenues	94,322	92,379	-	-	94,322	92,379
Investment earnings	423	210	-	-	423	210
Miscellaneous income	-	-	11,649	7,541	11,649	7,541
Total revenues	<u>1,402,877</u>	<u>1,355,434</u>	<u>1,274,072</u>	<u>1,260,816</u>	<u>2,676,949</u>	<u>2,616,250</u>
Expenses:						
General government	417,858	384,520	-	-	417,858	384,520
Public safety	91,780	87,250	-	-	91,780	87,250
Public works	175,653	172,595	-	-	175,653	172,595
Environmental protection	146,379	120,054	-	-	146,379	120,054
Streets & highways	73,371	76,344	-	-	73,371	76,344
Cultural and recreational	126,130	131,322	-	-	126,130	131,322
Debt service	51,330	942	-	-	51,330	942
Water and sewer	-	-	1,132,865	1,134,032	1,132,865	1,134,032
Total expenses	<u>1,082,501</u>	<u>973,027</u>	<u>1,132,865</u>	<u>1,134,032</u>	<u>2,215,366</u>	<u>2,107,059</u>
Increase (decrease) in net position	320,375	382,407	141,207	126,784	461,582	509,191
Net position July 1	3,316,008	2,933,601	4,105,880	3,755,027	7,421,888	6,688,628
Prior period restatement	-	-	-	224,068	-	-
Net position June 30	<u>\$ 3,636,385</u>	<u>\$ 3,316,008</u>	<u>\$ 4,247,087</u>	<u>\$ 4,105,880</u>	<u>\$ 7,883,472</u>	<u>\$ 7,197,819</u>

Governmental Activities. Governmental activities increased the Town's net position by \$320,375, thereby accounting for 70% of the total growth of the net position of the Town of Green Level. The increase in net position was the result of a concerted effort to control costs and manage expenditures while providing for future expansion by capital expenditures. Management believes healthy investment in the Town will result in additional revenues, and in that vein added to the Town's net position by investing in capital assets. Increased efforts to maximize tax collections also contributed to the favorable net position. Town management acknowledges that 2021 was a successful year and plans on improving upon these approaches as a long-term strategy to realize continued fiscal health.

Management Discussion and Analysis Town of Green Level

Key elements of this increase are as follows:

- Increased tax collections
- Conservative approach to spending
- Grant proceeds

Business-type Activities. Business-type activities increased the Town of Green Level's net position by \$141,207, accounting for 30% of the total growth in the Town's net position. Key elements of this increase are as follows:

- Increased revenues due to charges for services
- Overall decrease in production costs

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 of Green Level'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 Green Level's financing requirements.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the Town of Green Level's fund balance available in the General Fund was \$1,173,642, while total fund balance reached \$1,939,217. The Town currently has an available fund balance of 126% of general fund expenditures, while total fund balance represents 207% of the same amount.

At June 30, 2021, the governmental funds of Town of Green Level reported a combined fund balance of \$1,939,217 with a net increase in fund balance of \$467,595. Included in this change in fund balance are an increase in fund balance in the General Fund.

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.

There were several reasons the Town revised its budget throughout the year. Although expenditures were held in check overall to comply with its budgetary requirements, the Town did amend the budget in the General Fund in several departments to account for unexpected expenditures.

Proprietary Funds. The Town of Green Level's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$1,830,945. The total change in net position was \$141,207. The change in net position in the Water and Sewer Fund is a result of increased water and sewer charges as well as cost-saving measures taken to reduce operating costs in the Water and Sewer Fund.

Management Discussion and Analysis
Town of Green Level

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 \$8,546,820 (net of accumulated depreciation). These assets include buildings, land, construction in progress, furniture and equipment, and the Town's water and sewer system.

Major capital asset transactions during the year include the following:

- General Fund equipment and infrastructure purchases of \$24,220
- Water and sewer improvements of \$ 14,648
- Water and sewer capital project construction in progress \$23,478

Town of Green Level's Capital Assets (net of depreciation) (Figure 4)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Land	\$ 378,799	\$ 351,851	\$ 20,097	\$ 20,097	\$ 398,896	\$ 371,948
Construction in progress	-	1,885,347	375,556	352,078	375,556	2,237,425
Buildings & improvements	1,896,018	85,850	-	-	1,896,018	85,850
Furniture, equipment & vehicles	50,209	53,655	31,790	37,215	81,999	90,870
Recreational facilities & improvements	779,828	875,633	-	-	779,828	875,633
Infrastructure	279,504	305,227	-	-	279,504	305,227
Plant & distribution systems	-	-	4,735,018	4,873,483	4,735,018	4,873,483
	<u>\$ 3,384,358</u>	<u>\$ 3,557,563</u>	<u>\$ 5,162,462</u>	<u>\$ 5,282,874</u>	<u>\$ 8,546,820</u>	<u>\$ 8,840,436</u>

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

Long-term Debt.

On March 29, 2017, the Town entered into an installment purchase contract with Branch Banking and Trust Company to purchase two new trucks. The financing contract was for \$72,650 with an interest rate of 2.540%. The first of sixty payments of \$1,292 was due on April 29, 2018. The vehicles act as collateral for the loans. The loan is callable if the Town becomes substantially past due on required payments.

In February 2021, the Town entered into a financing agreement with the Branch Banking and Trust Company, Charlotte, North Carolina to advance up to \$1,147,900 for the construction of the Town Hall. On May 7, 2019, the amount was increased to \$1,864,300 at 3.25% which was advanced as of June 30, 2019. Subsequently in 2020, the note amount was decreased by grant proceeds for a total amount financed of \$1,694,400. In 2020, the note was assumed by USDA with an interest rate of 3.00% payable with 40 annual principal and interest payments of \$73,318. The note is collateralized by Town Hall and the full faith and credit of the Town. The note is callable if the Town becomes substantially past due on required payments.

Management Discussion and Analysis
Town of Green Level

The Town continues to service its debt related to the water tower and related assets. The balance of the debt was \$509,892 at June 30, 2021. Principal payments of \$46,354 are required annually. There is no interest on this debt.

The Town received loan commitments of \$2,302,810 related to projects to connect its sewer system to the City of Burlington's sewer system. Of this cost, \$435,050 was forgiven with total repayments to be \$1,867,760. Twenty principal payments of \$65,310 are required annually. There is no interest on this debt.

In February 2019, the Town entered into a financing agreement with the Branch Banking and Trust Company, Charlotte, North Carolina to advance up to \$1,223,700 for the construction of a pump station. At June 30, 2019, the entire amount had been advanced. The financing contract requires fifteen annual principal and interest payments of \$107,993 beginning fiscal year 2019. The note is collateralized by the full faith and credit of the Town. The note is callable if the Town becomes substantially past due on required payments.

Town of Green Level's Long-term Debt (Figure 5)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
Long-term debt	\$1,672,053	\$1,694,400	\$2,746,320	\$2,945,964	\$4,418,373	\$4,640,364
Net pension liability	54,910	61,455	42,645	36,039	97,555	97,494
Installment purchases	9,868	25,012	-	-	9,868	25,012
Compensated absences	11,782	3,588	1,417	-	13,199	3,588
	<u>\$1,748,613</u>	<u>\$1,784,455</u>	<u>\$2,790,382</u>	<u>\$2,982,003</u>	<u>\$4,538,995</u>	<u>\$4,766,458</u>

Town of Green Level's Outstanding Debt and Long-term Liabilities

The Town of Green Level's total debt and long-term liabilities decreased by \$227,463 during the current fiscal year. The key factors in this decrease were principal payments of \$237,135, a net increase in net pension liability of \$61, and an increase of \$9,611 in compensated absences.

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 property located within that government's boundaries. The legal debt margin for the Town is \$9,870,800.

Additional information regarding the Town of Green Level's long-term debt can be found in Note III.B.5 of this report.

Management Discussion and Analysis Town of Green Level

Economic Factors and Next Year's Budgets and Rates

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

- The increase in net position of the General Fund and the Water & Sewer Fund are expected to continue to increase as a result of conservative budget management by both the Town Council and administrative staff. The continued increase in population will also be beneficial in creating a healthy and robust financial stability for the Town, which will allow the Town to continue to provide important services as needed.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities:

The Town continues to provide vital services to its residents to include, but not limited to, law enforcement, sanitation services, the Town Park, recreational facilities, and public works projects. Property tax rates will remain constant at .36 cents.

There will be renovations on the old Town hall to convert it into a community center and there may be costs associated with furnishings.

The Town has chosen not to appropriate fund balance in the fiscal year 2022 budget. Management believes that increased revenues and continued restrictions on spending will maintain the Town's financial position. As the Town considers future revenue sources, it has determined that a \$0.01 increase in the property tax rate will result in additional revenues of approximately \$11,952 at current values and collection rate. Though management believes current growth will generate enough revenue to support Town operations, a careful analysis of property tax revenue will be considered in future years' budgets.

Business-type Activities – Water & Sewer Fund:

The Town continues to focus on reducing its cost of providing water and sewer services through regular maintenance and improvement infrastructure projects. Meter replacements and the use of electronic meter reading equipment helps to ensure accurate billing and improves the efficiency of the billing process. Debt service for the Town's water tower remains \$46,354 annually. The Town is currently upgrading lift stations to support current and future growth capacity within the Town. The pump upgrades have an estimated cost of \$1.3 million.

The Town has agreed to accept and host the new Alamance County Training Facility, which will include an indoor state of the art firing range and driving course to be used to train and prepare our emergency responders and law enforcement officers. This facility will attract law enforcement and first responders from across the state that will come for training and networking resources. The taxes and other revenues from this facility will enhance the Town's financial net position and hopefully attract a variety of businesses to the area. The Town owns several parcels of land throughout the community and is currently working with appraisers and real estate agencies to try and market these properties in an effort to bring commercial business into the Town.

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 Clerk, Town of Green Level, P.O. Box 342, Mebane, NC 27302.

Town of Green Level, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government		
	Government Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash & cash equivalents	\$ 1,293,523	\$ 2,102,721	\$ 3,396,244
Receivables (net):			
Taxes	40,854	-	40,854
Accounts	54,847	180,134	234,980
Internal balances	260,112	(260,112)	-
Due from other governments	139,599	-	139,599
Prepaid items	-	-	-
Restricted cash	311,017	66,551	377,568
	<u>2,099,952</u>	<u>2,089,293</u>	<u>4,189,245</u>
Capital assets:			
Land, improvements & construction in progress	378,799	395,653	774,452
Other capital assets, net of accumulated depreciation	3,005,559	4,766,809	7,772,368
Total capital assets	<u>3,384,358</u>	<u>5,162,462</u>	<u>8,546,820</u>
Total assets	<u>5,484,310</u>	<u>7,251,755</u>	<u>12,736,065</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	29,192	22,671	51,863
Total deferred inflows of resources	<u>29,192</u>	<u>22,671</u>	<u>51,863</u>
LIABILITIES			
Current liabilities:			
Accounts payable	119,881	163,710	283,591
Current portion of long-term debt	33,024	202,147	235,171
Payable from restricted cash	-	66,551	66,551
	<u>152,905</u>	<u>432,407</u>	<u>585,313</u>
Long-term Liabilities:			
Compensated absences	11,782	1,417	13,199
Net pension liability	54,910	42,645	97,555
Long-term debt	1,648,897	2,544,173	4,193,070
	<u>1,715,589</u>	<u>2,588,236</u>	<u>4,303,825</u>
Total liabilities	<u>1,868,495</u>	<u>3,020,643</u>	<u>4,889,137</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	8,623	6,697	15,320
Total deferred inflows of resources	<u>8,623</u>	<u>6,697</u>	<u>15,320</u>
NET POSITION			
Net investment in capital assets	1,702,437	2,416,141	4,118,578
Restricted for:			
Stabilization by State Statute	454,558	-	454,558
USDA	74,128	-	74,128
Streets	236,889	-	236,889
Unrestricted net position	<u>1,168,373</u>	<u>1,830,945</u>	<u>2,999,318</u>
Total net position	<u>\$ 3,636,385</u>	<u>\$ 4,247,087</u>	<u>\$ 7,883,472</u>

The accompanying notes are an integral part of the financial statements

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

EXHIBIT 2

Function / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 417,858	\$ -	\$ -	\$ 48,433	\$ (369,425)	\$ -	\$ (369,425)
Public safety	91,780	-	-	-	(91,780)	-	(91,780)
Public works	175,653	-	-	-	(175,653)	-	(175,653)
Environmental protection	146,379	48,045	-	-	(98,334)	-	(98,334)
Streets & highways	73,371	-	59,141	-	(14,230)	-	(14,230)
Cultural and recreational	126,130	-	-	-	(126,130)	-	(126,130)
Interest on long-term debt	51,330	-	-	-	(51,330)	-	(51,330)
Total governmental activities	<u>1,082,501</u>	<u>48,045</u>	<u>59,141</u>	<u>48,433</u>	<u>(926,882)</u>	<u>-</u>	<u>(926,882)</u>
Business-type activities:							
Water and sewer	1,132,865	1,262,423	-	-	-	129,558	129,558
Total business activities	<u>1,132,865</u>	<u>1,262,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,558</u>	<u>129,558</u>
Total government	<u>\$ 2,215,366</u>	<u>\$ 1,310,468</u>	<u>\$ 59,141</u>	<u>\$ 48,433</u>	<u>(926,882)</u>	<u>129,558</u>	<u>(797,324)</u>
General revenues:							
Taxes:							
Property taxes levied for general purposes					455,546	-	455,546
Sales & other taxes					696,967	-	696,967
Unrestricted intergovernmental revenues					83,891	-	83,891
Other unrestricted revenues					10,431	-	10,431
Miscellaneous					423	11,649	12,072
Total general government revenues					<u>1,247,257</u>	<u>11,649</u>	<u>1,258,906</u>
Change in net position					320,375	141,207	461,582
Net position, beginning, previously reported					3,316,008	4,105,880	7,421,888
Prior period restatement					-	-	-
Net position ending					<u>\$ 3,636,385</u>	<u>\$ 4,247,087</u>	<u>\$ 7,883,472</u>

The accompanying notes are an integral part of the financial statements

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

	<u>Major Fund</u>	<u>Total Governmental Fund</u>
	<u>General</u>	
Assets		
Cash & cash equivalents	\$ 1,293,523	\$ 1,293,523
Restricted cash and cash equivalents	311,017	311,017
Receivables (net):		
Taxes	40,854	40,854
Accounts	54,847	54,847
Due from other funds	260,112	260,112
Due from other governments	139,599	139,599
Prepays items	-	-
Total assets	<u>\$ 2,099,952</u>	<u>\$ 2,099,952</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable & accrued expenses	\$ 119,881	\$ 119,881
Total liabilities	<u>119,881</u>	<u>119,881</u>
DEFERRED INFLOWS OF RESOURCES		
Property taxes receivable	40,854	40,854
Total deferred inflows of resources	<u>40,854</u>	<u>40,854</u>
Fund balance:		
Non Spendable:		
Prepaid items	-	-
Restricted:		
Stabilization by State Statute	454,558	454,558
USDA	74,128	74,128
Streets	236,889	236,889
Assigned		
Subsequent years expenditures	-	-
Unassigned	1,173,642	1,173,642
Total fund balance	<u>1,939,217</u>	<u>1,939,217</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,099,952</u>	

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

Capital assets used in governmental activities are not financial and therefore are not reported in the funds.	3,384,358
Deferred outflows of resources related to pensions are not reported in the funds	29,192
Liabilities for earned revenues considered deferred inflows of resources in fund statements	40,854
Some liabilities are not due and payable in the current period and therefore are not reported in the fund.	
Long-term debt included as net position below (includes the addition of long-term debt and principal payments during the year.)	(1,681,921)
Compensated absences	(11,782)
Net pension liability	(54,910)
Deferred inflows of resources related to pensions are not reported in the funds	(8,623)
Net position of governmental activities	<u>\$ 3,636,385</u>

The accompanying notes are an integral part of the financial statements

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

	<u>Major Fund</u>	
	<u>General</u>	<u>Total Governmental Fund</u>
Revenues:		
Ad valorem taxes	\$ 457,300	\$ 457,300
Other taxes, licenses and fees	696,967	696,967
Unrestricted intergovernmental revenues	83,891	83,891
Restricted intergovernmental revenues	107,574	107,574
Permits & fees	4,275	4,275
Charges for services	48,045	48,045
Other revenue	6,579	6,579
Total revenues	<u>1,404,631</u>	<u>1,404,631</u>
Expenditures:		
General government	340,924	340,924
Public Safety	91,780	91,780
Public works	167,837	167,837
Environmental protection	146,379	146,379
Streets & highways	47,647	47,647
Cultural and recreation	53,647	53,647
Debt service	88,821	88,821
Total expenditures	<u>937,035</u>	<u>937,035</u>
Revenues over expenditures	<u>467,595</u>	<u>467,595</u>
OTHER FINANCING SOURCES (USES):		
Transfers (to) from capital project	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	467,595	467,595
Fund balance - beginning of year	<u>1,471,621</u>	<u>1,471,621</u>
Fund balance - end of year	<u>\$ 1,939,217</u>	<u>\$ 1,939,217</u>

The accompanying notes are an integral part of the financial statements

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

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

Net changes in fund balances - total governmental funds	\$	467,595
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation for the current period.

Capital outlay expenditures which were capitalized	\$	38,020
Depreciation expense for governmental assets		(211,224)
		(173,204)

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

Change in unavailable revenue for tax revenues		(1,754)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt	37,491	37,491
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Change in pension expense:

Changes in net pension assets	-	
Changes in deferred outflows	(3,952)	
Changes in net pension liability	6,545	
Changes in deferred inflows	(4,150)	(1,557)

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		(8,195)
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Total changes in net position of governmental activities	\$	320,375
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Town of Green Level, North Carolina
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Original	Final	Actual	Variance Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 375,350	\$ 375,350	\$ 457,300	\$ 81,950
Other taxes & licenses	566,000	566,000	696,967	130,967
Unrestricted intergovernmental	78,540	78,540	83,891	5,351
Restricted intergovernmental	51,840	86,840	107,574	20,734
Permits & fees	780	780	4,275	3,495
Sales and services	41,000	41,000	48,045	7,045
Miscellaneous	4,800	4,800	6,579	1,779
Total revenues	<u>1,118,310</u>	<u>1,153,310</u>	<u>1,404,631</u>	<u>251,321</u>
Expenditures:				
General government	435,250	453,250	340,924	112,326
Public safety	92,800	92,800	91,780	1,020
Public works	179,600	186,600	167,837	18,763
Environmental protection	148,000	154,000	146,379	7,621
Streets & highways	85,700	89,700	47,647	42,053
Cultural and recreation	99,650	99,650	53,647	46,003
Debt service	95,700	95,700	88,821	6,879
Total expenditures	<u>1,136,700</u>	<u>1,171,700</u>	<u>937,035</u>	<u>234,665</u>
Revenues over (under) expenditures	<u>(18,390)</u>	<u>(18,390)</u>	<u>467,595</u>	<u>485,985</u>
Other financing sources (uses):				
Loan proceeds	-	-	-	-
Fund balance appropriated	18,390	18,390	-	(18,390)
Total other financing sources (uses)	<u>18,390</u>	<u>18,390</u>	<u>-</u>	<u>(18,390)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>467,595</u>	<u>\$ 467,595</u>
Fund balance, beginning of year			<u>1,471,621</u>	
Fund balance, end of year			<u>\$ 1,939,217</u>	

The accompanying notes are an integral part of the financial statements

Town of Green Level, North Carolina
Statement of Fund Net Position
Proprietary Fund
June 30, 2021

	Water/Sewer Fund
ASSETS	
Current assets:	
Cash & cash equivalents	\$ 2,102,721
Accounts receivable (net)	180,134
Prepaid expenses	-
Restricted cash & cash equivalents	66,551
Total current assets	<u>2,349,405</u>
Noncurrent assets:	
Capital assets:	
Land, improvements, & construction in progress	395,653
Other capital assets, net of accumulated depreciation	4,766,809
Total noncurrent assets	<u>5,162,462</u>
Total assets	<u>7,511,867</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	<u>22,671</u>
LIABILITIES	
Current liabilities:	
Accounts payable & accrued expenses	163,710
Due to other funds	260,112
Current portion of long-term debt	202,147
Liabilities payable from restricted assets:	
Customer deposits	66,551
	<u>692,519</u>
Noncurrent liabilities:	
Compensated absences	1,417
Net pension liability	42,645
Long-term debt	2,544,173
Total noncurrent liabilities	<u>2,588,236</u>
Total liabilities	<u>3,280,755</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>6,697</u>
NET POSITION	
Net investment in capital assets	2,416,141
Unrestricted net assets (deficit)	1,830,945
Total net position	<u>\$ 4,247,087</u>

The accompanying notes are an integral part of the financial statements

Town of Green Level, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	Water/Sewer Fund
Revenues	
Operating revenues:	
Charges for services	\$ 1,204,535
Water & sewer taps	7,600
Late payment charges	50,288
Total operating revenue	<u>1,262,423</u>
 Expenses	
Operations:	
Administration	127,684
Finance	144,296
Water distribution & maintenance	231,191
Waste collection & treatment	430,249
Depreciation & amortization	158,538
Total operating expenses	<u>1,091,959</u>
 Operating income (loss)	 <u>170,464</u>
 Nonoperating revenues(expenses):	
Miscellaneous income	11,649
Interest expense	(40,906)
	<u>(29,257)</u>
 Change in net position	 141,207
 Net position beginning, as previously reported	 <u>4,105,880</u>
Prior period restatement	
Net position end of year	<u><u>\$ 4,247,087</u></u>

The accompanying notes are an integral part of the financial statements

Town of Green Level, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	<u>Water/Sewer Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 1,294,612
Cash paid for goods and services	(756,496)
Cash paid for salaries and benefits	(168,062)
Net Cash Provided By Operating Activities	<u>370,054</u>
Cash flows from non-capital financing activities:	
Interfund borrowings (payments)	15,315
Other revenues received	11,649
Net Cash Provided By Capital and Related Financing Activities	<u>26,964</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(14,648)
Increase in construction in progress	(23,478)
Noncapitalized construction in progress	-
Payment on notes payable	(199,644)
Interest paid	(40,906)
Proceeds from long-term debt	-
Net Cash Used By Capital and Related Financing Activities	<u>(278,676)</u>
Cash flows from investing activities:	
Interest earnings	-
Net Cash Provided by Investing Activities	<u>-</u>
 Net Increase (Decrease) In Cash	 118,342
Cash - Beginning of Year, July 1	<u>2,050,932</u>
Cash - End of Year, June 30	<u><u>\$ 2,169,272</u></u>

Disclosure of Accounting Policy

For purposes of the statement of cash flows, the Town of Green Level considers all highly liquid investments (including restricted assets) with a maturity of a year or less when purchased to be cash equivalents.

Town of Green Level, North Carolina
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	<u>Water/Sewer Fund</u>
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:	
Net Operating Income (Loss)	<u>\$ 170,464</u>
Adjustments to reconcile net operating income to net cash used by operating activities:	
Depreciation & amortization	158,538
Changes in Current Assets and Liabilities:	
(Increase) decrease in accounts receivable	8,597
(Increase) decrease in deferred outflows - pensions	(3,234)
(Increase) decrease in prepaid expenses	-
Increase (Decrease) in net pension liability	4,074
Increase (Decrease) in deferred inflows - pensions	6,606
Increase (Decrease) in accounts payable	47,887
Increase (Decrease) in accrued liabilities	1,417
Increase (Decrease) in customer deposits	<u>(24,295)</u>
Total adjustments	<u>199,590</u>
Net Cash Provided By Operating Activities	<u><u>\$ 370,054</u></u>
Interest paid	<u><u>\$ 40,906</u></u>

Town of Green Level, North Carolina

***NOTES TO FINANCIAL STATEMENTS
As of or for the Year Ended June 30, 2021***

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The Town of Green Level is a municipal corporation governed by an elected mayor and a five-member council. As required by generally accepted accounting principles, these financial statements present the Town and its component unit, a legally separate entity for which the Town is financially accountable. For the year ended June 30, 2021, the Town had no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display the information about the primary government and its component units, if any. 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 and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational and 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 non-major funds.

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

Notes to the Financial Statements (continued)

B. Basis of Presentation (continued)

The Town reports the following major governmental fund:

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are the local option sales tax and the utility franchise and excise tax. The primary expenditures are for general government and recreation services.

The Town reports the following major enterprise fund:

Water and Sewer Fund – This fund is used to account for the Town's water and sewer 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 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 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, includes grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

Notes to the Financial Statements (continued)

C. Measurement Focus and Basis of Accounting (continued)

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

Sales taxes collected and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the Town, are recognized as revenue. Sales taxes are considered a shared revenue for the Town because the tax is levied by Alamance County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues, which are unearned at year-end, are recorded as unearned revenues. Under the terms of grant agreements, the Town may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, if and when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement, grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and the Enterprise Fund. All annual appropriations lapse at the fiscal-year end. Project ordinances, if applicable, are adopted for the Capital Projects Fund and the Enterprise Fund Capital Projects Fund. These appropriations continue until the project is completed. 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. All amendments must be approved by the Town Council. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the Town Council must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

Notes to the Financial Statements (continued)

1. Deposits and Investments (continued)

State law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The Town does not have a formal investment or credit risk policy.

2. Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursements 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

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4 Cash in the capital project is restricted for construction only.

Town of Green Level Restricted Cash

Governmental Activities		
General Fund	Streets	\$236,889
	USDA	74,128
Total governmental activities		<u>311,017</u>
 Business-type Activities		
Water and Sewer Fund	Customer deposits	66,551
Total Business-type Activities		<u>66,551</u>
Total Restricted Cash		<u><u>\$377,568</u></u>

4. Ad Valorem Tax Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020. As allowed by State law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts. The Town has an arrangement with Alamance County for the billing and collecting of the Town's property taxes.

5. Allowance for Doubtful Accounts

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

Notes to the Financial Statements (continued)

6. Inventory and Prepaid Items

The Town's General Fund inventory consists of an immaterial amount of expendable supplies that are recorded as expenditures as purchased rather than when used.

The inventories of the Town's enterprise fund consist of an immaterial amount of materials and supplies held for subsequent use. The cost of these inventories is expensed when purchased.

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

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life of more than two years. Minimum capitalization cost is currently \$200 for all types of assets. 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.

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

<u>Asset Class</u>	<u>Estimated Useful Life - Years</u>
Buildings	25-40
Infrastructure	10-20
Improvements	8-40
Furniture and equipment	5-15
Recreation facilities	5-40
Water & sewer lines and stations	40
Vehicles	3-6

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 one item that meet this criterion, contributions made to the pension plan and other pension deferrals in the 2021 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has two items that meets the criterion for this category - property taxes receivable and deferrals of pension expense that result from the implementation of GASB Statement 68.

9. 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. Any 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

Notes to the Financial Statements (continued)

9. Long-Term Obligations (continued)

method. Bonds payable are reported net of any applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the 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. Any premiums received on debt issuances are reported as other financing sources while any discounts on debt issuances are reported as other financing uses. Any issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Compensated Absences

At June 30, 2021, the vacation policy of the Town provides for the accumulation of up to 120 hours 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's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest so 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.

11. Net position / Fund Balances

Net position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Prepays – portion of fund balance that is not an available resource because it represents year end prepaid expenses which are not expendable resources.

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance

Notes to the Financial Statements (continued)

11. Net position / Fund Balances (continued)

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 USDA - Portion of fund balance that is restricted by revenue source for the debt service payment associated with the construction of Town Hall. This portion represents the current portion due.

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 Green Level's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned fund balance – portion of fund balance that the Town of Green Level intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed.

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

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

12. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LERS) and additions to/deductions from LERS' fiduciary net position have been determined on the same basis as they are reported by LERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LERS. Investments are reported at fair value.

Notes to the Financial Statements (continued)

II. Stewardship, Compliance, and Accountability:

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

NC General Statute 159-34 requires the Town to have an audit as soon as possible after the close of each fiscal year. The Town's audit is over 2 years past due in violation of this requirement. The Town is currently in the process of having the required audits completed and expects to be in compliance within the next 90 days.

III. Detail Notes on All Funds and Account Groups:

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 the Town's name. The amount of the pledged collateral is based on an approval averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists to 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 risks for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Town's deposits had a carrying amount of \$3,761,614 and a bank balance of \$3,786,394. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2021, the Town's petty cash fund totaled \$660.

2. Investments

At June 30, 2021, the Town had \$11,538 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Town has no policy regarding credit risk.

3. Receivables – Allowances for Doubtful Accounts

The amounts presented in the Balance Sheet and the Statement of Net Position for the year ended June 30, 2021 is net of the following allowances for doubtful accounts:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ -
Enterprise Fund	21,593
Total	<u>\$ 21,593</u>

Notes to the Financial Statements (continued)

4. Capital Assets

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 and construction in progress	\$ 2,237,198	\$ -	\$ (1,858,399)	\$ 378,799
Capital assets being depreciated:				
Buildings & improvements	355,267	1,872,199	-	2,227,466
Furniture, fixtures & equipment	293,385	1,877	-	295,262
Vehicles	144,655	-	-	144,655
Recreational facilities & equipment	1,585,744	-	-	1,585,744
Infrastructure	796,738	22,343	-	819,081
Total capital assets being depreciated:	3,175,789	1,896,419	-	5,072,208
Less, accumulated depreciation for:				
Buildings & improvements	269,417	62,031	-	331,448
Furniture, fixtures & equipment	239,730	13,300	-	253,030
Vehicles	121,333	15,345	-	136,678
Recreational facilities & equipment	733,433	72,483	-	805,916
Infrastructure	491,511	48,065	-	539,576
Total accumulated depreciation	1,855,424	211,224	-	2,066,648
Total capital assets being depreciated, net	1,320,365			3,005,559
Governmental activity capital assets, net	\$ 3,557,563			\$ 3,384,358

Capital asset activity for the Business-type Activities for the year ended June 30, 2021:

Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 20,097	\$ -	\$ -	\$ 20,097
Construction in progress	352,078	23,478	-	375,556
Capital assets being depreciated:				
Plant & distribution systems	6,711,450	14,648	-	6,726,098
Equipment & vehicles	236,575	-	-	236,575
Total capital assets being depreciated:	6,948,025	14,648	-	6,962,673
Less, accumulated depreciation for:				
Plant & distribution systems	1,837,967	153,113	-	1,991,080
Equipment & vehicles	199,360	5,425	-	204,785
Total accumulated depreciation	2,037,327	158,538	-	2,195,865
Total capital assets being depreciated, net	4,910,699			4,766,809
Business-type activity capital assets, net	\$ 5,282,874			\$ 5,162,462

Notes to the Financial Statements (continued)

4. Capital assets (continued)

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

General government	\$ 83,095
Public works	7,580
Transportation	48,066
Cultural and recreation	72,483
	<u>\$ 211,224</u>

The fixed assets acquired from the Green Level Water and Sewer District, the predecessor to the Town of Green Level's Water and Sewer Fund, are recorded at the District's original cost. Accumulated depreciation, through the date of transfer, has also been carried forward from the district.

Construction Commitments

The government has active construction projects as of June 30, 2021. At year-end, the government's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Pump Station	\$ 483,549	\$ 920,546
Total	<u>\$ 483,549</u>	<u>\$ 920,546</u>

B. Liabilities:

1. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The Town is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2021, was 0% of compensation for law enforcement officers and 10.15% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$17,226 for the year ended June 30, 2021.

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

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

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

At June 30, 2021, the Town reported a liability of \$97,555 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021 (as measured at June 30, 2020), the Town's proportion was 0.00273%, which was an increase of 0.00084% from its proportional share at June 30, 2020 (as measured as of June 30, 2019).

For the year ended June 30, 2021, the Town recognized pension expense of \$29,843. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,319	\$ -
Changes of assumptions	7,260	-
Net difference between projected and actual earnings on pension plan investments	13,728	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	1,330	15,320
Town contributions subsequent to the measurement date	17,226	-
Total	<u>\$ 51,863</u>	<u>\$ 15,320</u>

\$17,226 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 4,876
2023	8,103
2024	2,276
2025	4,063
2026	-

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

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

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

Notes to the Financial Statements (continued)

a. Local Governmental Employees' Retirement System (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 197,928	\$ 97,555	\$ 14,138

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

b. Supplemental Retirement Income Plan for General Employees

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

Funding Policy. Article 12E of GS Chapter 143 requires the Town to contribute each month an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. Also, the general employees may make voluntary contributions to the plan. The Town also provided this same benefit to other eligible employees beginning on July 1, 2009. The Town made contributions of \$4,947 for the reporting year. No amounts were forfeited.

Notes to the Financial Statements (continued)

2. Deferred Outflows and Inflows of Resources

Deferred outflows of resources is comprised of the following:

Source	Amount
Differences between expected and actual experience	\$ 12,319
Changes of assumptions	7,260
Net difference between projected and actual earnings on pension plan investments	13,728
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,330
Employer contributions subsequent to the measurement date*	17,226
Total	<u>\$ 51,863</u>

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

	Statement of Net Position	General Fund Balance Sheet
Prepaid taxes (General Fund)	\$ -	\$ -
Taxes Receivable, less penalties (General Fund)	-	40,854
Changes in assumptions	-	-
Differences between expected and actual experience	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,320	-
Total	<u>\$ 15,320</u>	<u>\$ 40,854</u>

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in two 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 \$1,000,000 up to statutory limits for workers' compensation.

There has been no significant reduction in insurance coverage in the prior year. Settled claims have not exceeded coverage in any of the past three years.

The Town has obtained flood insurance.

In accordance with GS 159-29, the Town's employees that have access to \$100 or more at any given time are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$50,000. The remaining employees are covered for employee dishonesty up to \$10,000 per occurrence.

Notes to the Financial Statements (continued)

4. Claims and Judgments

At June 30, 2021, there were no pending or threatened litigation, claims or assessments against the Town.

5. Long-term Obligations

a. Installment Purchase – General Fund - Direct Placement

On March 29, 2017, the Town entered into an installment purchase contract with Branch Banking and Trust Company to purchase two new trucks. The financing contract was for \$72,650 with an interest rate of 2.540%. The first of sixty payments of \$1,292 was due on April 29, 2019. The vehicles act as collateral for the loans. The loan is callable if the Town becomes substantially past due on required payments. Annual debt service requirements to maturity for long-term debt, including \$121 interest, are as follows:

General Fund		
Principal	Interest	Total
\$ 9,868	\$ 121	\$ 9,989
\$ 9,868	\$ 121	\$ 9,989

In February 2019, the Town entered into a financing agreement with the Branch Banking and Trust Company, Charlotte, North Carolina to advance up to \$1,147,900 for the construction of the Town Hall. On May 7, 2019, the amount was increased to \$1,864,300 at 3.25% which was advanced as of June 30, 2019. Subsequently in 2021, the note amount was decreased by grant proceeds for a total amount financed of \$1,694,400. In 2021, the note was assumed by USDA with an interest rate of 3.00% payable with 40 annual principal and interest payments of \$73,318. The note is collateralized by Town Hall and the full faith and credit of the Town. The note is callable if the Town becomes substantially past due on required payments. Future anticipated debt payments are as follows, including interest of \$1,187,349:

Year ending June 30	General Fund		
	Principal	Interest	Total
2022	\$ 23,156	\$ 50,162	\$ 73,318
2023	23,851	49,467	73,318
2024	24,567	48,751	73,318
2025	25,172	48,146	73,318
2026	26,059	47,259	73,318
2027-31	142,370	224,220	366,590
2032-36	165,052	201,538	366,590
2037-41	191,260	175,330	366,590
2042-46	221,849	144,741	366,590
2047-51	257,198	109,392	366,590
2052-56	298,181	68,409	366,590
2057-60	273,338	19,934	293,272
	<u>\$ 1,672,053</u>	<u>\$ 1,187,349</u>	<u>\$ 2,859,402</u>

Notes to the Financial Statements (continued)

b. General Obligation Indebtedness – Enterprise Fund

In 2012, The Town entered into a \$927,077 loan commitment with NC Department of Environment and Natural Resources related to its construction of an elevated water tank and associated distribution lines. The financing contract requires annual principal only payments of \$46,354 beginning fiscal year 2013.

Annual debt service requirements to maturity for long-term debt, including \$0 interest, are as follows:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2022	\$ 46,354	\$ -	\$ 46,354
2023	46,354	-	46,354
2024	46,354	-	46,354
2025	46,354	-	46,354
2026	46,354	-	46,354
2027-31	231,769	-	231,769
2032	46,353	-	46,353
	<u>\$ 509,892</u>	<u>\$ -</u>	<u>\$ 509,892</u>

In 2016, The Town entered into a \$1,231,866 loan commitment with NC Division of Water Infrastructure related to projects to connect its sewer system to the City of Burlington's sewer system. The financing contract requires twenty annual principal only payments of \$65,310 beginning fiscal year 2016.

Annual debt service requirements to maturity for long-term debt, including \$0 interest, are as follows:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2022	\$ 65,310	\$ -	\$ 65,310
2023	65,310	-	65,310
2024	65,310	-	65,310
2025	65,310	-	65,310
2026	65,310	-	65,310
2027-31	326,550	-	326,550
2032-35	261,237	-	261,237
	<u>\$ 914,337</u>	<u>\$ -</u>	<u>\$ 914,337</u>

In 2016, The Town entered into a \$633,000 loan commitment with NC Division of Water Infrastructure related to projects to connect its sewer system to the City of Burlington's sewer system. Of this cost, \$316,500 is to be forgiven with total repayments to be \$275,872. The financing contract requires twenty annual principal only payments of \$14,500 beginning fiscal year 2016.

Notes to the Financial Statements (continued)

b. General Obligation Indebtedness (continued)

Annual debt service requirements to maturity for long-term debt, including \$0 interest, are as follows:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2022	\$ 14,500	\$ -	\$ 14,500
2023	14,500	-	14,500
2024	14,500	-	14,500
2025	14,500	-	14,500
2026	14,500	-	14,500
2027-31	72,501	-	72,501
2032-35	58,001	-	58,001
	<u>\$ 203,002</u>	<u>\$ -</u>	<u>\$ 203,002</u>

In 2016, The Town entered into a \$246,407 loan commitment with NC Division of Water Infrastructure related to projects to connect its sewer system to the City of Burlington's sewer system. Of this cost, \$118,550 is to be forgiven with total repayments to be \$127,857. The financing contract requires twenty annual principal only payments of \$6,393 beginning fiscal year 2016.

Annual debt service requirements to maturity for long-term debt, including \$0 interest, are as follows:

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2022	\$ 6,393	\$ -	\$ 6,393
2023	6,393	-	6,393
2024	6,393	-	6,393
2025	6,393	-	6,393
2026	6,393	-	6,393
2027-31	31,965	-	31,965
2032-35	25,570	-	25,570
	<u>\$ 89,500</u>	<u>\$ -</u>	<u>\$ 89,500</u>

b. General Obligation Indebtedness - Direct placement

In February 2019, the Town entered into a financing agreement with the Branch Banking and Trust Company, Charlotte, North Carolina to advance up to \$1,223,700 at 3.73% for the construction of a pump station. At June 30, 2019, the entire amount had been advanced. The financing contract requires fifteen annual principal and interest payments of \$107,993 beginning fiscal year 2019. The note is collateralized by the full faith and credit of the Town. The note is callable if the Town becomes substantially past due on required payments. Future anticipated debt payments are as follows, including interest of \$307,233:

Notes to the Financial Statements (continued)

b. General Obligation Indebtedness - Direct placement

Year ending June 30	Enterprise Fund		
	Principal	Interest	Total
2022	\$ 69,590	\$ 38,403	\$ 107,993
2023	72,185	35,808	107,993
2024	74,878	33,115	107,993
2025	77,641	30,322	107,963
2026	80,568	27,425	107,993
2027-31	353,465	78,508	431,973
2032-33	301,262	22,746	324,008
	<u>\$ 1,029,589</u>	<u>\$ 266,327</u>	<u>\$ 1,295,916</u>

c. Changes in Long-term Liabilities

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
Governmental activities:					
Compensated absences	\$ 3,588	\$ 8,194	\$ -	\$ 11,782	\$ -
BB&T loan	25,012		15,144	9,868	9,868
Long-term debt - USDA	1,694,400	-	22,347	1,672,053	23,156
Net pension liability (LGERS)	61,455	-	6,545	54,910	-
Total governmental activity long-term liabilities:	<u>\$ 1,784,455</u>	<u>\$ 8,194</u>	<u>\$ 44,036</u>	<u>\$ 1,748,613</u>	<u>\$ 33,024</u>
Business-type activities					
NCDEQ loan	\$ 1,849,288	\$ -	\$ 132,557	\$ 1,716,731	\$ 132,557
BB&T loans	1,096,676	-	67,087	1,029,589	69,590
Net pension liability (LGERS)	36,039	6,606	-	42,645	-
Compensated absences	-	1,417	-	1,417	-
Total business-type activity long-term liabilities:	<u>\$ 2,982,003</u>	<u>\$ 8,023</u>	<u>\$ 199,644</u>	<u>\$ 2,790,382</u>	<u>\$ 202,147</u>

Compensated absences for governmental activities have typically been liquidated in the General Fund.

At June 30, 2021, the Town of Green Level had no authorized but issued bonds and had a legal debt margin of \$9,870,800.

C. Interfund Balances and Activity

Balances due to/from other funds at June 30, 2021, consist of the following:

Due to General Fund from Water and Sewer Fund	\$260,112
Due from Water and Sewer Fund to General Fund	\$260,112

Notes to the Financial Statements (continued)

C. Interfund Balances and Activity (continued)

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

The General Fund has advanced the Water and Sewer Fund proceeds needed for various capital projects prior to receiving loan advances for the projects. The General Fund anticipates a repayment arrangement after the various projects are completed.

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 3,384,358	\$ 5,162,462
less: long-term debt	1,681,921	2,746,320
add: unexpended debt proceeds	-	-
Net investment in capital assets	<u>\$ 1,702,437</u>	<u>\$ 2,416,141</u>

E. Fund Balance

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

<u>Total fund balance - General Fund</u>	\$ 1,939,217
Less:	
Prepaid expense	-
Stabilization by State Statute	454,558
USDA payment	74,128
Assigned for subsequent years expenditures	-
Streets - Powell Bill	236,889
Remaining Fund Balance	\$ 1,173,642

IV. Federal and State Assisted Programs

Federal and State Assisted Programs

The Town has received proceeds from 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 agreement. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statement for the refund of grant moneys.

Notes to the Financial Statements (continued)

V. Significant Effects of Subsequent Events

Subsequent events occurring after the statement of financial position date have been evaluated through May 10, 2023, which is the date the financial statements were available to be issued.

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

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Green Level's proportion of the net pension liability (asset) (%)	0.00273%	0.00357%	0.00440%	0.00342%	0.00348%	0.00263%	0.00261%	0.00280%
Green Level's proportion of the net pension liability (asset) (\$)	\$ 97,555	\$ 57,494	\$ 104,383	\$ 52,248	\$ 73,857	\$ 11,803	\$ (15,392)	\$ 32,905
Green Level's covered-employee payroll	\$ 206,126	\$ 246,870	\$ 214,872	\$ 215,836	\$ 196,942	\$ 195,914	\$ 183,918	\$ 159,508
Green Level's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.33%	39.49%	48.58%	24.21%	37.50%	6.02%	(8.37%)	20.63%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	91.53%	91.68%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 17,226	\$ 14,812	\$ 19,132	\$ 16,116	\$ 15,153	\$ 15,537	\$ 17,064	\$ 11,010
Contributions in relation to the contractually required contribution	17,226	14,812	19,132	16,116	15,153	15,537	17,064	11,010
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Green Level's covered-employee payroll	\$ 169,716	\$ 206,127	\$ 246,870	\$ 214,872	\$ 215,836	\$ 196,942	\$ 195,914	\$ 183,918
Contributions as a percentage of covered-employee payroll	10.15%	7.19%	7.75%	7.50%	7.02%	7.89%	8.71%	5.99%

Town of Green Level, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
REVENUES:				
Ad valorem taxes				
Current year		\$ 440,157		\$ 392,256
Prior year		16,922		13,938
Penalties and interest, net		221		1,499
	<u>\$ 375,350</u>	<u>457,300</u>	<u>\$ 81,950</u>	<u>407,693</u>
Other taxes & licenses				
Local option sales tax		696,967		571,779
	<u>566,000</u>	<u>696,967</u>	<u>130,967</u>	<u>571,779</u>
Unrestricted intergovernmental				
Utility franchise tax & excise tax		72,437		62,622
Video programming tax		-		6,652
Solid waste disposal tax		1,744		1,663
Beer & wine tax		9,710		9,424
	<u>78,540</u>	<u>83,891</u>	<u>5,351</u>	<u>80,360</u>
Restricted intergovernmental				
Grants		48,433		13,420
Powell Bill allocation		59,142		57,390
	<u>86,840</u>	<u>107,574</u>	<u>20,734</u>	<u>70,809</u>
Permits & fees	<u>780</u>	<u>4,275</u>	<u>3,495</u>	<u>4,375</u>
Sales and services				
Sanitation user fees	<u>41,000</u>	<u>48,045</u>	<u>7,045</u>	<u>47,021</u>
Investment earnings	<u>-</u>	<u>423</u>	<u>423</u>	<u>210</u>
Other general revenues				
Sales tax refunds		4,462		3,826
Concessions		444		535
Recreation fees		-		271
Miscellaneous		1,250		3,012
	<u>4,800</u>	<u>6,156</u>	<u>1,356</u>	<u>7,645</u>
Total revenues	<u>1,153,310</u>	<u>1,404,631</u>	<u>251,321</u>	<u>1,189,891</u>

Town of Green Level, North Carolina
General Fund (Continued)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
EXPENDITURES:				
General Government:				
Governing body:				
Contracted services - Board of Elections		\$ -		\$ 1,874
Salaries & wages - Town Council		16,536		16,536
Payroll taxes		1,265		1,371
Insurance & bonds - general & public officials liability		1,464		1,383
Miscellaneous		236		-
Capital outlay		-		-
	<u>\$ 24,800</u>	<u>19,500</u>	<u>\$ 5,300</u>	<u>21,164</u>
Administration:				
Professional services:				
Legal		13,413		14,682
Accounting		-		683
Salaries & wages - Town Administrator		46,506		42,138
Salaries & wages - code enforcement		-		18,642
Payroll taxes		3,205		5,484
Employee benefits		1,734		17,145
Office supplies		884		15,917
Meals & entertainment		-		71
Equipment rental		4,935		6,507
Maintenance & repairs - equipment		5,145		3,347
Travel & training		50		4,128
Telephone		3,896		5,051
Internet service		6,535		5,421
Postage		204		80
Legal advertising		1,272		1,290
Planning services		-		-
Engineering services		773		4,118
Codification of ordinances		14,550		-
Insurance & bonds		8,618		8,720
Dues & subscriptions		5,933		4,705
Code enforcement		33,278		6,564
Miscellaneous		4,267		7,613
Capital outlay		-		-
	<u>246,690</u>	<u>155,198</u>	<u>91,492</u>	<u>172,306</u>

Town of Green Level, North Carolina
General Fund (Continued)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
EXPENDITURES (continued):				
General Government (continued):				
Finance:				
Professional services:				
Audit		\$ -		\$ 4,500
Other accounting services		27,939		26,156
Property tax billing		4,457		3,822
Salaries & wages		45,989		26,419
Payroll taxes		3,640		1,928
Employee benefits		8,920		8,018
Office supplies		2,098		1,612
Travel & training		568		3,149
Postage		289		14
Maint. & repairs - equipment		1,089		-
Bank service charges		899		632
Insurance & bonds		86		86
Dues & subscriptions		544		300
Miscellaneous		1,975		3,481
Capital outlays		495		-
	<u>\$ 108,100</u>	<u>98,988</u>	<u>\$ 9,112</u>	<u>80,117</u>
Public buildings:				
Salaries & wages		11,758		18,443
Payroll taxes		946		1,364
Employee benefits		-		50
Electricity		12,606		21,528
Fuel oil/gas		2,388		2,735
Water & sewer		2,060		1,877
Maint. & repairs - building & grounds		14,182		19,631
Supplies		1,319		3,641
Insurance & bonds		3,245		2,523
Security monitoring		3,552		2,154
Capital outlay		15,182		20,181
Miscellaneous		-		1,805
	<u>73,660</u>	<u>67,237</u>	<u>6,423</u>	<u>95,930</u>
Total general government	<u>453,250</u>	<u>340,924</u>	<u>112,326</u>	<u>369,517</u>
Public Safety:				
Contracted services:				
Sheriff department substation		78,608		72,482
Animal control		13,172		14,768
Total public safety	<u>92,800</u>	<u>91,780</u>	<u>1,020</u>	<u>87,250</u>

Town of Green Level, North Carolina
General Fund (Continued)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
EXPENDITURES (continued):				
Public Works:				
Salaries & wages		\$ 106,564		\$ 96,153
Payroll taxes		7,657		6,940
Employee benefits		22,282		20,923
Travel & training		132		-
Telephone		4,626		8,628
Maint. & repairs - equipment		3,719		1,551
Equipment rental		-		527
Departmental supplies		7,065		5,250
Uniforms		3,496		4,585
Vehicle expense		11,819		9,152
Insurance & bonds		477		477
Stormwater administration		-		1,281
Stormwater engineering		-		168
Miscellaneous		-		-
Capital outlays:				
Buildings		-		-
Equipment		-		-
Total public works	<u>\$ 186,600</u>	<u>167,837</u>	<u>\$ 18,763</u>	<u>155,636</u>
Environmental Protection:				
Solid waste disposal		146,379		120,054
	<u>154,000</u>	<u>146,379</u>	<u>7,621</u>	<u>120,054</u>
Streets & highways:				
Street lighting		22,960		23,942
Repairs and maintenance		1,645		902
Powell Bill expenses		700		3,434
Powell Bill capital outlay		22,343		-
	<u>89,700</u>	<u>47,647</u>	<u>42,053</u>	<u>28,278</u>

Town of Green Level, North Carolina
General Fund (Continued)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
EXPENDITURES (continued):				
Culture and Recreation				
Salaries & wages		\$ 17,118		\$ 20,835
Payroll taxes		1,289		1,596
Group insurance		-		2,491
Department supplies		320		11
Park management & maint.		25,332		26,410
Community events		9,538		4,144
Sports programs & camps		50		878
Miscellaneous		-		-
Capital outlay		-		-
	<u>\$ 99,650</u>	<u>53,647</u>	<u>\$ 46,003</u>	<u>56,363</u>
Debt service				
Principal		37,491		15,852
Interest		51,330		943
	<u>95,700</u>	<u>88,821</u>	<u>6,879</u>	<u>16,794</u>
Total expenditures	<u>1,171,700</u>	<u>937,035</u>	<u>234,665</u>	<u>833,893</u>
Revenues over expenditures	<u>(18,390)</u>	<u>467,595</u>	<u>485,985</u>	<u>355,999</u>
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	-	-
Fund balance appropriated	18,390	-	(18,390)	-
	<u>18,390</u>	<u>-</u>	<u>(18,390)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>467,595</u>	<u>\$ 467,595</u>	<u>355,999</u>
Fund balances - beginning of year		<u>1,471,621</u>		<u>1,115,622</u>
Fund balances - end of year		<u>\$ 1,939,216</u>		<u>\$ 1,471,621</u>

Town of Green Level, North Carolina
Proprietary Fund Type - Enterprise Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
Revenues:				
Operating revenues:				
Water charges		\$ 407,558		\$ 368,635
Sewer charges		796,072		783,305
Less, bad debts		906		(4,506)
Access fees		7,600		54,800
Other charges		50,288		51,042
	<u>\$ 1,248,440</u>	<u>1,262,423</u>	<u>\$ 13,983</u>	<u>1,253,275</u>
Non-operating Revenues:				
Sales tax refund		5,542		601
Investment earnings		8		26
Miscellaneous income		6,099		6,799
	<u>5,520</u>	<u>11,649</u>	<u>6,129</u>	<u>7,426</u>
Total revenues	<u>1,253,960</u>	<u>1,274,072</u>	<u>20,112</u>	<u>1,260,702</u>
Expenditures:				
Administration:				
Salaries & wages		72,904		76,244
Payroll taxes		5,343		5,906
Fringe benefits		20,755		21,601
Travel & training		275		-
Vehicle expense		11,819		9,152
Insurance & bonds		8,618		8,720
Permits & licenses		1,545		870
Dues & subscriptions		790		480
Miscellaneous		-		695
	<u>129,380</u>	<u>122,049</u>	<u>7,331</u>	<u>123,667</u>
Finance:				
Salaries & wages		59,496		58,781
Payroll taxes		4,497		4,393
Fringe benefits		13,930		15,149
Audit		-		4,500
Bookkeeping & accounting		25,650		23,690
Office supplies		11,158		13,610
Postage		4,728		6,184
Telephone		5,869		3,290
Software subscriptions and services		10,513		-
Insurance & bonds		86		86
Bank service charges		4,853		5,353
Travel & training		175		145
Miscellaneous		116		224
	<u>\$ 157,960</u>	<u>141,070</u>	<u>\$ 16,890</u>	<u>135,403</u>

Town of Green Level, North Carolina
Proprietary Fund Type - Enterprise Fund (Continued)
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Actual Year ended June 30, 2020</u>
Expenditures (continued):				
Water Distribution & Maintenance:				
Water purchased for resale		182,712		239,356
Departmental supplies		9,177		13,041
Electrical power		16,450		21,246
Repairs & maintenance		19,356		9,628
Uniforms		3,496		4,585
Miscellaneous		-		-
	<u>251,100</u>	<u>231,191</u>	<u>19,909</u>	<u>287,855</u>
Waste Collection & Treatment:				
Departmental supplies		5,929		2,875
Repairs & maintenance		27,924		33,084
Sewage hauling and disposal		37,100		54,600
Contracted services - bulk treatment charges		359,297		287,206
Miscellaneous		-		-
	<u>460,320</u>	<u>430,249</u>	<u>30,071</u>	<u>377,765</u>
Budgetary uses:				
Debt service		240,550		240,550
Capital outlays		14,647		36,940
Transfers to Capital Project Fund		-		-
Reserve for contingencies		-		-
	<u>255,200</u>	<u>255,197</u>	<u>3</u>	<u>277,489</u>
Total expenditures	<u>1,253,960</u>	<u>1,179,757</u>	<u>74,203</u>	<u>1,202,181</u>
Revenues over (under) expenditures	<u>-</u>	<u>94,315</u>	<u>(94,315)</u>	<u>58,521</u>
OTHER FINANCING SOURCES (USES)				
Appropriation of Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 94,315</u>	<u>\$ (94,315)</u>	<u>\$ 58,521</u>

Town of Green Level, North Carolina
Proprietary Fund Type - Enterprise Fund (Continued)
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>2021</u>	<u>2020</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis:		
Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 94,315	\$ 58,521
Budgetary appropriations:		
Capital outlay	14,647	36,940
Debt service - principal portion	199,644	197,231
Depreciation & amortization	(158,538)	(155,262)
Change in accrued vacation	(1,417)	-
Other uses for capital projects	-	-
Other sources for capital projects	-	115
Pension expense	<u>(7,445)</u>	<u>(10,761)</u>
Change in net position	<u>\$ 141,207</u>	<u>\$ 126,785</u>

Town of Green Level, North Carolina
Water and Sewer Capital Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
From inception and for the fiscal year ended June 30, 2021

	Project Authorization	Prior Year	Actual Current Year	Total to Date	Variance Favorable (Unfavorable)
Revenues:					
Restricted intergovernmental:					
Interest earned		252	-	252	(252)
Total revenues	-	252	-	252	(252)
Expenditures:					
Pump Station:					
Engineering	130,000	189,685	23,028	212,713	(82,713)
Construction	1,059,095	160,917	-	160,917	898,178
Permits and fees	65,000	1,475	451	1,926	63,074
Total	1,254,095	352,078	23,478	375,556	878,539
Debt service	150,000	107,993	-	107,993	42,007
Total expenditures	1,404,095	460,071	23,478	483,549	920,546
Revenues over expenditures	(1,404,095)	(459,818)	(23,478)	(483,296)	(920,799)
Other financing sources (uses):					
Pump station:					
Loans - DWI	1,223,700	1,223,700	-	1,223,700	-
Transfer from water fund	180,395	-	-	-	180,395
Total other financing sources	1,404,095	1,223,700	-	1,223,700	180,395
Revenues and other sources over (under) expenditures	\$ -	\$ 763,881	\$ (23,478)	\$ 740,403	\$ 740,403

Town of Green Level, North Carolina
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2021

<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		\$ 444,186	\$ 430,272	\$ 13,914
2020	\$ 15,722		9,639	6,083
2019	7,472		2,050	5,422
2018	4,478		1,479	2,999
2017	3,476		390	3,086
2016	2,675		264	2,411
2015	1,636		50	1,586
2014	2,090		85	2,005
2013	2,079		23	2,056
2012	1,380		88	1,292
2011	1,600		1,600	-
	<u>\$ 26,886</u>	<u>\$ 444,186</u>	<u>\$ 445,940</u>	<u>40,854</u>
Ad Valorem Taxes Receivable, net				<u>\$ 40,854</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 457,079
Taxes written off				(1,600)
Penalties, abatements, and other adjustments				(9,539)
				<u>\$ 445,940</u>

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

	Total Levy				
	Total Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Real property	\$ 103,593,611	0.36	\$ 372,937	\$ 372,937	\$ -
Personal property	19,791,389	0.36	71,249	-	71,249
	123,385,000		444,186	372,937	71,249
Discoveries	-	0.36	-	-	-
Abatements	-	0.36	-	-	-
Total property valuation	\$ 123,385,000				
Net Levy			444,186	372,937	71,249
Uncollected taxes at June 30, 2020			(13,914)	(13,914)	-
Current year's taxes collected			\$ 430,272	\$ 359,023	\$ 71,249
Percent current year collected			96.87%	96.27%	100.00%