

REVIEWED

By SLGFD at 10:08 am, Dec 21, 2021

TOWN OF MAIDEN, NORTH CAROLINA

Financial Statements, Management's Discussion and Analysis,
Supplemental Schedules and Compliance Report
For the Year Ended June 30, 2021

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

TOWN OF MAIDEN, NORTH CAROLINA

List of Principal Officials June 30, 2021

Mayor & Board of Aldermen

Mayor	Max D. Bumgarner, Jr.
Town Council	Danny L. Hipps Trina Michael Ronnie Williams Beth Rudisill Bobby G. Sigmon

Other Town Officials

Town Manager	Todd Helms
Town Clerk	Wanda Barnes
Finance Officer	Jess H. White
Police Chief	Tracy Ledford
Public Works Director	Bryan Duckworth
Parks and Recreation	Keaton Miller

TOWN OF MAIDEN, NORTH CAROLINA

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Financial Section

Independent Auditors' Report

Management's Discussion and Analysis

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Certified Public Accountants

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Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 the 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.

Opinion

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 Maiden, 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 for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits Schedule of Changes in Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, and the Firefighters' and Rescue Squad Workers' Pension Fund Schedule of the Proportionate Share of Net Pension Liability, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, on pages 4–12 and 58-63, 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.

Other Information

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

The combining and individual fund financial statements, the 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, the combining and individual fund financial statements, the budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated December 1, 2021, on our consideration of the Town of Maiden, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Maiden, North Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Maiden, North Carolina's internal control over financial reporting and compliance.

Lawrence L. Church & Co., L.L.P.

Morganton, North Carolina
December 1, 2021

Management's Discussion and Analysis

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Management's Discussion and Analysis

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

Financial Highlights

The assets and deferred outflows of resources of the Town of Maiden exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$33,240,891 (net position).

The government's total net position increased by \$3,333,085, due to increases in both the governmental activities and the business activities net position.

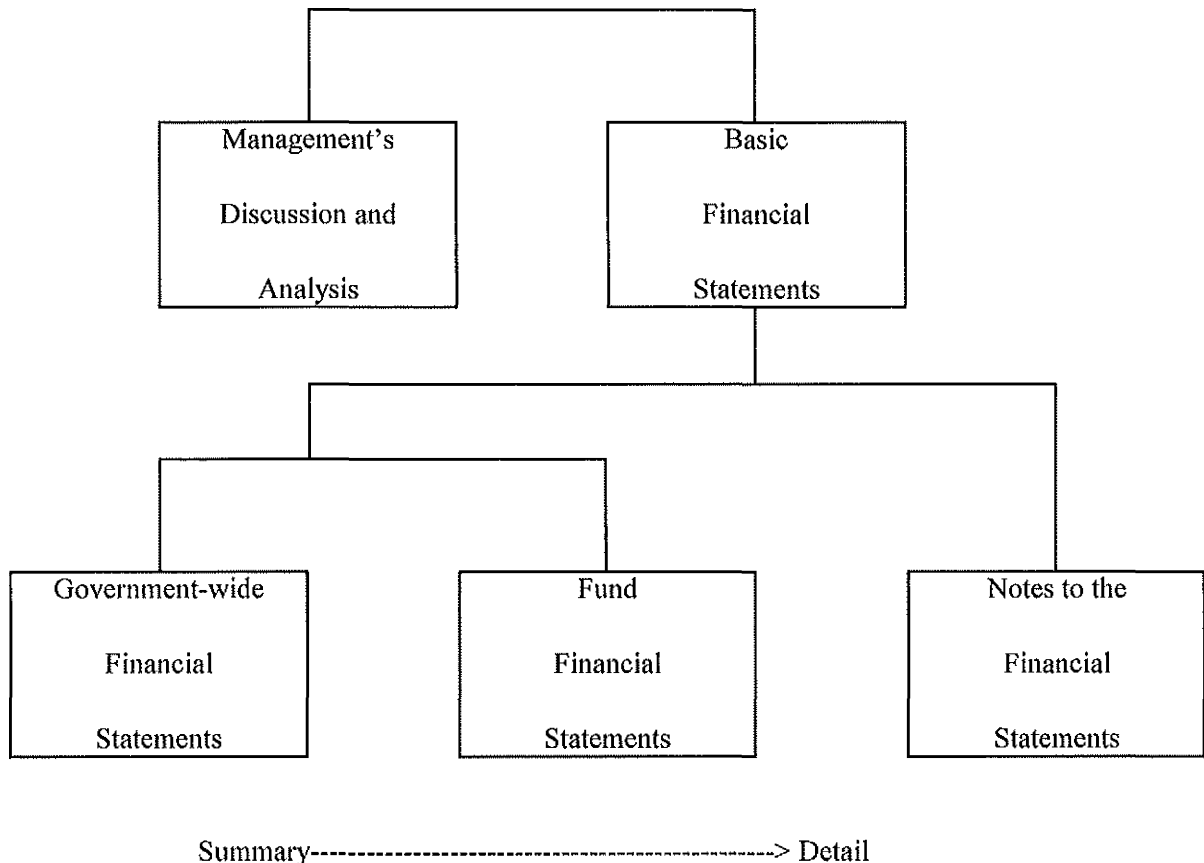
As of the close of the current fiscal year, the Town of Maiden's governmental funds reported combined ending fund balances of \$4,860,160, an increase of \$925,996 in comparison with the prior year. Approximately 72 percent of this total, or \$3,495,561, is available for spending at the government's discretion (unassigned fund balance).

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,495,561, or 37.08 percent of total General Fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Maiden's basic financial statements. The Town's basic financial statements consist of three components: 1) Government-wide 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 Maiden.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the Governmental Funds Statements; 2) the Budgetary Comparison Statements; and 3) the Proprietary Fund Statements.

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

Government-Wide Financial Statements

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

The two government-wide statements report the Town's net position and how it has 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 planning and community development, parks and recreation, and general administration. Property taxes, and State and federal grant funds finance most of these activities. The business-type activities are those that the Town charges customers to provide. These include the water and sewer services and electric service offered by the Town of Maiden.

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

Fund Financial Statements

The fund financial statements (see Figure 2) provide a more detailed look at the Town of Maiden's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Maiden, like all other governmental entities in North Carolina, uses fund accounting to ensure, and to reflect compliance (or non-compliance), with finance-related legal requirements such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Maiden can be divided into two categories: governmental funds and proprietary funds.

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

The Town of Maiden adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Town Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. 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 Maiden has the following type of proprietary funds: *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town of Maiden uses enterprise funds to account for its water and sewer activity and for its electric 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 a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the Town of Maiden's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 58 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 governments and other holders of publicly held U.S. Treasury Securities.

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. In the case of the Town of Maiden, assets and deferred outflows exceed liabilities and deferred inflows by \$33,240,891 as of June 30, 2021.

Condensed Statement of Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Assets:						
Current assets	\$ 5,008,549	\$ 4,073,598	\$11,107,250	\$ 8,669,450	\$16,115,799	\$12,743,048
Capital assets	10,872,424	10,453,878	10,534,825	10,798,591	21,407,249	21,252,469
Deferred outflows of resources	<u>909,443</u>	<u>610,293</u>	<u>322,266</u>	<u>178,631</u>	<u>231,709</u>	<u>788,924</u>
Total assets and deferred outflows of resources	<u>\$16,790,416</u>	<u>\$15,137,769</u>	<u>\$21,964,341</u>	<u>\$19,646,672</u>	<u>\$34,784,441</u>	<u>\$34,784,441</u>
Current liabilities:	\$ 385,598	415,927	\$ 363,401	\$ 410,311	748,999	826,238
Long-term liabilities	3,683,570	3,174,862	1,055,678	834,123	4,739,248	4,008,985
Deferred inflows of resources	<u>22,440</u>	<u>36,460</u>	<u>3,178</u>	<u>4,952</u>	<u>25,618</u>	<u>41,412</u>
Total liabilities and deferred inflows of resources	<u>\$ 4,091,608</u>	<u>\$ 3,627,249</u>	<u>\$ 1,422,257</u>	<u>\$ 1,249,386</u>	<u>\$ 5,513,865</u>	<u>\$ 4,876,635</u>
Net position:						
Net investment in capital assets	\$ 9,225,025	\$ 8,774,417	\$10,073,130	\$10,798,591	\$19,298,155	\$19,573,008
Restricted	821,264	952,637	-	-	821,264	952,637
Unrestricted	<u>2,652,519</u>	<u>1,783,466</u>	<u>10,468,953</u>	<u>7,598,695</u>	<u>13,121,472</u>	<u>9,382,161</u>
Total net position	<u>\$12,698,808</u>	<u>\$11,510,520</u>	<u>\$20,542,083</u>	<u>\$18,397,286</u>	<u>\$33,240,891</u>	<u>\$29,907,806</u>

The Town's net position increased by \$3,333,085 for the fiscal year ending June 30, 2021.

The largest portion of the Town of Maiden's net position (58.05%) reflects the Town's net investment in capital assets (e.g., land, buildings, machinery and equipment). The Town of Maiden used these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Maiden's net investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Town of Maiden's net position, \$821,264, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$13,121,472 is unrestricted.

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

Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.83%. Of the total collection percentage reported, the tax collection rate for property, excluding registered motor vehicles, was 99.82%. Ad Valorem Tax revenues increased by \$63,876 (accrual basis) over revenues in the fiscal year 2019-2020.

In the business-type activities, the charges for services revenues provided for water and sewer activities reflected an increase in revenues of \$50,895, as well as an increase of \$304,988 for electric activities.

Additionally, expenses for the business-type activities reflected a decrease in expenses of \$656,302, which consisted of an increase for water and sewer activities of \$97,244 and a decrease of \$753,546 for the electric activities.

**Town of Malden
Changes in Net Position**

**Figure 3
Business-type
Activities**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 306,661	\$ 257,541	\$10,653,630	\$10,331,829	\$10,960,291	\$10,589,370
Operating grants and contributions	767,376	529,202	-	-	767,376	529,202
Capital grants and contributions	-	-	1,472,820	-	1,472,820	-
General revenues:						
Property taxes	6,747,017	6,515,374	-	-	6,747,017	6,515,374
Local option sales tax	1,096,060	785,975	-	-	1,096,060	785,975
Unrestricted intergovernmental	838,409	1,003,517	-	-	838,409	1,003,517
Investment earnings	1,638	38,711	2,971	56,191	4,609	94,902
Miscellaneous	50,331	12,493	49,134	30,769	99,465	43,262
Total revenues	9,807,492	9,142,813	12,178,555	10,418,789	21,986,047	19,561,602
Expenses:						
General government:	4,536,581	4,814,337	-	-	4,536,581	4,814,337
Public safety	2,691,001	2,679,835	-	-	2,691,001	2,679,835
Environmental protection	305,688	597,581	-	-	305,688	597,581
Transportation	577,668	300,747	-	-	577,668	300,747
Culture and recreation	460,249	609,807	-	-	460,249	609,807
Interest on long-term debt and recreation	48,017	52,728	-	-	48,017	52,728
Business-type activities						
Water and sewer	-	-	2,551,427	2,393,470	2,551,427	2,393,470
Electric	-	-	7,482,331	7,097,870	7,482,331	7,097,870
Total expenses	8,619,204	9,055,035	10,033,758	9,491,340	18,652,962	18,546,375
Total increase (decrease) in net position	1,188,288	87,778	2,144,797	927,449	3,333,085	1,015,227
Beginning Net Position -	11,510,520	11,422,742	18,397,286	17,469,837	29,907,806	28,892,592
Ending Net Position	\$12,698,808	\$11,510,520	\$20,542,083	\$18,397,286	\$33,240,891	\$29,907,806

Governmental activities - Governmental activities increased the Town's net position by \$1,188,288, thereby accounting for 35.65% of the total increase in the net position of the Town of Malden.

Key elements of this increase are as follows:

Increase in Ad Valorem taxes due to the expansion of industry

Business-type Activities - Business-type activities increased the Town of Malden's net position by \$2,144,797, accounting for 64.35% of the total growth in the government's net position. The key elements in this increase are as follows:

- The business-type activities revenues increased by \$355,883.

Financial Analysis of the Governments Funds

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

Governmental Funds - The focus of the Town of Malden'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 Malden's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Town of Maiden's governmental funds reported combined ending fund balances of \$4,860,160, an increase of \$925,996 in comparison with the prior year. Approximately 72% of this total amount, \$3,495,561, constitutes unassigned fund balance, which is available for spending at the government's discretion. The fund balance is restricted to indicate that it is not available for new spending, because it has already been restricted by: 1) North Carolina State Statute (\$589,440), 2) for Streets by Powell Bill (\$135,630), and 3) other restrictions for a total restricted of \$96,194.

The General Fund is the chief operating fund of the Town of Maiden. At the end of the current fiscal year, the Town of Maiden's fund balance available in the General Fund was \$3,495,561, while total fund balance reached \$4,252,526. The Town currently has an available fund balance of 37.08% of the total general fund expenditures, while total fund balance represents 45.11% of the same amount.

The fund balance of the Town of Maiden's General Fund increased by \$925,692 during the current fiscal year due to an increase in ad valorem taxes and other miscellaneous revenues.

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 from external sources, such as Federal and State grants; and 3) increase in appropriations that become necessary to maintain services.

- Capital Project Reserve - Recreation Facilities to Recreation Department for ADA sidewalks and handrails at Splash Pad and Playground \$5,766.23. Fencing around ADA swing \$1,351.00. Replacement picnic tables at Splash Pad \$2,522.30. Toilet repairs at Recreation Center \$1,892.93
- Electric Department transferred to Rate Stabilization for NCMPA1 working capital credit \$912,857.27
- Electric Department for Lawrence Lumber Electrical Project - \$11,004.86 (EM TRANSFORMER)
- Water Department for Waterline Extension - Salem Church Rd. - Ethan Allen - \$116,997.81
- Powell Bill - Micol Road milling, storm drain and resurfacing - \$130,563.89

Proprietary Funds - The Town of Maiden'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 \$6,104,838 and for the Electric Fund, \$4,364,115. The total change in net position for the Water and Sewer and the Electric Fund was an increase in Water and Sewer of \$1,160,679 and an increase in Electric of \$984,118.

Capital Asset and Debt Administration

Capital Assets - The Town of Maiden's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities, as of June 30, 2021, amounts to \$21,407,249. This investment in capital assets includes construction in progress, land, buildings, system improvements, machinery and equipment. The total increase in the Town of Maiden's investment in capital assets for the current fiscal year was .72%. Major purchases during the year for capital assets were as follows:

Governmental activities -

- Ford 2021 Police Interceptor & equipment - Police \$47,748.82
- Ford 2021 Police Interceptor & equipment - Police \$57,586.69
- Air packs for firefighters - Fire \$220,000.00
- 2016 Freightliner Leaf Machine - Street \$148,852.72
- Paving project Union St., manhole riser, valve box and lids - Street \$184,903
- Paving project West Pine St., bridge, Carpenter St., manhole riser, valve box and lids - Street \$126,985
- Townhall Apple Macbook, iPad, Laptop and accessories \$8,342
- Stryker Lucas device and accessories - Fire \$16,402

Business-type activities

- Electric - Repairs, replacement poles and transformers \$52,113
- Pole change outs & system maintenance \$18,057
- Substation GKN & Ethan Allen upgrades \$4,755
- Scada - Electric \$4,330
- Tyler Tech Services and Software - Electric \$67,031
- Tyler Tech Services and Software - Water \$27,422
- Old Tavern Sewer Line upgrade - Sewer \$12,800
- Tyler Tech Services and Software - Sewer \$27,422

Town of Maiden Capital Assets, Net of Depreciation						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,270,213	\$ 1,270,213	\$ 205,816	\$ 205,816	\$ 1,476,029	\$ 1,476,029
Construction in process	-	-	800,169	1,066,864	800,169	1,066,864
Buildings	7,749,145	7,521,363	358,842	121,710	8,107,987	7,643,073
Equipment	405,909	269,391	462,980	397,044	868,889	666,435
Distribution system	-	-	6,643,582	6,828,596	6,643,582	6,828,596
Substation, lines and equipment	-	-	1,912,466	1,989,681	1,912,466	1,989,681
Vehicles	635,673	574,395	150,970	188,880	786,643	738,275
Infrastructures	<u>811,484</u>	<u>843,516</u>	-	-	<u>811,484</u>	<u>843,516</u>
Total	<u>\$10,872,424</u>	<u>\$10,453,878</u>	<u>\$10,534,825</u>	<u>\$10,798,591</u>	<u>\$21,407,249</u>	<u>\$21,252,469</u>

Additional information on the Town of Maiden's capital assets can be found in Note 3.

Long-term debt. At the end of the current fiscal year, the Town of Maiden had total outstanding debt, excluding compensated absences, net pension obligations, and other post-employment benefits of \$2,109,094. This debt is backed by the full faith and credit of the Town.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Installment Purchases	<u>\$1,647,399</u>	<u>\$1,736,667</u>	<u>\$461,695</u>	<u>\$539,709</u>	<u>\$2,109,094</u>	<u>\$2,276,376</u>

Town of Maiden's total debt, excluding compensated absences, net pension obligations, and other post-employment benefits decreased by \$167,282 (approximately 7.35%) due to loan proceeds for the purchase of a new town maintenance vehicle and principal payments.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of its total assessed valuation. The current debt limitation for Town of Maiden is \$139,701,654.

Additional information on Town of Maiden's long-term debt can be found in Note 3.

Economic Factors and Next Year's Budget and Rates

The following key economic indicators reflect the growth and prosperity of the Town. The Town of Maiden is located within Catawba County and Lincoln County. The vast majority is in Catawba County, which has an unemployment rate of 3.7%, and a small portion is in Lincoln County which has an unemployment rate of 3.2%.

In preparing the budget for the 2021-2022 fiscal year, the Town is anticipating the following in regard to the Town's revenues and expenditures:

Governmental Activities

- Tax revenues will remain the largest portion of the Town's revenues and will remain stable.
- This year there will not be any major projects, to allow the fund balance to replenish itself from the major projects of the past few years.

Business-type Activities

- The water and sewer rates in the Town increased for the FY 21-22
- The electric rates in the Town will remain the same.

Requests for Information

This report is designed to provide a general overview of Town of Maiden's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Jess H. White, Finance Director, Town of Maiden, 19 North Main Street, Maiden, N. C. 28650.

Basic Financial Statements

The Basic Financial Statements present a condensed overview of the financial position and results of operations of the Town as a whole. They also serve as an introduction to the more detailed statements and schedules that follow.

TOWN OF MAIDEN, NORTH CAROLINA

Exhibit 1

Statement of Net Position June 30, 2021

	Governmental Activities	Business- type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and investments	\$ 4,169,435	\$ 9,580,872	\$ 13,750,307
Restricted cash	233,414	174,353	407,767
Taxes receivable, net	16,260	-	16,260
Accounts receivable, net	14,905	734,294	749,199
Due from other governmental agencies	574,535	-	574,535
Inventories	-	617,731	617,731
Total current assets	<u>5,008,549</u>	<u>11,107,250</u>	<u>16,115,799</u>
Capital assets:			
Land, non-depreciable assets and construction in progress	1,270,213	1,005,985	2,276,198
Other capital assets, net of depreciation	<u>9,602,211</u>	<u>9,528,840</u>	<u>19,131,051</u>
Total capital assets	<u>10,872,424</u>	<u>10,534,825</u>	<u>21,407,249</u>
Total assets	<u>\$ 15,880,973</u>	<u>\$ 21,642,074</u>	<u>\$ 37,523,047</u>
<u>Deferred Outflows of Resources</u>	<u>\$ 909,443</u>	<u>\$ 322,266</u>	<u>\$ 1,231,709</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and other current liabilities	130,379	110,034	240,413
Customer deposits	1,590	174,353	175,943
Long-term liabilities:			
Due within one year	253,629	79,014	332,643
Due in more than one year	<u>3,683,570</u>	<u>1,055,678</u>	<u>4,739,248</u>
Total liabilities	<u>4,069,168</u>	<u>1,419,079</u>	<u>5,488,247</u>
<u>Deferred Inflows of Resources</u>	<u>22,440</u>	<u>3,178</u>	<u>25,618</u>
<u>Net Position</u>			
Invested in capital assets, net of related debt	9,225,025	10,073,130	19,298,155
Restricted for Stabilization by State Statute	589,440	-	589,440
Restricted for Streets - Powel Bill	135,630	-	135,630
Restricted for Public Safety	31,895	-	31,895
Restricted for Cemetery Care	64,299	-	64,299
Unrestricted	<u>2,652,519</u>	<u>10,468,953</u>	<u>13,121,472</u>
Total net position	<u>\$ 12,698,808</u>	<u>\$ 20,542,083</u>	<u>\$ 33,240,891</u>

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

TOWN OF MAIDEN, NORTH CAROLINA

Exhibit 2

**Statement of Activities
For the Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contribution	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 4,536,581	\$ 3,733	\$ -	\$ -	\$ (4,532,848)	\$ -	\$ (4,532,848)
Public safety	2,691,001	79,122	662,342	-	(1,949,537)	-	(1,949,537)
Transportation	577,668	-	102,474	-	(475,194)	-	(475,194)
Environmental protection	305,688	187,119	2,560	-	(116,009)	-	(116,009)
Cultural and recreational	460,249	36,687	-	-	(423,562)	-	(423,562)
Interest on long-term debt	48,017	-	-	-	(48,017)	-	(48,017)
Total governmental activities	<u>8,619,204</u>	<u>306,661</u>	<u>767,376</u>	<u>-</u>	<u>(7,545,167)</u>	<u>-</u>	<u>(7,545,167)</u>
Business-type activities:							
Water and sewer	2,551,427	2,237,184	-	1,472,820	-	1,158,577	1,158,577
Electric	7,482,331	8,416,446	-	-	-	934,115	934,115
Total business-type activities	<u>10,033,758</u>	<u>10,653,630</u>	<u>-</u>	<u>1,472,820</u>	<u>-</u>	<u>2,092,692</u>	<u>2,092,692</u>
Total	<u>\$18,652,962</u>	<u>\$10,960,291</u>	<u>\$ 767,376</u>	<u>\$ 1,472,820</u>	<u>(7,545,167)</u>	<u>2,092,692</u>	<u>(5,452,475)</u>
General revenues:							
Taxes:							
Property taxes					6,747,017	-	6,747,017
Local option sales tax					1,096,060	-	1,096,060
Franchise tax					807,469	-	807,469
Other taxes					30,940	-	30,940
Unrestricted investment earnings					1,638	2,971	4,609
Miscellaneous					50,331	49,134	99,465
Total general revenues, special items and transfers					<u>8,733,455</u>	<u>52,105</u>	<u>8,785,560</u>
Change in net position					1,188,288	2,144,797	3,333,085
Net position - beginning					11,510,520	18,397,286	29,907,806
Net position - ending					<u>\$ 12,698,808</u>	<u>\$ 20,542,083</u>	<u>\$ 33,240,891</u>

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

TOWN OF MAIDEN, NORTH CAROLINA**Exhibit 3****Balance Sheet
Governmental Funds
June 30, 2021**

	Major Fund	Total	Total
	General	Non-Major	Governmental
<u>Assets</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Cash and investments	\$3,626,100	\$ 543,335	\$ 4,169,435
Restricted cash	169,115	64,299	233,414
Taxes receivable, net	11,979	-	11,979
Accounts receivable, net	14,905	-	14,905
Due from other governmental agencies	<u>574,535</u>	<u>-</u>	<u>574,535</u>
 Total assets	 <u><u>\$4,396,634</u></u>	 <u><u>\$ 607,634</u></u>	 <u><u>\$ 5,004,268</u></u>
 <u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 130,381	\$ -	\$ 130,381
Customer deposits	<u>1,590</u>	<u>-</u>	<u>1,590</u>
 Total liabilities	 <u>131,971</u>	 <u>-</u>	 <u>131,971</u>
 <u>Deferred inflows of resources</u>			
Property taxes receivable	11,979	-	11,979
Prepaid taxes	<u>158</u>	<u>-</u>	<u>158</u>
 Total deferred inflows of resources	 <u>12,137</u>	 <u>-</u>	 <u>12,137</u>
 <u>Fund balances</u>			
Restricted			
State statute	589,440	-	589,440
Streets - Powell Bill	135,630	-	135,630
Public safety	31,895	-	31,895
Cemetery care	-	64,299	64,299
Committed			
Capital improvements	-	543,335	543,335
Unassigned	<u>3,495,561</u>	<u>-</u>	<u>3,495,561</u>
 Total fund balances	 <u><u>4,252,526</u></u>	 <u><u>607,634</u></u>	 <u><u>4,860,160</u></u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$4,396,634</u></u>	 <u><u>\$ 607,634</u></u>	 <u><u>\$ 5,004,268</u></u>

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

TOWN OF MAIDEN, NORTH CAROLINA**Exhibit 4****Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2021**

Total governmental fund balances	\$ 4,860,160
Amounts reported for governmental activities in the statement of net assets are different because:	
Other assets not available to pay for current period expenditures and therefore are inflows of resources in the funds	4,281
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	10,872,424
Net pension liability LGERS	(1,008,160)
Total pension liability LEOSSA	(706,752)
Total OPEB liability	(424,991)
Deferred outflows of resources related to pensions are not reported in the funds	895,749
Deferred outflows of resources related to OPEB are not reported in the funds	13,694
Long-term liabilities and compensated absences are not due and payable in the current period and, therefore, not reported in the funds.	(1,797,296)
Deferred inflows of resources related to pensions are not reported in the funds	(20,208)
Deferred inflows of resources related to OPEB are not reported in the funds	(2,072)
Unavailable revenues in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year-end. These receivables are a component of net position in the Statement of Net Position.	<u>11,979</u>
Net position of governmental activities	<u><u>\$ 12,698,808</u></u>

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

TOWN OF MAIDEN, NORTH CAROLINA

Exhibit 5

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

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Total</u> <u>Non-Major</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Ad valorem taxes	\$ 6,748,009	\$ -	\$ 6,748,009
Other taxes and licenses	241,527	-	241,527
Unrestricted intergovernmental revenues	2,014,469	-	2,014,469
Restricted intergovernmental revenues	375,834	70,015	445,849
Permits and fees	3,210	-	3,210
Sales and services	224,329	-	224,329
Investment earnings	1,335	303	1,638
Other revenues	129,249	206	129,455
Total revenues	<u>9,737,962</u>	<u>70,524</u>	<u>9,808,486</u>
Expenditures:			
Current:			
General government	4,690,990	-	4,690,990
Public safety	2,656,927	-	2,656,927
Transportation	1,092,334	-	1,092,334
Environmental protection	304,588	-	304,588
Cultural and recreational	396,541	-	396,541
Principal retirement	236,116	-	236,116
Interest and fees	49,116	-	49,116
Total expenditures	<u>9,426,613</u>	<u>-</u>	<u>9,426,612</u>
Revenues over (under) expenditures	<u>311,349</u>	<u>70,524</u>	<u>381,873</u>
Other Financing Sources (Uses):			
Proceeds of long-term debt	146,847	-	146,847
Reimbursement from utility funds	397,276	-	397,276
Operating transfers - in	70,221	-	70,221
Operating transfers - out	-	(70,221)	(70,221)
Total other financing sources (uses)	<u>614,344</u>	<u>(70,221)</u>	<u>544,123</u>
Net change in fund balances	<u>925,692</u>	<u>303</u>	<u>925,996</u>
 Fund balances, beginning of year	 <u>3,326,834</u>	 <u>607,331</u>	 <u>3,934,165</u>
 Fund balances, end of year	 <u>\$ 4,252,526</u>	 <u>\$ 607,634</u>	 <u>\$ 4,860,161</u>

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

TOWN OF MAIDEN, NORTH CAROLINA**Exhibit 6****Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of the Governmental Fund to the
Statement of Activities
For the Year Ended June 30, 2021**

Amounts reported for governmental activities in the statement of activities are different due to the following items:

Net changes in fund balance - total governmental funds	\$ 925,996
Revenues in the statement of activities that do not provide current financial are not reported as revenues in the governmental fund statement.	11,979
Capital outlays are reported as expenditures in the governmental funds statement. However, in the statement of activities, capital outlay is not an expense rather it is an increase in capital assets	932,690
Depreciation expense allocates the cost of capital assets over their useful lives. It is not reported as an expenditure in the governmental funds statement.	(514,142)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	288,657
Benefit payments paid and administrative expense for the LEOSSA are not included on the Statement of Activities	5,383
OPEB benefit payments and administrative cost made in the current fiscal year are not included on the Statement of Activities	41,953
Principal repayments are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities.	236,115
The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net position	(146,847)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Compensated absences	(1,029)
Pension expense	(574,565)
OPEB plan expenses	<u>(17,902)</u>
Total changes in net position of governmental activities	<u>\$ 1,188,288</u>

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

TOWN OF MAIDEN, NORTH CAROLINA

Exhibit 7

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

	General Fund			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 6,694,545	\$ 6,694,545	\$ 6,748,009	\$ 53,464
Other taxes and licenses	251,854	251,854	241,527	(10,327)
Unrestricted intergovernmental revenues	1,852,087	1,852,087	2,014,469	162,382
Restricted intergovernmental revenues	418,117	418,752	375,834	(42,918)
Permits and fees	1,000	1,000	3,210	2,210
Sales and services	254,526	254,526	224,329	(30,197)
Investment earnings	16,200	16,200	1,335	(14,865)
Other revenues	150,071	150,571	129,249	(21,322)
Total revenues	<u>9,638,399</u>	<u>9,639,534</u>	<u>9,737,962</u>	<u>98,426</u>
Expenditures:				
Current:				
General government	5,029,925	5,029,925	4,690,990	338,935
Public safety	2,866,877	2,868,013	2,656,927	211,086
Transportation	1,322,197	1,322,197	1,092,334	229,863
Environmental protection	355,669	355,669	304,588	51,081
Cultural and recreational	585,377	585,377	396,541	188,836
Principal retirement	236,118	236,116	236,116	-
Interest and fees	49,119	49,120	49,116	4
Total expenditures	<u>10,445,282</u>	<u>10,446,417</u>	<u>9,426,613</u>	<u>1,019,805</u>
Revenues over (under) expenditures	<u>(806,883)</u>	<u>(806,883)</u>	<u>311,348</u>	<u>1,118,231</u>
Other Financing Sources (Uses):				
Appropriated fund balance	382,539	382,539	-	(382,539)
Proceeds from long-term debt	146,847	146,847	146,847	-
Reimbursement from utility funds	397,276	397,276	397,276	-
Operating transfers - in (out)	(119,779)	(119,779)	70,221	190,000
Total other financing sources (uses)	<u>806,883</u>	<u>806,883</u>	<u>614,344</u>	<u>(192,539)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>925,692</u>	<u>\$ 925,692</u>
Fund balances, beginning of year			<u>3,326,834</u>	
Fund balances, end of year			<u>\$ 4,252,526</u>	

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

TOWN OF MAIDEN, NORTH CAROLINA

Exhibit 8

**Statement of Net Position
Proprietary Funds
June 30, 2021**

	Enterprise Funds		
	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash and investments	\$ 3,561,076	\$ 6,019,796	\$ 9,580,872
Restricted cash	132,423	41,930	174,353
Accounts receivable - net	545,055	189,240	734,294
Inventories	408,613	209,118	617,731
Total current assets	<u>4,647,167</u>	<u>6,460,083</u>	<u>11,107,250</u>
Capital assets:			
Land and other non-depreciable assets	19,800	986,185	1,005,985
Other capital assets, net of depreciation	<u>2,209,676</u>	<u>7,319,164</u>	<u>9,528,840</u>
Capital assets (net)	<u>2,229,476</u>	<u>8,305,349</u>	<u>10,534,825</u>
Total assets	<u>6,876,643</u>	<u>14,765,432</u>	<u>21,642,075</u>
Deferred outflows of resources	<u>\$ 127,632</u>	<u>\$ 194,634</u>	<u>\$ 322,266</u>
<u>Liabilities and Fund Equity</u>			
Current liabilities:			
Accounts payable	\$ 9,880	\$ 82,694	\$ 92,574
Accrued liabilities	7,636	9,824	17,460
Current portion of long-term liabilities	-	79,014	79,014
Customer deposits	<u>132,423</u>	<u>41,930</u>	<u>174,353</u>
Total current liabilities	<u>149,939</u>	<u>213,462</u>	<u>363,402</u>
Noncurrent liabilities:			
Accrued vacation pay	-	9,807	9,807
Long-term liabilities	<u>259,862</u>	<u>786,010</u>	<u>1,045,871</u>
Total noncurrent liabilities	<u>259,862</u>	<u>795,816</u>	<u>1,055,678</u>
Total liabilities	<u>409,801</u>	<u>1,009,279</u>	<u>1,419,080</u>
Deferred inflows of resources	<u>883</u>	<u>2,295</u>	<u>3,178</u>
Net position:			
Invested in capital assets, net of related debt	2,229,476	7,843,654	10,073,130
Unrestricted	<u>4,364,115</u>	<u>6,104,838</u>	<u>10,468,953</u>
Total net position	<u>\$ 6,593,591</u>	<u>\$ 13,948,492</u>	<u>\$ 20,542,083</u>

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

TOWN OF MAIDEN, NORTH CAROLINA**Exhibit 9****Statement of Revenues, Expenses and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021**

	Enterprise Funds		
	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$8,416,446	\$ 2,114,668	\$ 10,531,114
Water and sewer taps	-	27,810	27,810
Other operating revenues	-	94,707	94,707
Total operating revenues	<u>8,416,446</u>	<u>2,237,184</u>	<u>10,653,630</u>
Operating Expenses:			
Electrical operations	7,348,895	-	7,348,895
Water and sewer operations	-	2,159,824	2,159,824
Depreciation	<u>133,435</u>	<u>391,603</u>	<u>525,038</u>
Total operating expenses	<u>7,482,331</u>	<u>2,551,427</u>	<u>10,033,758</u>
Operating income (loss)	<u>934,115</u>	<u>(314,243)</u>	<u>619,872</u>
Nonoperating Revenues (Expenses):			
Gain on disposal of fixed assets	49,134	-	49,134
Interest on investments	<u>869</u>	<u>2,102</u>	<u>2,971</u>
Total nonoperating revenues (expenses)	<u>50,003</u>	<u>2,102</u>	<u>52,105</u>
Net income (loss) before contributions and transfers	984,118	(312,141)	671,977
Capital contributions	<u>-</u>	<u>1,472,820</u>	<u>1,472,820</u>
Changes in net position	984,118	1,160,679	2,144,797
Net position - beginning of year	<u>5,609,473</u>	<u>12,787,813</u>	<u>18,397,286</u>
Net position - end of year	<u>\$6,593,591</u>	<u>\$ 13,948,492</u>	<u>\$ 20,542,083</u>

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

TOWN OF MAIDEN, NORTH CAROLINA**Exhibit 10**
Page 1 of 2**Statement of Cash Flows**
Proprietary Funds
For the Year Ended June 30, 2021

	Enterprise Funds		
	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers	\$ 8,325,643	\$ 2,216,658	\$ 10,542,301
Cash paid to or on behalf of employees	(605,734)	(825,986)	(1,431,720)
Cash paid for goods and services	<u>(6,682,097)</u>	<u>(1,246,801)</u>	<u>(7,928,898)</u>
Net cash provided (used) by operating activities	<u>1,037,812</u>	<u>143,871</u>	<u>1,181,683</u>
Cash Flows From Capital Related Financing Activities:			
Acquisition and construction of capital assets	(76,631)	(184,641)	(261,272)
Proceeds from disposition of fixed assets	49,134	-	49,134
Principal paid on bonds and equipment contracts	-	(79,014)	(79,014)
Contributed capital	<u>-</u>	<u>1,472,820</u>	<u>1,472,820</u>
Net cash provided (used) by capital and related financing activities	<u>(27,497)</u>	<u>1,209,165</u>	<u>1,181,668</u>
Cash Flows From Investing Activities:			
Interest on investments	<u>869</u>	<u>2,102</u>	<u>2,971</u>
Net increase (decrease) in cash and cash equivalents	1,011,184	1,355,138	2,366,322
Cash and cash equivalents - beginning of year	<u>2,682,315</u>	<u>4,706,588</u>	<u>7,388,903</u>
Cash and cash equivalents - end of year	<u>\$ 3,693,499</u>	<u>\$ 6,061,726</u>	<u>\$ 9,755,225</u>

cont.

TOWN OF MAIDEN, NORTH CAROLINA**Exhibit 10, cont.
Page 2 of 2****Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021**

	Enterprise Funds		
	<u>Electric Fund</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	<u>\$ 934,115</u>	<u>\$ (314,243)</u>	<u>\$ 619,873</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	133,435	391,603	525,038
(Increase) decrease in receivables	(96,713)	(23,476)	(120,189)
Increase (decrease) in inventory	33,090	15,620	48,710
Increase (decrease) in accounts payable	(50,763)	(3,089)	(53,852)
Increase (decrease) in accrued liabilities	7,636	9,824	17,460
Increase (decrease) in customer deposits	14,612	2,950	17,562
Increase (decrease) in deferred outflows	(61,158)	(82,477)	(143,635)
Increase (decrease) in OPEB	884	3,315	4,199
Increase (decrease) in pension liability	117,261	163,584	280,845
Increase (decrease) in deferred inflows	(497)	(1,277)	(1,774)
Increase (decrease) in accrued vacation pay	<u>5,910</u>	<u>(18,463)</u>	<u>(12,553)</u>
Total adjustments	<u>103,697</u>	<u>458,114</u>	<u>561,811</u>
Net cash provided (used) by operating activities	<u><u>\$1,037,812</u></u>	<u><u>\$ 143,871</u></u>	<u><u>\$ 1,181,683</u></u>

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

Notes to the Financial Statements

These notes are intended to communicate information necessary for a fair presentation of financial position and results of operations that are not readily apparent from, or cannot be included in, the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies

The accounting policies of the Town of Maiden (The "Town") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Maiden is a municipal corporation which is governed by an elected mayor and a five member council that has appointment authority of the Town's management. As required by generally accepted accounting principles, The Town has determined there to be no component units required to be separate legal entities for which the Town controls the boards or memberships, requires financial accountability, or is fiscally dependent on the Town.

B. Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental 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. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

The Town reports the following major governmental funds:

General Fund - This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, State grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, transportation, and cultural and recreational services.

The Town reports the following non-major governmental funds:

General Capital Project Reserve Fund - This fund accounts for the funds committed for future capital projects.

Cemetery Trust Fund - This fund accounts for the perpetual care of the municipal cemetery.

Police Facility Construction Capital Project Fund - This fund accounts for loan proceeds and transfers from the General and Capital Projects Fund to construct a new Police Facility.

COVID Cares Fund - This fund accounts for Coronavirus grant program proceeds.

The Town reports the following major enterprise funds:

Water and Sewer Fund - This fund accounts for the operation, maintenance, and capital improvements to the Town's water and sewer systems.

Electric Fund - This fund accounts for the Town's electric operations.

C. Measurement Focus and Basis of Accounting

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

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

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.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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's enterprise funds are charges to customers for sales and services. The Town also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

The Town considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue, because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and 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 the vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed during this period prior to September 1, 2013, and for limited registration plates, are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as 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 of Maiden, because the tax is levied by Catawba County, and then remitted to, and distributed by, the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because, generally, they are not measurable until received in cash. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues. Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the General Capital Project Reserve Fund and the Cemetery Trust Fund. An annual budget is also adopted for the Enterprise Fund Water and Sewer Operating Fund and the Enterprise Fund Water and Sewer Capital Project Fund which are consolidated with the Water and Sewer Operating Fund for reporting purposes. Annual budgets are also adopted for the Enterprise Fund Electric Operating Fund, the Enterprise Fund Electric Rate Stabilization Fund, and the Enterprise Fund Electric Capital Project Fund which are consolidated with the Electric Operating Fund for reporting purposes. A project ordinance is adopted for the Police Facility Construction Capital Project Fund. Project ordinances are also adopted for the Enterprise Fund Water and Sewer Capital Project - Water Plant Dam Project Fund, which is consolidated with the Water and Sewer Operating Fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. Transfers of appropriations between funds, as well as any revisions that alter total appropriations of any fund, require the approval of Town Council. The Town Manager is authorized to amend the budget by transfer of appropriations within each fund. All other amendments must be approved by the Governing Board. The budget ordinances must be adopted by July 1 of the fiscal year, or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciable lives.

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

Deposits and Investments

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

State Law [G.S. 159-30(c)] authorizes the Town to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The Town's investments are reported at fair value. The NCCMT - Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT-Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2021, the term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as investment with a maturity of less than 6 months.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Cash and Cash Equivalents

The Town pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

Restricted Assets

Customer deposits held by the Town before any services are supplied are restricted to the service for which the deposit was collected.

Money in Powell Bill Funds are classified as restricted cash, because they can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Additionally, money in the General Fund received from federal and State seizures are limited to use for public safety expenditures, and the Town has also received money for a Cemetery Fund that currently is restricted for cemetery maintenance and upkeep. These amounts are also reflected as restricted cash.

Town of Maiden Restricted Cash

Governmental Activities:

General Fund	
Streets	\$135,630
Public safety	31,895
Customer deposits	1,590
Cemetery Fund	
Cemetery care	<u>64,299</u>
Total governmental activities	<u>233,414</u>

Business-type Activities:

Water and Sewer Fund	
Customer deposits	\$132,423
Electric Fund	
Customer deposits	<u>41,930</u>
Total business-type activities	<u>174,353</u>
Total restricted cash	<u>\$407,767</u>

Ad Valorem Taxes Receivable

In accordance with State Law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Allowances for Doubtful Accounts

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

Inventory and Prepaid Items

The inventories of the Town are valued at cost (first-in, first-out) which approximates market. The inventories of the Town's General Fund consist of supplies and are negotiable. These supplies are expensed when purchased.

The inventories of the Town's enterprise funds consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed, rather than when purchased.

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

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are \$5,000. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets consist of the road network assets. The cost of normal maintenance and repairs that do not add to the value of the assets, or materially extend the assets' lives, are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and improvements	25-50 years
Infrastructure	30
Equipment	10
Vehicles	6
Computer equipment	3

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 meets this criterion, contributions made to the pension plan in the 2021 fiscal year.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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 several items that meet the criterion for this category - prepaid taxes, property taxes receivable and deferrals.

Long-Term Obligations

In the government-wide financial statements, and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

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

Compensated Absences

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

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

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, laws or regulations of other governments or imposed by law through State statute.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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:

Non-spendable 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.

Prepaid Items - the portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items that are costs applicable to future accounting periods and are expensed when used, which are not spendable resources.

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

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

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

Restricted for Public Safety - the portion of the fund balance that is restricted by revenue source for law enforcement expenditures. This amount represents the balance of the total unexpended federal and State fines, forfeitures, and seizure funds.

Restricted for Cemetery Care - This restriction is due to the donor's request that \$50,000 be maintained as endowed for 30 years (until March 24, 2024) and the interest earned on the investment be used for cemetery use. After the 30 years, the Town Council may use the \$50,000 for any purpose deemed necessary.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Committed Fund Balance - the portion of the fund balance that can only be used for specific purposes imposed by majority vote by quorum of Town of Maiden'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.

Committed for Capital Improvement - the portion of fund balance assigned by the Board for capital improvement and development.

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

Subsequent Year's Expenditures - the portion of the fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

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

The Town of Maiden has not formally adopted a revenue spending policy that provides guidance for programs with multiple revenue sources. However, the Finance Officer currently uses resources in the following hierarchy: bond proceeds, federal funds, State funds, local, non-Town funds, and 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.

Defined Benefit Cost-Sharing Plan

For purposes of measuring the net pension liability, 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 (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town of Maiden's employer contributions are recognized when due, and the Town of Maiden has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

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

II. Stewardship, Compliance and Accountability

No instances of material noncompliance were found.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

III. Detail Notes on All Funds

A. Assets

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 the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agents in its name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or with the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2021, the Town's deposits had a carrying amount of \$5,676,424 and a bank balance of \$9,140,541. Of the bank balance, \$500,000 was covered by federal depository insurance and \$8,640,541 was covered by collateral held under the Pooling Method. At June 30, 2021, the Town had \$750 cash on hand.

Investments

At June 30, 2021, the Town had \$8,480,900 invested with 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 for managing interest rate of credit risk.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Receivables

Receivables at the government-wide level at June 30, 2021 were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:				
General	\$ 21,890	\$44,260	\$574,535	\$640,685
Allowance for doubtful accounts	(6,985)	(28,000)	-	(34,985)
Total - governmental activities	<u>\$ 14,905</u>	<u>\$16,260</u>	<u>\$574,535</u>	<u>\$605,700</u>
Business-type Activities:				
Water and sewer	\$258,399	\$ -	\$ -	\$258,399
Electric	662,315	-	-	662,315
Allowance for doubtful accounts	(186,419)	-	-	(186,419)
Total - business-type activities	<u>\$734,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$734,295</u>

Capital Assets

Primary Government:

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,270,213	\$ -	\$ -	\$ 1,270,213
Construction in progress				
Total capital assets not being depreciated	<u>1,270,213</u>	<u>-</u>	<u>-</u>	<u>1,270,213</u>
Capital assets being depreciated:				
Buildings and improvements	9,617,919	441,510	-	10,059,429
Equipment and furniture	1,764,952	248,287	-	2,013,239
Vehicles	3,300,263	242,892	-	3,543,155
Infrastructure	<u>4,214,421</u>	<u>-</u>	<u>-</u>	<u>4,214,421</u>
Total capital assets being depreciated	<u>18,897,555</u>	<u>932,689</u>	<u>-</u>	<u>19,830,244</u>
Less accumulated depreciation for:				
Buildings and improvements	2,096,556	213,728	-	2,310,284
Equipment and furniture	1,495,561	111,769	-	1,607,330
Vehicles	2,750,868	156,614	-	2,907,482
Infrastructure	<u>3,370,905</u>	<u>32,032</u>	<u>-</u>	<u>3,402,937</u>
Total accumulated depreciation	<u>9,713,890</u>	<u>514,142</u>	<u>-</u>	<u>10,228,033</u>
Total capital assets being depreciated, net	<u>9,183,665</u>	<u>418,547</u>	<u>-</u>	<u>9,602,211</u>
Governmental activity capital assets, net	<u>\$10,453,878</u>	<u>\$418,547</u>	<u>\$ -</u>	<u>\$10,872,424</u>

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

General government	\$120,158
Public safety	253,627
Transportation	75,588
Environmental protection	1,100
Cultural and recreational	<u>63,669</u>
Total depreciation expense	<u>\$514,142</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Business-type Activities:					
Water and Sewer Fund:					
Capital assets not being depreciated:					
Land	\$ 186,016	\$ -	\$ -	\$ -	\$ 186,016
Construction in process	<u>1,066,864</u>	<u>-</u>	<u>-</u>	<u>(266,695)</u>	<u>800,169</u>
Total capital assets not being depreciated	<u>1,252,880</u>	<u>-</u>	<u>-</u>	<u>(266,695)</u>	<u>986,185</u>
Capital assets being depreciated:					
Building and improvements	124,260	-	-	266,695	390,955
Plant distribution system	16,829,587	129,798	-	-	16,959,385
Equipment	1,638,449	54,843	-	-	1,693,292
Vehicles	<u>334,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,412</u>
Total capital assets being depreciated	<u>18,926,708</u>	<u>184,641</u>	<u>-</u>	<u>266,695</u>	<u>19,378,044</u>
Less accumulated depreciation for:					
Building and improvements	2,550	29,563	-	-	32,113
Plant distribution system	10,000,991	314,812	-	-	10,315,803
Equipment	1,398,577	32,198	-	-	1,430,775
Vehicles	<u>265,159</u>	<u>15,030</u>	<u>-</u>	<u>-</u>	<u>280,189</u>
Total accumulated depreciation	<u>11,667,277</u>	<u>391,603</u>	<u>-</u>	<u>-</u>	<u>12,058,880</u>
Total capital assets being depreciated, net	<u>7,259,431</u>	<u>(206,962)</u>	<u>-</u>	<u>-</u>	<u>7,319,164</u>
Water and Sewer Fund capital assets, net	<u>8,512,311</u>				<u>8,305,349</u>

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Electric Fund:					
Capital assets not being depreciated:					
Land	\$ 19,800	\$ -	\$ -	\$ -	\$ 19,800
Total capital assets not being depreciated	<u>19,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,800</u>
Capital assets being depreciated:					
Substations, lines and related equipment	5,837,868	9,600	-	-	5,847,468
Equipment and furniture	540,101	67,031	-	-	607,132
Vehicles	<u>387,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>387,864</u>
Total capital assets being depreciated	<u>6,765,833</u>	<u>76,631</u>	<u>-</u>	<u>-</u>	<u>6,842,464</u>
Less accumulated depreciation for:					
Substations, lines and related equipment	3,848,187	86,815	-	-	3,935,002
Equipment and furniture	382,929	23,740	-	-	406,669
Vehicles	<u>268,237</u>	<u>22,880</u>	<u>-</u>	<u>-</u>	<u>291,117</u>
Total accumulated depreciation	<u>4,499,353</u>	<u>133,435</u>	<u>-</u>	<u>-</u>	<u>4,632,788</u>
Total capital assets being depreciated, net	<u>2,266,480</u>	<u>(56,804)</u>	<u>-</u>	<u>-</u>	<u>2,209,676</u>
Total Electric capital assets, net	<u>2,286,280</u>				<u>2,229,476</u>
Business-type activity capital assets, net	<u>\$10,798,591</u>				<u>\$10,534,825</u>

Construction Commitments

The Town of Maiden has no active construction projects as of June 30, 2021.

B. Liabilities

Pension Plan Obligations

Local Government Employees' Retirement System

Plan Description. The Town of Maiden 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, and one appointed by the State House of Representatives and the State Treasurer and the State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the North Carolina General Assembly.

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 North Carolina General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their annual pay. The required contribution rates for employers are set periodically, and affirmed annually, by the LGERS Board of Trustees. The Board establishes a funding policy from which the accrued liability rates and the normal contribution rates are developed by the consulting actuary for general employees and firefighters, as well as for law enforcement officers. The sum of those two rates developed under the funding policy and the past service liability contribution rates, if applicable, is the actuarially determined contribution rate (ADC). Further, the required employer contribution rates set by the Board of Trustees may not be less than the normal contribution rates developed under the established funding policy. For the fiscal year ended June 30, 2021, all employers made contributions of 10.84% of covered payroll for law enforcement officers and 10.20% for general employees and firefighters. These amounts, combined with member contributions and investment income, fund the benefits earned by plan members during the year, a payment to reduce the net pension liability, a payment for past service liability, if applicable, and administrative expenses. In addition, employers with an unfunded liability, established when the employer initially enters the system, must make additional contributions towards that liability. The State's responsibility is administrative only. Contributions to the pension plan from the Town of Maiden was \$288,657 for the year ended June 30, 2021.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements 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.

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 \$1,550,867 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Town's proportion was 0.04340%, which was an increase of 0.00541% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town recognized pension expense of \$552,680.

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$195,847	\$ -
Changes in assumptions	115,415	-
Net difference between projected and actual earnings on pension plan investments	218,243	-
Changes in proportion, and differences between, the Town contributions and proportionate share of contributions	63,630	3,162
Town contributions subsequent to the measurement date	<u>288,657</u>	<u>-</u>
Total	<u>\$881,792</u>	<u>\$3,162</u>

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

\$288,657, 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 liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2022	\$169,578
2023	220,663
2024	135,144
2025	64,589
2026	-
Thereafter	-
Total	<u>\$589,974</u>

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

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period from 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:

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>6.0%</u>	4.0%
Total	<u>100%</u>	

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

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

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension asset or 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:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Town's proportionate share of the net pension liability (asset)	<u>\$3,146,540</u>	<u>\$1,550,867</u>	<u>\$224,750</u>

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

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Law Enforcement Officers' Special Separation Allowance

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

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

Retirees receiving benefits	1
Active plan members	<u>19</u>
Total	<u>20</u>

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

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

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

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

The discount rate is based on the yield of the S & P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality rates are based on the RP-2000 Mortality Tables with adjustments for mortality improvements based on Scale AA.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Contributions. The Town is required by Article 12 D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The Town's obligation to contribute to this plan is established, and may be amended by, the North Carolina general Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The Town paid \$9,228 as benefits came due for the reporting period.

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

At June 30, 2021, the Town reported a total pension liability of \$706,752. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the Town recognized pension expense of \$93,039.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 68,497	\$ -
Changes of assumptions	203,963	11,384
Town benefit payment and administrative expenses subsequent to the measurement date	<u>2,728</u>	<u>-</u>
Total	<u>\$275,188</u>	<u>\$11,384</u>

\$2,728, paid as benefits came due subsequent to the measurement date, have been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:

2022	\$47,446
2023	47,446
2024	46,522
2025	43,648
2026	41,620
Thereafter	34,394

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Sensitivity of the Town's total pension liability to changes in the discount rate. The following presents the Town's total pension liability calculated using the discount rate of 1.93 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (.93 percent) or one percentage point higher (2.93 percent) than the current rate:

	<u>1% Decrease (.93%)</u>	<u>Discount Rate (1.93%)</u>	<u>1% Increase (2.93%)</u>
Total pension liability	<u>\$782,974</u>	<u>\$706,752</u>	<u>\$638,115</u>

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

Beginning balance	\$402,237
Service cost at end of year	31,876
Interest on the total pension liability	12,963
Differences between expected and actual experience in the measurement of the total pension liability	52,060
Changes of assumptions or other inputs	216,844
Benefit payments	(9,228)
Other changes	-
Ending balance of the total pension liability	<u>\$706,752</u>

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

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.

TOWN OF MAIDEN, NORTH CAROLINA

**Notes to the Financial Statements
For the Year Ended June 30, 2021**

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

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension expense	\$ 552,680	\$ 3,039	\$ 645,719
Pension liability	1,550,867	706,752	2,257,619
Proportionate share of the net pension liability	0.04340%	n/a	
 Deferred Outflows of Resources			
Differences between expected and actual experience	195,847	68,497	264,344
Changes of assumptions	115,415	203,963	319,378
Net difference between projected and actual earnings on plan investments	218,243	-	218,243
Changes in proportion, and differences between, contributions and proportionate share of contributions	63,630	-	63,630
Benefit payments and administrative costs paid subsequent to the measurement date	288,657	2,728	291,385
 Deferred Inflows of Resources			
Differences between expected and actual experience	-	-	-
Changes of assumptions	-	11,384	11,384
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,162	-	3,162

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The Town contributes to the Supplemental Retirement Plan (the “Plan”), a defined contribution pension plan administered by the Department of the State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers 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 Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State’s ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. 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 G.S. Chapter 143 requires the Town to contribute, each month, an amount equal to five percent of each officer’s salary, and all amounts contributed are vested immediately. The law enforcement officers may make voluntary contributions to the Plan. Total contributions from the year ended June 30, 2021 were \$60,021, which consisted of \$47,587 from the Town, and \$12,434 from the law enforcement officers.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Firefighters' and Rescue Squad Workers' Pension Fund:

Plan Description. The State of North Carolina contributes, on behalf of the Town of Maiden, to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - one appointed by the Governor, one appointed by the State Senate, and one appointed by the State House of Representatives, and the State Treasurer and the State superintendent, who serve as ex-officio members. The Firefighters' and Rescue Squad Workers' Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and requires supplementary information for the Firefighters' and Rescue Squad Workers' Pension Fund. The report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55, with 20 years of creditable service as a firefighter or rescue squad worker and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefits will receive the amount paid by the member, and contributions paid on the member's behalf, into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount member contributed, minus the benefits collected.

Contributions. Plan members are required to contribute \$10, per month, to the plan. The State, a non-employer contributor, funds the plan through appropriations. The Town does not contribute to the plan. Contribution provisions are established by General Statute 58-86, and may be amended only by the North Carolina General Assembly. For the fiscal year ended June 30, 2021, the State contributed \$18,652,000 to the plan. The Town of Maiden's proportionate share of the State's contribution is \$16,232.

Refunds of Contributions. Plan members who are no longer eligible, or who choose not to participate in the plan, may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

At June 30, 2021, the Town reported no liability for its proportionate share of the net pension liability as the State provides 100% pension support to the Town through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the Town, and supported by the State, was \$31,490. 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 the projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the Town is not projected to make any future contributions to the plan, its proportionate share at June 30, 2021 and at June 30, 2020 was 0%.

For the year ended June 30, 2021, the Town recognized pension expense of \$12,602 and revenue of \$12,605 for support provided by the State. At June 30, 2021, the Town reported no deferred outflows of resources and no deferred inflows of resources related to pension.

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

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

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

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

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

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Other Post-Employment Benefits (OPEB)

Healthcare Benefits

Plan Description. Under the terms of a Town resolution, the Town administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The Town Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. The plan provides postemployment healthcare benefits to retirees of the Town employed as of July 9, 2007, provided they have at least twenty-five years creditable service with the Town at the time of retirement. Upon retirement, the Town will pay a percentage of the cost of coverage for these benefits through private insurers based on length of service as of July 9, 2007. The Town Council may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation.

	<u>Membership Group</u>
Retirees and dependents receiving benefits	4
Terminated plan members entitled to, but not yet receiving, benefits	-
Active plan members	<u>11</u>
Total	<u>15</u>

Total OPEB Liability

The Town's total OPEB liability of \$526,475 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumption and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General employees	3.50 to 7.75 percent
Law enforcement officers	3.50 to 7.35 percent
Municipal Bond Index Rate prior measurement date	3.50 percent
Measurement date	2.21 percent
Healthcare cost trends	7.00% for 2019, decreasing to an ultimate rate of 4.50% by 2026
Pre-Medicare	
Dental	4.00 percent

The discount rate used to measure the total OPEB liability was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index, published weekly by The Bond Buyer.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2019	\$504,375
Changes for the year	
Service cost	4,619
Interest	17,087
Changes of benefit terms	-
Differences between expected and actual experience	(1,247)
Changes in assumptions or other inputs	43,594
Benefit payments	<u>(41,953)</u>
Net changes	<u>22,100</u>
Balance at June 30, 2020	<u>\$526,475</u>

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS Board.

Sensitivity of the Total OPEB Liability to Health Care Cost Trend Rates. The following exhibit presents the TOL of the Plan, determined using the current healthcare cost trend rates, as well as what the Plan's TOL would be if it were determined using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates.

Health Care Cost Trend Rate Sensitivity

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$485,386</u>	<u>\$526,475</u>	<u>\$572,302</u>

Sensitivity of the Total OPEB Liability to Discount Rates. The following exhibit presents the TOL of the Plan, determined using the discount rate of 2.21%, as well as what the Plan's TOL would be if it were determined using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Discount Rate Sensitivity

	<u>1% Decrease</u> <u>(1.21%)</u>	<u>Current Discount Rate</u> <u>(2.21%)</u>	<u>1% Increase</u> <u>(3.21%)</u>
Total OPEB liability	<u>\$563,684</u>	<u>\$526,475</u>	<u>\$492,263</u>

TOWN OF MAIDEN, NORTH CAROLINA**Notes to the Financial Statements
For the Year Ended June 30, 2021**

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$37,620. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$29,620	\$1,478
Changes of assumptions	<u>42,454</u>	<u>9,430</u>
Total	<u>\$72,074</u>	<u>\$10,908</u>

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$15,914
2023	18,794
2024	19,183
2025	7,275
2026	-
Thereafter	-

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Other Employment Benefits

The Town has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (the "Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the Plan at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's twelve highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000, or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan, and not by the Town, the Town does not determine the number of eligible participants. The Town has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The Town considers these contributions to be immaterial.

Deferred Outflows and Inflows of Resources

The Town has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

<u>Source</u>	<u>Amount</u>
Differences between expected and actual experience	\$ 293,964
Change of assumptions	361,832
Net difference between projected and actual earnings on pension investments	218,243
Changes in proportion, and differences between, employer contributions and proportionate share of contributions	63,630
Contributions to pension plan in current fiscal year	<u>294,040</u>
Total deferred outflows of resources	<u>\$1,231,709</u>

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

The balance in deferred inflows of resources at year end is as follows:

	<u>Statement of Net Position</u>	<u>General Fund Balance Sheet</u>
Prepaid taxes (General Fund)	\$ 158	\$ 158
Taxes receivable, less penalties (General Fund)	-	11,979
Differences between expected and actual experience	1,478	-
Changes in assumptions	20,814	-
Net differences between projected and actual earnings on pension plan investments	-	-
Contributions to pension plan in current fiscal year	-	-
Changes in proportion, and differences between employer contributions and proportionate share of contributions	<u>3,168</u>	<u>-</u>
Total deferred inflows of resources	<u>\$25,618</u>	<u>\$12,137</u>

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error 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 \$3 million per occurrence, property coverage up to the total insurance values of the property policy, and workers' compensation coverage up to the statutory limits. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability, property, and statutory limits for workers' compensation. The property liability pool has an aggregate limit for the total property losses in a single year with the reinsurance limit based upon a percentage of the total insurance values.

The Town carries medical, dental, accidental death, disability, life, vision and disability on all full-time employees. There is no lifetime limit on medical insurance.

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

The Town does not carry any additional flood insurance.

In accordance with G.S. 159-29, the Town's employees that have access to \$100 or more, at any given time, of the Town's funds are performance bonded through a commercial surety bond. The finance director is individually bonded for \$50,000. The remaining employees that have access to funds are bonded under a policy with the following coverage: \$150,000 per occurrence for employee dishonesty, \$150,000 per occurrence for forgery or alteration, \$5,000 per occurrence for theft inside the premises, and \$5,000 per occurrence for outside.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Claims and Judgements

At June 30, 2021, the Town was a defendant in various lawsuits. In the opinion of the Town's management and the Town's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the Town's financial position.

Long Term Obligations

Installment Contracts:

Installment purchase agreements

As authorized by State law (G.S. 160A-20 and 153A-158.1), the Town financed various property and equipment acquisitions by installment purchase.

Installment purchase contracts at year end are compromised of the following:

Serviced by the Water and Sewer Fund:

The Town financed \$723,203 zero interest contract with Catawba County for the construction of various water and sewer projects, due in annual installments of \$72,320 through 2027.	\$433,922
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The Town financed debt of \$66,932, 0.00% interest, with Catawba County for the construction of a water line on Ramseur Road. The Town will repay with annual installments of \$6,693 through 2025.	<u>27,773</u>
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Total	<u>\$461,695</u>
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Serviced by General Fund:

The Town financed \$850,000, at 2.09% interest, with BB&T for the construction of the new town hall. Payment of \$85,000 is due annually through 2022. The debt is secured by real estate. \$85,000.

The Town financed \$2,000,000, at 2.95% interest, with BB&T for the construction of the new Police Station Facility. Payments of \$133,333, plus interest, are due annually through March, 2032. The debt is secured by real estate. \$1,433,334.

The Town finance \$146,847, at 3.497% interest, with Republic First National Bank for the purchase of a town vehicle. Payments of \$19,746, plus interest, are due semiannually through September 2024. The debt is secured by the vehicle. \$129,064.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

Annual Debt service requirements to maturity for the Town's installment purchases are as follows:

<u>Year ending June 30:</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 253,629	\$ 45,640	\$ 79,014	\$ -
2023	169,870	39,502	79,014	-
2024	171,156	34,283	79,014	-
2025	152,742	29,019	79,014	-
2026	133,333	24,747	72,320	-
2027-2031	666,667	64,736	73,319	-
2032	<u>100,002</u>	<u>1,229</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,647,399</u>	<u>\$239,156</u>	<u>\$461,695</u>	<u>\$ -</u>

At June 30, 2021, Town of Maiden had a legal debt margin of \$139,701,654.

Long-term Obligation Activity:

The following is a summary of changes in the Town's long-term obligations for the fiscal year ended June 30, 2021:

	<u>Balance 06/30/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/21</u>	<u>Current Portion</u>
Governmental activities:					
Installment purchase	\$1,736,667	\$146,847	\$236,115	\$1,647,399	\$253,629
Compensation absences	148,868	1,029	-	149,897	-
Other postemployment benefits	407,089	17,902	-	424,991	-
Net pension liability (LGERS)	775,615	232,545	-	1,008,160	-
Net pension liability (LEO)	<u>402,237</u>	<u>304,515</u>	<u>-</u>	<u>706,752</u>	<u>-</u>
Total governmental activities	<u>\$3,470,476</u>	<u>\$702,838</u>	<u>\$236,115</u>	<u>\$3,937,199</u>	<u>\$253,629</u>
Business-type activities:					
<u>Water and Sewer</u>					
Notes payable	\$ 539,709	\$ -	\$ 78,014	\$ 461,695	\$ 79,014
Accrued vacation pay	28,270	-	18,463	9,807	-
Other postemployment benefits	76,711	3,314	-	80,025	-
Net pension liability (LGERS)	<u>159,719</u>	<u>163,584</u>	<u>-</u>	<u>323,303</u>	<u>-</u>
Total water and sewer	<u>804,409</u>	<u>166,898</u>	<u>96,477</u>	<u>874,830</u>	<u>79,014</u>
<u>Electric</u>					
Accrued vacation pay	4,387	14,612	-	18,999	-
Other postemployment benefits	20,575	884	-	21,459	-
Net pension liability (LGERS)	<u>102,143</u>	<u>117,261</u>	<u>-</u>	<u>219,404</u>	<u>-</u>
Total electric	<u>127,105</u>	<u>132,757</u>	<u>-</u>	<u>259,862</u>	<u>-</u>
Total business-type activities	<u>\$ 931,514</u>	<u>\$299,655</u>	<u>\$ 96,477</u>	<u>\$1,134,692</u>	<u>\$ 79,014</u>

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

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

C. Interfund Balances and Activity

Transfer to/from other funds

Transfer From	Transfer To	Purpose	Amount
COVID Cares Fund	General Fund	Expense reimbursement	<u>\$70,221</u>

D. On-Behalf Payments

On-Behalf Payments for Fringe Benefits and Salaries

The Town has recognized as a revenue and as an expenditure, on-behalf payments for fringe benefits and salaries of \$12,605 for the salary supplement and stipend benefits paid to eligible firemen by the local Board of Trustees of the Firemen's Relief Fund during the fiscal year ended June 30, 2021. Under State law the local Board of Trustees for the Fund receives an amount each year, which the Board may use at its own discretion for eligible firemen or their departments.

E. Fund Balance

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

Total fund balance - General Fund	\$4,252,526
Less:	
Stabilization by State Statute	589,440
Streets- Powell Bill	135,630
Public Safety	<u>31,895</u>
Remaining Fund Balance	<u>\$3,495,561</u>

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

IV. Jointly Governed Organization

North Carolina Municipal Power Agency

The Town is a member of the North Carolina Municipal Power Agency Number 1 (the "Agency"). The Agency was formed to enable municipalities that own electric distribution systems to finance, construct, own, operate, and maintain generation and transmission facilities through the Agency. The Town receives power from the Agency, and is contractually allocated a 1.289% interest in the Agency, with the balance being shared by the nineteen other local governments. Each participating government appoints one commissioner to the Agency's governing board. The Town is obligated to purchase all of its power supply requirements from the Agency. Except for the power sales purchase requirements, no local government participant has any obligation, entitlement, or residual interest. The Town's purchases of power for the fiscal year ended June 30, 2021 were \$4,781,516.

Western Piedmont Council of Governments

The Town, in conjunction with five counties and twenty-two other municipalities, established the Western Piedmont Council of Governments (the "Council"). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The Town paid membership fees of \$2,728 to the Council during the fiscal year ended June 30, 2021.

V. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

VI. Commitments

The Town entered into various Economic Development agreements with local corporations, whereby the Town will pay the corporations an agreed amount of rebated taxes for certain periods of time. These commitments have requirements for the corporation to meet certain conditions and if these requirements are not met, no payments will be made by the Town.

TOWN OF MAIDEN, NORTH CAROLINA

Notes to the Financial Statements For the Year Ended June 30, 2021

VII. Subsequent Events

Management has evaluated subsequent events through December 1, 2021, the date on which the financial statements were available to be issued, and concluded that the following subsequent event has occurred that would require recognition in the financial statements or disclosure in the financial statements:

COVID-19 Pandemic

The spread of the Coronavirus Disease (COVID-19) has been deemed a worldwide pandemic. The COVID-19 pandemic has had significant effects on global economic markets, supply chains, businesses and communities. As a result, domestic and international equity markets have experienced significant fluctuations. The impact on the Town of Maiden, North Carolina is not reflected in the financial statements for the year ended June 30, 2021, since the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 1, 2021.

Required Supplemental Financial Data

This section contains additional information required
by generally accepted accounting principles.

Schedule of Proportionate Share of Net Pension Liability
(Asset) for Local Governmental Employees' Retirement System

Schedule of Contributions to Local Governmental
Employees' Retirement System

Schedule of Proportionate Share of Net Pension Liability for
Firefighters' and Rescue Squad Workers' Pension Plan

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

Schedule of Total Pension Liability as a Percentage of Coverage
Payroll for the Law Enforcement Officers' Special Separation Allowance

Schedule of Changes in the Total OPEB Liability and Related Ratios

TOWN OF MAIDEN, NORTH CAROLINA

Schedule A-1

Town of Maiden'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>
Maiden's proportion of the net pension liability (asset) (%)	0.04340%	0.03799%	0.03774%	0.03366%	0.03414%	0.03344%	0.03027%	0.02980%
Maiden's proportion of the net pension liability (asset) (\$)	\$1,550,867	\$1,037,477	\$ 895,322	\$ 514,234	\$ 724,565	\$ 150,077	\$ (178,516)	\$ 359,204
Maiden's covered employee payroll	\$2,753,876	\$2,464,725	\$2,019,011	\$2,152,992	\$1,831,959	\$1,781,792	\$1,633,591	\$1,503,923
Maiden's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	56.31%	42.09%	44.35%	23.89%	39.60%	8.42%	(10.93%)	23.88%
Plan fiduciary net position as a percentage of the total pension liability (asset)**	88.61%	91.63%	94.18%	91.47%	98.09%	99.07%	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 MAIDEN, NORTH CAROLINA

Schedule A-2

**Town of Maiden'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	\$ 288,657	\$ 254,234	\$ 199,359	\$ 167,915	\$ 163,374	\$ 126,349	\$ 127,970	\$ 116,585
Contributions in relation to the contractually required contribution	<u>288,657</u>	<u>254,234</u>	<u>199,359</u>	<u>167,915</u>	<u>163,374</u>	<u>126,349</u>	<u>127,970</u>	<u>116,585</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Maiden's covered-employee payroll	<u>\$2,769,686</u>	<u>\$2,753,876</u>	<u>\$2,464,725</u>	<u>\$2,019,011</u>	<u>\$2,152,992</u>	<u>\$1,831,959</u>	<u>\$1,781,792</u>	<u>\$1,633,591</u>
Contributions as a percentage of covered-employee payroll	10.42%	9.23%	8.09%	8.32%	7.59%	6.90%	7.18%	7.14%

TOWN OF MAIDEN, NORTH CAROLINA

Schedule A-3

Town of Maiden's Proportionate Share of Net Pension Liability Required Supplementary Information Last Seven Fiscal Years* Firefighters' and Rescue Squad Workers' Pension Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Maiden's proportion of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Maiden's proportion of the net pension liability (asset) (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town of Maiden	<u>31,490</u>	<u>42,528</u>	<u>58,810</u>	<u>48,003</u>	<u>39,907</u>	<u>39,618</u>	<u>28,556</u>
Total	<u>\$ 31,490</u>	<u>\$ 42,528</u>	<u>\$ 58,810</u>	<u>\$ 48,003</u>	<u>\$ 39,907</u>	<u>\$ 39,618</u>	<u>\$ 28,556</u>
Maiden's covered employee payroll	\$ 131,043	\$ 179,719	\$ 136,571	\$ 109,278	\$ 102,510	\$ 85,664	\$ 80,091
Maiden's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	24.03%	23.66%	43.06%	43.93%	38.93%	46.25%	35.65%
Plan fiduciary net position as a percentage of the total pension liability (asset)**	89.69%	89.69%	89.35%	84.94%	91.40%	93.42%	97.76%

Notes to schedules:

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

TOWN OF MAIDEN, NORTH CAROLINA**Schedule A-4****Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Five Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 402,237	\$ 347,950	\$ 318,649	\$ 268,873	\$ 251,315
Service cost	31,876	23,961	23,269	15,757	16,269
Interest	12,963	12,497	9,924	10,260	8,972
Changes in benefit terms	-	-	-	-	-
Difference between expected and actuarial experience	52,060	11,707	22,188	9,602	-
Changes in assumptions and other inputs	216,844	15,350	(16,852)	2,309	(7,683)
Benefit payments	(9,228)	(9,228)	(9,228)	(6,152)	-
Other changes	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Ending balance of the total pension liability	<u>\$ 706,752</u>	<u>\$ 402,237</u>	<u>\$ 347,950</u>	<u>\$ 318,649</u>	<u>\$ 268,873</u>

The amounts presented for each fiscal year were determined as of the prior fiscal year ending December 31.

TOWN OF MAIDEN, NORTH CAROLINA**Schedule A-5****Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Five Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 706,752	\$ 402,237	\$ 347,950	\$ 318,649	\$ 268,873
Covered payroll	1,000,442	786,074	724,214	619,674	600,256
Total pension liability as a percentage of covered payroll	70.64%	51.17%	48.05%	51.42%	44.79%

Notes to schedules:

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

TOWN OF MAIDEN, NORTH CAROLINA**Schedule A-6****Schedule of Changes in the Total OPEB Liability and Related Ratios
Last Four Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 4,619	\$ 3,896	\$ 4,067	\$ 4,468
Interest	17,087	17,057	16,679	15,335
Changes in benefit terms	-	-	-	-
Difference between expected and actuarial experience	(1,247)	50,552	(462)	(1,203)
Changes in assumptions and other inputs	43,594	13,458	(10,650)	(19,923)
Benefit payments	<u>(41,953)</u>	<u>(37,794)</u>	<u>(41,514)</u>	<u>(37,815)</u>
Net change in total OPEB liability	22,100	47,169	(31,880)	(39,138)
Total OPEB liability, beginning	<u>504,375</u>	<u>457,206</u>	<u>489,086</u>	<u>528,224</u>
Total OPEB liability, ending	<u>\$ 526,475</u>	<u>\$ 504,375</u>	<u>\$ 457,206</u>	<u>\$ 489,086</u>
Covered payroll	\$ 650,806	\$ 650,806	\$ 522,772	\$ 522,772
Total OPEB liability as a percentage of covered payroll	80.90%	77.50%	87.46%	93.56%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal year</u>	<u>Rate</u>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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TOWN OF MAIDEN, NORTH CAROLINA**Schedule 1
Page 1 of 5****General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes			
Current year	\$6,659,545	\$6,728,381	\$ 68,836
Prior year	35,000	14,222	(20,778)
Penalties and interest	-	5,406	5,406
Total	<u>6,694,545</u>	<u>6,748,009</u>	<u>53,464</u>
 Other taxes and licenses:			
Rural fire district tax	249,854	239,577	(10,277)
State fire protection	<u>2,000</u>	<u>1,950</u>	<u>(50)</u>
Total	<u>251,854</u>	<u>241,527</u>	<u>(10,327)</u>
 Unrestricted intergovernmental revenues:			
Local option sales tax	820,373	910,298	89,925
Telecommunications sales tax	26,888	36,291	9,403
Utility sales tax	726,763	744,959	18,196
Piped natural gas sales tax	19,264	26,219	6,955
Video franchise fee	11,200	16,656	5,456
Beer and wine tax	15,750	14,284	(1,466)
County fire department funds	80,000	80,000	-
Hold harmless payment	<u>151,849</u>	<u>185,762</u>	<u>33,913</u>
Total	<u>1,852,087</u>	<u>2,014,469</u>	<u>162,382</u>
 Restricted intergovernmental revenues:			
"State Street-Aid" allocation	97,750	102,474	4,724
State seizure funds	636	705	70
Grants for fire department	287,167	257,490	(29,677)
Solid waste disposal tax	3,200	2,560	(640)
On-behalf payments - fire	<u>30,000</u>	<u>12,605</u>	<u>(17,395)</u>
Total	<u>418,752</u>	<u>375,834</u>	<u>(42,918)</u>
 Permits and fees:			
Zoning permits	<u>1,000</u>	<u>3,210</u>	<u>2,210</u>

cont.

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 1
Page 2 of 5****General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues (continued):			
Sales and services:			
Court cost, fees and charges	\$ 1,500	\$ 523	\$ (978)
Cemetery revenues	12,000	12,000	-
County waste disposal fees	181,026	187,119	6,093
Recreation fees	<u>60,000</u>	<u>24,687</u>	<u>(35,313)</u>
Total	<u>254,526</u>	<u>224,329</u>	<u>(30,197)</u>
 Investment earnings:			
Investment earnings - Powell Bill	1,200	-	(1,200)
Investment earnings - general	<u>15,000</u>	<u>1,335</u>	<u>(13,665)</u>
Total	<u>16,200</u>	<u>1,335</u>	<u>(14,865)</u>
 Miscellaneous:			
Rental income	36,242	34,041	(2,201)
Reimbursement for SRO	88,366	79,122	(9,244)
Sale of surplus property	10,000	-	(10,000)
Miscellaneous	<u>15,963</u>	<u>16,086</u>	<u>123</u>
Total	<u>150,571</u>	<u>129,249</u>	<u>(21,321)</u>
 Total revenues	<u>9,639,535</u>	<u>9,737,962</u>	<u>98,428</u>
 Expenditures:			
General government:			
Governing Board:			
Salaries	-	17,660	-
Development reimbursements	-	3,284,553	-
Economic development	-	557,947	-
Other operating expenses	-	<u>187,356</u>	-
Total	<u>4,220,972</u>	<u>4,047,516</u>	<u>173,456</u>
 Administrative:			
Salaries	-	68,960	-
Other operating expenses	-	<u>43,638</u>	-
Total	<u>126,322</u>	<u>112,597</u>	<u>13,725</u>
			cont.

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 1
Page 3 of 5****General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Finance and accounting:			
Salaries	\$ -	\$ 71,055	\$ -
Other operating expenses	-	62,681	-
Total	<u>144,712</u>	<u>133,737</u>	<u>10,975</u>
Information Technology:			
Salaries	-	14,748	-
Contracted services	-	27,308	-
Other operating expenses	-	72,143	-
Total	<u>151,827</u>	<u>114,198</u>	<u>37,629</u>
Planning and zoning:			
Salaries	-	60,451	-
Contracted services	-	48,020	-
Other operating expenses	-	41,948	-
Total	<u>186,954</u>	<u>150,419</u>	<u>36,535</u>
Town Hall:			
Salaries	-	9,434	-
Repairs and maintenance	-	15,797	-
Utilities	-	18,561	-
Capital outlay	-	12,378	-
Other operating expenses	-	17,552	-
Total	<u>115,983</u>	<u>73,722</u>	<u>42,261</u>
Garage and warehouse:			
Salaries	-	13,567	-
Operating expenses	-	45,235	-
Total	<u>83,155</u>	<u>58,801</u>	<u>24,354</u>
Total general government	<u>5,029,925</u>	<u>4,690,990</u>	<u>338,935</u>

cont.

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 1
Page 4 of 5****General Fund
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (continued):			
Public safety:			
Police:			
Salaries	\$ -	\$ 1,029,034	\$ -
Employee benefits	-	443,126	-
Capital outlay	-	112,925	-
Other operating expenses	-	270,545	-
Total	<u>1,992,660</u>	<u>1,855,629</u>	<u>137,031</u>
Fire:			
Salaries	-	288,152	-
Other operating expenses	-	276,745	-
Capital outlay	-	236,402	-
Total	<u>875,353</u>	<u>801,298</u>	<u>74,055</u>
Total public safety	<u>2,868,013</u>	<u>2,656,927</u>	<u>211,086</u>
Transportation:			
Streets:			
Salaries	-	266,228	-
Other operating expenses	-	234,809	-
Capital outlay	-	460,733	-
Total	<u>1,091,479</u>	<u>961,771</u>	<u>129,709</u>
Powell Bill improvements:			
Capital outlay	<u>230,718</u>	<u>130,564</u>	<u>100,154</u>
Total transportation	<u>1,322,197</u>	<u>1,092,334</u>	<u>229,863</u>
Environmental protection:			
Sanitation:			
Other operating expenses	<u>313,669</u>	<u>289,231</u>	<u>24,438</u>

cont.

TOWN OF MAIDEN, NORTH CAROLINA

Schedule 1, cont.

Page 5 of 5

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures (continued):			
Cemetery:			
Other operating expenses	<u>\$ 42,000</u>	<u>\$ 15,357</u>	<u>\$ 26,643</u>
Total environmental protection	<u>355,669</u>	<u>304,588</u>	<u>51,081</u>
Cultural and recreational:			
Recreational:			
Salaries	-	181,228	-
Other operating expenses	-	215,313	-
Total cultural and recreational	<u>585,377</u>	<u>396,541</u>	<u>188,836</u>
Debt service:			
Principal retirement	-	236,116	-
Interest	-	49,116	-
Total debt service	<u>285,236</u>	<u>285,232</u>	<u>4</u>
Total expenditures	<u>10,446,417</u>	<u>9,426,613</u>	<u>1,019,804</u>
Revenues over (under) expenditures	<u>(806,882)</u>	<u>311,348</u>	<u>1,118,230</u>
Other Financing Sources (Uses):			
Proceeds of long-term debt	146,847	146,847	-
Reimbursements from:			
Electric fund	372,787	372,787	-
Water and sewer fund	24,489	24,489	-
Operating transfers in (out):			
Capital projects fund	(190,000)	-	190,000
Covid cares fund	70,221	70,221	-
Fund balance appropriated	<u>382,538</u>	<u>-</u>	<u>(382,538)</u>
Total other financing sources (uses)	<u>806,882</u>	<u>614,344</u>	<u>(192,538)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>925,692</u>	<u>\$ 925,692</u>
Fund balance, beginning of year		<u>3,326,834</u>	
Fund balance, end of year		<u>\$4,252,526</u>	

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 2****Combining Balance Sheet
Non-major Governmental Funds
June 30, 2021**

	General Capital Project Reserve Fund	Cemetery Trust Fund	Police Facility Construction Capital Project Fund	Covid Cares Fund	Total Non-major Governmental Funds
<u>Assets</u>					
Current assets:					
Cash and investments	\$ 305,095	\$ -	\$ 238,240	\$ -	\$ 543,335
Restricted cash	<u>-</u>	<u>64,299</u>	<u>-</u>	<u>-</u>	<u>64,299</u>
Total assets	<u>\$ 305,095</u>	<u>\$ 64,299</u>	<u>\$ 238,240</u>	<u>\$ -</u>	<u>\$ 607,634</u>
<u>Liabilities and Fund Balances</u>					
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
Restricted:					
Cemetery care	-	64,299	-	-	64,299
Committed:					
Capital improvements	<u>305,095</u>	<u>-</u>	<u>238,240</u>	<u>-</u>	<u>543,335</u>
Total fund balances	<u>305,095</u>	<u>64,299</u>	<u>238,240</u>	<u>-</u>	<u>607,634</u>
Total liabilities and fund balances	<u>\$ 305,095</u>	<u>\$ 64,299</u>	<u>\$ 238,240</u>	<u>\$ -</u>	<u>\$ 607,634</u>

TOWN OF MAIDEN, NORTH CAROLINA

Schedule 3

**Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2021**

	General Capital Project <u>Reserve Fund</u>	Cemetery <u>Trust Fund</u>	Police Facility Construction Capital <u>Project Fund</u>	Covid Cares <u>Fund</u>	Total Non-major Governmental <u>Funds</u>
Revenues:					
Grants	\$ -	\$ -	\$ -	\$ 70,015	\$ 70,015
Other revenue	-	-	-	206	206
Interest on investments	<u>239</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>303</u>
Total revenues	<u>239</u>	<u>64</u>	<u>-</u>	<u>70,221</u>	<u>70,524</u>
Expenditures:					
Economic and physical development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>239</u>	<u>64</u>	<u>-</u>	<u>70,221</u>	<u>70,524</u>
Other financing sources (uses):					
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,221)</u>	<u>(70,221)</u>
Revenues over (under) expenditures and other uses	239	64	-	-	303
Fund balances, beginning of year	<u>304,856</u>	<u>64,235</u>	<u>238,240</u>	<u>-</u>	<u>607,331</u>
Fund balances, end of year	<u>\$ 305,095</u>	<u>\$ 64,299</u>	<u>\$ 238,240</u>	<u>\$ -</u>	<u>\$ 607,634</u>

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 4****General Capital Project Reserve Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Interest on investments	\$ -	\$ 239	\$ 239
Expenditures:			
Capital outlay	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Revenues over (under) expenditures	(110,000)	239	110,239
Other financing sources:			
Transfer from General Fund	<u>110,000</u>	<u>-</u>	<u>(110,000)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	239	<u>\$ 239</u>
Fund balance, beginning of year		<u>304,856</u>	
Fund balance, end of year		<u>\$ 305,095</u>	

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 5****Cemetery Trust Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Interest on investments	\$ 600	\$ 64	\$ (536)
Expenditures:			
Cemetery maintenance	<u>600</u>	<u>-</u>	<u>600</u>
Revenues over (under) expenditures	<u>\$ -</u>	64	<u>\$ 64</u>
Fund balance, beginning of year		<u>64,235</u>	
Fund balance, end of year		<u>\$ 64,299</u>	

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 6****Police Facility Construction Capital Project Fund
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Interest	\$ -	\$ 118	\$ -	\$ 118
Expenditures:				
Furnishings	420,850	346,061	-	346,061
Construction cost	2,228,300	2,069,203	-	2,069,203
Administration/testing/permits	170,569	66,333	-	66,333
Total expenditures	<u>2,819,719</u>	<u>2,481,597</u>	<u>-</u>	<u>2,481,597</u>
Revenues over (under) expenditures	<u>(2,819,719)</u>	<u>(2,481,479)</u>	<u>-</u>	<u>(2,481,479)</u>
Other financing sources:				
Proceeds from installment financing	2,000,000	2,000,000	-	2,000,000
Transfers from:				
General Fund	416,344	416,344	-	416,344
General Capital Project Reserve Fund	403,375	303,375	-	303,375
Total other financing sources	<u>2,819,719</u>	<u>2,719,719</u>	<u>-</u>	<u>2,719,719</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 238,240</u>	<u>-</u>	<u>\$ 238,240</u>
Fund balance, beginning of year			<u>238,240</u>	
Fund balance, end of year			<u>\$ 238,240</u>	

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 7****COVID Cares Fund**
Schedule of Revenues, Expenditures and Other Financing Sources (Uses) -
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Grants	\$ 70,015	\$ 70,015	\$ -
Other	<u>206</u>	<u>206</u>	<u>-</u>
Total revenues	<u>70,221</u>	<u>70,221</u>	<u>-</u>
Expenditures:			
General government	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>70,221</u>	<u>70,221</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfers	<u>(70,221)</u>	<u>(70,221)</u>	<u>-</u>
Total other financing sources (uses)	<u>(70,221)</u>	<u>(70,221)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 8
Page 1 of 3****Water and Sewer Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues:			
Water sales	\$ 1,419,437	\$ 1,246,892	\$ (172,545)
Sewer charges	871,971	867,776	(4,195)
Water and sewer taps	15,000	27,810	12,810
Cut-on and late penalty fees	65,000	73,532	8,532
Other operating revenues	<u>9,100</u>	<u>21,175</u>	<u>12,075</u>
Total operating revenues	<u>2,380,508</u>	<u>2,237,184</u>	<u>(143,324)</u>
Non-operating revenues:			
Interest on investments	<u>21,225</u>	<u>1,768</u>	<u>(19,457)</u>
Total non-operating revenues	<u>21,225</u>	<u>1,768</u>	<u>(19,457)</u>
Other Financing Sources (Uses):			
Transfer from water plant dam project fund	-	187,500	187,500
Fund balance appropriated	<u>383,927</u>	<u>-</u>	<u>(383,927)</u>
Total other financing sources (uses)	<u>383,927</u>	<u>187,500</u>	<u>(196,427)</u>
Total revenues	<u>2,785,660</u>	<u>2,426,453</u>	<u>(359,208)</u>
			cont.

TOWN OF MAIDEN, NORTH CAROLINA

Schedule 8,cont

Page 2 of 3

Water and Sewer Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Expenditures:			
Water operations:			
Purchases for resale	\$ 445,501	\$ 435,890	\$ 9,611
Salaries and wages	233,772	218,043	15,729
Employee benefits	104,120	83,970	20,150
Contracted services	191,988	118,603	73,385
Supplies	108,500	84,144	24,357
Repairs and maintenance	32,000	14,243	17,757
Utilities	7,970	5,711	2,259
Travel and training	1,500	649	851
Insurance	9,200	7,758	1,442
Reimbursement to General Fund	12,244	12,244	-
Capital outlay	163,809	144,420	19,389
Other operating expenses	<u>143,860</u>	<u>133,654</u>	<u>10,206</u>
Total operating expenditures	<u>1,454,464</u>	<u>1,259,328</u>	<u>195,136</u>
Wastewater treatment plant:			
Salaries and wages	150,437	157,726	(7,289)
Employee benefits	61,095	55,561	5,534
Contracted services	98,917	24,427	74,490
Supplies	82,700	39,149	43,551
Repairs and maintenance	24,000	7,337	16,663
Utilities	100,450	92,829	7,621
Travel and training	3,000	1,256	1,744
Insurance	18,490	12,695	5,795
Non capital outlay	7,000	1,617	5,383
Capital outlay	30,800	-	30,800
Other operating expenses	<u>37,900</u>	<u>28,546</u>	<u>9,354</u>
Total wastewater treatment plant	<u>614,789</u>	<u>421,143</u>	<u>193,646</u>
			cont.

TOWN OF MAIDEN, NORTH CAROLINA

Schedule 8, cont.

Page 3 of 3

Water and Sewer Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)

For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Sewer mains:			
Salaries and wages	\$ 228,450	\$ 236,583	\$ (8,133)
Employee benefits	102,651	78,391	24,260
Contracted services	86,121	79,807	6,315
Supplies	24,500	16,964	7,536
Repairs and maintenance	93,000	69,839	23,161
Utilities	17,900	14,382	3,518
Travel and training	2,000	450	1,550
Insurance	10,000	8,789	1,211
Reimbursement to General Fund	12,245	12,245	-
Capital outlay	43,105	40,222	2,883
Other operating expenses	<u>15,040</u>	<u>7,559</u>	<u>7,481</u>
Total sewer mains	<u>635,012</u>	<u>565,230</u>	<u>69,782</u>
Budgetary appropriations:			
Payment of debt principal	<u>81,395</u>	<u>79,014</u>	<u>2,382</u>
Total budgetary appropriations	<u>81,395</u>	<u>79,014</u>	<u>2,382</u>
Total expenditures	<u>2,785,660</u>	<u>2,324,715</u>	<u>460,946</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 101,738</u>	<u>\$ 101,738</u>
Reconciliation From Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues and other sources (uses) over (under) expenditures		\$ 101,738	
Reconciling items:			
Payment on debt principal		79,014	
Increase (decrease) in inventory		(15,620)	
Income from capital projects		1,285,654	
Capital outlay		184,641	
Increase (decrease) in deferred outflows of resources - pension		78,353	
(Increase) decrease in net pension liability		(163,584)	
(Increase) decrease in deferred inflows of resources -pension		1,213	
Increase (decrease) in deferred outflows of resources - OPEB		4,124	
(Increase) decrease in OPEB		(3,315)	
(Increase) decrease in deferred inflows of resources -OPEB		64	
Depreciation		(391,603)	
Net income (loss)		<u>\$ 1,160,679</u>	

TOWN OF MAIDEN, NORTH CAROLINA

Schedule 9

**Water and Sewer Capital Project
Water Plant Dam Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021**

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Interest	\$ -	\$ 9,893	\$ 66	\$ 9,959
Restricted grant	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total revenues	<u>75,000</u>	<u>84,893</u>	<u>66</u>	<u>84,959</u>
Expenditures:				
Consulting fees	144,300	108,060	-	108,060
Siphon	133,905	104,309	-	104,309
Demolition/Mobilization	28,483	28,483	-	28,483
Drainage, piping, and sluice gate	96,925	96,926	-	96,926
Concrete	11,963	11,962	-	11,962
Construction	468,668	450,430	-	450,430
Contingency	<u>57,193</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>941,437</u>	<u>800,170</u>	<u>-</u>	<u>800,170</u>
Revenues over (under) expenditures	<u>(866,437)</u>	<u>(715,277)</u>	<u>66</u>	<u>(715,212)</u>
Other financing sources:				
Transfers from:				
Water and sewer fund	531,300	752,550	(187,500)	565,050
Water and sewer debt service fund	42,193	42,193	-	42,193
Kluttz Library and Education Center construction and capital project fund	145,606	145,606	-	145,606
Water and sewer capital projects				
Main Street water project fund	40,109	40,109	-	40,109
Wastewater Treatment Plan fund	<u>107,229</u>	<u>107,229</u>	<u>-</u>	<u>107,229</u>
Total other financing sources	<u>866,437</u>	<u>1,087,687</u>	<u>(187,500)</u>	<u>900,187</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 372,410</u>	<u>\$ (187,434)</u>	<u>\$ 184,975</u>

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 10****Water and Sewer Capital Project Fund
Schedule of Revenues, Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Interest on investments	\$ -	\$ 268	\$ 268
Expenditures:			
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 268</u>	<u>\$ 268</u>

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 11**

**Water and Sewer Capital Project
Duke Energy Water Lines and Sewer Mains Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021**

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Duke Energy funds	\$ 1,569,000	\$ -	\$1,569,000	\$1,569,000
Total revenues	<u>1,569,000</u>	<u>-</u>	<u>1,569,000</u>	<u>1,569,000</u>
Expenditures:				
Engineering	200,700	-	96,180	96,180
Easements	30,000	-	-	-
Site work	253,000	-	-	-
Water mains	707,500	-	-	-
Sewer force mains	<u>153,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contingency	<u>223,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,569,000</u>	<u>-</u>	<u>96,180</u>	<u>96,180</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,472,820</u>	<u>\$1,472,820</u>

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 12**
Page 1 of 2**Electric Fund**
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues:			
Operating revenues:			
Electricity billings	\$8,266,051	\$8,416,446	\$ 150,395
Miscellaneous	<u>7,426</u>	<u>-</u>	<u>(7,426)</u>
Total operating revenues	<u>8,273,477</u>	<u>8,416,446</u>	<u>142,969</u>
Nonoperating revenues (expenses):			
Interest on investments	3,200	426	(2,774)
Gain on disposal of fixed assets	<u>-</u>	<u>49,134</u>	<u>49,134</u>
Total nonoperating revenues	<u>3,200</u>	<u>49,560</u>	<u>46,360</u>
Other financing sources (uses):			
Operating transfers in (out) -			
Capital projects fund	(65,000)	(65,000)	-
Fund balance appropriated	<u>29,024</u>	<u>-</u>	<u>(29,024)</u>
Total other financing sources (uses)	<u>(35,976)</u>	<u>(65,000)</u>	<u>(29,024)</u>
Total revenues	<u>8,240,700</u>	<u>8,401,006</u>	<u>160,305</u>
Expenditures:			
Electrical operations:			
Power purchases:			
Demand energy charges	5,705,644	5,751,646	(46,002)
Sales tax	172,524	160,441	12,083
Salaries and wages	499,072	428,992	70,080
Employee benefits	200,492	162,618	37,874
Supplies	203,940	84,667	119,273
Maintenance and repairs	31,800	35,349	(3,549)
Travel and training	23,000	904	22,096
Insurance	25,000	20,121	4,879
			cont.

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 12
Page 2 of 2****Electric Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reimbursement to General Fund	\$ 372,787	\$ 372,787	\$ -
Capital outlay	541,794	166,891	374,903
Other operating expenses	464,647	137,307	327,340
Total electrical operations	<u>8,240,700</u>	<u>7,321,724</u>	<u>918,976</u>
 Total expenditures	 <u>8,240,700</u>	 <u>7,321,724</u>	 <u>918,976</u>
 Revenues and other sources (uses) over (under) expenditures	 <u>\$ -</u>	 <u>\$ 1,079,281</u>	 <u>\$ 1,079,281</u>

**Reconciliation From Budgetary Basis
(Modified Accrual) to Full Accrual:**

Revenues and other sources (uses) over (under) expenditures	\$ 1,079,281
Reconciling items:	
Increase (decrease) in inventory	(33,090)
Capital outlay	76,631
Interest income from capital project and rate stabilization fund	444
Transfer to Electric capital project fund	- 65,000
Decrease (increase) in accrued vacation pay	(14,612)
Increase (decrease) in deferred outflows of resources - pension	59,323
(Increase) decrease in net pension liability	(117,261)
(Increase) decrease in deferred inflows of resources -pension	442
Increase (decrease) in deferred outflows of resources - OPEB	1,835
(Increase) decrease in OPEB	(884)
(Increase) decrease in deferred inflows of resources -OPEB	442
Depreciation	<u>(133,435)</u>
 Net income (loss)	 <u>\$ 984,118</u>

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 13****Electric Rate Stabilization Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Interest income	\$ -	\$ 244	244
Expenditures:			
Rate stabilization	<u>1,252,459</u>	<u>-</u>	<u>1,252,459</u>
Revenues over (under) expenditures before other financing sources	<u>(1,252,459)</u>	<u>244</u>	<u>(1,252,215)</u>
Other financing sources:			
Transfer from Electric Operating Fund	1,056,940	-	1,056,940
Fund balance appropriated	<u>195,519</u>	<u>-</u>	<u>195,519</u>
Total other financing sources	<u>1,252,459</u>	<u>-</u>	<u>1,252,459</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	244	<u>\$ 244</u>
Fund balance, beginning of year		<u>1,263,259</u>	
Fund balance, end of year		<u>\$ 1,263,503</u>	

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 14****Electric Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non - GAAP)
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment interes	\$ -	\$ 199	\$ 199
Expenditures:			
Capitl outlay	<u>65,000</u>	<u>-</u>	<u>65,000</u>
Revenues over (under) expenditures	(65,000)	199	65,199
Other financing sources:			
Transfer from Electic Operating Fund	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 65,199</u>	<u>\$ 65,199</u>

Other Schedules

This section contains additional information on property taxes.

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy

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TOWN OF MAIDEN, NORTH CAROLINA**Schedule 15****Schedule of Ad Valorem Taxes Receivable
June 30, 2021**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020 - 2021	\$ -	\$ 6,744,377	\$ 6,733,050	\$ 11,327
2019 - 2020	15,672	-	9,484	6,188
2018 - 2019	7,545	-	4,458	3,087
2017 - 2018	4,042	-	1,158	2,884
2016 - 2017	2,913	-	625	2,288
2015 - 2016	2,473	-	248	2,225
2014 - 2015	1,857	-	264	1,593
2013 - 2014	4,168	-	285	3,883
2012 - 2013	3,564	-	199	3,365
2011 - 2012	3,235	-	96	3,139
2010 - 2011	2,827	-	2,827	-
2009 - 2010	3,297	-	3,297	-
	<u>\$ 51,593</u>	<u>\$ 6,744,377</u>	<u>\$ 6,755,991</u>	39,979
Less allowance for uncollectible accounts:				
General fund				<u>28,000</u>
Ad valorem taxes receivable - net				<u>\$ 11,979</u>
Reconcilement with revenues:				
Taxes - Ad Valorem, General				\$ 6,748,008
Releases				<u>13,388</u>
				6,761,396
Less penalties and interest collected				<u>(5,405)</u>
				<u>\$ 6,755,991</u>

TOWN OF MAIDEN, NORTH CAROLINA**Schedule 16****Analysis of Current Tax Levy
Town - Wide Levy
For the Year Ended June 30, 2021**

	<u>Town Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy:					
Property taxes at current year rate	\$ 1,772,621,842	0.38	\$ 6,735,963	\$6,598,264	\$137,699
Discoveries	2,656,316		10,094	10,094	-
Abatements	<u>(442,105)</u>		<u>(1,680)</u>	<u>(960)</u>	<u>(720)</u>
Total property valuation	<u>\$ 1,774,836,053</u>				
Net levy			6,744,377	6,607,398	136,979
Uncollected taxes at June 30, 2021			<u>11,327</u>	<u>11,327</u>	<u>-</u>
Current year's tax collected			<u>\$ 6,733,050</u>	<u>\$6,596,071</u>	<u>\$136,979</u>
Current levy collection percentage			<u>99.83%</u>	<u>99.82%</u>	<u>100.00%</u>

Compliance Section

Lowdermilk Church & Co., L.L.P.
Certified Public Accountants

121 N. Sterling Street
Morganton, North Carolina 28655
Phone: (828) 433-1226
Fax: (828) 433-1230

**Independent Auditors' Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Maiden, North Carolina as of, and for, the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Maiden, North Carolina's basic financial statements, and have issued our report thereon dated December 1, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Maiden, North Carolina's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Maiden, North Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Maiden, North Carolina's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Maiden, North Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lowmuth Church & Co., L.L.P.

Morganton, North Carolina
December 1, 2021

TOWN OF MAIDEN, NORTH CAROLINA

**Schedule of Findings and Responses
For the Year Ended June 30, 2021**

Section I. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial
statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no
Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted _____ yes X no

Section II. Financial Statement Findings

No Findings.